Keppel DC REIT

Annual General Meeting

16 April 2019



Important Notice

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking” statements due to 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 terms necessary to support future business.

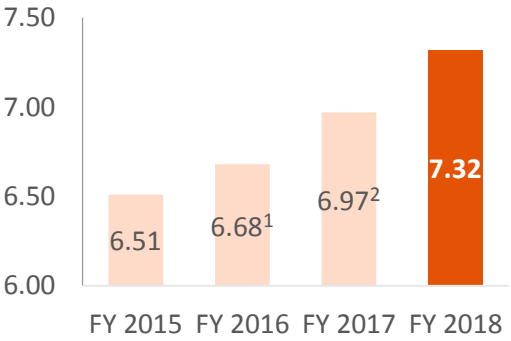
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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

FY2018 Key Highlights

Steady growth in adjusted DPU, increased by 5.0% to 7.32 cents in FY 2018

Adjusted DPU (cents)



Stable income stream with healthy portfolio occupancy and long WALE

Portfolio Occupancy

93.1%

as at 31 Dec 2018

Portfolio WALE

8.3 years

by leased area

Low aggregate leverage provides financial flexibility to pursue growth

Aggregate Leverage[3]

30.8%

as at 31 Dec 2018

Interest Coverage

11.4 times

as at 31 Dec 2018

1. Exclude the impact of the pro-rata preferential offering and the one-off net property tax refund in 2016.
2. Exclude the one-off capital distribution arising from the later completion of Keppel DC Singapore 3 in 2017.
3. Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for iseek Data Centre and Keppel DC Dublin 1.

Portfolio Growth Since Listing



Intellicentre 2
Data Centre

12 Dec 2014
AUM: $1.0b

IPO with 8 assets
across 6 countries



Milan Data Centre

31 Dec 2015
AUM: $1.1b



Cardiff Data Centre

31 Dec 2016
AUM: $1.2b



Keppel DC Singapore 3



Keppel DC Dublin 2

31 Dec 2017
AUM: $1.5b



maincubes
Data Centre

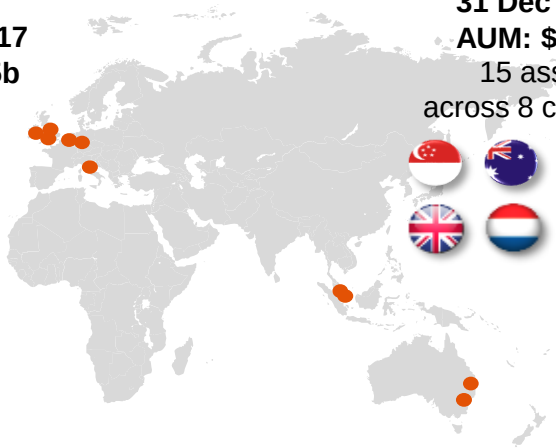


Keppel DC
Singapore 5



Intellicentre 3
East Data Centre[1]

31 Dec 2018
AUM: $2.0b
15 assets
across 8 countries



1. Not included in $2.0 billion AUM as at 31 Dec 2018. Completion is expected in 2020.

Strengthened Foothold in Asia-Pacific and Europe

Expanded portfolio with additions in Singapore, Australia, Germany and Ireland, increasing AUM to approx. $2.0b as at 31 Dec 2018







Asia Pacific

- Acquired **Keppel DC Singapore 5**, largely funded by private placement of 224.0m new Units; obtained tax transparency treatment in Jan 2019
- Entered into agreement with Macquarie Telecom to construct **Intellicentre 3 East Data Centre** on vacant land within Intellicentre 2 Data Centre site; completion expected in 2019-2020





Europe

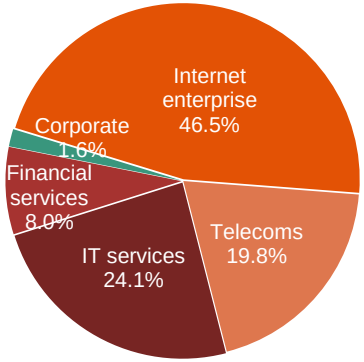
- Completed acquisition of **maincubes Data Centre** in Offenbach am Main, Germany
- Entered into agreement to acquire **remaining 999-year leasehold land interest in Keppel DC Dublin 1** with expected completion in 1H 2020



