



ANNUAL GENERAL MEETING

9 JULY 2019

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- This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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, shifts in expected levels of property rental income and occupancy, 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 the terms necessary to support Ascendas Reit's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.
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- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

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Financial Performance & Key Highlights

Financial Performance

Gross Revenue

S\$886.2 m

 **2.8% y-o-y**


Net Property Income

S\$649.6 m

 **3.2% y-o-y**

**Total Amount Available
for distribution**

S\$485.7 m

 **3.8% y-o-y**

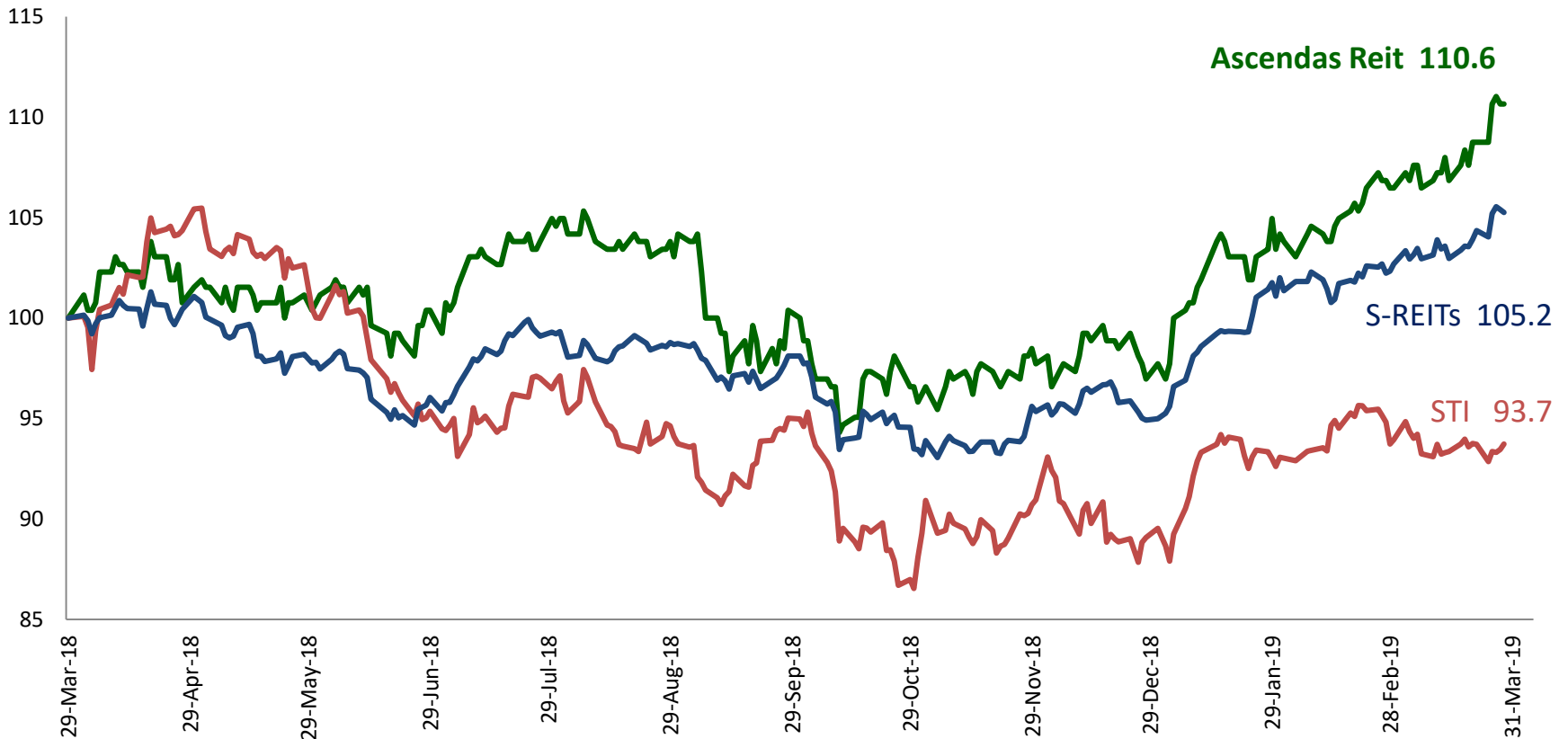
Distribution per Unit

16.035 cents

 **0.3% y-o-y**

Ascendas Reit Unit Price Outperformed

- Ascendas Reit rose 10.6%
- Singapore Reit sector rose 5.2%
- STI fell 6.3%



Key Highlights

Key Growth Drivers

- New Acquisitions
 - 38 logistics properties in the UK
 - 4 logistics properties in Australia
- Full year contribution
 - 2 suburban offices in Australia (acquired in FY17/18)
- 2 redeveloped properties in Singapore



