

# 3Q FY2025 Business Update

7 May 2025



313@somerset, Singapore



Jem Retail, Singapore



Sky Complex, Milan



Jem Office, Singapore



Parkway Parade, Singapore



Multifunctional Event Space Adjacent to 313@somerset  
(Artist's impression subject to design changes)

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# Key Highlights

# 3Q FY2025 Highlights



## Change of Leadership

- Guy Cawthra joined the Manager as CEO effective 1 April, bringing with him over two decades of expertise in global real estate investment management.
- Prior to his appointment, Guy led the S\$12 billion Lendlease Asia Investment and Asset Management business. Notable assets under management in Singapore include Paya Lebar Quarter and Parkway Parade.



## Singapore Portfolio Achieved Positive Rental Reversions Despite Softer Retail Landscape

- Achieved positive retail rental reversion of 10.4%<sup>1</sup>.
- Achieved positive rental uplift of approximately 13%<sup>2</sup> for Jem office.
- Visitation registered a decline of 0.2%<sup>3</sup> and tenant sales declined 5.1%<sup>3</sup> (both year-to-date), impacted by a softer retail landscape, outbound tourism and weakness in specific trade sectors like shoes & bags, fashion & accessories, and sporting goods & apparel.



## Active Asset Management

- Signed Shaw Theatres as a new tenant at Jem, replacing Cathay Cineplex.
- Asset enhancement works completed at the ground floor lobby of Building 3 in Milan.
- Commenced refurbishment of restroom facilities at Jem to elevate amenities and shoppers' comfort.
- Construction of the multifunctional event space is progressing well and on track to complete by 2H 2026.



## Reducing Cost of Capital

- Refinanced S\$200 million perpetual securities due in April 2025 with new issuance at a lower coupon rate and loans with lower cost of funding.

(1) Year-to-date, comparing the weighted average rent of outgoing and incoming leases.

(2) For details, please refer to the announcement "Lendlease Global Commercial Reit Completes Rent Review for Jem Office Lease" dated 28 February 2025.

(3) Year-to-date compared against the corresponding period in FY2024.

# Key Portfolio Metrics

Portfolio Committed  
Occupancy  
**92.1%**



Retail  
**99.5%**



Office  
**86.6%**

Tenant Sales  
**-5.1%<sup>(1)</sup>**



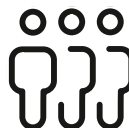
Retail Rental Reversion  
**+10.4%<sup>(2)</sup>**



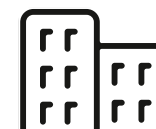
Weighted Average Lease  
Expiry  
**7.3 years (by NLA)**



Tenant Retention  
**87.9%<sup>(3)</sup> (by NLA)**



Office Rental Uplift  
**+13%<sup>(4)</sup> (Singapore)**



(1) Year-to-date compared against the corresponding period in FY2024.

(2) Year-to-date, comparing the weighted average rent of outgoing and incoming leases.

(3) Based on year-to-date completed lease renewal.

(4) For details, please refer to the announcement "Lendlease Global Commercial Reit Completes Rent Review for Jem Office Lease" dated 28 February 2025.