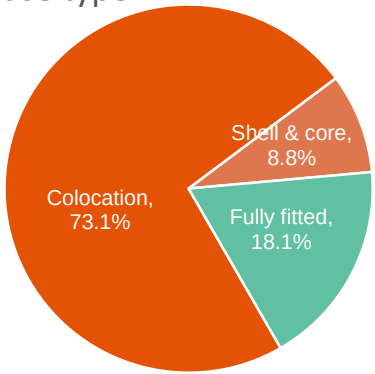
- **Quality data centres that cater to the requirements of global clientele**
  - Colocation facilities provide diverse client profile and lease expiry
  - Fully fitted and shell & core facilities provide income stability with typically longer lease terms

Rental income breakdown for the month of Dec 2018[1]

By trade sector:



By lease type:



Lease Type	Client Count	WALE[2] (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	3.3	✓	✓	-
Fully fitted	Single	11.2	✓	-	-
Shell & core	Single	11.1	-	-	-

1. Based on the colocation agreements and lease agreements with clients of the properties, treating the Keppel leases on a pass-through basis to the underlying clients.
2. By leased area as at 31 Dec 2018.

1Q 2019 Updates

1Q 2019 Key Highlights



Steady y-o-y growth in distributable income and adjusted DPU, increasing 29.9% to $27.1m and 6.7% to 1.92 cents respectively in 1Q 2019



Stable income stream with healthy portfolio occupancy of 93.2% and long WALE of 8.0 years



Diversified sources of funding with issuance of €50 million 7-year floating-rate notes due 2026



Limited interest rate exposure with 81% of borrowings hedged over the entire loan term



Low aggregate leverage of 32.5% as at 31 Mar 2019 provides healthy debt headroom to pursue growth

1Q 2019 Financial Update

- **6.7% y-o-y growth in DPU** mainly contributed by new acquisitions
- **Issued €50 million 7-year floating rate notes** due 2026 (MTN Series 002) in Feb 2019
- **Tax transparency treatment,** in line with the REIT's other Singapore assets, obtained for Keppel DC Singapore 5 in Jan 2019

Distributable Income

($'000)	1Q 2019	1Q 2018	+/(-) %
Distributable Income to Unitholders	**27,109**	**20,867**	**+29.9**
Comprising			
Gross Revenue	**48,033**	38,008	+26.4
Property Expenses	**(4,803)**	(3,920)	+22.5
Net Property Income	**43,230**	34,088	+26.8
Distribution per Unit[1] (DPU) (cents)	**1.92**	1.80	+6.7
Annualised Distribution Yield[2] (%)	**5.12**	4.80	32bps

1. Exclude Capex Reserves set aside for Keppel DC Singapore 3 and Keppel DC Singapore 5. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 31 March 2019.
2. Distribution yields were computed based on 1Q 2019 closing price of $1.500.

Portfolio Update

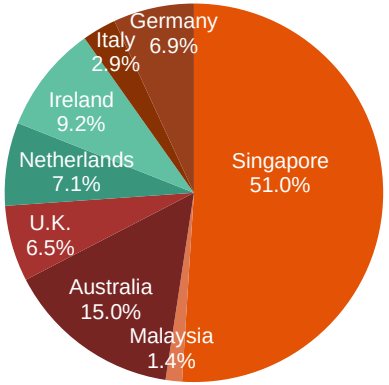
- **Keppel DC Singapore 3**
  - Retrofitting works to make way for expansion within a client's premises
  - Expected completion: Mid-2019
- **Keppel DC Dublin 1**
  - Asset enhancement works to improve energy efficiency
  - Expected completion: 2020
- **Keppel DC Dublin 2:**
  - Power upgrade and fit-out works to make way for client expansion
  - Expected completion: 2H2019

