

# 4Q & FY2018 Results Presentation

21 January 2019



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# Agenda

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# Key Highlights



# Key Highlights of 4Q & FY2018

## 4Q FY2018 Results

- Year-on-year (“y-o-y”) gross revenue rose by 24.3% to S\$25.8 million and net property income (“NPI”) rose by 15.3% to S\$20.5 million.
- Income attributable to Unitholders was S\$15.4 million in 4Q FY2018, 5.7% higher than 4Q FY2017.
- Distribution per Unit (“DPU”) was 1.451 cents in 4Q FY2018 compared to 1.383 cents in 4Q FY2017.
- Increase was largely attributed to receipt of one-off liquidation proceeds from Technics Offshore Engineering and higher contribution from Solaris and Australia acquisitions.

## FY2018 Results

- Y-o-y gross revenue fell by 1.2% to S\$83.8 million and NPI fell by 4.8% to S\$69.9 million.
- The decrease in revenue was largely attributed to lower contribution from West Park BizCentral, Eightrium, Tuas Connection and divestment of KTL Offshore on 28 Feb 2018.
- Y-o-y income attributable to Unitholders was 6.7% lower mainly due to lower net property income.
- DPU was 5.284 cents in FY2018 compared to 5.712 cents in FY2017.

## Corporate and Capital Management

- Weighted average all-in cost of debt is 3.52% p.a. for 4Q 2018.
- Weighted average debt maturity stands at 3.2 years.
- Fixed interest rate for 74.0% of borrowings.
- Unencumbered investment properties in excess of S\$847 million (68% of total investment properties).

## Portfolio Update

- Portfolio occupancy rate of 89.5% as at 31 December 2018.
- Weighted average lease expiry (by gross rental income) stands at 3.9 years.
- More than 175,378 sq ft of renewals, forward renewals and new leases signed in 4Q FY2018.
- More than 885,390 sq ft of renewals, forward renewals and new leases signed in FY2018.



# 4Q & FY2018 Financial Performance



# 4Q FY2018 Financial Results Q-o-Q

For the period from 1 October to 31 December (S\$'000)	4Q FY2018	3Q FY2018	Variance (‘000)	Variance (%)
<b>Gross Revenue</b>	<b>25,783</b>	<b>19,800</b>	<b>5,983</b>	<b>30.2</b>
Less Property Expenses	(5,311)	(3,578)	(1,733)	(48.4)
<b>Net Property Income</b>	<b>20,472</b>	<b>16,222</b>	<b>4,250</b>	<b>26.2</b>
Interest Income	52	255	(203)	(79.6)
Foreign exchange loss	(772)	-	(772)	n.m.
Gain on derivative financial instruments	40	-	40	n.m.
Finance Expenses	(4,180)	(3,637)	(543)	(14.9)
Manager's Fees	(1,535)	(1,323)	(212)	(16.0)
Trustee's Fees	(66)	(49)	(17)	(34.7)
Other Trust Expenses	(601)	(132)	(469)	(355.3)
<b>Net Income before Tax</b>	<b>13,410</b>	<b>11,336</b>	<b>2,074</b>	<b>18.3</b>
Net Change in Fair Value of Investment Properties	1,410	-	1,410	n.m.
<b>Total Return before Tax</b>	<b>14,820</b>	<b>11,336</b>	<b>3,484</b>	<b>30.7</b>
Tax expense	(75)	-	(75)	n.m.
<b>Total Return before distribution</b>	<b>14,745</b>	<b>11,336</b>	<b>3,409</b>	<b>30.1</b>
Amount reserved for distribution to perpetual securities holders	(983)	(43)	(940)	(2,186.0)
Add back Non-Tax Deductible Items <sup>(1)</sup>	1,630	1,893	(263)	(13.9)
<b>Income attributable to Unitholders</b>	<b>15,392</b>	<b>13,186</b>	<b>2,206</b>	<b>16.7</b>

Note:

(1) Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, net change in fair value of investment properties, amortised debt arrangement, prepayment and structuring fees, non-tax deductible financing expenses, trustee fees, non-tax deductible funding cost for the Australia acquisitions, etc.

(2) N.m. denotes not meaningful.

# 4Q FY2018 Financial Results Y-o-Y

For the period from 1 October to 31 December (S\$'000)	4Q FY2018	4Q FY2017	Variance (‘000)	Variance (%)
<b>Gross Revenue</b>	<b>25,783</b>	<b>20,747</b>	<b>5,036</b>	<b>24.3</b>
Less Property Expenses	(5,311)	(2,995)	(2,316)	(77.3)
<b>Net Property Income</b>	<b>20,472</b>	<b>17,752</b>	<b>2,720</b>	<b>15.3</b>
Interest Income	52	436	(384)	(88.1)
Foreign exchange loss	(772)	-	(772)	n.m.
Gain on derivative financial instruments	40	-	40	n.m.
Finance Expenses	(4,180)	(3,868)	(312)	(8.1)
Manager's Fees	(1,535)	(1,456)	(79)	(5.4)
Trustee's Fees	(66)	(51)	(15)	(29.4)
Other Trust Expenses	(601)	(280)	(321)	(114.6)
<b>Net Income before Tax</b>	<b>13,410</b>	<b>12,533</b>	<b>877</b>	<b>7.0</b>
Net Change in Fair Value of Investment Properties	1,410	(80,515)	81,925	101.8
<b>Total Return before Tax</b>	<b>14,820</b>	<b>(67,982)</b>	<b>82,802</b>	<b>121.8</b>
Tax expense	(75)	-	(75)	n.m.
<b>Total Return before distribution</b>	<b>14,745</b>	<b>(67,982)</b>	<b>82,727</b>	<b>121.7</b>
Amount reserved for distribution to perpetual securities holders	(983)	-	(983)	n.m.
Add back Non-Tax Deductible Items <sup>(1)</sup>	1,630	82,541	(80,911)	(98.0)
<b>Income attributable to Unitholders</b>	<b>15,392</b>	<b>14,559</b>	<b>833</b>	<b>5.7</b>

Note:

(1) Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, net change in fair value of investment properties, amortised debt arrangement, prepayment and structuring fees, non-tax deductible financing expenses, trustee fees, non-tax deductible funding cost for the Australia acquisitions, etc.

(2) N.m. denotes not meaningful.



# FY2018 Financial Results Y-o-Y

For the period from 1 January to 31 December (S\$'000)	FY2018	FY2017	Variance (‘000)	Variance (%)
<b>Gross Revenue</b>	<b>83,765</b>	<b>84,817</b>	<b>(1,052)</b>	<b>(1.2)</b>
Less Property Expenses	(13,836)	(11,336)	(2,500)	(22.1)
<b>Net Property Income</b>	<b>69,929</b>	<b>73,481</b>	<b>(3,552)</b>	<b>(4.8)</b>
Interest Income	1,353	1,733	(380)	(21.9)
Foreign exchange loss	(772)	-	(772)	n.m.
Gain on derivative financial instruments	40	-	40	n.m.
Gain on divestment of a property held for sale	1,740	-	1,740	n.m.
Finance Expenses	(15,359)	(15,735)	376	2.4
Manager's Fees	(5,590)	(5,993)	403	6.7
Trustee's Fees	(212)	(206)	(6)	(2.9)
Other Trust Expenses	(998)	(1,059)	61	5.8
<b>Net Income before Tax</b>	<b>50,131</b>	<b>52,221</b>	<b>(2,090)</b>	<b>(4.0)</b>
Net Change in Fair Value of Investment Properties	1,410	(80,515)	81,925	101.8
<b>Total Return before Tax</b>	<b>51,541</b>	<b>(28,294)</b>	<b>79,835</b>	<b>282.2</b>
Tax expense	(75)	-	(75)	n.m.
<b>Total Return before distribution</b>	<b>51,466</b>	<b>(28,294)</b>	<b>79,760</b>	<b>281.9</b>
Amount reserved for distribution to perpetual securities holders	(1,026)	-	(1,026)	n.m.
Add back Non-Tax Deductible Items <sup>(1)</sup>	5,456	88,221	(82,765)	(93.8)
<b>Income attributable to Unitholders</b>	<b>55,896</b>	<b>59,927</b>	<b>(4,031)</b>	<b>(6.7)</b>

Note:

(1) Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, net change in fair value of investment properties, amortised debt arrangement, prepayment and structuring fees, non-tax deductible financing expenses, trustee fees, non-tax deductible funding cost for the Australia acquisitions, etc.

(2) N.m. denotes not meaningful.

