



# SUNTEC REIT ANNUAL GENERAL MEETING

20 April 2022





# Agenda

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Our Focus

# FY 21 Highlights

**Distributable Income  
from Operations**

**S\$247.2 million**

+18.2% y-o-y

**Distribution per unit  
to Unitholders**

**8.666 cents**

+17.1% y-o-y

**Active Portfolio  
Management**

**AUM Increased  
4.3% to S\$12.2  
billion**

Divestments:  
9 Penang Road  
Suntec City Office Strata Units

Acquisition:  
The Minster Building, London

**Sustainability Awards**

**Highest Accolade**

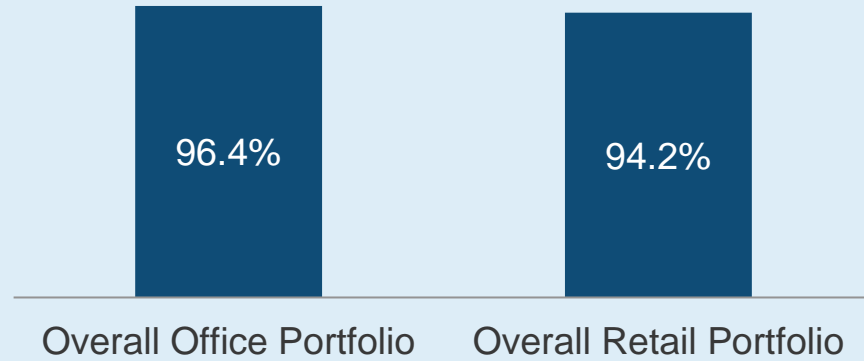
GRESB Global Sector Leader for  
Office-Listed Category

**#1**

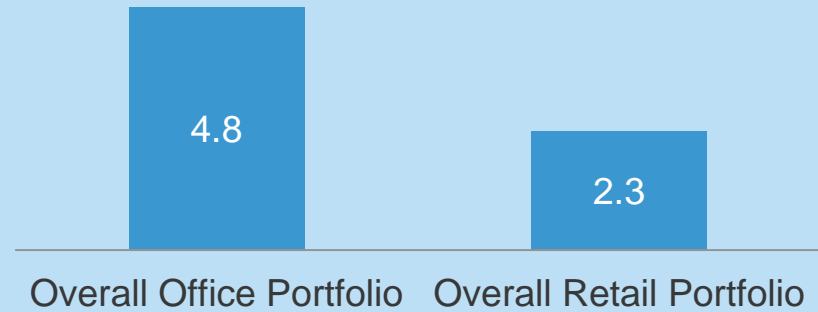
Asia (Office)

# FY 21 Operational Highlights

## Portfolio Committed Occupancy

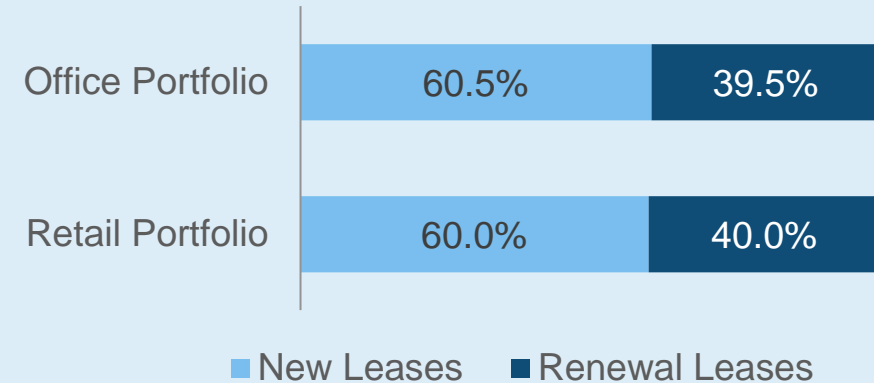


## Portfolio WALE



**Portfolio Valuation**  
**\$11,836.3M**

**Work Done**  
**1.1M** sq ft



# Active Portfolio Management

## Enhanced Unitholders' Value and Strengthened Balance Sheet

### Enhanced Income & Geographical Diversification

First foray into London -  
acquisition of Nova Properties  
(4.6% NPI yield)

Deepened presence in London -  
acquisition of The Minster Building  
(4.5% NPI yield)

### Diversified Sources of Funding

Issued S\$150 million  
perpetual securities

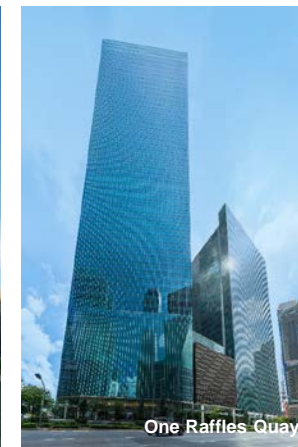
### Divestment of Lower Yielding Assets

Divestment - 9 Penang Road  
(3.3% NPI yield)

Divestment - Suntec City Office  
strata units  
(3.1% NPI yield)

