

Lendlease Global Commercial REIT

2Q FY2020 Financial Results
for the period 2 October to 31 December 2019

10 February 2020



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KEY HIGHLIGHTS

Key Highlights

Inaugural Results Outperformed Forecast

**2Q FY2020
Performance
Outperformed
Forecast**



**Proactive Asset
Management**





FINANCIAL PERFORMANCE

Distribution Per Unit

Exceeded DPU Forecast by 3.1%

For the period 2 October to 31 December 2019	Actual (S\$'000)	Forecast (S\$'000)	Variance (%)
Gross revenue	21,407	21,199	1.0
Net property income	16,180	15,678	3.2
Distributable income	15,012	14,661	2.4
DPU (cents)	1.29	1.25	3.1

Balance Sheet

Stable NAV Per Unit

As at 31 December 2019	S\$('000)
Total assets	1,517,900
Gross borrowings	529,225
Total liabilities	557,362
Net assets attributable to unitholders	960,538
Units in issue ('000)	1,167,946
NAV per unit (S\$)	0.82

Financial Position

Strong Balance Sheet

As at 31 December 2019	
Gross borrowings	S\$529.2 million
Gearing ratio	34.9%
Weighted average debt maturity	3.6 years
Weighted average running cost of debt ⁽¹⁾	0.86% p.a.
Interest coverage	10.8 times

(1) Excludes amortisation of debt-related transaction costs.

Debt Facilities and Maturity Profile

Debt	Loan Amount (million)	Loan Term	Interest Rate ⁽¹⁾
Singapore dollar term loan	S\$99.3	3 years	2.09% p.a.
Euro term loan	S\$429.9 (€285.0)	4 years	0.58% p.a.

(1) Excludes amortisation of debt-related transaction costs.

Prudent capital structure

- Balance sheet flexibility with **100% of unsecured debt**
- Interest rate risk **100% hedged to fixed rate** debt through interest rate swaps and options
- **Euro natural hedge** for Sky Complex via Euro term loan
- **Diversity of debt funding** across a syndicate of lenders

Debt maturity profile



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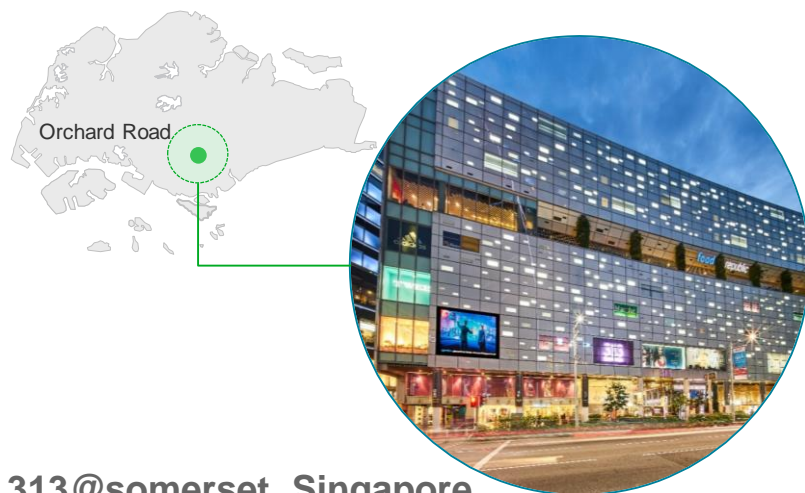
Distribution Per Unit: 1.29 cents

Period: 2 October to 31 December 2019	
Notice of books closure date	10 Feb 2020
Last day of trading on 'cum' basis	14 Feb 2020, 5.00pm
Ex-date	17 Feb 2020, 9.00am
Books closure date	18 Feb 2020
Payment date	16 Mar 2020

PORTFOLIO UPDATE

Portfolio Overview

High Quality and Well-Balanced Portfolio; High Occupancy



313@somerset, Singapore

Atop Somerset MRT Station and spans across eight retail levels, comprising three basement levels (B3 to B1) and five levels above ground (L1 to L5).

