Viva Industrial Trust
1Q2017

Investor Presentation
Maybank Kim Eng
22 May 2017



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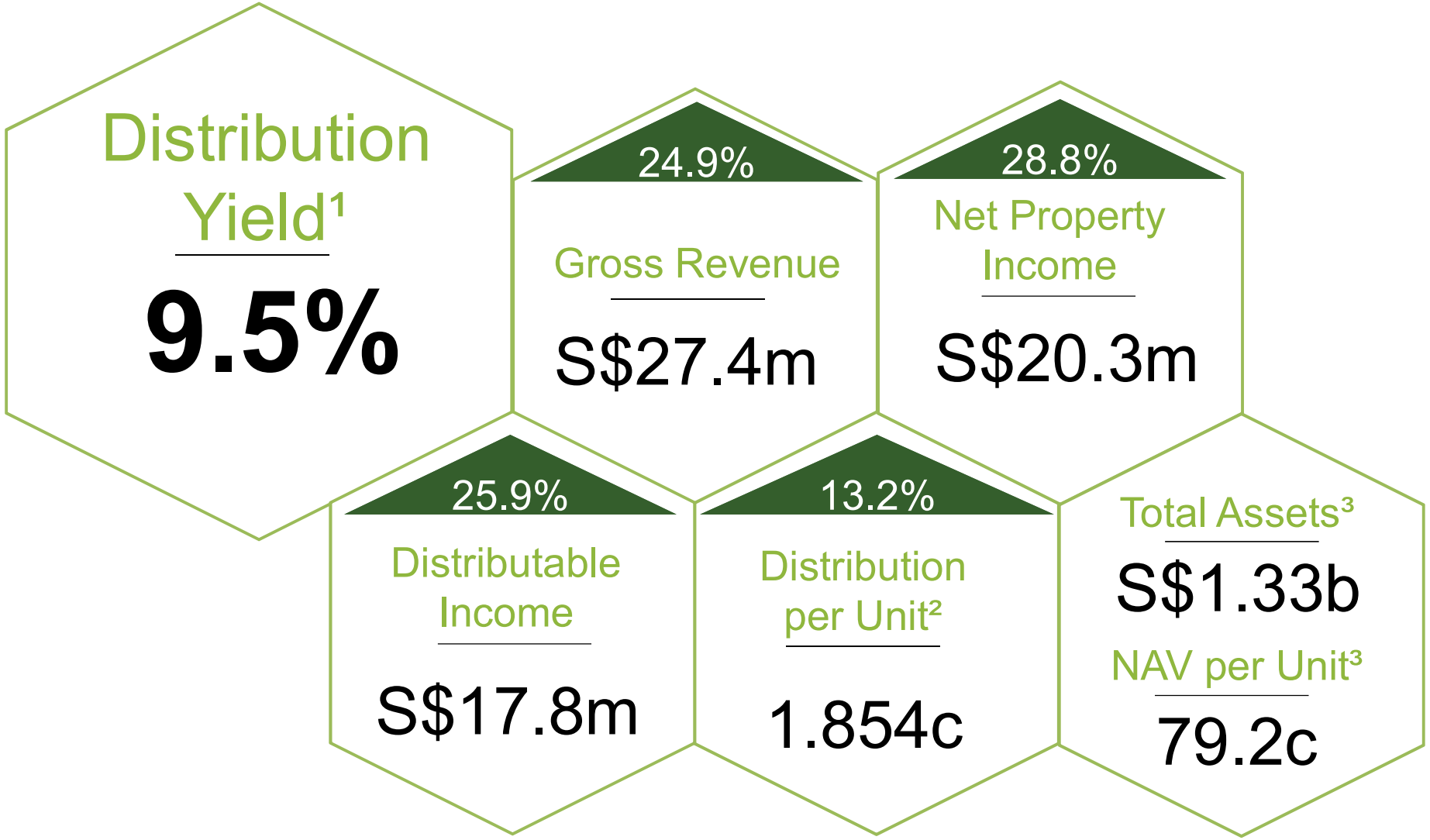
Contents

- Key Highlights and Financial Performance
- Portfolio Update
- Update on Jackson Square
- Update on Growth Drivers
- Outlook & Strategic Focus



Key Highlights & Financial Performance

Robust Y-o-Y Performance in 1Q2017



[1] *Based on annualised 1Q2017 DPS and closing price of S$0.795 as at 31 March 2017.*
[2] *Annualised distribution of 7.519 cents.*
[3] *As at 31 March 2017.*

Financial Performance

		Year-On-Year Comparison			Quarter-On-Quarter Comparison		
	1Q2017	1Q2016		Variance	4Q2016		Variance
Gross Revenue (S$'000)	**27,379**	21,912	▲	24.9%	**25,568**	▲	7.1%
NPI (S$'000)	**20,340**	15,798	▲	28.8%	**18,078**	▲	12.5%
Distributable Income[1] (S$'000)	**17,807**	14,143	▲	25.9%	**15,935**	▲	11.7%
Number of stapled securities for calculation of DPS ('000)	**959,954**	863,119	▲	11.2%	**905,225**	▲	6.0%
DPS (SG cents)	**1.854**	1.638	▲	13.2%	**1.760**	▲	5.3%
Annualised DPS (SG cents)	**7.519**	6.958[3]	▲	8.1%	**6.958[3]**	▲	8.1%
Annualised Distribution Yield	**9.5%[2]**	9.2%[4]		--	**9.2%[4]**		--

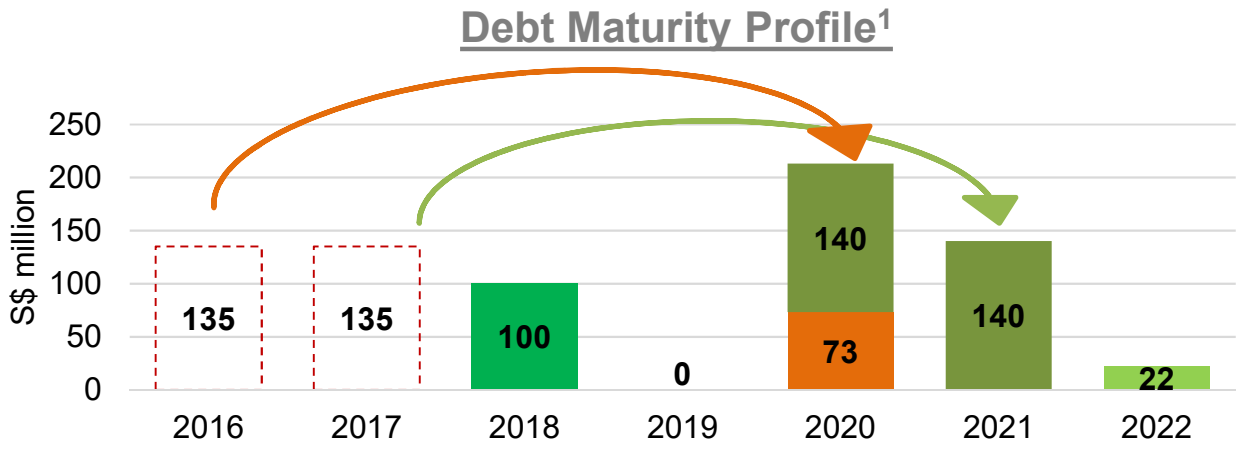
1. *As VI-BT is inactive, only the distributable income of VI-REIT Group has been included for the purpose of calculating the DPS.*
2. *Based on closing price of S$0.795 as at 31 March 2017.*
3. *Actual FY2016 DPS*
4. *Based on closing price of S$0.755 as at 30 December 2016.*

Financial Position

	31 Mar 2017 S$ mil	31 Dec 2016 S$ mil
Investment Properties	1,294.8	1,199.7
Other Assets	34.4	54.2
Total Assets	**1,329.2**	**1,253.9**
Borrowings (net of transaction costs)	515.6	461.5
Other Liabilities	47.8	53.5
Total Liabilities	**563.4**	**515.0**
Net Assets	**765.8**	**738.9**
No. of Stapled Securities issued and issuable (in mil)	967.5	934.1
Net Asset Value per Stapled Security (SG cents)	**79.2**	**79.1**