Logistics properties, United Kingdom



Cargo Business Park, Brisbane, Australia



20 Tuas Avenue 1, Singapore

Key Highlights for FY18/19

Investment Highlights

- Investment properties under management grew 10.1% to S\$11.1 b

Operational Highlights

- Achieved average positive rental reversion of 3.7%
- Portfolio occupancy rate increased to 91.9%

Capital Management

- Healthy aggregate leverage at 36.3%
- Average interest cost maintained at 3.0%
- Maintained high level of natural hedge for overseas investments
- Maintained A3 Moody's credit rating

Investment Management

Unit 2 Wellesbourne Distribution Park,
West Midlands, United Kingdom

Value-Adding Investments

Total Acquisitions : S\$948 m

UK : S\$832.4 m



- 38 logistics properties worth S\$832.4 m across established industrial areas
- **Freehold** land
- Long weighted average lease to expiry of **9.3 years**
- **Reputable customers** include Amazon, DHL, Aston Martin Lagonda and Royal Mail



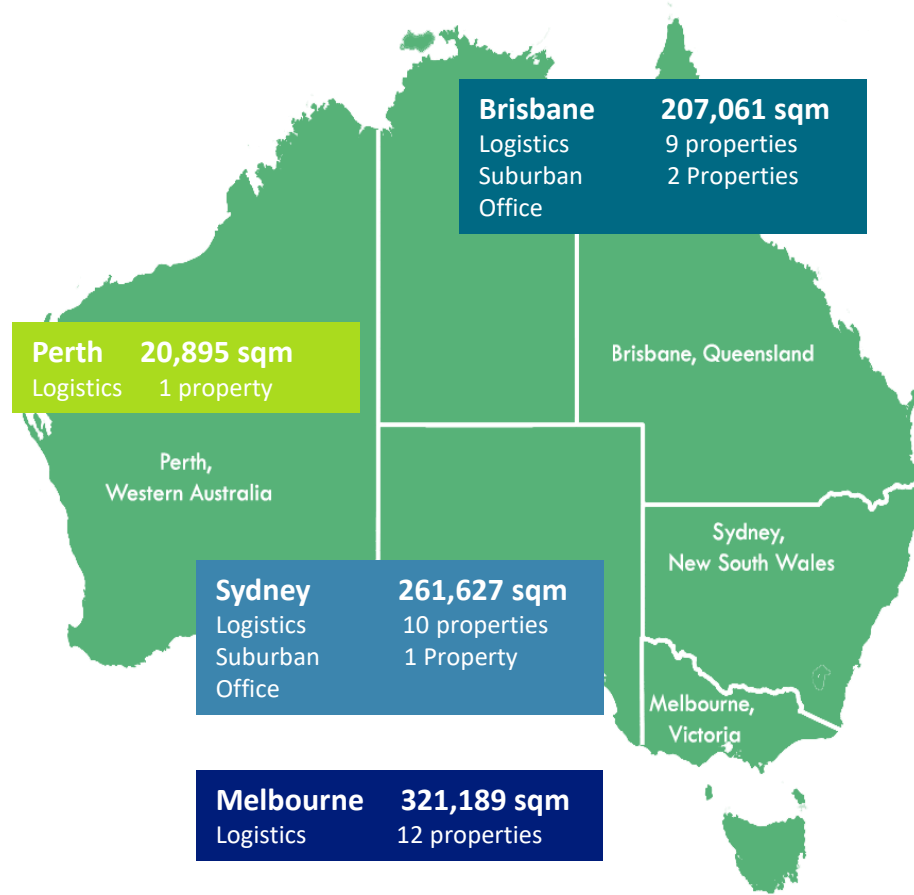
Value-Adding Investments

Total Acquisitions: S\$948 m

AUSTRALIA : S\$115.6 m



Located in 4 key cities



- 4 logistics properties worth S\$115.6 m in Melbourne and Brisbane
- **Freehold** land
- **Strategic locations** of properties further enhance quality of portfolio
- Assets under management in Australia stood at **S\$1.6 b**

Value Creation & Value Management

Redevelopment / Asset Enhancements : S\$97.9 m across 8 Singapore properties



Redeveloped **20 Tuas Avenue 1** into a 3-storey ramp-up warehouse and maximised plot ratio

Created a 'Food Street' corridor at **Aperia** mall to provide more F&B options to patrons



Added collaborative spaces, end-of-trip facilities and a gym to promote work-live-play at **Nordic European Centre**

Divestments :
S\$37.6 m sales proceeds



- Divested 30 Old Toh Tuck Road (logistics property) and 41 Changi South Avenue 2 (light industrial property) for S\$37.6 m
- **Net gains of about S\$5.1 m over book value**

