

The logo for Keppel REIT, featuring the word "Keppel" in white and "REIT" in red, with a red diagonal line above the "K".

Keppel REIT

DBS-SGX-REITAS Virtual Conference

Office Strikes Back: Time to Suit Up!

14 Jun 2021



Sustainable Pan-Asian Portfolio with Income Resilience

\$8.9b

Grade A commercial portfolio with strong committed occupancy to an established and diversified tenant base

Singapore,
77.4%



Australia,
19.2%

South
Korea,
3.4%



ESG Awards

- **BCA Green Mark Platinum** award for all Singapore assets
- 5 Stars and above in the **NABERS Energy** rating for most Australian assets



ESG Benchmarking

- **ISS ESG corporate rating** – Prime status
- **Global Real Estate Sustainability Benchmark (GRESB)** – Green Star status



ESG Indices

- **iEdge SG ESG Transparency Index**
- **iEdge SG ESG Leaders Index**

Commitment to ESG Excellence

Responsible Business

- Committed to uphold strong corporate governance and risk management
- ESG issues are considered in key business decisions and operations, with adoption of sustainability principles encouraged throughout the supply chain

Independent Directors

5/8

Female directors form 25% of the board of directors

Green Loans

25%

of Keppel REIT's total borrowings as at 31 Mar 2021

Environmental Stewardship

- Support climate change agenda, adopt energy optimisation measures and use of renewable energy resources
- In 2020, Keppel REIT registered a year-on-year decrease* in portfolio intensity levels of greenhouse gas emissions, energy consumption and water usage



Keppel Bay Tower is Singapore's first commercial building to be fully powered by renewable energy and certified BCA Green Mark Platinum (Zero Energy)

People and Community

- Support employee wellness, foster collaboration, as well as encourage upskilling while telecommuting
- Brought community outreach efforts online and contributed about 790 hours to various community initiatives in 2020



Virtual collaborative activities for adopted charity Muscular Dystrophy Association (Singapore) (MDAS)

Continuing Portfolio Optimisation

- Portfolio optimisation to improve yield and create long-term value for Unitholders
- Holding quality assets across different markets enhances income diversification and long-term stability



