



12M FY2022 Financial Results

Date: 08 October 2022



Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in SPH REIT (“Units”). The value 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. The past performance of SPH REIT is not necessarily indicative of its future performance. This presentation may also contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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 the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

This presentation shall be read in conjunction with SPH REIT’s financial results for the period ended 31 August 2022 in the SGXNET announcement.

Contents

Key highlights	4 – 5
Financial results	7 – 9
Balance sheet	11 – 13
Operations review	15 – 23
Growth strategy and market outlook	25 – 26
Distribution details and timeline	28



12M FY2022

Key highlights

12M FY2022 Key highlights

Change in Financial Year-End

- Change in financial year end from 31 August to 31 December
- The revised FY2022 will be a 16-month period from 1 September 2021 to 31 December 2022
- Distribution for four months ending 31 December 2022 will be declared in February 2023

Continued improvements in Gross Revenue, Net Property Income and Distribution

- Gross Revenue grew by 1.7% yoy to S\$281.9 million
- Net Property Income (“NPI”) recovered by 3.5% yoy to S\$209.7 million
- 12M FY2022 DPU of 5.52 cents represents 2.2% yoy increase from 12M FY2021

Steady operating performance

- Maintained strong occupancy rate of 97.5% as a result of proactive leasing efforts to mitigate vacancies
- Healthy portfolio WALE of 5.3 years by NLA and 3.0 years by GRI
- Strategic and diversified assets with dominant catchments in prime and suburban location

12M FY2022 Key highlights

Disciplined capital management

- Fixed debt at 71% to mitigate against the increasing interest rate environment
- Cost of debt at 1.77%¹ and a weighted average term to maturity of 2.5 years
- Low gearing of 30.0% provides debt headroom flexibility with access to additional liquidity from S\$225 million of undrawn revolving credit facility lines

Singapore

- Return to normalcy after social distancing measures were substantially lifted in April 2022 led to a recovery in tenant sales and a recovery in footfall, well-supported by resilient assets
- Tenant sales for 12M FY2022 increased 8.8% yoy
- Similarly, footfall for 12M FY2022 increased 15.9% yoy

Australia

- Retail sales improved as most pandemic measures across Australia eased in December 2021
- Tenant sales for 12M FY2022 increased 4.2% yoy
- Footfall for 12M FY2022 declined 3.6% yoy

Market outlook

- Global geopolitical tensions and inflation are impacting financing costs and operational costs such as energy

Note:

1. Excludes perpetual securities of SPH REIT



12M FY2022

Financial results

12M FY2022 Financial performance

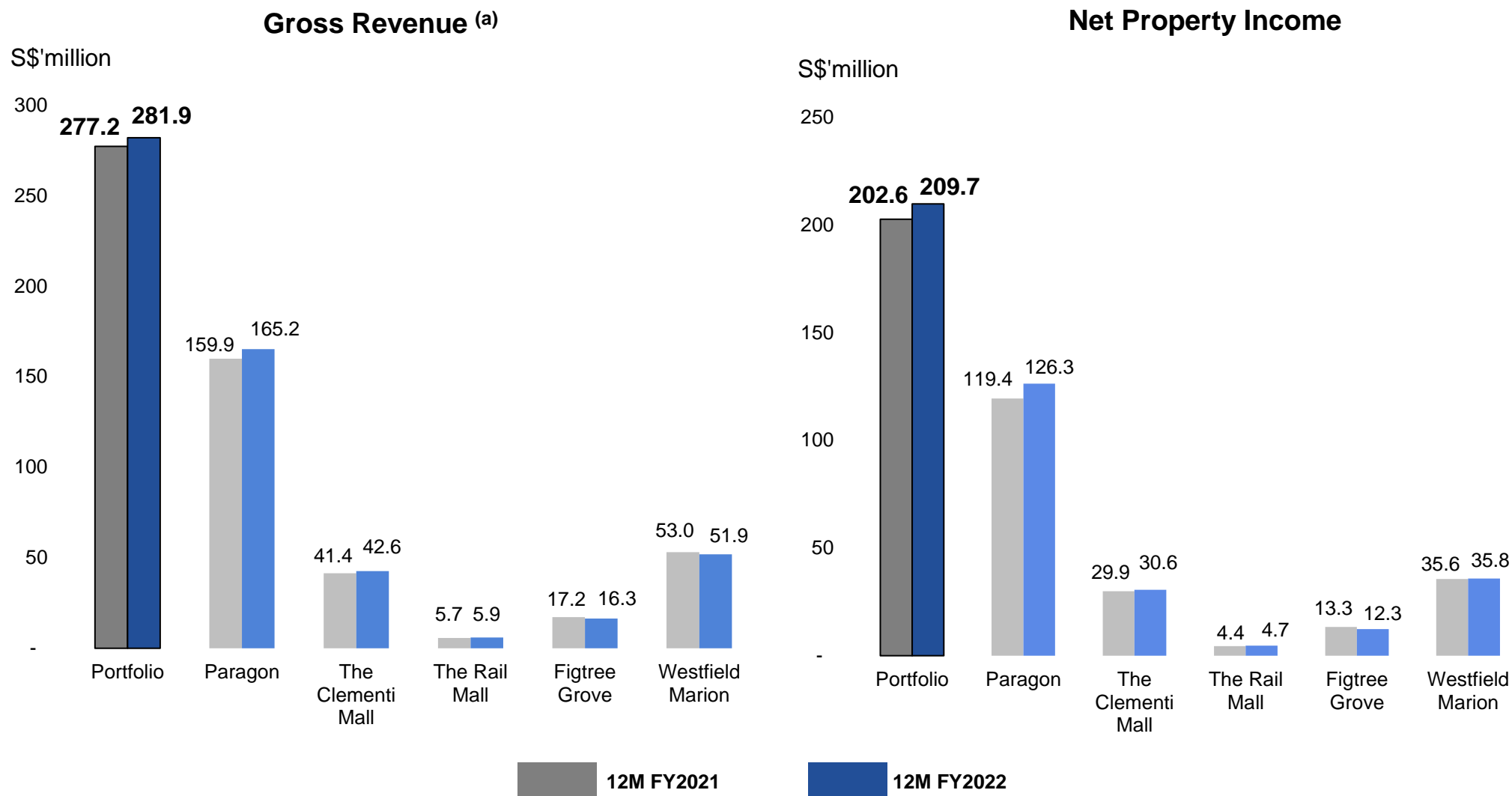
	12M FY2022 S\$'000	12M FY2021 S\$'000	% + / (-)
Gross revenue ^(a)	281,856	277,179	1.7
Property expenses	(72,155)	(74,552)	(3.2)
Net property income	209,701	202,627	3.5
Distributable income to Unitholders	160,671	157,803	1.8
Distribution to Unitholders ^(b)	154,811	150,160	3.1
Distribution per unit (cents) ^(b)	5.52	5.40	2.2

