



3Q FY19 Financial Results

11 July 2019

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This presentation shall be read in conjunction with SPH REIT’s financial results for the third quarter and year-to-date ended 31 May 2019 in the SGXNET announcement.

Contents

Results highlight	Slide 3
Balance sheet	Slide 8
Operational performance	Slide 11
Growth strategy and market outlook	Slide 17
Distribution details and timetable	Slide 22

Key Highlights

3Q FY19 Financial performance:

- Net property income increased **14.2%** y-o-y
- **5.32%** Annualised Distribution Yield, based on closing price of \$1.040 on 31 May 2019
- Q3 FY19 DPU was **1.39cents**, an increase of 1.5% year-on-year
- Gearing at **30.1%** and average cost of debt of **2.89%**

Operational performance :

- **99.0%** Committed Occupancy by NLA as at 31 May 19
- **8.4%** Rental Reversion for year-to-date ended 31 May 19

3Q FY19 financial performance

	3Q FY19 ^(a) S\$'000	3Q FY18 S\$'000	Change %
Gross revenue	58,333	51,769	12.7
Property expenses	(12,005)	(11,210)	(7.1)
Net property income (NPI)	46,328	40,559	14.2
Income available for distribution	36,794	35,095	4.8
Distribution to Unitholders ^(b)	35,953	35,205	2.1
Distribution per unit (DPU) (cents)	1.39	1.37	1.5

Note:

(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

YTD 3Q FY19 financial performance

	YTD 3Q (a) FY19 S\$'000	YTD 3Q FY18 S\$'000	Change %
Gross revenue	170,261	158,840	7.2
Property expenses	(36,292)	(33,823)	(7.3)
Net property income (NPI)	133,969	125,017	7.2
Income available for distribution	109,668	107,734	1.8
Distribution to Unitholders ^(b)	106,995	105,532	1.4
Distribution per unit (DPU) (cents)	4.14	4.11	0.7

Note:

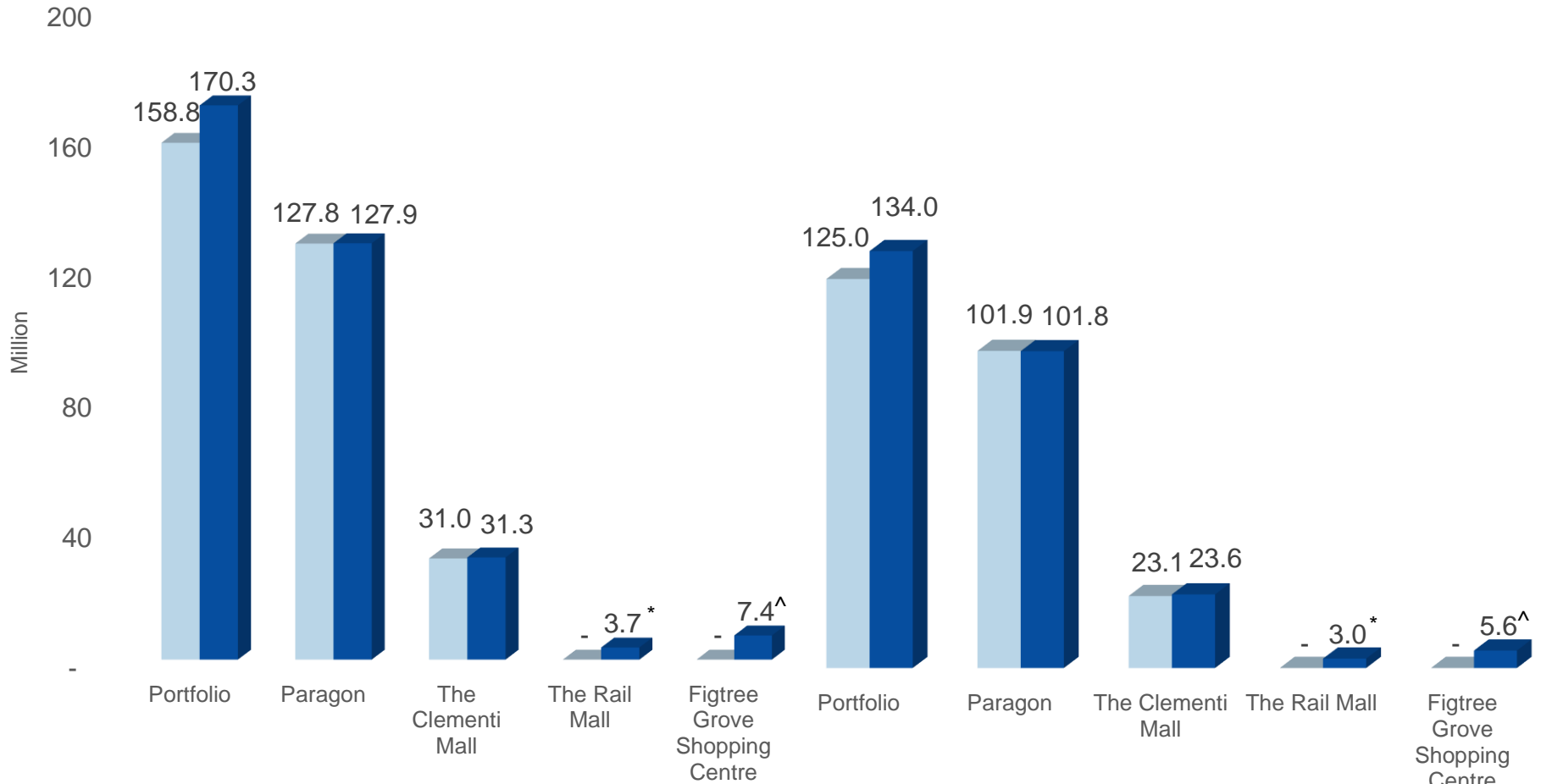
(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

