

Frasers Logistics & Commercial Trust

7th Annual General Meeting

23 January 2024, 2.00 p.m.

CEO Presentation



42 Sunline Drive, Truganina Victoria, Australia

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Glossary

Frasers Property entities

FLCT: Frasers Logistics & Commercial Trust

FCOT: Frasers Commercial Trust

FPL or the Sponsor: Frasers Property Limited

The Group: Frasers Property Limited, together with its subsidiaries

Key Currencies

AUD or A\$: The official currency of Australia

EUR or €: The official currency of the European Union

GBP or £: The official currency of the United Kingdom

SGD or S\$: The official currency of Singapore

Other key acronyms

AL: Aggregate Leverage

AUM: Asset Under Management

BBSW: Bank Bill Swap Rate

bps: basis points

CBA: Commonwealth Bank of Australia

CBD: Central Business District

COVID-19: Coronavirus disease 2019

CPI: Consumer Price Index

DPU: Distribution per Unit

EURIBOR: Euro Interbank Offered Rate

ESG: Environmental, Social, and Governance

FP: Financial Period

FY: Financial Year

GDP: Gross Domestic Product

GRESB: Global Real Estate Sustainability Benchmark

GRI: Gross Rental Income

IPO: Initial Public Offering

L&I: Logistics & Industrial

Long-Term Leasehold Properties: Properties with a leasehold tenure of more than 75 years

L&I: Logistics & Industrial

NAV: Net Asset Value

psf: per square foot

p.p.: percentage points

q-o-q: quarter-on-quarter

REIT: Real estate investment trust

S&P: S&P Global Ratings

SGX-ST: Singapore Exchange Securities Trading Limited

SONIA: Sterling Overnight Index Average

SORA: Singapore Overnight Rate Average

sq ft: square feet

sqm: square metres

UK: the United Kingdom

WALE: Weighted Average Lease Expiry

y-o-y: year-on-year

Notes

- Portfolio metrics presented in this presentation including occupancy, WALE, WALB, lease expiry profile, portfolio tenants' contribution are computed based on GRI, being the contractual rental income and estimated recoverable outgoings for the month of September 2023 (FY2022: September 2022). The GRI excludes straightlining rental adjustments and include committed leases. In addition, the number of properties, portfolio value and portfolio breakdown exclude the property under development in the UK and right-of-use assets.
- References can be made to FLCT FY2023 Annual Report which is available at <https://flct.frasersproperty.com/publications.html>



Scan here for FLCT
FY2023 Annual Report

Forging Trust Evolving Stronger

Contents

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Overview of FLCT

Well-diversified Portfolio of Quality Logistics & Commercial Assets

Strategically located in five developed countries



107
No. of Properties



S\$6.4 billion
Portfolio Value



2.7 million sqm
Lettable Area



4.3 years
Portfolio WALE



100%
L&I Occupancy Rate

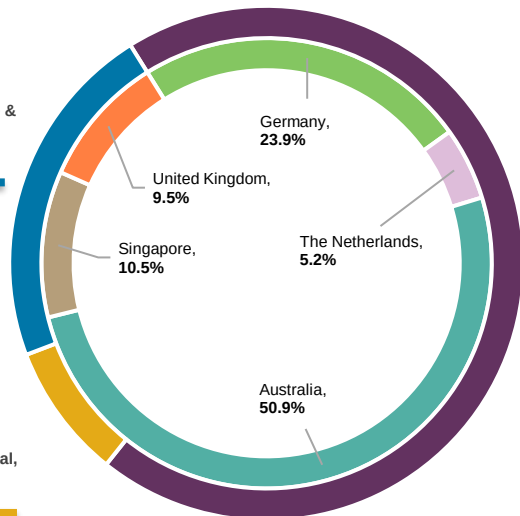
Breakdown by Asset Type and Geography



Suburban Office &
Business Parks,
21.9%



CBD Commercial,
8.5%



Logistics &
Industrial,
69.6%

As at 30 September 2023

No. of Properties

Logistics & Industrial

Commercial

Portfolio Value

S\$4,487.3 million

S\$1,957.5 million

Lettable Area

2,305,438 sqm

352,245 sqm

WALE

5.1 years

3.1 years

Occupancy Rate

100.0%

89.9%



Unit Price Performance (IPO – FY2023)

