



Keppel **DC REIT**

Citi Pan-Asia Regional Investor Conference

19-20 May 2020



Introduction



Investment merits

- ✓ Proxy to fast-growing data centre sector
- ✓ Resilient income stream
- ✓ Focused investment strategy
- ✓ Prudent capital management

Overview



Steady DPU growth
since listing



Stable income stream
with portfolio occupancy
of 94.7% and long WALE
of 8.3 years



Constituent of the
FTSE EPRA Nareit
Global Developed Index



Low aggregate leverage
of 32.2% provides financial
flexibility to pursue growth



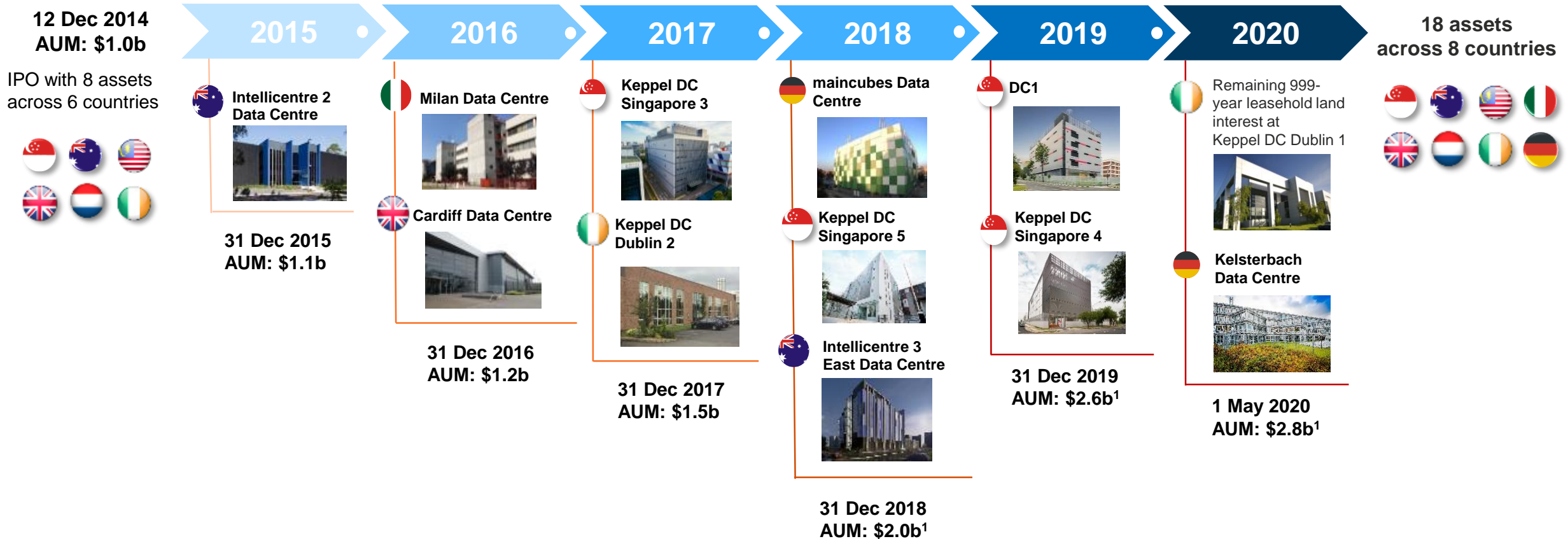
Limited interest rate
exposure with 77% of
borrowings hedged over
the entire loan term



Forecasted foreign-
sourced distributions
hedged till 2H 2021
through foreign currency
forward contracts

Steady growth momentum

- Completed the acquisitions of the remaining 999-year leasehold land interest at Keppel DC Dublin 1 and Kelsterbach Data Centre in Mar and May 2020 respectively



