FY2021 Financial Results

Date: 04 October 2021

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This presentation shall be read in conjunction with SPH REIT's financial results for the financial year ended 31 August 2021 in the SGXNET announcement.

Contents

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 2021, SPH REIT has a portfolio of 5 assets across Singapore and Australia.
- Included in the FTSE EPRA Nareit Global Developed Index with effect from 20 September 2021
- Summary of SPH REIT portfolio:

2.7m
Net Lettable Area (“NLA”) (sqft)

98.8%
Portfolio Occupancy

5.4 years
WALE by NLA

2.7 years
WALE by Gross Rental Income

$4.1 bn[1]
Valuation of Investment properties

- 8.4%
FY21 Rental Reversion

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.

Overview of SPH REIT (cont'd)

Singapore assets

The Rail Mall
NLA: 50k sqft
Value: S$62.2m

Paragon
NLA: 718k sqft
Value: S$2,640.0m

The Clementi Mall
NLA: 195k sqft
Value: S$594.0m

Singapore's Portfolio
NLA: 963k sqft
Value: S$3,296.2m

Australia assets[1]

Figtree Grove Shopping Centre
NLA: 237k sqft
Value: A$200.0m (S$196.7m)

Westfield Marion Shopping Centre
NLA: 1,485k sqft
Value: A$640.5m (S$630.1m)

Australia's Portfolio
NLA: 1,722k sqft
Value: A$840.5m (S$826.8m)

SPH REIT Portfolio
NLA: 2.7m sqft
Value: S$4.1b

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.

FY2021

Key highlights

FY2021 Key highlights

Improvement in Revenue and Distributions led by gradual market recovery

- Gross Revenue and Net Property Income ("NPI") grew by 14.8% yoy to S$277.2 million and 11.4% yoy to S$202.6 million respectively mainly from the first full year contribution from Westfield Marion Shopping Centre
- FY2021 full year DPU at 5.40 cents, an increase of 98% yoy, which includes 0.52 cents deferred from FY2020
- 4Q FY2021 DPU of 1.58 cents represents 14% qoq increase from 3Q FY2021

Proactive management of a resilient and diversified portfolio to deliver stable returns to Unitholders

- High occupancy at 98.8%
- Portfolio rental reversion of -8.4% due to soft retail leasing sentiment amid COVID-19
- Healthy portfolio WALE of 5.4 years by NLA and 2.7 years by GRI
- Strategically located assets with dominant catchments cushioned the impact of COVID-19, supporting management's strategy to drive sustainable cash flow generation

FY2021 Key highlights

Prudent capital management for sustainable Unitholders' returns

- Weighted average term to maturity of 2.9 years, maturities well staggered over the next five years
- Gearing of 30.3% with ample debt headroom; additional liquidity with revolving credit facility lines of S$225 million remains undrawn

Inclusion in FTSE EPRA Nareit Global Developed index with effect from 20 September 2021

- Raise visibility among global investors, improve trading liquidity and diversify unitholder base
- Enhance position to capitalise on market recovery and future growth opportunities

Moving forward despite COVID-19 disruptions

- Continuing retail market recovery supported by accelerated vaccination rollout globally and gradual reopening of the economy
- Encouraging signs of improvement but resurgence of COVID-19 cases may dampen recovery
- Continuing focus to minimise vacancies and provide sustainable rental income
- Adopt an agile and disciplined approach in exploring asset acquisition opportunities to capitalise on market recovery and growth

