

For Immediate Release
1 April 2022

PRESS RELEASE



Improved performance in 1H FY2022 reflecting SPH REIT's resilient portfolio of assets

- DPU at 2.68 cents for 1H FY2022, increasing by 9.8% yoy
- Gross revenue at S\$141.6 million for 1H FY2022, increasing by 1.2% yoy
- Overall portfolio occupancy remains strong at 98.4%

SINGAPORE, 1 April 2022 – SPH REIT Management Pte. Ltd. (“SPH RM” or the “Manager”), the Manager of SPH REIT, today announced its financial results for the half year ended 28 February 2022 (“1H FY2022”).

Financial Performance

For the 1H FY2022, SPH REIT's gross revenue and net property income (“NPI”) increased 1.2% year-on-year (“yoy”) to S\$141.6 million and 0.4% yoy to S\$105.3 million respectively, supported by the gradual market recovery. NPI growth was partially dampened by an increase in property operating expenses mainly due to a spike in electricity rates.

In line with the improved performance and improving retail sentiments, SPH REIT declared a 2Q FY2022 distribution per unit (“DPU”) of 1.44 cents for 2Q FY2022, representing an increase of 16.1% quarter-on-quarter (“qoq”), and bringing total distributions for 1H FY2022 to 2.68 cents, increasing by 9.8% yoy. 2Q FY2022 distribution will be paid to unitholders on 20 May 2022.

Operational Performance

The Manager's proactive leasing strategy to renew or sign new leases in advance mitigated vacancies, maintaining a high portfolio occupancy of 98.4% as at 28 February 2022. Portfolio weighted average lease expiry ("WALE") remained healthy at 5.5 years by net lettable area ("NLA") and 2.8 years by gross rental income ("GRI").

Post the relaxation of dine-in restrictions from two to five persons in late November 2021, tenant sales at the Singapore assets recovered steadily and exceeded FY2021 levels for both December 2021 and January 2022. A rise in COVID-19 cases in February 2022 to over 25,000 cases a day at its peak disrupted this recovery, with tenant sales for the month ending lower yoy. Notwithstanding the resurgence of COVID-19 cases, overall tenant sales for the Singapore assets increased 2% yoy for 1H FY2022.

Westfield Marion's operations was largely unaffected by COVID-19 until late December 2021 when South Australia recorded a spike in cases of up to 9,000 a day. Tenant sales declined approximately 9% yoy in January 2022, before recording a yoy recovery in February 2022. Overall, Westfield Marion tenant sales increased 1% yoy for 1H FY2022. Figtree Grove's operations saw greater impact from COVID-19 due to the higher number of cases in New South Wales. Tenant sales gradually recovered after the 16-week lockdown was lifted in October 2021. However, a resurgence in COVID-19 cases from end-December 2021 slowed this recovery before stabilising in February 2022. Figtree Grove tenant sales recorded a 10% decline for 1H FY2022.

SPH REIT continues to manage its assets proactively and work with its various stakeholders to capitalise on the gradual market recovery.

Disciplined Capital Management

SPH REIT adopts a proactive and disciplined capital management approach. Cost of debt was at 1.66% for 1H FY2022 with a weighted average term to maturity of 2.6 years. SPH REIT's debt maturity profile is well-staggered, without major concentration of debts maturing in any single year. 30.1% gearing as at 28 February 2022 provides debt headroom flexibility.

Outlook

Dr Leong Horn Kee, Chairman of SPH REIT, said: “In line with our resilient performance, we are pleased to announce a DPU of 1.44 cents for 2Q FY2022. We thank all stakeholders for riding through this pandemic with us to emerge stronger. We will continue to work alongside the Manager and provide guidance to deliver sustainable returns amid the gradual market recovery.”