79.9%

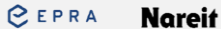
Since IPO⁽¹⁾

**Total Unitholder Return
since IPO**

7th largest S-REIT
with market
capitalisation of
\$4.0 billion

6.6%⁽²⁾
Highest dividend yield
amongst Top 10 largest
S-REITs by market
capitalisation

Constituent of:



FTSE EPRA Nareit Global Real Estate
Index Series (Global Developed Index)

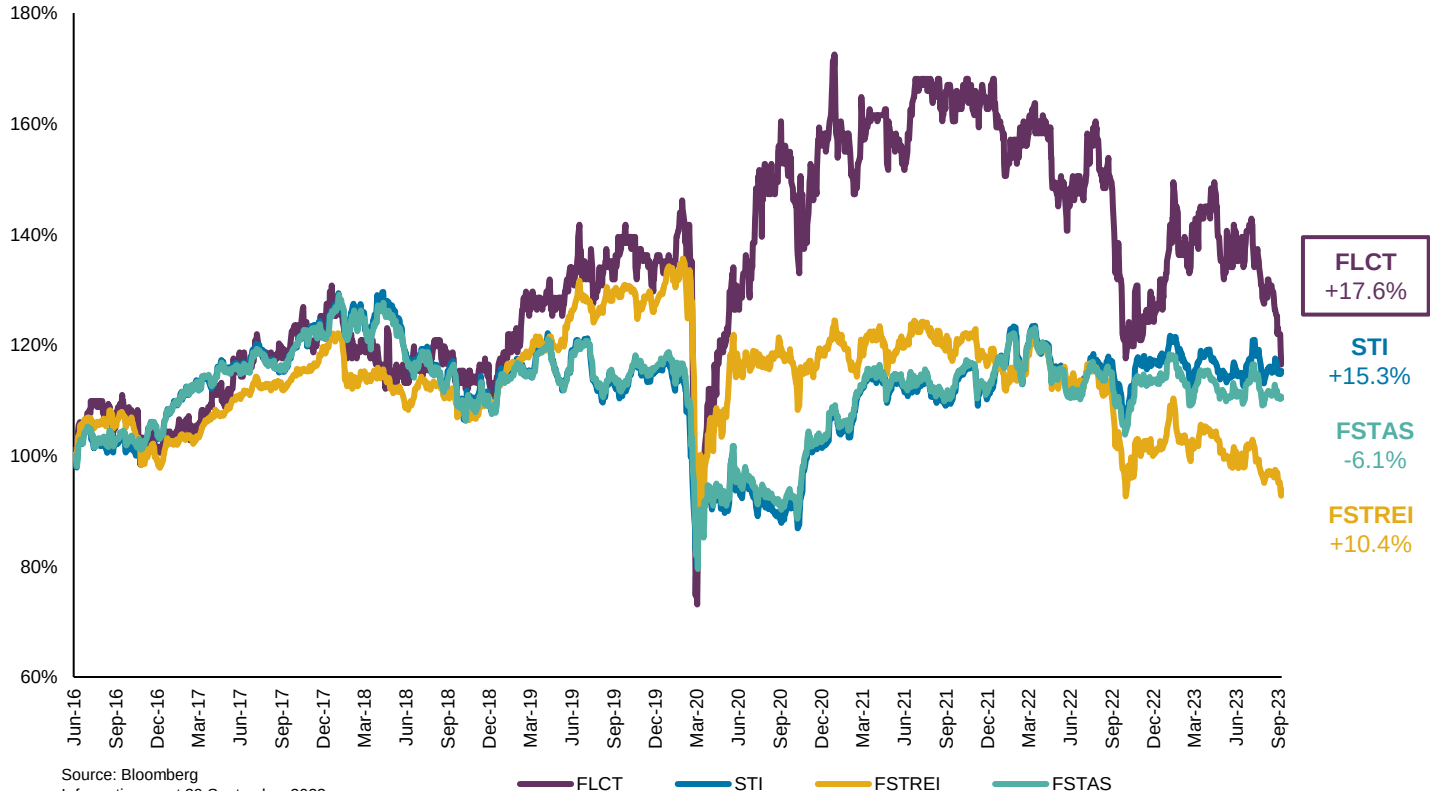


Straits Times
Index



Global Research Property
Index (Global 250)

Unit price movement from 21 Jun 2016 to 30 Sep 2023



Source: Bloomberg
Information as at 30 September 2023

1. For the period from 21 June 2016 to 30 September 2023. Calculation of total return assumed distributions paid during the period are reinvested. 2. FY2023 distribution yield

We are Frasers Property



FY2023 Key Highlights

FY2023 Highlights

Resilient performance demonstrate strength of core L&I portfolio fundamentals

L&I Portfolio Fundamentals Remain Strong



Significant Rental Reversions in FY2023

+7.8%

Overall Portfolio
(incoming vs. outgoing)

+18.9%

Overall Portfolio
(average vs. average)



Stable Portfolio Occupancy

96.0%

L&I portfolio maintained at full occupancy for four consecutive years



Market Leading Position

5-star GRESB rating

Ranked 2nd in Asia Pacific / Diversified Office / Logistics amongst 18 peers

Prudent Capital Structure



Healthy aggregate leverage and interest coverage ratio

30.2%

Aggregate Leverage

7.1x

Interest Coverage Ratio

Significant debt headroom of S\$1.1 billion to reach 40% aggregate leverage



Prudent capital management

No major refinancing due 1HFY2024; Facilities already in place for >50% of debt due 2HFY2024 for drawdown upon maturity



Fixed Rate Borrowings

77.2%

Continued Portfolio Growth



L&I Acquisition

€14.5 million