Net Property Income	S\$10.7 million
Committed Occupancy	99.2%
Appraised Valuation ⁽¹⁾	S\$1,005 million
Valuation Cap Rate ⁽²⁾	4.25% / 4.50%
Net Lettable Area	288,277 sq ft



Sky Complex, Milan

Comprises of **three office buildings** and has excellent accessibility via the public transport system. Fully leased to Sky Italia, owned by Comcast Corporation⁽³⁾.

Net Property Income	S\$5.5 million
Committed Occupancy	100%
Appraised Valuation ⁽¹⁾	S\$396 million ⁽⁴⁾
Valuation Cap Rate ⁽²⁾	5.50% / 5.75%
Net Lettable Area	999,116 sq ft

(1) As at 31 July 2019.

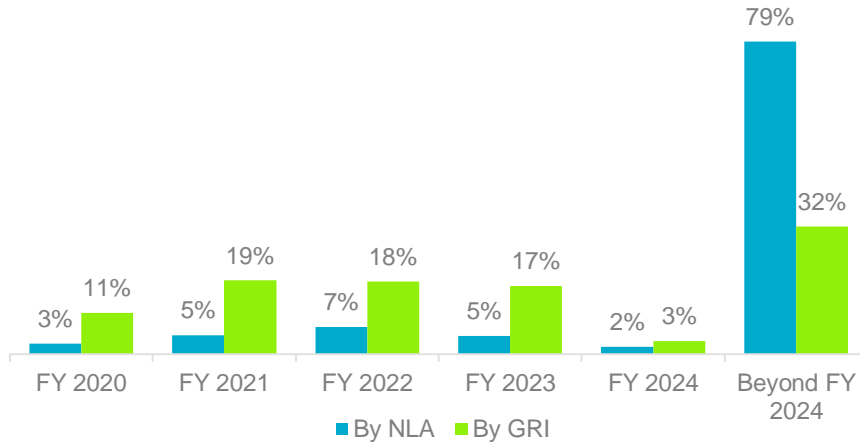
(2) CBRE/Colliers. Independent property summary valuation reports for the Singapore Property and Milan Property.

(3) Largest broadcasting and cable television company in the world by revenue based on Forbes publication dated 21 January 2020.

(4) Conversion of EURO to SGD is based on the FX rate of 1.5085 as at 31 December 2019.

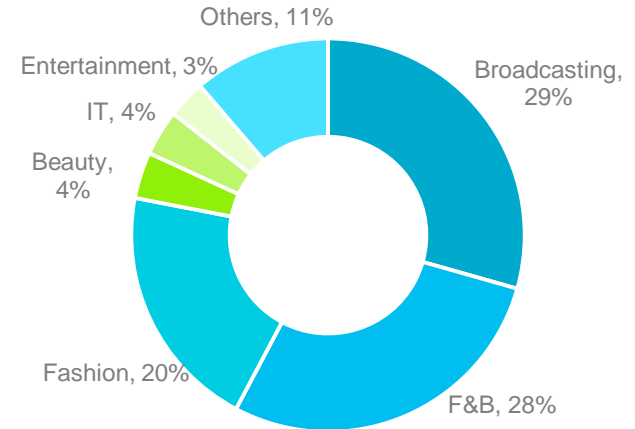
Portfolio Lease Expiry Profile

Long WALE of 10.1⁽¹⁾ Years by NLA and 4.9 Years by GRI



Trade Sector Breakdown (by GRI)

Well-diversified tenant base



313@somerset, Singapore

- WALE 2.0 years by NLA and 1.8 years by GRI



Sky Complex, Milan

- WALE 12.4⁽¹⁾ years by NLA and GRI

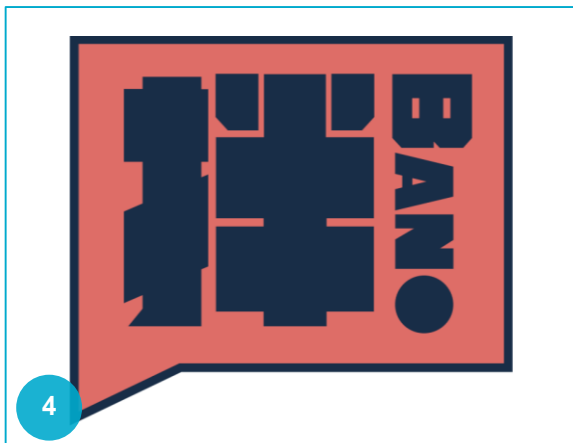


Information as at 31 December 2019.