# Distribution per Unit

## 4Q FY2018 vs 3Q FY2018

	4Q FY2018	3Q FY2018	Variance (%)
Income attributable to Unitholders (S\$'000)	15,392	13,186	16.7
Distribution per Unit ("DPU") (cents)	1.451	1.245	16.5

## 4Q FY2018 vs 4Q FY2017

	4Q FY2018	4Q FY2017	Variance (%)
Income attributable to Unitholders (S\$'000)	15,392	14,559	5.7
Distribution per Unit ("DPU") (cents)	1.451	1.383	4.9

## FY2018 vs FY2017

	FY2018	FY2017	Variance (%)
Income attributable to Unitholders (S\$'000)	55,896	59,927	(6.7)
DPU	5.284	5.712	(7.5)
Annualised Distribution Yield	9.1% <sup>(1)</sup>	8.5% <sup>(2)</sup>	7.1
Units in Issue <sup>(3)</sup>	1,060,763,142	1,052,111,365	0.8

Note:

(1) Based on the closing price of S\$0.580 as at 31 December 2018;

(2) Based on the closing price of S\$0.670 as at 31 December 2017;

(3) Based on Units in issue as at 31 December

# 4Q FY2018 Distribution

## Distribution Details

4Q FY2018

<b>Distribution Period</b>	<b>1 October 2018 – 31 December 2018</b>
<b>Distribution Amount</b>	<b>SGD 1.451 cents per unit</b>

## Distribution Timetable

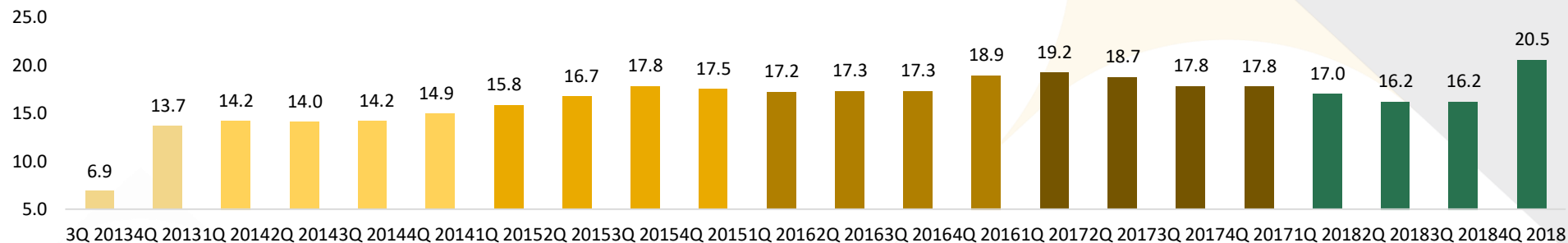
4Q FY2018

<b>Last Day of Trading on “cum” Basis</b>	<b>Friday, 25 January 2019</b>
<b>Ex-Date</b>	<b>Monday, 28 January 2019</b>
<b>Books Closure Date</b>	<b>Tuesday, 29 January 2019</b>
<b>Distribution Payment Date</b>	<b>Thursday, 28 February 2019</b>

# Distributable Income since IPO

## Net Property Income (NPI)

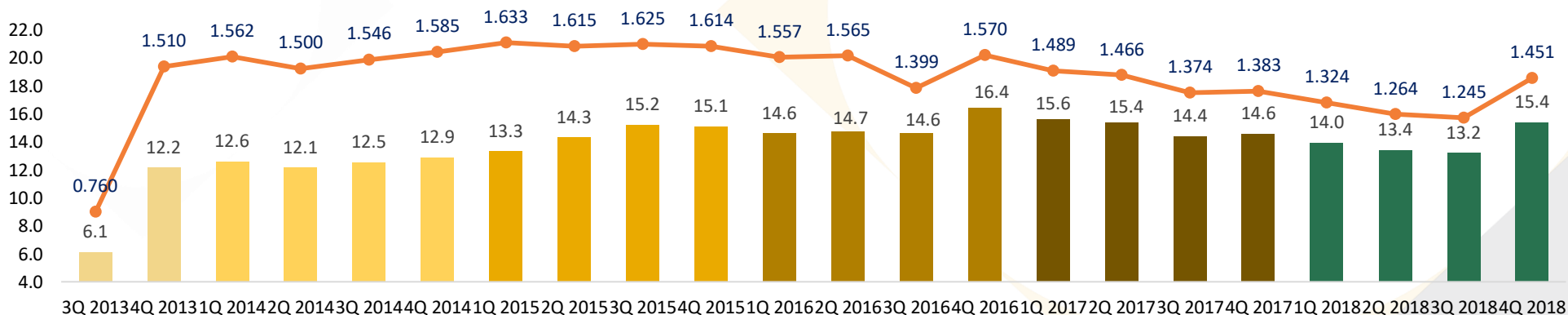
Net Property Income  
(S\$ million)



## Distributable Income / DPU

Distributable Income  
(S\$ million)

Actual DPU  
(cents)



■ Distributable Income

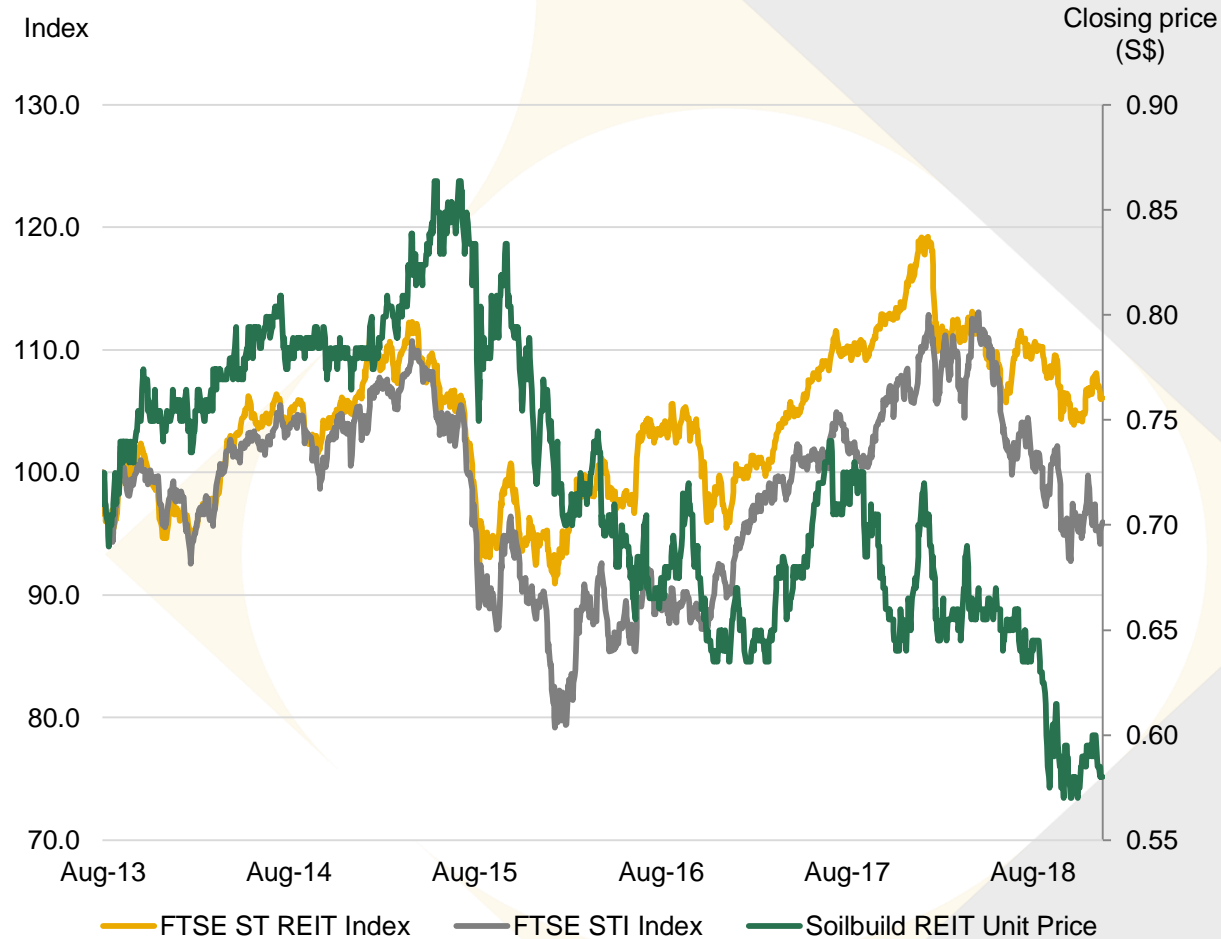
—●— Actual DPU

# Income Distributions since IPO

Cumulative DPU of 32.0 cents

Distribution Yield = 9.1%<sup>(3)</sup>

	Price <sup>(1)</sup> (S\$)	Cumulative DPU (cents)	Cumulative Distribution Returns <sup>(2)</sup> (%)
3Q 2013	0.745	0.760	0.97
4Q 2013	0.770	2.270	2.91
1Q 2014	0.780	3.832	4.91
2Q 2014	0.800	5.332	6.84
3Q 2014	0.795	6.878	8.82
4Q 2014	0.790	8.463	10.85
1Q 2015	0.810	10.096	12.94
2Q 2015	0.850	11.711	15.01
3Q 2015	0.805	13.336	17.10
4Q 2015	0.770	14.950	19.17
1Q 2016	0.730	16.507	21.16
2Q 2016	0.685	18.072	23.17
3Q 2016	0.700	19.471	24.96
4Q 2016	0.640	21.041	26.98
1Q 2017	0.675	22.530	28.88
2Q 2017	0.720	23.996	30.76
3Q 2017	0.700	25.370	32.53
4Q 2017	0.670	26.753	34.30
1Q 2018	0.650	28.077	36.00
2Q 2018	0.650	29.341	37.62
3Q 2018	0.600	30.586	39.21
<b>4Q 2018</b>	<b>0.580</b>	<b>32.037</b>	<b>41.07</b>



Note:

(1) Based on closing price on last trading day of each quarter;

(2) Based on cumulative distribution per unit against IPO price of S\$0.78;

(3) Based on FY2018 DPU of 5.284 cents and Unit price of \$0.580 as at 31 December 2018.