(b) For 3QFY19, the distribution to unitholders was 97.6% of income available for distribution.

Property performance

Gross Revenue

Net Property Income

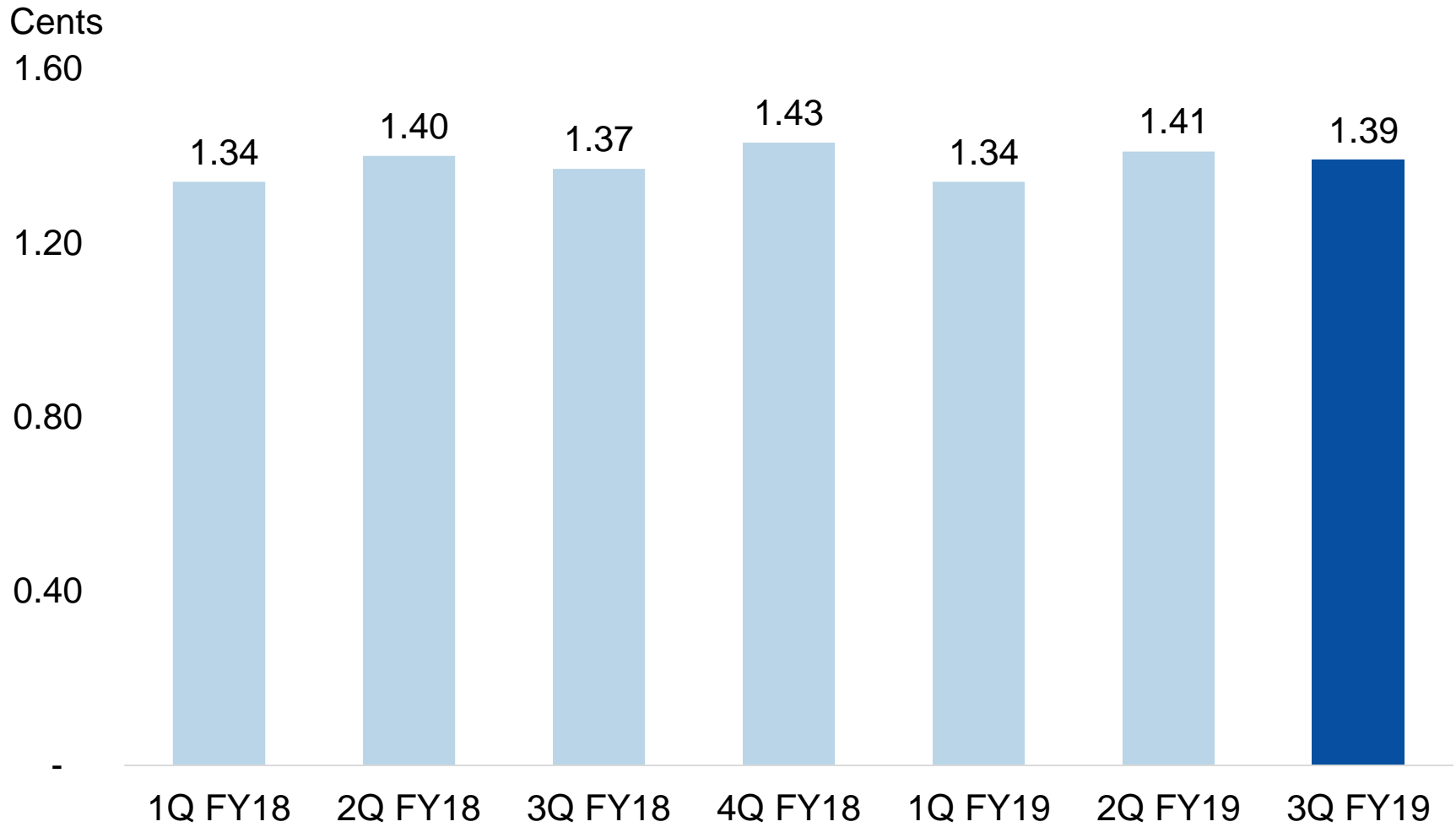


Note:

* Included the contribution from The Rail Mall (acquired on 28 June 2018)

^ Included the contribution from Figtree Grove Shopping Centre (acquired on 21 December 2018)