Notes:

(a) Gross revenue is net of rental relief to tenants in Singapore

(b) The distribution to unitholders for 12M FY2021 includes the release of approximately S\$14.5 million (0.52 cents) of FY2020 distributable income deferred as allowed under COVID-19 relief measures

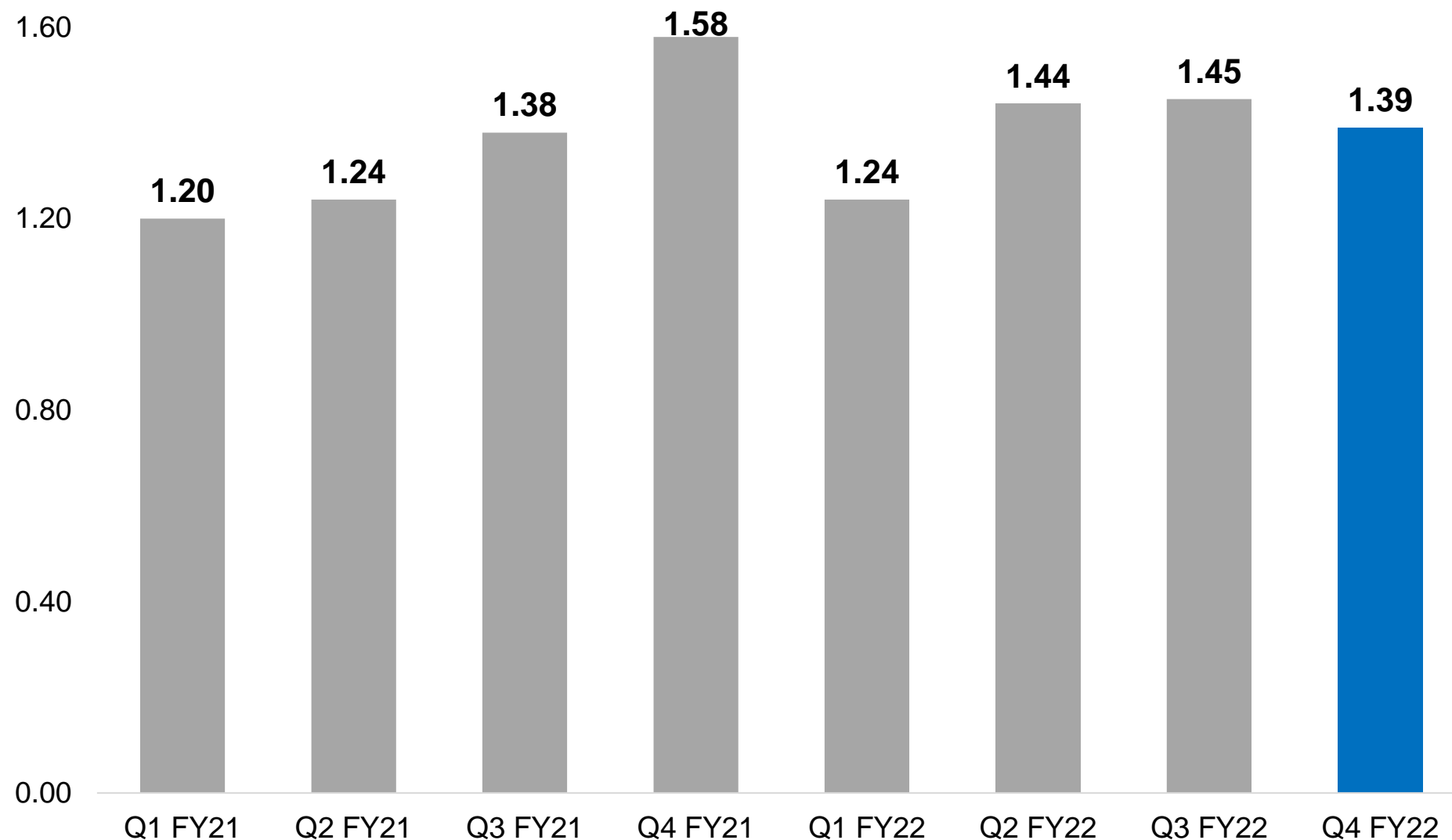
Continued improvement on a portfolio basis



Notes:

(a) Gross revenue is net of rental relief to tenants in Singapore

Stable distribution to unitholders



Notes:

The distribution to unitholders for 12M FY2021 includes the release of approximately 0.52 cents of FY2020 distributable income deferred as allowed under COVID-19 relief measures