Source: Bloomberg



# Financial Position / Capital Management

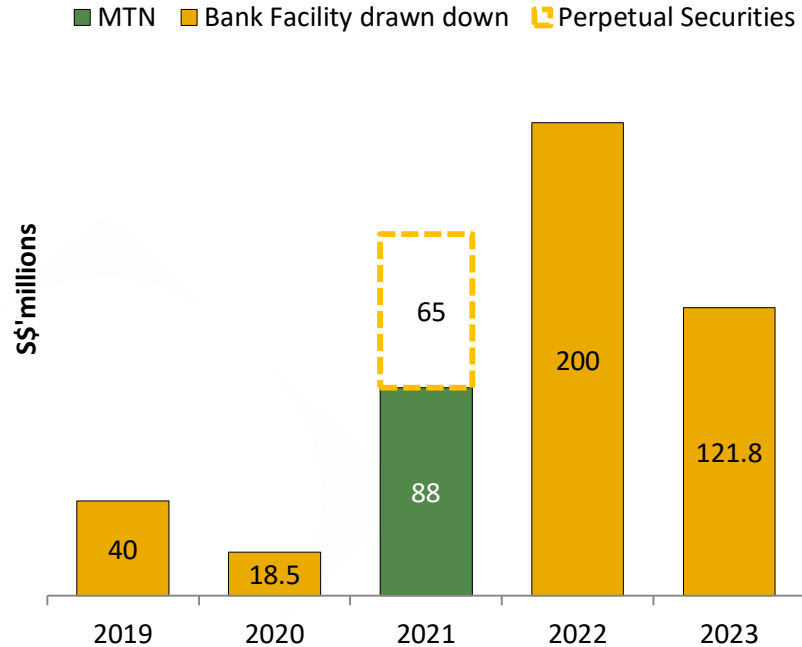


# 4Q FY2018 Financial Results – Statement of Financial Position

<b>Group</b> <b>(S\$'000)</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
Investment Properties	1,229,671	1,110,600
Property held for sale	-	53,000
Other Assets	18,288	18,003
<b>Total Assets</b>	<b>1,247,959</b>	<b>1,181,603</b>
Borrowings	465,136	474,359
Other Liabilities	50,583	38,606
<b>Net Assets</b>	<b>732,240</b>	<b>668,638</b>
Units in Issue	1,060,763	1,052,111
<b>Represented by:</b>		
Unitholders' funds	666,575	668,638
Perpetual securities holders	65,665	-
<b>Net Asset Value per Unit (S\$)</b>	<b>0.63</b>	<b>0.64</b>

# Prudent Capital Management

## 1) Fixed interest rate for 74.0% of borrowings



% of Debt and Perpetual Securities Maturing	7.5%	3.5%	28.7%	37.5%	22.8%
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## 2) Aggregate leverage of 39.1%<sup>(1)</sup> allows debt headroom of S\$18.1 million<sup>(2)</sup>

	31 December 2018
Total Bank Debt Drawn Down	S\$380.3 million
Multicurrency Debt Issuance Programme drawn down	S\$88.0 million
Committed facility available	S\$26.3 million
Unencumbered Investment Properties	S\$847.7 million
Average All-in Interest Cost <sup>(3)</sup>	3.52% p.a.
Interest Coverage Ratio <sup>(4)</sup>	4.2x
Weighted Average Debt Maturity	3.2 years

### Notes:

- (1) Post-acquisition gearing including deferred payment of S\$19.3 million due to SB (Solaris) Investment Pte. Ltd and insurance guarantees of S\$0.8 million issued to utility supply providers
- (2) Based on target aggregate leverage of 40%;
- (3) Excludes interest-free loan;
- (4) Computed based on 4Q FY2018 net income before tax/Net interest expense (Finance expense – Interest income).

# Portfolio Update

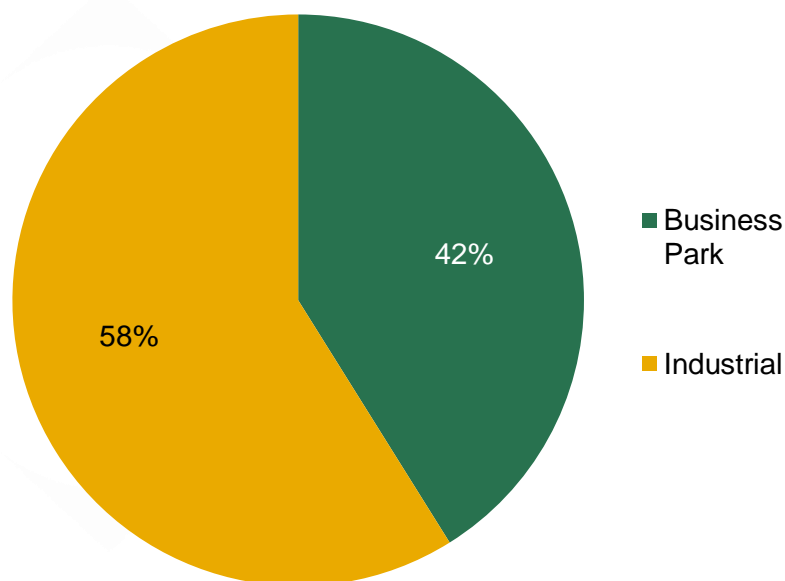


# Soilbuild Portfolio Overview

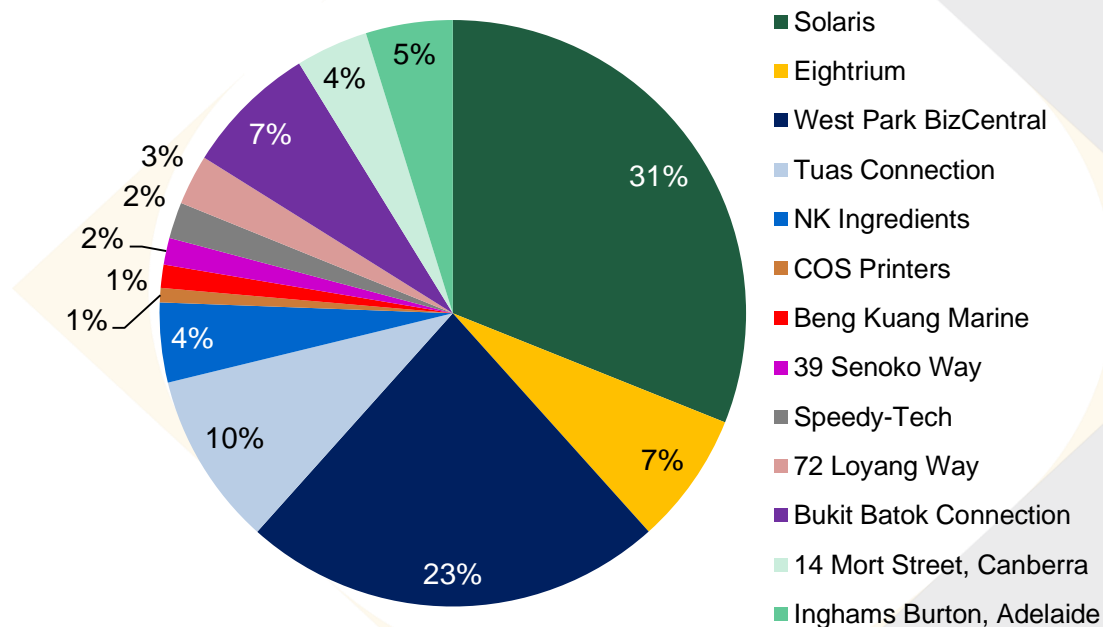
Portfolio Asset Value		
Singapore <sup>(2)</sup>	S\$1,121.8 million	91.2%
Australia <sup>(3)</sup>	S\$107.9 million	8.8%
Total	S\$1,229.7 million	100.0%

Portfolio Summary	
Total NLA	4.03 million sq ft
WALE (by GRI)	3.9 years
Occupancy	89.5%

Portfolio Asset Value by Asset Class



Portfolio Property by Asset Value<sup>(4)</sup>



**Notes:**

- (1) Information as at 4Q 2018
- (2) Based on CBRE & Colliers' valuations dated 31 December 2018 for business park properties and industrial properties respectively
- (3) Based on Colliers' valuations dated 31 August 2018 and on the exchange rate of A\$1:00:S\$0.96, before adjustment of outstanding incentives
- (4) Discrepancies between the figures in the chart are due to rounding



