

CapitaLand Integrated Commercial Trust

凯德综合商业信托

# CapitaLand Investment & REITs Taiwan Corporate Day

19 November 2021

Funan

CapitaLand  
Integrated Commercial  
Trust



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# About CICT



CapitaGreen, Singapore

**CapitaLand**  
Integrated Commercial  
Trust

# CapitaLand Integrated Commercial Trust 凯德综合商业信托 (CICT)

## Investment Merits



Largest proxy for Singapore's commercial real estate market with proven track record and trading liquidity

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Well-diversified quality portfolio in strategic locations that offers resilience and stability through market cycles

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Ability to tap on opportunities in Singapore and other developed markets to drive performance and growth

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Committed to generate stable distributions and sustainable returns to unitholders;  
Trading at >5% yield based on analyst forecast consensus FY 2022 DPU

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Backed by a strong sponsor with highly experienced fund and property management teams

# Largest proxy for Singapore's commercial real estate market



**Market Capitalisation**

**S\$14.1 billion<sup>(1)</sup>**



**Total Net Lettable Area**

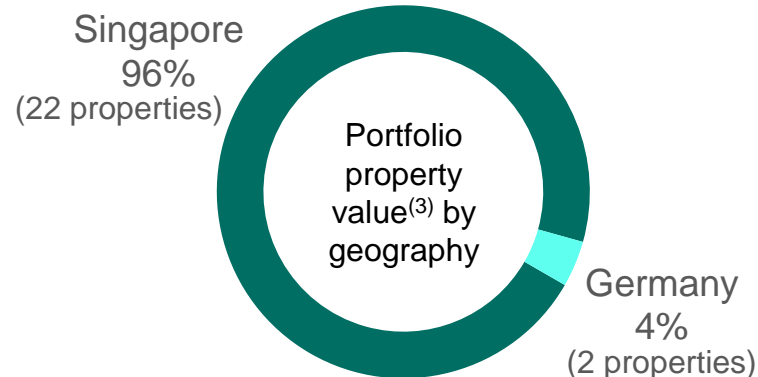
**10.4 million sq ft<sup>(2)</sup>**



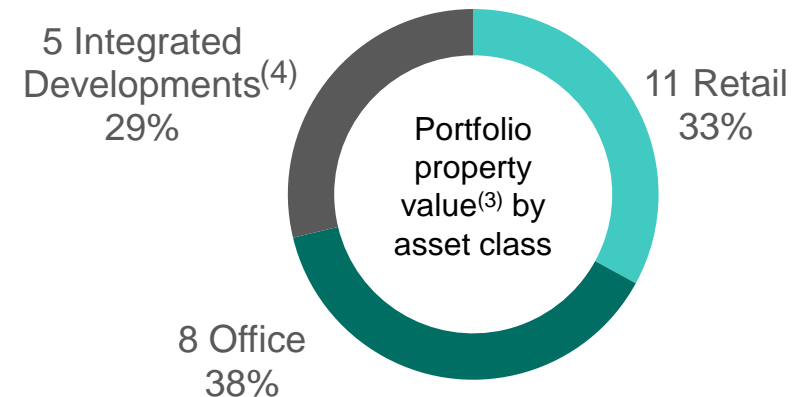