On-going Projects



Build-to Suit and Redevelopment

Build-to-Suit Development (S\$181.2 m): Grab's Singapore Headquarters



- Business park property (42,310 sq m) located within the vibrant one-north precinct
- Green Mark Gold Plus building - green features include energy efficient low emissive glass façade to reduce solar heat gain, recycled building materials
- **11-year lease to Grab for 100% of the space**

Redevelopment (S\$35.0 m): 25 & 27 Ubi Road 4



- Demolition of two existing light industrial buildings and redeveloping them into a single **High-Specifications building**
- Maximise site's rental potential given the locational advantage, being **1-2 mins walk to Ubi MRT station**
- Upgrading of building specifications i.e. enlarged floor plates and higher ceiling height

Enhancing Assets

Asset Enhancement Initiatives : Across 4 Singapore properties (\$\$21.5 m)



52 & 53 Serangoon North Avenue 4

- Enhancing common areas, driveways and drop-off points, and improving amenities to generate vibrancy



Plaza 8 (Changi Business Park)



ONE@Changi City (Changi Business Park)

Capital Management



1, 3 & 5 Changi Business Park Crescent,
Singapore

Healthy Balance Sheet

- Healthy financial metrics way above bank loan covenants
- A3 Moody's credit rating
- Enable access to wider funding options at competitive rates



Aggregate Leverage
36.3%



Weighted Tenure
Of Debt
4.0 years



Average all-in
Debt Cost
3.0%



Moody's Rating
A3



Interest Cover
5.2X



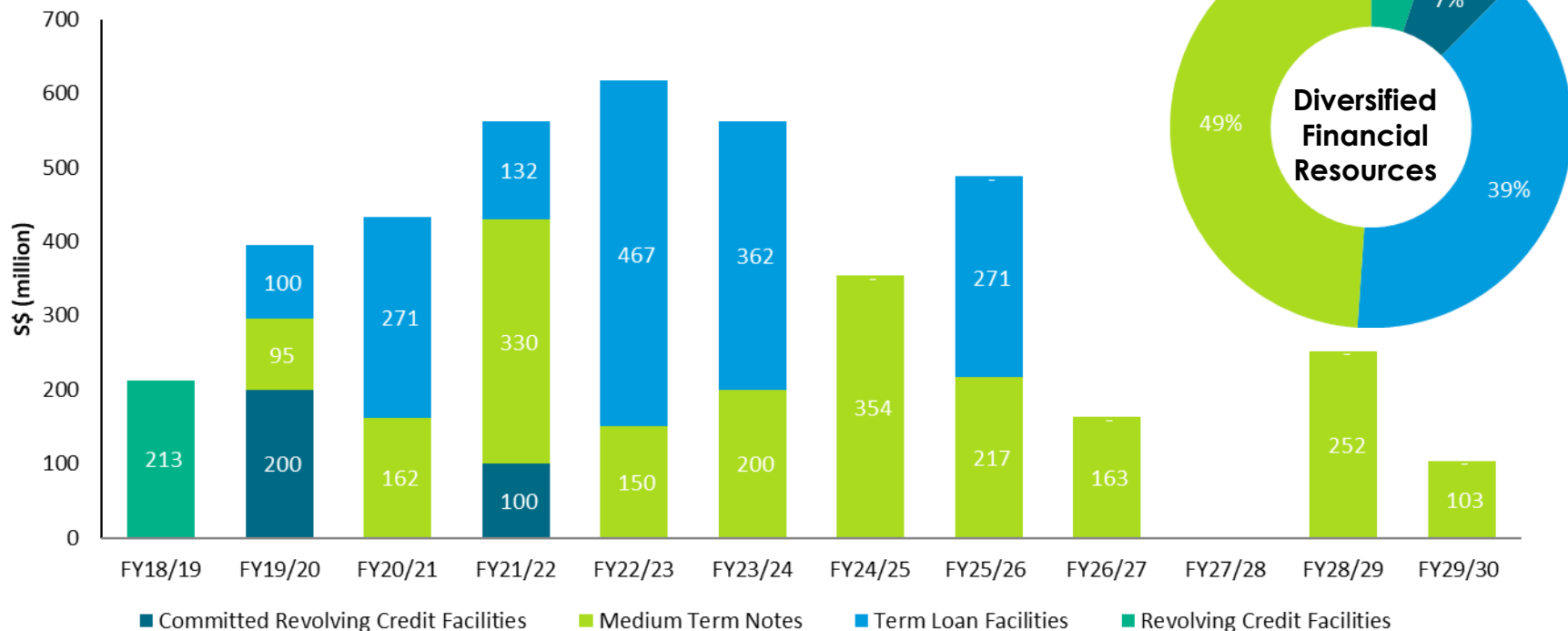
Unencumbered Properties as
% of Total Investment Properties
90.8%



