



1H FY2021 Financial Results

Date: 29 March 2021



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This presentation shall be read in conjunction with SPH REIT’s financial results for the first half and year-to-date ended 28 February 2021 in the SGXNET announcement.

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1H FY2021

Key highlights

1H FY2021 Key highlights



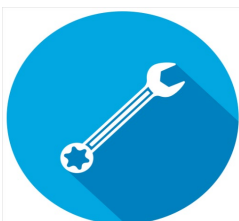
1H FY2021 Gross Revenue & Distribution

- Gross revenue grew by 4.9% mainly contributed by full half year results from Westfield Marion vs 3 months from the same period last year
- Singapore portfolio gross revenue decreased by 6.7%, due to rental relief granted to eligible tenants; Australia eligible tenants rental relief have also been provided, in accordance to the Australia “Code of Leasing”
- Q2 FY2021 DPU of 1.24 cents represents 3.3% increase vs Q1 FY2021



Resilient Portfolio

- Portfolio occupancy remains high 98.0%
- WALE of 5.4 years by NLA & 3.0 years by GRI



Strong Balance Sheet through Prudent Capital Management

- Debt maturity is well staggered
- Secured refinancing of S\$215 million
- Gearing of 30.4%



1H FY2021 Financial results

1H FY2021 Financial performance

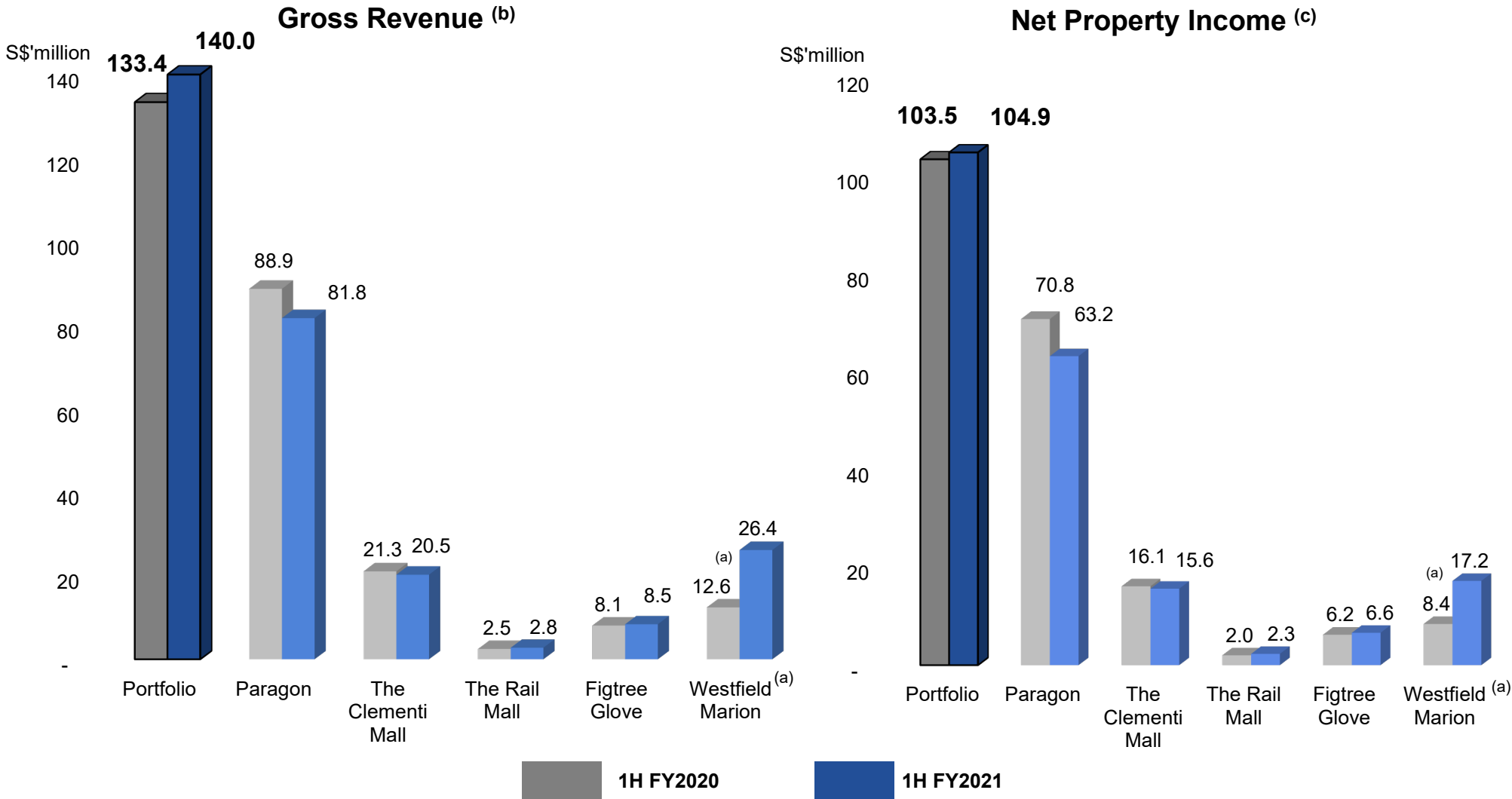
	1H FY2021 S\$'000	1H FY2020 S\$'000	Change %
Gross revenue	139,958 ^(a)	133,405	4.9
Property expenses	(35,104)	(29,909)	17.4
Net property income (NPI)	104,854	103,496	1.3
Distributable income to unitholders	76,181	77,348	(1.5)
Distribution to unitholders ^(b)	67,764	44,132	53.5
Distribution per unit (cents) ^(b)	2.44	1.68	45.2