# Singapore Portfolio

- Business Park Properties
- Industrial Properties



## Tuas Connection

NLA: 651,072 sq ft  
Valuation: S\$117.8 million



## BK Marine

NLA: 73,737 sq ft  
Valuation: S\$15.7 million



## NK Ingredients

NLA: 312,375 sq ft  
Valuation: S\$54.0 million



## Speedy-Tech

NLA: 93,767 sq ft  
Valuation: S\$24.6 million



## COS Printers

NLA: 58,752 sq ft  
Valuation: S\$9.8 million



## Senoko Way

NLA: 95,250 sq ft  
Valuation: S\$18.2 million



## Loyang Way

NLA: 171,293 sq ft  
Valuation: S\$34.0 million



## Eightrium

NLA: 177,285 sq ft  
Valuation: S\$89.7 million



## Solaris

NLA: 441,533 sq ft  
Valuation: S\$382.0 million



## Bukit Batok Connection

NLA: 377,776 sq ft  
Valuation: S\$90.1 million



## West Park BizCentral

NLA: 1,240,583 sq ft  
Valuation: S\$286.0 million



## Singapore Portfolio Summary

Total NLA	3.69 million sq ft
Occupancy	88.6%

### Notes:

- (1) Information as at 4Q 2018
- (2) Based on CBRE & Colliers' valuations dated 31 December 2018 for business park properties and industrial properties respectively

# Australia Portfolio

- Office
- Industrial



**Inghams Burton,  
Adelaide**

NLA: 230,608 sq ft  
Valuation: S\$58.9 million



Australia Portfolio Summary	
Total NLA	331,612 sq ft
Occupancy	100.0%



**14 Mort Street,  
Canberra**

NLA: 101,004 sq ft  
Valuation: S\$49.0 million

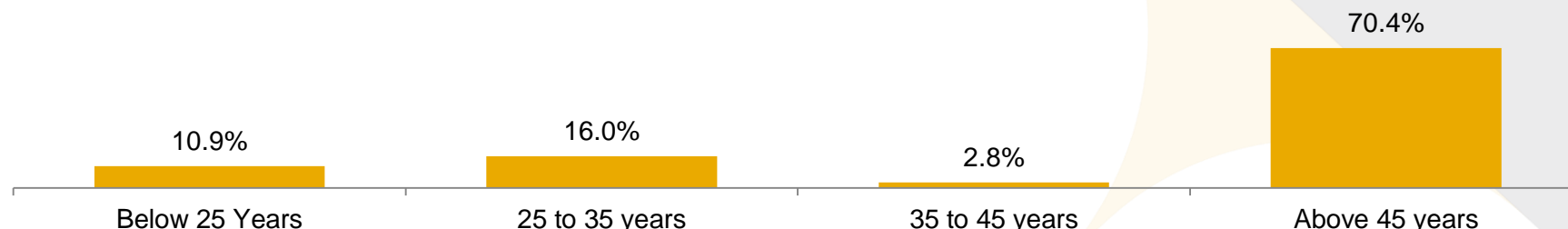
**Notes:**

(1) Based on Colliers' valuations dated 31 August 2018 and on the exchange rate of A\$1:00:S\$0.96, before adjustment of outstanding incentives

# Long Land Lease Expiry

## Percentage of Unexpired Land Lease Term

By Valuation



**Long Average Land Lease Tenure of 45.8 Years <sup>(3)</sup> (by valuation)**

Property	Acquisition Date	Land Lease Expiry Date	Valuation (\$'m) <sup>(1)</sup>
Solaris	16-Aug-13	31-May-68	382.0
Eightrium	16-Aug-13	15-Feb-66	89.7
West Park BizCentral	16-Aug-13	31-Jul-68	286.0
Tuas Connection	16-Aug-13	30-Sep-50	117.8
NK Ingredients	15-Feb-13	30-Sep-46	54.0
COS Printers	19-Mar-13	31-Jul-42	9.8
Beng Kuang Marine	10-May-13	29-Oct-56	15.7
39 Senoko Way (Phase 1)	26-May-14	15-Feb-54	18.2
39 Senoko Way (Phase 2)	25-Nov-16		
Speedy-Tech	23-Dec-14	30-Apr-50	24.6
72 Loyang Way	27-May-15	20-Mar-38	34.0
Bukit Batok Connection	27-Sep-16	25-Nov-42	90.1
14 Mort Street, Canberra <sup>(2)</sup>	5-Oct-18	10-Aug-79	49.0
Inghams Burton, Adelaide	5-Oct-18	Freehold	58.9

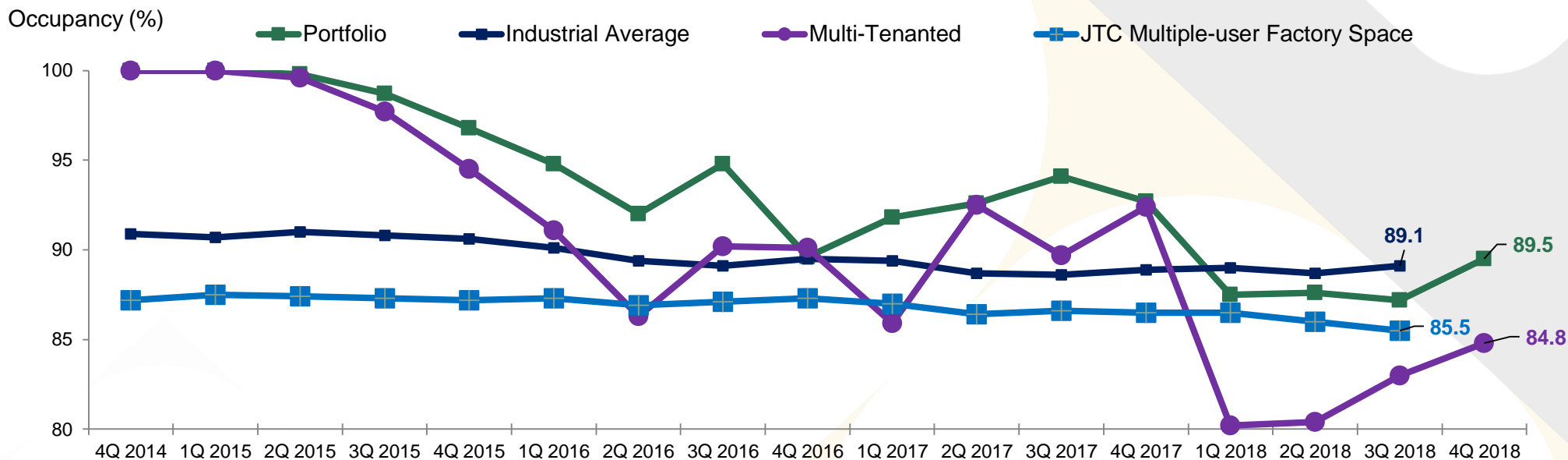
Notes:

(1) Based on CBRE & Colliers' valuations of Singapore assets dated 31 December 2018 and Colliers' valuation of Australia assets as at 31 August 2018, based on the exchange rate of A\$1:00:S\$0.96

(2) Crown leasehold title - If neither the state nor the federal government needs the land for a public purpose, it can request for an additional term not exceeding 99 years.

(3) For the calculation of average land lease tenure by valuation, Inghams Burton has been assumed as a 99-year leasehold interest.

# Portfolio Occupancy



	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018
Multi-Tenanted Properties	100%	100%	99.6%	97.7%	94.5%	91.1%	86.3%	90.2%	90.1%	85.9%	92.5%	89.7%	92.4%	80.2%	80.4%	83.0%	84.8%
JTC Multiple-User Factory space <sup>(1)</sup>	87.2%	87.5%	87.4%	87.3%	87.2%	87.3%	86.9%	87.1%	87.3%	87.0%	86.4%	86.6%	86.5%	86.5%	86.0%	85.5%	N.A.
Portfolio	100%	100%	99.8%	98.7%	96.8%	94.8%	92.0%	94.8%	89.6%	91.8%	92.6%	94.1%	92.7%	87.5%	87.6%	87.2%	89.5%
JTC Industrial Average <sup>(1)</sup>	90.9%	90.7%	91.0%	90.8%	90.6%	90.1%	89.4%	89.1%	89.5%	89.4%	88.7%	88.6%	88.9%	89.0%	88.7%	89.1%	N.A.

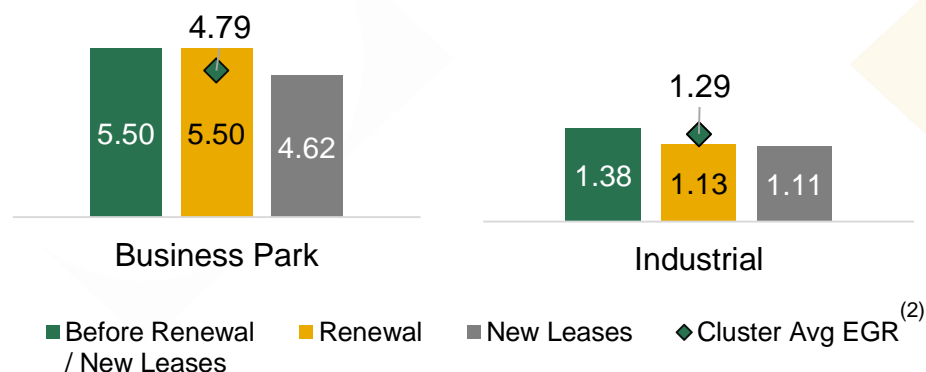
Notes:

(1) Source: JTC statistics as at 3Q 2018.

