

The logo for Keppel REIT, featuring the word "Keppel" in white on a grey rectangular background, followed by "REIT" in red. A red diagonal line is positioned above the "K" in "Keppel".

**Keppel REIT**

# UOB Kay Hian-REITAS S-REIT Webinar

2 Jun 2021



# Sustainable Pan-Asian Portfolio with Income Resilience

**\$8.9b**

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

Singapore,  
77.4%



Australia,  
19.2%

South  
Korea,  
3.4%



## ESG Awards

- **BCA Green Mark Platinum** award for all Singapore assets
- 5 Stars and above in the **NABERS Energy** rating for most Australian assets



## ESG Benchmarking

- **ISS ESG corporate rating** – Prime status
- **Global Real Estate Sustainability Benchmark (GRESB)** – Green Star status



## ESG Indices

- **iEdge SG ESG Transparency Index**
- **iEdge SG ESG Leaders Index**

# Continuing 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*



*May 2019: Acquired T Tower in Seoul*



*Nov 2019: Divested Bugis Junction Towers in Singapore*



*Jul 2020: Completed Victoria Police Centre in Melbourne*



*Dec 2020: Acquired Pinnacle Office Park in Sydney*



Photo Credit: ST Press

*May 2021: Acquired Keppel Bay Tower in Singapore*

2018

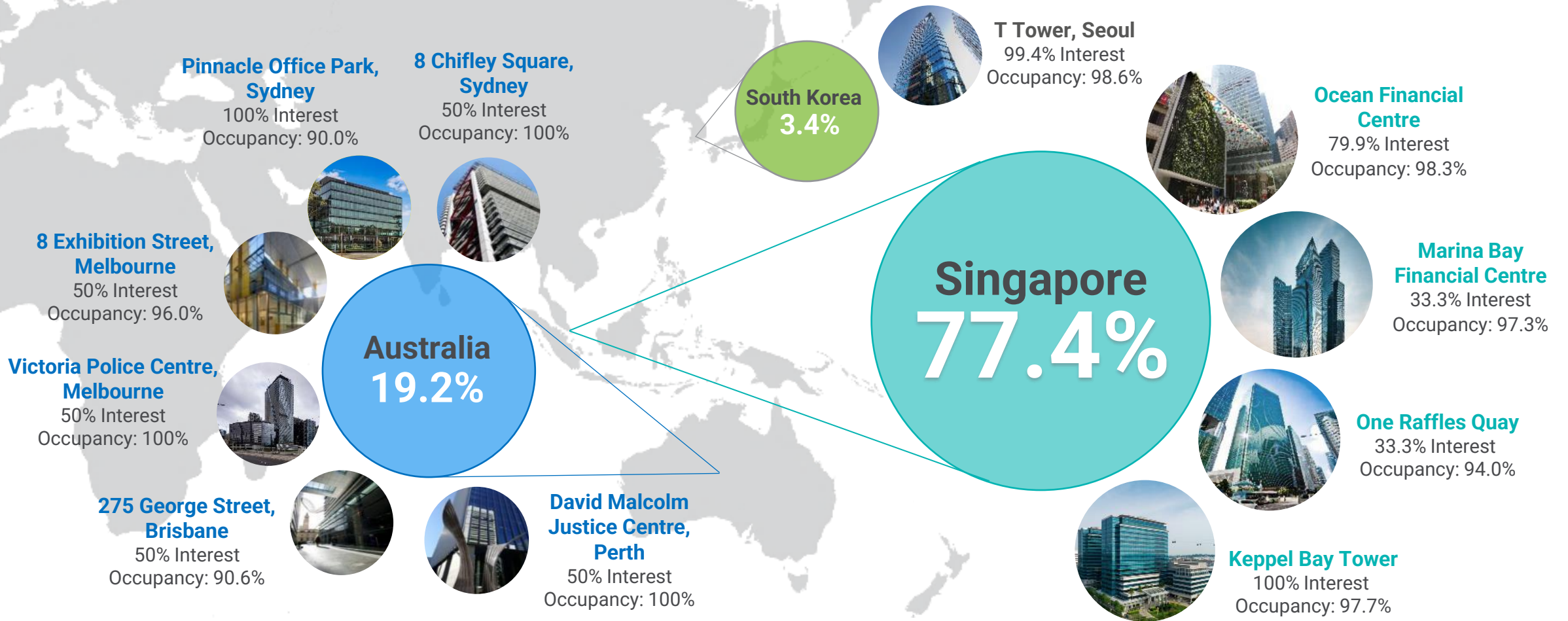