Dec 2018: Divested 20% of Ocean Financial Centre in Singapore



May 2019: Acquired T Tower in Seoul



Nov 2019: Divested Bugis Junction Towers in Singapore



Jul 2020: Completed Victoria Police Centre in Melbourne



Dec 2020: Acquired Pinnacle Office Park in Sydney



Photo Credit: ST Press

May 2021: Acquired Keppel Bay Tower in Singapore

2018

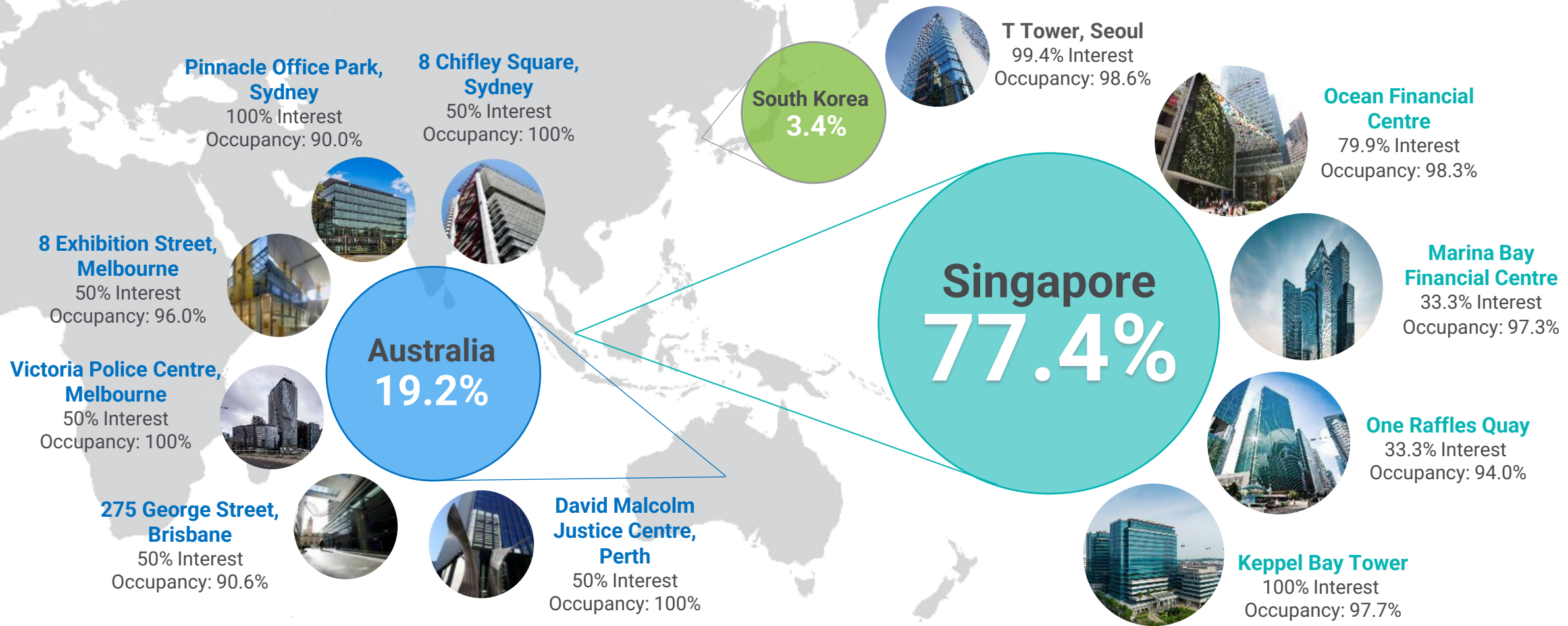
2019

2020

2021

Grade A Portfolio with High Occupancy and Long WALE

\$8.9 billion portfolio in key business districts of Singapore, Australia and South Korea enhances income diversification and long-term stability



1Q 2021 Key Highlights



\$51.6m

1Q 2021 distributable income from operations⁽¹⁾

Up 22.0% y-o-y

\$270.0m

Gross proceeds raised from the private placement⁽²⁾ that was approximately 4.6 times covered

35.2%⁽³⁾

Aggregate leverage as at 31 Mar 2021

Low all-in interest rate of 2.01% p.a.



96.5%

High portfolio committed occupancy as at 31 Mar 2021

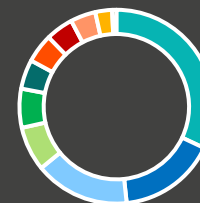
6.7 years

Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2021

Top 10 tenants' WALE was 11.8 years

Pinnacle Office Park

Commencement of income contribution in 1Q 2021, after acquisition completion on 31 Dec 2020



Established & Diversified Tenant Base

(Sector breakdown based on portfolio committed NLA)

Banking, insurance and financial services	32.0%
Government agency	16.3%
Technology, media and telecommunications	15.8%
Legal	7.4%
Energy, natural resources, shipping and marine	6.5%
Real estate and property services	4.9%
Accounting and consultancy services	4.8%
Services	4.6%
Manufacturing and distribution	4.2%
Retail and food & beverage	2.8%
Others	0.7%
Total	100%

(1) Includes advanced distribution of \$32.2m (0.94 cents per Unit) for the period from 1 Jan 2021 to 28 Feb 2021 that was paid to eligible Unitholders on 31 Mar 2021, in connection with the private placement launched on 18 Feb 2021. Distribution for the period from 1 Mar 2021 to 30 Jun 2021, as well as any distribution of capital gains for 1H 2021 will be disclosed at the 1H 2021 results announcement.

(2) 238.9m new Units were issued on 1 Mar 2021 pursuant to the private placement that was launched on 18 Feb 2021.

(3) Assuming the acquisition of Keppel Bay Tower was completed as at 31 Mar 2021, the aggregate leverage would have been 39.4%.