Note:

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

(b) The distribution to unitholders for 1H 2021 includes the release of approximately S\$7.3 million (0.26 cents) of FY20 distributable income deferred as allowed under COVID-19 relief measures

Gross Revenue and Net Property Income



Note:
 (a) Asset was acquired on 6 December 2019.
 (b) Gross revenue is net of rental relief to tenants in Singapore.
 (c) 1H FY2021 net property income for Figtree Grove & Westfield Marion excludes the allowance for rental arrears and relief.

Recovering distribution

S\$ cents

1.60

1.38

1.20

0.80

0.40

0.00

0.30

0.50

0.54

1.20

1.24

Q1 FY20

Q2 FY20

Q3 FY20

Q4 FY20

Q1 FY21

Q2 FY21



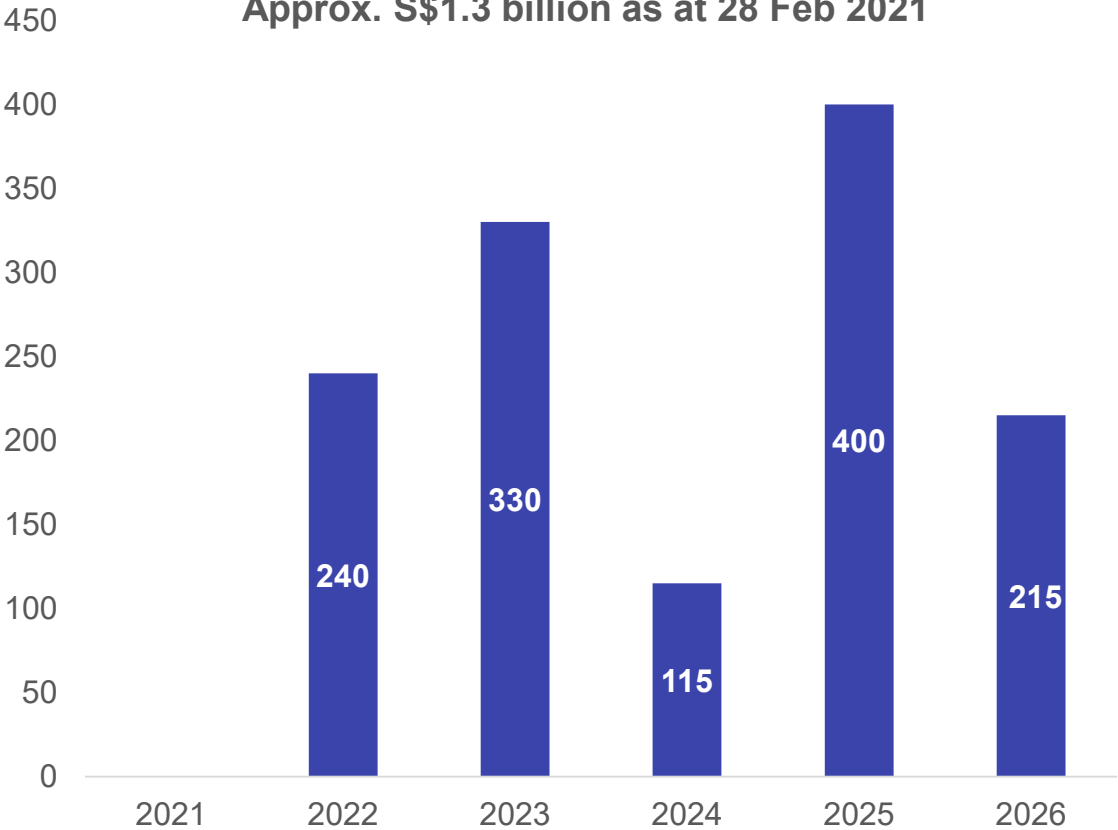
Financial position and Capital management