Debt/ EBITDA
7.0X

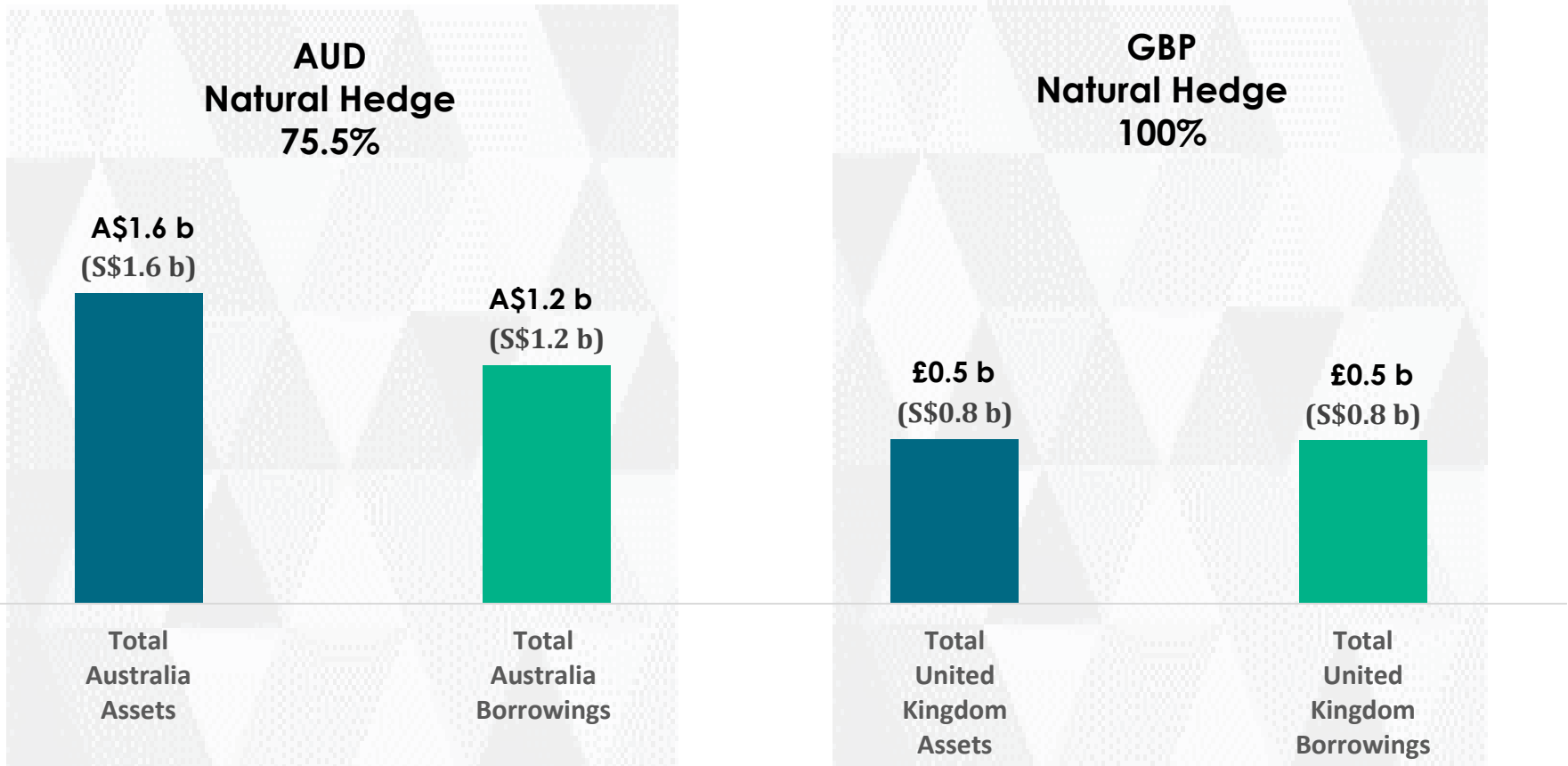
Well-spread Debt Maturity Profile

- To minimize refinancing risk, not more than 20% of borrowings will be due for refinancing in any single year
- Average debt maturity improved to 4 years
- 83.0% of borrowings are on fixed rates with an average term of 3.6 years



High Level of Currency Hedge

Achieved high level of natural hedge in Australia (75.5%) and the UK (100%) to minimise the effects of adverse exchange rate fluctuations



Annual Property Revaluation

- Total valuation of 171 properties was S\$11.1b
- Same-store valuation ⁽¹⁾ of 129 properties as at 31 March 2019 improved to S\$10.22b (S\$10.11b as at 31 March 2018)