Ms Susan Leng, CEO of SPH REIT, said: “As travel restrictions around the world ease with quarantine free travel for the vaccinated, we expect visitor arrivals to Singapore and Australia to recover gradually. However, a meaningful recovery to pre-Covid levels is likely to take some time. Although the economy is looking better, we are still sanguine about the pace of a full recovery. The impact of geopolitical tensions on oil prices and general market sentiment are likely to weigh on the Singapore economy. We are committed to maximising unitholder value and maintaining operational efficiency. Our proactive capital management strategy will put us in good stead for growth opportunities.”

Summary Results of SPH REIT

	1H FY2022 S\$'000	1H FY2021 S\$'000	Change %
Gross revenue	141,636	139,958	1.2
Net property income	105,273	104,854	0.4
Distributable income to unitholders	82,614	76,181	8.4
Distribution to unitholders	75,105	67,764	10.8
Distribution per unit (cents)	2.68	2.44	9.8
Annualised distribution yield (%)	5.63 ¹	5.93 ²	(5.1)

Notes:

1. Based on S\$0.96 per unit closing price on 28 February 2022.
2. Based on S\$0.83 per unit closing price on 28 February 2021.

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RESPONSIBILITY STATEMENT

The directors of the Manager (including those who have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated in this press release are fair and accurate and that no material facts have been omitted from this press release (the omission of which would render any statement in this press release misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

ABOUT SPH REIT

SPH REIT is a Singapore-based real estate investment trust established principally to invest in a portfolio of income-producing real estate primarily for retail purposes in Asia-Pacific, as well as real estate-related assets.

SPH REIT has a portfolio of five assets in Singapore and Australia.

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon that commenced on 24 July 2013, a 99-year leasehold interest in The Clementi Mall that commenced on 31 August 2010 and a 99-year leasehold interest in The Rail Mall that commenced on 18 March 1947. These Singapore properties have an aggregate net lettable area of approximately 960,000 sq. ft.

In Australia, SPH REIT owns a 50% freehold interest in Westfield Marion Shopping Centre, the largest regional shopping centre in Adelaide, South Australia. SPH REIT also owns an 85% interest in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. Both Australian properties have an aggregate gross lettable area of approximately 1.7 million sq. ft.

Visit SPH REIT's website at www.sphreit.com.sg for more details.

ABOUT THE REIT MANAGER: SPH REIT MANAGEMENT PTE. LTD.

SPH REIT is managed by SPH REIT Management Pte. Ltd., a wholly-owned subsidiary of Singapore Press Holdings Limited. The Manager's key objective for SPH REIT is to provide unitholders with regular and stable distributions, and sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

ABOUT SPONSOR: SINGAPORE PRESS HOLDINGS LTD

Incorporated in 1984, mainboard-listed Singapore Press Holdings Ltd (SPHL) is one of the region's most established organisations with businesses in Retail & Commercial, Purpose-Built Student Accommodation (PBSA), Aged Care and Digital.

On the retail and commercial front, SPHL owns a 65% stake in SPH REIT whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, SPH REIT holds an 85% stake in Figtree Grove Shopping Centre and a 50% stake in Westfield Marion Shopping Centre. SPHL also has a 70% stake in The Seletar Mall and holds a 50% stake in two joint venture companies which are developing an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall.

SPHL is a leading player in PBSA, owning and operating a portfolio of assets in 18 cities across the United Kingdom and Germany. With a complete suite of operational, asset and fund management capabilities, SPHL currently operates two distinctive brands, Student Castle and Capitol Students and has more than 8,300 beds within its portfolio.

On the Aged Care and Digital front, SPHL owns Orange Valley, one of Singapore's largest private nursing homes and has a portfolio of six assets in Japan. SPHL also has a portfolio of Digital investments such as iFast, Coupang and FastJobs.

For more information, please visit www.sphl.com.sg.

Important Notice

This release may 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of SPH REIT Management Pte. Ltd. (as the manager of SPH REIT) on future events.

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This press release shall be read in conjunction with SPH REIT's financial results for the first half and year-to-date ended 28 February 2022 in the SGXNET announcement.