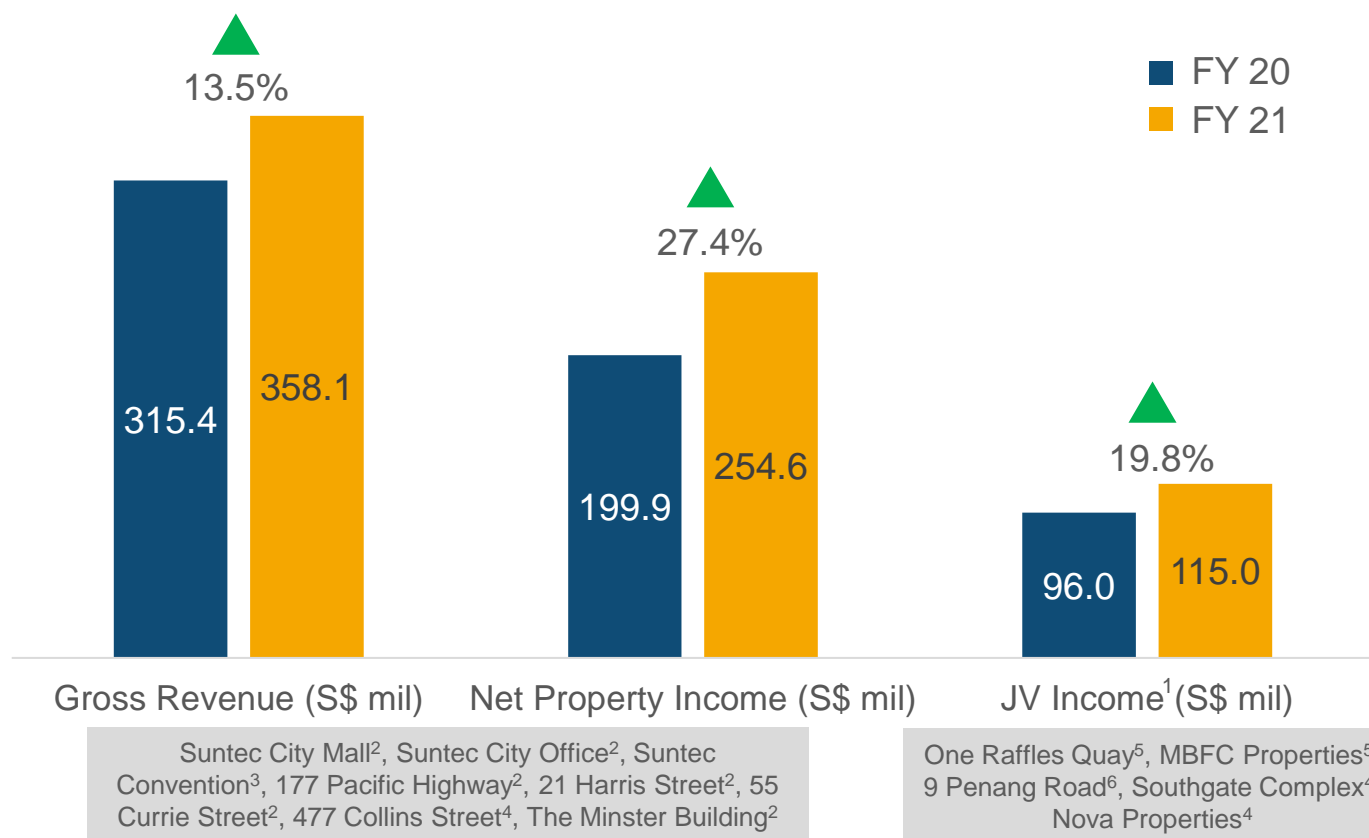


# Financial Highlights



# Strong Financial Performance in FY 21

NPI and JV Income Increased by 27.4% and 19.8%



## Mainly due to:

### Gross Revenue & Net Property Income

- ▲ New contribution from The Minster Building in UK
- ▲ Increased contributions from Australia assets (177 Pacific Highway and 21 Harris Street)
- ▲ Higher revenue and lower expenses at Suntec City Mall

### JV Income

- ▲ New contributions from Nova Properties in UK
- ▲ Increased contribution from 477 Collins Street
- ▼ Divestment of 9 Penang Road

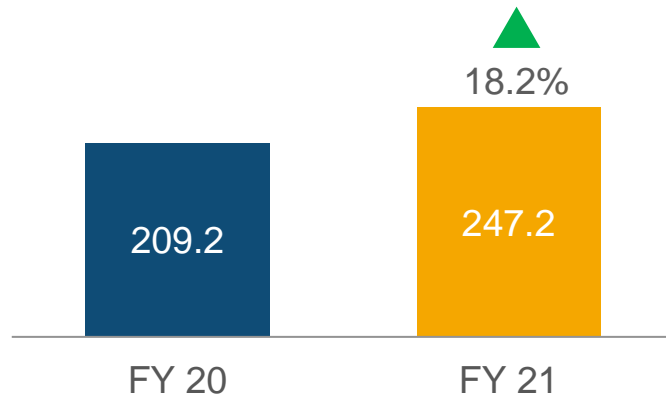
#### Note:

- Excludes share of profits relating to gain/(loss) on change in fair value adjustments of S\$20.7 mil for the financial year ended 31 December 2021 ("FY 21") and (\$21.9 mil) for the financial year ended 31 December 2020 ("FY 20").
- Ownership interest of 100.0% for Suntec City Mall, Suntec City Office, 177 Pacific Highway, 21 Harris Street, 55 Currie Street and The Minster Building
- Ownership interest of 66.3% for Suntec Convention
- Ownership interest of 50.0% for 477 Collins Street, Southgate Complex and Nova Properties
- Ownership interest of 33.3% for One Raffles Quay and MBFC Properties
- 9 Penang Road was divested on 16 June 2021

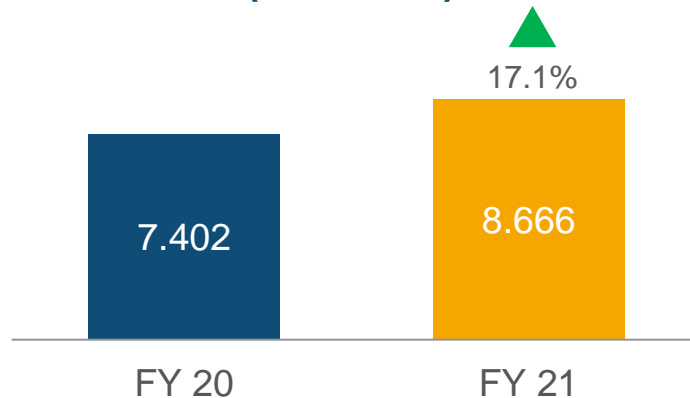
# Delivered Strong Improvement in DI and DPU