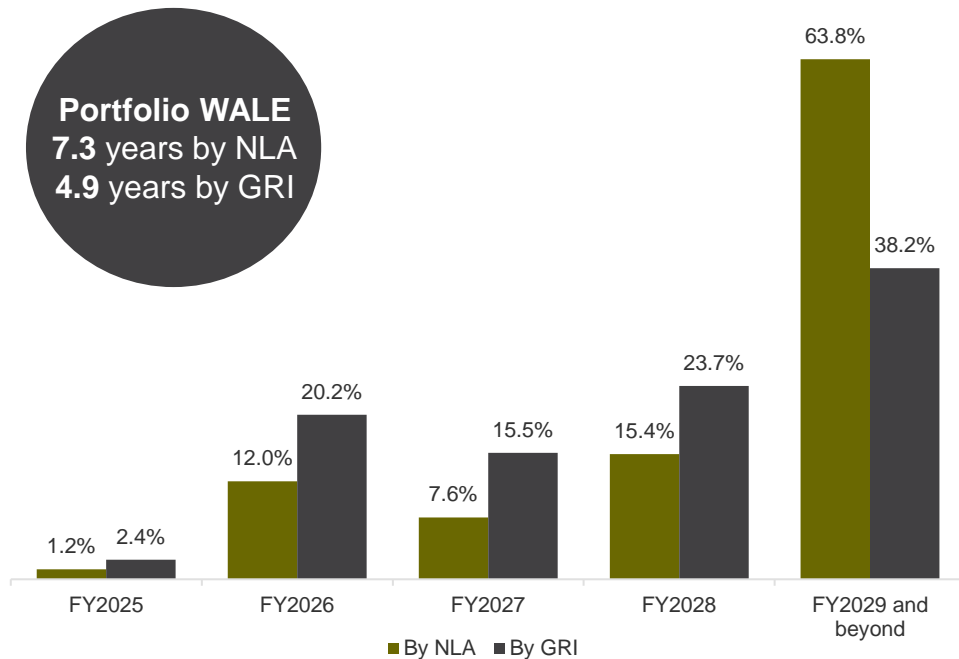
# Portfolio Performance



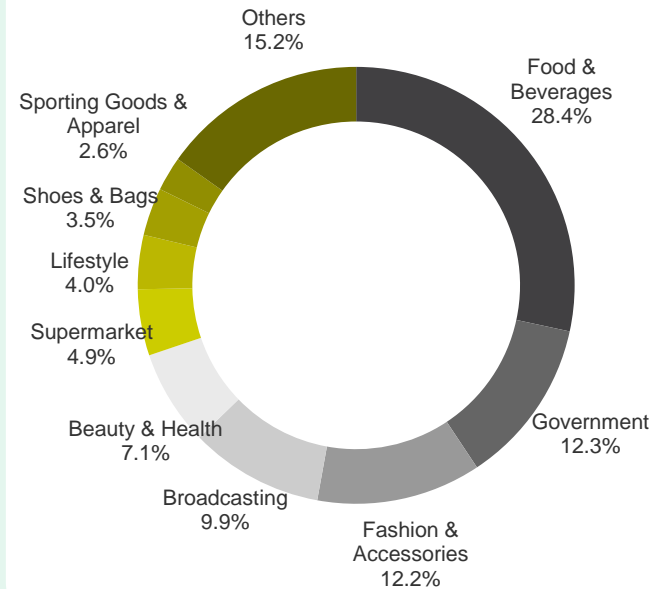
## Well-spread Lease Expiry Profile

- Lease expiry profile remained well-spread with only 1.2% by NLA and 2.4% by GRI due for renewal in FY2025.
- Negotiation on leases due for renewal in FY2026 has commenced.

### Portfolio Lease Expiry Profile (as at 31 March 2025)

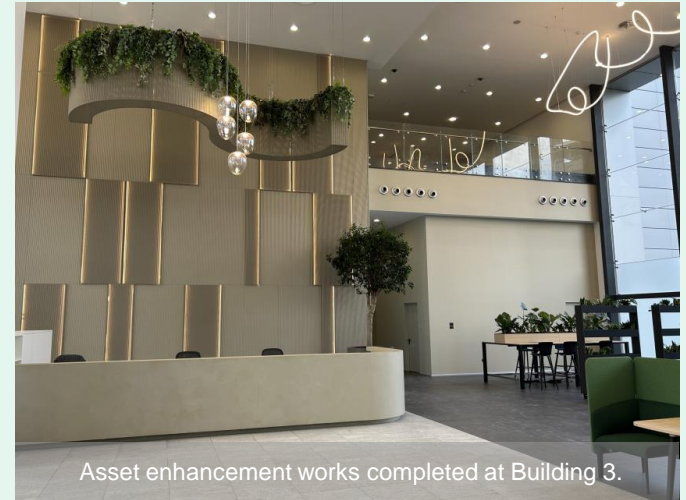


### Diversified Tenant Base (by GRI)



## Active Asset Management

- Signed Shaw Theatres (replacing Cathay Cineplex), lululemon and Chagee as new tenants at Jem, alongside 2<sup>nd</sup> Street (new-to-market brand) at 313@somerset.
- Completed asset enhancement works at the ground floor lobby of Building 3 in Milan, transforming the space into a refreshed and welcoming environment for tenants.
- Commenced refurbishment of restroom facilities at Jem to elevate the overall amenities and shoppers' comfort. The work is scheduled for phased completion by 1Q 2026.



### New Tenants Onboard



Shaw Theatres at Jem, a leading cinema chain in Singapore, known for its diverse movie experiences.



**2nd STREET**

2<sup>nd</sup> Street at 313@somerset, a Japanese thrift store chain specialising in pre-loved luxury and streetwear.



Lululemon at Jem, a Canadian athletic apparel brand known for premium activewear and performance fabrics.



**CHAGEE**

Chagee at Jem, a modern tea brand offering handcrafted beverages.