(1) Excludes tenant's break option in 2026.

313@somerset, Singapore

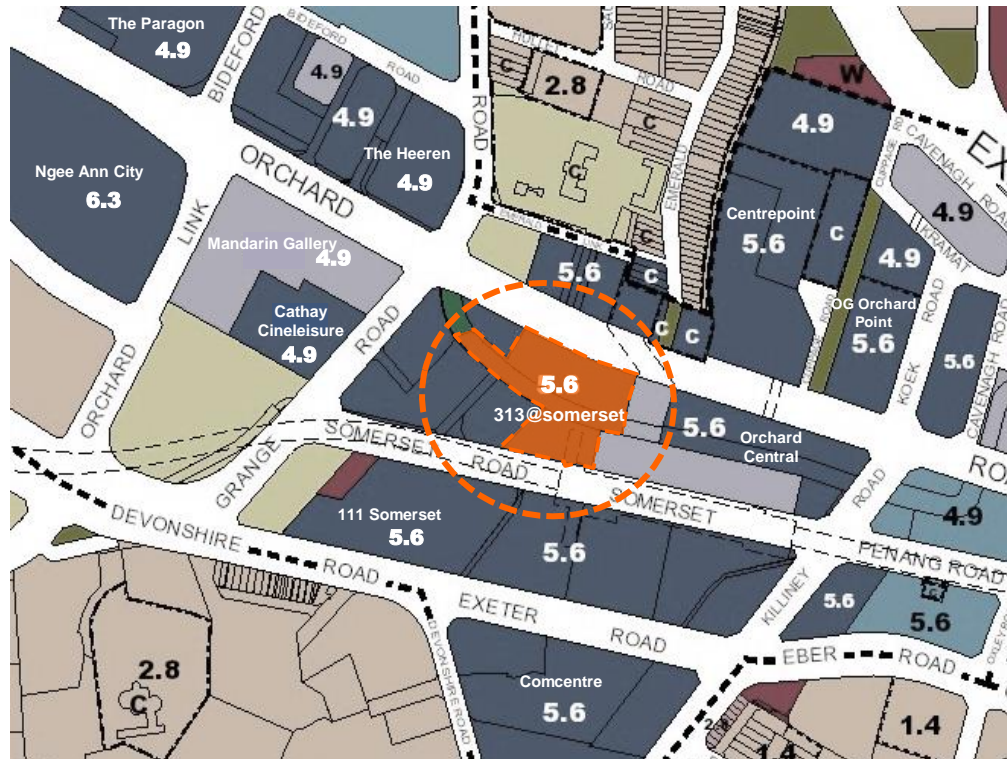
Continuous effort to refresh tenant base to draw footfall; new concepts include **PLAYDRESS** and **% Arabica**; new to market concepts include **GO Noodle House**, **Bàn** and **Nam Dae Mun**



- 1 PLAYDRESS @L3, homegrown fashion brand
- 2 % Arabica @L1, Japanese coffee joint
- 3 GO Noodle House @B3, top noodle house in Malaysia
- 4 Bàn @B3, Asian snack
- 5 Nam Dae Mun @B3, Korean snack house from Shanghai

Plot Ratio Increased for 313@somerset

- The Master Plan 2019 has formalised the increase in permissible plot ratio for 313@somerset from 4.9+ to 5.6, resulting in a potential increase of up to 1,008 sqm of space based on its current gross floor area utilisation.
- The Manager has begun feasibility study to deploy the additional areas to improve retail offering.



Source: Urban Redevelopment Authority Master Plan 2019

Sky Complex, Milan

- Strategic location connected by major rail, city metro and road infrastructure
- Long lease term till 2032⁽¹⁾ provides stable income to the portfolio
- Triple net lease structure minimises operational costs and risks for Lendlease Global REIT
- Annual rental step-up based on 75% of ISTAT consumer price index variation⁽²⁾
- Sky Italia continues to invest in tenant improvements such as the newly refurbished staff cafeteria which opened during the quarter



Facade of Sky Complex's three office buildings



Reception at Sky Complex

(1) Assumes that tenant does not exercise its break option in 2026.