Proactive Capital Management

As at 31 March 2017	
Gross Borrowings	S$521 million
Gearing Ratio (Gross Borrowings over Total Assets)	39.2%
All-in Borrowing Cost	3.9%
Weighted Average Debt Maturity[1]	3.1 years
Interest Rate Exposure Fixed[2]	80.6%
Interest Cover	4.55 times



1. *Excludes the revolving credit facility of S$50 million.*
2. *Based on outstanding borrowings as at 31 March 2017.*

Significant Events

2016

January



Obtained TOP
for AEI works for 750A at VBP (Phase 1)

February

Completed Refinancing
with new S$330 million Term Loan and Revolving Credit Facilities syndicated by Standard Chartered Bank and BNP Paribas

April



Completed Acquisition
of 30 Pioneer Road

May



Obtained TOP
for AEI works for 750 at VBP (Phase 2)

October

Announced
the proposed acquisition of 6 Chin Bee Avenue for S$87.3 million

November

Completed Placement
of 60,811,000 new stapled securities at issue price of S$0.74 to raise gross proceeds of S$45 million

December

Entered into a S$22 million
Term Loan Facility Agreement with UOB

2017

January



Completed Acquisition
of 6 Chin Bee Avenue

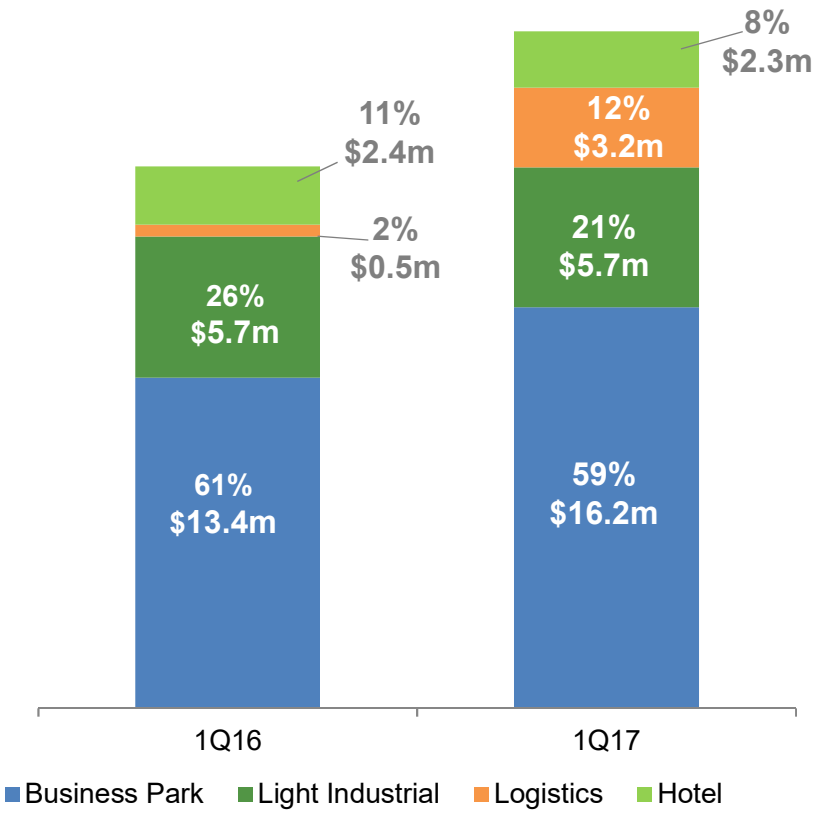


Obtained Partial TOP
for AEI works at 750B at VBP

Key Revenue drivers

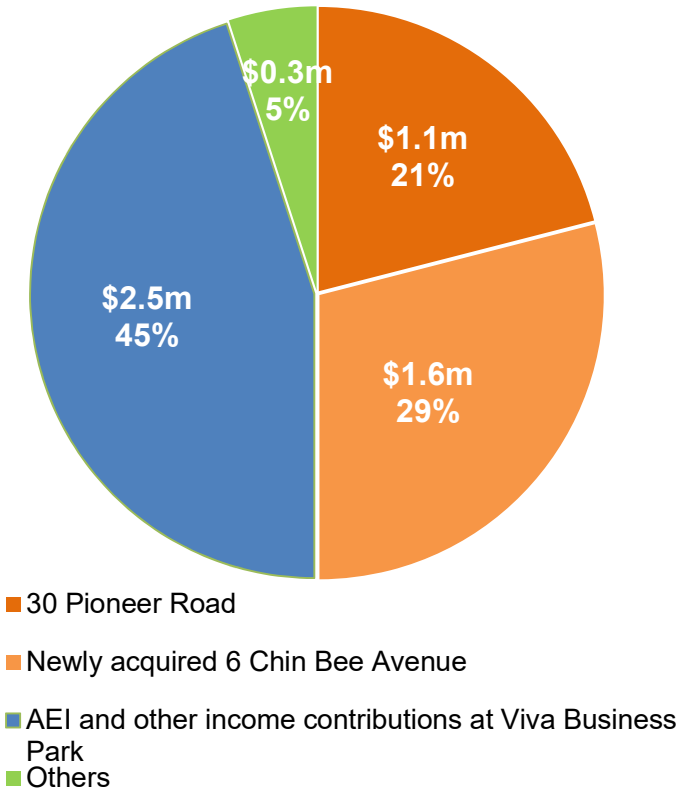
Increasingly diversified portfolio underpinned by resilient business park assets

Gross Revenue (by Asset Type)



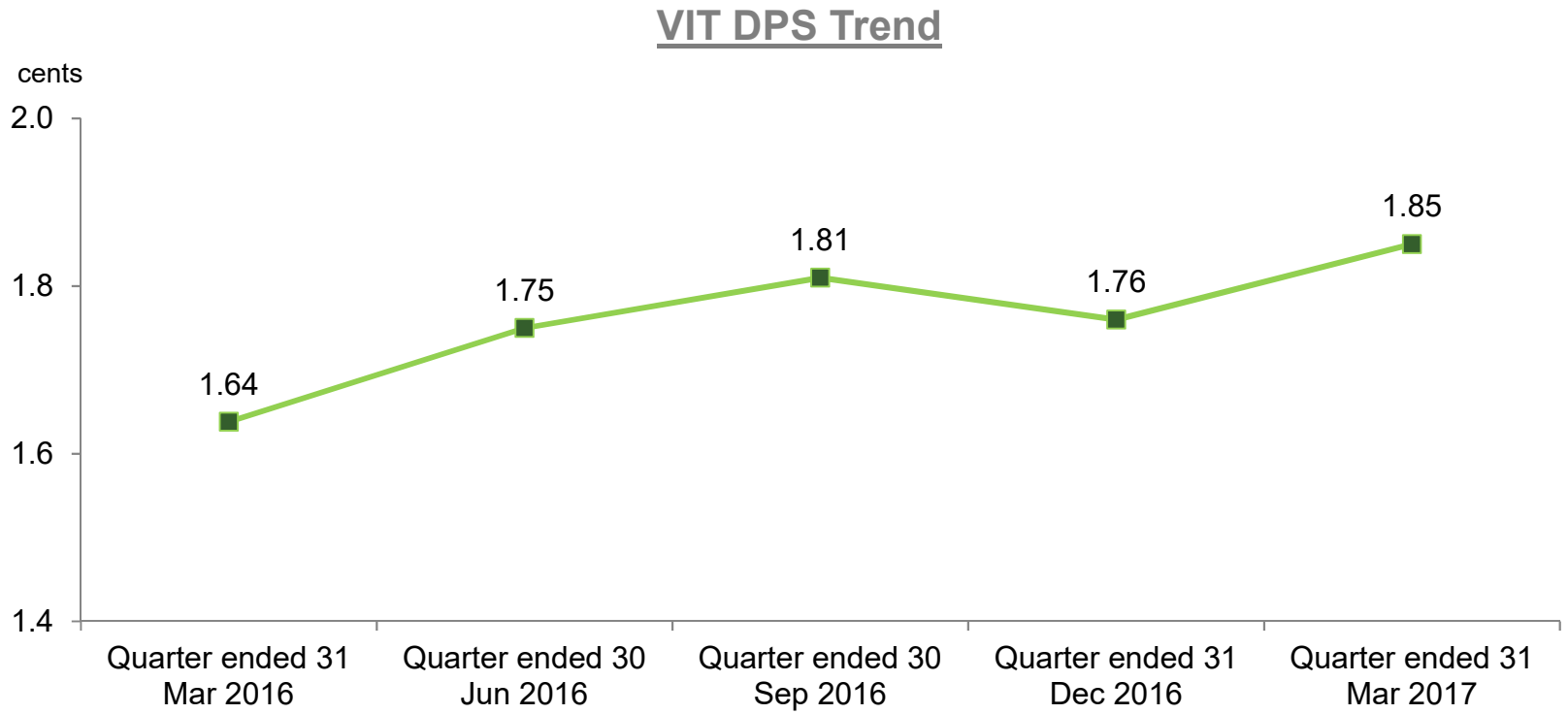
1Q17 Total Gross Revenue grew by $5.5m Y-o-Y