Forward-funding acquisition of L&I facility at Maastricht Aviation Valley in The Netherlands at **12.7% discount to valuation**



Development Completions

- ✓ Completed speculative development of **Connexion II** in Blythe Valley Park, fully leased following completion
- ✓ Completed pre-committed forward-funded project of **Worcester**, West Midlands, UK



Ongoing developments

- ✓ **Ellesmere Port** completed in Dec 2023. Pre-leased to Peugeot for 15 years as its national parts distribution centre
- ✓ Ongoing asset enhancement for **Central Park, Perth**

Key Financial Highlights

Financial year ended 30 September 2023

Key Highlights

- Lower revenue and adjusted net property income due to:
 - Weaker exchange rates
 - Divestment of Cross Street Exchange in 1H2022
 - Lower average occupancies at Farnborough Business Park, Maxis Business Park and 357 Collins Street
 - Higher energy and utility expenses
 - Partially offset by the full-year effect of the acquisition of four properties in Australia and contributions from Worcester and Connexion II
- Higher finance costs are mainly due to higher interest rates and additional borrowings drawn for capex and fund through developments
- Capital distribution in FY2023 includes the distribution of divestment gains of S\$16.1 million



7.04

Singapore cents
FY2023 DPU



100%

Distributable income
payout since IPO



6.6%

Attractive FY2023
Distribution Yield

Financial Highlights (S\$'000)	FY2023	FY2022	Change (%)
Revenue	420,782	450,187	▼ 6.5
Adjusted Net Property Income	311,442	342,138	▼ 9.0
Finance costs	46,763	41,595	▲ 12.4
Net change in fair value of investment properties	(358,956)	425,593	N.M.
Capital distribution	25,067	14,981	▲ 67.3
Distributable Income to Unitholders ⁽¹⁾	262,339	281,753	▼ 6.9
DPU (Singapore cents) ⁽¹⁾	7.04	7.62	▼ 7.6