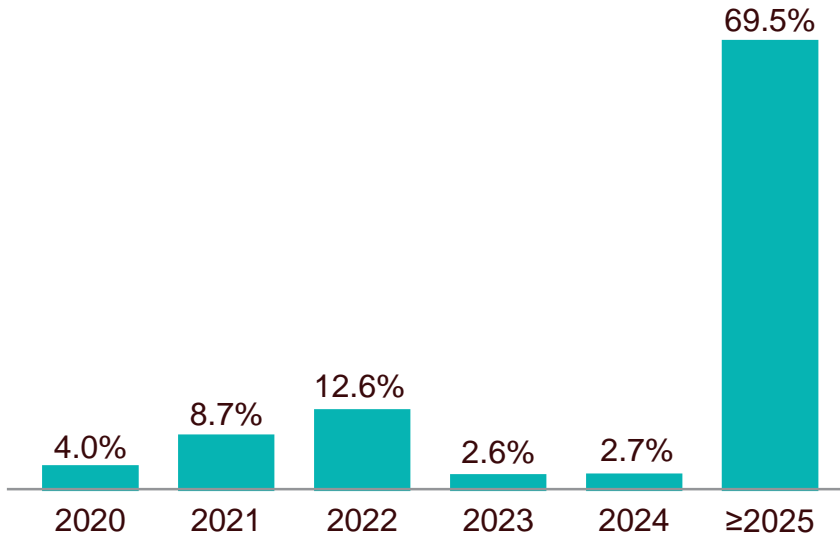
Portfolio Updates

Resilient asset class that supports the digital economy

- **Optimising portfolio returns:** Increasing power capacity at Keppel DC Singapore 5 and fitting out shell & core space at DC1; Converting additional space at Keppel DC Dublin 2 into a data hall
- **Managing impact of COVID-19:** Measures and controls to ensure that facilities continue to operate with zero downtime

Lease expiry profile (by leased area)

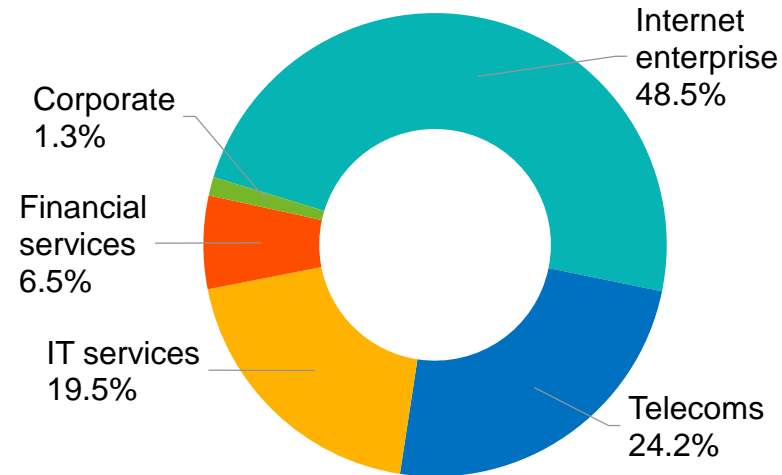
As at 31 Mar 2020



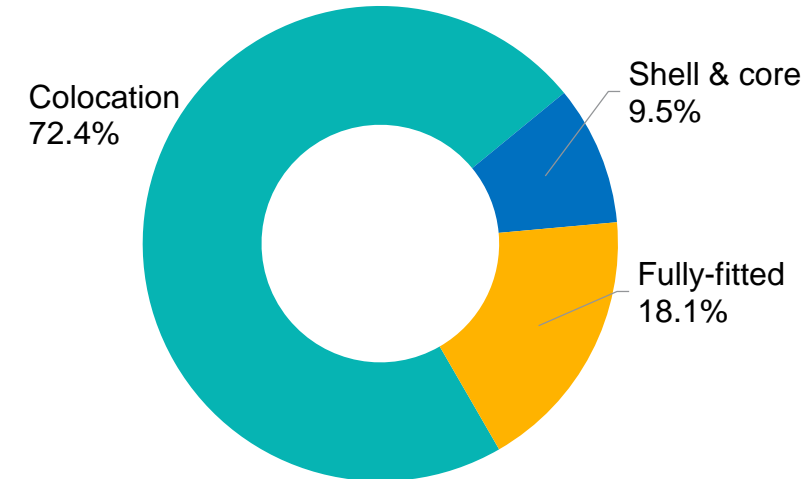
Rental income breakdown

for Dec 2019¹

By trade sector:



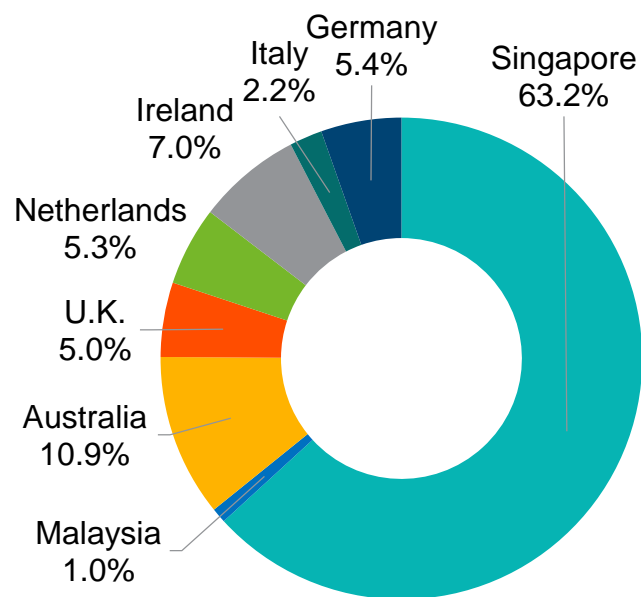
By lease type:



Well-diversified portfolio across Asia Pacific and Europe

Portfolio AUM breakdown

As at 31 Dec 2019



- **Quality data centres that cater to the requirements of global clientele**
 - Colocation facilities provide diverse client profile and lease expiry
 - Fully-fitted and shell & core facilities provide income stability with typically longer lease terms

Lease Type	Client Count	WALE ¹ (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.9	✓	✓	-
Fully-fitted	Single	12.0	✓	-	-
Shell & core	Single	11.4	-	-	-

1. By leased area as at 31 Dec 2019

Financial Updates



Stable Returns

(\$'000)	1Q 2020	1Q 2019	% Change
Gross Revenue	60,272	48,033	+25.5
Net Property Income	55,443	43,230	+28.3
Distributable Income ¹	35,781	27,109	+32.0
Distribution per Unit (DPU) ¹ (cents)	2.085	1.920	+8.6

Healthy Balance Sheet

	31 Mar 2020	31 Dec 2019	% Change
Unitholders' Funds (\$'000)	1,870,300	1,868,018	+0.1
Units in Issue ('000)	1,632,784	1,632,395	-
Net Asset Value (NAV) per Unit (\$)	1.15	1.14	+0.9
Unit Price (as at balance sheet date) (\$)	2.29	2.08	+10.1
Premium to NAV (%)	+99.1	+82.5	+16.6pp

1. Distributable Income includes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 31 March 2020.

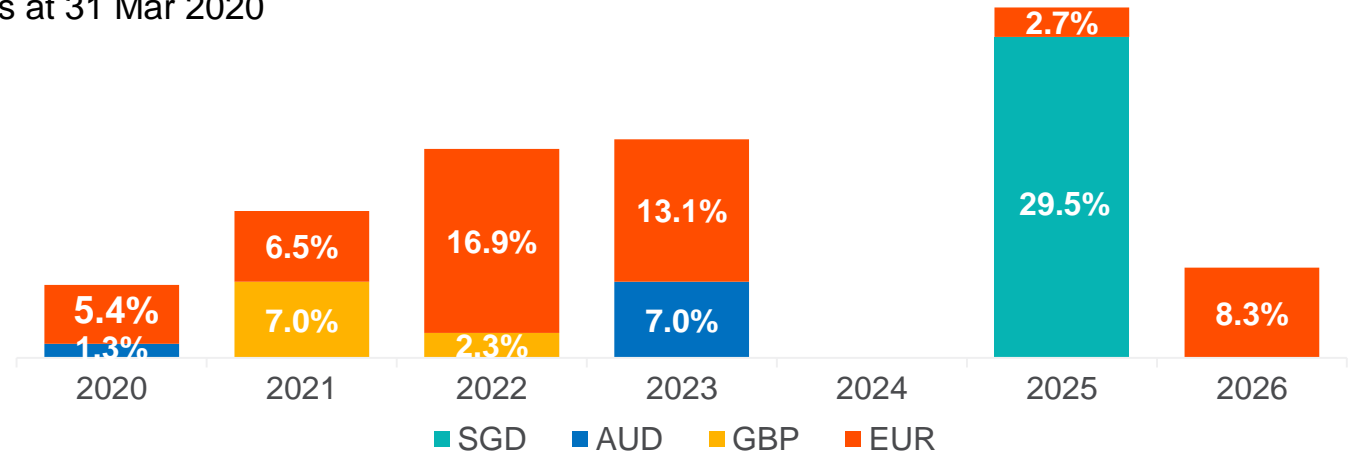


- **Obtained new loan facilities:** EUR 50 million revolving credit facility and EUR 50 million term loan facility in Mar 2020
- **Managing interest rate exposure:** 77% of loans hedged with floating-to-fixed interest rate swaps
- **Mitigating impact of currency fluctuations** by hedging forecasted foreign-sourced distributions till 2H 2021 with foreign currency forward contracts