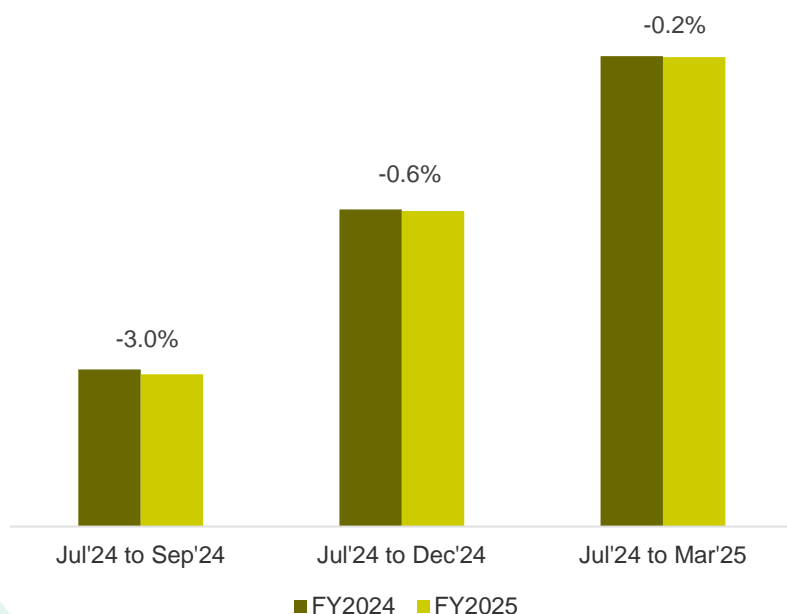




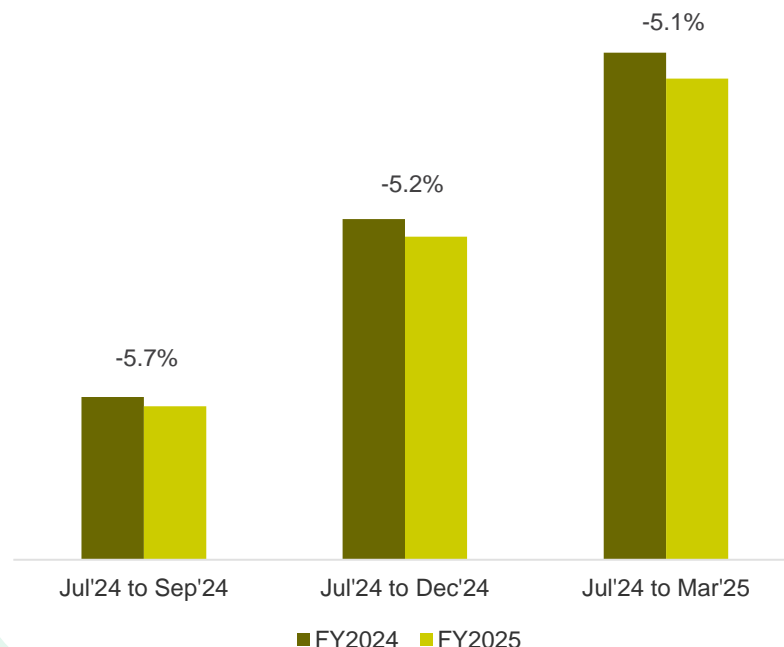
## Retail Portfolio: Achieved Positive Rental Reversion of 10.4%<sup>1</sup>

- Committed occupancy for Jem and 313@somerset remained high at 99.9% and 98.8%, respectively.
- Visitation registered a decline of 0.2%<sup>2</sup> and tenant sales declined 5.1%<sup>2</sup> (both year-to-date), impacted by a softer retail landscape, outbound tourism and weakness in specific trade sectors like shoes & bags, fashion & accessories, and sporting goods & apparel.

### Cumulative Visitation (million)



### Cumulative Tenant Sales (S\$ million)



(1) Year-to-date, comparing the weighted average rent of outgoing and incoming leases.

(2) Year-to-date compared against the corresponding period in FY2024.

## Office Portfolio: Achieved 13%<sup>1</sup> Rental Uplift for Singapore Office

- Long office WALE of 11.4 years by NLA and 14.1 years by GRI.
- Committed occupancy at Building 3 remained at approximately 31%.