Steady distribution





Balance sheet



Financial position

	As at 31 May 2019 ^(a) S\$'000	As at 31 August 2018 S\$'000
Total assets	3,615,792	3,408,034
Total liabilities	1,174,803	969,087
Net assets attributable to unitholders	2,440,989	2,438,947
Net asset value per unit	S\$0.94	S\$0.95
Gearing ^(b)	30.1%	26.3%

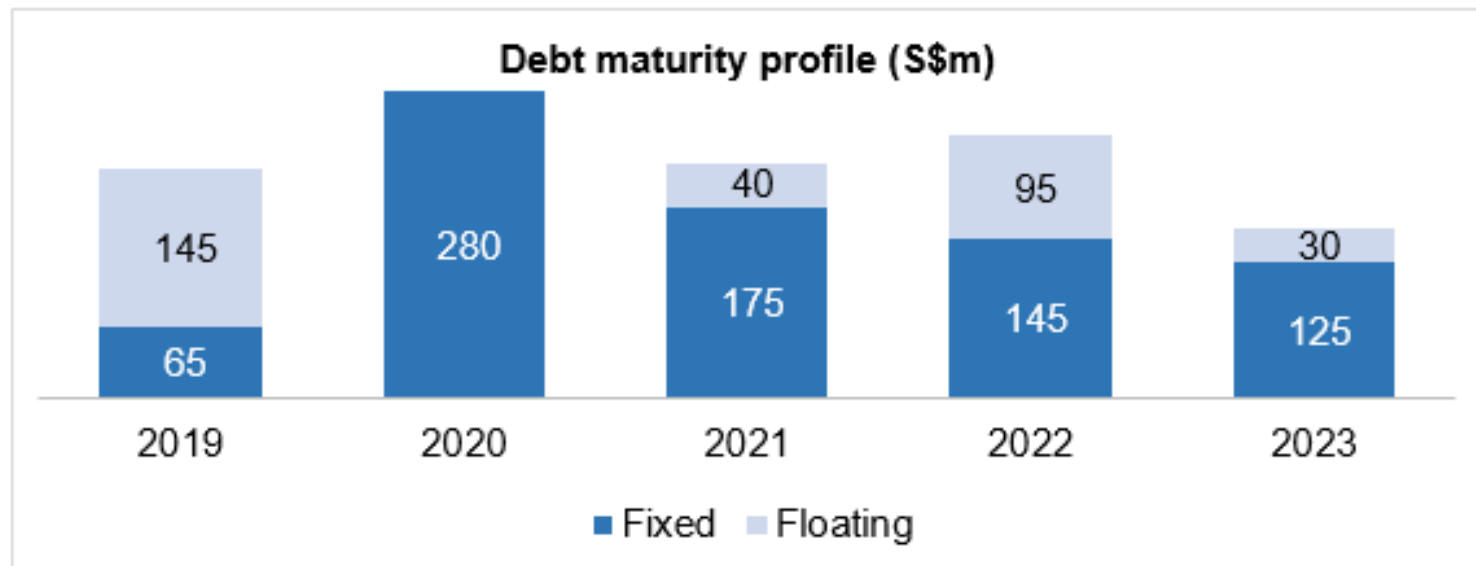
Note:

(a) Included the contributions from The Rail Mall (acquired on 28 June 2018) and Figtree Grove Shopping Centre (acquired on 21 December 2018).

(b) Gearing is computed based on total debt/ total assets (Includes SPH REIT's proportionate share of borrowings in accordance to the Property Funds Appendix).

Gearing

- SPH REIT maintained a well staggered debt maturity profile without major concentration of debts maturing in any single year.
- Gearing at 30.1% and average cost of debt of 2.89% p.a. as at 31 May 2019.
- Weighted average term to maturity: 1.8 years





Operational performance



Operational performance

- SPH REIT maintained high occupancy of 99.0%.
- Paragon recorded positive rental reversion of 8.6% for new and renewed leases cumulatively for YTD FY19. This represented 21.4% of Paragon's net lettable area.
- The Clementi Mall and The Rail Mall recorded positive rental reversion of 5.8% and 9.1% respectively for YTD FY19.
- The overall portfolio registered a positive rental reversion of 8.4%.
- Tenant sales have continued to register growth.
- YTD 3Q FY19 visitor traffic was higher by 4.4% compared to YTD 3Q FY18 for Singapore Assets.

Rental reversion

	Number of renewals / new leases ^(a)	NLA renewed / new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ^(c)
Paragon	81	153,129	21.4%	8.6%
The Clementi Mall	17	19,664	10.1%	5.8%
The Rail Mall	9	10,532	21.2%	9.1%
SPH REIT Portfolio	107	183,325	19.1% ^{(b)(e)}	8.4% ^(d)

Notes:

(a) For expiries in 3Q FY19, excluding newly created and reconfigured units

(b) As a % of SPH REIT Singapore portfolio's total Net Lettable Area ("NLA") of 962,009 sqft as at 31 May 2019.

(c) The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. Preceding leases were typically committed three years ago.

(d) Reversion rate is computed based on weighted average of all expiring leases.

(e) No new leases executed for Figtree Grove Shopping Centre in 3Q FY19.

