



7th ANNUAL GENERAL MEETING
26 November 2020



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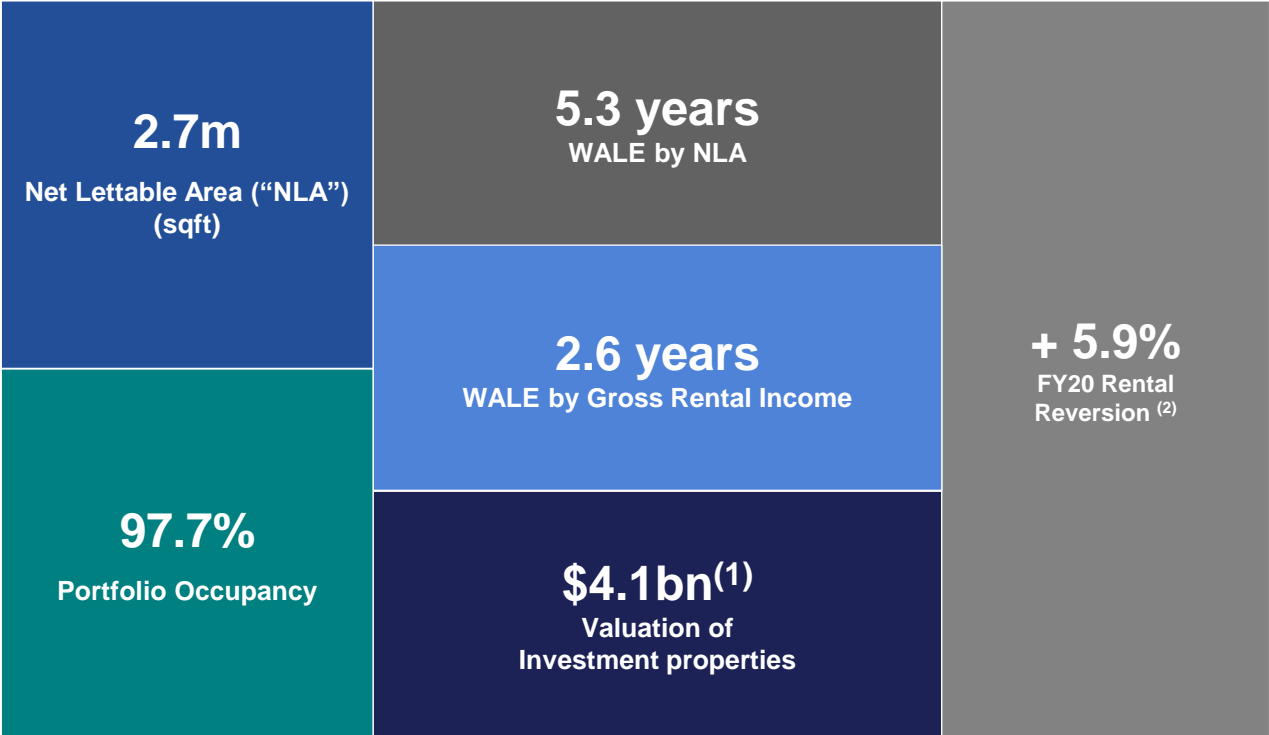
This presentation shall be read in conjunction with SPH REIT’s financial results for the financial year ended 31 August 2020 in the SGXNET announcement.

Contents

	Slide
Overview of SPH REIT	4 - 5
Key highlights	6 - 9
Financial results	10 - 13
Balance sheet	14 - 17
Operations review	18 - 25
Growth strategy and market outlook	26 - 28

Overview of SPH REIT

- SPH REIT is a Singapore-based Real Estate Investment Trust (“REIT”) established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes.
- As of 31 August 2020, SPH REIT has a portfolio of 5 assets across Singapore and Australia.
- Summary of SPH REIT portfolio:



Note:

1. Includes 50% valuation of Westfield Marion Shopping Centre & 100% valuation of Figtree Grove Shopping Centre. SPH REIT owns a 50% interest in Westfield Marion Shopping Centre & 85% interest in Figtree Grove Shopping Centre.
2. Pertains mainly to renewed and new leases that were committed pre-COVID-19.