FY2021

Financial results

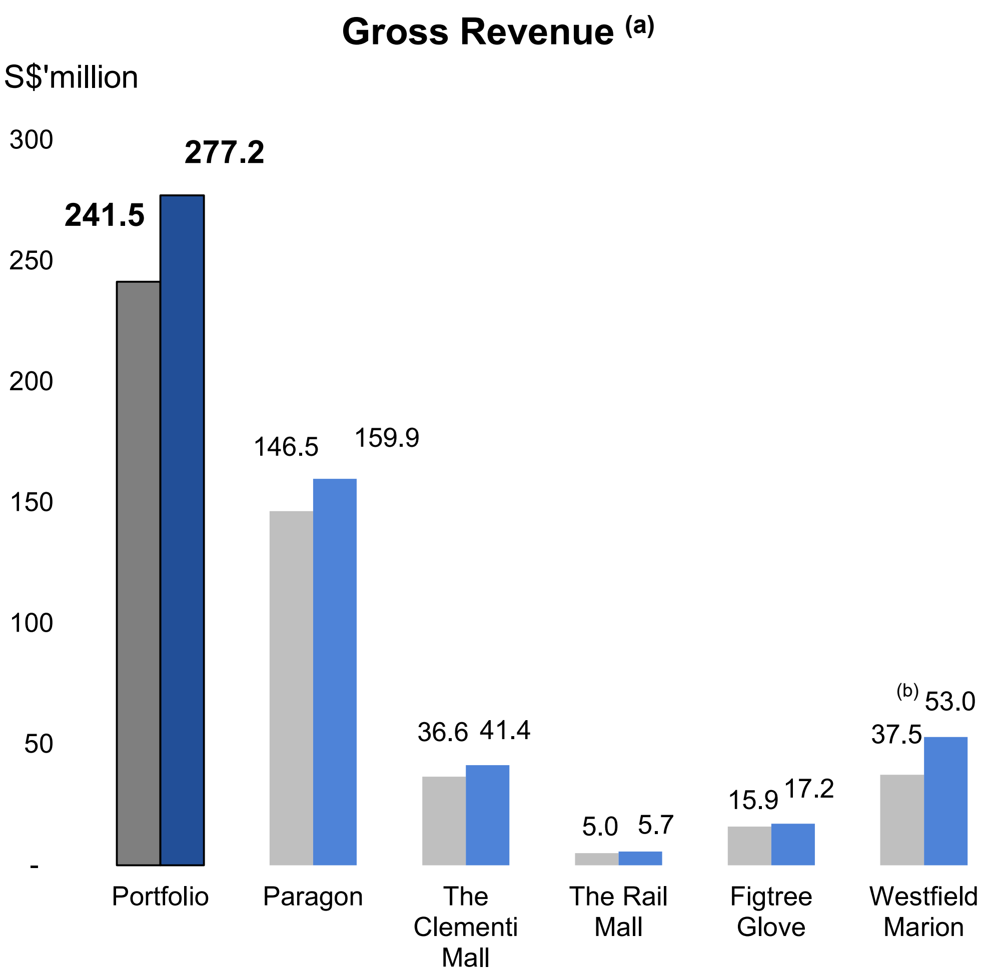
FY2021 Financial performance

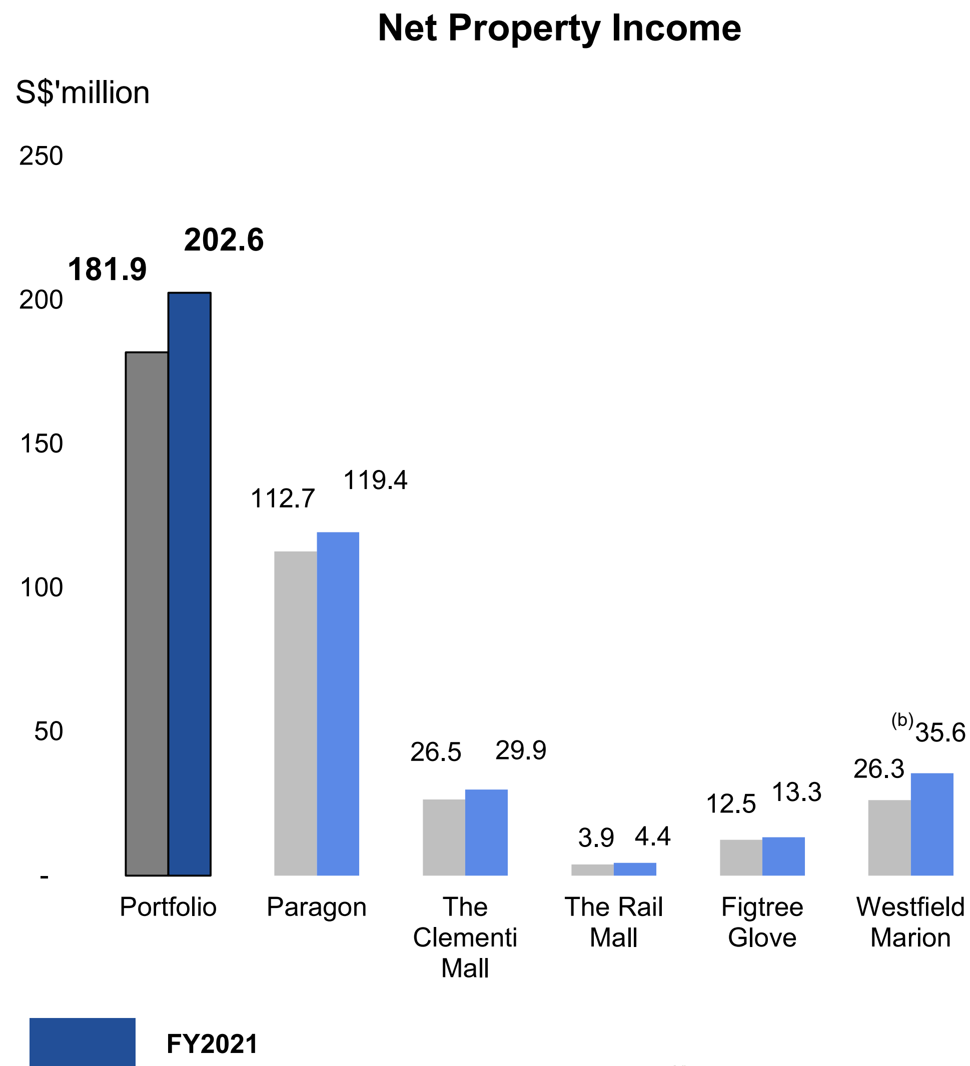
	FY2021 S$'000	FY2020 S$'000	Change %
Gross revenue [a]	277,179	241,463	14.8
Property expenses	(74,552)	(59,520)	25.3
Net property income	202,627	181,943	11.4
Distributable income to Unitholders [b]	157,803	92,226	71.1
Distribution to Unitholders [c]	150,160	72,851	NM
Distribution per unit (cents) [c]	5.40	2.72	98.5

Notes:
(a) Gross revenue is net of rental relief to tenants in Singapore
(b) Adjusted to include an allowance for COVID-19 rental arrears and relief to tenants in Australia
(c) The distribution to unitholders for FY2021 includes S$14.5 million (0.52 cents) of FY2020 distributable income deferred as allowed under COVID-19 relief measures

Improvements in revenue and NPI across all assets

Benefited from gradual market recovery and the full year contribution from Westfield Marion





Notes:
(a) Gross revenue is net of rental relief to tenants in Singapore
(b) Asset was acquired on 6 December 2019

Distribution per Unit "DPU"

Notes:
1. Does not include the distribution of S$0.56 cents from 21 July 2013 (listing date) to 31 August 2013
2. Includes 0.52 cents FY2020 income deferred as allowed under COVID-19 relief measures announced by IRAS