**Portfolio Property Value**

**S\$22.3 billion<sup>(3)</sup>**

**Predominantly Singapore-focused with no more than 20% of portfolio property value overseas**



**Diversified across three asset classes; all 24 assets are green-rated**

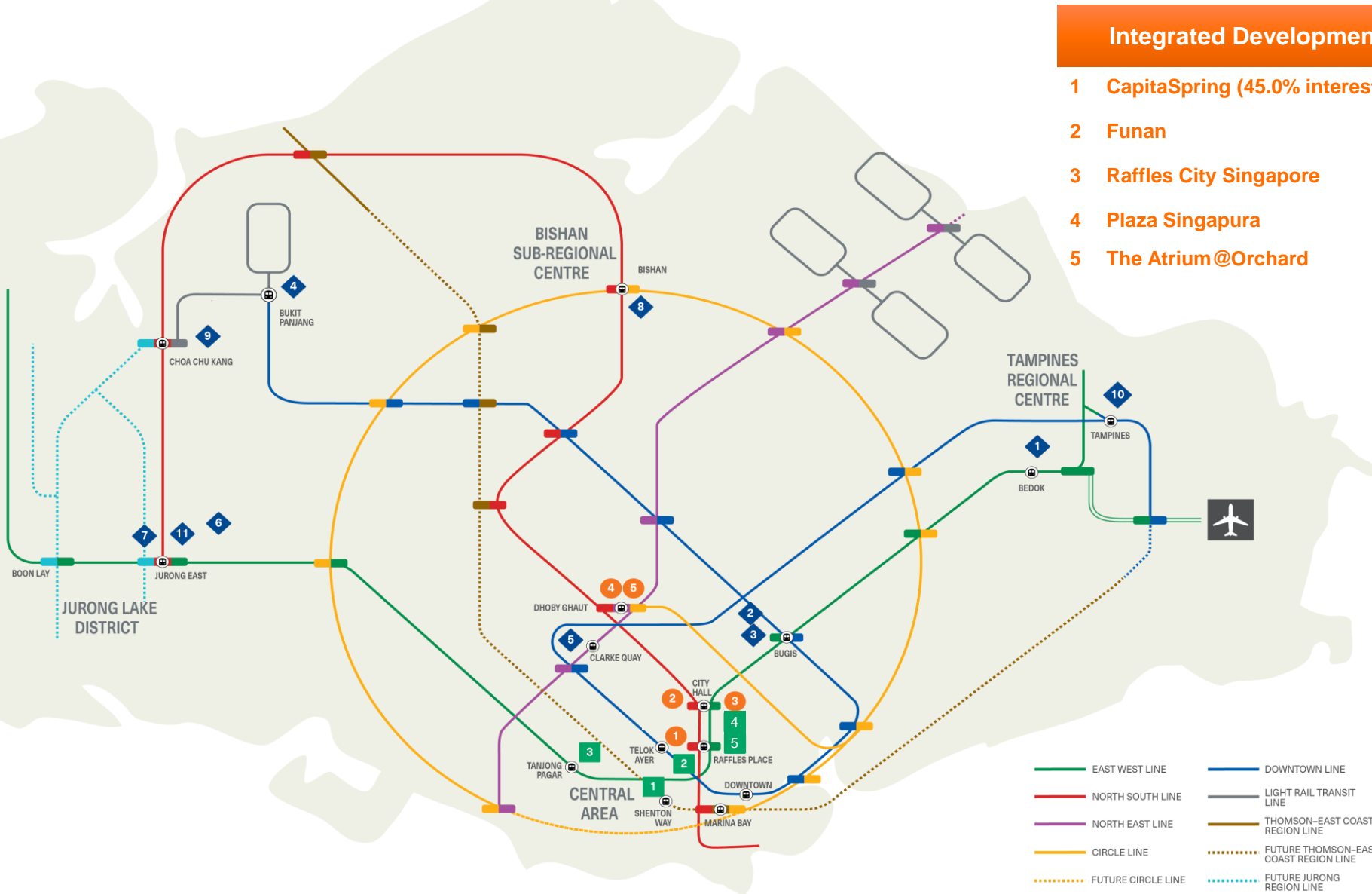


Notes:

- (1) Based on closing price of S\$2.18 as at 17 November 2021.
- (2) Excludes CapitaSpring which is undergoing redevelopment.
- (3) Based on valuations as at 31 December 2020.
- (4) Integrated developments comprises office, retail and hotel or serviced residence components within the same development.



# Well-located Properties Across Singapore



## Integrated Developments

- 1 CapitaSpring (45.0% interest)
- 2 Funan
- 3 Raffles City Singapore
- 4 Plaza Singapura
- 5 The Atrium@Orchard

## Office

- 1 Asia Square Tower 2
- 2 CapitaGreen
- 3 Capital Tower
- 4 One George Street (50.0% interest)
- 4 Six Battery Road
- 5 21 Collyer Quay

## Retail

- 1 Bedok Mall
- 2 Bugis+
- 3 Bugis Junction
- 4 Bukit Panjang Plaza
- 5 Clarke Quay
- 6 IMM Building
- 7 JCube
- 8 Junction 8
- 9 Lot One Shoppers' Mall
- 10 Tampines Mall
- 11 Westgate

PROPERTIES IN SUBURBAN AREAS

# Exposure to Germany's Office Market with 2 Strategically Located Properties in Frankfurt Airport Office District and Banking District

Excellent connectivity between Frankfurt airport and Frankfurt city centre via a comprehensive transportation infrastructure network

Close proximity between Frankfurt airport office district and Frankfurt city centre