Overview of SPH REIT (cont'd)

Singapore

The Rail Mall
 NLA: 49,767 sqft
 Value: S\$62.2m



The Clementi Mall

NLA: 195,229 sqft
 Value: S\$584.0m



Paragon

NLA: 717,855 sqft
 Value: S\$2,640m

Singapore's Portfolio
 NLA: 962,851 sqft
 Value: S\$3,286.2m

Australia¹



Westfield Marion Shopping Centre

NLA: 1,472,125 sqft
 Value: A\$646.5m
 (S\$648.6m)



Figtree Grove Shopping Centre

NLA: 236,678 sqft
 Value: A\$190.0m
 (S\$190.6m)

Australia's Portfolio
 NLA: 1,708,803 sqft
 Value: A\$836.5m
 (S\$839.2m)

Note:

1. Includes 50% valuation of Westfield Marion Shopping Centre & 100% valuation of Figtree Grove Shopping Centre. SPH REIT owns a 50% interest in Westfield Marion Shopping Centre & 85% interest in Figtree Grove Shopping Centre.



FY2020

Key highlights

FY2020 Key highlights

COVID-19

- COVID-19 started in late 2019 and rapidly spread worldwide to a major pandemic that resulted in lockdowns and global travel restrictions
- The resulting economic downturn affected all countries around the world, and SPH REIT's key markets of Singapore and Australia have not been spared
- Singapore
 - "Circuit breaker" lasted for 2 months in April & May 2020, restrictions included "essentials" only trading to contain spread of COVID-19
 - Border restrictions and work from home arrangements still in place
 - SPH REIT extended rent relief for qualifying Singapore tenants amounting to S\$31.8 million in Singapore, on top of the Singapore Government-legislated property tax rebates and cash grants
- Australia
 - Government imposed trading restrictions from mid-March to early-June
 - Encouraging recovery in tenant sales for SPH REIT's Australia assets in July and August 2020
 - SPH REIT has adopted the Australia Federal Government's SME Commercial Code of Conduct and Leasing Principles ("the Code") that was legislated by the States and provided an allowance for rent relief for the tenants amounting to S\$8.1 million in Australia as at 31 August 2020

FY2020 Key highlights

Acquisition

- Completed the acquisition of a 50% interest in Westfield Marion, Australia for A\$670 million on 6 December 2019
- Funded by a combination of equity, perpetual securities and loans

Net Property Income (“NPI”)

- Marginal increase of 1.2% in NPI despite COVID-19 rental relief
- NPI for Singapore assets impacted by COVID-19 rental relief granted to eligible tenants amounting to S\$31.8 million
- Australia assets - Westfield Marion contributed S\$26.3 million and Figtree Grove acquired in December 2018 had its first full year contribution of S\$12.5 million

Capital management

- Stable gearing ratio of 30.5%
- Well staggered debt maturity – no refinancing due till June 2021
- Revolving credit facility lines of S\$225 million available

FY2020 Key highlights

Distribution Per Unit (“DPU”)

- As COVID-19 continues to evolve and there is no certainty when normalcy will return, for prudence in financial management, S\$14.5 million of FY20’s income available for distribution has been deferred
- In addition, for financial flexibility, S\$15.0 million of capital allowance utilised to provide for capital expenditure and other working capital requirement
- 4Q FY20 DPU of 0.54 cents and Full year DPU at 2.72 cents

Operations update

- Despite the challenging retail environment, portfolio occupancy rate remains high at 97.7% as at 31 August 2020
- SPH REIT’s strategy has always been to forward renew and/or sign new leases to mitigate against vacancies, positive portfolio rental reversion of 5.9% was achieved, mainly from the renewed or new leases committed for the Singapore assets before the onset of COVID-19

Moving forward

- COVID-19’s impact on economies around the world is expected to continue into FY2021
- Near-term focus for FY2021 – minimize vacancies to provide sustainable rental income
- Committed to support tenants through this challenging COVID-19 period, so as to position the assets to be ready to capture the business opportunities when recovery begins



FY2020 Financial results

FY2020 Financial performance

	FY2020 (a) S\$'000	FY2019 S\$'000	Change %
Gross revenue	241,463 (b)	228,635	5.6
Property expenses	(59,520)	(48,856)	21.8
Net property income (NPI)	181,943	179,779	1.2
Income available for distribution	92,226 (c) (d) (e)	145,034	(36.4)
Distribution to Unitholders	72,851	144,790	(49.7)
Distribution per unit (cents)	2.72	5.60	(51.4)

Note:

(a) Included the contribution from Westfield Marion Shopping Centre (acquired on 6 December 2019).