### Singapore



- Occupancy: 100%
- NLA: 311,217 sq ft
- Grade A office building leased to the Ministry of National Development till 2044
- Rental review: Once every five years

### Milan



- Occupancy: 81.6%<sup>2</sup>
- NLA: 78,873 sqm<sup>3</sup>
- Building 1 and 2 fully leased to Sky Italia<sup>4</sup> till 2033
- Building 3 is undergoing repositioning to secure multi-tenancy
- Rental review: Annual<sup>5</sup>

(1) For details, please refer to the announcement “Lendlease Global Commercial Reit Completes Rent Review for Jem Office Lease” dated 28 February 2025.  
 (2) Includes committed space of Building 3.  
 (3) Based on valuation report as at 30 June 2024.  
 (4) Sky Italia is a subsidiary of Comcast Corporation, a global media and technology company.  
 (5) Pegged to the Italian National Institute of Statistics consumer price index.

# Capital Management

# Capital Management

- LREIT issued S\$120 million perpetual securities at 4.75% per annum for the refinancing of the S\$200 million 5.25% perpetual securities due in April 2025, with the remaining S\$80 million to be refinanced with loans.
- Net proceeds from the S\$120 million issuance were utilised to reduce debt borrowings, lowering gearing to 38.0% as at 31 March 2025. In April 2025, debt has been drawn to repay the S\$200 million perpetual securities<sup>1</sup>.

	As at 31 March 2025	As at 31 December 2024
Gross borrowings	S\$1,451.7 million	S\$1,565.0 million
Gearing ratio	38.0% <sup>1</sup>	40.8%
Weighted average debt maturity	1.8 years <sup>2</sup>	2.0 years
Weighted average cost of debt <sup>3</sup>	3.54% p.a.	3.57% p.a.
Fixed rate borrowings	76%	70%
Interest coverage ratio (ICR) <sup>4</sup>	1.5 times <sup>5</sup>	1.5 times
Sensitivity analysis for ICR		
10% decrease in EBITDA	1.4 times	
1% increase in interest rate	1.3 times	

## Steps taken to improve ICR:

- Achieved increase in base rent of Jem office.
- Refinanced S\$200 million perpetual securities in April 2025 with new issuance at lower coupon rate and loans at lower costs of funding.

## Our approach to improve ICR:

### Active asset management

- Continue to drive performance of retail portfolio.
- Drive leasing initiatives for Building 3 in Milan.

### Manage cost of capital

- Active interest rate risk management, optimising hedging while leveraging on rate declines.

### Asset recycling

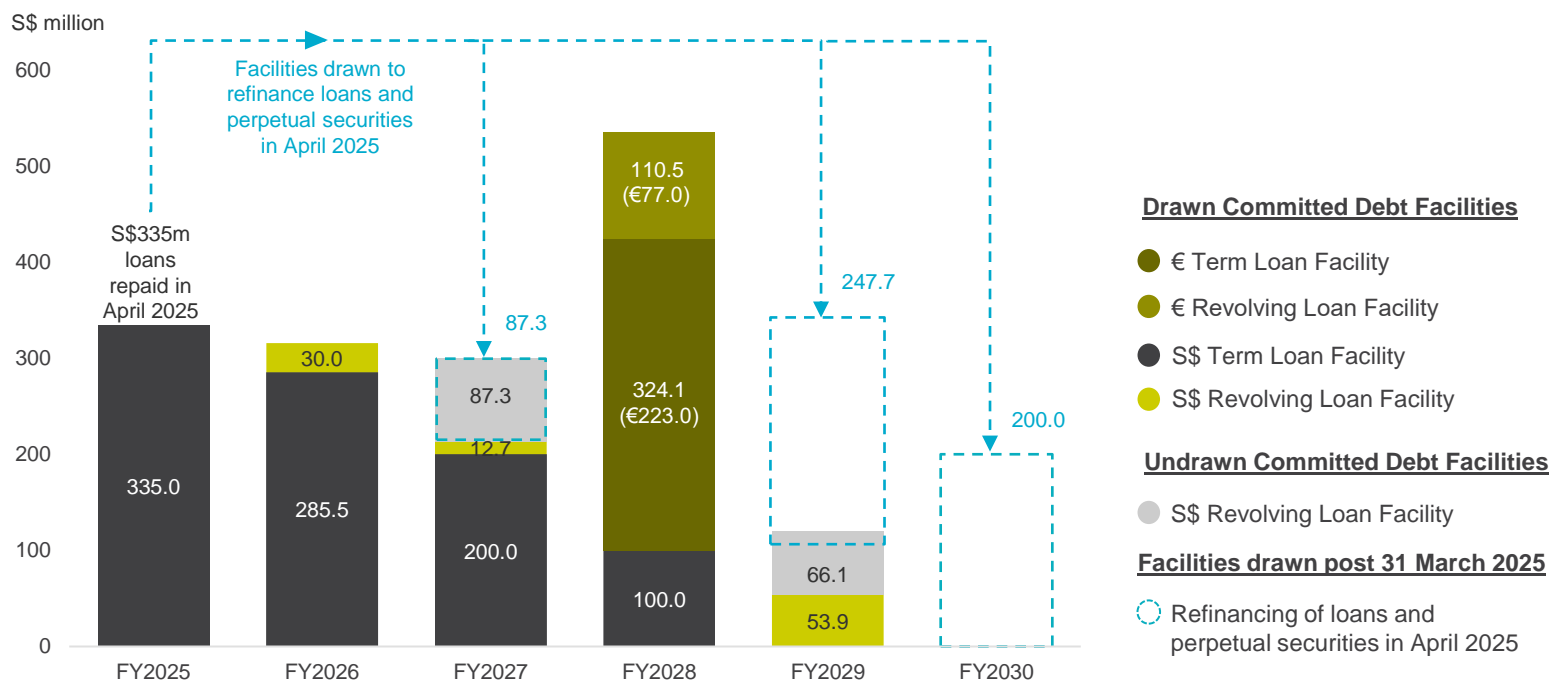
- Pursue options for asset recycling to raise capital and reduce gearing level.

