

# Making Mark

**Lendlease Global Commercial REIT**

Annual General Meeting FY2020

26 October 2020



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# Key Highlights

# LREIT in FY2020



October 2019: Listing of Lendlease Global Commercial REIT

May 2020: Inclusion in MSCI Singapore Index



June 2020: Won tender project to redevelop Grange Road car park



October 2020: Acquired a stake in Jem via 5% interest in Lendlease ARIF 3

# LREIT in FY2020

November 2019: Additional plot ratio granted to 313@somerset



October 2019: 313@somerset clinched top spot in GRESB award



October 2019: Community day outreach programme with the APSN



## Key Financial Highlights for FY2020

- Stable revenue from Sky Complex helps to protect income during COVID-19, which has affected the retail sector
- Rent waivers of up to two months were provided to retail tenants

### Gross Revenue

**S\$55.5 million**

✓ 13.1% against forecast<sup>1</sup>

### Distributable Income

**S\$35.7 million**

✓ 20.1% against forecast<sup>1</sup>

### Net Property Income

**S\$40.3 million**

✓ 15.6% against forecast<sup>1</sup>

### Distribution Per Unit

**3.05 cents**

✓ 19.7% against forecast<sup>1</sup>

<sup>1</sup> The Manager had, in the interest of good corporate governance, made announcements on 9 April 2020 and 20 April 2020, with regard to the IPO profit and distribution forecast for the financial period from 2 October 2019 (listing date) to 30 June 2020 ("FY2020") and the profit and distribution projection for the financial year ending 30 June 2021 ("FY2021"), as it may no longer be a fair basis against which the actual performance of LREIT could be compared given COVID-19 circumstances. For transparency, the Manager will still provide year-on-year comparisons of LREIT's financial results for FY2020 against the profit forecast for FY2020 disclosed in LREIT's prospectus and FY2021 against LREIT's financial results for FY2020, in the announcements of LREIT's full-year financial results for FY2020 and FY2021, respectively. Please refer to the Manager's announcements dated 9 April 2020 and 20 April 2020 for further details.

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## Key Portfolio Highlights for FY2020

- Maintained a stable operating performance with a portfolio occupancy of 99.5%

Portfolio Occupancy

**99.5%**

vs 99.9% as at 30 June 2019

Appraised Value

**S\$1.44 billion**

vs S\$1.40 billion as at Listing Date<sup>1</sup>

Weighted Average  
Lease Expiry (WALE)

**9.7 years**

Net Asset Value  
Per Unit

**S\$0.85**

vs S\$0.81 as at Listing Date<sup>1</sup>

Tenant Retention

**86.6%**

<sup>1</sup> As set out in the Unaudited Pro Forma Consolidated Balance Sheet as at Listing Date in the IPO Prospectus dated 25 September 2019.

## Portfolio Valuation Gain

- Gain was largely driven by Sky Complex due to the positive office investment interest in Milan as well as the increase in plot ratio for 313@somerset

	Valuation as at 30 June 2020 (million)	Valuation reported at IPO <sup>1</sup> (million)	Variance (million)
313@somerset	S\$1,008 <sup>2</sup>	S\$1,002	S\$6.0
Sky Complex	€277.7 <sup>3</sup> (S\$434.6 <sup>4</sup> )	€262.5 (S\$400.3 <sup>5</sup> )	€15.2 (S\$34.3)
Total	S\$1,442.6	S\$1,402.3	S\$40.3

<sup>1</sup> LREIT was listed on the SGX-ST through an Initial Public Offering on 2 October 2019.

<sup>2</sup> Valuer: CBRE Pte. Ltd.

<sup>3</sup> Valuer: Savills Advisory Services Limited

<sup>4</sup> Conversion of € to S\$ is based on the FX rate of 1.565 as at 30 June 2020.

<sup>5</sup> Conversion of € to S\$ is based on the FX rate of 1.525 as at 2 October 2019.

## Prudent Capital Management

- Stable liquidity position to meet financial obligations
- Balance sheet flexibility with 100% of unsecured debt
- No near-term refinancing

<b>Gross Borrowings</b>	<b>S\$545.3 million</b>	<b>Weighted Average Running Cost of Debt<sup>1</sup></b>	<b>0.86% p.a.</b>
<b>Gearing</b>	<b>35.1%</b>	<b>Interest Coverage Ratio<sup>2</sup></b>	<b>9.0 times</b>
<b>Weighted Average Debt Maturity</b>	<b>3.1 years</b>		

Information as at 30 June 2020.

<sup>1</sup> Excludes amortisation of debt-related transaction costs.

<sup>2</sup> The interest coverage ratio of 9.0 times is in accordance with requirements in its debt agreements, and 4.6 times in accordance with the Property Funds Appendix of the Code on Collective Schemes.