Financial position

S\$'000	28 February 2021	31 August 2020	Change (%)
Total assets	4,281,271	4,240,663	1.0
Total liabilities	1,428,549	1,425,954	0.2
Net assets	2,852,722	2,814,709	1.4
Net asset value per unit	S\$0.91	S\$0.91	-

Capital management

Debt Maturity Profile (S\$ million)
 Approx. S\$1.3 billion as at 28 Feb 2021



Gearing	30.4%
Average Cost of Debts for 1H FY2021	1.84%
Weighted Average Term to Maturity	3.1 years
Floating rate %	50.5%
Fixed rate %	49.5%
Interest coverage ratio ⁽¹⁾	5.4 times
Available Facilities	S\$225m

(1) Computed based on rolling 12 months from 1 Mar 2020 to 28 Feb 2021.



Operations review

Portfolio updates

2.7m

Net Lettable Area ("NLA")
(sqft)

5.4 years

WALE
by NLA

98.0%

Portfolio occupancy

3.0 years

WALE
by Gross Rental income

Singapore



Paragon



The Clementi Mall



The Rail Mall

Australia



Westfield Marion, SA



Figtree Grove, NSW

Singapore

Australia

As of 28 February 2021

NLA (sqft)

Paragon

**The Clementi
Mall**

**The Rail
Mall**

**Westfield
Marion**

**Figtree
Grove**

715,264

195,242

49,767

1,475,483

236,667

Occupancy rate

97.1%



100.0%

100.0%

97.9%

99.2%

Rental reversion

As at 28 February 2021	Number of renewals / new leases ⁽¹⁾	NLA renewed/ new leases (sqft)	As a % of properties' NLA	Change compared to preceding rental rates ⁽³⁾
PARAGON	29	149,862	21.0%	1.3%
	7	15,930	8.2%	-7.8%
	5	5,998	12.1%	5.4%
Singapore assets	41	171,790	17.9% ⁽²⁾	0.4% ⁽⁴⁾

Note:

- (1) For expiries in 1H FY2021, excluding newly created and reconfigured units
- (2) As a % of SPH REIT portfolio's total Net Lettable Area ("NLA") of 960,273 sqft as at 28 February 2021.
- (3) 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.
- (4) Reversion rate is computed based on weighted average of all expiring leases.