- (1) On a proforma basis, based on total assets at 31 March 2025, gearing is approximately 43% post S\$200 million loan drawdown for the repayment of perpetual securities.
- (2) On a proforma basis, the refinancing of current borrowings amounting to S\$450.5 million on their respective maturity dates extends the weighted average debt maturity to 3.1 years as at 31 March 2025.
- (3) Excludes amortisation of debt-related transaction costs.
- (4) Calculation is in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes ("PFA"). The ICR in accordance with loan agreements exceeds 2.5 times, in excess of debt covenant at 2.0 times.
- (5) Per the PFA, calculation is based on a trailing 12 months period ending on the date of the latest reported financial results. For LREIT, the last reported financial results is as at 31 December 2024.

# Debt Facilities and Maturity Profile

- Refinancing obligations have been derisked for loans maturing in 2025 with new facilities secured in December 2024<sup>1</sup>.
- Post 31 March 2025, the new facilities have been drawn accordingly for the refinancing of the maturing loans and perpetual securities in April 2025.
- Post the refinancings, available debt facilities is S\$135.9 million.

## Maturity Profile of Drawn Committed Debt Facilities (as at 31 March 2025 and post refinancing in April 2025)



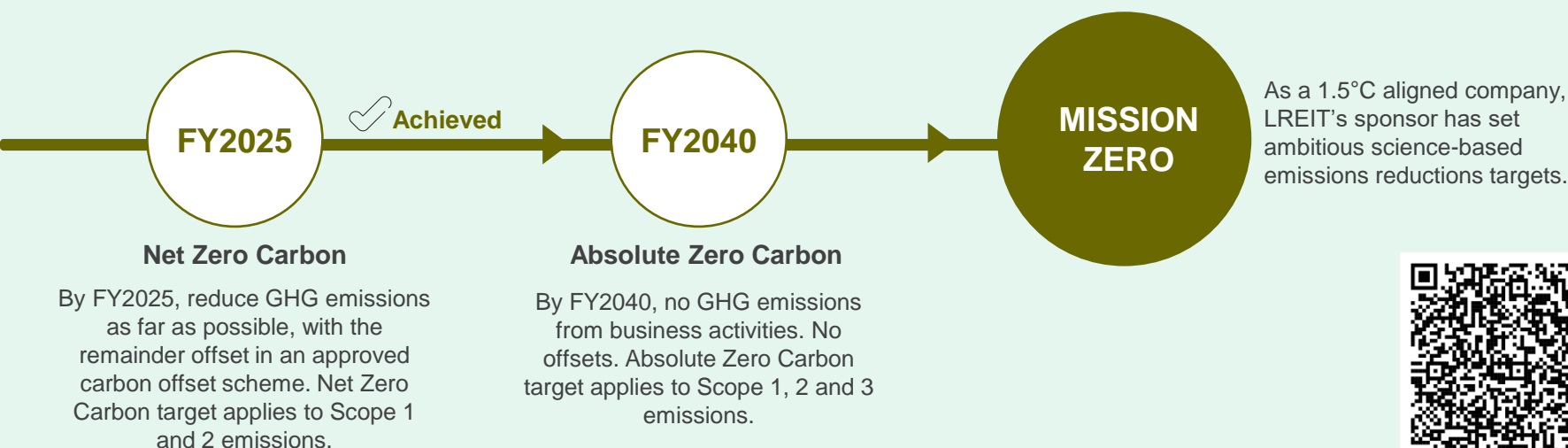
(1) For details, please refer to the announcement “Entry into Facility Agreements and Disclosure Pursuant to Rule 704(31) of the Listing Manual” dated 6 December 2024.