Balance sheet

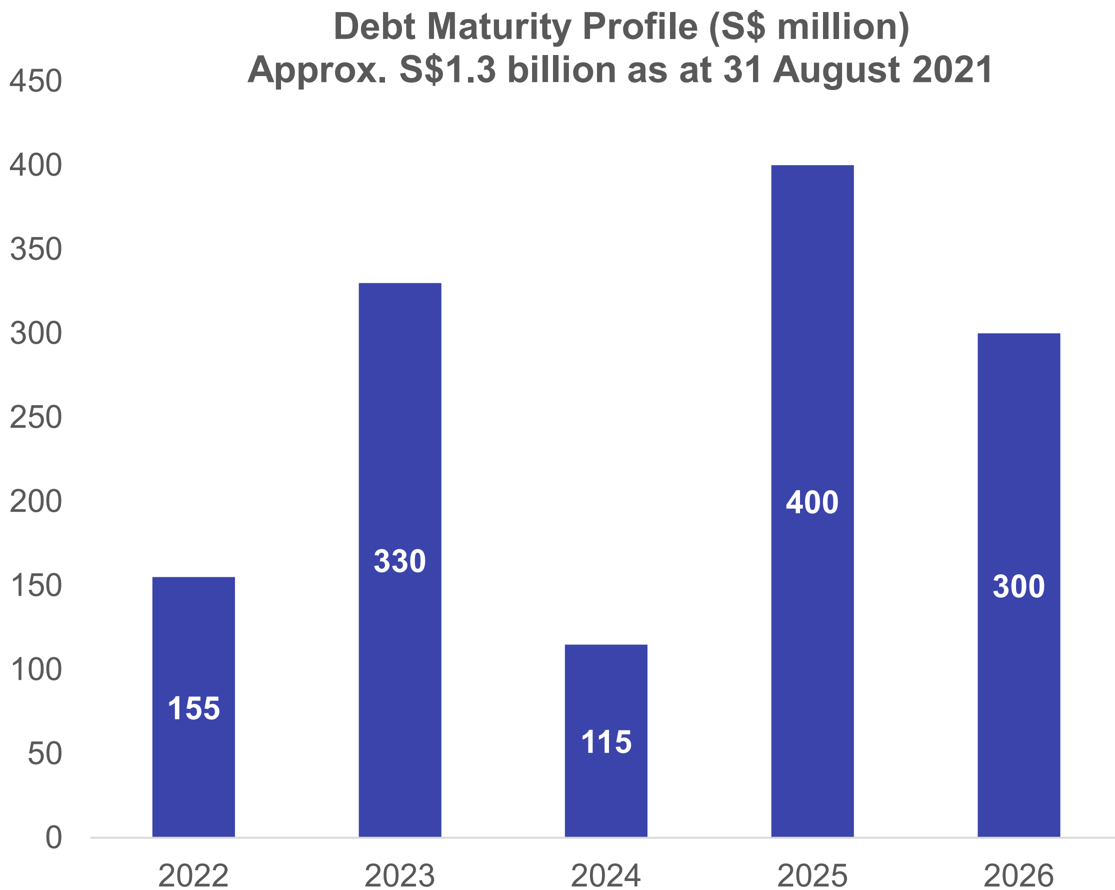
Resilient balance sheet

S$'000	31 August 2021	31 August 2020	Change (%)
Total assets	4,246,565	4,240,663	0.1
Total liabilities	1,398,697	1,425,954	(1.9)
Net assets	2,847,868	2,814,709	1.2
Net asset value per unit	S$0.91	S$0.91	-
Debt gearing (1)	30.3%	30.5%	(0.2)

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

Effective capital management

Proactive and disciplined capital management to maximise Unitholders returns



Note: *Excludes perpetual securities of SPH REIT*

Gearing [(1)]	30.3%
Average Cost of Debts	1.84%
Weighted Average Term to Maturity	2.9 years
Floating rate % Fixed rate %	24% 76%
Interest Coverage ratio	7.3 times
Available Facilities	S$225m

Note:
(1) The total assets used for computing the gearing ratio is based on the latest valuation of the investment properties as at 31 August 2021.

Improved valuations underpinned by market recovery

Singapore assets

As at 31 August	Valuation (S$ million) [1]			Capitalisation rate (%)	
	FY2021	FY2020	Variance	FY2021	FY2020
PARAGON	2,640.0	2,640.0	-	4.50% - Retail 3.75% - Medical Suite / Office	4.50% - Retail 3.75% - Medical Suite / Office
The Clementi Mall	594.0	584.0	10.0	4.50%	4.50%
The RailMall	62.2	62.2	-	6.00%	6.00%

Australia assets

As at 31 August	Valuation (A$ million)			Capitalisation rate (%)	
	FY2021	FY2020	Variance	FY2021	FY2020
Westfield Marion (2)	640.5	646.5	(6.0)	5.50%	5.50%
figtree grove (3)	200.0	190.0	10.0	6.00%	6.25%

Notes:
(1) Valuations as at 31 August 2021 and 31 August 2020 were conducted by Savills Valuation & Professional Services (S) Pte Ltd and Edmund Tie & Company (SEA) Pte Ltd respectively.
(2) Valuations as at 31 August 2021 and 31 August 2020 were conducted by CBRE Valuation Pty Ltd and Urbis Valuations Pty Ltd respectively.
Represents SPH REIT's 50% interest in Westfield Marion
(3) Valuations as at 31 August 2021 and 31 August 2020 were conducted by Jones Lang LaSalle Advisory Services Pty Ltd.