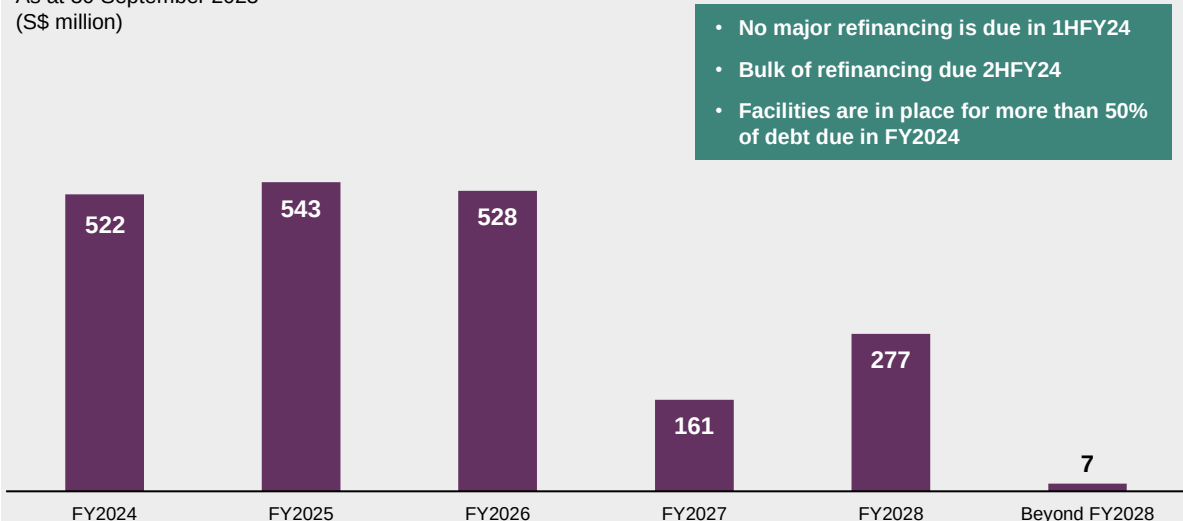
1. 100% of management fees paid in the form of units (FY2022: 80.3%)

Prudent Capital Management

Strong balance sheet with significant debt headroom; One of the lowest-geared S-REITs with aggregate leverage of 30.2%

Debt Maturity Profile (Total Gross Borrowings: S\$2,038 million)

As at 30 September 2023
(S\$ million)



Every potential +50 bps in interest rates on variable rate borrowings is estimated to impact DPU by 0.06 Singapore cents (0.85% of FY23 DPU)



30.2%

Aggregate Leverage ("AL")
(30 Sep 22: 27.4%)



2.2%

Cost of Borrowings
(Trailing 12 months)
(30 Sep 22 : 1.69%)



77.2%

% of Fixed Rate Borrowings
(30 Sep 22: 77.2%)



2.2 years

Average Weighted Debt Maturity
(30 Sep 22: 2.7 years)



7.1x

Interest Coverage Ratio
(30 Sep 22: 13.0x)



\$1,102m

Debt Headroom to 40% AL
(30 Sep 22: S\$1,505m)

S&P Global
Ratings

BBB+ / Stable
(30 Sep 22: BBB+ / Stable)



Portfolio Highlights

FY2023 Portfolio Highlights

Resilient portfolio performance as L&I portfolio fundamentals remain strong



Healthy
Portfolio WALE
4.3 years
(FY22: 4.5 years)



\$6.4b
Portfolio
Valuation
(FY22: \$6.7b)



No single tenant
contributes
more than
5%
of portfolio GRI



96%
Strong Portfolio
Occupancy
*100% occupancy for
L&I portfolio for 4th
consecutive year*



Robust leasing
momentum
~492,000 sqm
of space or
18.5% of portfolio GLA
leased in FY2023
(FY22: >351,000 sqm)



Significant
Portfolio
Rental
Reversions
+7.8% **+18.9%**
(incoming vs. outgoing) (average vs. average)