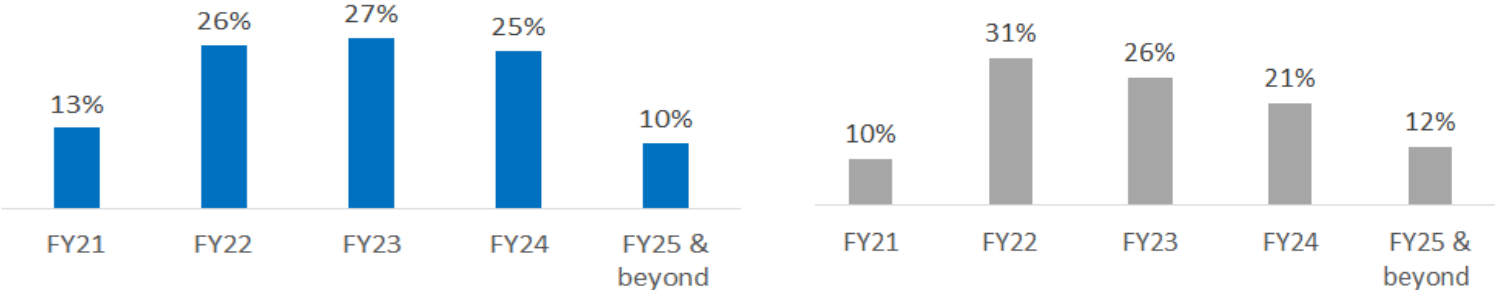
Expiry profile – portfolio

Lease expiry as at 28 February 2021	FY21	FY22	FY23	FY24	FY25 & beyond
SPH REIT Portfolio					
Expiries as a % of total NLA	13%	13%	19%	13%	42%
Expiries as a % of Gross rental income	14%	22%	24%	19%	21%
Singapore assets					
Expiries as a % of total NLA	10%	24%	33%	24%	9%
Expiries as a % of Gross rental income	8%	28%	31%	22%	11%
Australia assets					
Expiries as a % of total NLA	14%	7%	12%	6%	60%
Expiries as a % of Gross rental income	25%	12%	12%	13%	39%