Operations review

High occupancy cushioned impact from negative reversions

As at 31 August 2021	Occupancy rate	Number of renewals / new leases[1]	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates [2]
PARAGON	99.1%	105	308	43.0%	-8.3%
THE CLEMENTI MALL	99.9%	34	45	23.1%	-8.7%
The Rail Mall	92.2%	5	6	12.1%	5.4%
Singapore assets	98.9%	144	359	37.4%	-8.2%

As at 31 August 2021	Occupancy rate	Number of renewals / new leases	NLA renewed/ new leases ('000 sqft)	As a % of properties' NLA	Change compared to preceding rental rates [3]
Westfield MARION	98.8%	26	130	8.8%	-10.5%
figtree grove	99.1%	11	13	5.7%	-12.0%
Australia assets	98.8%	37	143	8.4%	-10.8%

Notes:
(1) For expiries in FY2021, excluding newly created, reconfigured units and licenses less than 12 months
(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.

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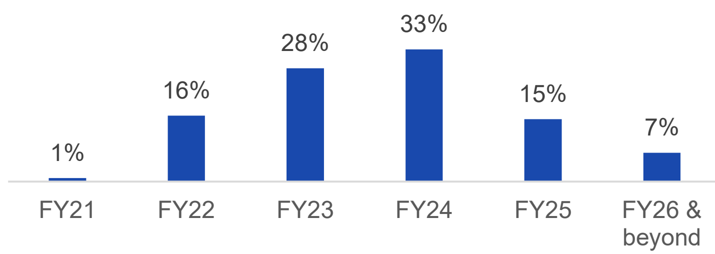
Healthy lease expiry profile provides stability

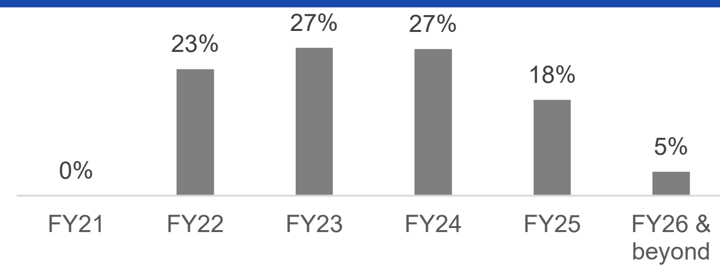
Lease expiry as at 31 August 2021	FY21	FY22	FY23	FY24	FY25	FY26 & beyond
SPH REIT Portfolio						
Expiries as a % of total NLA	1%	13%	22%	15%	8%	41%
Expiries as a % of Gross rental income	0%	21%	28%	24%	14%	13%
Singapore assets						
Expiries as a % of total NLA	1%	15%	34%	30%	13%	7%
Expiries as a % of Gross rental income	0%	21%	32%	27%	15%	5%
Australia assets						
Expiries as a % of total NLA	1%	13%	15%	7%	5%	59%
Expiries as a % of Gross rental income	0%	22%	16%	14%	10%	38%

Proactive management of lease expiry for SG assets

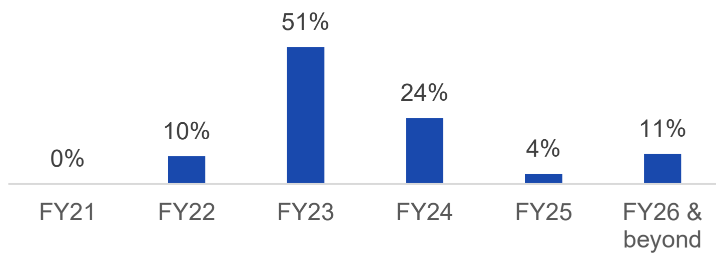
Singapore assets	Expiry by NLA	Expiry by Gross Rental Income