Distributable Income from Operations and DPU Improved 18.2% and 17.1%

Distributable Income from Operations (\$ mil)



DPU to Unitholders (SG cents)



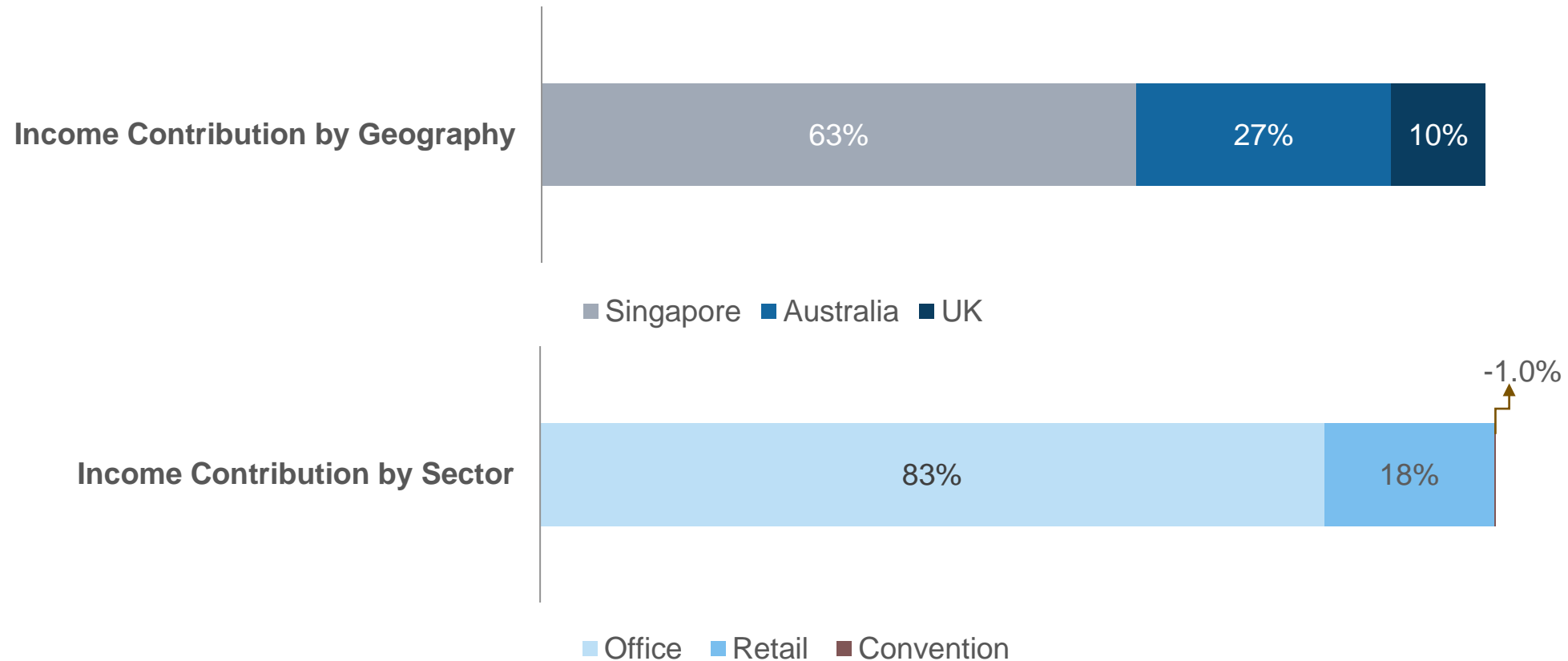
## Mainly due to:

- ▲ New contributions from UK assets
- ▲ Higher contributions from Australia assets
- ▲ Higher retail income at Suntec City Mall
- ▼ Offset by divestment of 9 Penang Road
- ▼ Offset by higher financing cost to fund acquisitions