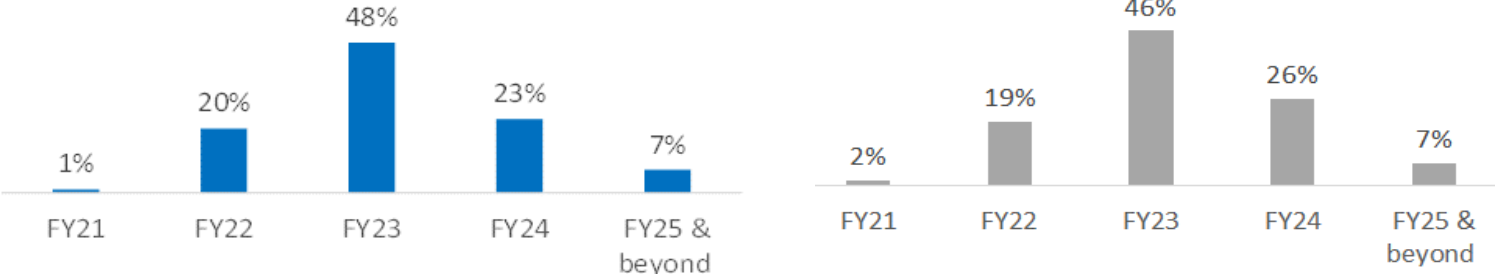
Expiry profile – Singapore assets

Singapore assets Expiry by NLA Expiry by Gross Rental Income

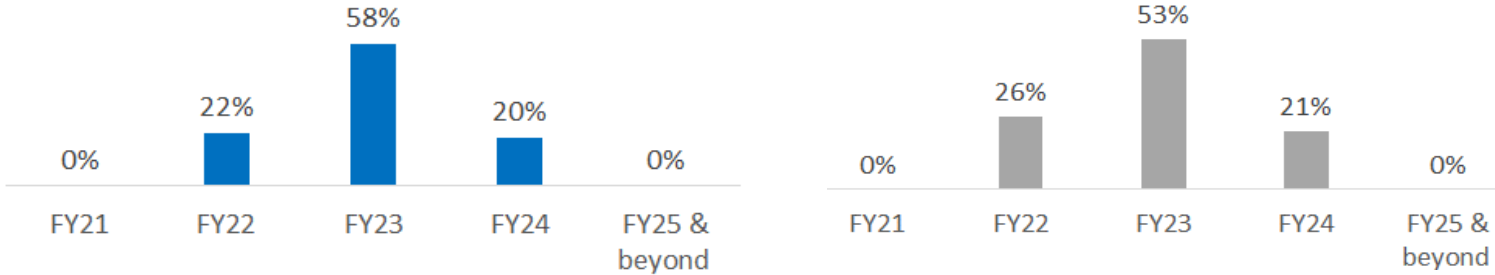
PARAGON



THE CLEMENTI mall



The Rail Mall

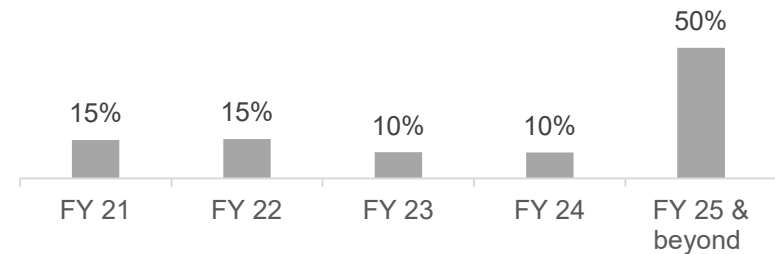
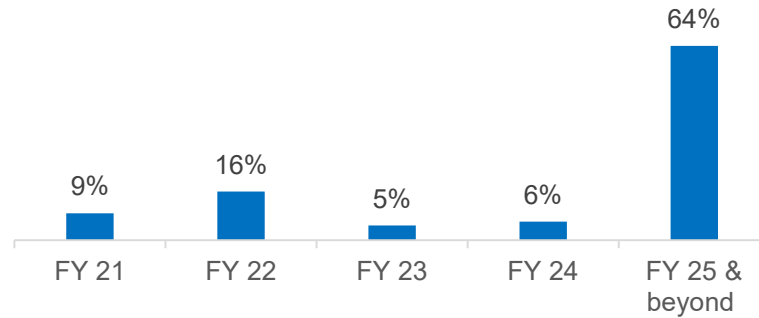
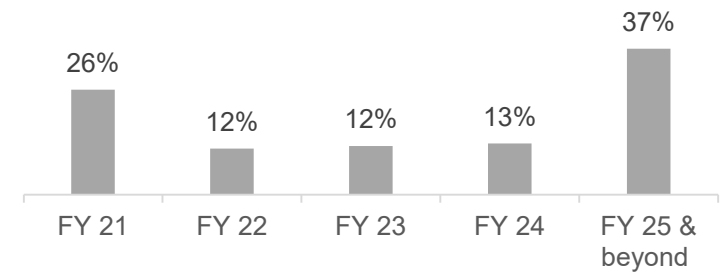
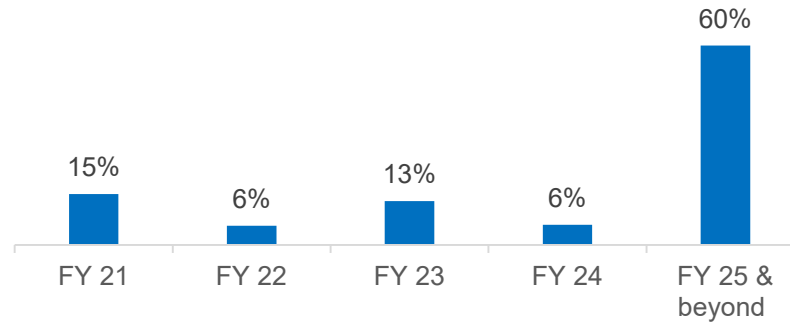


