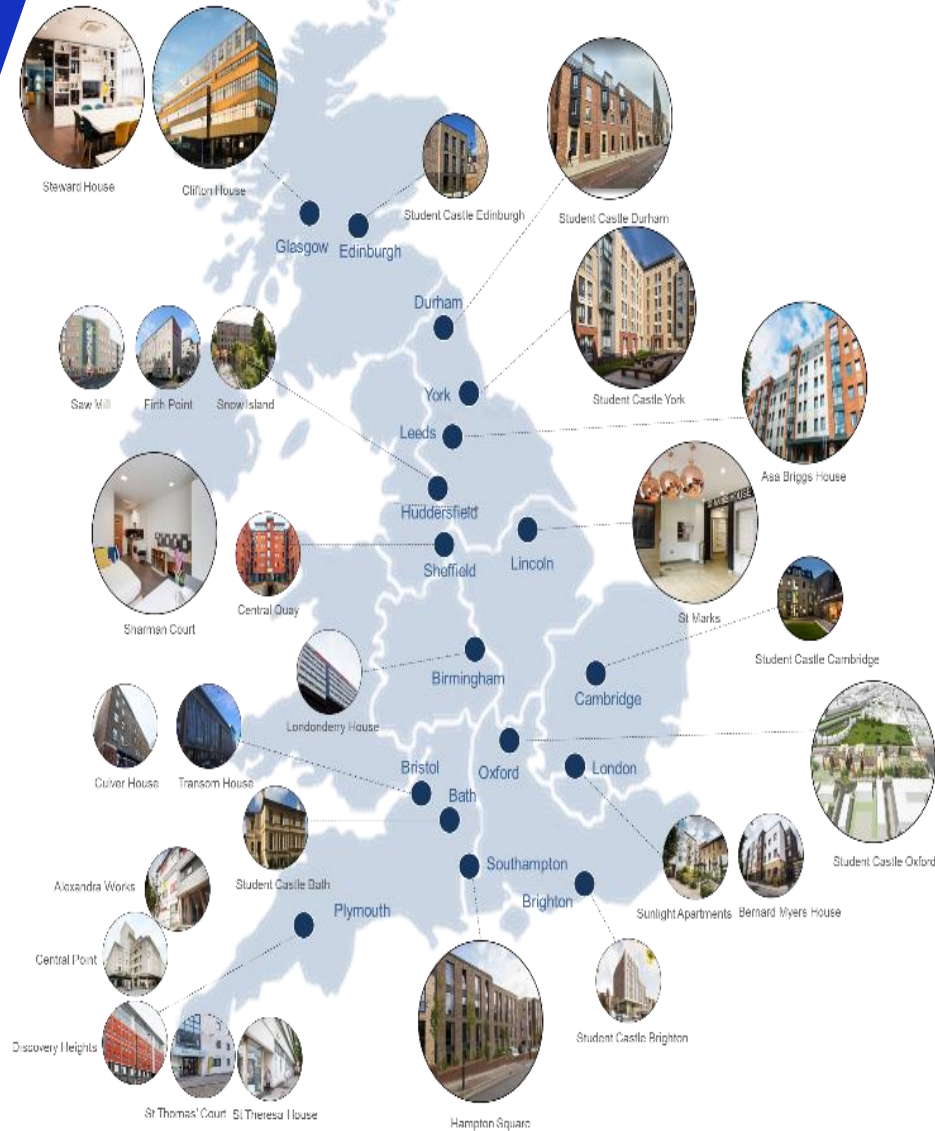


1H FY2020

Financial Results

7 April 2020



SG CLEAN

WHEN AT EATING PLACES

- Wash or sanitise your hands before and after eating.
- AVOID** sharing utensils. Use serving spoons and **DON'T** double dip.
- DON'T** spit out food on tables and trays. Use tissues.
- Throw used tissues into trash bins. **DON'T** leave them on trays or tables.

Singapore has enough supplies of food and essentials. Stay calm and only buy what you need.

If you are sick



Wear a mask



Stay at home



See a doctor



DON'T doctor-hop



Do not spread rumours. Get the latest on the COVID-19 by signing up for the Gov.sg WhatsApp channel www.gov.sg/whatsapp



Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in SPH (“**Shares**”). The value of shares and the income derived from them may fall as well as rise. Shares are not obligations of, deposits in, or guaranteed by, SPH or any of its affiliates. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested. The past performance of SPH is not necessarily indicative of its future performance. This presentation may also contain forward-looking statements that involve 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, 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 future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. This presentation shall be read in conjunction with SPH’s financial results for the second quarter of financial year 2020 and six months ended **29 February 2020** in the SGXNET announcement.

Outline

- **1H FY2020 Group Financial Highlights**
- **Business Review and COVID-19 impact**
 - **Media, Telecommunications, Technology**
 - **Retail, PBSA, Aged Care**
- **Summary**
- **Annexe**

Some bright spots in 1H FY2020

- **Media:**

- Straits Times News Tablet, with Zaobao and Berita Harian driving digital circulation growth of 50%, total sales ~25k units@

- **Property: Recurring income up 18%**

- Dec 2019: SPH REIT added second mall in Australia, with 50% stake in Westfield Marion Shopping Centre for A\$670m
- Dec 2019: £448m UK student housing deal, acquiring 2,383 beds and premier Student Castle brand with development capabilities

- **Aged Care: Diversifying away from Singapore**

- Feb 2020: S\$65.8 million deal to acquire 365 beds in Osaka, Hokkaido and Tokyo

- **Strong liquidity position**

- Raised S\$500m from Jan 2020 senior bond issue at 3.2%
- SPH REIT Nov 2019 placement at 5.5% discount, raising S\$164.5m



Bracing for prolonged Covid-19 impact in 2H

- **Media: Impact likely to worsen with recession fears**
 - Advertising business affected across most segments except for government spending
 - Circulation is up, but unable to fully offset advertisement decline
- **Property: Significant disruption to Retail, PBSA**
 - Malls affected by falling footfall and social distancing measures in Australia and Singapore
 - Rental rebates and targeted assistance for malls
 - PBSA affected by rental rebates due to university closures and student departures
- **Aged Care:**
 - Minimal impact for Singapore assets, ensure shielding from Covid-19
 - Terminated deal to buy aged care assets in Canada



1H FY2020 Group Financial Highlights

	1H FY20 S\$'000	1H FY19 S\$'000	Change %
<u>Operating revenue</u>	<u>471,434</u>	<u>477,643</u>	<u>(1.3)</u>
<u>Total Costs</u>	<u>(377,556)</u>	<u>(365,276)</u>	<u>3.4</u>
Operating profit [#]	102,733	121,303	(15.3)
FV change on investment prop.	10,527	(12,864)	NM
Share of results of associates, JVs	2,479	9,379	(73.6)
Investment income	7,588	2,433	211.9
<u>Profit before taxation</u>	<u>123,327</u>	<u>120,251</u>	<u>2.6</u>
Net profit attributable to shareholders	77,638	85,614	(9.3)