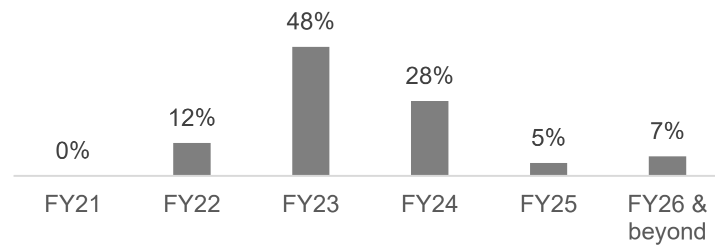
PARAGON



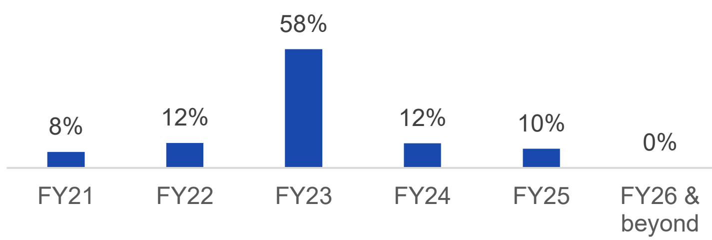


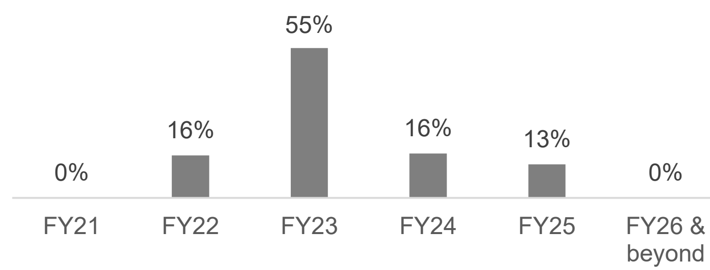
THE CLEMENTI MALL



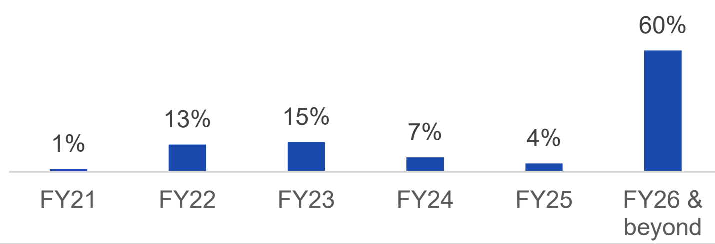
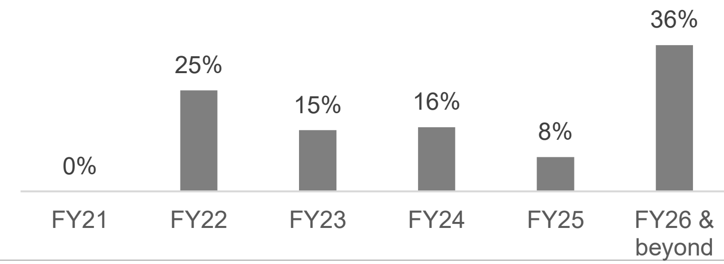
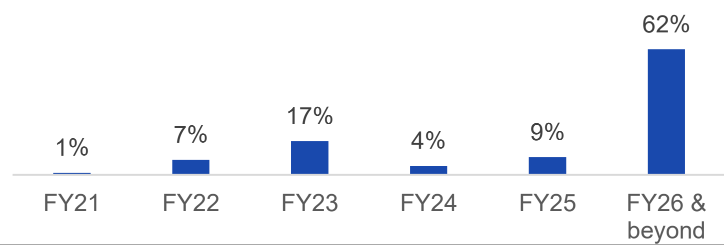
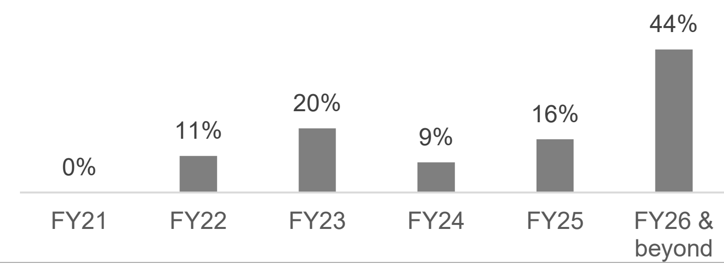


TheRailMall





Resilient and stable lease expiry profile for AU assets

Australia assets	Expiry by NLA	Expiry by Gross Rental Income
Westfield MARION		
figtree grove		

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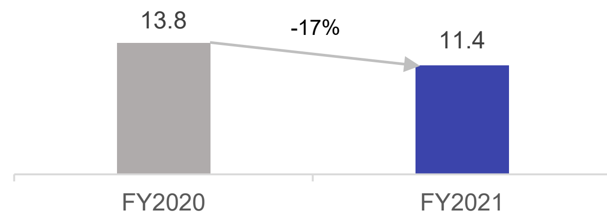
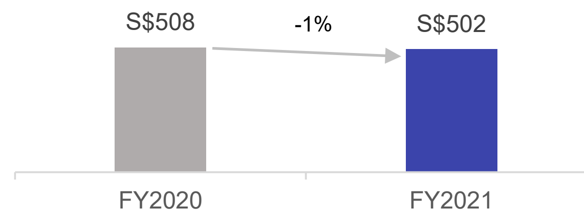
Visitor traffic and tenant sales - Annual

Overall portfolio tenant sales increased 2% despite footfall decline of 20%
Footfall impacted by various “lock down” restrictions but tenant sales remained resilient

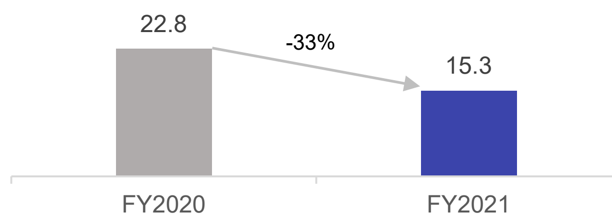
Assets | **Visitor traffic (million)** | **Tenant sales (million)**