Expiry profile – Australia assets

Australia Assets

Expiry by NLA

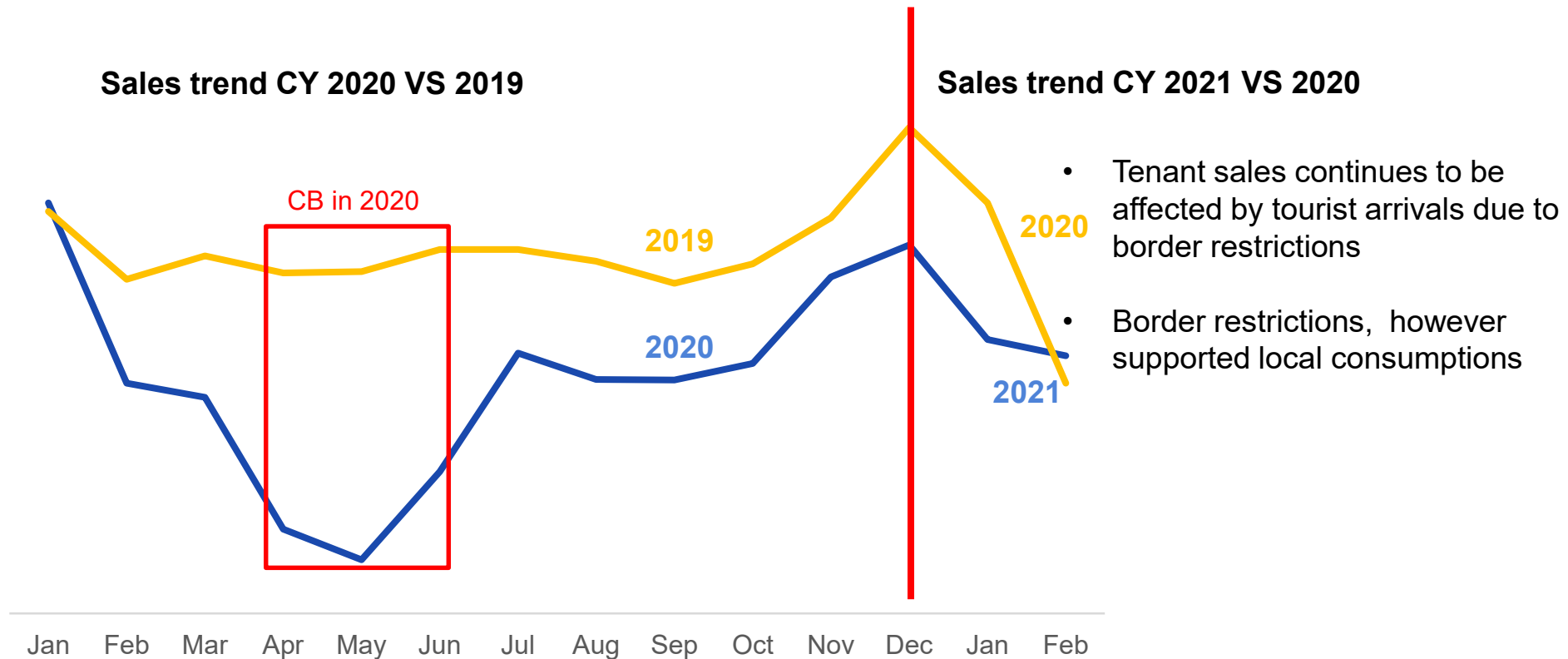
Expiry by Gross Rental Income



Tenant sales – Sgp Assets

PARAGON

Tenant sales recovery since “circuit breaker” and the phased lifting of safe distancing measures



- Tenant sales continues to be affected by tourist arrivals due to border restrictions
- Border restrictions, however supported local consumptions

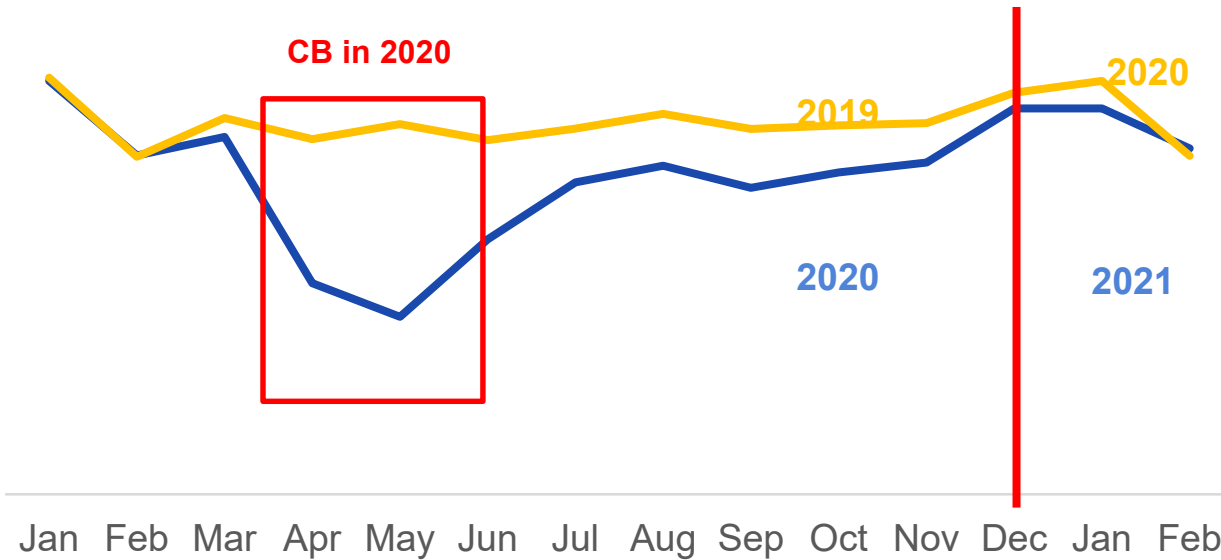
Tenant sales – Sgp Assets



Tenant sales recovery in line with resilient suburban malls performance

Sales trend CY 2020 VS 2019

Sales trend CY 2021 VS 2020



- Tenant mix offering necessities mitigated the drop in sales during the COVID period
- Phased relaxing of safe distancing provided impetus for consumption



- The Rail Mall was acquired in June 2018, and since then, tenant sales submissions are progressively integrated into the lease arrangements.