PBT up 2.6% due to higher contribution from Retail and PBSA, offsetting Media's decline

Operating revenue stable despite Media decline, due to higher revenue from Retail and PBSA

Total Costs well-controlled, increased by 3.4%

- In line with operational needs from scaling of Retail and PBSA business
- Lower Media costs due to control measures

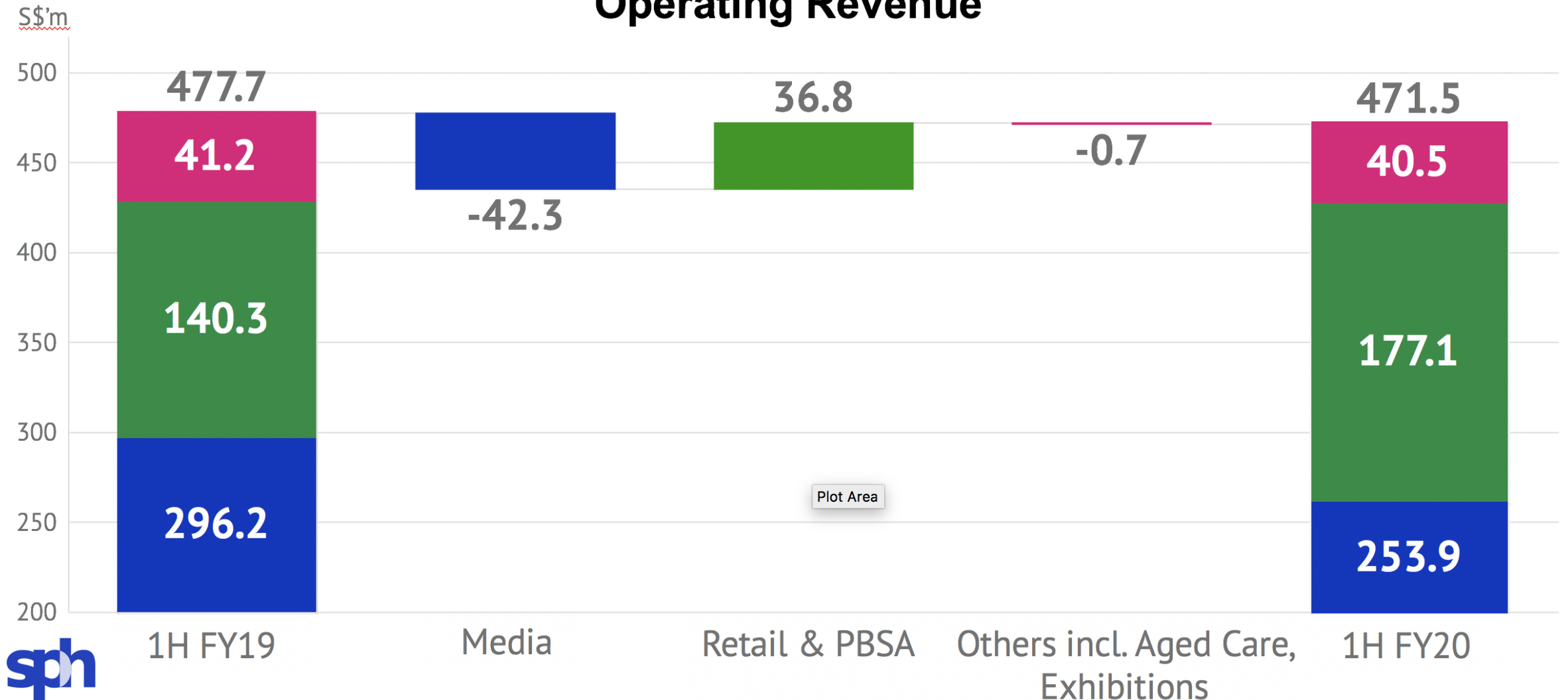


[#] This represents the recurring earnings of the media, property and other businesses.
 NM: Not Meaningful

1H FY2020: Property revenue up 26%

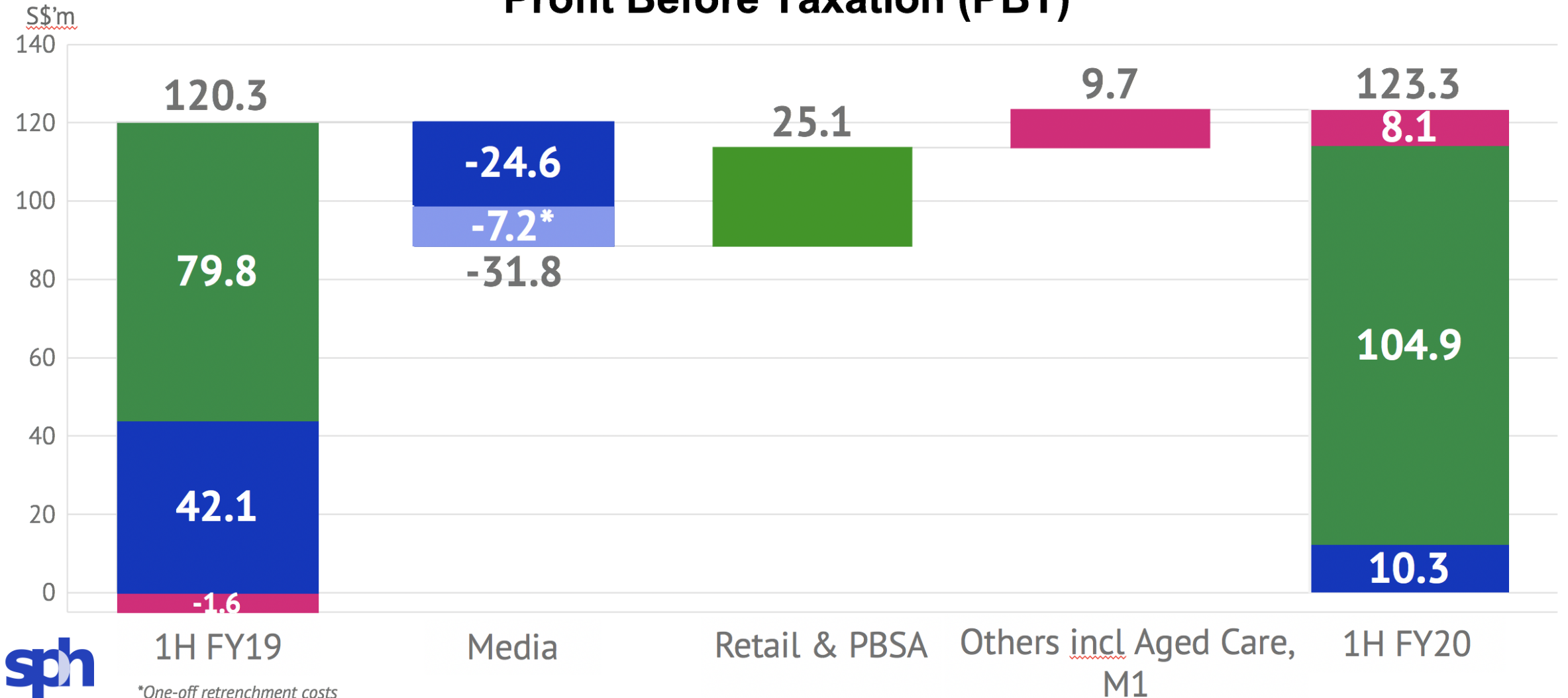
Property-related revenue increases after SPH REIT and PBSA additions