# Leasing Update – 4Q FY 2018

	No. of Leases	Area (sq ft)	Avg. EGR before Renewal / New Leases (\$ psf)	Avg. EGR after Renewal / New Leases (\$ psf)	Rental Reversion
<b>4Q FY2018</b>					
<b>Renewal / Forward Renewal</b>	<b>5</b>	<b>108,755</b>	1.84	1.62	(12.0%)
<b>New Leases</b>	<b>4</b>	<b>66,623</b>	1.59	1.38	(13.2%)
<b>Total</b>	<b>9</b>	<b>175,378</b>	1.75	1.53	(12.6%)

## Effective Gross Rent (psf/mth) for leases signed in 4Q FY2018 by Cluster<sup>(1)</sup>



Business Park	Industrial
<b>Renewal/ Forward Renewal Leases</b>	
12,205 sqft (2 leases)	96,550 sqft (3 leases)
<b>New Leases</b>	
5,117 sqft (2 lease)	61,506 sqft (2 leases)

Note:

(1) Business Park cluster comprises Solaris and Eightrium and Industrial Cluster comprises Tuas Connection, West Park BizCentral, 72 Loyang Way and 39 Senoko Way

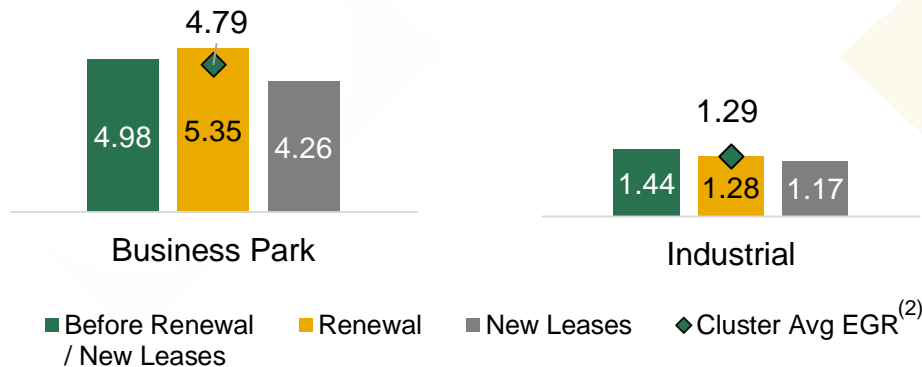
(2) Cluster Average EGR indicates the average EGR of leased area for the respective Cluster as at 31 December 2018.



# Leasing Update – FY 2018

	No. of Leases	Area (sq ft)	Avg. EGR before Renewal / New Leases (\$ psf)	Avg. EGR after Renewal / New Leases (\$ psf)	Rental Reversion
<b>FY2018</b>					
<b>Renewal / Forward Renewal</b>	<b>32</b>	<b>634,989</b>	<b>1.88</b>	<b>1.78</b>	<b>(5.3%)</b>
<b>New Leases</b>	<b>20</b>	<b>250,401</b>	<b>1.80</b>	<b>1.49</b>	<b>(17.2%)</b>
<b>Total</b>	<b>52</b>	<b>885,390</b>	<b>1.86</b>	<b>1.70</b>	<b>(8.6%)</b>

## Effective Gross Rent (psf/mth) for leases signed in FY2018 by Cluster<sup>(1)</sup>



Business Park	Industrial
<b>Renewal/ Forward Renewal Leases</b>	
77,644 sqft (8 leases)	557,345 sqft (24 leases)
<b>New Leases</b>	
25,867 sqft (7 leases)	224,534 sqft (13 leases)

Note:

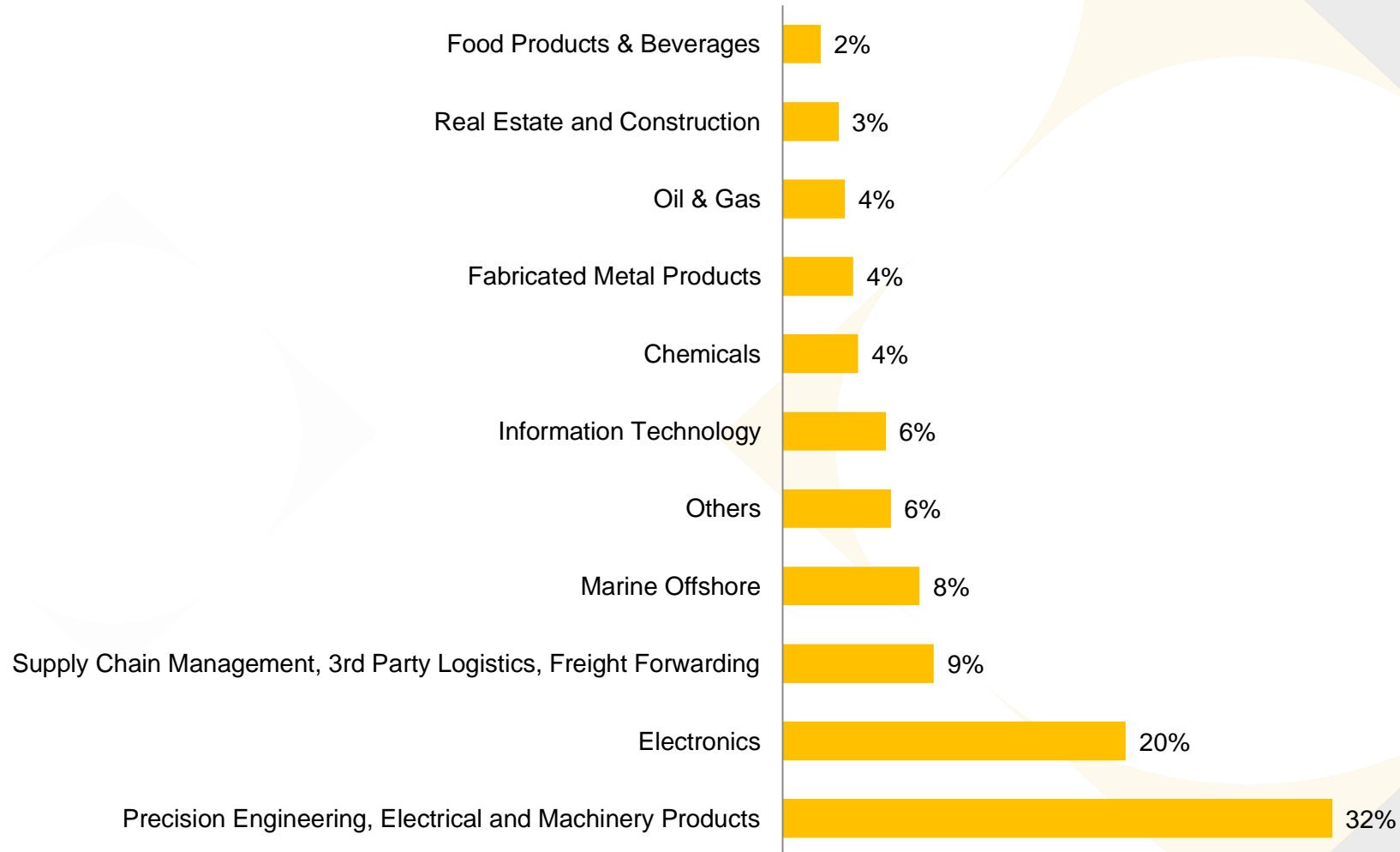
(1) Business Park cluster comprises Solaris and Eightrium and Industrial Cluster comprises Tuas Connection, West Park BizCentral, 72 Loyang Way and 39 Senoko Way

(2) Cluster Average EGR indicates the average EGR of leased area for the respective Cluster as at 31 December 2018.

# Trade Sector of Leases Signed

**For leases signed in FY2018**

By Gross Rental Income



Note:

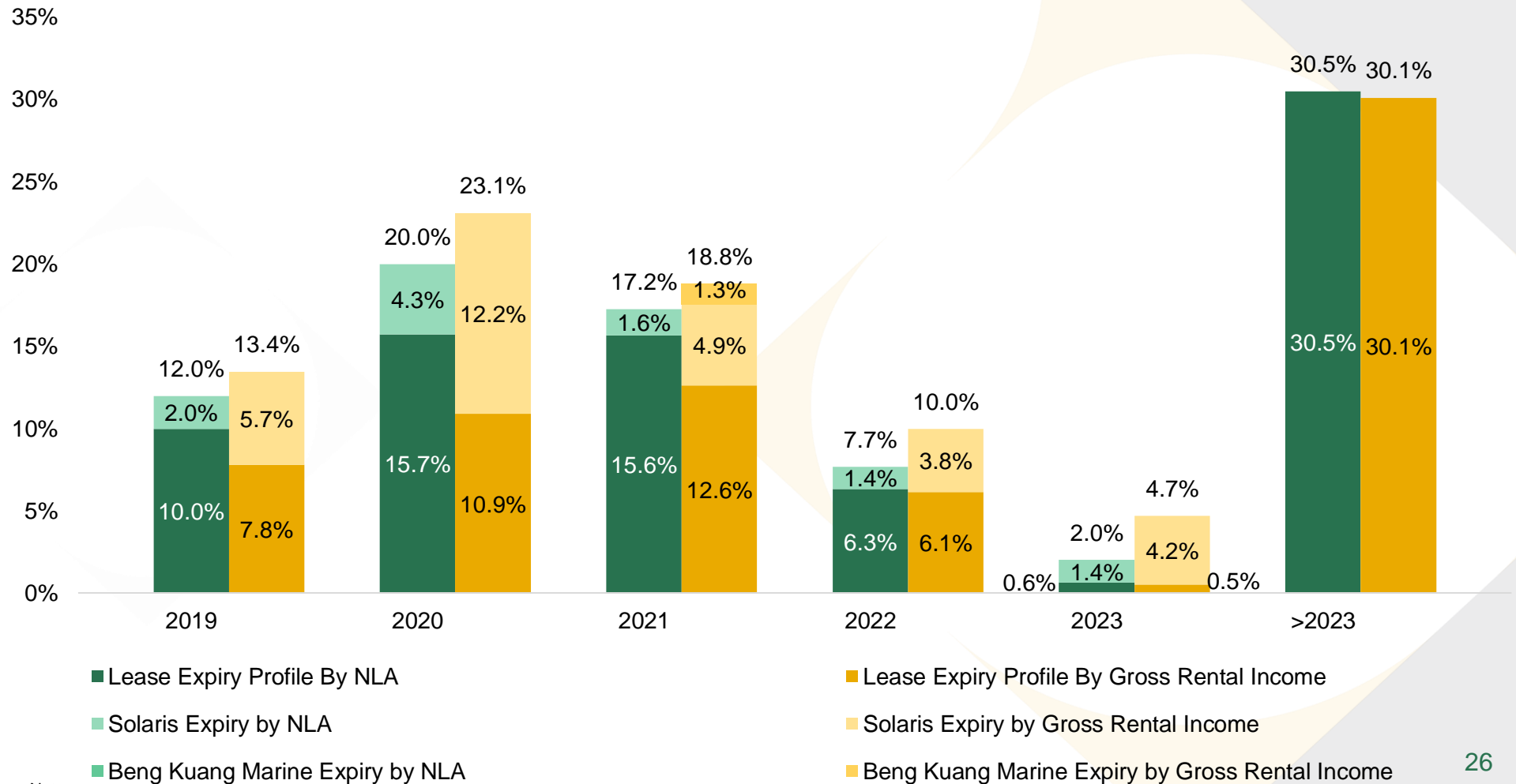
(1) Any discrepancies between the figures in the chart are due to rounding;

(2) Information as at 31 December 2018

# Well Staggered Lease Expiry Profile

<b>WALE (by NLA)</b>	3.7 years	<b>WALE (by Gross Rental Income)</b>	3.9 years
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WALE of leases signed in 4Q FY2018 was 2.8 years (by GRI)

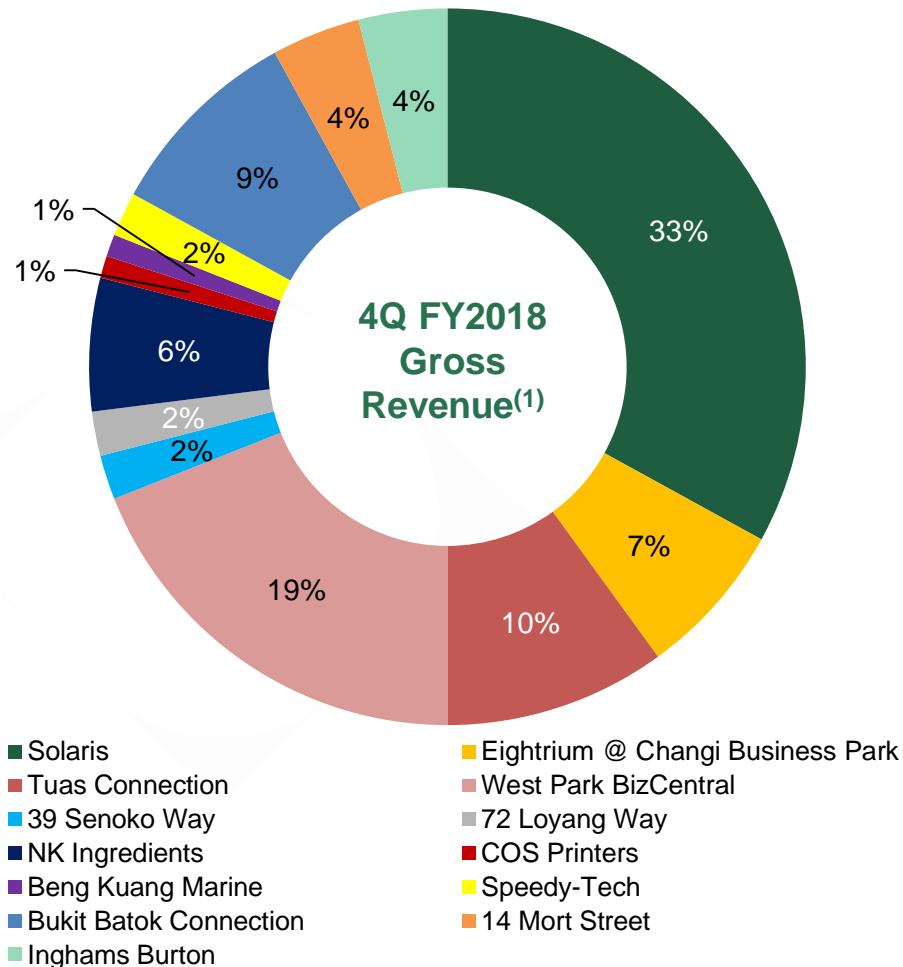


Note:  
 (1) Information as at 31 December 2018  
 (2) Discrepancies between the figures in the chart are due to rounding

# Well diversified Portfolio

## Portfolio Income Spread<sup>(1)</sup>

By Property



Note:

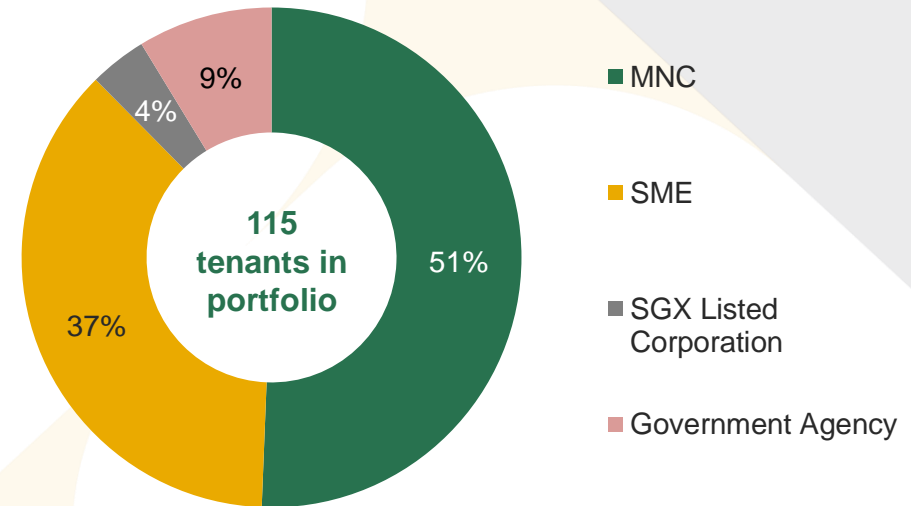
(1) Excluding one-off liquidation proceeds from Technics Offshore Engineering

(2) Any discrepancies between the figures in the chart are due to rounding;