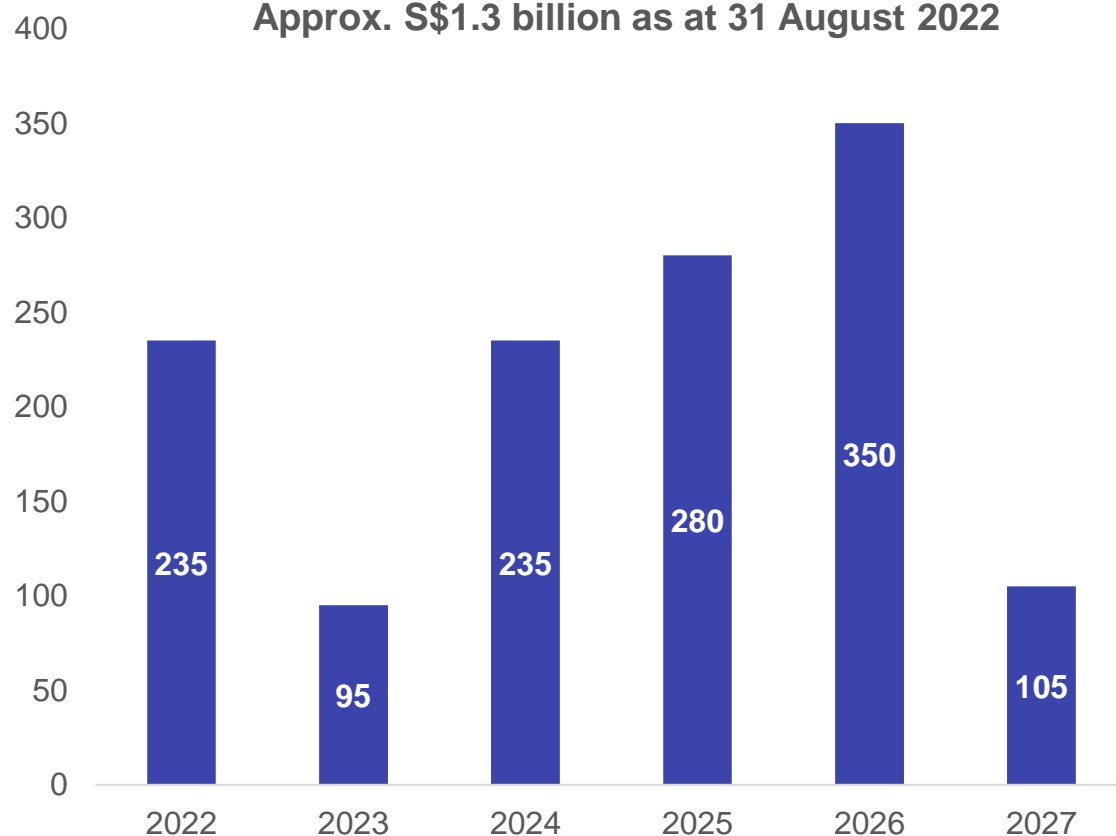
Balance Sheet

Resilient balance sheet

S\$'000	31 August 2022	31 August 2021	% + / (-)
Total assets	4,274,585	4,246,565	0.7
Total liabilities	1,381,710	1,398,697	(1.2)
Net assets	2,892,875	2,847,868	1.6
Net asset value per unit	S\$0.92	S\$0.91	1.1

Disciplined capital management

Debt Maturity Profile (\$ million)
Approx. S\$1.3 billion as at 31 August 2022



Gearing ⁽¹⁾	30.0%
Average Cost of Debt For 12M FY2022	1.77%
Weighted Average Term to Maturity	2.5 years
Floating rate % Fixed rate %	29% 71%
Interest Coverage Ratio ⁽²⁾	7.9 times
Adjusted Interest Coverage Ratio ⁽²⁾ (includes perpetual securities)	5.2 times
Available Facilities	S\$225m

Note: Excludes perpetual securities of SPH REIT

Note:

(1) The total assets used for computing the gearing ratio is based on the latest valuation of the investment properties as at 31 August 2022.

(2) Computed based on rolling 12 months from 1 Sep 2021 to 31 Aug 2022.

Improved valuations underpinned by market recovery

Singapore assets

	Valuation (S\$ million)			Capitalisation rate (%)	
	As at 31 Aug 2022	As at 31 Aug 2021	Variance	As at 31 Aug 2022	As at 31 Aug 2021
PARAGON ⁽¹⁾	2,679.0 (28 Feb 22: 2,670.0)	2,640.0	39.0	4.50% - Retail 3.75% - Medical Suite / Office	4.50% - Retail 3.75% - Medical Suite / Office
THE CLEMENTI ⁽¹⁾ mall	597.5 (28 Feb 22: 597.5)	594.0	3.5	4.50%	4.50%
The Rail Mall ⁽²⁾	62.2 (28 Feb 22: 62.2)	62.2	-	6.00%	6.00%

Australia assets

	Valuation (A\$ million)			Capitalisation rate (%)	
	As at 31 Aug 2022	As at 31 Aug 2021	Variance	As at 31 Aug 2022	As at 31 Aug 2021
Westfield ⁽³⁾ MARION	645.0 (28 Feb 22: 642.5)	640.5	4.5	5.50%	5.50%
figtree ⁽⁴⁾ grove	202.0 (28 Feb 22: 200.0)	200.0	2.0	6.00%	6.00%

Notes:

- (1) Valuations as at 31 August 2022, 28 February 2022, 30 November 2021 and 31 August 2021 were conducted by Savills Valuation & Professional Services (S) Pte Ltd.
- (2) Valuations as at 31 August 2022, 28 February 2022 and 31 August 2021 were conducted by Savills Valuation & Professional Services (S) Pte Ltd
- (3) Valuations as at 31 August 2022, 28 February 2022 and 31 August 2021 were conducted by CBRE Valuation Pty Ltd.
Represents SPH REIT's 50% interest in Westfield Marion
- (4) Valuations as at 31 August 2022, 28 February 2022 were conducted by CBRE Valuation Pty Ltd and 31 August 2021 by Jones Lang LaSalle Advisory Services Pty Ltd.