Operating Revenue



1H FY2020: Property profits offset Media decline

Profit Before Taxation (PBT)



Media

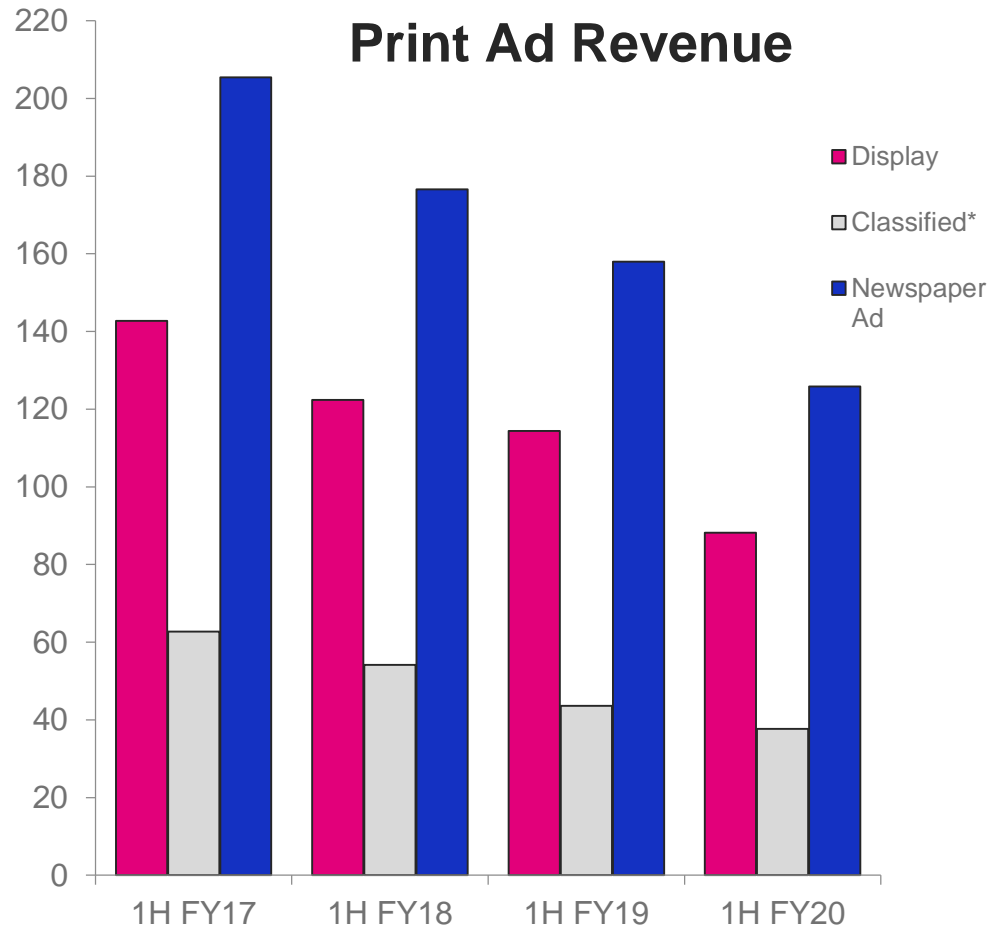
Telecommunications
Technology

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**THE STRAITS TIMES
NEWS TABLET**

Managing print Media decline; digital continues to grow



Newspaper Print Ad down worldwide

SPH gaining market share in local ad market

- Adex down 29% and 25%[@] for Dec 2019 and Jan 2020 respectively but SPH's total ad revenue down less, at 21% and 20%

Revamped ZB Classified ads displaying positive results

- Overall Classified decline slowed to 13.6% y-o-y

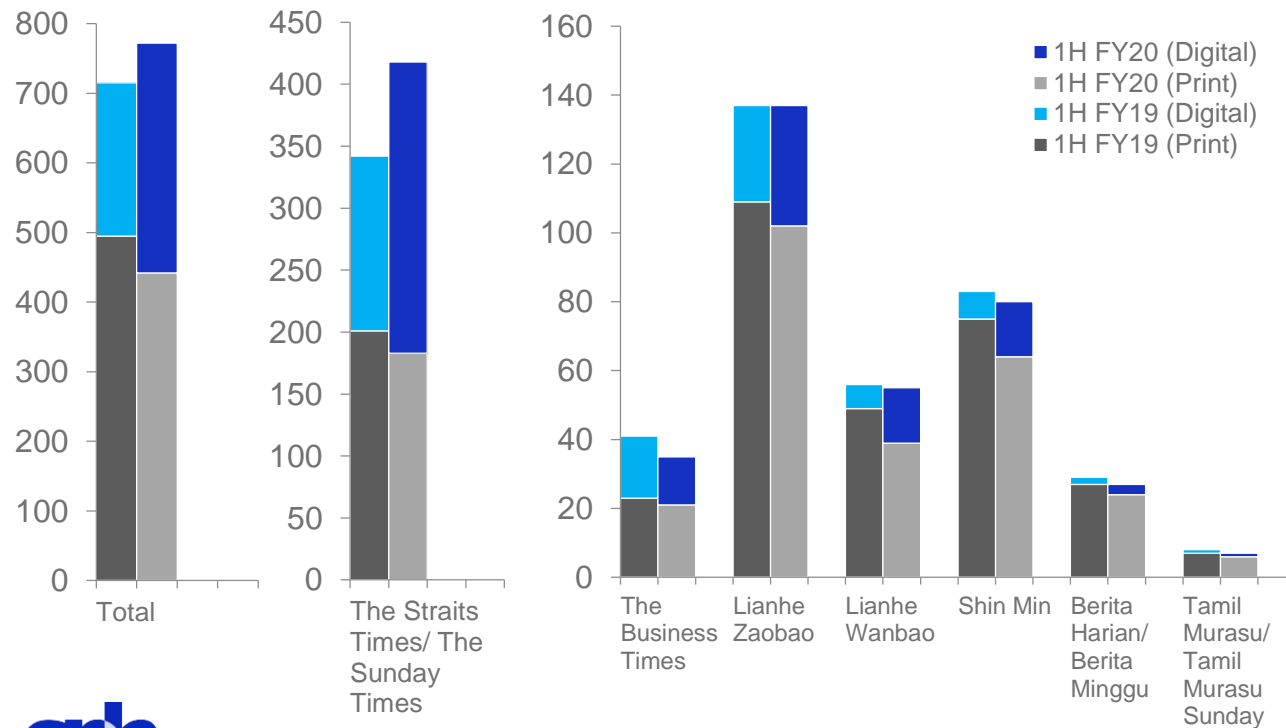
Cost control

- Streamlining businesses to raise efficiency
- Reviewing business model to trim fixed and variable costs
- Scrutinising non-strategic businesses with a view to exit if possible

Digital subs successfully driving circulation growth

- Strong 8% circulation rise despite print circulation decline
- Digital subscription growth in double digits, driven by News Tablet and other campaigns

Daily Average Newspaper Circulation '000



The Straits Times latest to launch News Tablet campaign

- Straits Times: 9,400 subscriptions of which 54% are new*
- Zaobao: 13,700 subscriptions of which 75% are new*
- Berita Harian: 1,600 subscriptions of which 85% are new*

* as at 18 March



Customised features



One-time login

The tablet will require a password only upon activation, after which credentials will be saved.