# Sustainability



# Focusing on Climate-related Risks and Opportunities

- SGX-listed companies are required to disclose the financial impact of climate-related risks and opportunities from FY2025 to aid investors in assessing business resiliency.
- A workshop was conducted by Lendlease Group for the Manager and Property Manager to review existing and identify potential risks and opportunities that could financially impact LREIT's business.
- An action plan will be formulated and present to the ESG Committee for strategic discussions. Further details will be included in LREIT's FY2025 Sustainability Report.



## About Scope 1, 2 and 3 Emissions

Scope 1: Direct emissions from sources owned or controlled.

Scope 2: Indirect emissions from purchased energy used in operations (ie. electricity).

Scope 3: Indirect emissions from external activities (ie. supply chain, tenant energy use).

Click to find out more about LREIT's ESG targets.

# Key Priorities

# Key Priorities



## Portfolio Optimisation

- Pursue options for asset recycling to raise capital and reduce gearing level.



## Active Capital Management

- Actively manage interest rate risks and optimise hedging strategies.



## Sustainable Income Growth

- Grow retail rents through active asset management and new-to-portfolio tenancies.
- Drive leasing initiatives to lease up Building 3 in Milan.



## Assessing our Strategy

- Formulate a strategic growth plan and effectively communicate this to the investment community.

# LREIT's Sponsor

## Strong Alignment of Interest with LREIT's Unitholders

- Lendlease Corporation's stake in LREIT reinforces its commitment to the REIT's long-term success and strategic direction.
- Following Lendlease Group's strategy update in May 2024, LREIT remains a key component of its investment management business in Asia Pacific.



**>50 years in  
Singapore**

Local Expertise and  
Knowledge



**~29%<sup>1</sup>**

Sponsor's Stake  
in LREIT



**A\$49.6 billion<sup>2</sup>**

Funds Under  
Management

### Sponsor's Portfolio in Singapore Includes



PLQ Mall (Retail)



PLQ Workplace (Office)



Paya Lebar Green (Office)



Comcentre (Mixed-Use)

(1) As at 31 March 2025.

(2) As at 31 December 2024.

# Market Review



# Market Review

## Singapore Retail Market

- Singapore retail sales remain under pressure as retailers navigate rising costs and e-commerce competition. Nevertheless, the outlook for 2025 remains optimistic, supported by easing inflation and a rebound in tourism, which is expected to bolster retail activities.
- Demand for prime retail space is expected to strengthen further with upcoming meetings, incentives, conferences and exhibitions (MICE) events and concerts. In the first three months of 2025, the retail market saw strong leasing demand mainly driven by F&B operators.
- Retail rents are projected to return to pre-COVID-19 levels supported by limited new supply in the coming years.

## Singapore Office Market

- Islandwide vacancy rate increased to 5.9% in Q1 2025 from 5.2% in the previous quarter driven by the uncommitted spaces in the newly completed projects, Keppel South Central and Paya Lebar Green.
- Leasing demand saw a measured increase during the quarter driven by the expansion of financial firms and co-working operators.
- Despite promising rent growth in Q1 2025, an economic slowdown may weaken confidence, leading to postponed market expansion plans and an increased focus on lease renewals.

## Milan Office Market

- According to the preliminary estimates by the Italian National Institute of Statistics, the consumer price index in March 2025 increased 0.8% YoY and 0.4% from the previous month.
- In Q4 2024, Milan's overall office vacancy rate was 10.1%. Within this, the Periphery area, home to Sky Complex, recorded a vacancy rate of approximately 15.7%.
- Beyond 2025, location will remain a key factor in office space demand. Limited availability in central areas is expected to drive rental growth for both prime and secondary properties. Due to this scarcity, tenants are increasingly opting to stay in existing spaces, benefiting from landlord-led refurbishments and upgrades rather than relocating.

# Additional Information

## Portfolio composite by valuation

- Singapore accounts for approximately 90% of the portfolio (by valuation).
- Suburban retail/office and Grade A commercial buildings account for more than 70% of the portfolio.