Logistics & Industrial Portfolio

Benefiting from tight market conditions with strong occupier demand driving positive rental growth

Strategically located to promote supply chain efficiency with strong transport links to the consumer base

 **99**
Properties

 **\$4.5** billion
Portfolio Value

 **5.1** years
WALE

 **100.0%**
Occupancy Rate



As at 30 Sep 2023	Australia	Germany	The Netherlands	UK
No. of Properties	61	29	6	3
Portfolio Value (\$ million) <i>(% of L&I portfolio)</i>	2,474.9 (55%)	1,543.5 (34%)	334.9 (8%)	134.0 (3%)
Lettable Area ('000 sqm)	1,314.5	709.8	233.9	47.3
Average Age by Value	10.6 years	9.7 years	14.9 years	2.4 years
WALE	4.3 years	5.5 years	8.0 years	10.8 years
Occupancy Rate	100.0%	100.0%	100.0%	100.0%
Average Annual Rental Increment	3.1%	Indexation	Indexation	Indexation
Proportion of Freehold & Long-Term Leasehold Properties	76.6%	94.3%	100.0%	100.0%

Commercial Portfolio

Positioned with a focus on sustainability and wellness

Suburban offices, business parks and CBD commercial properties are located within established commercial markets. Our properties offer vibrant workplaces with amenities, good connectivity and transport options



8
Properties



\$2.0 billion
Portfolio Value



3.1 years
WALE



89.9%
Occupancy Rate

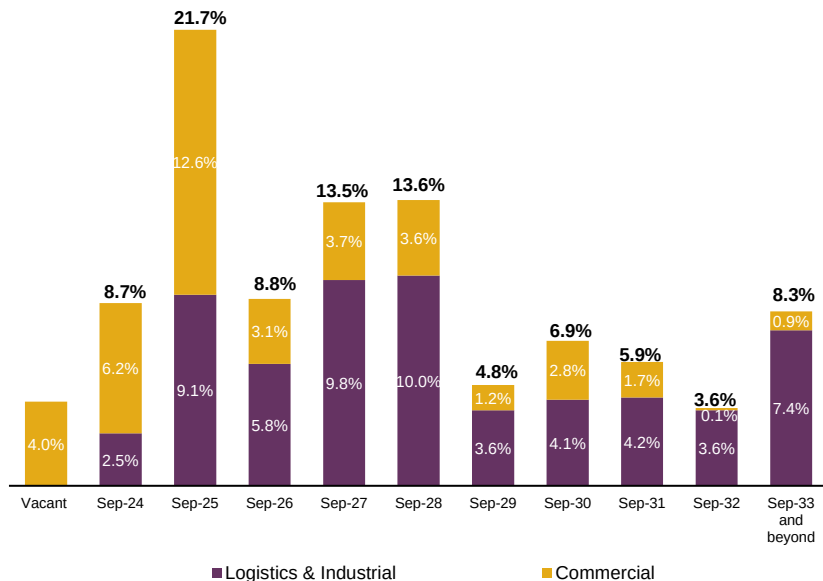


Caroline Chisholm Centre, Australia

As at 30 Sep 2023	Caroline Chisholm Centre	545 Blackburn Road	Alexandra Technopark	Farnborough Business Park	Maxis Business Park	Blythe Valley Park	357 Collins Street	Central Park
Type	Office & Business Parks						CBD Commercial	
Location	Canberra, Australia	Victoria, Australia	Singapore	UK	UK	UK	Melbourne, Australia	Perth, Australia
Ownership	100.0%	100%	100.0%	100.0%	100.0%	100.0%	100.0%	50.0%
Property Value (\$ million) (% of commercial portfolio)	216.6 (11%)	42.0 (2%)	678.0 (35%)	228.4 (12%)	83.4 (4%)	164.1 (8%)	224.1 (11%)	320.9 (17%)
Lettable Area (sqm)	40,244	7,311	96,087	50,755	17,829	42,197	31,780	66,041
WALE	1.8 years	4.1 years	1.5 years	4.4 years	2.8 years	5.8 years	1.9 years	6.0 years
Occupancy Rate	100.0%	100.0%	95.8%	77.1%	79.4%	83.0%	83.8%	96.1%