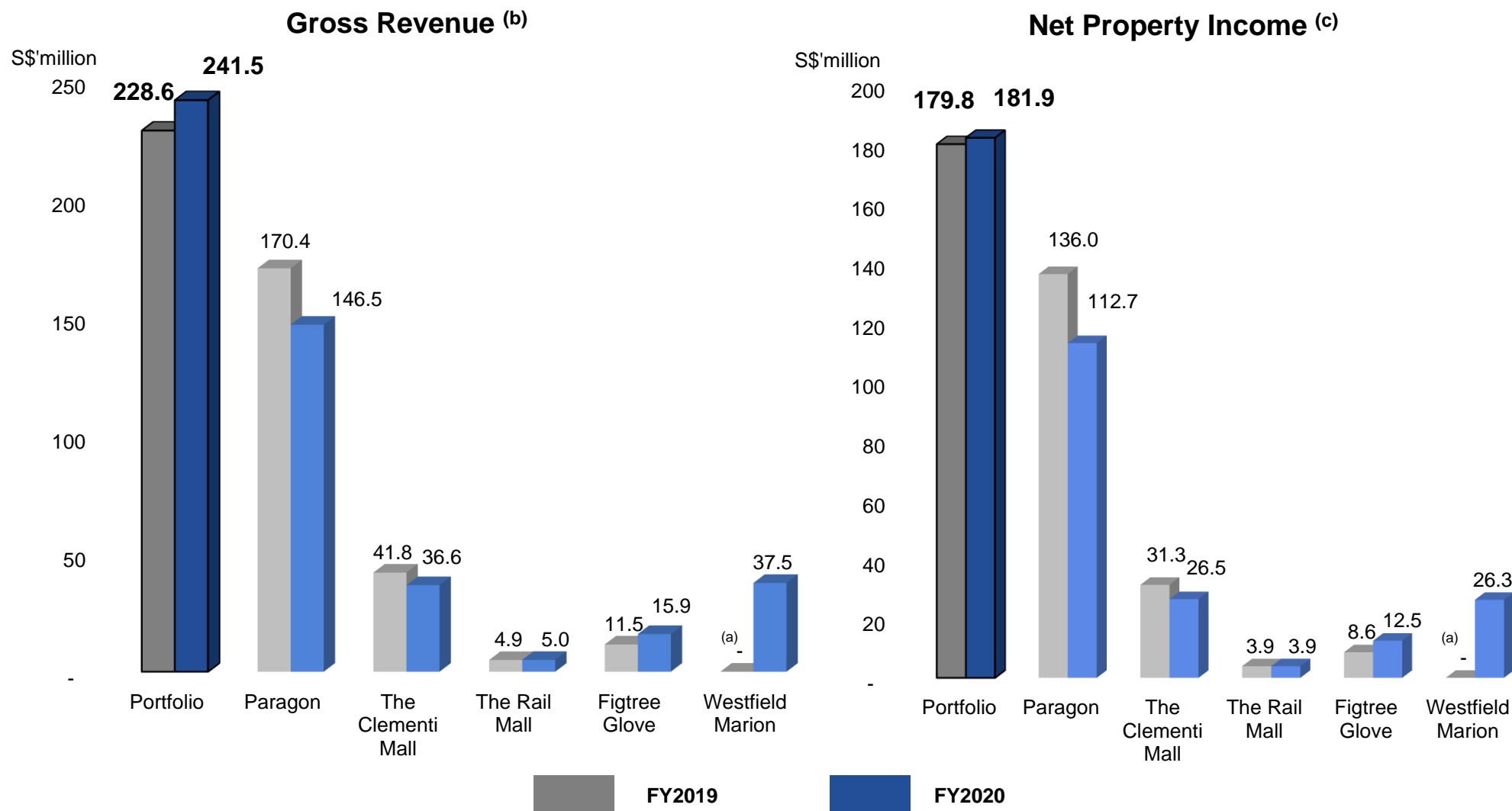
(b) Gross revenue is net of S\$31.8 million COVID-19 rental relief granted by SPH REIT to eligible tenants in Singapore. S\$3.5 million of rental relief for July and August for eligible Singapore tenants has not been recognised in FY2020 as these will be credited to such eligible tenants from September 2020.

(c) Adjusted to include an allowance for COVID-19 rental arrears and relief amounting to S\$8.1 million for eligible tenants in Australia.

(d) S\$14.5 million of income available for distribution will be deferred as allowed under COVID-19 relief measures announced by IRAS.

(e) Net of approximately S\$15.0 million of capital allowance claim for FY2020 and 2H FY2020.