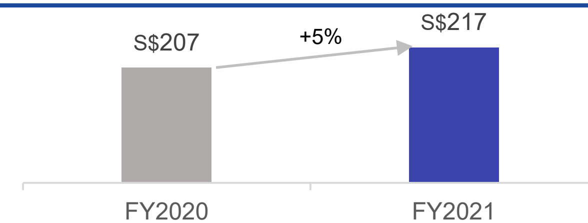
PARAGON



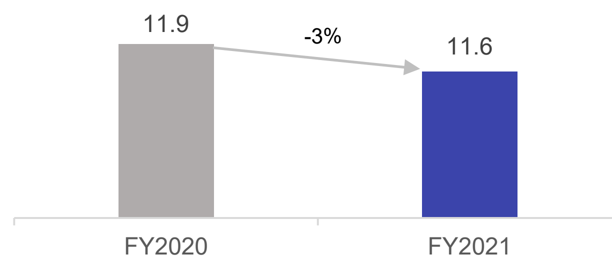


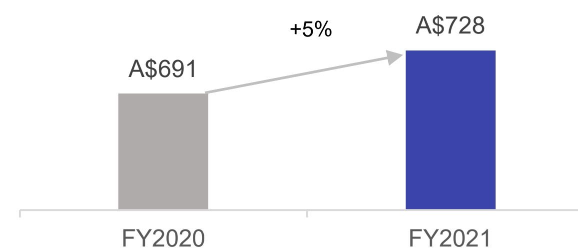
THE CLEMENTI MALL



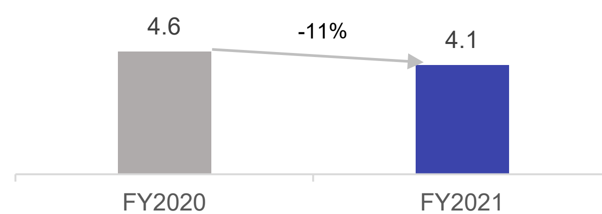


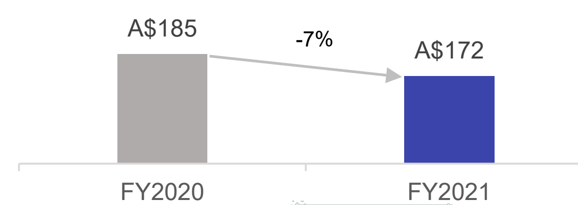
Westfield MARION





figtree grove





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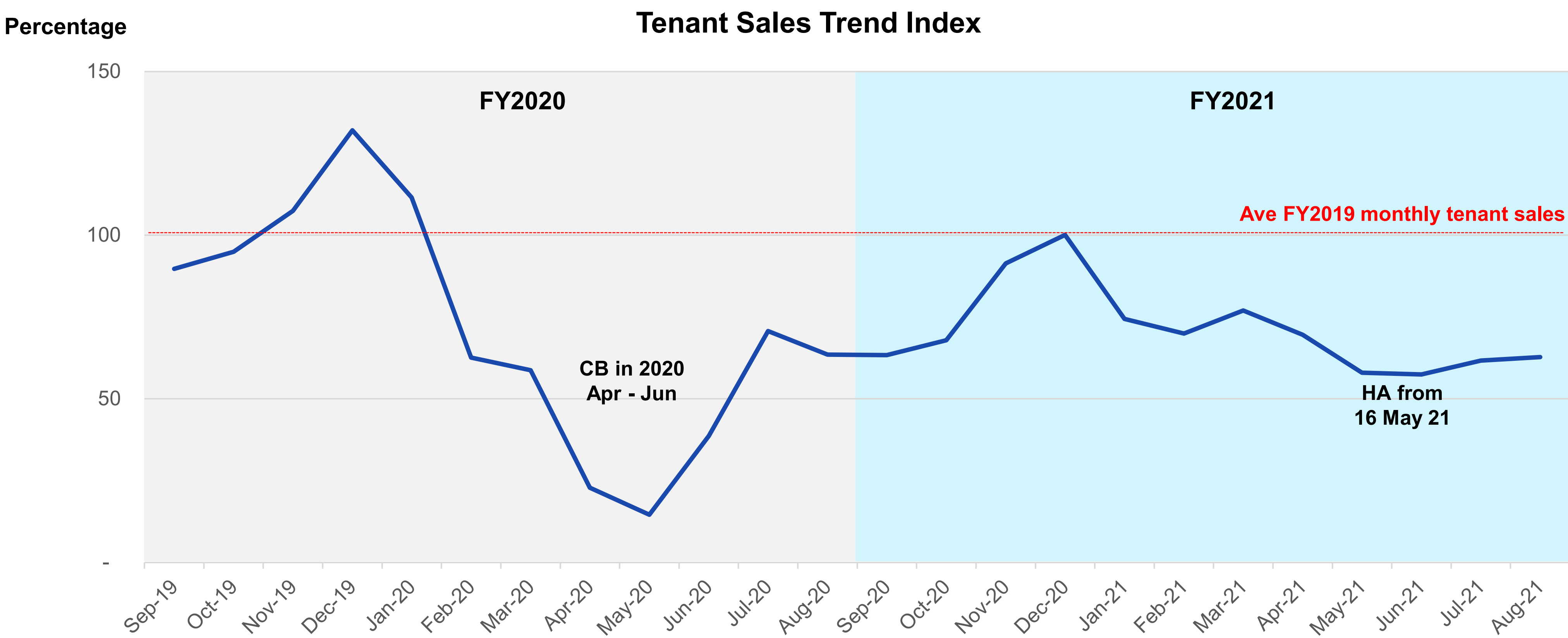
SG: Recovery disrupted by prolonged COVID-19 impact