Contribution to YoY Revenue Growth



VIT's DPS Remains Resilient and Trending Up

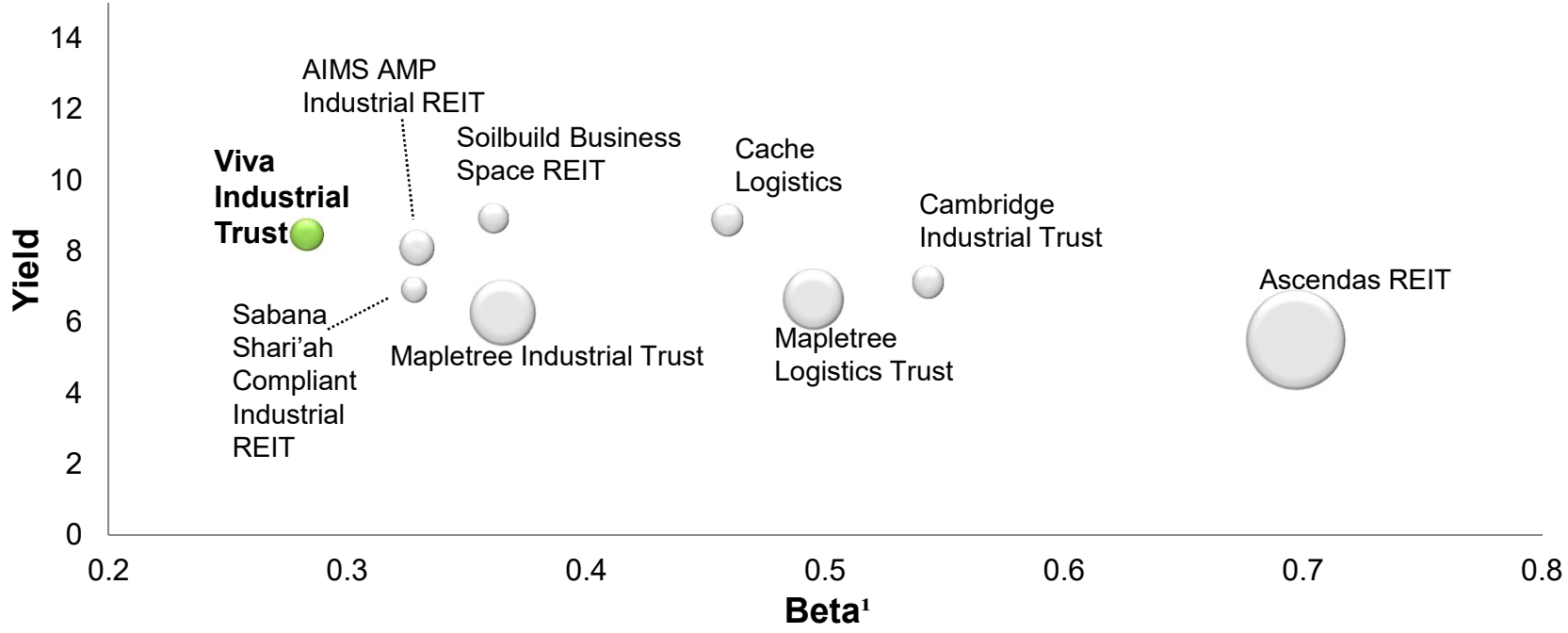
VIT continues to deliver improving DPS performance despite uncertain market conditions



VIT offers high yield and defensiveness to market volatility

Viva provides good risk and return matrix compared to other REITs

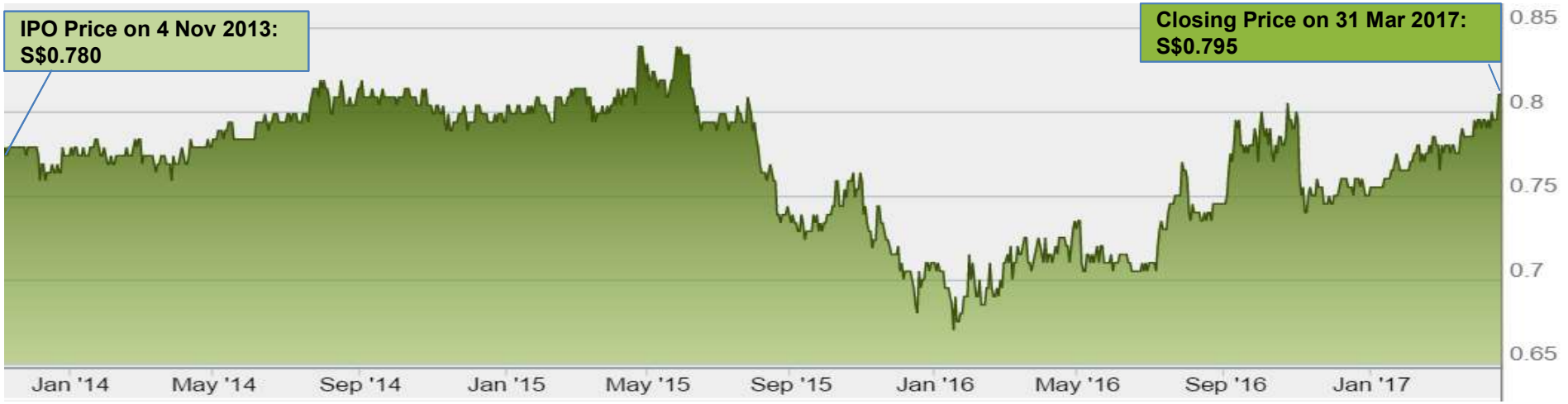
Yield and Beta comparisons between Viva and other Industrial REITs



Source: Shareinvestor as at 5 April 2017
1. Benchmarked against the STI
** Size of bubbles represent market capitalisation*

Attractive Return on Investment since IPO

	4Q2013[1]	1Q2014	2Q2014	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017
Price at Quarter End (S$)	0.775	0.770	0.795	0.805	0.795	0.805	0.795	0.735	0.710	0.720	0.710	0.790	0.755	0.795
Cumulative DPS (SG cents)[2]	1.080	2.802	4.525	6.212	7.913	9.783	11.632	13.279	14.913	16.551	18.301	20.111	21.871	23.725
Price Appreciation (%)	(0.6)	(1.3)	1.9	3.2	1.9	3.2	1.9	(5.8)	(9.0)	(7.7)	(9.0)	1.3	(3.2)	1.9
Cumulative Distribution Yield (%)	1.4	3.6	5.8	8.0	10.1	12.5	14.9	17.0	19.1	21.2	23.5	25.8	28.0	30.4
Total Return (%)[3]	**0.8**	**2.3**	**7.7**	**11.2**	**12.0**	**15.7**	**16.8**	**11.2**	**10.1**	**13.5**	**14.5**	**27.1**	**24.8**	**32.3**



Scenario: Distribution yield based on annualised 1Q2017 DPS of S$0.07519											
Price	S$0.750	S$0.760	S$0.770	S$0.780	S$0.790	S$0.800	S$0.810	S$0.820	S$0.830	S$0.840	S$0.850
Annualised Distribution Yield	10.0%	9.9%	9.8%	9.6%	9.5%	9.4%	9.3%	9.2%	9.1%	9.0%	8.8%