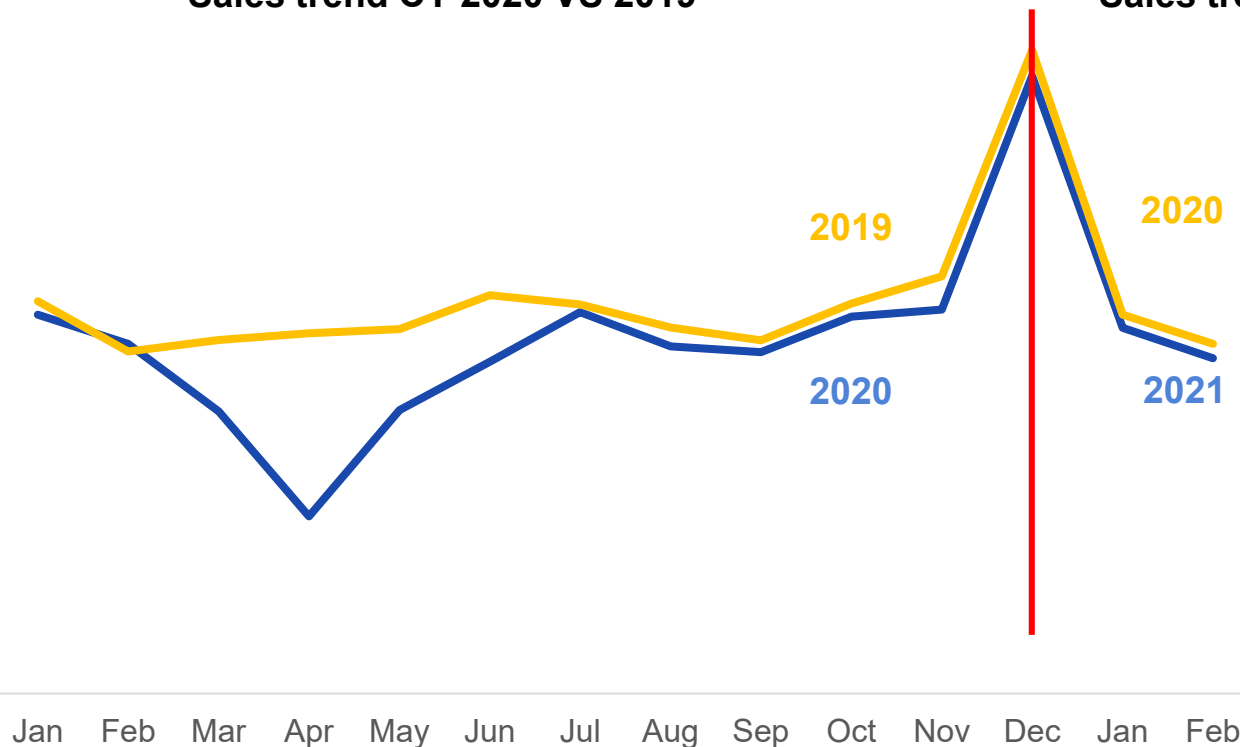
Tenant sales –Aus assets



Resilient tenant sales backed by prompt actions to manage the isolated virus incidents