As at 31 Mar 2019	Valuation (S\$b)	Weighted Average Capitalisation Rates
Singapore portfolio (98 properties)	8.77	6.18%
Business & Science Parks	3.69	6.02%
High-Specifications/ Data Centres	2.19	6.34%
Light Industrial/ Flatted Factories	0.95	6.23%
Logistics & Distribution Centres	1.21	6.53%
Integrated Development, Amenities & Retail	0.72	5.87%
Australia portfolio (35 properties) ⁽²⁾	1.56	6.08%
Suburban Offices	1.56	6.08%
Logistics & Distribution Centres		
United Kingdom portfolio (38 properties) ⁽³⁾	0.81	5.77% ⁽⁴⁾
Total Portfolio (171 properties)	11.14	

(1) Excludes properties which were divested (30 Old Toh Tuck and 41 Changi South Avenue 2) and newly acquired properties (United Kingdom properties, 169-177 Australis Drive, 1314 Ferntree Gully Drive, 1-7 Wayne Goss Drive and Cargo Business Park).

(2) All S\$ amount based on exchange rate of A\$1.00: S\$0.9596 as at 31 Mar 2019.

(3) All S\$ amount based on exchange rate of £1.00: S\$1.7680 as at 31 Mar 2019.

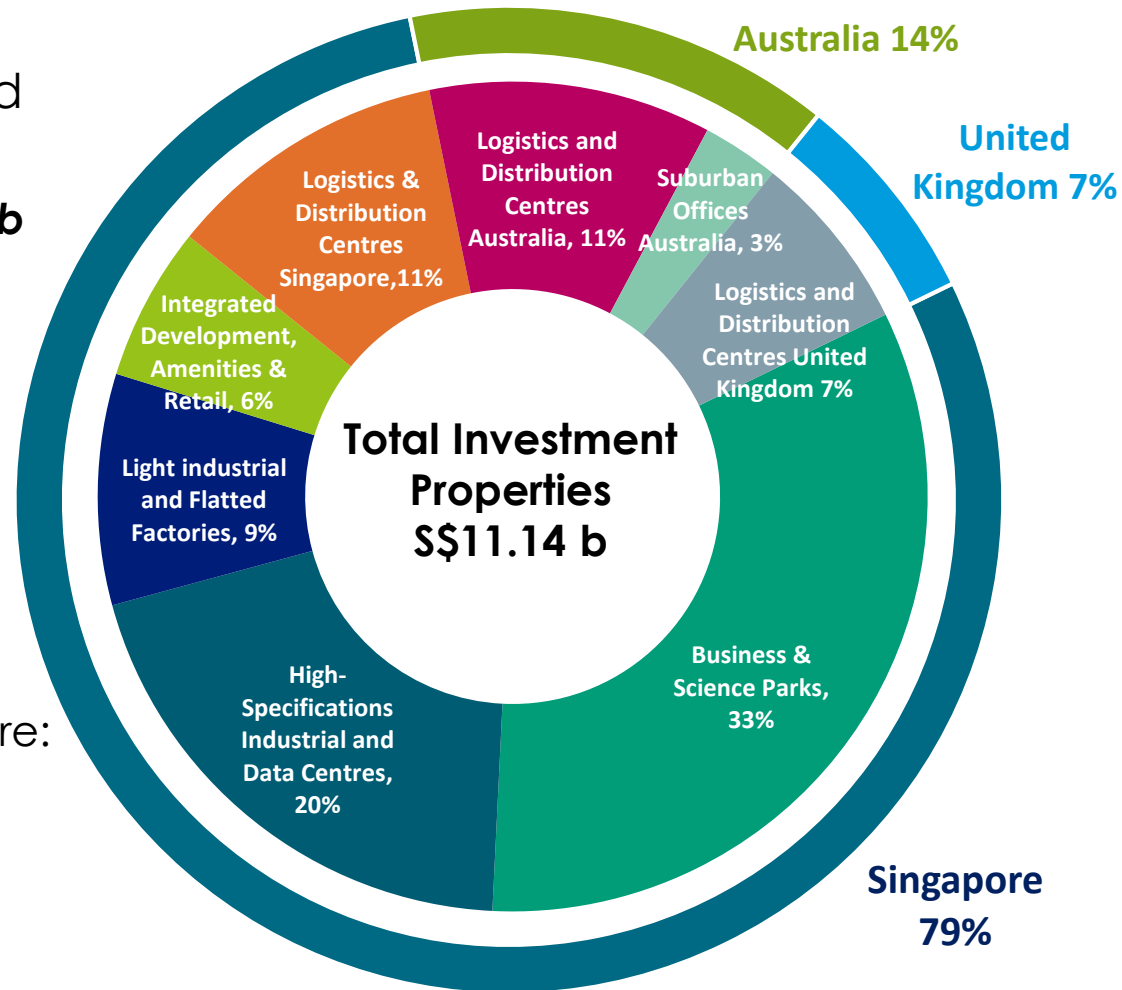
(4) Refers to equivalent yield, which reflects the current level of return on property investments in the United Kingdom.