**S\$1.2 billion**

Market Capitalisation  
(as at 31 March 2025)

**92.1%**

Portfolio Occupancy  
(as at 31 March 2025)

**S\$3.68 billion**

Portfolio Value

**7.6%<sup>1</sup>**

Dividend Yield  
(as at 31 March 2025)

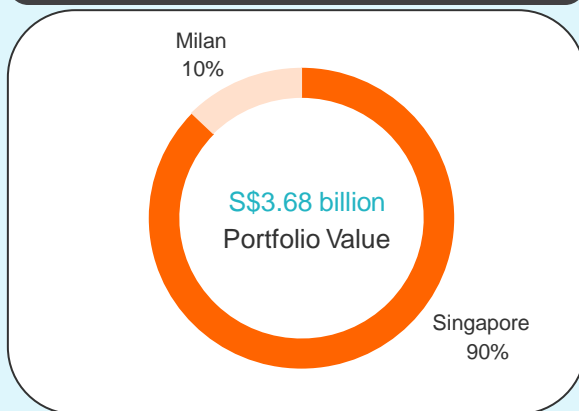
**2.1 million sqft**

Net Lettable Area

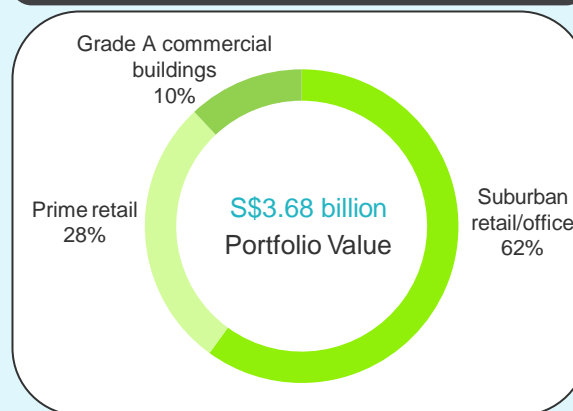
**36%**

Contribution from Top 10 Tenants  
(by GRI)

### Value by Geography



### Value by Asset Class



Note: Information as of 30 June 2024, unless stated otherwise.

(1) Based on FY2024 DPU of 3.87 Singapore cents at closing price of S\$0.51 per unit as at 31 March 2025.

[Click to view latest factsheet](#)

## Jem, a retail and office property in Singapore

One of the largest suburban malls in the West of Singapore, infusing the region with lively shopping and dining experiences.



### Key Statistics (as at 31 March 2025)

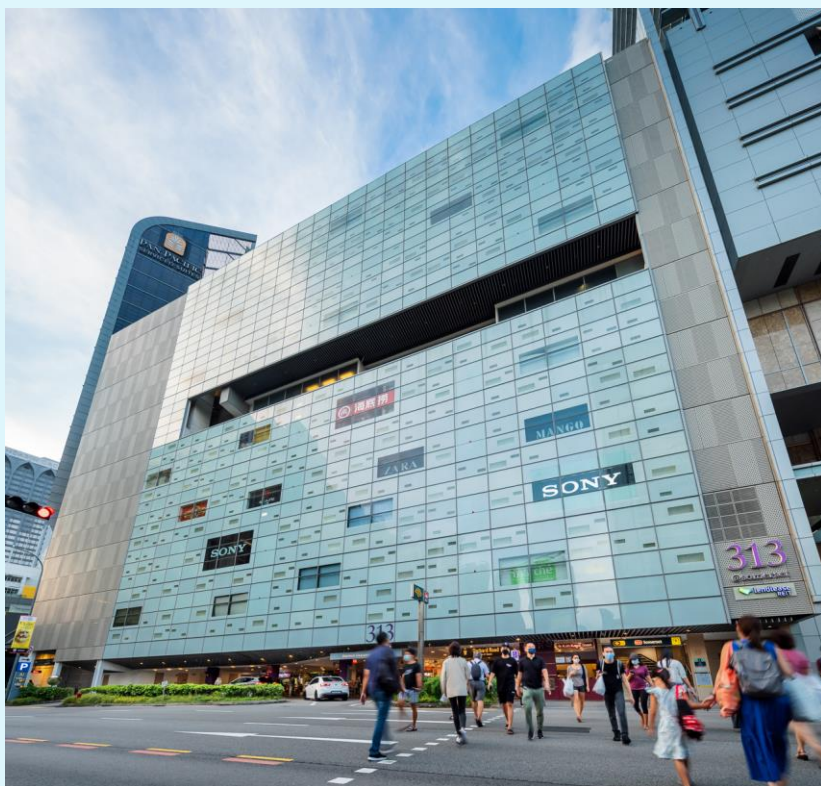
Occupancy	99.9%
WALE	8.7 years (by NLA) 5.8 years (by GRI)
Valuation <sup>(1)</sup>	S\$2,254.0 million
Valuation cap rate <sup>(1)</sup>	Retail: 4.50% Office: 3.50%
NLA	893,044 sq ft
Ownership <sup>(2)</sup>	100% (99-year leasehold)

(1) Based on valuation report as at 30 June 2024.