Prudent Capital Management

Debt Maturity Profile

As at 31 Mar 2020



As at 31 Mar 2020

Total debt	~\$931.0m of external loans/notes (unencumbered)
Available facilities	~\$330.3m of undrawn credit facilities
Aggregate leverage¹	32.2%
Average cost of debt²	1.7% per annum
Debt tenor	3.6 years
Interest coverage³	12.8 times

1. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options.
2. Including amortisation of upfront debt financing costs and excluding lease charges.
3. Interest Coverage Ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

Outlook



Global colocation market
expected to grow by

14%¹ in 2020



Enterprise spending on cloud infrastructure expected to grow by

>20%¹

CAGR over next 5 years

- Asia Pacific data centre spending expected to surpass \$25b by 2023 to account for > 30% of global market¹
- European data centre market expected to grow by > 40% to over \$20b by 2023, despite limited new supply¹

Stable Outlook Supported by Sound Industry Fundamentals

- Demand is expected to hold up in a pandemic as data centres support mission critical operations
- COVID-19: Expect higher data traffic as well as accelerated pace of cloud and technological adoption as more work and transact from home



Global IT spending
expected to grow by
3.4% in 2020²



Global spending on augmented and virtual reality expected to increase by 78.5% in 2020⁴



Mobile data traffic expected to increase by 27% annually from 2019 to 2025³



5G connection to generate 2.5 times more traffic than the average 4G connection, and take up 10.6% of total mobile traffic by 2023⁵

Sources: 1. Broadgroup (for Keppel DC REIT's Annual Report 2019 published in Apr 2020); 2. Gartner (Jan 2020); 3. Ericsson (Nov 2019); 4. IDC (Nov 2019); 5. Cisco (Mar 2020)

Stable outlook supported by sound industry fundamentals (cont'd)

- Demand for data centre space underpinned by increasing cloud adoption, rapid digital transformation, data centre outsourcing and data sovereignty regulations

Growing data requirements	<ul style="list-style-type: none">■ Strong growth in data creation, usage and requirements expected to continue.■ Driven by Internet of Things, and new technologies like 5G, Artificial Intelligence, Virtual Reality, driverless vehicles.
Mission-critical infrastructure	<ul style="list-style-type: none">■ Data centre facilities support clients' critical day-to-day business operations, and/or meet regulatory and compliance requirements.
Substantial relocation costs	<ul style="list-style-type: none">■ The need to replicate costly and high specifications set of IT services and data centre equipment for seamless relocation.■ Risk of downtime and business disruptions.
Long lead time to develop data centres	<ul style="list-style-type: none">■ Technical expertise and intricate understanding of industry and clients' needs are required.■ Anchor clients or significant pre-let, on top of the necessary power, cooling and network connectivity, have to be secured before development.
Scarcity of attractive sites	<ul style="list-style-type: none">■ Limited suitable sites with specialised data centre requirements:<ul style="list-style-type: none">– Access to sufficient power and fibre connectivity– Minimal risk factors such as flooding or natural disasters

Thank You

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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.

Additional Information

What is a Data Centre?

- Facilities that house servers and network equipment, supporting clients' critical business operations
- Requires technical expertise and intricate understanding of the industry and clients' needs

Internet Connectivity

Physical telecommunication cables brought into the data centre to allow direct connectivity

Uninterruptible Power System (UPS) / Generators

To provide continuous power supply in the event of outages from local power grids