(2) ISTAT: The Italian National Institute of Statistics. Last escalation was based on April 2019 consumer price index variance of 0.9%.



KEY STRATEGIES & MARKET OUTLOOK

Key Strategies

Provide Regular and Stable Distributions; Achieve Long-term Growth in DPU and NAV Per Unit

Proactive asset management and enhancement

- Proactively manage the properties to maintain and improve their operational performance
- Optimise the cash flow and the value of the properties
- Drive organic growth, maintain strong relationships with the tenants of the properties

Investments and acquisition growth

- Achieve portfolio growth through the acquisition of attractive income-producing properties to enhance the return to Unitholders
- Pursue opportunities for future income and capital growth
- Evaluate opportunities in key cities in which the Sponsor has a presence

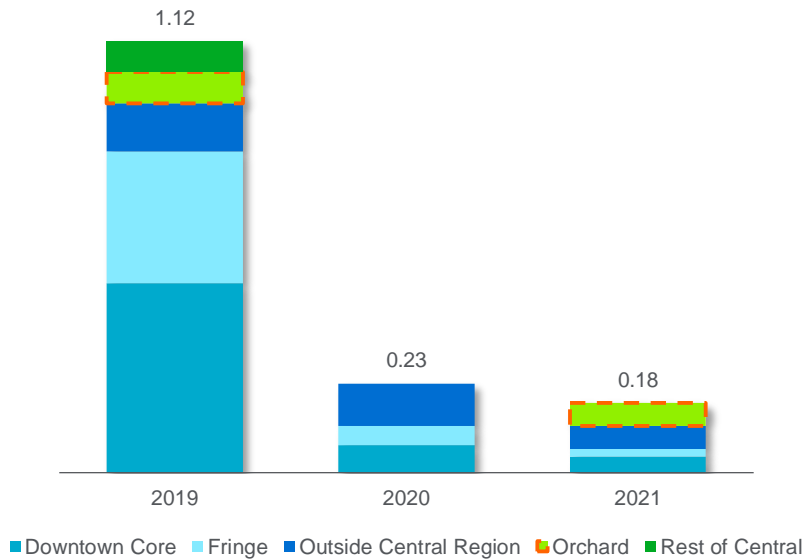
Prudent capital management

- Employ an appropriate mix of debt and equity in financing acquisitions
- Secure diversified funding sources to access both financial institutions and capital markets
- Optimise its cost of debt financing and utilise hedging strategies, where appropriate

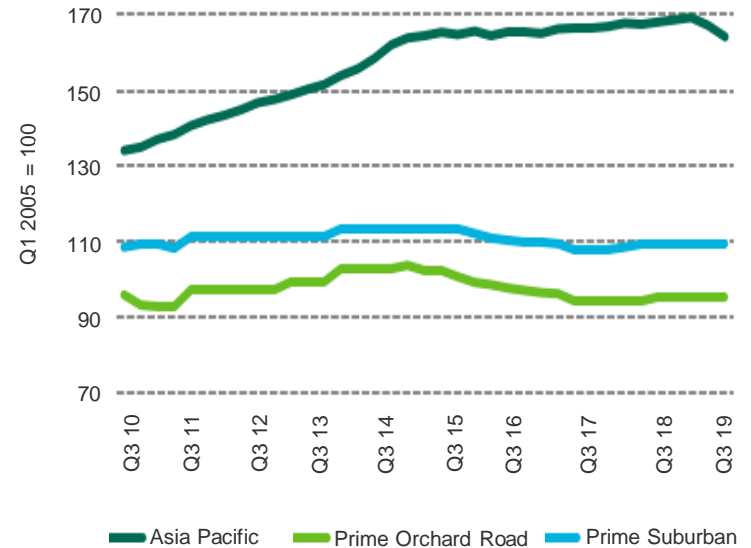
Singapore Prime Retail Market

- Limited new supply in Orchard Road is likely to benefit strategically located retail malls such as 313@somerset

Future Retail Supply (sq ft in million)