Operations review

Resilient portfolio

97.5%

Portfolio occupancy

2.7m

Net Lettable Area ("NLA") sf

5.3 years

WALE by NLA

3.0 years

WALE by Gross Rental Income

Singapore



Paragon



The Clementi Mall



The Rail Mall

Australia





Westfield Marion
SA





Figtree Grove
NSW

As of 31 August 2022	Singapore			Australia	
	Paragon	The Clementi Mall	The Rail Mall	Westfield Marion	Figtree Grove
NLA ('000 sqft)	718	195	50	1,483	237
Occupancy rate	99.3%	100.0%	100.0%	96.1%	98.5%

Sustainable returns supported by high occupancy

As at 31 August 2022	Occupancy rate	Number of renewals / new leases ⁽¹⁾	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates ⁽²⁾
PARAGON	99.3%	118	197	27.6%	-2.7%
	100.0%	42	40	20.5%	-3.8%
	100.0%	10	11	21.7%	8.4%
Singapore assets	99.5%	170	248	25.8%	-2.6%

As at 31 August 2022	Occupancy rate	Number of renewals / new leases ⁽¹⁾	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates ⁽³⁾
	96.1%	64	93	6.3%	-3.7%
	98.5%	12	41	17.0%	-4.7%
Australia assets	96.4%	76	134	7.8%	-3.9%

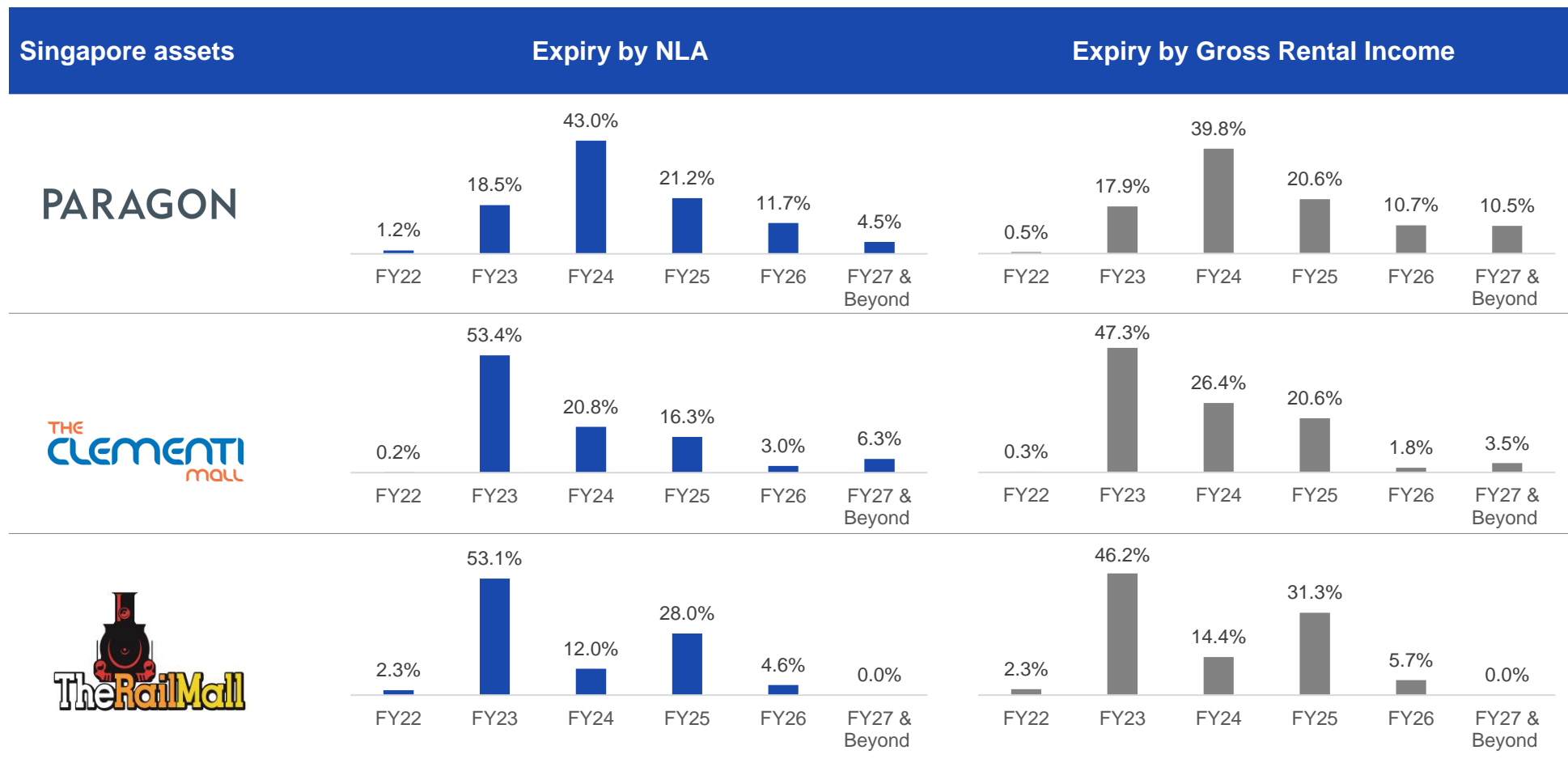
Notes:

- (1) For expiries in FY2022, excluding newly created, reconfigured units and licenses less than 12 months
- (2) Reversion rate is computed based on weighted average of all expiring leases. The change is measured between average rents of the renewed & new lease terms and the average rents of the preceding lease terms. Preceding leases were typically committed three years ago.
- (3) Based on the first-year fixed rent of the new leases divided by the preceding final year fixed rents of the expiring leases.