Cooling equipment

To maintain a facility's temperature, typically at 18 - 24 degrees Celsius

Fire suppression and building monitoring systems

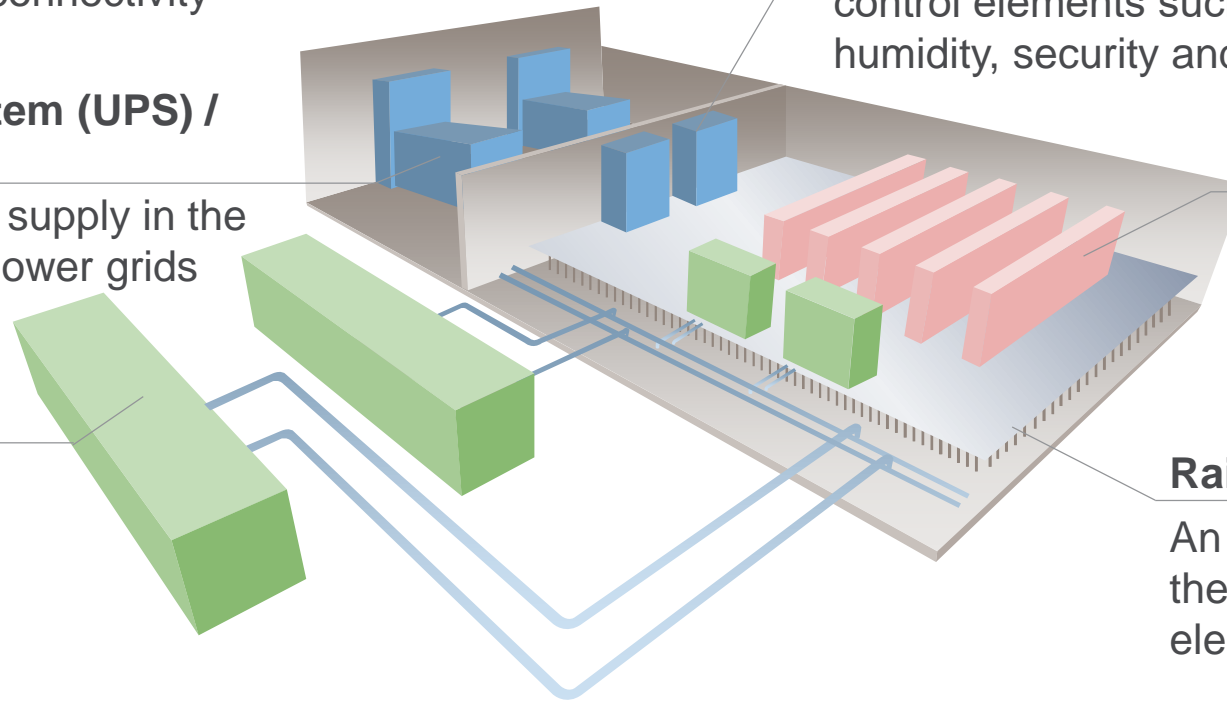
Hardware and associated software to monitor and control elements such as the facility's temperature, humidity, security and operations

Client's servers

Enclosures to house client's computer servers and connect to power and cooling sources

Raised flooring

An elevated structural floor to allow the passage of mechanical and electrical services



Portfolio Overview (as at 31 Mar 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years)	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	20	89.2	S\$296.0m	Keppel lease / Colocation	3.7	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	4	93.5	S\$174.0m	Keppel lease / Colocation	1.9	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	S\$238.5m	Keppel lease / Colocation	2.2	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S\$384.9m ³ (purchase price)	Keppel lease / Colocation	2.4	Leasehold (Expiring 30 June 2020, with option to extend by 30 years)
Keppel DC Singapore 5	Singapore	99%	97,781	3	84.2	S\$327.7m	Keppel lease / Colocation	2.5	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100	S\$200.2m (purchase price)	Triple-net (Fully-fitted/ Shell & core)	16.0	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 78.2m (S\$25.6m)	Colocation	2.2	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A\$207.5m (S\$192.1m)	Triple-net (Shell & core) / Colocation	5.1	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A\$35.0m (S\$32.4m)	Double-net ⁴ (Fully-fitted)	6.2	Leasehold (Expiring 29 June 2040, with option to extend by 7 years)

Portfolio Overview (as at 31 Mar 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A\$57.7 m (S\$53.4m)	Triple-net (Shell & core)	15.4	Freehold
Intellicentre 3 East Data Centre ⁵	Sydney, Australia	100%	Min. 86,000	1	100.0 ⁵	A\$26.0-A\$36.0m (development costs)	Triple-net (Shell & core)	20.0 ⁵	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£35.9m (S\$63.2m)	Triple-net (Shell & core)	11.2	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£36.3m (S\$64.0m)	Triple-net (Fully-fitted)	6.9	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1 ⁶	100.0	€89.9m (S\$135.2m)	Double-net (Fully-fitted)	8.4	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	24	65.8	€49.9m (S\$75.0m)	Colocation	2.1	Leasehold (Expiring 31 Dec 2999)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,652	4	100.0	€68.7m (S\$103.3m)	Colocation	8.3	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S\$57.4m)	Double-net (Shell & core)	7.8	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€91.2m (S\$137.1m)	Triple-net (Fully-fitted)	13.0	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€81.8m (purchase price)	Triple-net (Shell & core)	6	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.

2. Based on respective independent valuations and respective ownership interests as at 31 Dec 2019, unless otherwise stated.

3. Purchase price includes rental support.

4. Keppel DC REIT has in place the isek Lease with the client of isek Data Centre. While the isek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.

5. This development is expected to be completed in 1H 2021 and is excluded from the portfolio's asset under management; Facility will be fully leased to Macquarie Telecom upon completion.

6. Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.