## 20 mins by Car

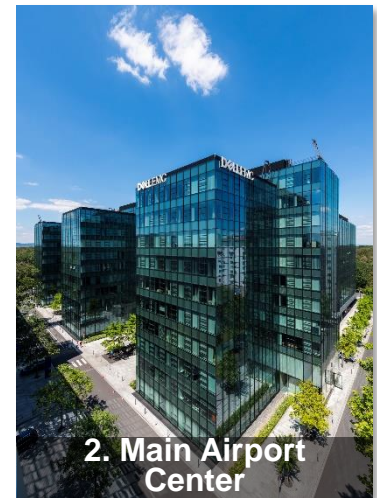
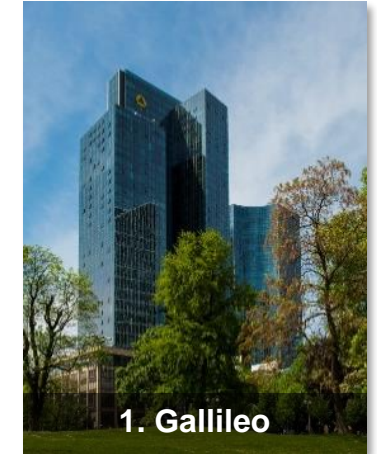
- Via A3 / A5 motorways

## 11 mins by Train

- Inter City Express (ICE) high speed trains offer 204 domestic and regional connections

## 15 mins by S-Bahn commuter railway

- 4 stops to Frankfurt city centre (Frankfurt central station)



# Key Operational Highlights



**Portfolio Committed  
Occupancy**  
(as at 30 Sep 2021)

**94.4%**



**Retail Tenants' Sales psf**  
(average monthly  
of YTD Sep 2021)

**Recovery level**  
**83.8%**<sup>(1)</sup>  
vs FY 2019 Average

**101.0%**<sup>(2)</sup>  
vs YTD Sep 2020 Average



**Portfolio WALE<sup>(3)</sup>**  
(as at 30 Sep 2021)

**3.0 years**



**Return of Office  
Community**  
(average for week ended  
15 Oct 2021)

**15.7%**<sup>(4)</sup>

Notes:

- (1) Comparison against FY 2019 average monthly tenants' sales psf and adjusted for non-trading days.
- (2) Comparison against YTD Sep 2020 average monthly tenants' sales psf and adjusted for non-trading days.
- (3) Portfolio weighted average lease expiry (WALE) is based on gross rental income for the month of September 2021 and excludes gross turnover rent. Includes 50.0% interest in One George Street, Singapore, 94.9% interest in Gallileo and Main Airport Center, Frankfurt; and WeWork's 7-year lease at 21 Collyer Quay.
- (4) Work from home is the default work arrangement as at 15 October 2021.



# Key Financial Indicators



**Aggregate  
Leverage<sup>(1)</sup>**

**40.9%**



**Average Cost  
of Debt<sup>(2)</sup>**

**2.3%**



**Issuer Rating**

**'A3' by Moody's  
'A-' by S&P**



**% of Borrowings on  
Fixed Rate**

**84%**

All information as at 30 September 2021.

Notes:

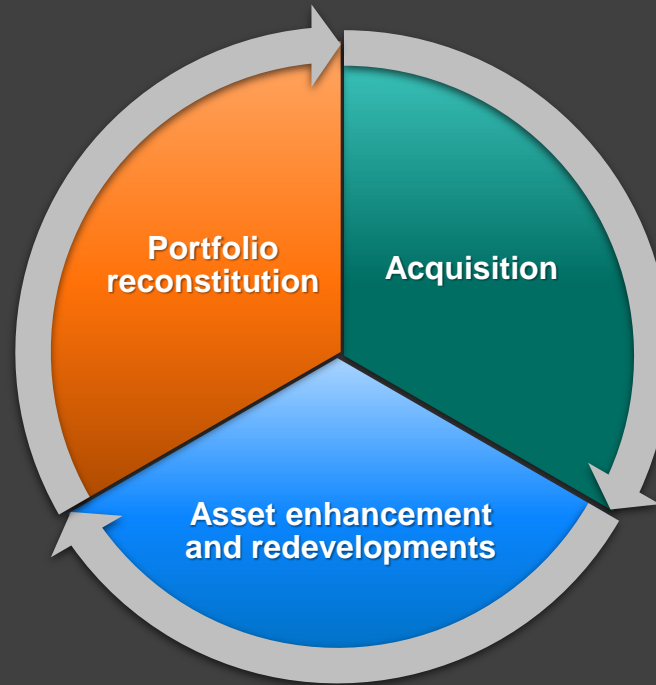
(1) In accordance with Property Funds Appendix, CICT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage. Correspondingly, the ratio of total gross borrowings to total net assets is 71.9%.

(2) Ratio of interest expense over weighted average borrowings.