Gross Revenue and Net Property Income



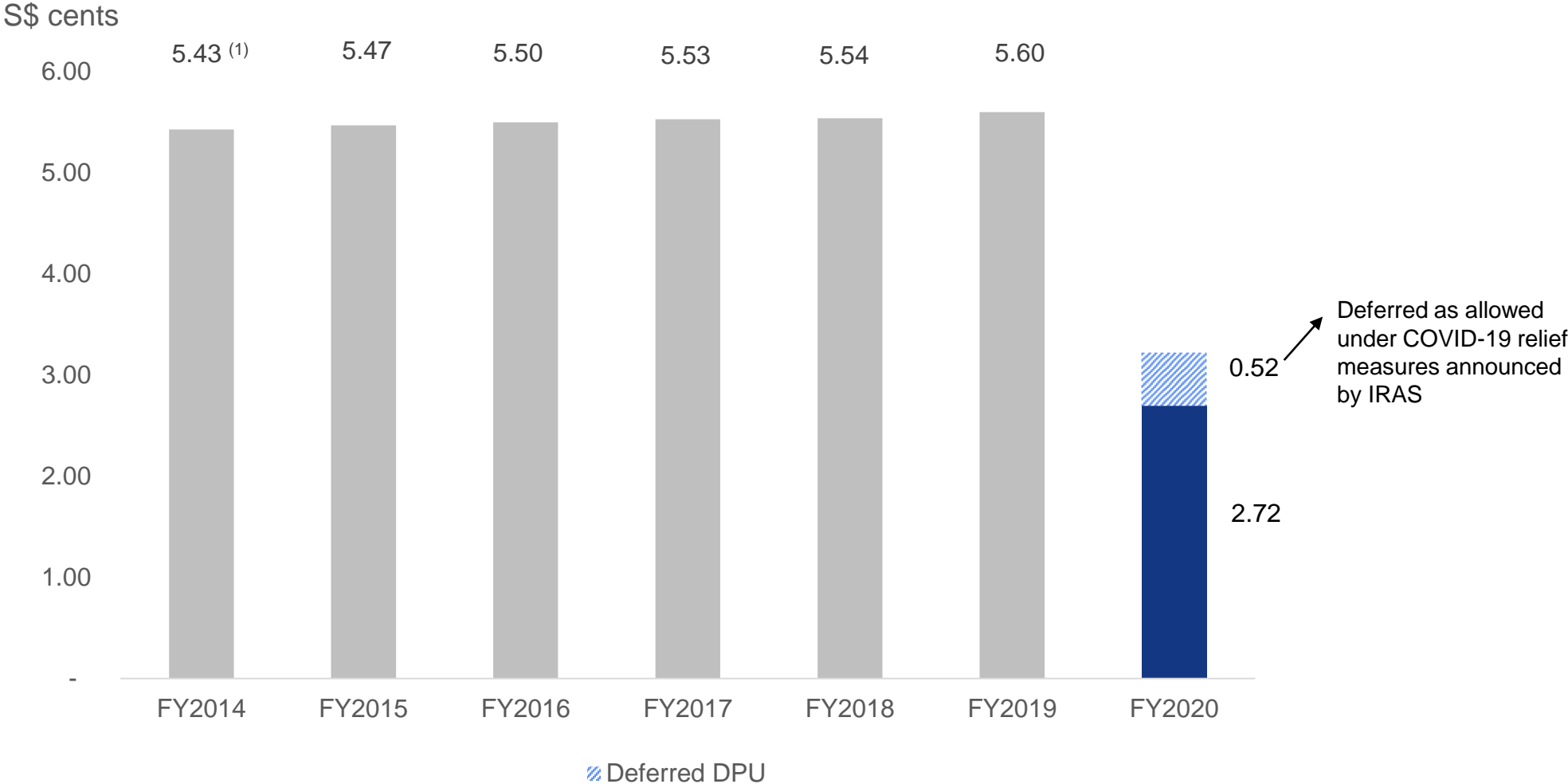
Note:

(a) Asset was acquired on 6 December 2019.

(b) Gross revenue is net of S\$31.8 million COVID-19 rental relief granted by SPH REIT to eligible tenants in Singapore. S\$3.5 million of rental relief for July and August for eligible Singapore tenants has not been recognised in FY2020 as these will be credited to such eligible tenants from September 2020.

(c) FY2020 net property income for Figtree Grove & Westfield Marion has not included the allowance for rental arrears and relief of S\$8.1 million.