Offline reading capability

The latest e-paper will be automatically downloaded when there is Wi-Fi so subscribers can read it anywhere later.



Digital news clippings

Favourite articles can be saved and sorted into digital folders.



Zoom capability

Readers can zoom in to make words or images bigger for easier reading.



Social media sharing

Individual digital articles or advertisements can be shared on social media with friends and family.

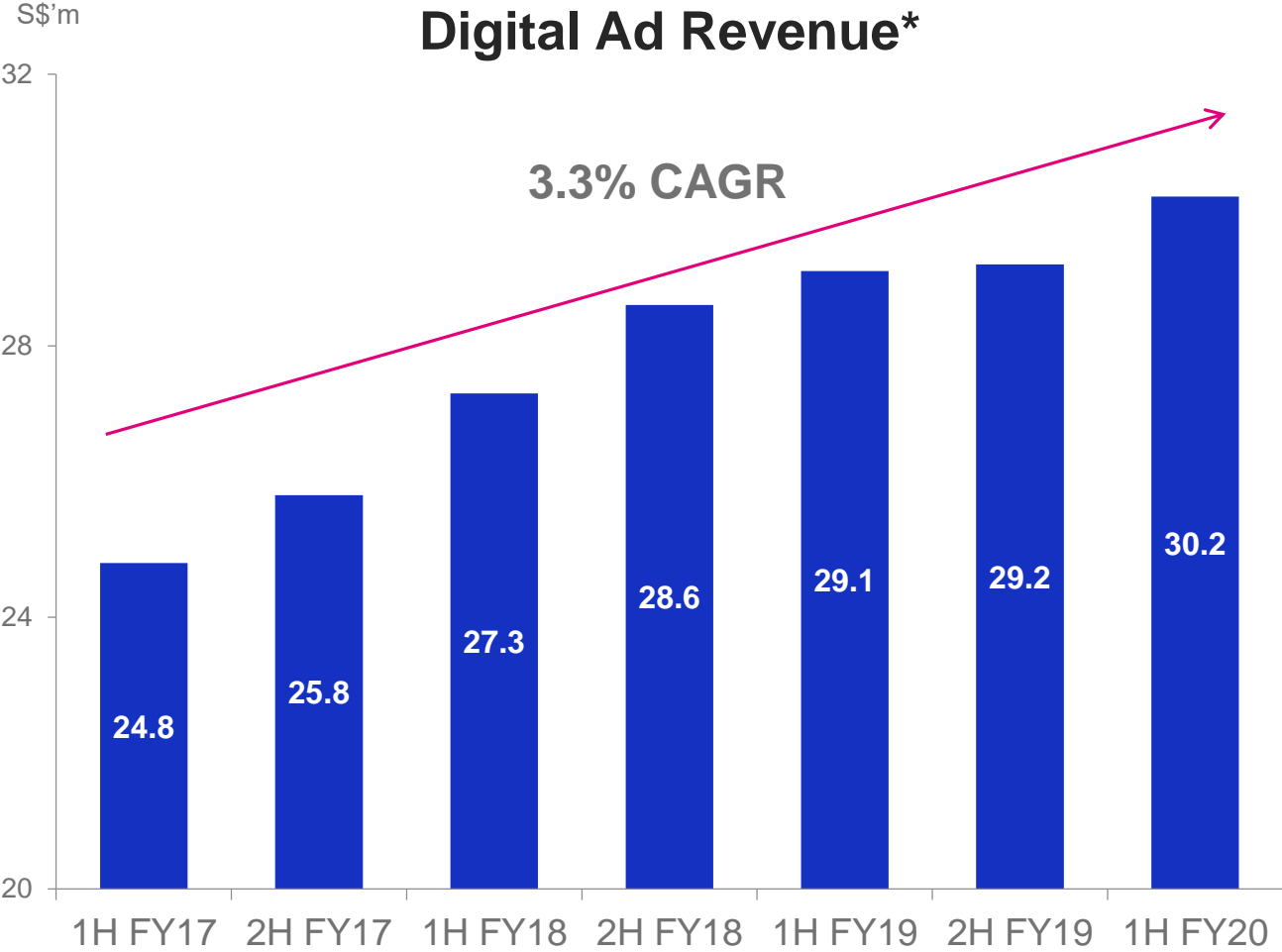


14-day news archive

Readers can read an e-paper up to two weeks after its publication date.

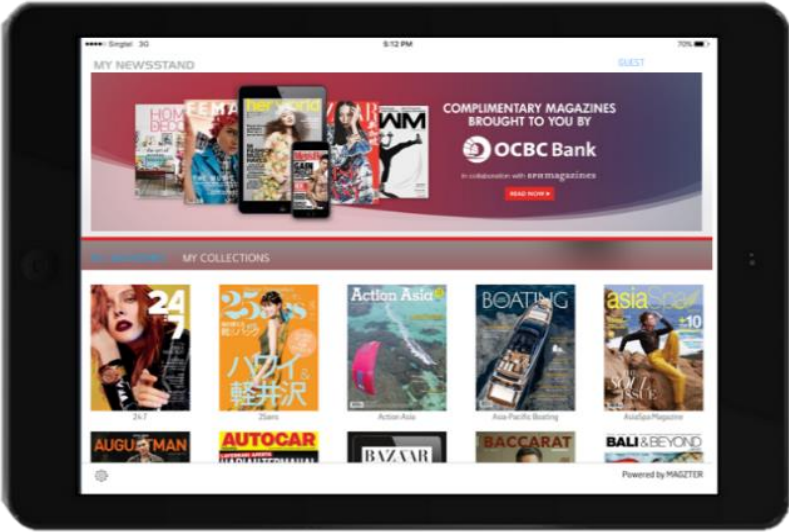
ST PHOTO: KEVIN LIM STRAITS TIMES GRAPHICS