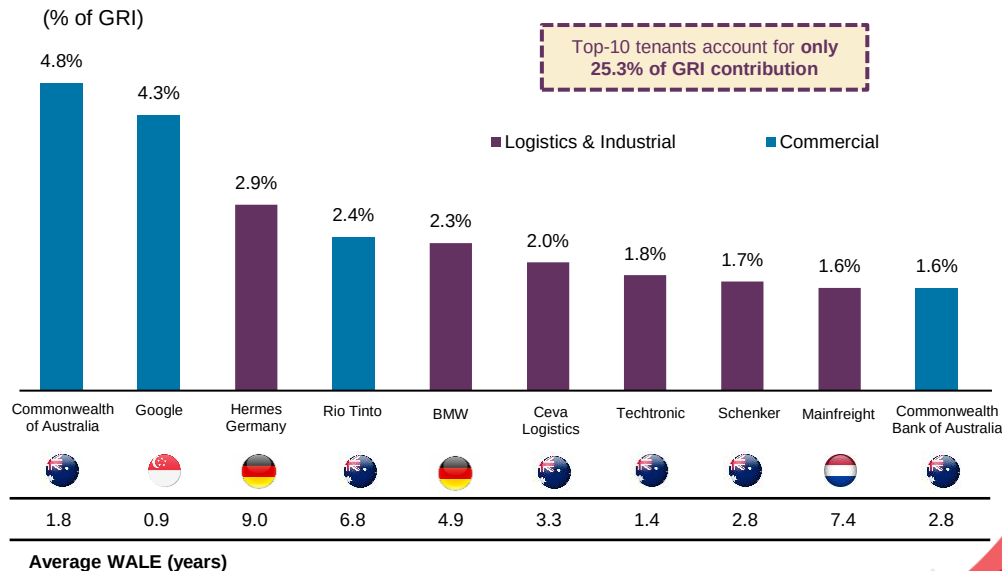
Well-Spread Lease Expiry Profile With Diversified Tenant Base

Portfolio Lease Expiry Profile by WALB as at 30 Sep 2023



Top 10 Portfolio Tenants

- Half of Top 10 tenants have leases in multiple buildings with varying lease expiries
- Average **WALE** of 3.8 years for Top-10 tenants



Adding Portfolio Value Through L&I Developments & Acquisitions

Developments were pre-committed or fully leased shortly after completion

- Completed in Feb 2023
- 16,734 sqm freehold warehouse development located within an existing business park
- Committed lease term of 15 years
- Achieved BREEAM "Very Good" certificate and 'A' rated Energy Performance Certificate



- Completed in Dec 2023
- 62,211 sqm freehold L&I development in the UK's North West L&I market at Hooton Business Park
- Leased to Peugeot for 15 years and serves as its national parts distribution centre
- Developed to meet BREEAM "Outstanding" rating and "A" rated Energy Performance Certificate

- Completed in Mar 2023
- 10,996 sqm freehold L&I speculative development built within FLCT's Blythe Valley Park
- All three standalone units were leased on 10-year terms to high-quality customers: Tesla, Solotech and Reeley
- Certified BREEAM "Excellent" and "A+" rated Energy Performance Certificate



- Entered into sale and purchase agreement in Oct 2023
- Freehold forward-funding development at a purchase price of €14.5 million, a 12.7% discount to valuation of €16.6 million
- Strategically situated within the Aviation Valley business park and next to Maastricht Airport in the Netherlands
- Rated BREEAM "Very Good", in line with FLCT's sustainability strategy



ESG Achievements

ESG FY2023 Achievements & Targets

Established Sustainability Strategy

In-place Sustainability Strategy since 2017 with specific goals & targets to progress and measure our sustainability performance