Staggered portfolio lease renewal

Weighted Average Lease Expiry (WALE) as at 31 May 2019

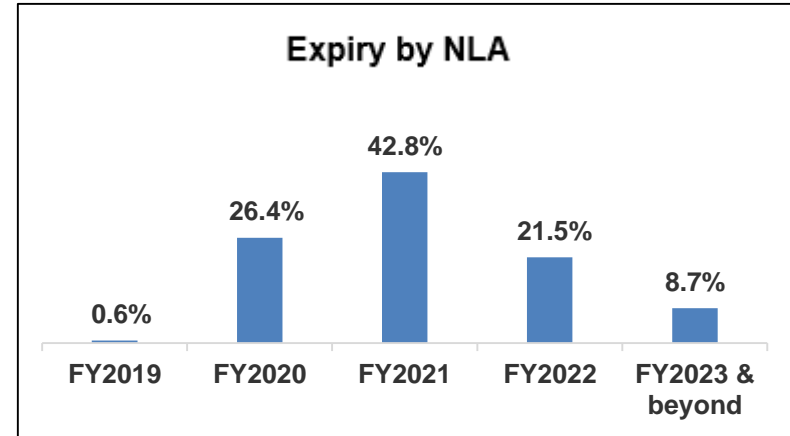
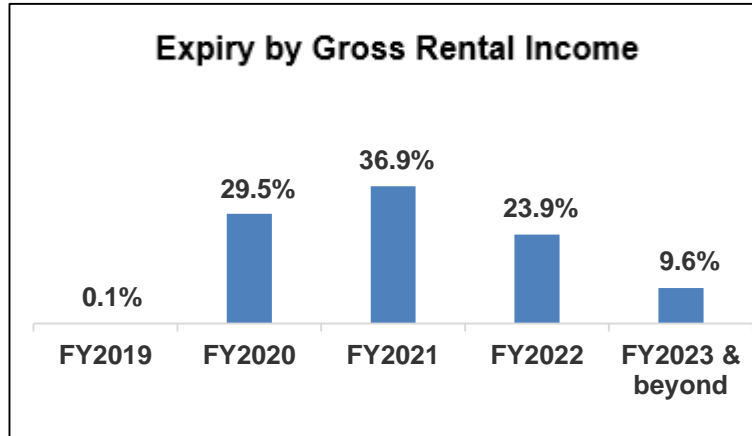
	Singapore Portfolio	Australia Portfolio
By NLA	1.8 years	7.6 years
By Gross Rental Income	1.9 years	5.3 years

Lease expiry as at 31 May 2019

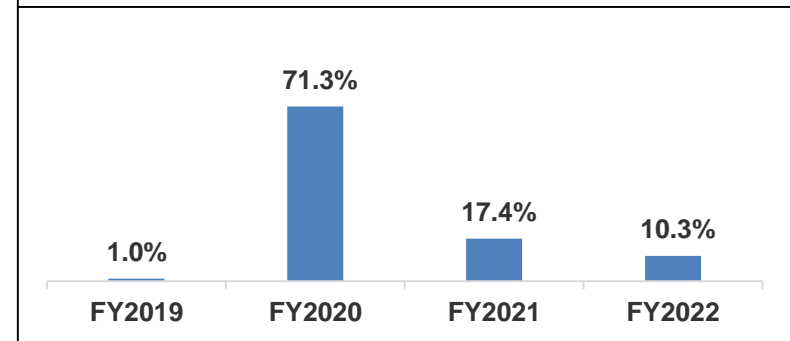
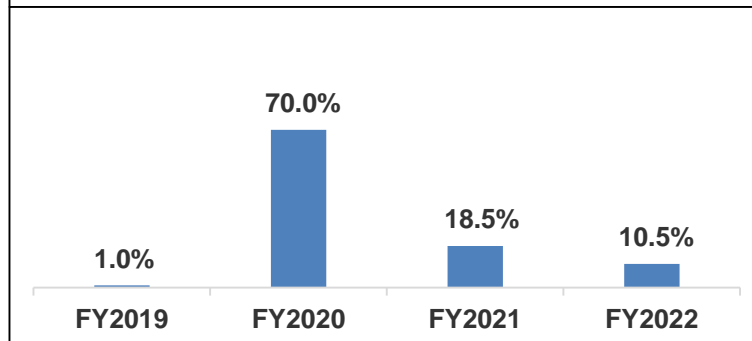
	FY2019	FY2020	FY2021	FY2022	FY2023 and beyond
Expiries as a % of total NLA	5.7%	28.8%	30.4%	17.6%	17.5%
Expiries as a % of Gross rental income	11.2%	23.2%	20.7%	17.3%	27.6%