Distributions since IPO



Note:

1. Does not include the distribution of S\$0.56 cents from 21 July 2013 (listing date) to 31 August 2013



Balance sheet

Financial position

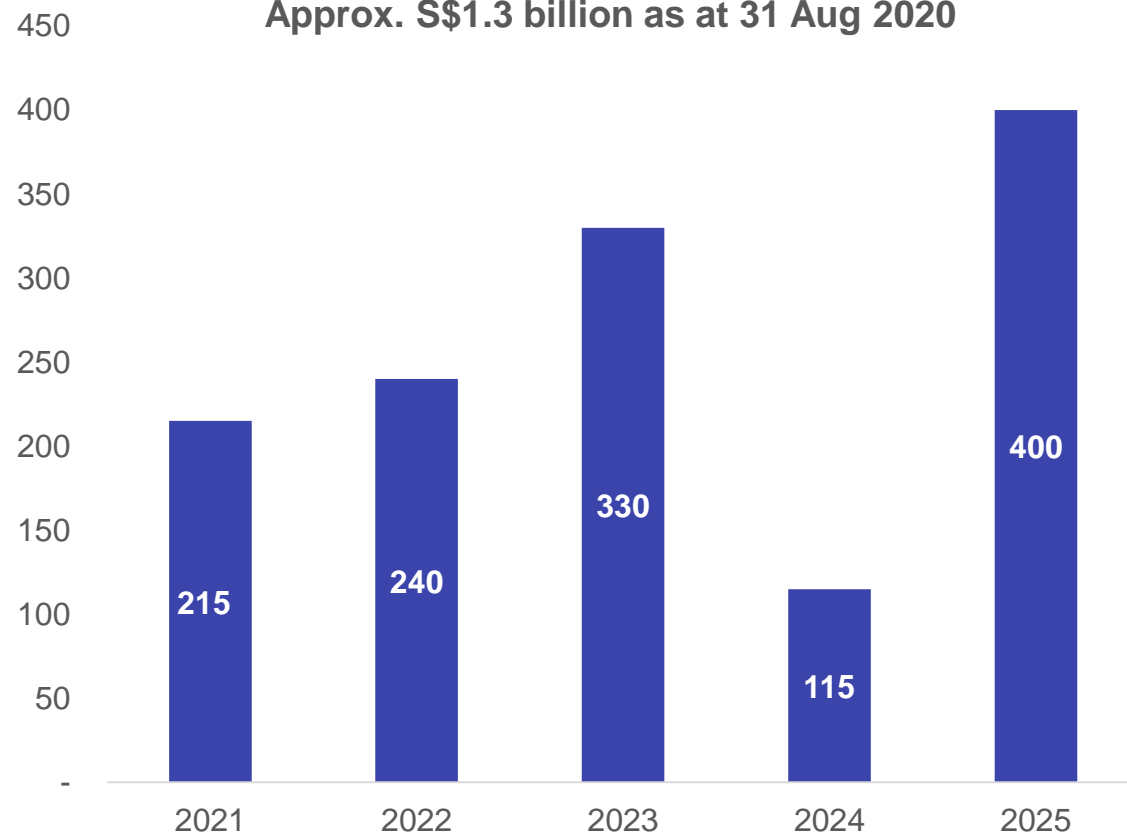
S\$'000	31 August 2020	31 August 2019	Change (%)
Total assets	4,240,663	3,948,402	7.4
Total liabilities	1,425,954	1,176,965	21.2
Net assets	2,814,709	2,771,437	1.6
Net asset value per unit	S\$0.91	S\$0.95	(4.2)
Debt gearing ⁽¹⁾	30.5%	27.5%	3.0

Note:

(1) Gearing is computed based on total debt/ total assets

Capital management

Debt Maturity Profile (S\$ million)
 Approx. S\$1.3 billion as at 31 Aug 2020





Gearing ⁽¹⁾	30.5%
Average Cost of Debts	2.66%
Weighted Average Term to Maturity	2.9 years
Floating rate %	50.3%
Fixed rate %	49.7%
Interest coverage ratio	4.7 times
Available Facilities	S\$225m



(1) The total assets used for computing the gearing ratio is based on the latest valuation of the investment properties as at 31 August 2020.

Market value of properties

Singapore assets

As at 31 August	Valuation (S\$ million) ⁽¹⁾			Capitalisation rate (%)	
	FY2020	FY2019	Variance	FY2020	FY2019
PARAGON	2,640.0	2,745.0	(105.0)	4.50% - Retail 3.75% - Medical Suite / Office	4.50% - Retail 3.75% - Medical Suite / Office
 THE CLEMENTI mall	584.0	597.0	(13.0)	4.50%	4.50%
 The Rail Mall	62.2	63.8	(1.6)	6.00%	6.00%