Digital Ad revenue growth of 3.3% CAGR



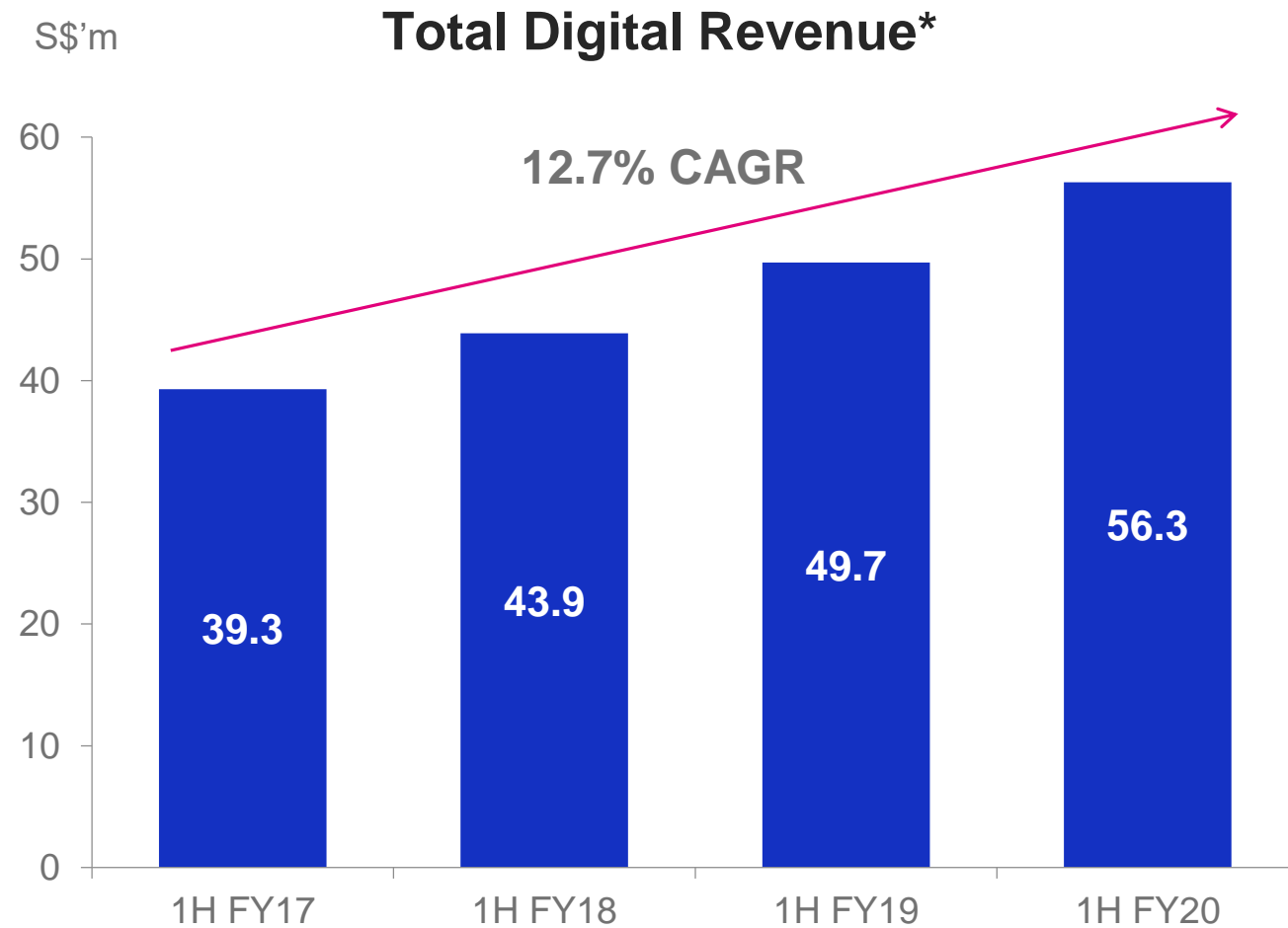
Digital ad revenue shows 3.3% CAGR since 1H FY2017

- Digital ad revenue holding up despite weaker economic sentiment
- 3.8% rise Y-O-Y, compared to 1HFY19



*Total digital ad revenue from ads, online classifieds, magazines and other digital portals (excluding ShareInvestor)

Steady growth rate of 12.7% for digital revenue



Led by digital circulation growth

- 1H FY20's digital revenue grew 13.3% vs 1H FY19



Post 1H FY2020: Negative Covid-19 impact on Media



¹ Data Source: Google Analytics

Downturn experienced among all sectors in Singapore

- Mitigated by government spending

However digital readership has increased significantly

- Daily average page views increased 4 times by DORSCON orange
- 1.4m in Jan to 5.6m in Feb¹
- Higher potential for digital conversion and subscription

**Retail/
PBSA**

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Diversified and resilient portfolio for recurring income

SPH REIT



Paragon
S\$2.75b



Clementi Mall
S\$597m



The Rail Mall
S\$63.8m



Figtree Grove
(85%)
A\$175m



Westfield Marion
(50%)
A\$670m



The Seletar Mall
(70%)
S\$347m



Woodleigh Mall and Residences
(50%)
S\$400m



German Student Accommodation
(100%)
S\$23.4m



UK Student Accommodation
(100%)
>S\$1.5b

SPH REIT

- Diversified across geographies
- Resilient mix of malls for both tourism & domestic consumption

PBSA

- Two brands for international and domestic students
- All-round player with in-house operational platform and development capabilities

SPH REIT more diversified with Westfield Marion deal



Acquired 50% interest in Westfield Marion Shopping Centre in Adelaide for A\$670m

- Dominant player in Adelaide and South Australia with 99.3% occupancy, WALE of 6.7 years, 13.5m annual visitorship
- Acquired at purchase price below valuation from distressed seller

Successful placement of SPH REIT units

- Raised S\$164.5m from placement of 156.6m units
- Reduced SPH's stake to 65.92%

Post 1H FY2020: Negative Covid-19 impact on Retail



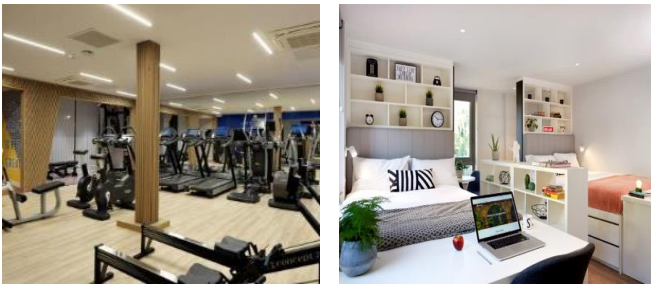
Lower footfall across Singapore and Australia malls

- Negative consumer sentiment, drop in tourists
- Other malls supported by domestic consumption from middle-class catchment area

Responsive landlord

- 100% return of property tax
- Additional rental rebates and targeted assistance being offered to tenants

Student Castle: Building development capabilities



Acquired leading operating platform with full-suite operational capabilities

Top of the range student brand, to cater to the affluent foreign student

- Premium features such as ultra-fast wifi, 24/7 security, fully-equipped gym, bike storage