# Diversified Portfolio Across Geography and Sector

Singapore Market and Office Assets are Mainstays





# Capital Management



Olderfleet, 477 Collins Street, Melbourne



# Key Financial Indicators

## NAV Per Unit and ALR Improved Against 31 Dec 2020

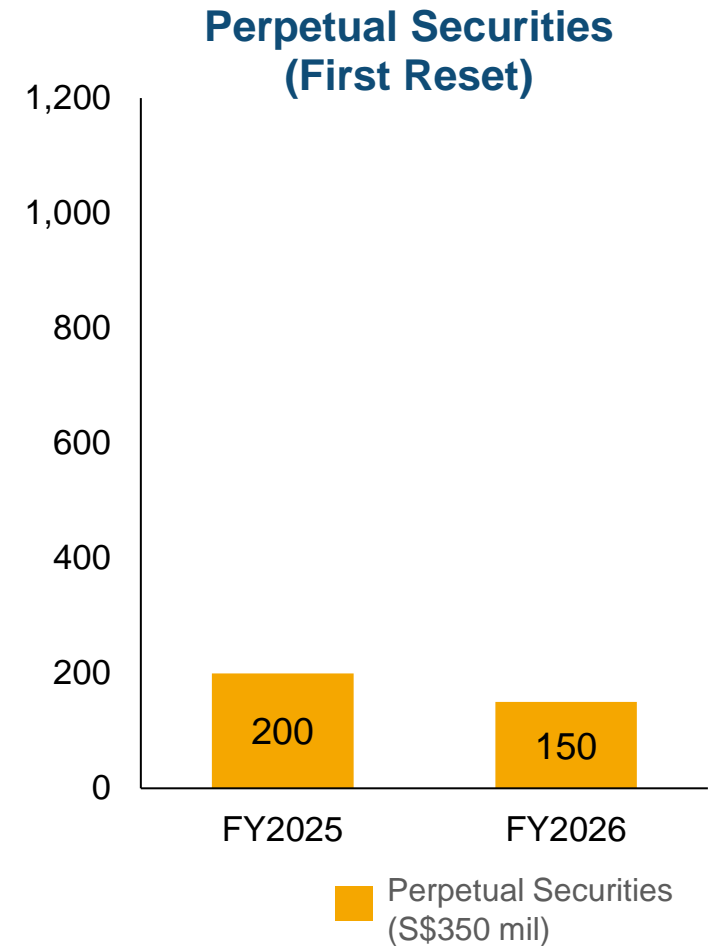
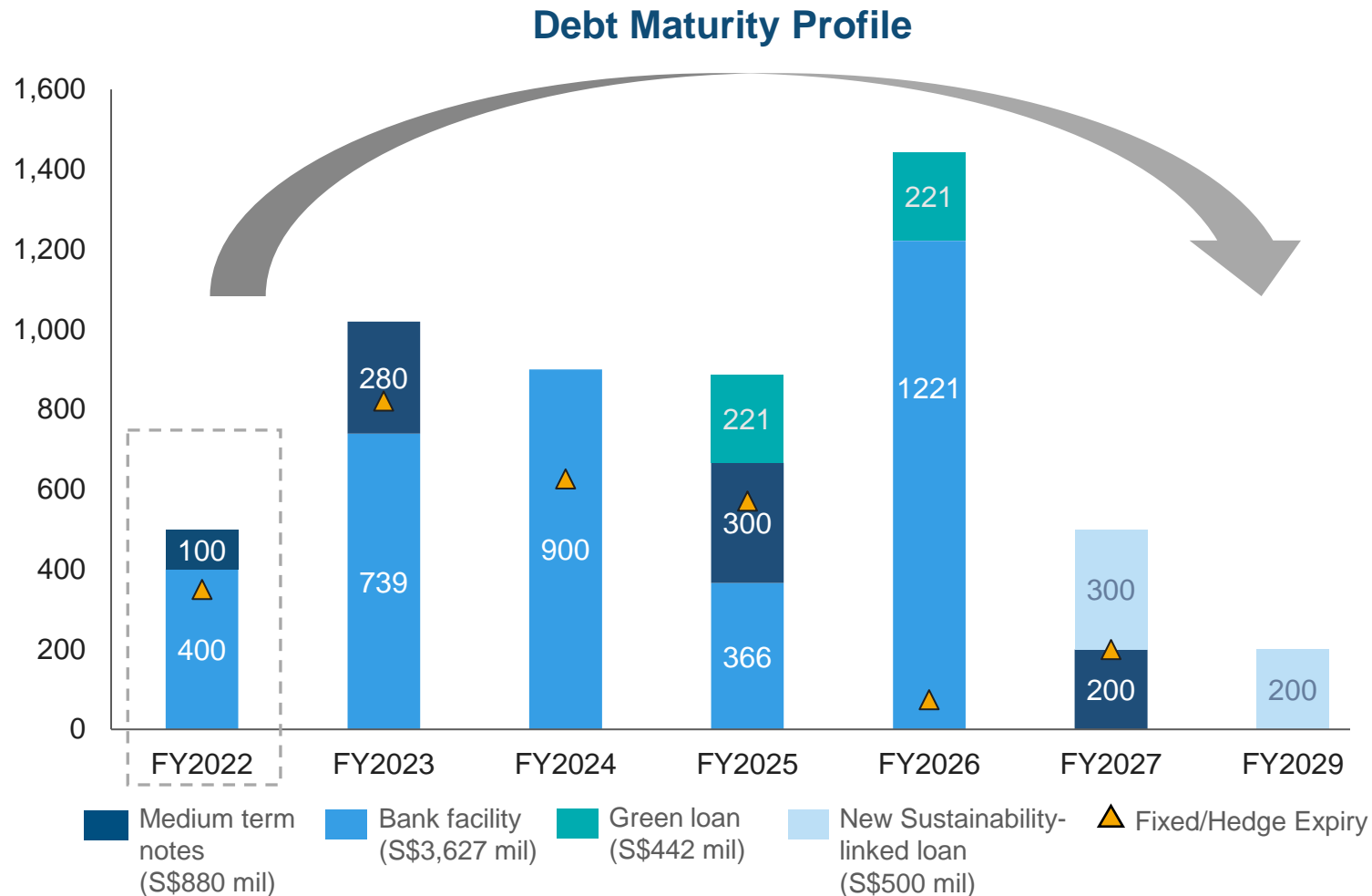
	As at 31 Dec '20	As at 31 Dec '21
NAV Per Unit <sup>1</sup>	S\$2.055	S\$2.110
Total Debt Outstanding	S\$4,855 mil	S\$4,944 mil
Aggregate Leverage Ratio <sup>2</sup>	44.3%	43.7%
Weighted Average Debt Maturity	3.01 years	2.92 years
All-in Financing Cost	2.53% p.a.	2.35% p.a.
Adjusted ICR <sup>3</sup>	2.6X	2.6X
Weighted Average Interest Maturity	2.74 years	2.33 years
Interest Rate Borrowings (fixed)	~61%	~53%
% of AUD Income Hedged	>75%	~45%

Notes:

1. Excludes perpetual securities.
2. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of joint ventures) and deferred payments (if any) to the value of the Deposited Property.
3. Adjusted interest cover ratio ("Adjusted-ICR") refers to the ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, sinking fund contribution, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities (if any).