Resilient Portfolio

7 Grevillea Street, Sydney, Australia

Well Diversified Portfolio

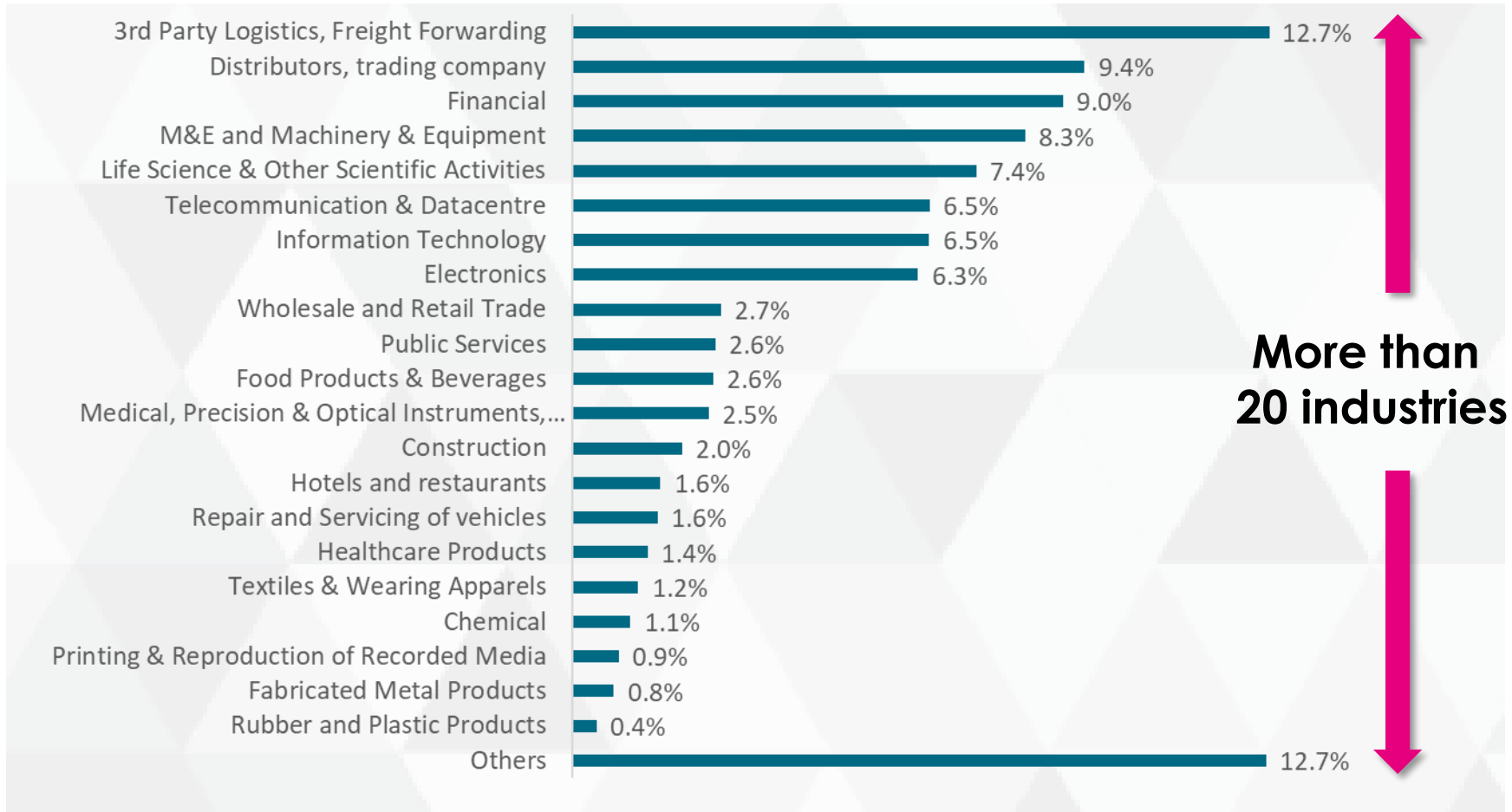
- As at 31 March 2019, total investment properties stood at **S\$11.14 b**
 - Singapore portfolio: **S\$8.77 b**
 - Australia portfolio: **S\$1.56 b**
 - United Kingdom portfolio: **S\$0.81 b**
- Diversified across
 - Business & Science Park/
Suburban office: **36%**
 - Logistics & Distribution Centre: **29%**
 - Industrial: **35%**