2019

2020

2021

# Grade A Portfolio with High Occupancy and Long WALE

\$8.9 billion portfolio in key business districts of Singapore, Australia and South Korea enhances income diversification and long-term stability



# Key Highlights



## \$51.6m

1Q 2021 distributable income from operations<sup>(1)</sup>

Up 22.0% y-o-y

## \$270.0m

Gross proceeds raised from the private placement<sup>(2)</sup> that was approximately 4.6 times covered

## 35.2%

Aggregate leverage as at 31 Mar 2021

Low all-in interest rate of 2.01% p.a.



## 96.5%

High portfolio committed occupancy as at 31 Mar 2021

## 6.7 years

Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2021

Top 10 tenants' WALE was 11.8 years

## Pinnacle Office Park

Commencement of income contribution in 1Q 2021, after acquisition completion on 31 Dec 2020



## Keppel Bay Tower

Acquisition of Grade A office building in the Keppel Bay waterfront precinct has been completed on 18 May 2021

# Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 354<sup>(1)</sup> tenants, many of which are established blue-chip corporations

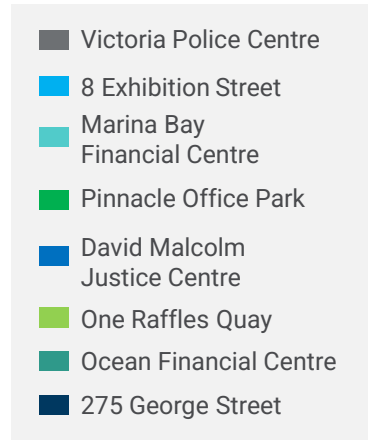
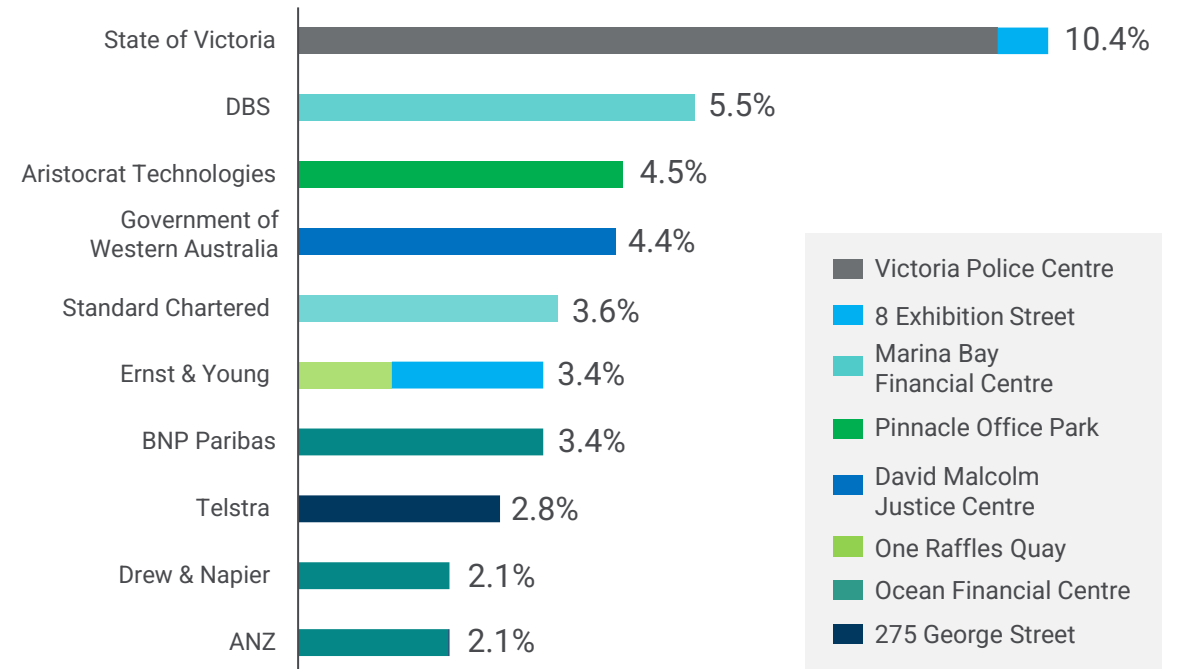
- Top 10 tenants take up 42.2% of NLA and contribute 37.3% of gross rent