# Extended Debt Maturity to 2027 and Beyond



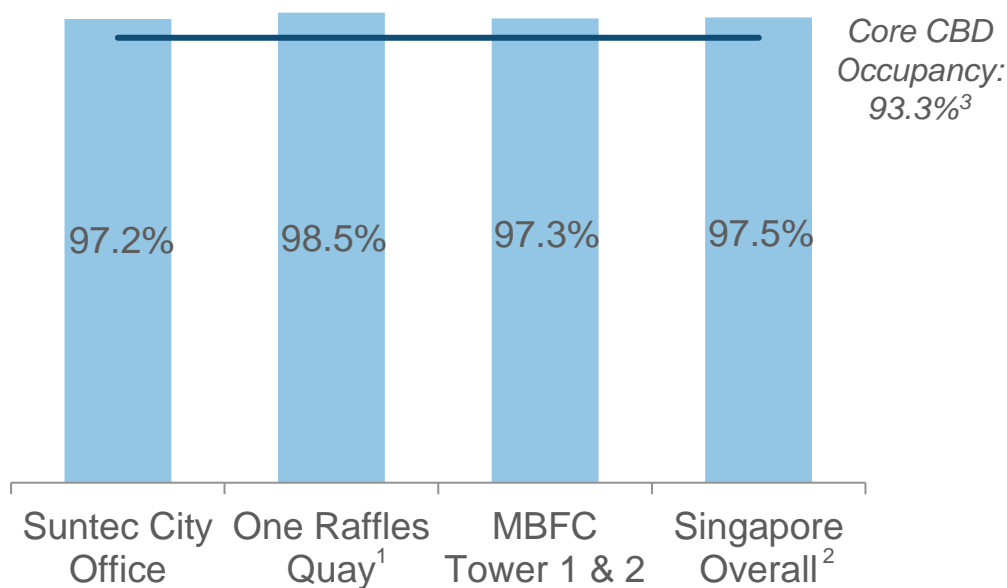
# Singapore Office Portfolio Performance



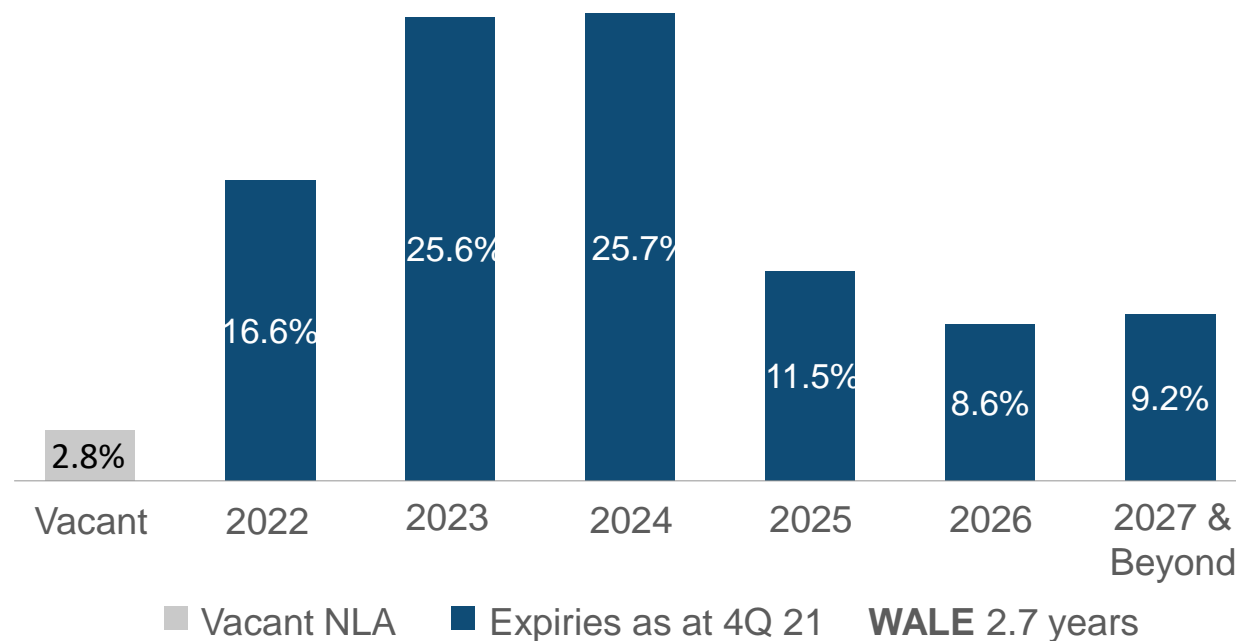
# Highlights of Singapore Office Portfolio

## Healthy Occupancy with Well-Spread Lease Expiry

### Committed Occupancy As at 31 Dec 21



### Lease Expiry Profile % of Total NLA<sup>4</sup> Comparison



#### Notes:

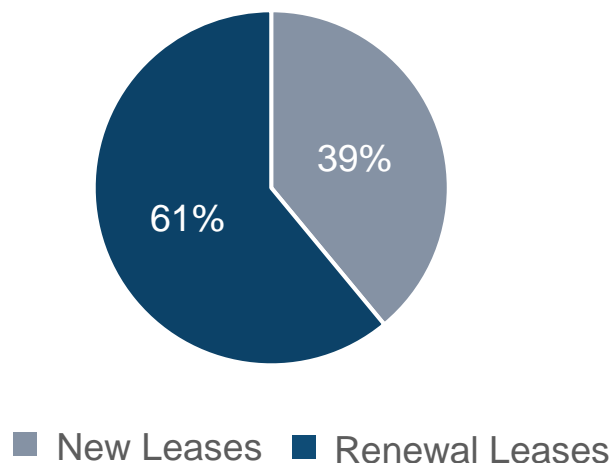
1. Combined occupancy for One Raffles Quay office and ancillary retail was 98.5%.
2. Committed occupancy for Singapore Overall (including ancillary retail) was 97.5%.
3. Source: CBRE as at 4Q 2021
4. Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.