Diversified and Resilient Portfolio

- **67.4% of portfolio in Asia Pacific and 32.6% in Europe**

Portfolio AUM breakdown

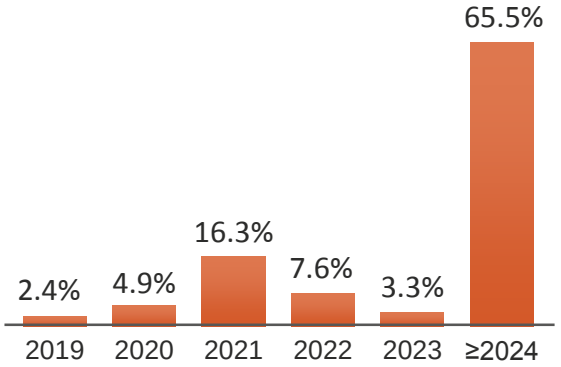
As at 31 Mar 2019



- **Healthy portfolio occupancy of 93.2% and long WALE of 8.0 years**

Lease expiry profile (by leased area)

As at 31 Mar 2019

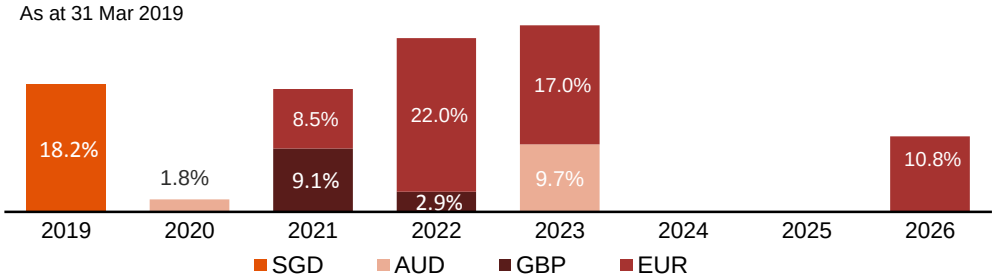


Capital Management

- **Managing interest rate exposure:** Interest rates of loans substantially hedged with floating-to-fixed interest rate swaps
- **Maintaining low aggregate leverage:** Provides flexibility and a healthy debt headroom for growth
- **Mitigating impact of currency fluctuations:**
  - **Hedged forecasted foreign-sourced distributions** till 2H 2020 through foreign currency forward contracts
  - **Adopted natural hedging** by borrowing in currencies that match the corresponding investments

Prudent Capital Management

Debt maturity profile



As at 31 Mar 2019	
Total debt	~$714.2m of external loans/notes (unencumbered)
Available facilities	~$140.0m of undrawn credit facilities
Aggregate Leverage[1]	32.5%
Average cost of debt[2]	1.7% per annum
Debt tenor	3.3 years
Interest coverage[3]	12.9 times

1. Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the lease liabilities pertaining to land rent commitments for iseek Data Centre and Keppel DC Dublin 1.
2. Including amortisation of upfront debt financing costs and excluding lease charges.
3. Calculated as EBIT / Finance costs, where EBIT is NPI less Manager's base and performance fees, Trustee's fee and Other trust expenses. Finance costs pertain to interest expense based on total debt drawn and debt amortisation costs.

Outlook



Demand for data centre space underpinned by increasing cloud adoption, rapid digital transformation, data centre outsourcing and data sovereignty regulations

Supported by Sound Industry Fundamentals

Global co-location market expected to grow by 15-17% in 2019[1]

Global cloud infrastructure market expected to grow by 25% CAGR in 2019-2023[1]

Virtual Reality (VR) and Augmented Reality (AR) traffic expected to increase 12-fold between 2017 and 2022 globally, a 65% CAGR[2]

Total mobile data traffic predicted to increase by 31% CAGR by 2024, reaching 136 exabytes per month by end 2024[2]

Hyperscale operator revenues are growing by 20% p.a driven by expansion of cloud services, e-commerce, social media and online advertising[3]