(3) Information as at 31 December 2018

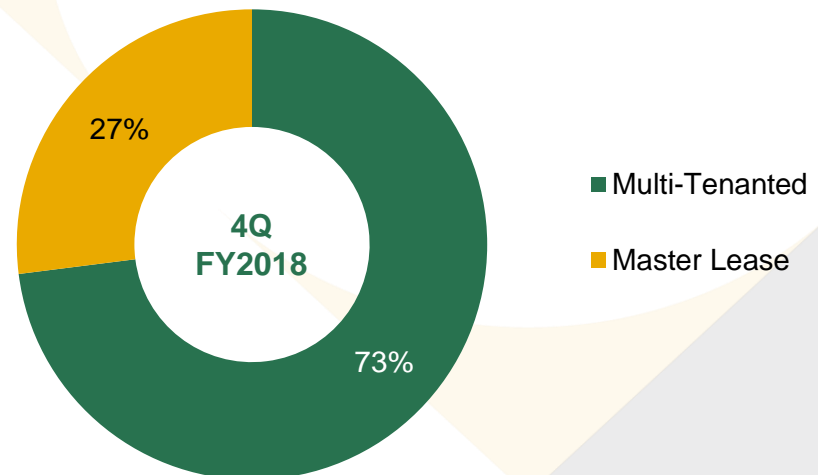
## Diversified Tenant Base

By Gross Revenue



## Portfolio of Multi-tenanted and Master Leases

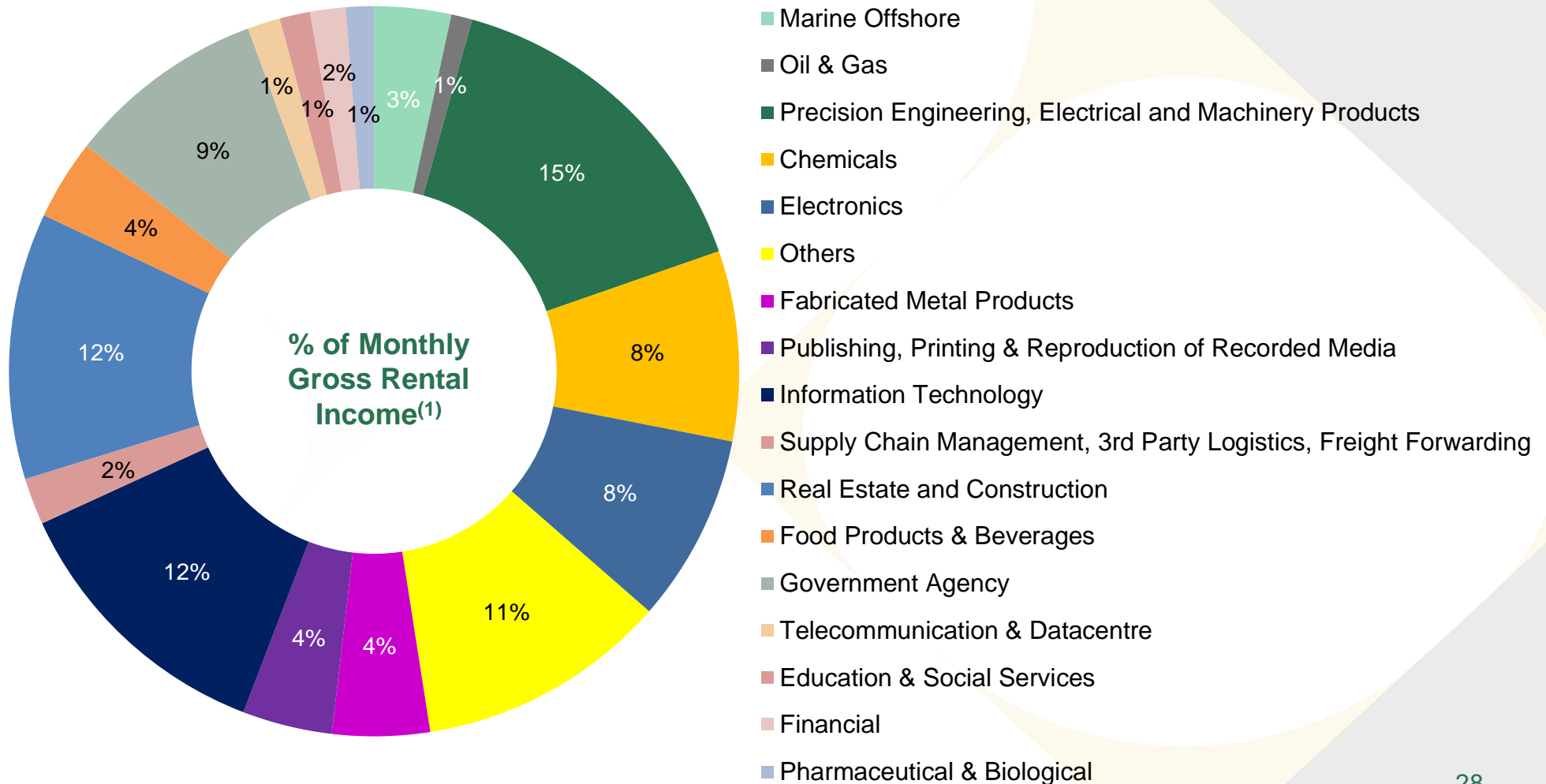
By Gross Revenue<sup>(1)</sup>



# Well diversified Portfolio

## Well-spread Trade Sectors

By Gross Rental Income

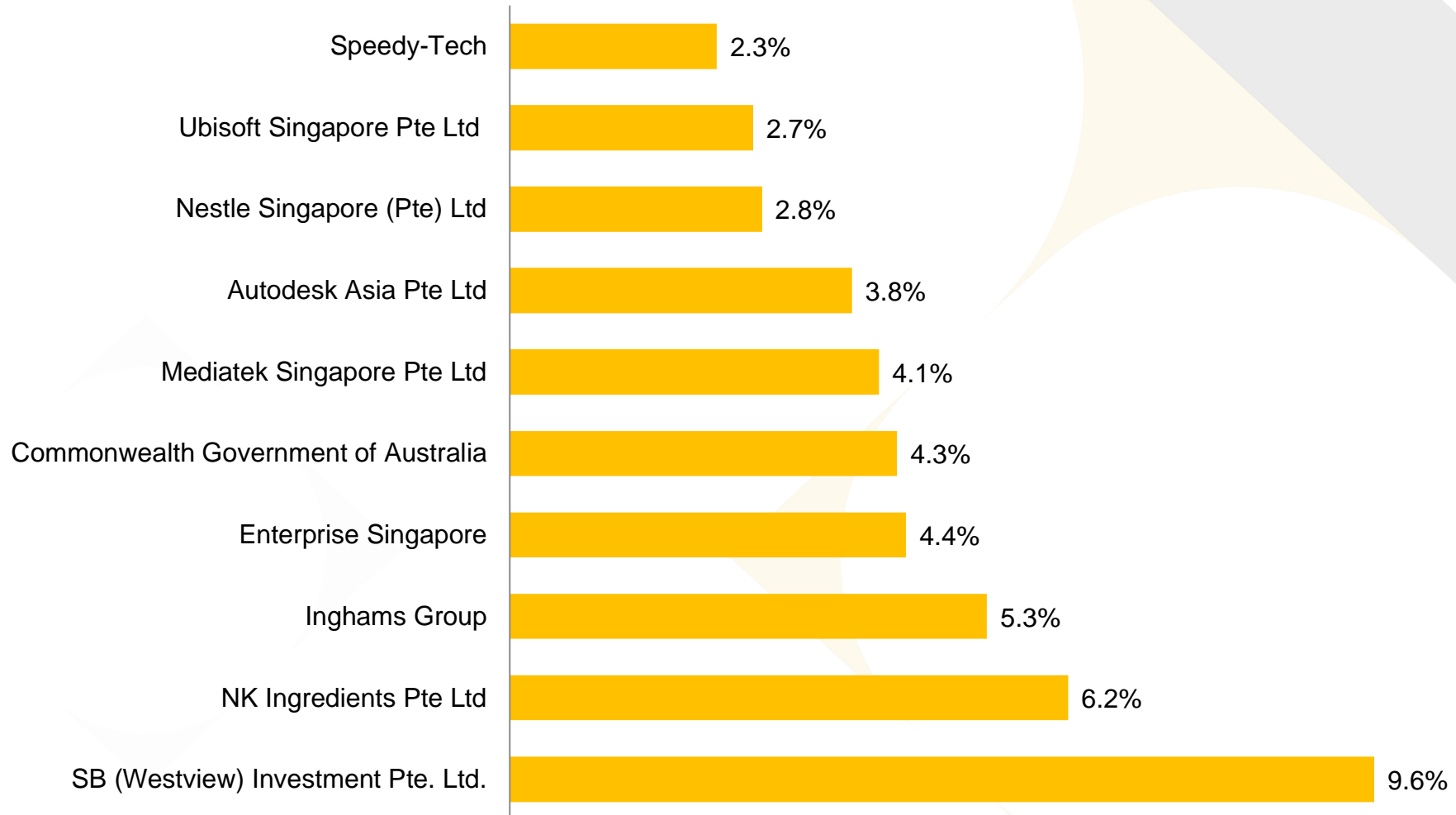


Note:.

(1) Discrepancies between the figures in the chart are due to rounding



# Diverse Tenant Base

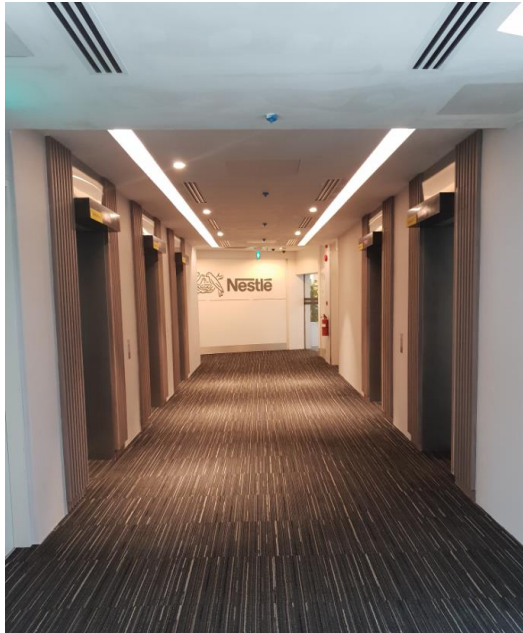


Top 10 tenants contribute 45.5% of monthly gross rental income.

# Asset Enhancement Initiatives

## Completion of Refurbishment at Eightrium

- Lift lobbies refurbishment, lift upgrading and re-grouping, link bridge refurbishment, new café kiosk, new reception counter, toilets refurbishments, and End-of-Trip facilities (EOT) including bicycle parking racks, changing rooms, lockers and shower facilities.