Lease expiries by Singapore property

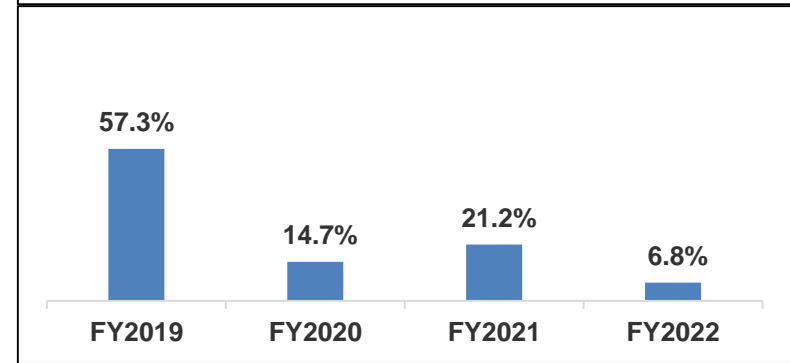
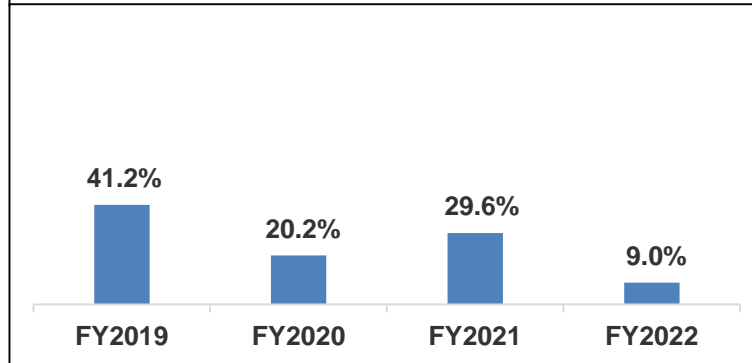
PARAGON