# CICT's Value Creation Strategy

To deliver stable distributions and sustainable returns to unitholders

- Undertaking appropriate divestment of assets that have reached their optimal life cycle
  - **Sale of 50% interest in One George Street**
- Redeploying divestment proceeds into higher yielding properties or other growth opportunities



- Investing through property market cycles in Singapore, Germany and other developed markets
- Guide for overseas exposure not more than 20% of portfolio value
- Seeking opportunities from third parties and CapitaLand
- Asset class focus: Retail, office and integrated developments

- Achieving the highest and best use for properties
- Repositioning or repurposing single use assets in line with changing real estate trends and consumers' preferences
- Redeveloping properties from single use to integrated projects



# Execution of value creation strategy

## Optimise Development Potential

Redevelopment of car park into a commercial asset



- CapitaSpring to obtain full TOP by end-2021
- Committed occupancy at 83.1%

## Active Asset Management

Rejuvenation of offerings and enhancing retail experience at Raffles City shopping mall



- Strong sense of arrival with more specialty retail along Level 1 corridor fronting the main entrance from City Hall MRT
- Target completion in 4Q 2022

## Portfolio Reconstitution

Sale of 50.0% interest in One George Street



- Sale price of S\$640.7 million (50.0% interest), ~14% above book value as at 31 Dec 2020
- Exit NPI yield of 3.17%

# Strong Emphasis on ESG: Credentials

## Recognition



Global Real Estate Sustainability Benchmark (GRESB) 2021  
Rated **5-star** with improvement to **87 points** from 85 points and **'A'** for public disclosure



Singapore Governance and Transparency Index 2021 (SGTI) (*REIT and Business Trust category*)

- **Fifth position**



Governance Index for Trusts 2021 (GIFT)

- **Ninth position**

## Inclusion in sustainability indices



- ✓ FTSE4Good Developed Index
- ✓ FTSE4Good ASEAN 5 Index
- ✓ MSCI Pacific ESG Leaders Index
- ✓ iEdge ESG Leaders Index
- ✓ STOXX® Global ESG Leaders
- ✓ Global ESG Governance Leaders

## Sustainable financing



17% of CICT's portfolio borrowings are green/sustainability-linked as at 30 September 2021



# Why Invest in CICT?

- ✓ High liquidity with average monthly traded volume of >350 million units
- ✓ Attractive yield of >5% based on analyst forecast consensus FY 2022 DPU
- ✓ Diversification across office, retail and integrated developments
- ✓ Predominantly Singapore focused with no more than 20% of portfolio property value overseas
- ✓ Riding on Singapore's gradual re-opening



85% of Singapore's population has completed their full regimen of COVID-19 vaccines<sup>(1)</sup> as at 15 November 2021



Fully vaccinated workers can return to office from 1 January 2022



Singapore extended Vaccinated Travel Lane scheme to more countries



Up to 5 fully vaccinated persons from the same household allowed to dine-in at F&B establishments

**CICT to capitalise on opportunities in Singapore and overseas developed markets with re-opening**

Note:

(1) Source: Ministry of Health. Please visit Ministry of Health's [website](#) for the latest COVID-19 updates



# The End

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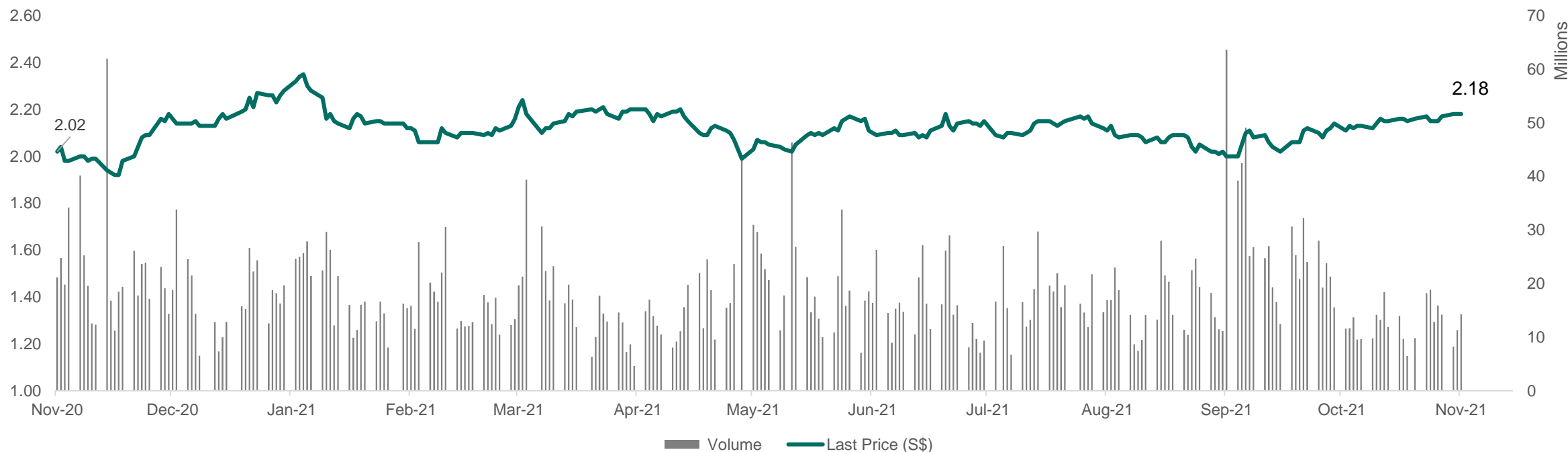