# Highlights of Singapore Office Portfolio

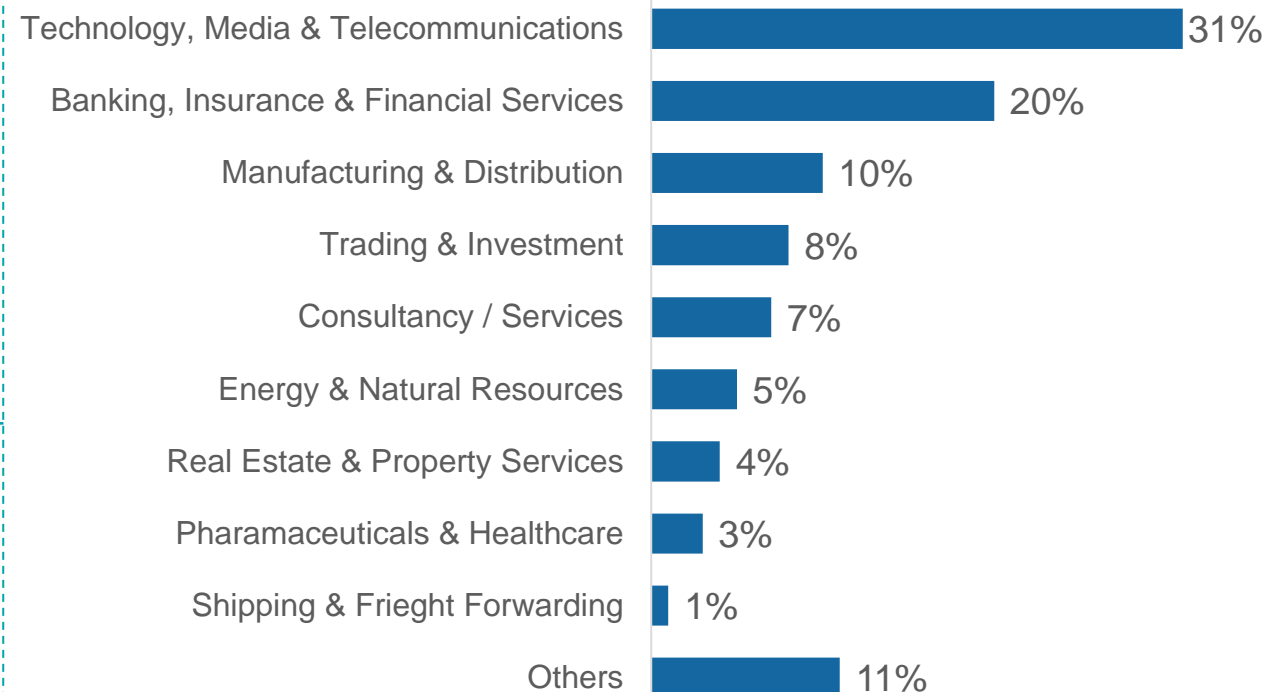
## Healthy Rent Reversion in An Uncertain Year

**Work Done<sup>1</sup>**  
**719,600** sq ft



**Rent Reversion<sup>2</sup>** **+3.2%** for FY 21

## New Tenants by Sector FY 21 (sq ft)



Notes:

1. Reflects net lettable area of new leases and renewals committed.

2. Excludes new leases (about 11,500 sq ft) committed for units that were vacant for more than 1 year

# Suntec City Office

## High Occupancy with Positive Rent Reversion



**Committed Occupancy**  
**97.2%**



**FY 22 Lease Expiry**  
**14.0%<sup>1</sup>**



**FY 21 Rent Reversion**  
**+2.2%**



**Asset Enhancement  
Works**  
**Target Completion:**  
**June 2022**

Note:

1. By net lettable area.

# ORQ & MBFC

## High Occupancy with Robust Rent Reversion



### Committed Occupancy

**98.5%** for ORQ

**97.3%** for MBFC Properties<sup>1</sup>



### FY 22 Lease Expiry

**6.7%<sup>2</sup>** for ORQ

**30.7%<sup>2</sup>** for MBFC Properties<sup>1</sup>



### Achieved Robust Rent Reversion for FY 21

Notes:

1. MBFC Properties refer to MBFC Towers 1 and 2, and the Marina Bay Link Mall.

2. By Net Lettable Area.





One Raffles Quay, Singapore

# Singapore Office Outlook and Focus

**Positive economic outlook** with easing of measures and borders reopening

Robust office market underpinned by **limited new supply and tightening vacancies**

Singapore remains the **preferred base** for companies. Demand driven by **TMT and Financial Services**

**Proactively forward renew leases** to retain tenants

FY22 occupancy to **remain high** with **moderate positive** rent reversion due to high expiry rents