PARAGON

	Tenant Sales
FY2021	S$502m (-1% yoy)
FY2020	S$508m

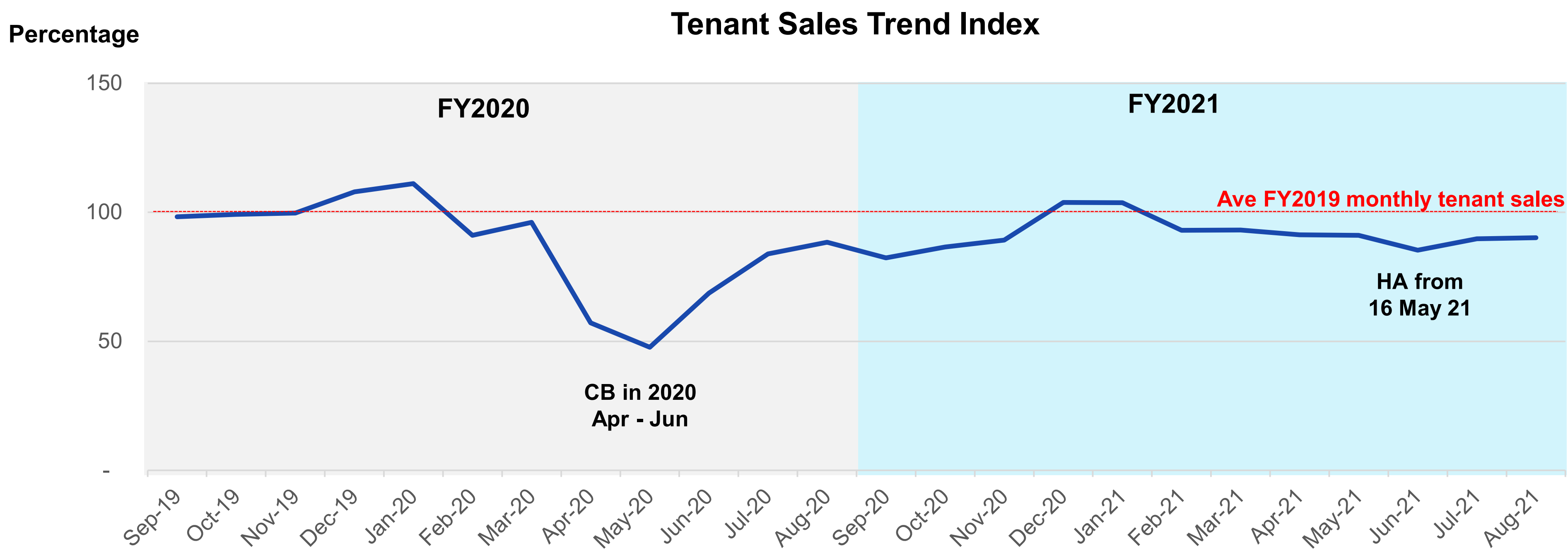
- Tenant sales impacted by decline in tourist arrivals
- Footfall from medical offices and phased lifting of safe distancing measures partially cushioned the decline in tenant sales



SG: Defensive nature of suburban malls supports tenant sales

	Tenant Sales
FY2021	S$217m (+5% yoy)
FY2020	S$207m

- Tenant sales recovered close to pre-COVID levels, in line with resilient suburban malls' performances
- Footfall impacted by work from home trends but mitigated by close proximity to large residential catchment pool
- Introduction of reopening measures by the government will encourage local consumption



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

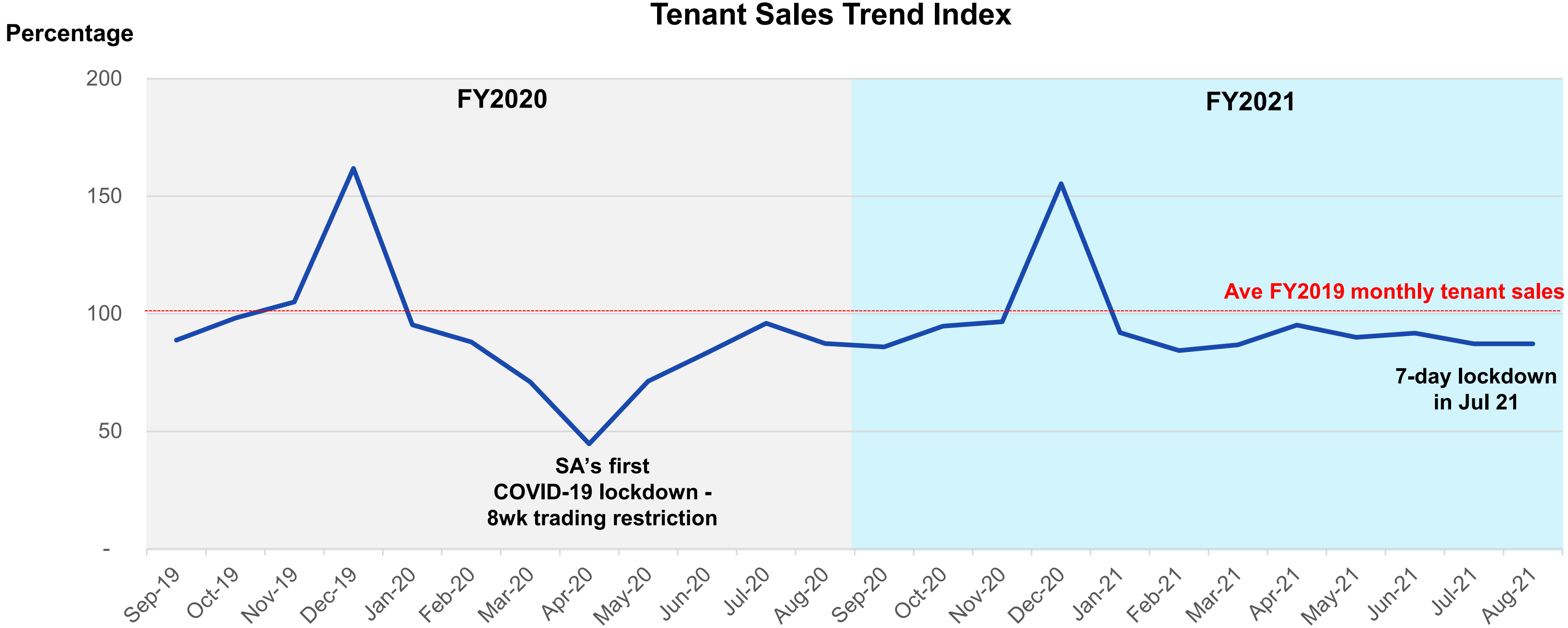
AU: Tenant sales recovered to pre-COVID levels

Westfield MARION

	Tenant Sales
FY2021	A$728m (+5% yoy)
FY2020	S$691m

- Resilient tenant sales backed by prompt actions to manage the isolated COVID-19 incidents
- Tenant sales recovered to pre-COVID levels despite 7-day lockdown in July; benefit from strategic location with close proximity to strong catchment from community and education infrastructure