Three Core Target Areas



Align with FPL's commitment to achieve **net zero emissions by 2050**

External Certification

All new projects to be certified using third party and relevant green building programs and **80%** of owned assets to be certified by **FY24**



Maintain **5-Star GRESB Rating**



**ACTING
PROGRESSIVELY**



FLCT received Silver award at the **SIAS Singapore Corporate Governance Award (SCGA) 2023** for Best Annual report (Silver) and Best Investor Relations (Bronze) in the REITs & Business Trusts Category in Oct 2023



~64%
Percentage of green sustainability-linked financing as % of total borrowings



Sustainable Finance Framework
Established since July 2021



**CONSUMING
RESPONSIBLY**



GRESB
***** 2023

5-star rating
(Diversified – Office/Industrial)
3rd consecutive year
#2 in Asia-Pacific



Highest
Green star performance-rated industrial portfolio in Australia



Farnborough Business Park:
First 3-star commercial site certification in the world



'Excellent' / 'Very Good'
(ratings for Farnborough Business Park and Maxis Business Park)

'Very Good'
(ratings for 3 assets in The Netherlands)

'Excellent'
(rating for Ellesmere Port development in the UK)



357 Collins Street, Caroline Chisholm Centre and Central Park: minimum 5.0-star

Central Park: **first commercial building in Australia to achieve 4.5-star NABERS Energy base building rating, first premium office building in Perth to attain 5.0-star NABERS Energy base building rating**



**FOCUSING
ON PEOPLE**



Carry out climate risk assessments and implement asset-level adaptation and mitigation plans aligned to the Task Force on Climate-Related Financial Disclosures framework by 2024



Supported the **Milk and Diapers Programme**, which provides parents from low-income families with milk powder and diapers for children up to three years of age



**Looking Ahead &
Strategy**

Looking Ahead

Key trends and developments affecting our business environment



Supply Chain Resilience

- Occupiers are transitioning towards "just-in-case" regional supply chains as well as onshoring. This is expected to drive demand for good quality logistics facilities closer to their customer base



Growth of E-commerce

- Global e-commerce penetration is forecast to grow in the next 3 years, driving demand for quality warehousing
- New technology, such as generative AI, is expected to play a key role in alleviating supply chain disruptions and improving resilience



ESG Stewardship

- Continued demand for buildings with strong sustainability credentials to assist occupiers in meeting their ESG targets and corporate values



Flight to Quality

- Increasing demand for properties that cater to the future workplace with an emphasis on health and well-being for talent retention



Challenging Market Environment & Uncertainties

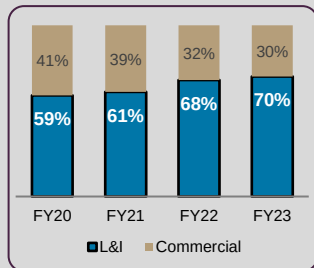
- Weak global economic outlook
- Volatilities in financial markets and uncertainties in macro environment
- Geopolitical tensions

Strategy: Positioned For Long-term Sustainable Growth



Increased focus on L&I

Focus our attention on increasing our Logistics & Industrial exposure from the current ~70% to 85% in the long term



Acquisitions focused in developed markets

Review opportunities in the existing markets that we operate in as well as explore potential new markets



Leverage Sponsor's potential pipeline for opportunities

ROFR assets from Sponsor

Leverage Sponsor's integrated asset management and development capabilities

Collaborate with Sponsor's local teams to source for suitable on-market / off-market opportunities



Explore development opportunities

Continue to explore development and fund-through development opportunities within development limit

Underpinned by healthy balance sheet and proven capability



Strong Sponsor with ROFR assets as potential pipeline



Healthy balance sheet with one of the lowest gearing amongst S-REITs



Market leading Sustainability Stewardship



Quality portfolio of 99 logistics & industrial properties, and 8 commercial assets in 5 developed countries

Inspiring experiences,
creating places for good.