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# Portfolio Performance

# Portfolio Summary

As at 30 June 2020

Portfolio occupancy	99.5%
Total net lettable area (NLA)	1.3 million sq ft
Appraised value	S\$1,442.6 million
WALE	9.7 <sup>1</sup> years by NLA 4.9 <sup>1</sup> years by GRI

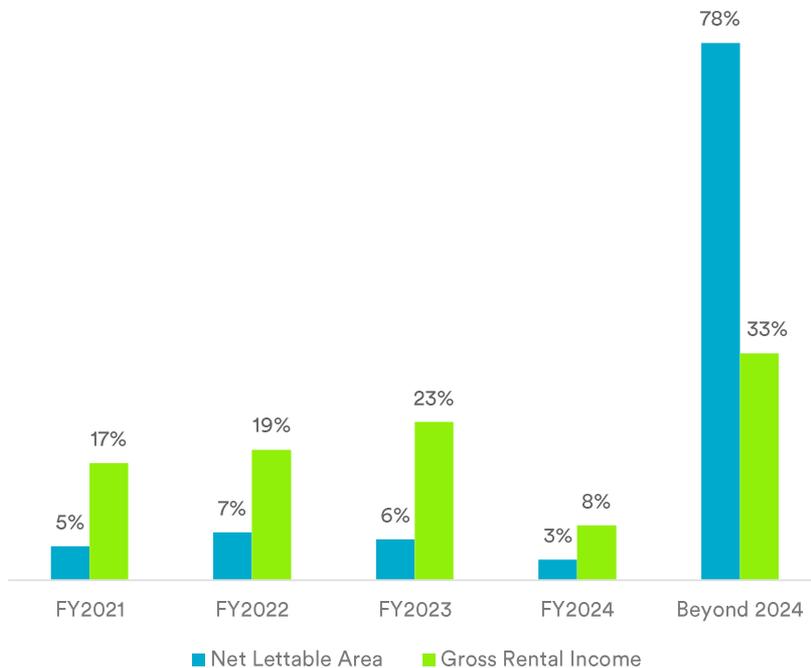


<sup>1</sup> Assuming tenant does not exercise its break option in 2026.

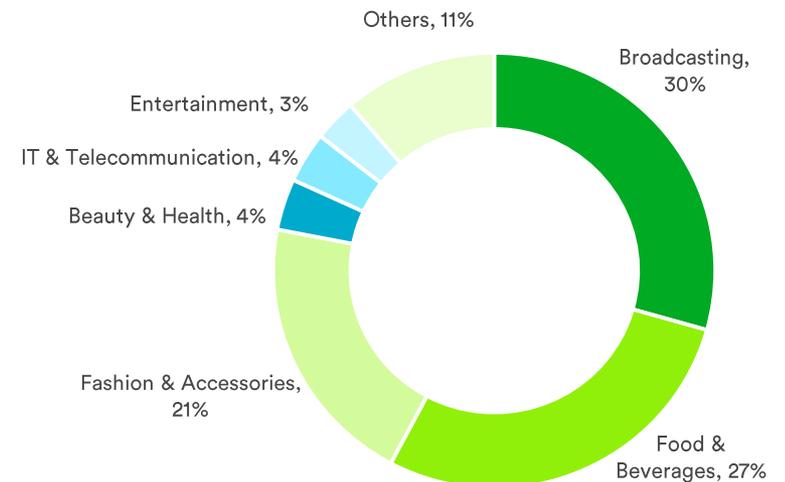
# Portfolio Lease Expiry and Tenant Base

- 78% of the leases by NLA will expire only beyond FY2024

## Well-staggered Lease Expiry Profile



## Diversified Tenant Base by Gross Rental Income





# Moving Forward

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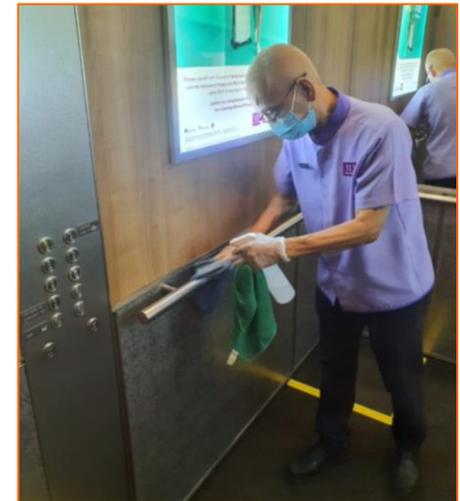
# Continue to Remain Resilient and Stay Vigilant

## Sky Complex, Grade-A Offices in Milan

- Tenant's broadcasting operations remain resilient
- Safe distancing measures continue to remain in place
- Monitor the COVID-19 situation and provide an update to Unitholders should there be any potential financial impact

## 313@somerset, Prime Retail in Singapore

- Health and safety of our shoppers, tenants and employees remain our top priority.
- Work together with the authorities and tenants to strengthen the contact tracing regime
- Continue temperature screening for shoppers, tenants and employees
- Regular disinfecting of common areas which have high touch areas in the mall such as lobby and lifts



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## Key Focus in the Near Term

### Prudent capital management

Maintain a strong balance sheet through liquidity and capital management strategies

### Manage operating expenses

Adopt disciplined approach to reduce costs and defer non-essential capital expenditure to conserve cash

### Enhance portfolio attractiveness

Capitalise on the strategic location of 313@somerset to drive visitation and improve sales performance

Solidify the position of 313@somerset as the heart of the Somerset youth precinct through the redevelopment of the Grange Road car park into a new lifestyle destination

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# Thank you and stay safe

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# Appendix

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# Supported by Reputable Sponsor with a Proven Global Track Record

- Lendlease's presence in 17 key gateway cities across the world