Development capabilities for better yield

Developing Oxford and Brighton for the upcoming academic year

First right of refusal for Manchester property

- Tallest student housing property in UK with 55 storeys
- Potential to scale portfolio by >10% with 853 studios

PBSA achieving extensive network across segments

PBSA to date:

>**\$1.5b portfolio**

7,726 Beds

28 assets

18 Cities

2 Countries



Ongoing efforts to integrate Student Castle and Straits Capitol brands and operating platforms

Boosting Capabilities

- In-house operational platform and technical development capabilities for better yields
- Enhancing sales and marketing capabilities; partnering agents in India as well as China to broaden network

Enhancement initiatives for Capitol Students' assets



Around £10.6 million will be spent on refurbishing rooms and common areas

- Ensure a consistent level of quality across the portfolio
- Improve Capitol Students brand to attract the increasing UK's 18-year old population; projected to grow by 25% in 10 years
- Boost in market share will help to improve yields and optimise the overall portfolio
- Developed capabilities to undertake more extensive redevelopment projects in the future

Post 1H FY2020: Negative Covid-19 impact on PBSA



Loss of summer term income and partial rental refunds

Impact on Academic Year 20/21 uncertain due to extended lockdown measures

Mitigated by:

- Government support, i.e. grants, relaxed visa rules for international students

Aged Care

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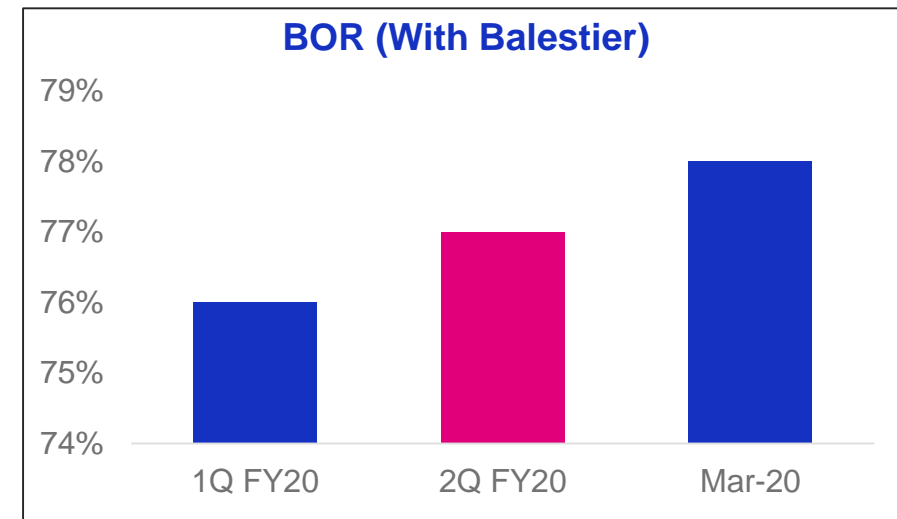


Aged Care: Maintaining quality, operational efficiency



Boosting operational efficiencies and capabilities at Orange Valley

- Successful re-certification of ISO9001
- Overall Bed Occupancy Ratio improving, risen from 76% as at 30 Nov 2019 to 78% for Mar 2020



First overseas investment in Japan for Aged Care business



Part of strategy to grow recurring income base

- Acquisition of five high quality assets in Hokkaido, Nara (Osaka Metropolitan region) and Tokyo for JPY5.26 billion (S\$65.8 million), announced Feb 2020
- 365 beds; providing quality independent living services
- Operators on long NNN leases averaging 23.4 years

Result of partnership with Bridge C Capital

- Asset management fees to add to recurring income stream

Attractive demographics in Japan

- Elderly (≥ 65 years) to rise to 30% of total population by 2025¹
- Senior care offerings, including home, facility and the elderly care market are estimated to be worth JPY15 trillion (approximately S\$188 billion) in 2025²

Covid-19: Pause to overseas acquisitions



Home About Our Nursing Home Our Services News Careers Contact

COVID-19 (CORONAVIRUS DISEASE 2019) UPDATES

In view of the current COVID-19 (Coronavirus Disease 2019) situation in Singapore, it is our duty and responsibility to ensure all our residents and staff are adequately protected.

Due to the evolving situation of the COVID-19, our Visitor Advisory may be updated frequently. Please watch this space for our latest updates.

For more information about our precautionary measures against COVID-19, please click [here to view our Frequently Asked Questions \(FAQ\)](#).

Visitor Advisory

[1 April 2020]

As the number of confirmed Covid-19 cases in Singapore rises sharply, the Ministry of Health (MOH) has put into place stricter safe distancing measures, and has advised that people should stay home to stay safe.

With immediate effect, Orange Valley Nursing Homes **will not permit any face-to-face visitations**. We will only allow communication with our residents to be conducted via telephone or video calls.

This enhanced measure will be enforced until 30 April 2020. We will review the situation accordingly thereafter.

Please rest assured that we will do our best to facilitate your communications to your loved ones in our facilities.

Investment strategy

- Suspended plans to acquire six Aged Care assets in Canada, announced 23 March 2020
- Will observe impact of Covid-19 on Aged Care segment before any further action
- Anticipating more attractive acquisition opportunities at better pricing

Orange Valley ensuring quality care for residents during Covid-19 outbreak

- Facilitating video and telephone calls with family during current no-visitor period in line with MOH directives
- Observing strict health protocols including social distancing amongst staff and residents

Capital Management

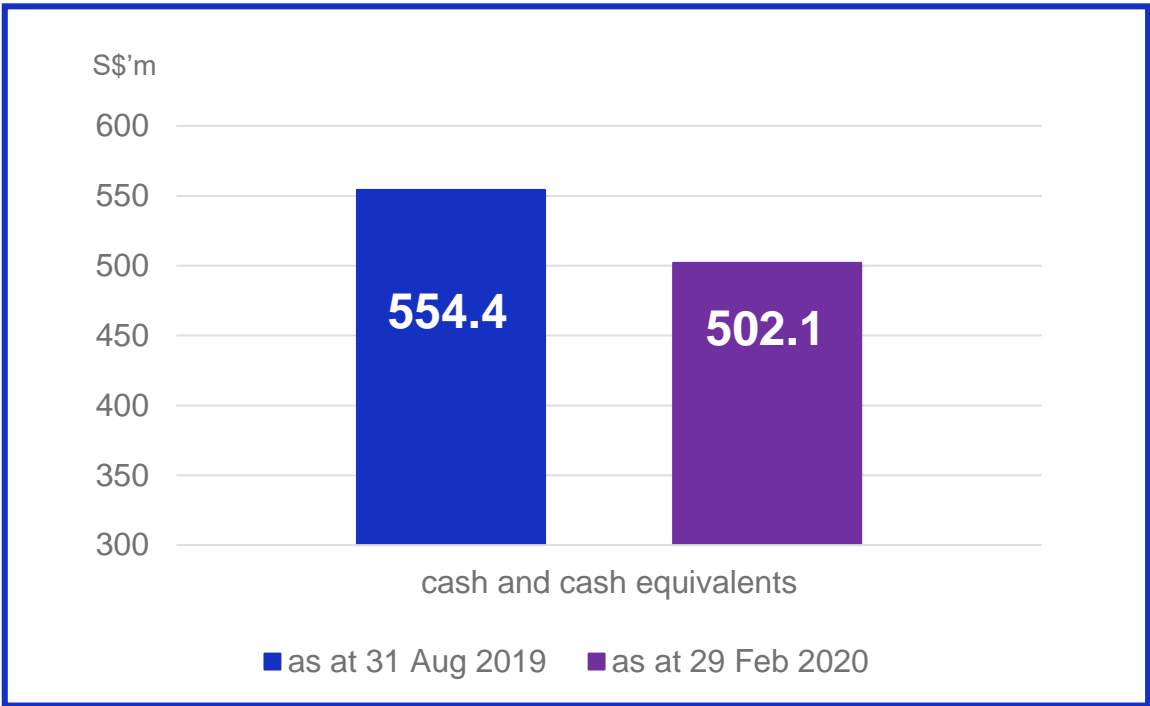
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NEWS
CENTRE