# Additional information

# CICT's 12-month trading price performance was up 7.9%; Average monthly traded volume of 368.1 million units

CICT's trading price range: S\$1.95 – S\$2.35

CICT Trading Performance as at 17 Nov 2021



	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	1-17 Nov 2021
Monthly Trading Volume	597,487,596	393,831,655	426,518,800	316,886,355	388,474,072	253,377,400	438,015,093	370,237,714	332,405,700	345,232,500	533,004,890	377,143,603	153,804,800

Source: Bloomberg

# Proactive Capital Management

	As at 30 September 2021	As at 30 June 2021
Total Borrowings (S\$ billion)	9.5	9.4
Aggregate Leverage <sup>(1)</sup>	40.9%	40.5%
% of Borrowings that are Green/Sustainability-linked	17%	15%
% of Borrowings on Fixed Interest Rate	84%	85%
% of Total Assets that are Unencumbered	95.7%	95.8%
Net Debt / EBITDA <sup>(2)</sup>	N.M.	N.M.
Interest Coverage <sup>(3)</sup>	4.1x	4.0x
Average Term to Maturity (years)	4.1	4.3
Average Cost of Debt <sup>(4)</sup>	2.3%	2.4%
CICT's Issuer Rating <sup>(5)</sup>	<b>'A3' by Moody's</b> <b>'A-' by S&amp;P</b>	<b>'A3' by Moody's</b> <b>'A-' by S&amp;P</b>

Notes:

- (1) In accordance with Property Funds Appendix, CICT's proportionate share of its joint ventures' borrowings and deposited property values are included when computing aggregate leverage. Correspondingly, the ratio of total gross borrowings to total net assets is 71.9%.
- (2) Net Debt comprises Gross Debt less total cash and EBITDA refers to earnings of CICT Group, before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and non-operational gain/loss), on a trailing 12-month basis.
- (3) Ratio of earnings of CICT Group, before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation and non-operational gain/loss) over interest expense and borrowing-related costs, on a trailing 12-month basis.
- (4) Ratio of interest expense over weighted average borrowings.
- (5) Moody's Investors Service downgraded CICT's issuer rating to 'A3' on 1 October 2020. S&P Global Ratings assigned 'A-' issuer rating to CICT on 30 September 2020.