Customers' Industry Diversification

By Monthly Gross Revenue

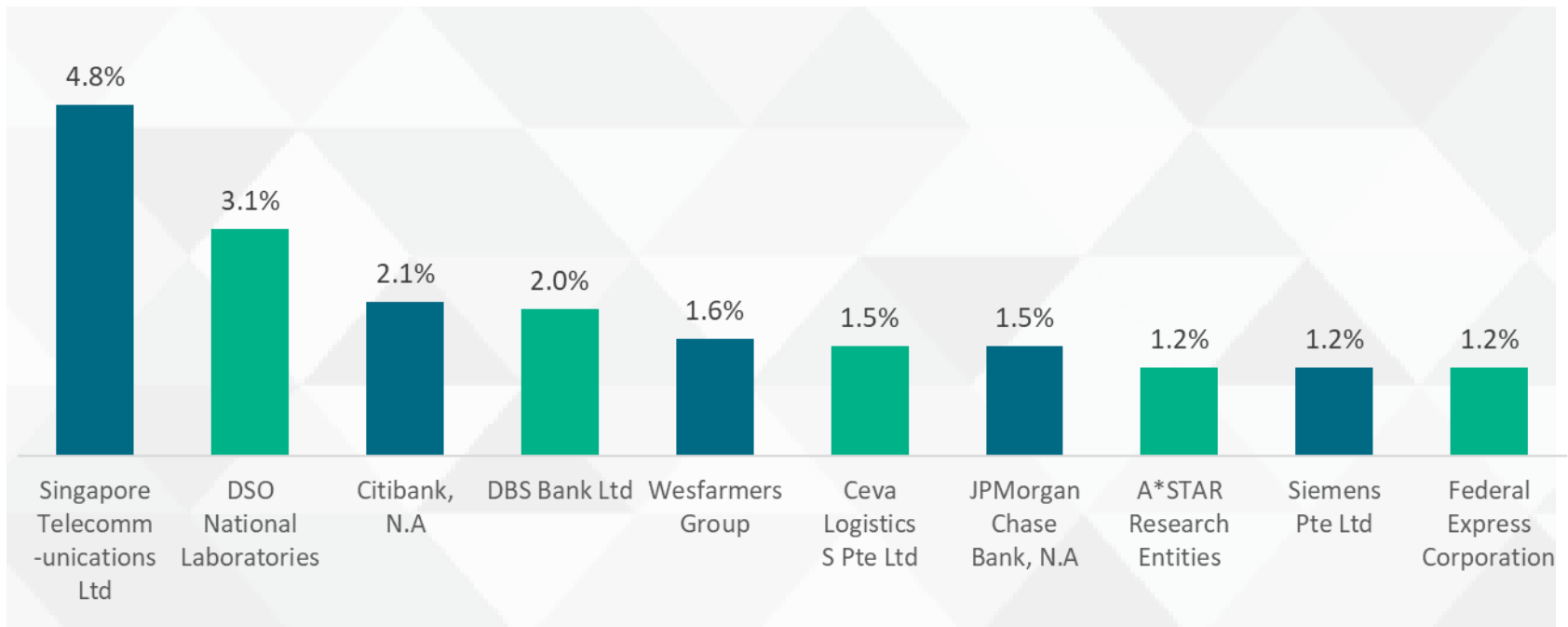
Well-diversified customer base across more than 20 industries



Note: Others include research & development, manufacturing, oil and gas, multi-media products etc.