Australia assets

As at 31 August	Valuation (A\$ million)			Capitalisation rate (%)	
	FY2020	FY2019	Variance	FY2020	FY2019
 Westfield ⁽²⁾ MARION	646.5	679.5 ⁽²⁾	(33.0)	5.50%	5.50% ⁽²⁾
 figtree ⁽³⁾ grove	190.0	206.0	(16.0)	6.25%	6.00%





Note:

- (1) Valuations as at 31 August 2020 and 31 August 2019 were conducted by Edmund Tie & Company (SEA) Pte Ltd.
- (2) Valuations as at 31 August 2020 and 06 August 2019, were conducted by Urbis Valuations Pty Ltd.
Represents SPH REIT's 50% interest in Westfield Marion.
- (3) Valuations as at 31 August 2020 and 31 August 2019, were conducted by Jones Lang LaSalle Advisory Services Pty Ltd and m3property Pty Ltd respectively.



Operations review

Occupancy Rate and Rental reversion

As at 31 August 2020	Occupancy rate	Number of renewals / new leases ⁽¹⁾	NLA renewed/ new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ⁽²⁾
PARAGON	97.8%	104	208,966	29.1%	7.0%
	99.6%	111	132,727	68.0%	4.8%
	92.2%	14	26,547	53.3%	10.1%
Singapore assets	97.8%	229	368,240	38.2%	6.4%
As at 31 August 2020	Occupancy rate	Number of renewals / new leases	NLA renewed/ new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ⁽³⁾
	97.4%	9	129,741	8.8%	-1.5%
	99.2%	7	5,418	2.3%	-9.8%
Australia assets	97.7%	16	135,159	7.9%	-3.2%

Note:

(1) For expiries in FY20, excluding newly created and reconfigured units.

(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.

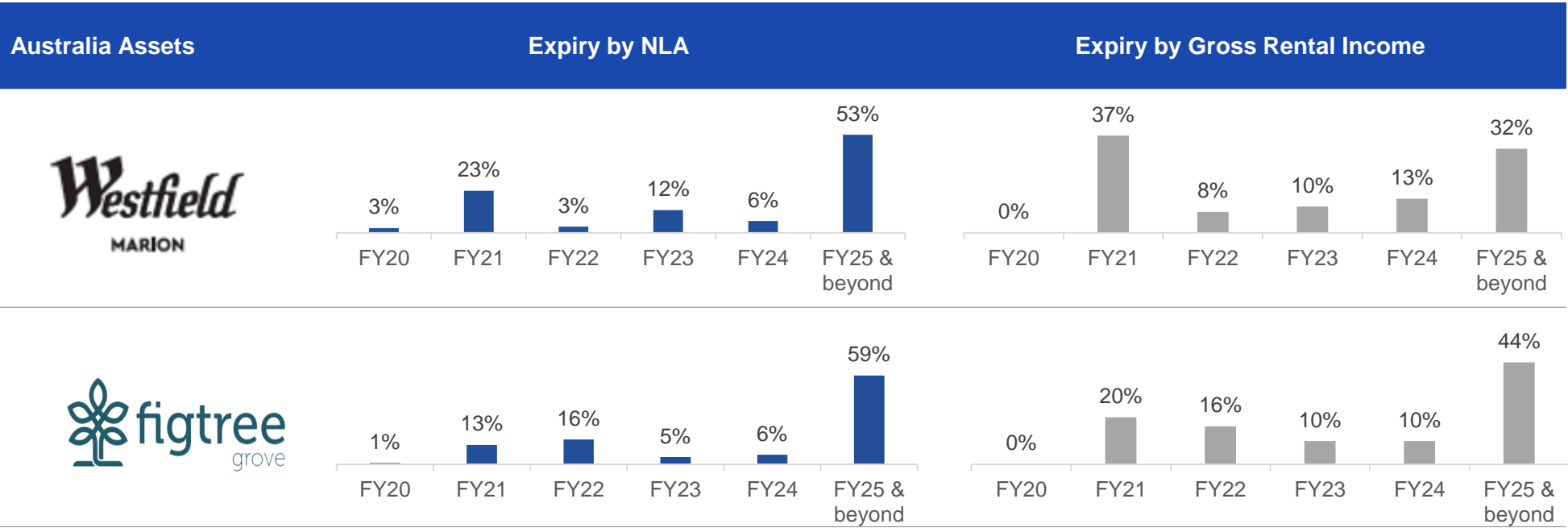
Expiry profile – portfolio

For new leases in FY20

- WALE 3.1 years by GRI
- WALE 5.8 years by NLA
- New leases contributed 37% of gross rental income