## Tenant Business Sector

Banking, insurance and financial services	32.0%
Government agency	16.3%
Technology, media and telecommunications	15.8%
Legal	7.4%
Energy, natural resources, shipping and marine	6.5%
Real estate and property services	4.9%
Accounting and consultancy services	4.8%
Services	4.6%
Manufacturing and distribution	4.2%
Retail and food & beverage	2.8%
Others	0.7%
<b>Total</b>	<b>100%</b>

## Top 10 Tenants



# 1Q 2021 Portfolio Update

## Managing the COVID-19 Situation:

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income stability and resilience
- The Manager will continue to implement strict safe management measures and leverage technology at Keppel REIT's properties to provide a safe and conducive work environment for building occupants



Rental collection<sup>(1)</sup>

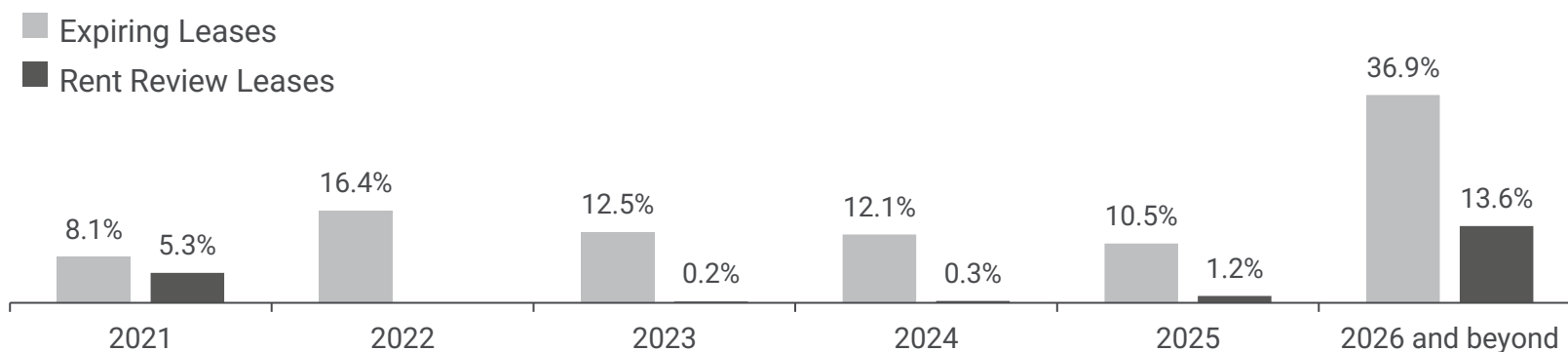
**99%**  
in 1Q 2021



Tenant relief measures

**Approx. \$0.1m**  
granted in 1Q 2021

## Lease Expiries and Rent Reviews<sup>(2)</sup>



- Average signing rent for Singapore office leases concluded in 1Q 2021 was \$10.64<sup>(3)</sup> psf pm
- Average expiring rents<sup>(4)</sup> of Singapore office leases (psf pm): \$9.98 in 2021, \$10.27 in 2022 and \$10.96 in 2023

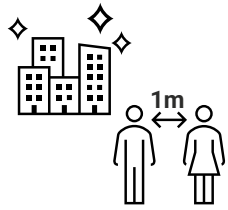
(1) Rent deferrals are excluded from rental collection in 1Q 2021.