(2) 99-year leasehold commencing from 27 September 2010 till 26 September 2109.

## 313@somerset, a prime retail mall in Singapore

A youth-oriented retail mall centrally located on Singapore's Orchard Road shopping belt, directly connected to the Somerset MRT Station.



### Key Statistics

(as at 31 March 2025)

Occupancy	98.8%
WALE	2.2 years (by NLA) 2.1 years (by GRI)
Valuation <sup>(1)(2)</sup>	S\$1,046.3 million
Valuation cap rate <sup>(1)(3)</sup>	4.25%
NLA <sup>(1)</sup>	288,946 sq ft
Ownership <sup>(4)</sup>	100% (99-year leasehold)

(1) Based on valuation report as at 30 June 2024.

(2) Includes the development of the multifunctional event space, adjacent to 313@somerset, which will be connected seamlessly to the Discovery Walk that links to 313@somerset. Value reflected is the total of the market value and right-of-use-asset.

(3) Refers to operating asset only.

(4) 99-year leasehold commencing from 21 November 2006 until 20 November 2105.



## Three Grade A commercial buildings in Milan

- All three commercial buildings are LEED Gold certified, have Grade A building specifications and are designed in accordance with energy saving criteria and high use flexibility.
- Building 1 and 2 are leased to Sky Italia<sup>(1)</sup> until January 2033 without pre-termination risk. Building 3 is undergoing repositioning to secure multi-tenancy.



Key Statistics (as at 31 March 2025)	
Occupancy <sup>(2)</sup>	81.6%
WALE	7.7 years (by NLA) 7.7 years (by GRI)
Valuation <sup>(3)</sup>	€263.1 million
Terminal cap rate <sup>(3)(4)</sup>	6.00%
NLA <sup>(3)</sup>	Building 1 and 2: 57,754 sqm Building 3: 21,119 sqm
Ownership	100% (freehold)

(1) Sky Italia is a subsidiary of Comcast Corporation, a global media and technology company.

(2) Includes committed space of Building 3.

(3) Based on valuation report as at 30 June 2024.

(4) The valuation of the property was based on discounted cash flow analysis.



## Other Investments

### 10.0% interest in Parkway Parade Partnership Pte. Ltd.



- The investment increased LREIT's exposure to Singapore's resilient suburban retail segment.
- The mixed-use asset spans an area of approximately 520,000 sq ft, housing a diverse mix of retail and dining outlets. Top tenants include well-established brands such as FairPrice Xtra, Harvey Norman, and MUJI.
- As at 31 March 2025, occupancy stood at 94.8%, reflecting strong demand from tenants and a vibrant customer base. Weighted average lease expiry by NLA and GRI was 2.5 years and 2.2 years, respectively.
- Direct connection to the Marine Parade MRT station and completion of the planned asset enhancement initiatives (by phases) will channel more footfall to Parkway Parade and strengthen its position as a dominant suburban retail mall in the eastern part of Singapore.

### Development of a multifunctional event space at Somerset



- Construction has commenced and is expected to be completed in 2H 2026.
- The combined NLA with 313@somerset of approximately 330,000 sq ft enlarges and strengthens LREIT's retail presence in the Somerset youth precinct.
- The space is envisioned to be an experiential innovative lifestyle destination that features creative use of communal spaces and themed events to promote social networking and wellness.

# Commitment Towards Sustainability

LREIT aligns its business practices with the United Nation's Sustainable Development Goals, integrating sustainability into its investment and management approach.

- Environmental Goals: Enhance asset sustainability to reach Absolute Zero Carbon by FY2040.
- Social Goals: Maintain and refine social initiatives and policies for internal and external stakeholders.
- Nature and Biodiversity Conservation: Assess relevance of nature and biodiversity conservation to LREIT.

## Environmental Goals



## Social Goals



## Nature and Biodiversity Conservation



# Thank You

For enquiries, please contact Ling Bee Lin, Investor Relations and ESG  
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