THE CLEMENTI mall



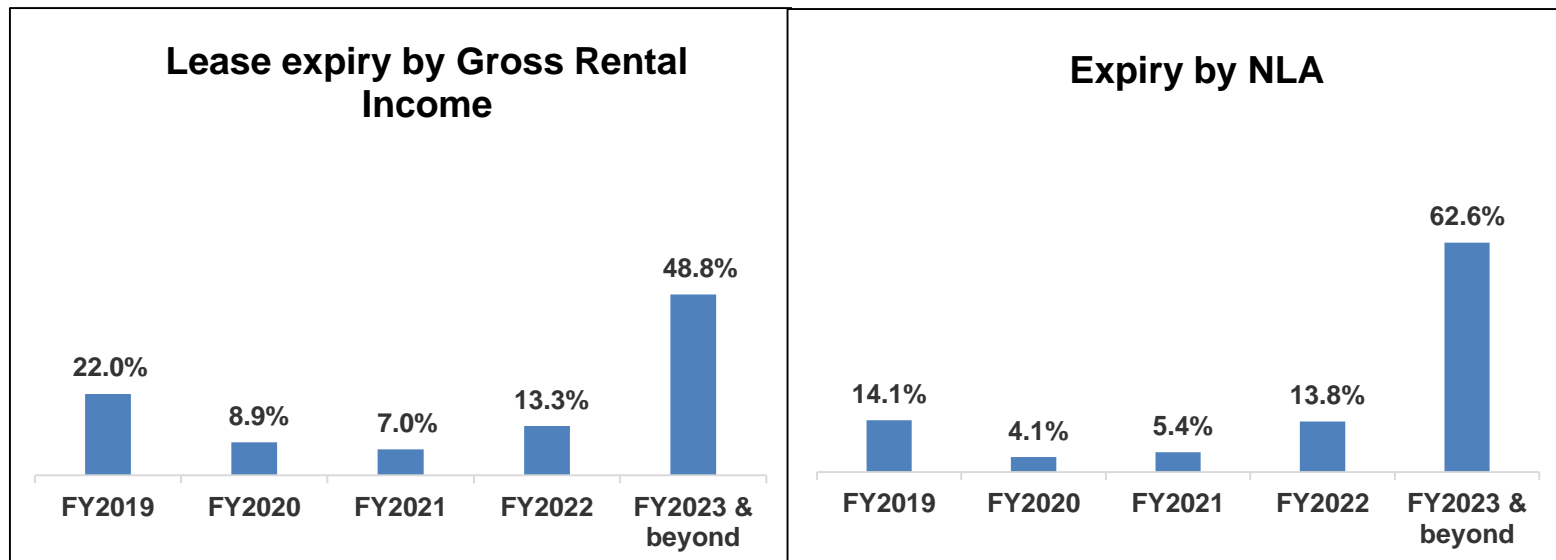
The Rail Mall



Figtree Grove Shopping Centre

Figtree Grove Shopping Centre - Completed Acquisition of 85% stake on 21 December 2018

- Established sub-regional mall located in Wollongong, New South Wales, Australia.
- Purchase consideration at A\$206.0 million (for 100% stake).
- Freehold tenure with approximately 236k sq ft gross lettable area.
- Major anchor tenants include a 24-hour Kmart, Coles and Woolworths supermarkets.
- 99.2% Committed occupancy.





Growth strategy and market outlook



Multi-pronged strategy to ensure growth

Proactive asset management and asset enhancement strategy

- Ensure that interests of all stakeholders, including tenants, shoppers and Unitholders are protected while keeping its properties at the forefront of evolving retail mall trends and relevant to changing demands of consumers
- Continually optimise tenant mix of its properties
- Deliver high quality service to tenants and become the landlord of choice in the Singapore retail real estate space
- Implement asset enhancement initiatives and implement proactive marketing plans

Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily⁽¹⁾ for retail purposes in Asia Pacific
 - One applicable ROFR property, The Seletar Mall, which has opened on 28 November 2014, and maintained high occupancy rate since its opening.
- Explore acquisition opportunities that will add value to SPH REIT's portfolio and improve returns to Unitholders

Note:

- (1) 'primarily' means more than 50.0% of net lettable area or (in the case of a property where the concept of net lettable area is not applicable) gross floor area.

Engaging activities at our malls

Paragon Level 3 Launch Celebrations – A refresh shopping space where shoppers can shop effortlessly through various shops and join us in creative workshops.



Singapore market outlook

- **Outlook for Singapore economic growth is expected to moderate**

- According to the Ministry of Trade and Industry (“MTI”), the Singapore economy grew by 1.2% year-on-year in first quarter of 2019.
- The global economy outlook remains clouded by uncertainties and downside risks. Against the backdrop of slightly weaker external economic outlook, MTI expects the economic growth forecast in 2019 to be narrowed downwards to “1.5% to 2.5%” from “1.5% to 3.5%”.

- **Growth in international visitor arrivals and tourism receipts**

- For the first four months of 2019, international visitor arrivals grew by 1.6% y-o-y.
- Tourism receipts grew 0.5% to S\$26.9 billion in 2018.

- **Decline in retail sales**

- The retail sales index (excluding motor vehicles) declined by 1.5% y-o-y in Q1 2019, as compared to a decline of 0.4% y-o-y in Q4 2018.

Australia Market outlook

- **Outlook for Australia economic growth**

- According to the Reserve Bank of Australia (RBA), the Australian economy increased by 2.80% in 2018.
- The RBA expects GDP growth to be around 2.00% in 2019 and 2.75% in 2020.

- **Retail turnover**

- Based on figures released by the Australian Bureau of Statistics (ABS), the seasonally adjusted retail turnover rose by 0.3% in March 2019, 0.9% in February 2019 and 0.1% in January 2019.

Distribution details and timetable

Distribution period	3Q FY19 (1 March 2019 – 31 May 2019)
Distribution per unit	1.39 cents per unit
Ex-date	18 July 2019
Record date	19 July 2019
Payment date	22 August 2019



Thank You

Please visit www.sphreit.com.sg for more information.