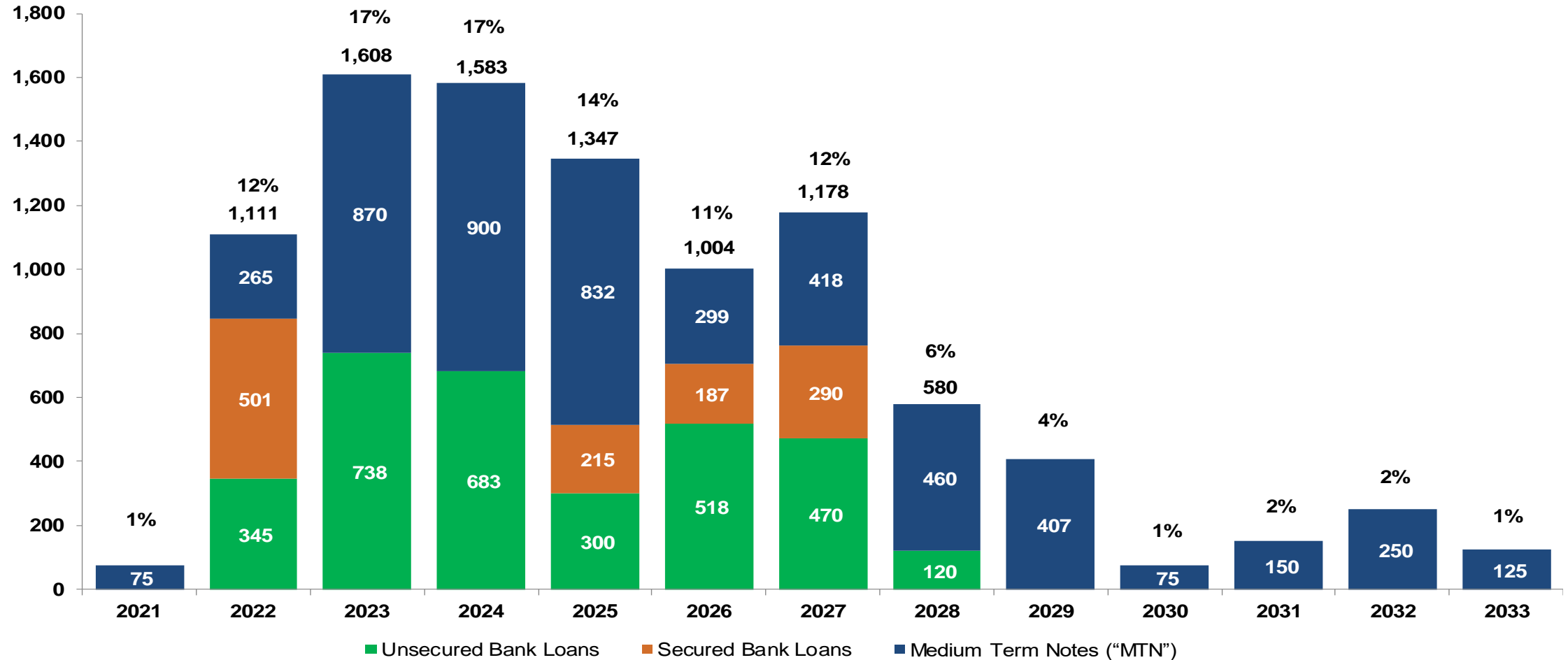
N.M.: Not meaningful



# CICT Debt Maturity Profile as at 30 September 2021

Facilities in place to refinance debt maturing in 2021 and 2022<sup>(1)</sup>

S\$ million

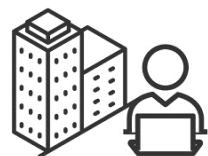


Notes:

(1) Excluding debt under JVs due in 2022.

Please visit [CICT website](#) for details of the respective MTN.

# Operational Highlights – Portfolio and Integrated Developments



**Portfolio  
Occupancy**

**94.4%**

as at 30 Sep 2021



**Portfolio WALE by Monthly  
Gross Rental Income (GRI)<sup>(1)</sup>**

**3.0 Years**

as at 30 Sep 2021



**Integrated Developments  
Occupancy**

**96.2%**

as at 30 Sep 2021



**Integrated Developments  
WALE by Monthly GRI<sup>(2)</sup>**

**5.0 Years**

as at 30 Sep 2021

Notes:

(1) Portfolio weighted average lease expiry (WALE) is based on gross rental income for the month of September 2021 and excludes gross turnover rent. Includes 50.0% interest in One George Street, Singapore, 94.9% interest in Gallileo and Main Airport Center, Frankfurt; and WeWork's 7-year lease at 21 Collyer Quay.

(2) Based on gross rental income as at 30 September 2021 and excludes turnover rents.



# Operational Highlights – Retail Segment



**Retail  
Occupancy<sup>(1)</sup>**

**96.4%**  
as at 30 Sep 2021



**Retail WALE by  
Monthly GRI<sup>(2)</sup>**

**1.9 Years**  
as at 30 Sep 2021



**Shopper Traffic**

Recovered to  
**100.9%**  
vs YTD Sep 2020 Average



**Retail Tenants' Sales  
Per Square Foot**

Recovered to  
**101.0%**  
vs YTD Sep 2020 Average

Notes:

(1) Retail occupancy includes retail only properties and the retail components within integrated developments

(2) Based on gross rental income of committed leases in retail properties and retail components in Integrated Development as at 30 September 2021.

# Continual Easing of Rental Reversion Decline Rate

From 1 January to 30 September 2021 (Excluding Newly Created and Reconfigured Units) <sup>(1)</sup>					
Properties	No. of Renewals / New Leases	Retention Rate (%)	Net Lettable Area		Change in Incoming Year 1 Rents vs Outgoing Final Rents (typically includes annual step-ups) (%) <sup>(2)</sup>
			Area (sq ft)	Percentage of Mall (%)	
Suburban <sup>(3)</sup>	332	83.1	414,008	18.3	(3.8)
Downtown <sup>(4)</sup>	207	81.2	280,620	12.5	(14.3)
<b>CICT Portfolio</b>	<b>539</b>	<b>82.4</b>	<b>694,628</b>	<b>15.4</b>	<b>(8.0)</b>

From 1 January to 30 September 2021 (Excluding Newly Created and Reconfigured Units) <sup>(1)</sup>					
Properties	No. of Renewals / New Leases	Retention Rate (%)	Net Lettable Area		Change in Incoming Average Rents vs Outgoing Average Rents (%)
			Area (sq ft)	Percentage of Mall (%)	
Suburban <sup>(3)</sup>	332	83.1	414,008	18.3	(0.9)
Downtown <sup>(4)</sup>	207	81.2	280,620	12.5	(8.0)
<b>CICT Portfolio</b>	<b>539</b>	<b>82.4</b>	<b>694,628</b>	<b>15.4</b>	<b>(3.8)</b>

Notes:

(1) Based on retail leases only.