1. *Relates to the period from the Listing Date (4 November 2013) to 31 December 2013.*
2. *Assume that a Stapled Securityholder has been holding the Stapled Securities in VIT since the listing of VIT on 4 November 2013.*
3. *Sum of cumulative distribution and capital appreciation over the IPO issue price of S$0.780.*



Portfolio Update

Well-Spread, Strategically Located Assets in Singapore

9	3.9m	S$1.294b	Singapore Focused Portfolio
Property Assets	Sq ft GFA	Total Portfolio Valuation	



6 Chin Bee Avenue

GFA: 324,166 sq ft
Valuation: S$94.3 m



Jackson Square

GFA: 418,586 sq ft
Valuation: S$80.0 m



Jackson Design Hub

GFA: 85,070 sq ft
Valuation: S$33.4 m



Viva Business Park

GFA: 1,526,762 sq ft
Valuation: S$353.5 m



UE BizHub EAST (Hotel & Business Park)

GFA: 783,415 sq ft
Valuation: S$515.0 m



Mauser Singapore

GFA: 107,566 sq ft
Valuation: S$28.0 m



Planned development of Tuas Port, where all of Singapore's port operations will be consolidated



30 Pioneer Road

GFA: 281,090 sq ft
Valuation: S$55.0 m



11 Ubi Road 1

GFA: 253,058 sq ft
Valuation: S$87.0 m



Home-Fix Building

GFA: 120,556 sq ft
Valuation: S$47.8 m

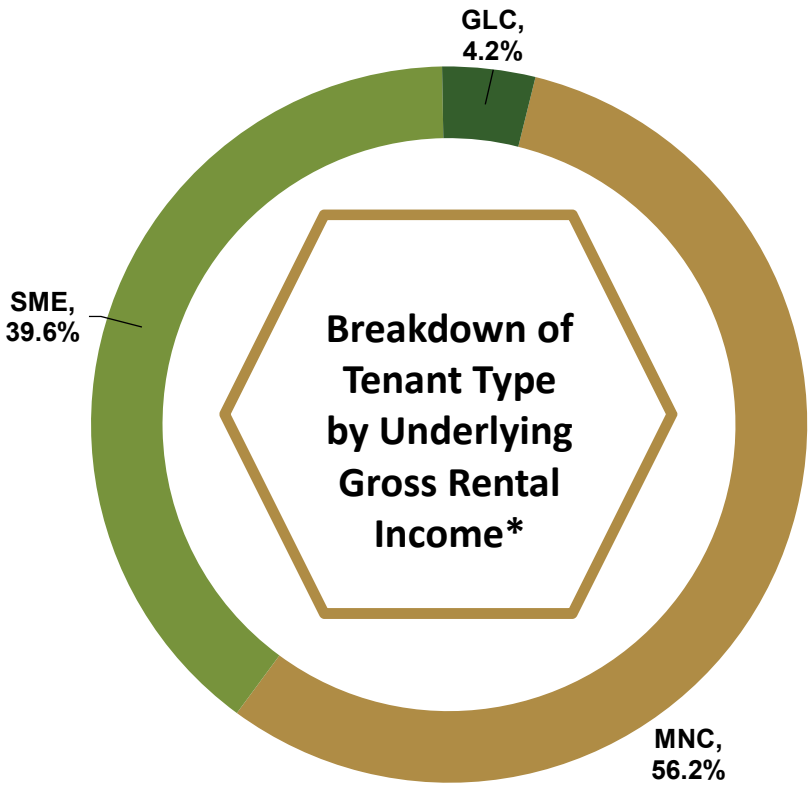
- Proposed MRT Extension
- Proposed MRT Extension
- Major Business Park Cluster
- Light Industrial Properties
- Business Park Properties
- Logistics Properties

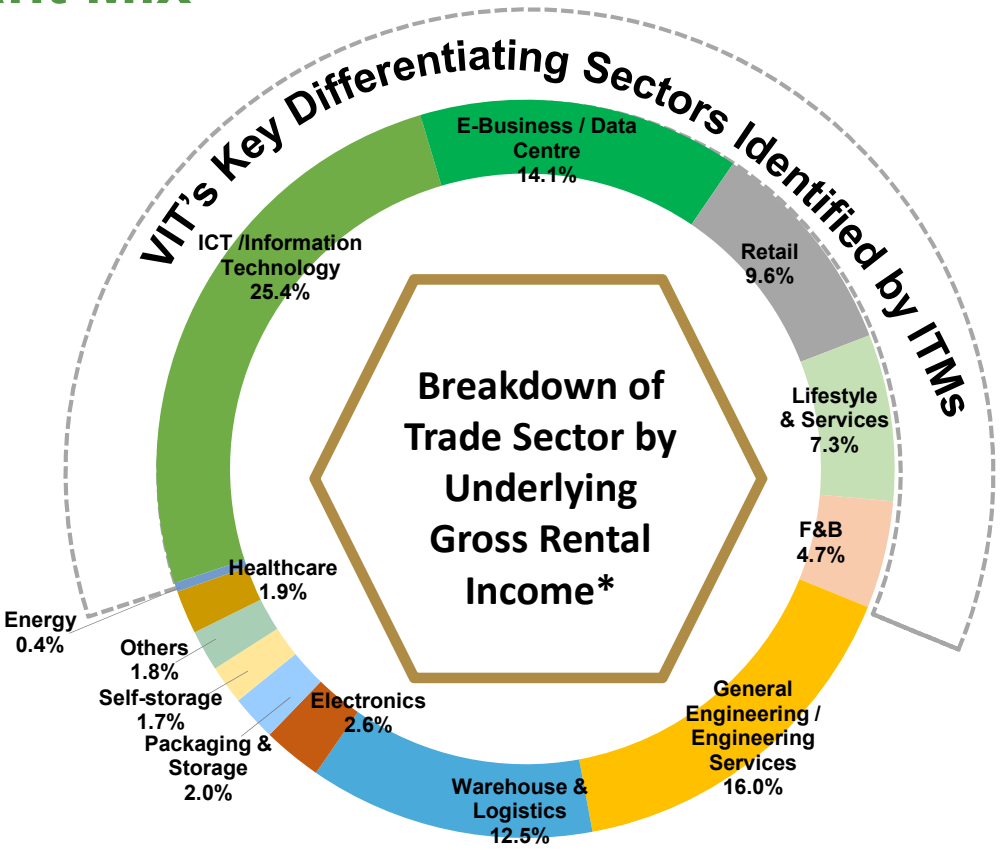
Improved Portfolio Fundamentals

Portfolio Summary		
	31 March 2017	31 March 2016
Total Number of Properties	9	7
Total Portfolio GFA	3,900,269 sq ft	3,292,936 sq ft
Net Lettable Area (NLA)	3,323,355 sq ft	2,715,025 sq ft
WALE (by rental income)[1]	3.2 years	3.5 years
Weighted Average Land Lease (by valuation)	34.4 years	37.2 years
Weighted Average Age of Buildings (by valuation)	9.5 years	9.9 years
Weighted Average Portfolio Occupancy *- Weighted Average Portfolio Occupancy as at Listing Date (4 November 2013)*	91.1% 70.1%	86.9% 70.1%
Total Portfolio Valuation	S$1.29 billion	S$1.12 billion

[1] By Rental Income - based on net property income and rental support, taking into account the master lease arrangements and rental support arrangements, assuming that renewal options are not exercised.