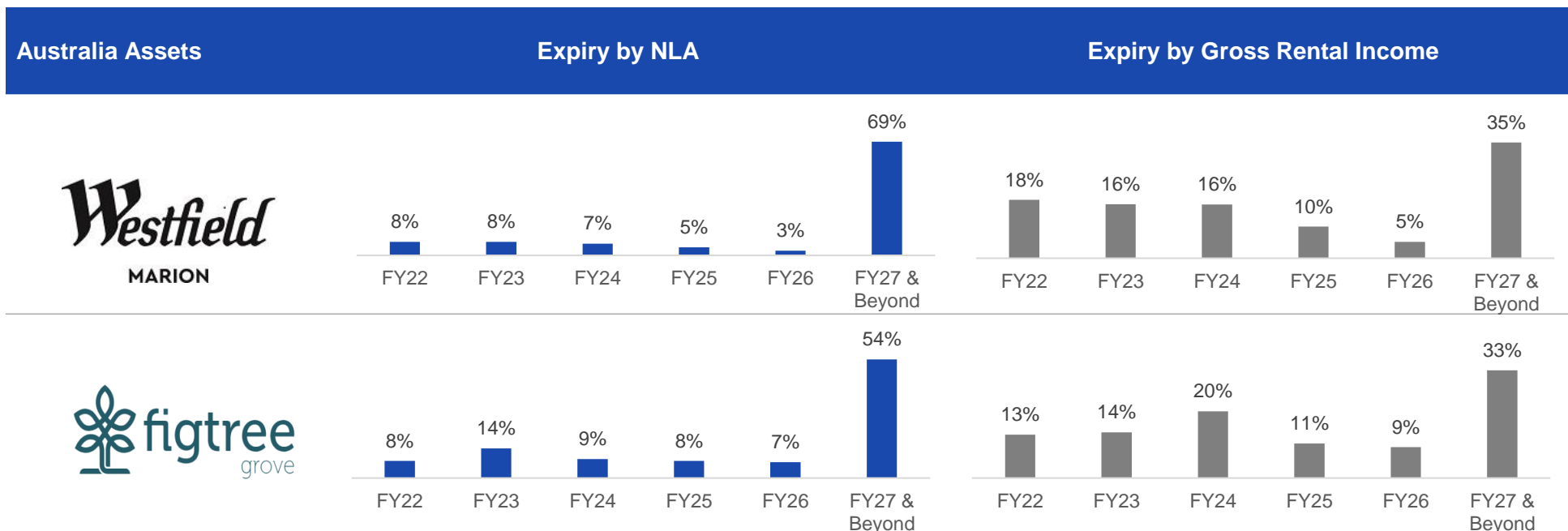
Well staggered lease expiry profile

Lease expiry as at 31 Aug 2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 & beyond
SPH REIT Portfolio						
Expiries as a % of total NLA	8%	16%	16%	11%	4%	44%
Expiries as a % of Gross rental income	7%	21%	29%	17%	8%	18%
Singapore assets						
Expiries as a % of total NLA	1%	27%	37%	21%	10%	4%
Expiries as a % of Gross rental income	1%	24%	37%	21%	9%	9%
Australia assets						
Expiries as a % of total NLA	9%	9%	7%	5%	3%	67%
Expiries as a % of Gross rental income	18%	16%	17%	9%	5%	35%