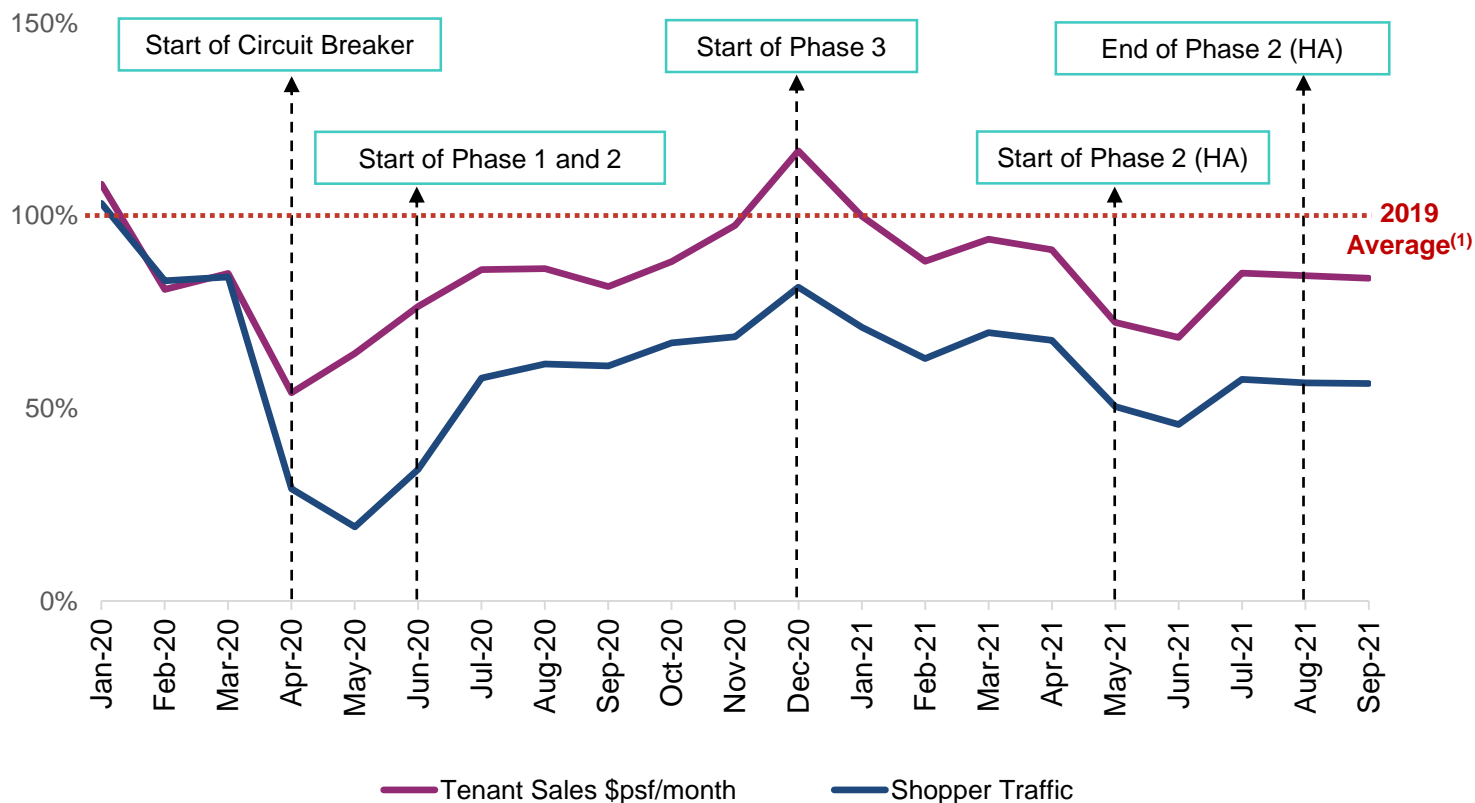
(2) Exclude gross turnover rents, which typically made up 5-7% of retail gross rental revenue.

(3) Suburban malls comprise Tampines Mall, Bedok Mall, Junction 8, Lot One Shoppers' Mall, Bukit Panjang Plaza, IMM Building, Westgate and JCube.

(4) Downtown malls comprise Plaza Singapura, The Atrium@Orchard, Bugis Junction, Bugis+, Clarke Quay, Raffles City Singapore and Funan.