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Strong balance sheet and healthy liquidity position

<p>Net debt / Total asset</p> <p>31.8%</p> <p><i>22.9% (31 Aug 2019)</i></p>	<p>Net debt / Equity</p> <p>49.9%</p> <p><i>31.9% (31 Aug 2019)</i></p>
<p>Weighted average debt to maturity</p> <p>3.1 years</p> <p><i>2.3 years (31 Aug 2019)</i></p>	<p>Interest coverage ratio</p> <p>5.2x</p> <p><i>6.0x (31 Aug 2019)</i></p>



% of Debt Maturing

19%	15%	66%
In less than 1 year	In 2 years	In 3 years and beyond

Summary

sph



Preparing for a lengthy Covid-19 outbreak



Group's strengths:

- Healthy balance sheet, with healthy cash balance and ample liquidity
- Effective cost control programme

Covid-19 has adverse impact across all business segments

Lack of clarity over long-term impact on Group's businesses

Priority is to conserve cash

Interim Dividend – Prudent to conserve cash

**The Board has declared
an interim dividend of 1.5 cents per share**

Thank You

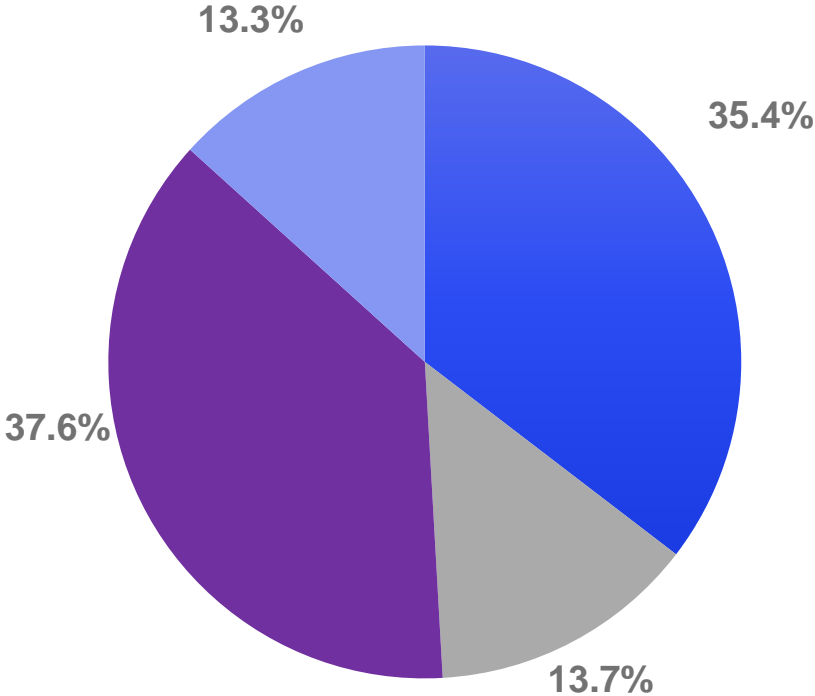
Visit www.sph.com.sg for more information



Annexe

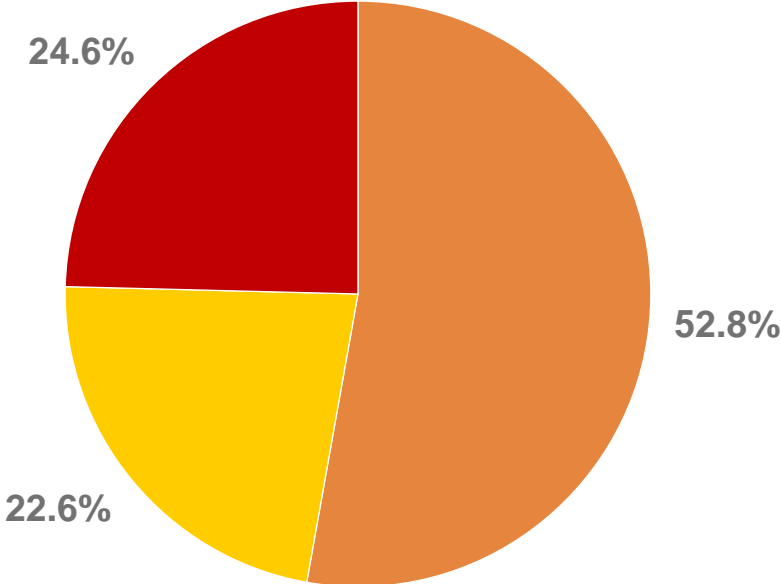
Revenue Composition 1H FY2020

Operating Revenue Composition (S\$471.4m)



- Advertisements (Media)
- Rental & Services
- Circulation
- Other revenue

Media Advertisement Revenue Composition (S\$166.8m)