Diversified Quality Tenant Mix



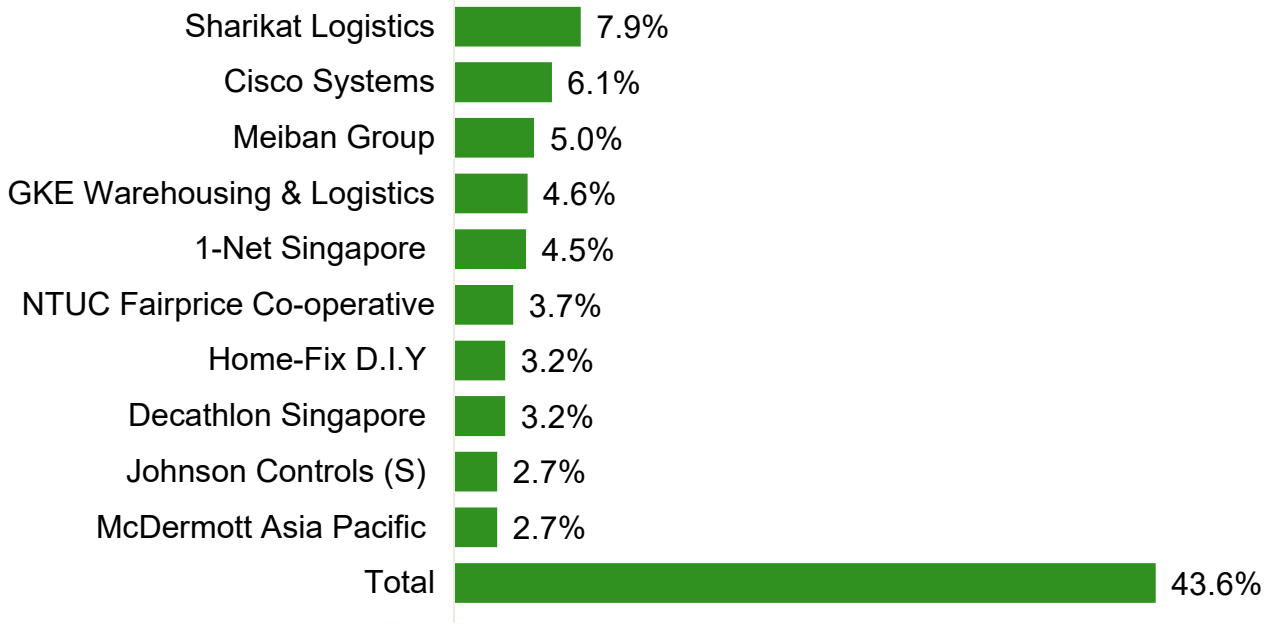


- Total of 149 tenants, of which 39.5% of tenants are in information technology, e-business or data centre operations.
- 60.4% of tenants are multinational corporations or government-linked corporations.

** Based on monthly gross rental income for the month of March 2017, excluding the rental income from the UEBH Hotel Leased Premises.*

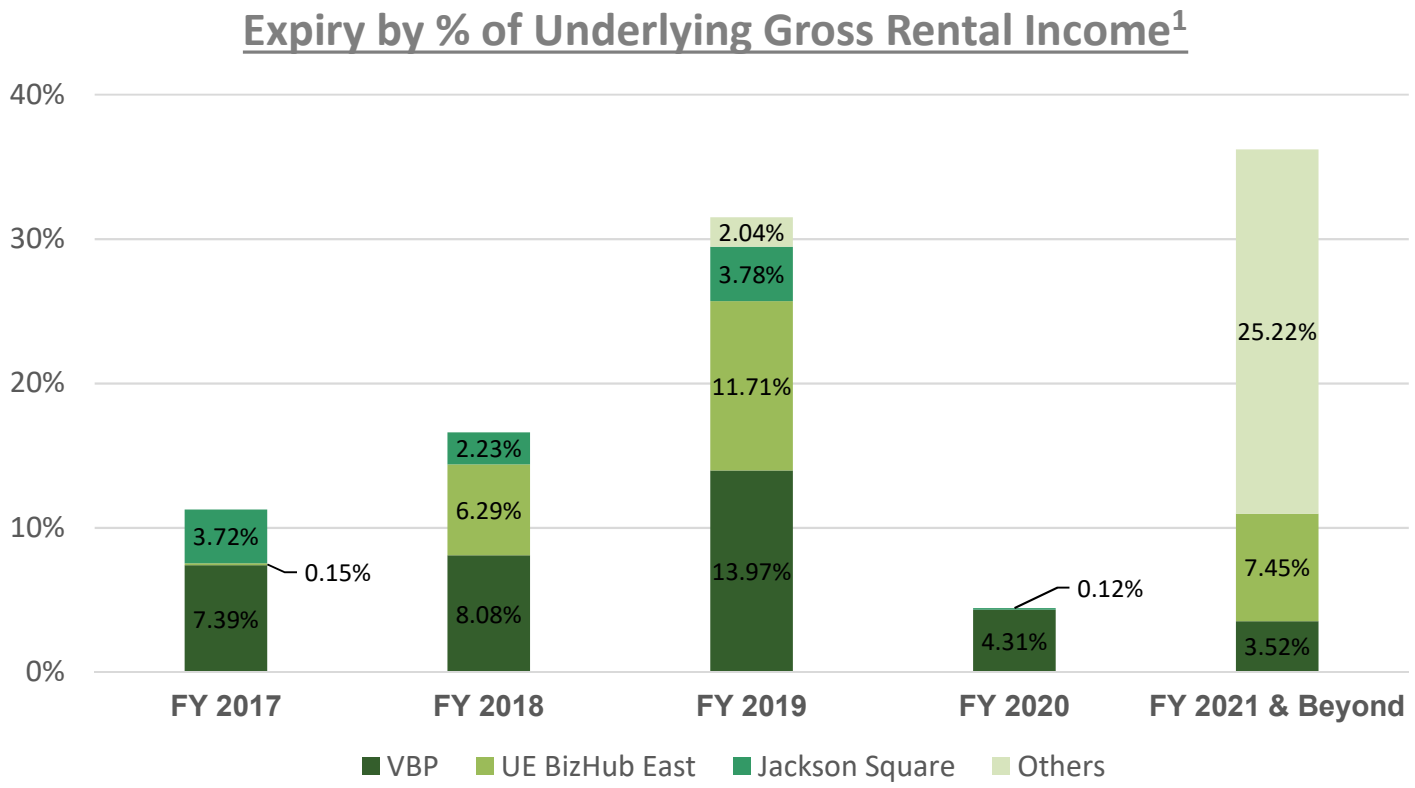
Diversified Quality Tenant Mix[1]

Top 10 tenants/sub-tenants account for 43.6% of monthly committed rental income



[1] *As at 31 March 2017, excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Staggered Lease Expiry Provides Income Stability



- VIT secured approximately 95,000 square feet of lease renewals and new leases in 1Q2017
- Majority of leases expiring in 2017 are at VBP and Jackson Square

1. *Based on committed leases as at 31 March 2017, assuming renewal options are not exercised and excluding United Engineers Developments Pte Ltd as lessee of the UEBH Hotel Leased Premises.*