Lift lobbies



Toilets



Changing & locker room

# Market Update & Outlook



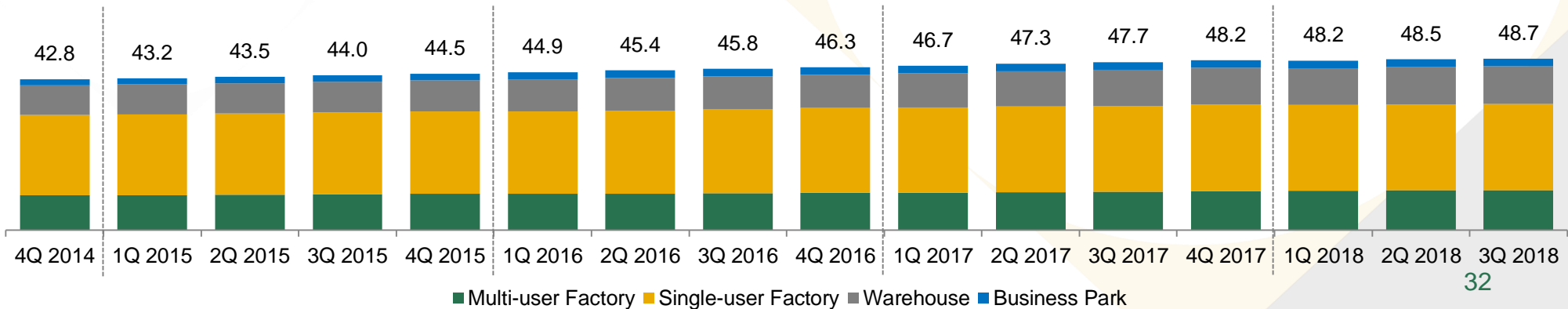


# Industrial Properties Profile

	3Q 2014 vs 3Q 2015		3Q 2015 vs 3Q 2016		3Q 2016 vs 3Q 2017		3Q 2017 vs 3Q 2018	
Change y-o-y	Vacancy Rate <sup>(1)</sup>	Rental Index	Vacancy Rate <sup>(1)</sup>	Rental Index	Vacancy Rate <sup>(1)</sup>	Rental Index	Vacancy Rate <sup>(1)</sup>	Rental Index
<b>Multi-user</b>	↓ 0.5%	↓ 1.9%	↑ 0.2%	↓ 8.3%	↑ 0.5%	↓ 3.3%	↑ 1.1%	↓ 0.1%
<b>Single-user</b>	↑ 1.0%	↓ 0.2%	↑ 1.6%	↓ 6.9%	↑ 0.5%	↓ 2.7%	↓ 0.9%	↓ 3.3%
<b>Warehouse</b>	↓ 2.1%	↓ 1.9%	↑ 3.4%	↓ 7.6%	↑ 1.6%	↓ 4.9%	↓ 1.9%	↓ 1.8%
<b>Business Park</b>	↑ 1.7%	↓ 0.9%	↑ 3.3%	↓ 0.7%	↓ 4.8%	↑ 2.5%	↓ 0.1%	↑ 4.9%

## Total Industrial Stock ('million sq m)

Increase y-o-y	3Q 2014 vs 3Q 2015	3Q 2015 vs 3Q 2016	3Q 2016 vs 3Q 2017	3Q 2017 vs 3Q 2018
<b>Multi-user</b>	4.8%	2.3%	4.2%	3.9%
<b>Single-user</b>	2.3%	2.7%	2.5%	0.3%
<b>Warehouse</b>	5.0%	8.3%	8.7%	4.6%
<b>Business Park</b>	15.3%	16.1%	0.2%	0.3%

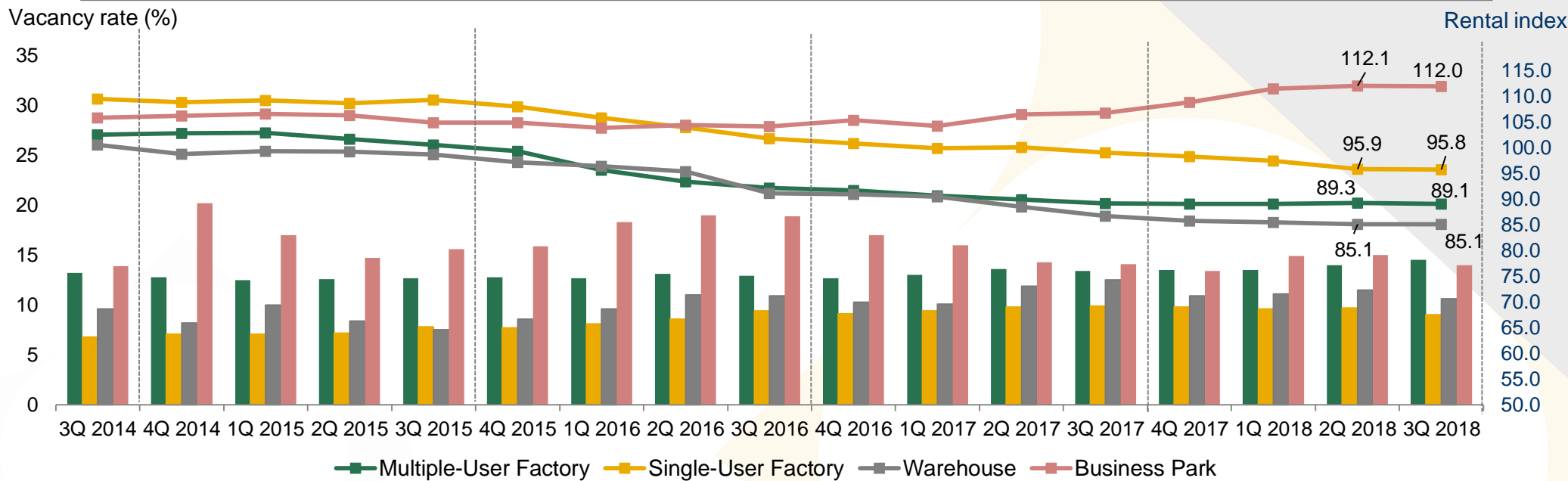


Source: JTC Statistics as at 3Q 2018

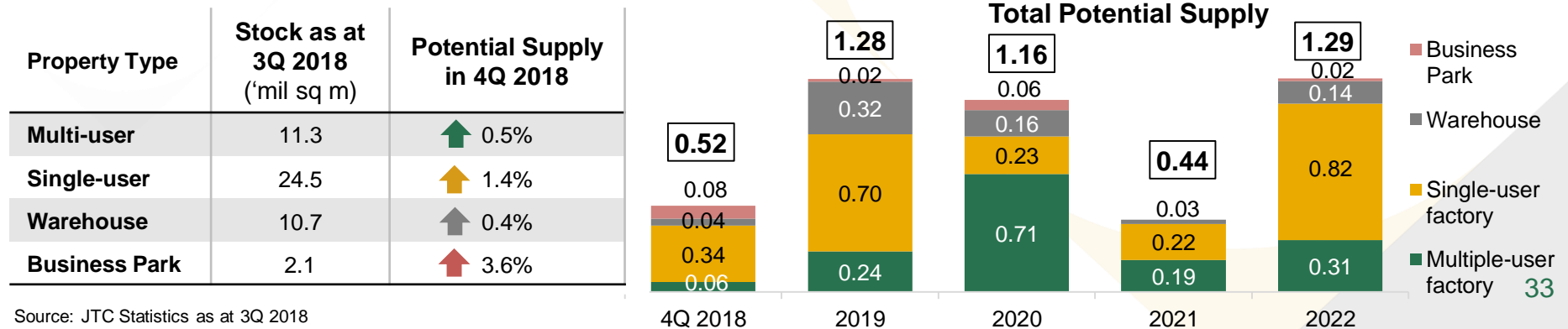
(1) In percentage point

# Industrial Properties Profile

## Vacancy Rate and Rental Index (Base 4Q 2012 = 100)



## Upcoming Supply in the Pipeline ('million sq m)



Source: JTC Statistics as at 3Q 2018

# The Year Ahead

## Australia Economy

- The Australia economy grew by 3.0% or 2.8% on a seasonally adjusted basis y-o-y in 3Q 2018.
- Accommodative monetary policy and tight labour market conditions are expected to provide ongoing support to growth in household income, consumption and business investment.
- Rental growth for Australia's office asset profile is expected to continue and yields continuing to compress into 2019.
- A high volume of industrial leasing activity transactions was recorded in 2018 September quarter.

## Singapore Economy

- Based on advance estimates, the Singapore economy grew by 2.2% y-o-y in 4Q 2018 and expanded at a slower pace of 1.6% on a q-o-q seasonally-adjusted annualised basis.
- The manufacturing sector grew by 5.5% y-o-y in 4Q 2018. Growth was largely driven by robust output expansions in the biomedical manufacturing and electronics clusters.
- Singapore's Purchasing Manager's Index ("PMI") edged down to 51.1 in December 2018.

## Industrial Property Sector

- Industrial rents may remain in a -0.5% to +0.5% y-o-y band for 2019 (Savills 2018 Industrial Research).
- Strong leasing volume is expected to shore up occupancy which will help to arrest the rate of rental decline amidst the moderating supply of new industrial space (CBRE 2018 Research)
- Industrial-wide occupancy stood at 89.1% as at 3Q 2018 (JTC, 2018).

## Soilbuild REIT

- Completed more than 885,390sq ft of new leases, renewals and forward renewals in FY2018.
- In FY2019, 12.0% or approximately 481,859 sqft of the portfolio's net lettable area is due for renewal.
- DPU accretive Australia acquisitions in Canberra and Adelaide are expected to provide portfolio stability.
- The Manager will continue to look for yield accretive opportunities to grow the Australia portfolio.



# THANK YOU

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