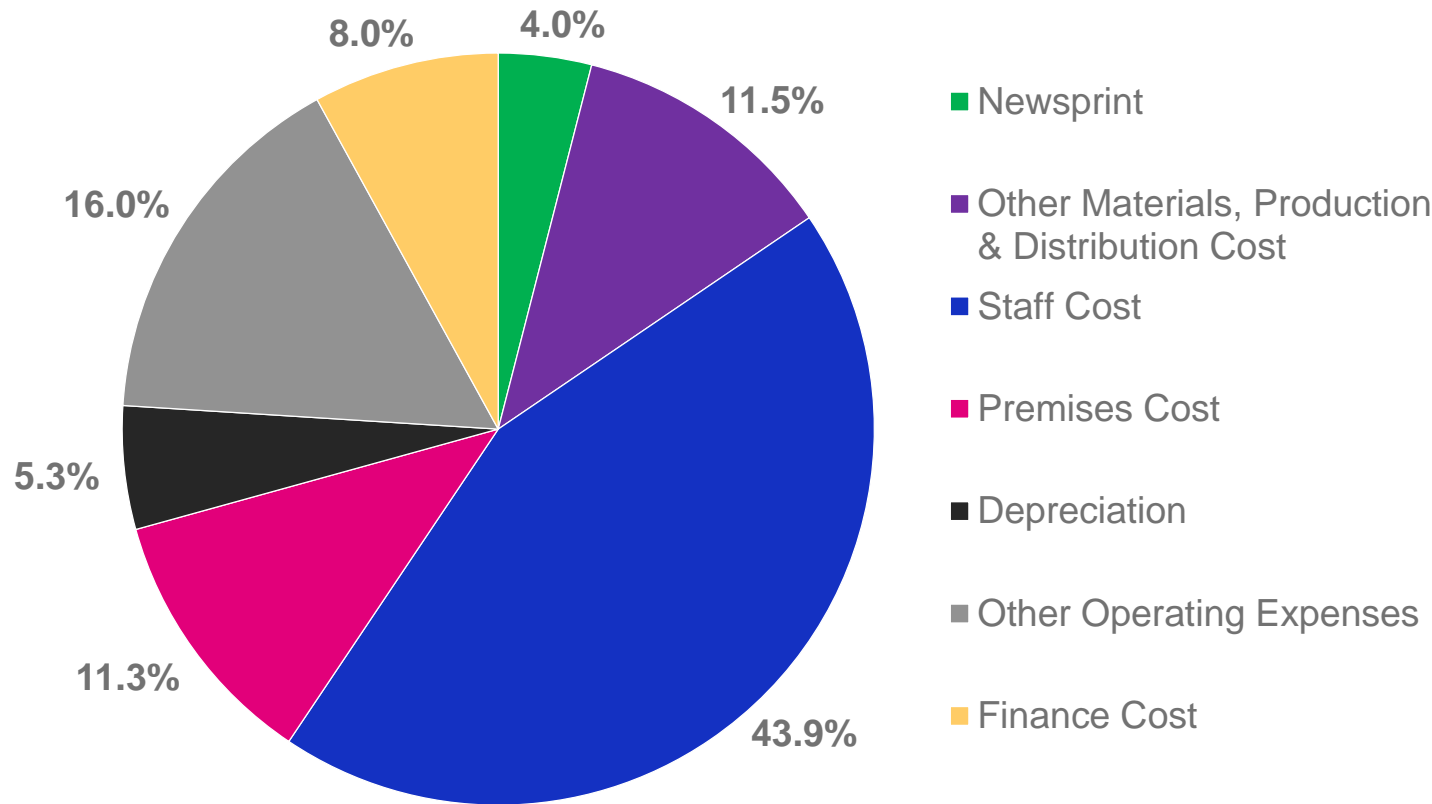
- Display
- Classified*
- Magazines & Others

* Classified includes Recruitment and Notices



Operating Cost

1H FY20 Operating Expenditure* Cost Composition (S\$377.3m)



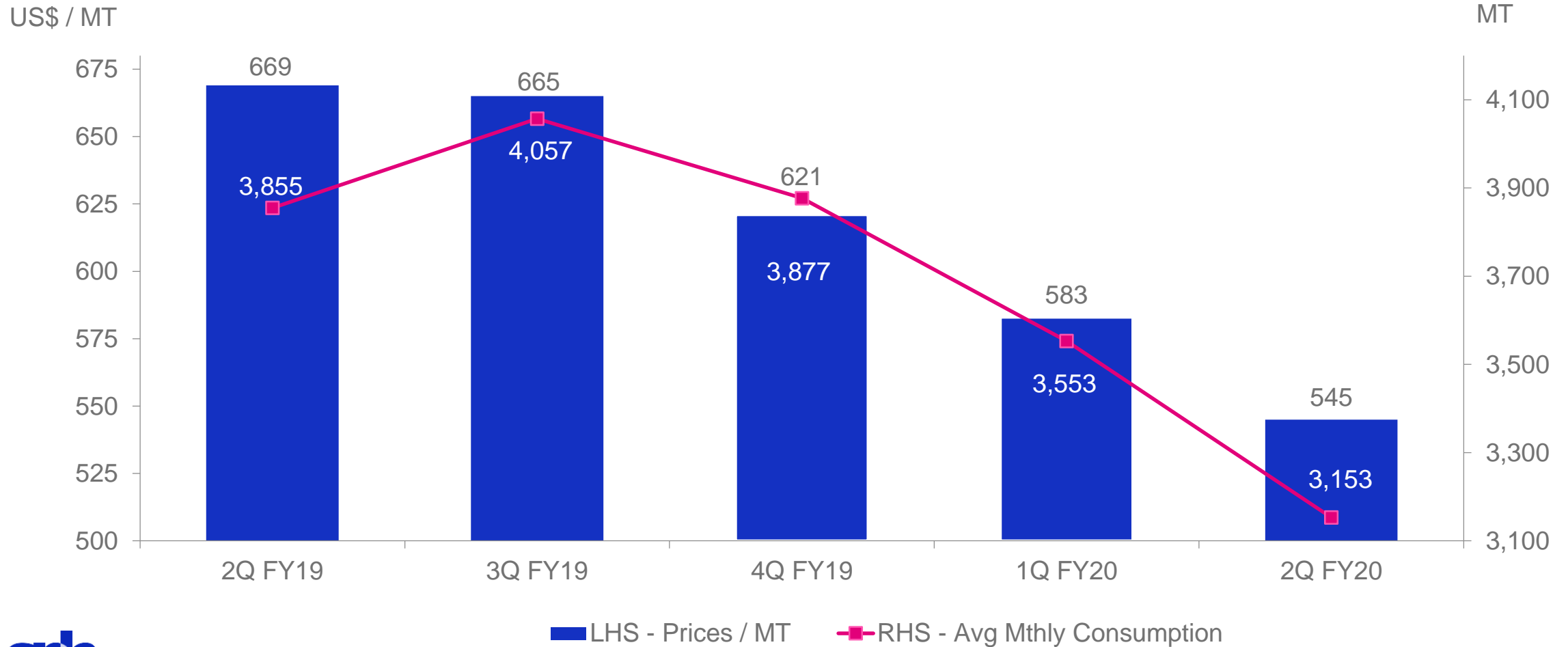
* Excluding impairment charges



	S\$' m
Newsprint	↓ 6.8
Other Production costs	↓ 1.7
Staff Costs	↓ 0.6
Premises Costs	↑ 2.8
Depreciation	↑ 7.0
Other Operating Expenses	↑ 4.4
Finance costs	↑ 7.2

Slowing consumption with switch to Digital

Average Newsprint Charge-Out Price & Monthly Consumption



Disciplined management of staff costs

	1H FY20	1H FY19	1H FY18	% Change (1H FY20 vs 1H FY19)	% Change (1H FY20 vs 1H FY18)
Headcount as at end Feb	3,968	4,069	4,198	(2.5)	(5.5)
Staff Costs (S\$'000)	165,701	166,345	177,450	(0.4)	(6.6)

Operating margin in line with higher operating profit