(2) Based on committed attributable area.

(3) Based on a weighted average calculation. Simple average signing rent was \$10.94 psf pm.

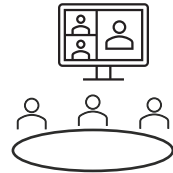
(4) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

# Operating in the New Environment



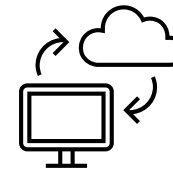
## Wellness

Strong hygiene, air quality and safe management measures to enhance well-being and safety



## Flexibility

Incorporation of flexibility into office design and work arrangement to facilitate collaboration and increase resilience



## Technology

Robust IT infrastructure and smart building technology to support tenant requirements, enhance workplace safety and optimise energy consumption



**Ocean Financial Centre (pictured):**  
Singapore's first commercial building to achieve the WELL Health-Safety rating by the International WELL Building Institute

### Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet tenants' evolving business needs

- Build a robust portfolio with strong operational excellence which would be well sought after by tenants in view of health, environmental and business continuity considerations
- Proactive tenant engagement to develop mutually beneficial lease arrangements, as well as position Keppel REIT for the next leasing cycle



# Committed to Delivering Stable Income & Sustainable Returns

## Portfolio Optimisation

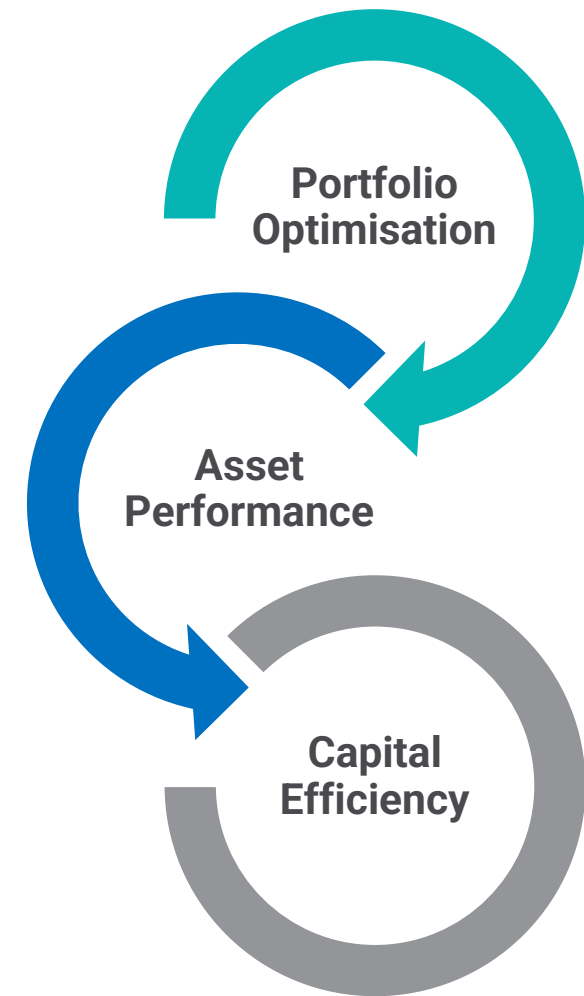
- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

## 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](http://www.keppelreit.com)

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## Constituent of:



FTSE ST Large &  
Mid Cap Index



GPR 250  
Index Series



FTSE EPRA Nareit Global  
Developed Index



MSCI Singapore  
Small Cap Index



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