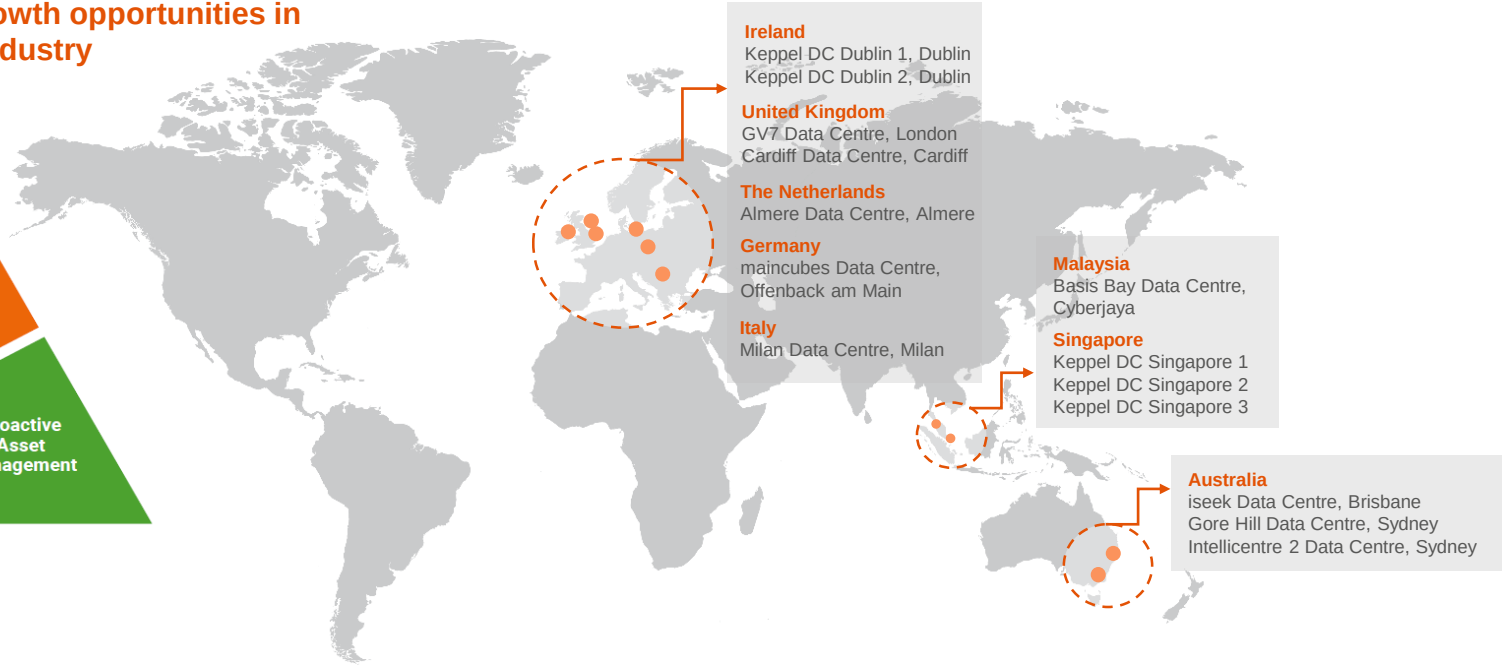
Cloud gaming market is expected to grow at 15% CAGR between 2018 and 2023[4]

Sources: 1. BroadGroup; 2. Ericsson; 3. Synergy Research; 4. Mordor Intelligence

Positioned for Growth

The Manager will continue to strengthen Keppel DC REIT's presence and position it to capitalise growth opportunities in the data centre industry





Ireland
Keppel DC Dublin 1, Dublin
Keppel DC Dublin 2, Dublin

United Kingdom
GV7 Data Centre, London
Cardiff Data Centre, Cardiff

The Netherlands
Almere Data Centre, Almere

Germany
maincubes Data Centre, Offenback am Main

Italy
Milan Data Centre, Milan

Malaysia
Basis Bay Data Centre, Cyberjaya

Singapore
Keppel DC Singapore 1
Keppel DC Singapore 2
Keppel DC Singapore 3

Australia
iseek Data Centre, Brisbane
Gore Hill Data Centre, Sydney
Intellicentre 2 Data Centre, Sydney

Committed to Deliver Value

Vision

To be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.

Mission

Guided by the Keppel Group's operating principles and core values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.

Thank You