Proactive management of lease expiry



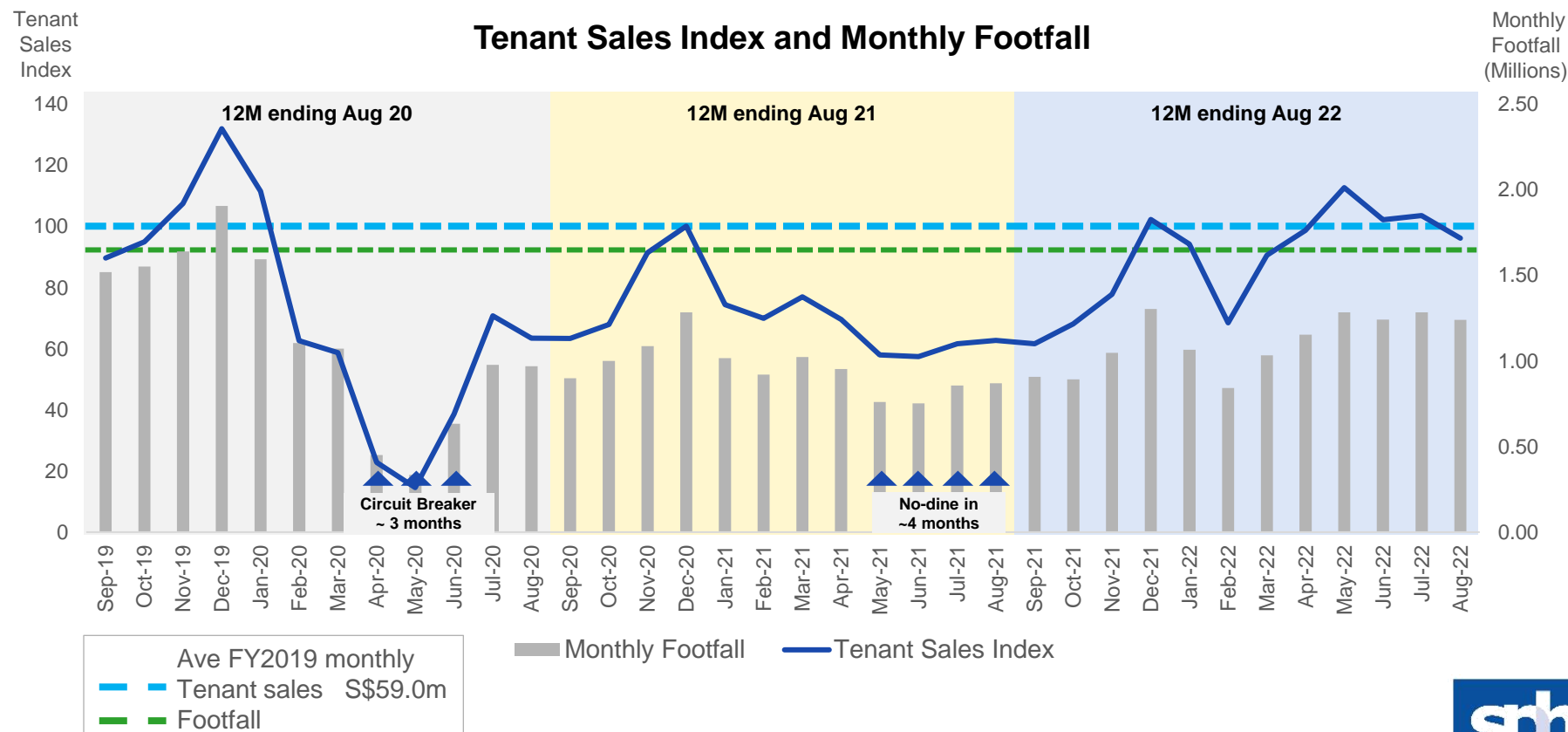
Stable lease expiry profile



SG: Steady tenant sales recovery

PARAGON

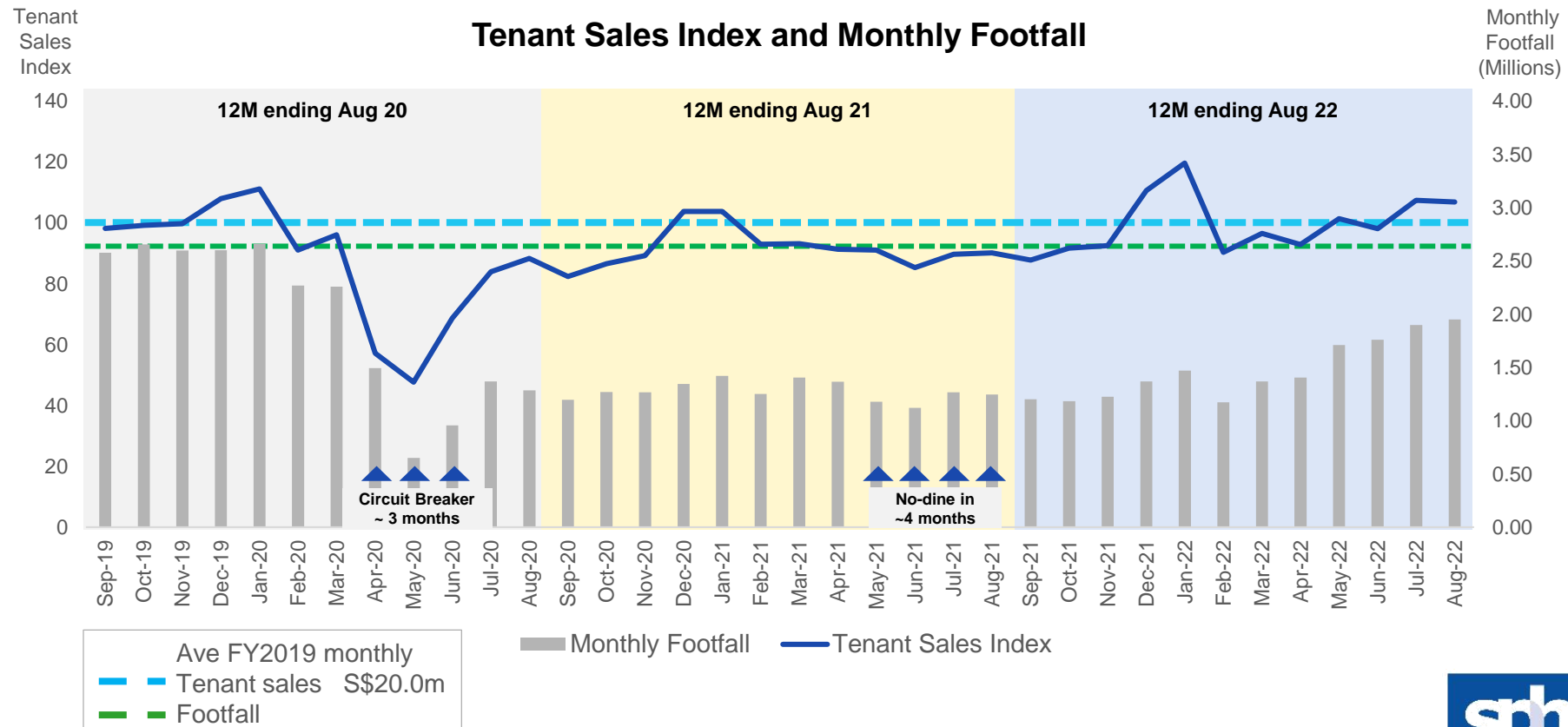
- Paragon sales recovered above pre-covid levels, but footfall maintains steady; post relaxation of domestic and travel restrictions in April 2022
- Tenant sales for 12M FY2022 increased 25.6% yoy to S\$630 million



SG: Strategic suburban locations remain resilient



- The Clementi Mall tenant sales continued to track above 2019 sales level with footfall gradually trending upwards post relaxation of restrictions in April 2022 and as Singapore gradually resumed working from office
- Tenant sales for 12M FY2022 improved 8.8% yoy to S\$235 million