Business Park Rentals Vary Across the Island

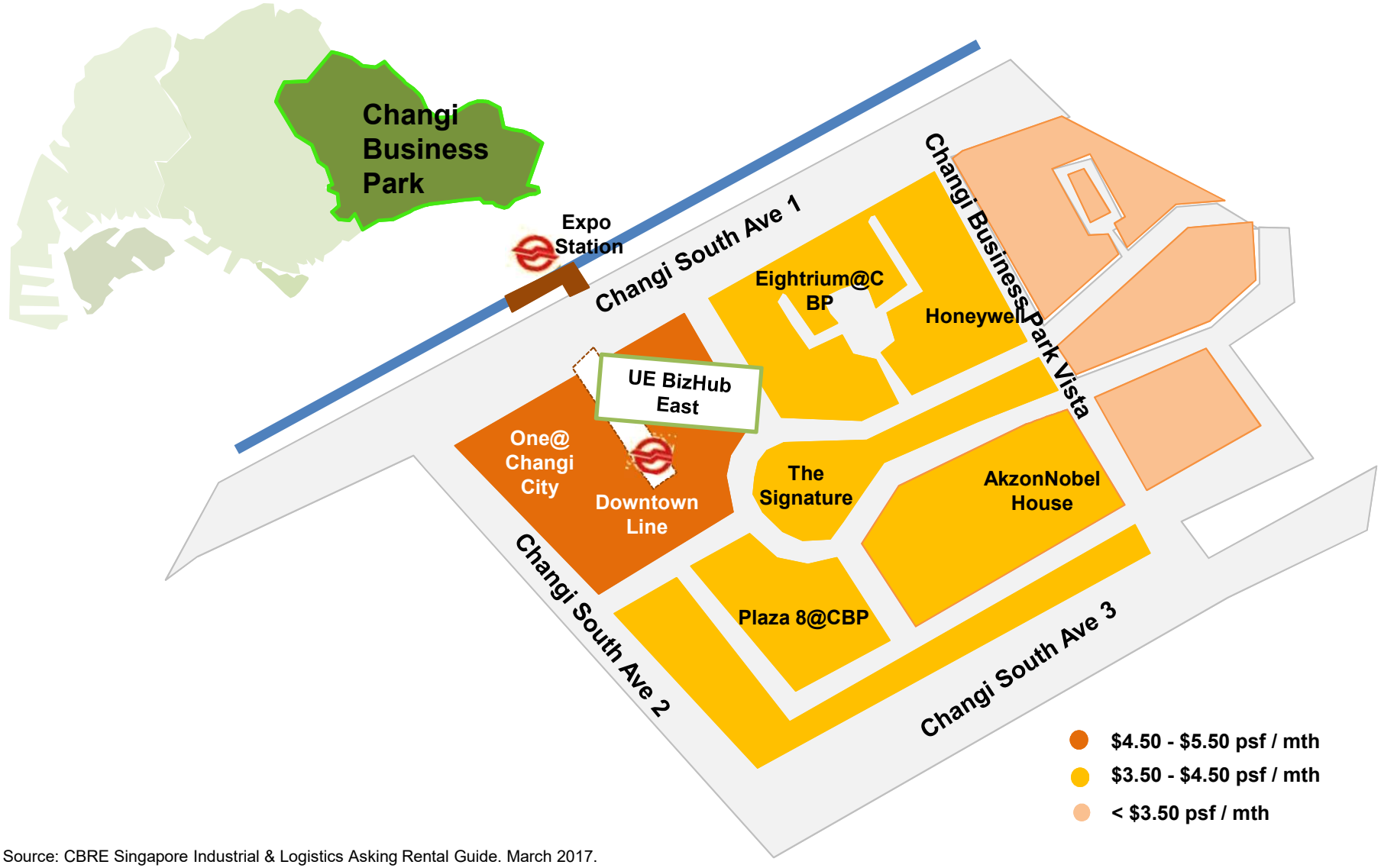
Rentals at Business Parks in the East are competitive compared with Central/Western areas

Asking Rents Across Key Business Parks in Singapore (S$ psf / mth)



Source: CBRE Singapore Industrial & Logistics Asking Rental Guide. March 2017.

UE BizHub East Commands amongst the highest rentals in CBP

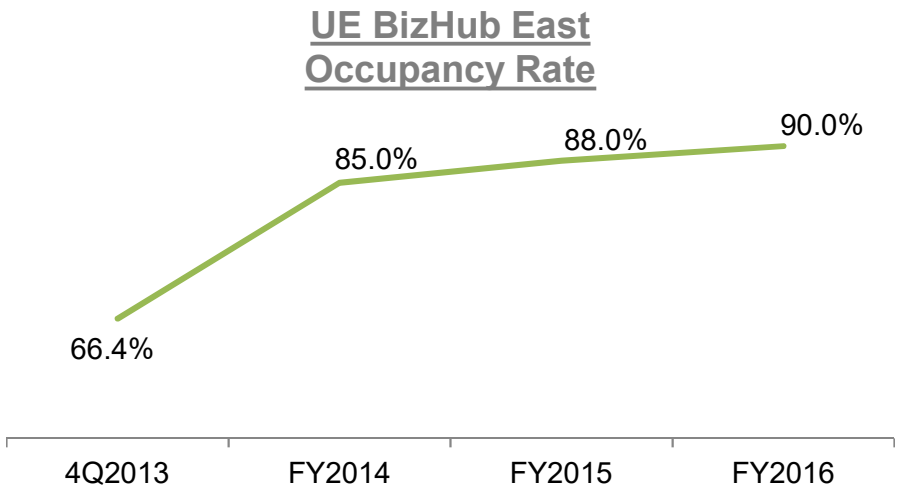


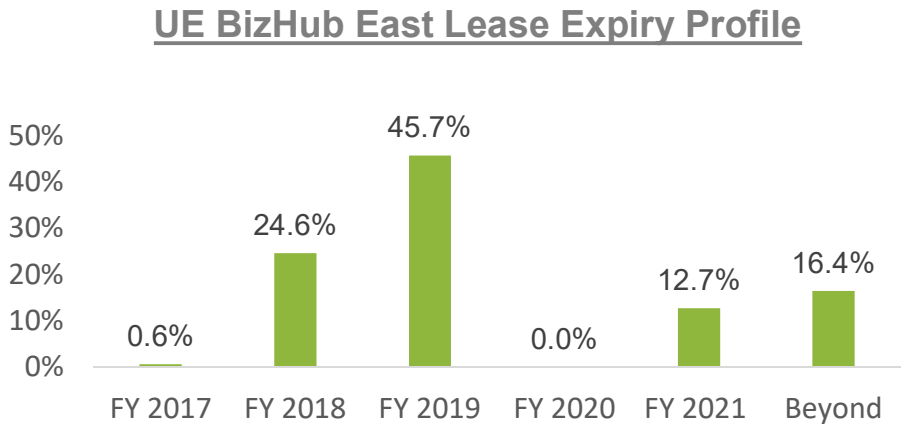
Source: CBRE Singapore Industrial & Logistics Asking Rental Guide. March 2017.

Opportunities for Positive Rental Reversion and Improved Occupancy at UE BizHub East

1 Positive Rental Rate and Occupancy Uptrend

2 Positive Rental Reversion Catalysts in 2018 and 2019







Source: Google Maps

Increased Accessibility

- Downtown line station completed by H2 2017
- Direct Access to MRT via underpass at property
- Connected to Changi City Point by outdoor Urban Plaza



Update on Jackson Square

Update on Jackson Square

Jackson International Pte Ltd (JIPL) has reached a settlement with VI-REIT and will not proceed with its liquidation. The termination of the IFMA and RS Arrangement is not expected to have a material impact on NAV per stapled security and DPS for FY2017.

Summary of Key Terms of the Settlement Agreement:

1. **Termination of Integrated Facilities Management Agreement (IFMA) with JIPL**
   All parties to the IFMA shall be fully discharged from their respective obligations under the IFMA

2. **Termination of Rental Support (RS) Arrangement with JIPL**
   VIT will proceed to draw down on the RS Bank Guarantee of S$3.87 million and thereafter, JIPL shall be fully discharged from its obligations under the RS Arrangement

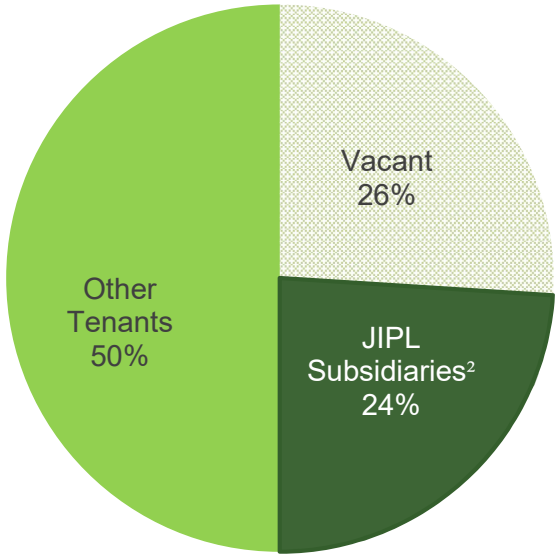
3. **Payment of Compromise Amount**
   VIT will receive an aggregate cash payment of S$1 million

4. **JIPL subsidiaries will continue with their existing leases at Jackson Square**
   VIT will receive additional rental security deposits of S$1.73 million