1Q 2021 Portfolio Update

Managing the COVID-19 Situation:

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income stability and resilience
- The Manager will continue to implement strict safe management measures and leverage technology at Keppel REIT's properties to provide a safe and conducive work environment for building occupants



Rental collection⁽¹⁾

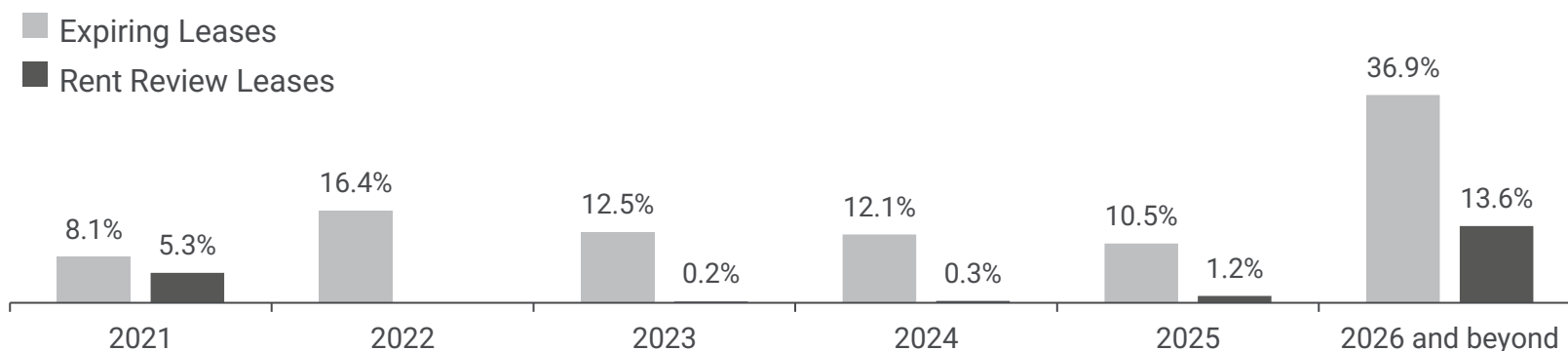
99%
in 1Q 2021



Tenant relief measures

Approx. \$0.1m
granted in 1Q 2021

Lease Expiries and Rent Reviews⁽²⁾



- Average signing rent for Singapore office leases concluded in 1Q 2021 was \$10.64⁽³⁾ psf pm
- Average expiring rents⁽⁴⁾ of Singapore office leases (psf pm): \$9.98 in 2021, \$10.27 in 2022 and \$10.96 in 2023

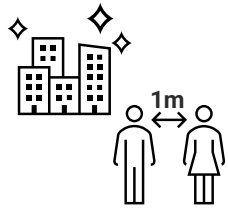
(1) Rent deferrals are excluded from rental collection in 1Q 2021.

(2) Based on committed attributable area.

(3) Based on a weighted average calculation. Simple average signing rent was \$10.94 psf pm.

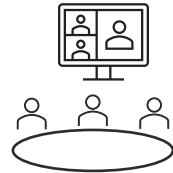
(4) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

Operating in the New Environment



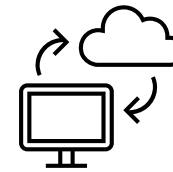
Wellness

Strong hygiene, air quality and safe management measures to enhance well-being and safety



Flexibility

Incorporation of flexibility into office design and work arrangement to facilitate collaboration and increase resilience



Technology

Robust IT infrastructure and smart building technology to support tenant requirements, enhance workplace safety and optimise energy consumption



Ocean Financial Centre (pictured):
Singapore's first commercial building to achieve the WELL Health-Safety rating by the International WELL Building Institute

Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet tenants' evolving business needs

- Build a robust portfolio with strong operational excellence which would be well sought after by tenants in view of health, environmental and business continuity considerations
- Proactive tenant engagement to develop mutually beneficial lease arrangements, as well as position Keppel REIT for the next leasing cycle

Thank You

For more information, please visit:
www.keppelreit.com

Connect with us on: 

Constituent of:



FTSE ST Large &
Mid Cap Index



GPR 250
Index Series



FTSE EPRA Nareit Global
Developed Index



MSCI Singapore
Small Cap Index

Important Notice

The past performance of Keppel 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 or 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.

Prospective investors and unitholders of Keppel REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel REIT (the “Manager”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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.