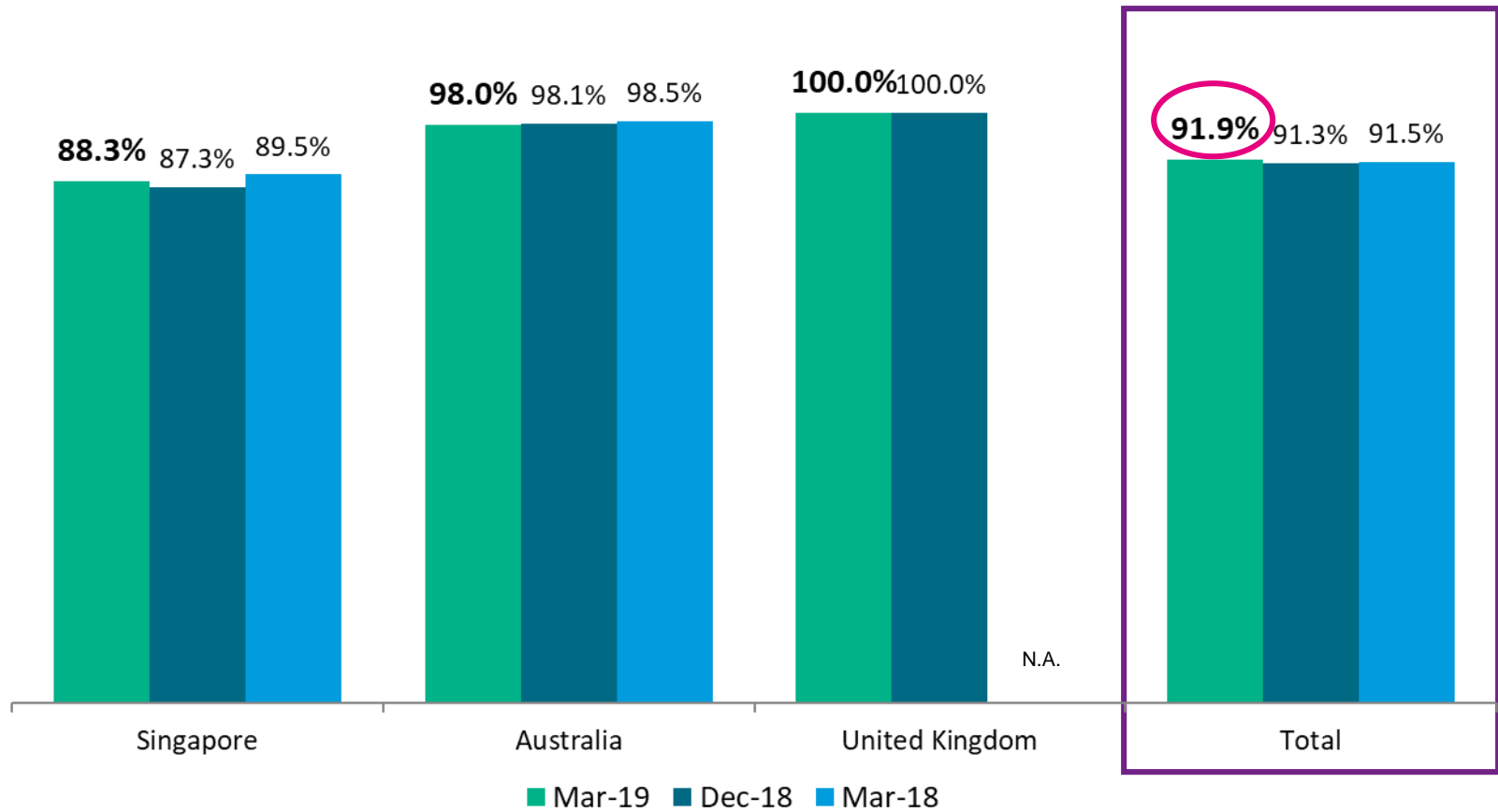
Quality and Diversified Customer Base

- Total customer base of around **1,360** tenants
- **Top 10** customers (as at 31 March 2019) account for about **20.2%** of monthly portfolio gross revenue
- On a portfolio basis, weighted average security deposit is about 5.0 months of rental income



Asset Management

Overview of Portfolio Occupancy



Gross Floor Area (sqm) ⁽¹⁾	3,034,122	810,772 ⁽²⁾	509,032 ⁽³⁾	4,353,926
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(1) Gross Floor Area as at 31 Mar 2019.
 (2) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.
 (3) Gross Floor Area for United Kingdom portfolio refers to the Gross Internal Area.

Portfolio Rental Reversions

- Portfolio reversions of **3.7%** were recorded for leases renewed in FY18/19 (all in Singapore)
- Rental reversion is expected to be flat in FY19/20 in view of the current global uncertainty and excessive supply of industrial properties in Singapore

% Change in Renewal Rates for Multi-Tenant Buildings ⁽¹⁾

FY18/19

Singapore

Business & Science Parks

3.7%

4.3%

High-Specifications Industrial and Data Centres

2.0%

Light Industrial and Flatted Factories

3.5%

Logistics & Distribution Centres

2.5%

Integrated Development, Amenities & Retail

7.9%

Total Portfolio:

3.7%

- (1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.
- (2) There were no renewals signed in the period for the respective segments.

Weighted Average Lease Expiry

By gross revenue

Portfolio Weighted Average Lease Expiry (WALE) stood at 4.2 years

WALE (as at 31 March 2019)	Years
Singapore	3.8
Australia	4.5
United Kingdom	9.3
Portfolio	4.2

Market Outlook

Market Outlook

- The global economy continues to face considerable headwinds including the on-going US-China trade conflict and prolonged Brexit uncertainties

- Ascendas Reit has a strong track record and its key competitive advantages are:
 - Geographically diversified portfolio across 3 developed markets
 - High-quality and well-located properties
 - Diversified customer base, and
 - Prudent capital management with A3 credit rating