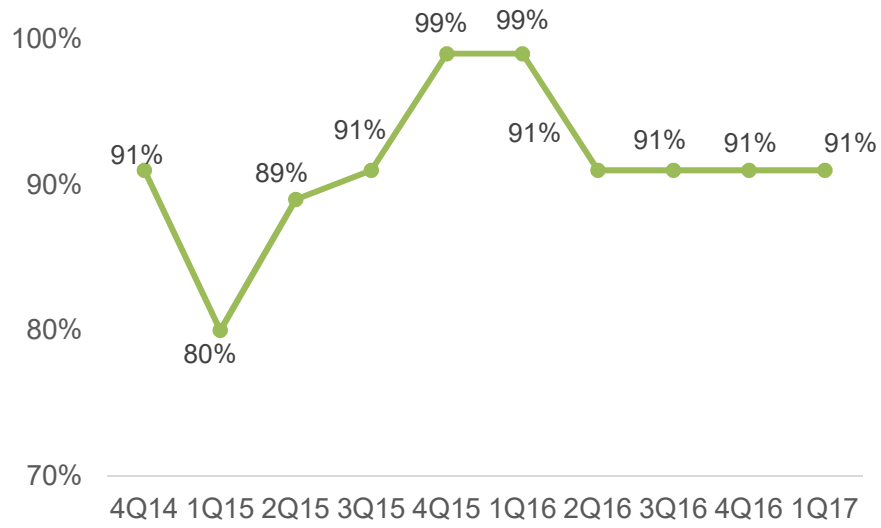
Update on Jackson Square

Vacancy risk at Jackson Square mitigated with JIPL subsidiaries remaining as tenants

Jackson Square Current Committed Occupancy[1]



Jackson Square Occupancy



- New leases have been signed at Jackson Square from the ICT and technology sectors such that committed occupancy including JIPL subsidiaries is 74%
- **Track record of occupancy at Jackson Square shows that given the central location of the property, it has a proven ability to revert to previous occupancy levels after dips**

[1] Based on the existing committed leases at Jackson Square excluding McDermott and assuming none of the tenants default on their leases
[2] JIPL subsidiaries include Store-11 Pte Ltd, Twinklekidz Playhouse Pte Ltd and Jackson Cafe



Update on Growth Drivers

Reaping the fruits of Successful AEI at Viva Business Park

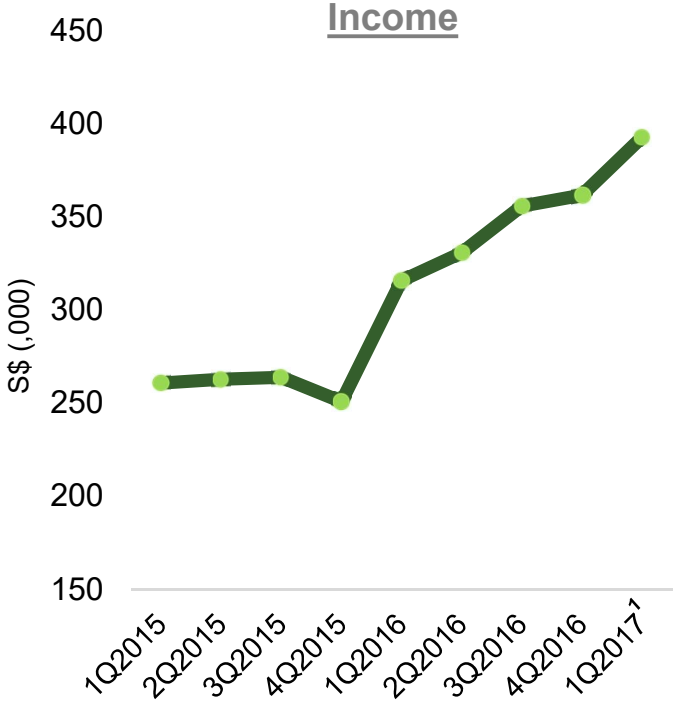
Converting low yielding spaces to higher yielding 'white' retail space results in higher footfall and visits to the property as proxied by increased carpark income at VBP



From carparks, loading bays and unproductive space

To exciting Lifestyle & Retail concepts

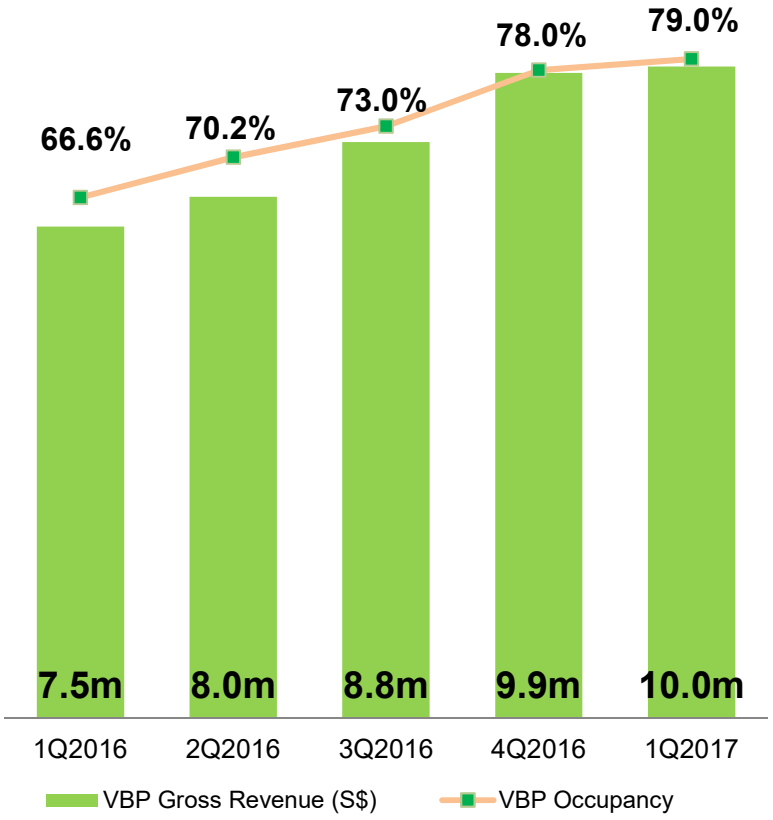
VBP Quarterly Carpark Income



[1] Adjusted for increase in carpark rates from January 2017

Increasing Contributions From VBP as AEI Nears Completion

VBP on track to bring greater vibrancy to the wider Bedok region; progressively contribute higher revenue and distributable income to VIT