Tenant Sales Trend Index



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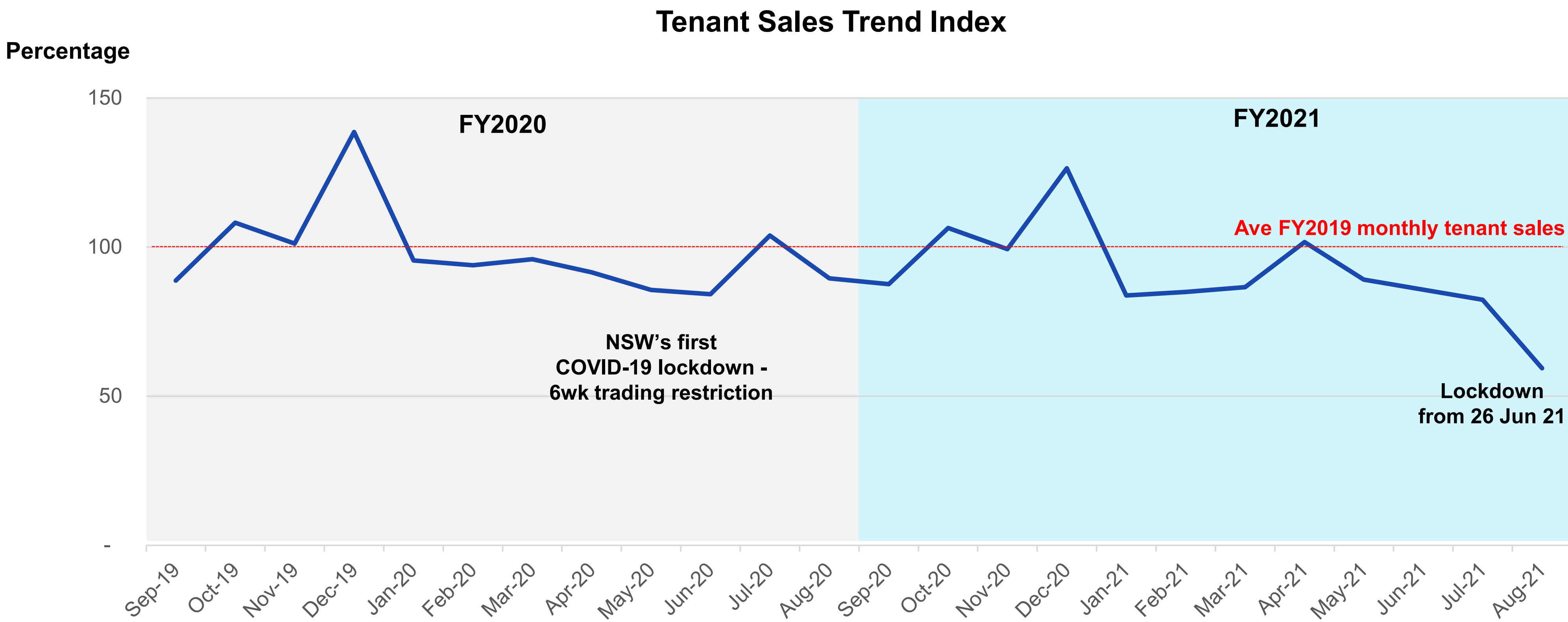
AU: Tenant sales recovered to pre-COVID levels

	Tenant Sales
FY2021	A$172m (-7% yoy)
FY2020	S$185m

- Dominant and strategically located sub-regional shopping centre in Wollongong with high percentage of non-discretionary retail tenancy mix, attracting footfall and mitigating the impact of temporary lockdown restrictions



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 ■ Continue to optimise tenant mix across its assets, in line with evolving market trends and changing consumers' demand ■ Develop high quality services to tenants and to remain as the landlord of choice in the retail real estate space ■ Deploy online and offline marketing strategies to drive tenant sales and strengthen customers' engagement ■ Adopt a prudent and disciplined approach in reviewing AEI opportunities

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	▪ 2021 GDP growth forecast upgraded to 6% - 7% from 4% - 6% for calendar year 2021, according to Ministry of Trade and Industry, reflecting an expected rebound in the economy ▪ Suburban market with large residential catchment continues to benefit from work-from-home arrangements ▪ Headwinds in tourism sector continue to weigh on the tourist-focused locations ▪ Retail market is poised to benefit from an increase in economic activities and improved consumer sentiment
Australia	▪ Reserve Bank of Australia upgraded GDP forecast to 4.75% and 5% in 2021 and 2022 respectively ▪ Retail recovery clouded by resurgence of cases. Economy is forecast to rebound from this setback as restrictions ease ▪ Easing of domestic and international travel restrictions expected by end 2021
Portfolio	▪ Given the risks and uncertainties of the COVID-19, the extent of the impact on the financial performance for the next reporting period and next financial year cannot be determined at this stage ▪ Encouraging signs of improvement but resurgence of COVID-19 cases may dampen recovery ▪ Continuing focus to support tenants, minimise vacancies and provide sustainable rental income ▪ Deliver stable distribution and sustainable returns with prudent capital management ▪ Continue an agile and disciplined approach in exploring asset acquisition opportunities to capitalise on market recovery and growth

Distribution details & timeline

Distribution details and timeline

Distribution period	4Q FY2021 (1 June 2021 – 31 August 2021)
Distribution per unit [(a)]	1.58 cents per unit
Ex-date	12 October 2021
Record date	13 October 2021
Payment date	19 November 2021

(a) Distribution per unit includes 0.13 cents FY2020 income deferred as allowed under COVID-19 relief measures announced by IRAS

Thank You

Please visit
www.sphreit.com.sg
for more information