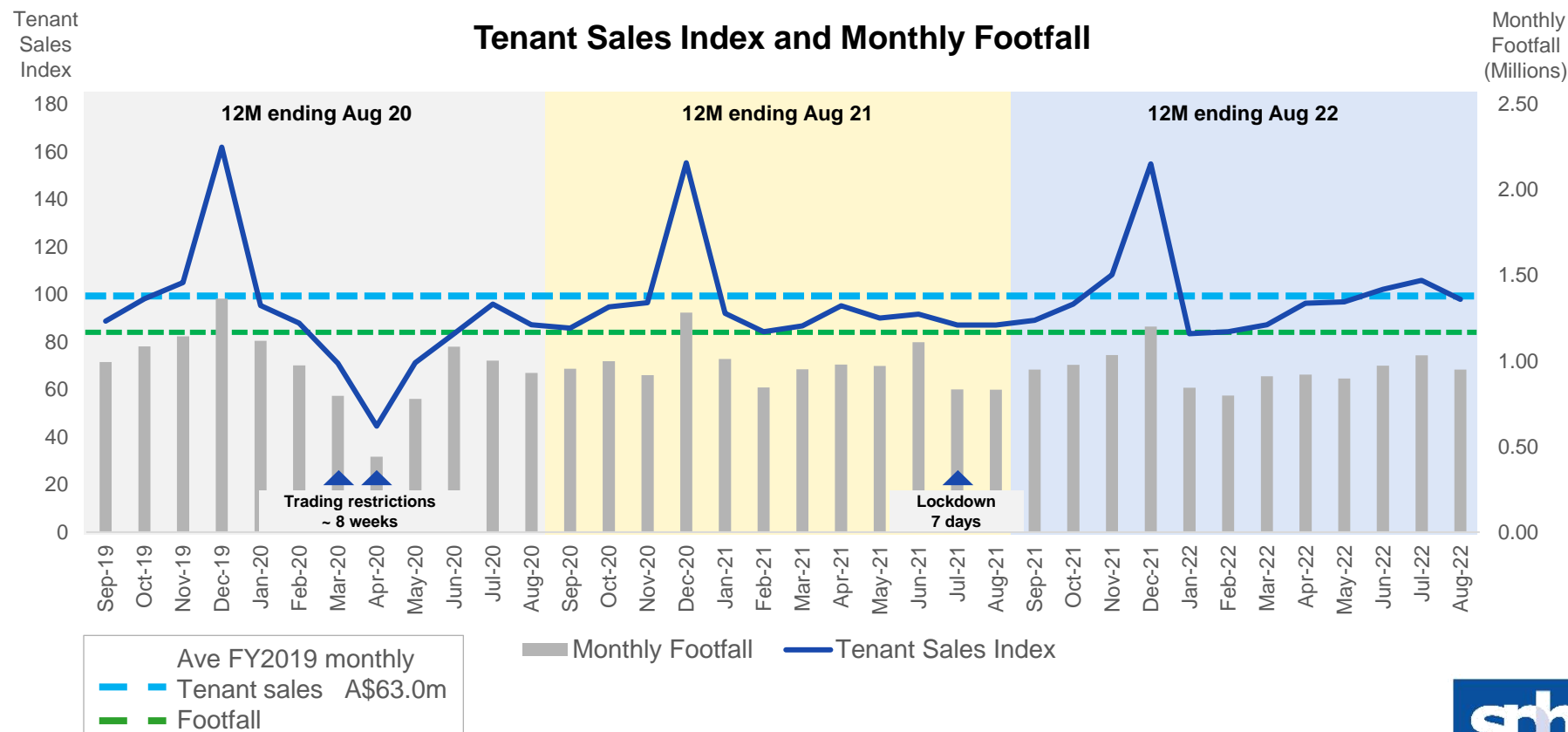


AU: Tenant sales normalised to pre-covid levels



MARION

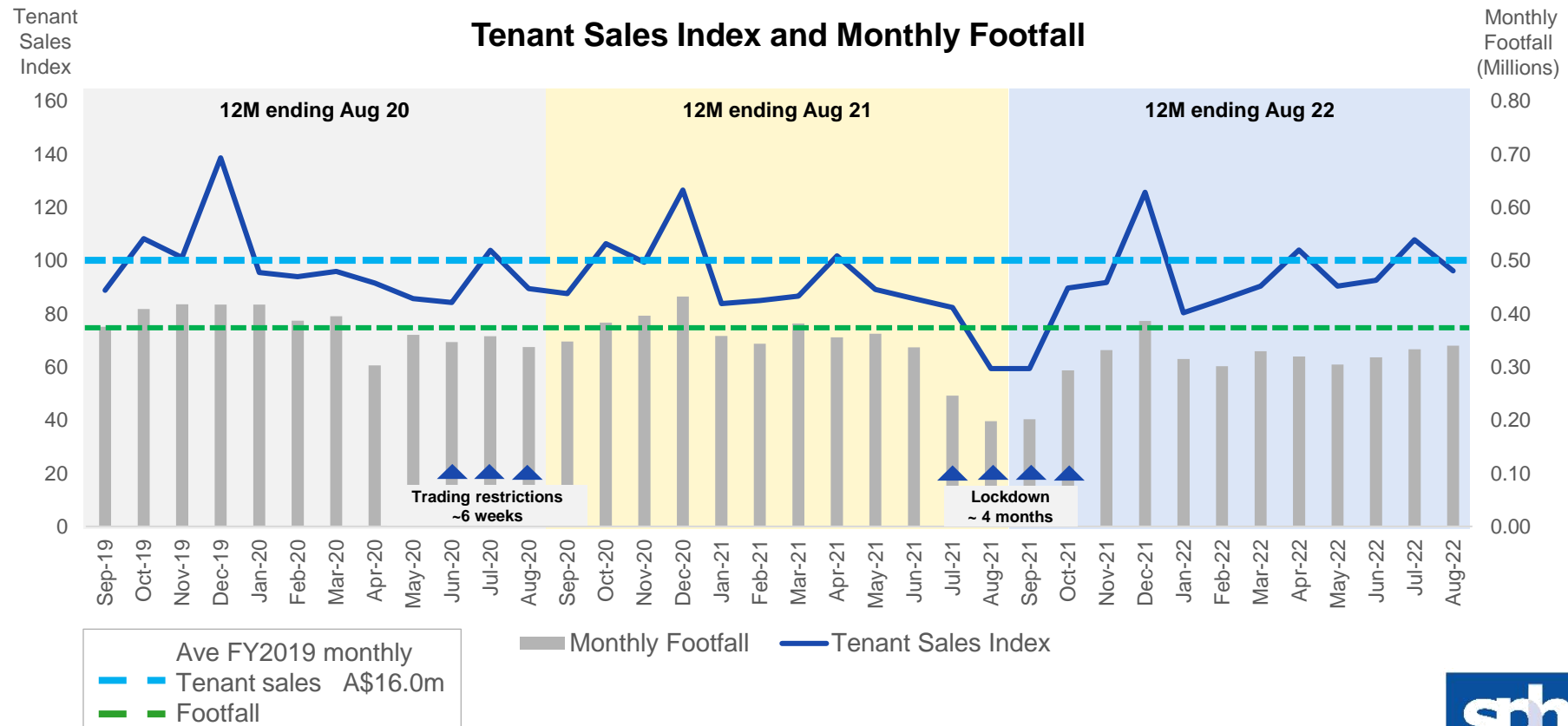
- Westfield Marion tenant sales has normalised, a reflection of its strong catchment
- Tenant sales for 12M FY2022 improved 4.8% yoy to A\$760 million



AU: Tenant sales recovering to pre-covid levels



- Figtree Grove's footfall showed marginal improvement in footfall from May 2022 onwards
- Tenant sales for 12M FY2022 increased 1.8% yoy to A\$175 million





Growth strategy and market outlook

Multi-pronged strategy to ensure growth

Proactive asset management and asset enhancement strategy

- Ensure that interests of all stakeholders, including tenants, shoppers and unitholders are protected while keeping its properties at the forefront of evolving retail mall trends and relevant to changing demands of consumers
- Continually optimise tenant mix of its properties
- Deliver high quality service to tenants and become the landlord of choice in the retail real estate space
- Implement asset enhancement initiatives and pro-active marketing plans

Investments and acquisition growth strategy

- ROFR on the Sponsor's future income-producing properties used primarily⁽¹⁾ for retail purposes in Asia Pacific
 - Two applicable ROFR properties; The Seletar Mall which opened in 2014 has maintained high occupancy; the second ROFR, The Woodleigh Mall is currently under construction
 - Explore acquisition opportunities that will add value to SPH REIT's portfolio and improve returns to unitholders

Note:

- (1) 'primarily' means more than 50.0% of net lettable area or (in the case of a property where the concept of net lettable area is not applicable) gross floor area.

Market outlook

Singapore

- Singapore's real GDP grew by 4.4% yoy in 2Q 2022 (April to June). In August, The Ministry of Trade and Industry ("MTI") narrowed GDP forecast for 2022 from 3 – 5% to 3 – 4%, taking into account the performance of the Singapore economy in the first half of 2022 as well as the deteriorating global economic developments since May 2022