95.6% of "white space" is committed



58% of total "white space" contributed to 1Q2017 income



Valuation

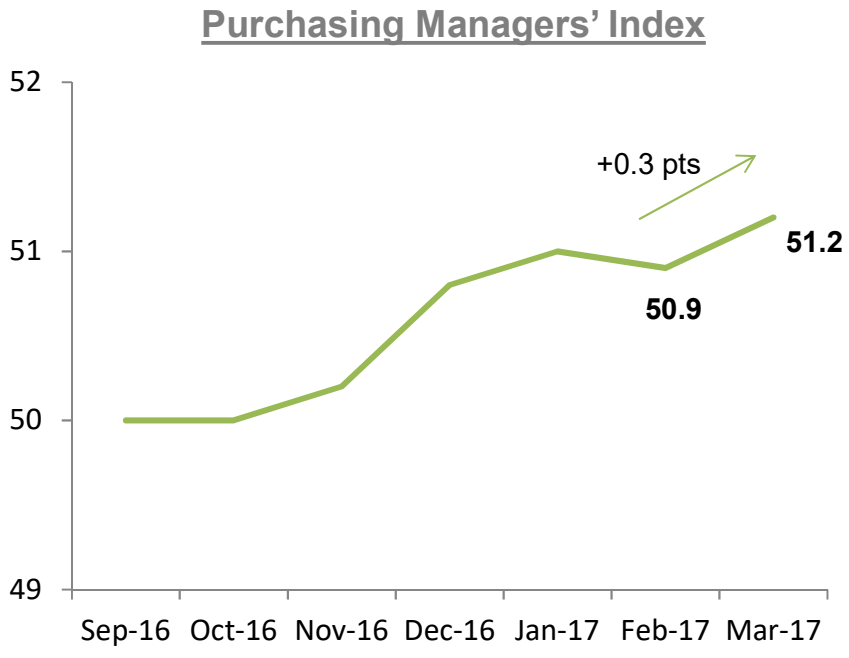
S$353.5m

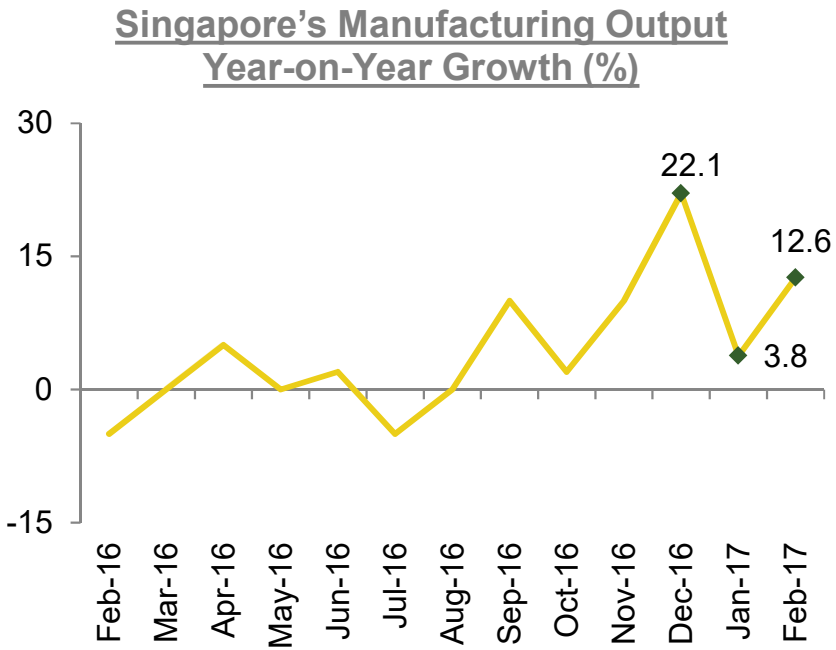
as at 31 Dec 2016



Outlook & Strategic Focus

Recent Economic Data Trends Signal Positive Industrial Demand



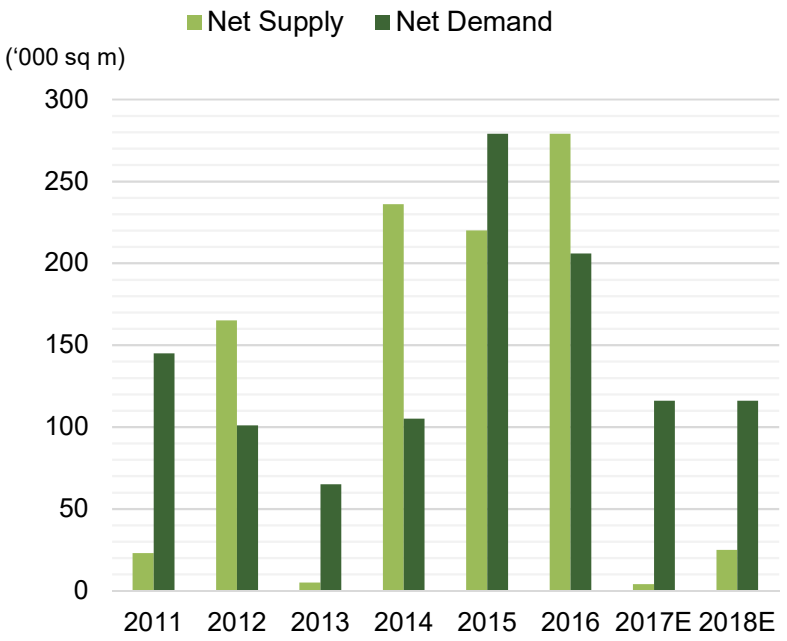


Sources: SIPMM Academy, RHB research and Economic Development Board

- Total Singapore's manufacturing output in Feb 2017 rose 12.6 per cent from a year ago, on the back of strong growth in **electronics** and **precision engineering clusters**
- **Purchasing Managers' Index (PMI)** in March 2017 recorded a faster expansion rate of 51.2, up 0.3 points from the month before

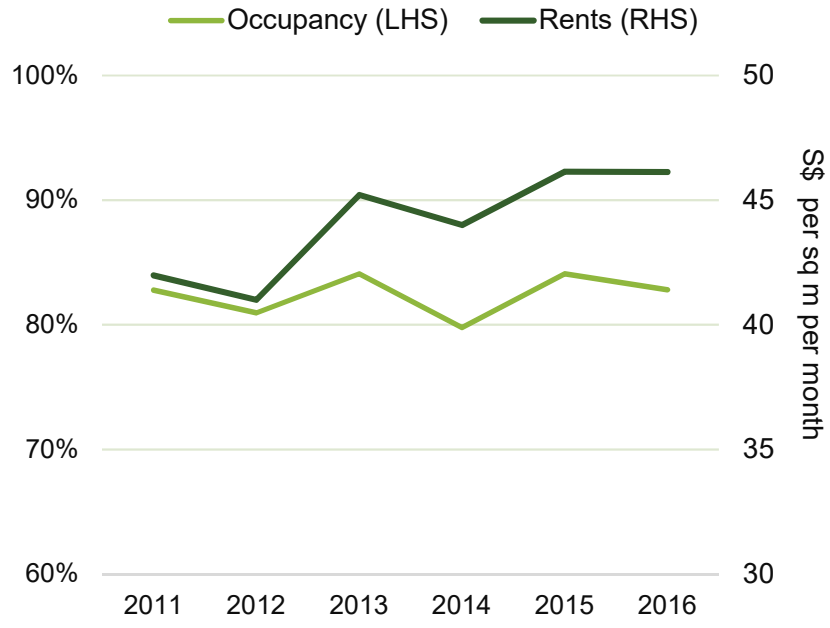
Industry 4.0 – Business Park Space Needs

Business Park Space Supply & Demand



Source: JTC, Knight Frank Research

Business Park Space Occupancy & Rents



Source: Realis, Knight Frank Research

VIT well positioned to tap on favourable Business Park Demand and Supply dynamics with 54.2% of total portfolio asset value in Business Park Properties.

CFE-Ready Integrated Developments

VIT's integrated developments such as Viva Business Park and UE BizHub EAST offer campus-like feel and a vibrant decentralized office space

Viva Business Park



"Flight to Quality" trend. Business Park facilities at competitive rents

UE BizHub EAST



High-Specs space suited to data centres and high tech manufacturers

Campus like feel preferred by Tech and ICT companies

Clear Strategy to Enhance VIT's Value

Near-term focus on creating a vibrant VBP while seeking out defensive acquisitions against the backdrop of a subdued economy

Focus on retaining tenants while increasing portfolio occupancy

Drive long-term growth and enhancement of VIT's value

1 Value Creating Investment Management



- Timely delivery of AEI works within budget
- Build pipeline of yield accretive acquisitions in Singapore and overseas

2 Proactive Asset & Lease Management



- Maximise tenant retentions with positive rental reversions
- Unlock value through asset enhancements
- Effective asset operating cost management

3 Prudent Capital & Risk Management



- Maintain stable DPS
- Maintain prudent financial policy with gearing ratio below 40%
- Diversify sources of funding

Summary

1



Best in Class Portfolio Anchored by Sizeable Integrated Business Park Developments

- Integrated Business Park developments attract quality tenants by providing complementary amenities that enliven the workplace.
- **UE BizHub East** is an unique business park development integrated with a 251-room hotel, convention centre and retail component, while **Viva Business Park** has significant “white” component.

2



Clear Growth Strategy for 2017

- VBP’s AEI has been successful in revitalising the Business Park, and is contributing to rising revenues and distributions amidst subdued macroeconomic conditions.
- Completion of yield accretive acquisition of 6 Chin Bee Avenue taps on the strong potential of Singapore’s growing and recession-resilient food services sector.

3



In-line with Government’s Pro-Growth Programs

- High-specs Industrial and Business Park properties meet the needs of firms transformed by Singapore’s economic remodelling efforts and the Committee on the Future Economy (CFE) strategies.
- VIT has a large number of tenants from key sectors identified in the CFE strategies that will digitize the economy and enhance productivity.

Thank you

VIVA iTRUST

