



ESR Group



Financials and Operational Data Update
January 2019



Key Milestones in 2018

- **Nov 2018** : ESR partners Allianz Real Estate to develop a US\$1bn (with debt) JV to develop logistics and industrial facilities in India
- **Nov 2018** : ESR submitted a cash offer of A\$1.20 per stapled security to acquire all the stapled securities in PropertyLink Group (PLG) owned by third parties, by way of an agreed takeover bid
- **Oct 2018** : Merger of ESR-REIT and Viva Industrial Trust completed. Key highlights of the merger:-
 - The 4th largest industrial REIT listed on SGX with a combined asset size of c.S\$3.1bn⁽¹⁾
 - The 1st merger in Singapore REIT by way of a trust scheme of arrangement
- **Aug 2018** : Canada Pension Plan Investment Board (CPPIB) expanded its partnership with ESR for its second investment in Korea with a US\$500mm core fund
- **Jul 2018**: Expansion in the Australian market with launch of ESR Australia and acquisition of Australian property development group, Commercial & Industrial Property Pty Ltd (CIP) for an EV of A\$102.5mm. CIP acquisition closed in Aug 2018. Philip Pearce, former Executive Director of Goodman Group, appointed as Chief Executive Officer of ESR Australia
- **Jun 2018**: Equity investment in ESR from CITIC Securities One-Belt-One-Road (CSOBOR) Fund
- **May 2018**: Completed US\$1.2bn equity closing for Japan developments (RJLF2 closing and co-investment). Allianz upsized its commitment to c.US\$185mm in RJLF2. Other RJLF2 investors includes a leading SE Asian pension fund which made a US\$200mm inaugural fund commitment, State Oil Fund of Azerbaijan (SOFAZ), a fund managed by Aviva Investors, and a German pension fund advised by Mercer.
- **May 2018**: US\$306mm equity investment in ESR from a subsidiary of JD.com Inc., one of the leading e-commerce companies in China
- **May 2018**: Acquired c.12% interest in China Logistics Property Holdings, a logistics platform in China

(1) As at 30 Sep 2018, adjusted for acquisitions and divestments completed before 30 Nov 2018.

PORTFOLIO INFORMATION – AUM BY REGION

Regions	Dec 2016 US\$'bn	Dec 2017 US\$'bn	Sep 2018 US\$'bn
China	1.8	2.8	2.7
Japan	3.7	4.5	4.6
South Korea	1.0	2.3	3.8
Singapore	-	1.3	1.2
Australia	-	-	_*
Total AUM	6.5	10.8	12.3
Self-owned assets	0.9	1.2	1.9
Total AUM, including self-owned assets	7.4	12.0	14.2

* Australia AUM amounted to US\$37mil

PORTFOLIO INFORMATION – GFA BY REGION

Regions	Dec 2016 Sqm mn	Dec 2017 Sqm mn	Sep 2018 Sqm mn
China	4.5	5.2	5.6
Japan	2.0	2.2	2.3
South Korea	0.8	1.3	1.7
Singapore	-	0.9	0.9
India	-	0.3	0.6
Australia	-	-	_*
Total GFA	7.3	10.0	11.1

* Less than 100,000 sqm

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended 31 December		Nine months ended 30 September
	2016	2017	2018
	USD'000	USD'000	USD'000
REVENUE	96,737	153,289	170,199
Cost of sales	(2,655)	(3,487)	(17,959)
Gross profit	94,082	149,802	152,240
Other income and gains	135,145	284,118	156,991
Administrative expenses	(57,650)	(106,774)	(111,806)
Fair value loss on derivative financial instruments	(12,133)	-	-
Finance costs	(55,895)	(90,612)	(72,382)
Share of profits and losses of joint ventures, net	36,352	37,000	51,785
Profit before tax	139,901	273,534	176,828
Income tax expense	(34,888)	(72,340)	(38,262)
Profit for the year/period	<u>105,013</u>	<u>201,194</u>	<u>138,566</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		As at 30 September
	2016	2017	2018
	USD'000	USD'000	USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	2,446	17,360	13,844
Investments in joint ventures	198,225	313,081	372,556
Financial assets at fair value through profit or loss	140,577	362,073	319,485
Financial assets at fair value through other comprehensive income	-	-	459,094
Available-for-sale investments	1,492	189,816	-
Investment properties	942,929	1,189,203	1,756,504
Goodwill	210,480	226,232	266,764
Other intangible assets	25,048	48,181	50,914
Other non-current assets	49,772	22,709	19,242
Deferred tax assets	9,309	10,353	10,293
Total non-current assets	1,580,278	2,379,008	3,268,696
CURRENT ASSETS			
Trade receivables	9,271	30,448	73,513
Prepayments, deposits and other receivables	22,284	37,139	95,421
Cash and bank balances	485,545	600,791	826,332
Total current assets	517,100	668,378	995,266
CURRENT LIABILITIES			
Bank loans and other borrowings	75,862	91,706	139,278
Trade payables, accruals and other payables	30,425	58,705	70,765
Income tax payable	1,937	9,616	4,835
Total current liabilities	108,224	160,027	214,878
NET CURRENT ASSETS	408,876	508,351	780,388
TOTAL ASSETS LESS CURRENT LIABILITIES	1,989,154	2,887,359	4,049,084

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		As at 30 September
	2016	2017	2018
	USD'000	USD'000	USD'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	109,952	138,447	168,533
Bank loans and other borrowings	759,403	741,729	1,319,906
Redeemable convertible preference shares	246,156	264,199	291,944
Financial liabilities at fair value through profit or loss	12,592	13,671	13,997
Other non-current liabilities	10,662	22,196	36,220
Total non-current liabilities	1,138,765	1,180,242	1,830,600
NET ASSETS	850,389	1,707,117	2,218,484
EQUITY			
Equity attributable to owners of the parent			
Issued capital	1,963	2,335	2,689
Perpetual capital securities	-	98,845	97,379
Equity component of redeemable convertible instruments	65,548	63,836	37,132
Other reserves	698,800	1,415,546	1,880,191
	766,311	1,580,562	2,017,391
Non-controlling interests	84,078	126,555	201,093
Total equity	850,389	1,707,117	2,218,484

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