- Retail sales volume (excluding motor vehicles) increased by 18.1% yoy for July 2022. This was supported by larger growths in industries such as Wearing Apparel & Footwear (68.3%), Food & Alcohol (+53.1%), Department Stores (+42.9%) and Watches & Jewellery (+41.7%), according to the Department of Statistics Singapore ("SingStat")
- Travel restrictions have eased further as the Ministry of Health announced that non-fully vaccinated long-term pass holders and short-term visitors aged 13 and above travelling to Singapore from 29 August 2022 will no longer need entry approval nor undergo a seven-day stay-home notice; the return of large-scale events is likely to further spur inbound travel

Australia

- Reserve Bank of Australia has forecast GDP to grow by 3.25% in 2022, narrowing from the previous forecast due to higher consumer prices, rising interest rates and declining housing prices
- According to the latest Australian Bureau of Statistics, retail turnover including store and online sales rose 16.5% yoy in July 2022; nationwide retail sales growth (month-on-month) was led by department stores (+3.8%), clothing, footwear and personal accessory retailing (+3.3%) and cafes, restaurants and takeaway food services (+1.8%), while household good retailing (-1.1%) sales contracted
- COVID-19 restrictions ease further with mandatory COVID-19 isolation cut to five days and mask requirements lifted on domestic flights

Portfolio

- Global geopolitical tensions and inflation are impacting financing costs and operational costs such as energy
- Central banks including the Federal Reserve, MAS and RBA have adopted tighter monetary policies in view of rising inflation which have led to higher interest rates
- Federal Reserve raised interest rates by 0.75% in September 2022 to a range between 3% to 3.25% and Fed officials expect to further raise rates to between 4% to 4.5% by end of 2022



Distribution details & timeline

Distribution details and timeline

Distribution period	4Q FY2022 (1 June 2022 – 31 August 2022)
Distribution per unit	1.39 cents per unit
Annual distribution yield ^(a)	5.87%
Ex-date	14 October 2022
Record date	17 October 2022
Payment date	25 November 2022

(a) Computed based on 12M FY2022 distribution and S\$0.94 per unit closing price on 31 August 2022



Thank You

**Please visit
www.sphreit.com.sg
for more information**