Sales trend CY 2020 VS 2019

Sales trend CY 2021 VS 2020



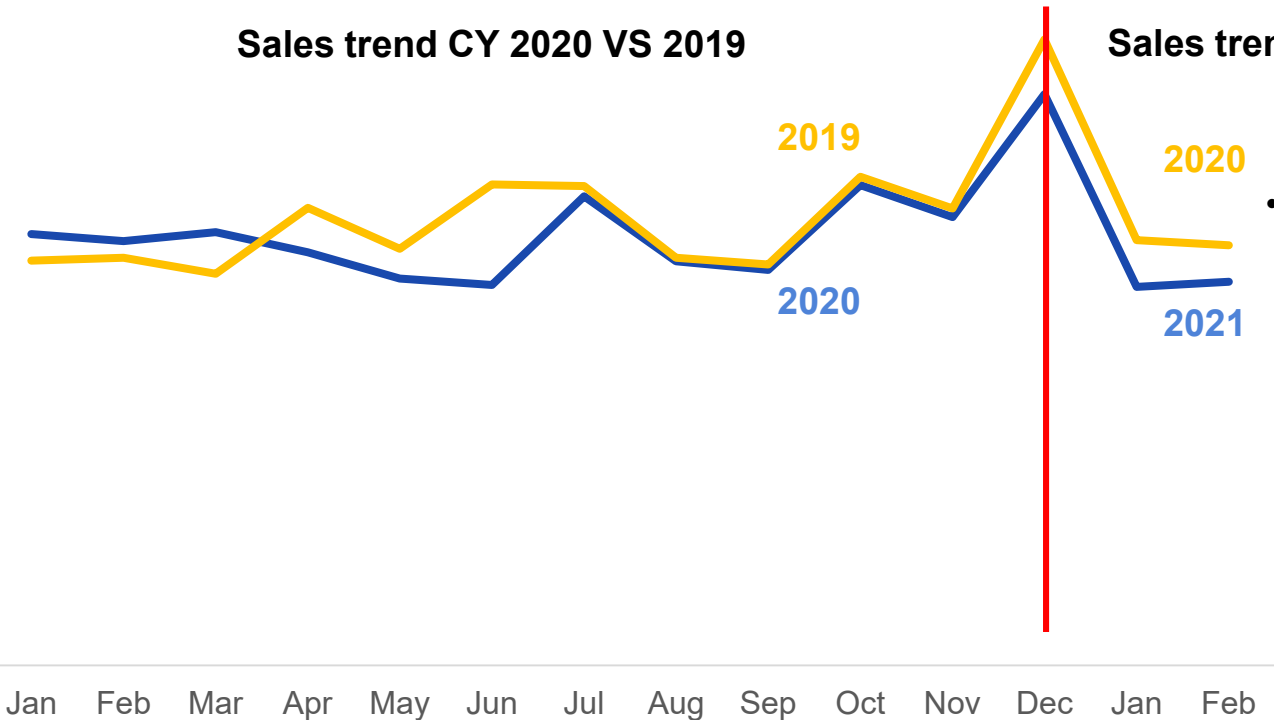
- Onset of COVID impacted April's sales, due to uncertainty of the virus
- No major outbreaks in South Australia and shoppers' confidence restored; bringing tenant sales back to prior years

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb

Tenant sales –Aus assets



Resilient tenant sales as it is a dominant asset in Wollongong



- A sub-regional mall catering to day-to-day needs of the immediate residential catchment



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

- Ministry of Trade and Industry (MTI)'s GDP growth forecast for calendar year 2021 is 4% to 6%.
- Department of Statistics Singapore (DOS) reported that the retail sales index (excluding motor vehicles) decreased by 8.4% y-o-y in January 2021.
- Singapore Tourism Board (STB) international visitor arrivals from September 2020 to February 2021 declined 99% due to travel restrictions. Even with the rollout of vaccines, STB expects mass international travel will be unlikely to resume in a major way in 2021 as it will take time for traveler confidence to return.

Australia

- Reserve Bank of Australia expects GDP to grow by around 3.5% in calendar year 2021 and consumption to recover to pre-pandemic levels around the end of calendar year 2021.
- According to the latest Australian Bureau of Statistics, retail turnover rose 10.6% in January 2021 compared to January 2020.

Portfolio

- Although COVID-19 impact is still uncertain, with the rapid rollout of the vaccination in Singapore as well as around the world, the COVID-19 situation will be better contained leading to a recovery in travel.
- Near term focus is to maintain healthy occupancy and sustainable rental income in partnership with tenants, whilst carefully managing cost.
- Positioning assets to be ready for recovery with the core objective of preserving unitholders long term returns.



Distribution details & timeline

Distribution details and timeline

Distribution period	Q2 FY2021 (1 December 2020 – 28 February 2021)
Distribution per unit ^(a)	1.24 cents per unit
Annualised distribution yield ^(b)	5.93%
Ex-date	6 April 2021
Record date	7 April 2021
Payment date	11 May 2021

Note:

- (a) Distribution per unit includes 0.13 cents from the release of FY2020 income deferred as allowed under COVID-19 relief measures announced by IRAS
- (b) Computed based on 1H FY2021 distribution annualised and S\$0.83 per unit closing price on 28 February 2021.



Thank You

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