Lease expiry as at 31 August 2020	FY20	FY21	FY22	FY23	FY24	FY25 & beyond
SPH REIT Portfolio						
Expiries as a % of total NLA	2%	21%	11%	19%	10%	37%
Expiries as a % of Gross rental income	0%	25%	23%	26%	14%	12%
Singapore assets						
Expiries as a % of total NLA	2%	21%	22%	32%	16%	7%
Expiries as a % of Gross rental income	0%	23%	26%	30%	14%	7%
Australia assets						
Expiries as a % of total NLA	2%	21%	5%	11%	7%	54%
Expiries as a % of Gross rental income	0%	34%	10%	10%	12%	34%

Expiry profile – Australia assets



Visitor traffic and tenant sales - Annual

Asset	Visitor traffic (million)		Tenant sales (million)	
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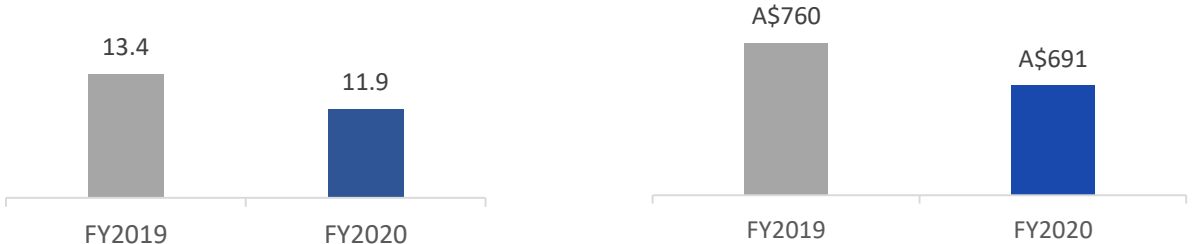
PARAGON