# YTD Sep 2021 Average Monthly Tenants' Sales psf<sup>(1)</sup> and Shopper Traffic On Par with 2020 Level

Recovery levels for tenants' sales and shopper traffic at CICT retail portfolio vs average for 2019



## Recovery Progress

Periods of Comparison:		Portfolio Average	Suburban Mall Average	Downtown Mall Average
YTD Sep 2021 Tenants' Sales psf <sup>(3)</sup>	2019 Average	83.8%	92.4%	72.3%
	Year-on-year	101.0%	100.7%	100.8%
YTD Sep 2021 Shopper Traffic	2019 Average	59.8%	64.4%	54.5%
	Year-on-year	100.9%	101.9%	99.5%

Notes:

- (1) 2019 average shopper traffic and tenants' sales psf per month. Tenants' sales psf adjusted for non-trading days.
- (2) YTD Sep 2020 average shopper traffic and tenants' sales psf per month. Tenants' sales psf adjusted for non-trading days.
- (3) YTD Sep 2021 average tenants' sales psf per month. Adjusted for non-trading days.



# Operational Highlights – Office Segment



Office  
Occupancy<sup>(1)</sup>

**92.6%**

as at 30 Sep 2021



Office WALE by  
Monthly GRI<sup>(2)</sup>

**2.6 Years**

as at 30 Sep 2021



Singapore Office  
Occupancy<sup>(1)</sup>

**91.7%**

as at 31 Mar 2021

(CBRE SG Core CBD  
occupancy: **92.1%**)



Return of office  
community for week  
ended 15 Oct 2021<sup>(3)</sup>

**15.7%**

## Notes:

(1) Based on committed occupancy as at 30 September 2021.

(2) Based on gross rental income as at 30 September 2021. Includes Raffles City Tower, Funan (office), The Atrium@Orchard (office), Gallileo and Main Airport Center's leases; and WeWork's 7-year lease at 21 Collyer Quay from late 2021. Rent payment for 21 Collyer Quay expected in 2Q 2022.

(3) Work from home is the default work arrangement as at 15 October 2021.

# Strengthening Our Operations Amid Uncertainties

Navigating challenges and seizing opportunities for growth

## Portfolio

- Maintain high portfolio occupancy and rental growth
- Review our asset plans to improve quality of portfolio

## Stakeholders

- Support tenants with appropriate targeted support
- Engage our stakeholder groups and build lasting partnerships

## Technology and evolving real estate trends

- Maintain agility and flexibility to reposition our products and introduce new offerings
- Leverage CapitaLand's CapitaStar ecosystem for omnichannel marketing

## Cost and capital

- Maintain a strong balance sheet with financial flexibility to tap on growth opportunities

# Market Outlook

## Singapore Economy

- 3Q 2021 GDP growth was 6.5% year-on-year based on advance estimates<sup>(1)</sup>
- 2021 GDP growth projected between 4.0% and 6.0%<sup>(1)</sup>
- Overall unemployment rate dipped slightly, from the 2.8% in Jul 2021 to 2.7% in Aug 2021<sup>(2)</sup>

## Singapore Retail

- Suburban retail prime rents continued to grow
- Poised to benefit from improvement in economic activity and consumer sentiment with the progressive easing of border restrictions in 2022 and higher vaccination rates, barring any unforeseen setbacks
- Limited supply between 2021 to 2024 with no new projects of more than 100,000 sq ft in Downtown

## Singapore Office<sup>(3)</sup>

- Grade A CBD office rents continued to recover Q-o-Q in 3Q 2021 to S\$10.65 psf
- CBRE expects further rental growth in the mid term underpinned by tight vacancy, limited options in next three years and rapid expansion in demand from the tech sector
- Limited supply between 2021 to 2024 with larger projects' completion in 2023 and 2024

## Germany Office

- Forecast for Germany's 2021 and 2022 GDP at 2.7% and 4.1% respectively<sup>(4)</sup>
- CBRE noted office leasing market gradually returning to normal, in line with their survey on companies' space requirements post pandemic that about two-thirds of the respondent companies in Europe anticipate they will need the same or even up to 30% more space<sup>(5)</sup>

## Pandemic

- Pandemic situation continues to be fluid while economies are opening up given high levels of vaccination rate
- Singapore government has maintained a cautious approach to gradual reopening
- 85% of Singapore's population has completed their full regimen of COVID-19 vaccines<sup>(6)</sup> as at 15 November 2021
- Singapore extended Vaccinated Travel Lane scheme to more countries
- Germany could see potential tightening of measures with new wave of infections

### Notes:

(1) Source: Ministry of Trade and Industry

(2) Source: Ministry of Manpower

(3) Source: CBRE Research, 3Q 2021

(4) Source: European Commission: Autumn 2021 Economic Forecast for Germany

(5) Source: CBRE Germany office investment market 3Q 2021

(6) Source: Ministry of Health. Please visit Ministry of Health's [website](#) for the latest COVID-19 updates