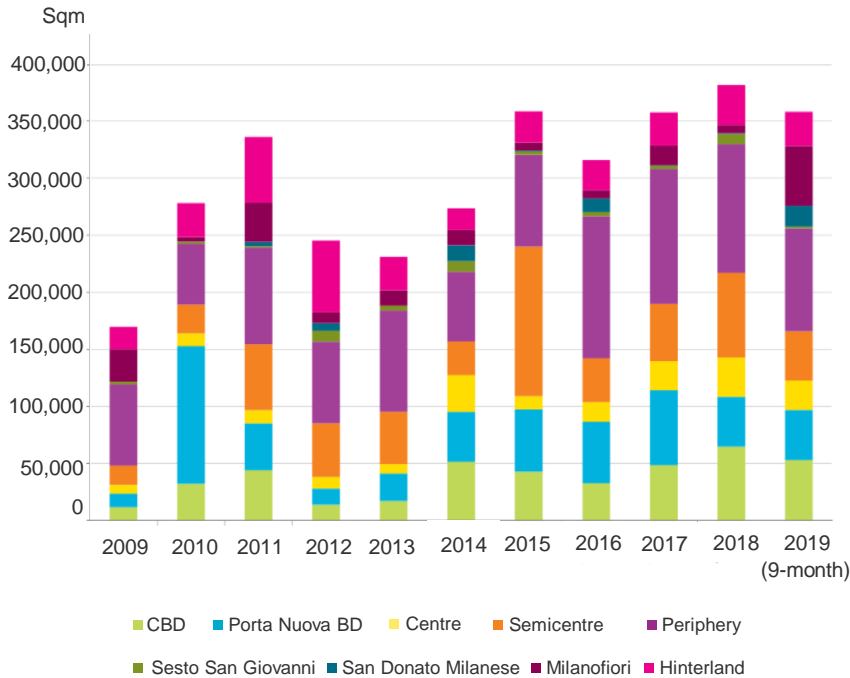
Retail Rental Index



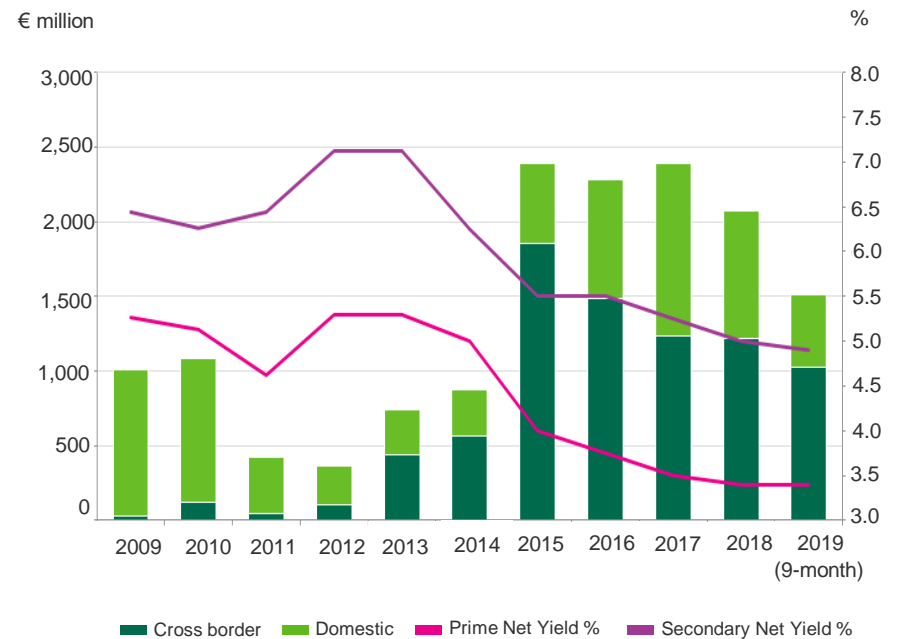
Milan Office Market

- Strong take-up for decentralised Grade A offices where Sky Complex is located
- Milan’s growing economy continues to attract investment demand for institutional-grade office spaces

Take-Up by Submarket



Investments and Prime Yield



Source: CBRE Research 3Q 2019



Thank You

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