THE CLEMENTI MALL



Westfield MARION



figtree grove

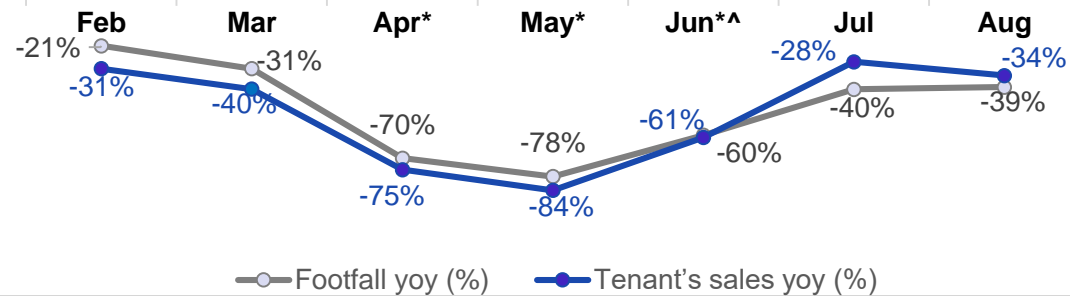


Visitor traffic and tenant sales – Feb20 to Aug20

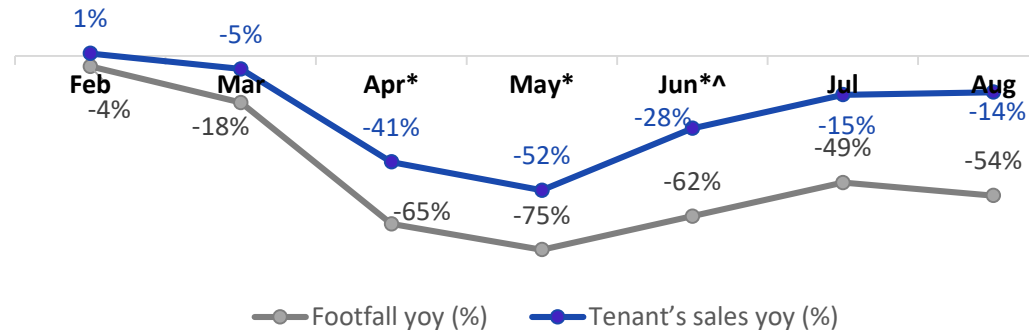
Singapore Assets

Y-O-Y

PARAGON



THE CLEMENTI mall

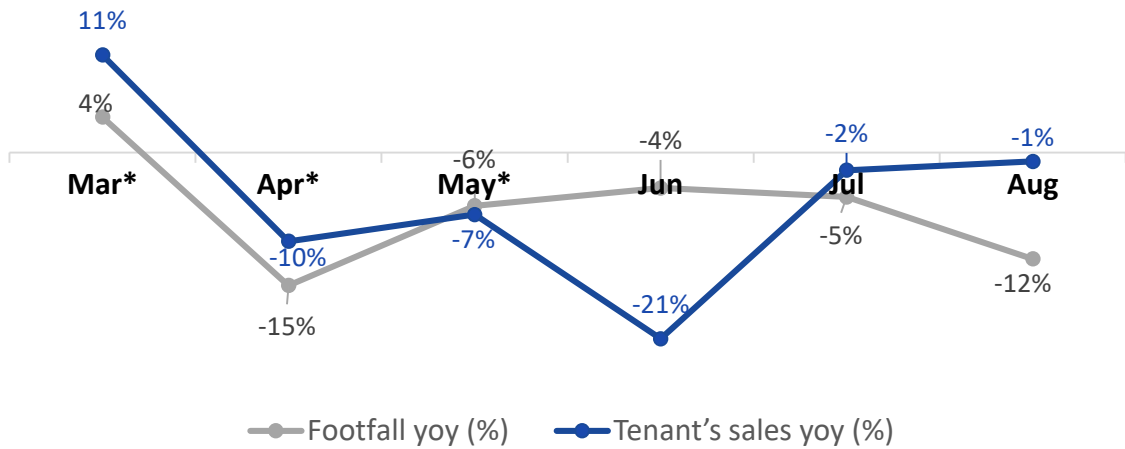
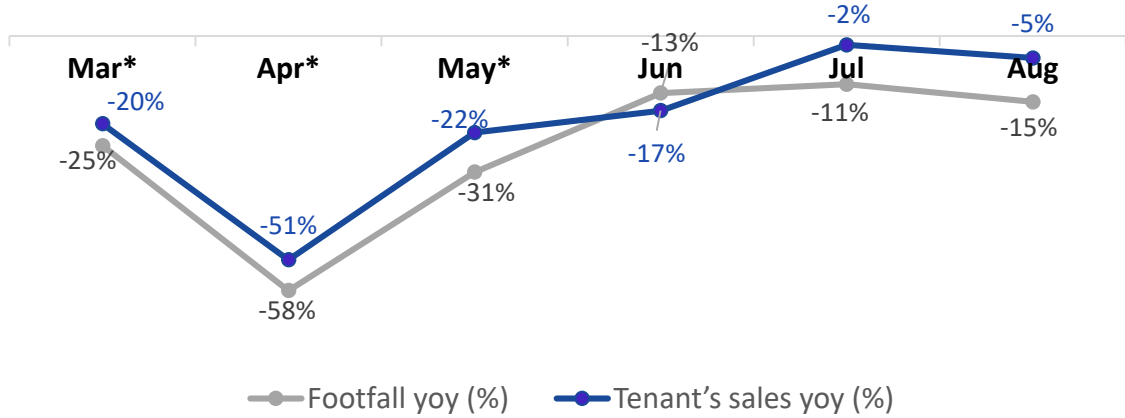


- Being a strip mall comprising 43 shop units, The Rail Mall, unlike a shopping mall, does not have footfall numbers.
- Progressively, tenant sales submissions are being integrated into the lease structure.

• Circuit Breaker was imposed between 07 Apr and 01 Jun 2020
 ^ Phase 2 post circuit breaker reopening on 19 June 2020

Visitor traffic and tenant sales – Feb20 to Aug20

Australia Assets	Y-O-Y
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* Restrictions were imposed between mid Mar and early May 2020



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 implement 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:
 - One applicable ROFR property, 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

- According to Ministry of Trade and Industry (MTI), GDP growth is forecasted at -7% to -5% for calendar year 2020.
- In second quarter (April to June 2020), the Singapore economy contracted by 13.2% year-on-year (y-o-y) due to the 'circuit breaker' measures implemented.
- Singapore Tourism Board international visitor arrivals from March 2020 to June 2020 declined 97% with the onset of COVID-19.

Australia

- Reserve Bank of Australia expects Australian economy to experience negative growth in 2020.
- According to latest Australian Bureau of Statistics, retail turnover fell 4.2% from July 2020 to August 2020.

Portfolio

- Given the uncertainty and fluidity of the COVID-19 pandemic, the extent of the impact on the financial performance for the next reporting period and the next 12 months cannot be determined at this stage.
- Near term focus is to maintain healthy occupancy, sustainable rental income by working with tenants, whilst carefully managing cost.
- Focus is to position the assets to be ready to capture the business opportunities when recovery begins with the core objective of preserving long term returns for unitholders.
- Committed to release the FY2020 deferred DPU to unitholders in FY2021.



Thank You

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