**Strong office income** expected from past 15 quarters of positive rent reversions

# Australia Portfolio Performance



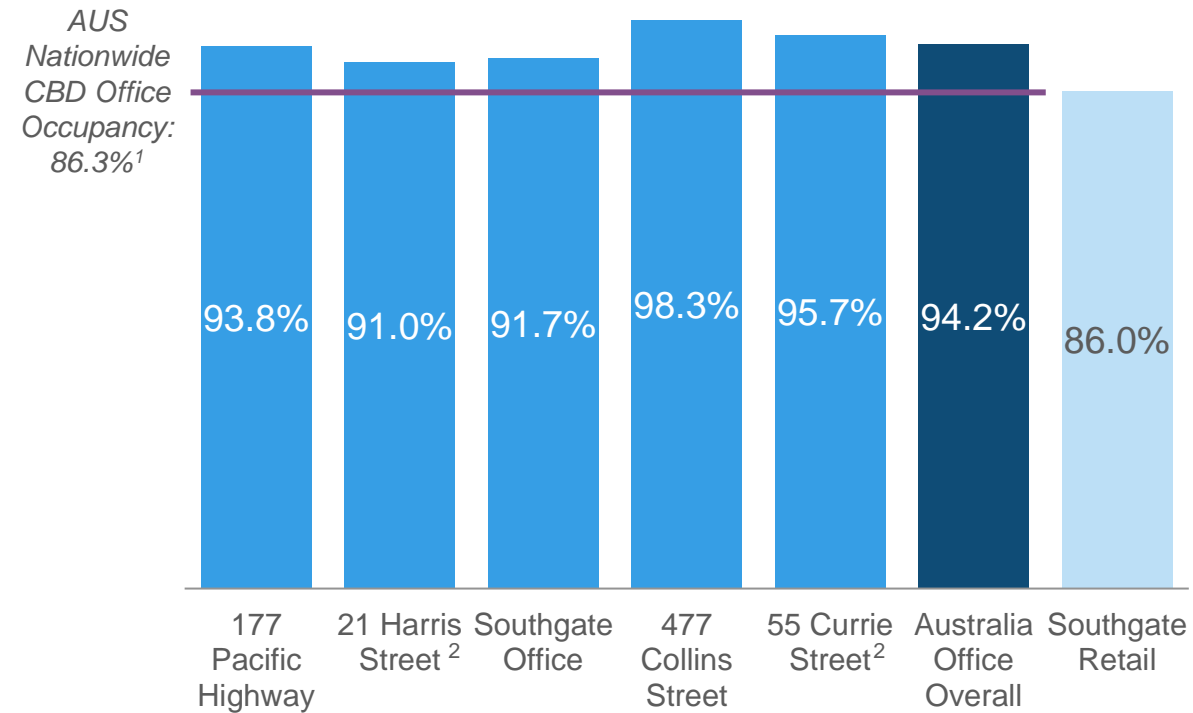
Southgate Complex, Melbourne



# Highlights of Australia Portfolio

## Occupancy above Nationwide Industry Level

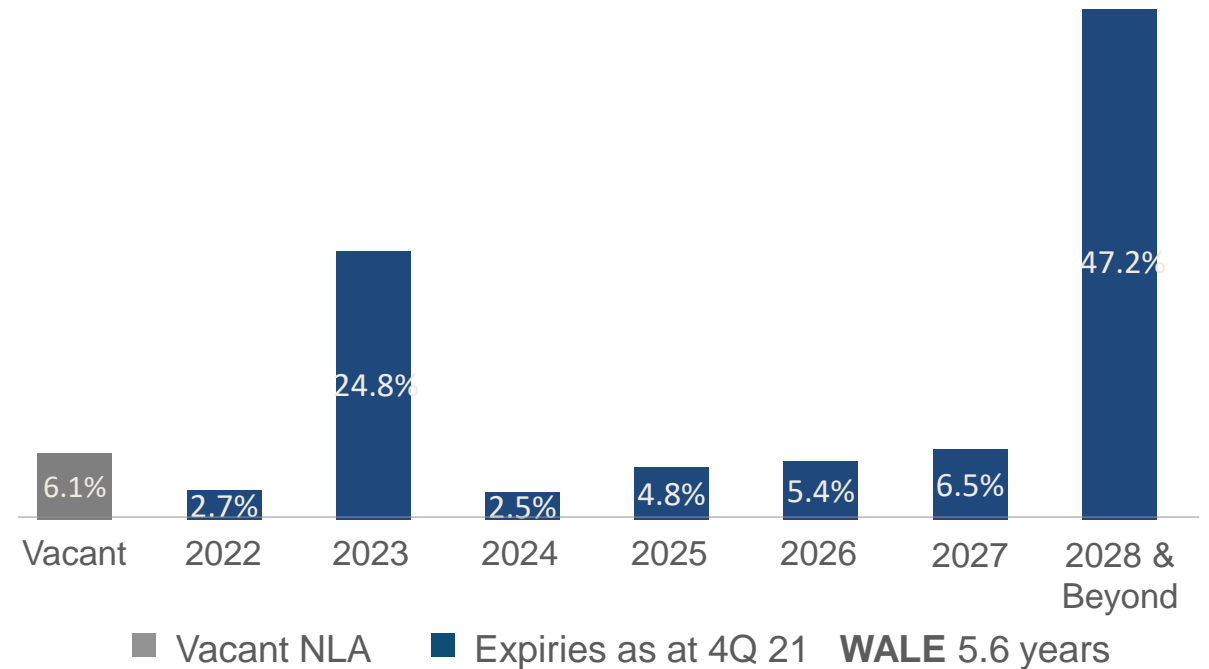
### Committed Occupancy As at 31 Dec 21



Notes:

1. Source: JLL as at 4Q 2021
2. Rent guarantee on vacant spaces.

### Lease Expiry Profile % of Total NLA<sup>1</sup> Comparison





# 177 Pacific Highway, Sydney

Healthy Occupancy with Strong Sustainability Rating



**Committed Occupancy**  
**93.8%**



**Lease Expiry**  
**No Expiry until 2023**



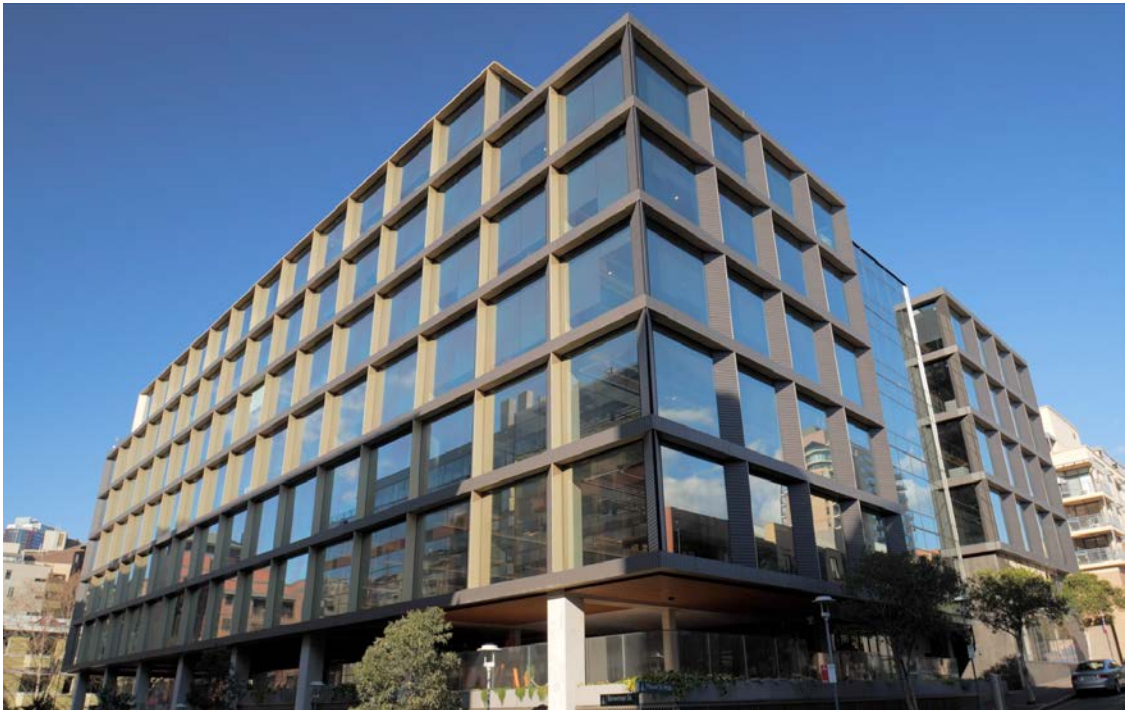
**WALE**  
**4.6 years**



**Sustainability**  
**5-Star NABERS Water  
Rating achieved**

# 21 Harris Street, Sydney

Occupancy Strengthened by 22.3 Percentage Points Y-o-Y



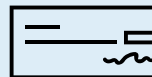
**Committed Occupancy**  
**91.0%**



**Lease Expiry**  
**No Expiry until 2026**



**WALE**  
**8.3 years**



**Rent Guarantee**  
**On Vacant Spaces until**  
**April 2023**

# Southgate Complex, Melbourne

## Retail Redevelopment and New Office Tower Potential



**Committed Occupancy**  
**91.0%**



**Lease Expiry**  
**11.0%<sup>1</sup>**



**WALE**  
**3.7 years**



**Redevelopment of Retail Podium  
& Construction of Office Tower**  
**Approval Obtained for  
Planning Controls  
Amendment**

Note:  
1. By net lettable area.



# Olderfleet, 477 Collins Street, Melbourne

Winner for Office - Completed Buildings Category in World Architecture Festival 2021



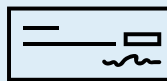
**Committed Occupancy**  
**98.3%**



**Lease Expiry**  
**No Expiry until 2025**



**WALE**  
**10.2 years**



**Rent Guarantee**  
**On Vacant Spaces until**  
**July 2025**

# 55 Currie Street, Adelaide

Strong Occupancy and Strong Sustainability Rating



**Committed Occupancy**  
**95.7%**



**Lease Expiry**  
**No Expiry until 2023**



**WALE**  
**2.8 years**



**Sustainability**  
**5.5-Star NABERS Energy**  
**Rating achieved**

# Australia Office Outlook and Focus

**Economic conditions and employment improved** driven by strong household demand and business investment

**Office market recovery underway** - nationwide CBD office vacancy fell from 14.1% to 13.7%<sup>1</sup>

**Prime gross effective rents** in Sydney and Melbourne **expected to improve** in 2022

**Proactive lease management** for leases expiring in 2023

**Enhance building amenities** and create fully-fitted office suites to attract new tenants

**Revenue resilient** underpinned by strong office occupancy, annual rent escalations and long WALE



Note:

1. Source: JLL as at 4Q 2021



# UK Portfolio Performance

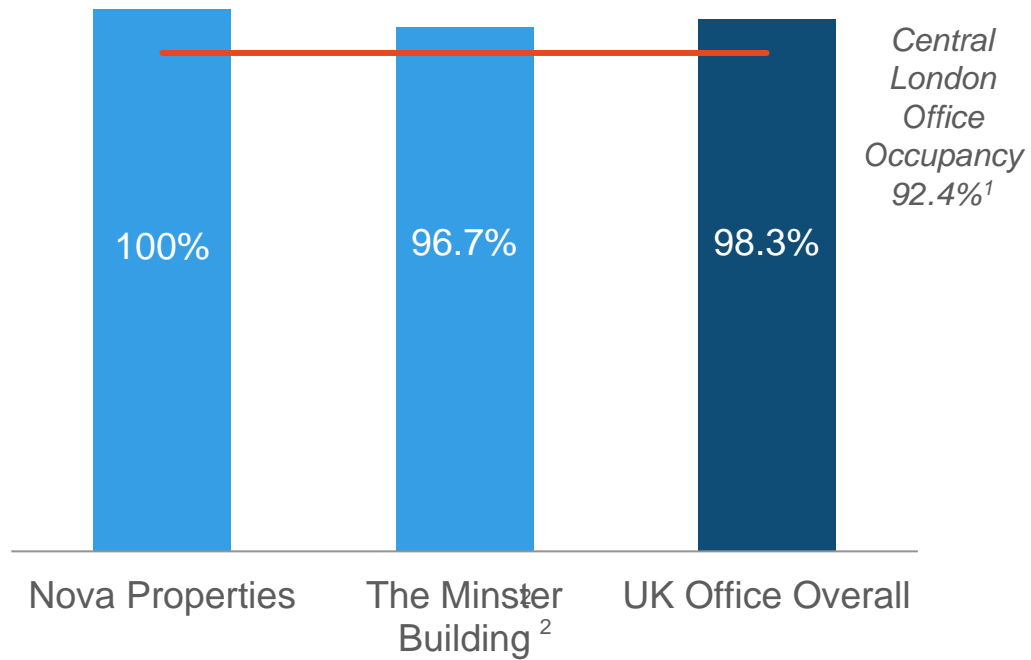


# Highlights of UK Portfolio

Occupancy Above Industry Level and Long WALE of 10.4 Years

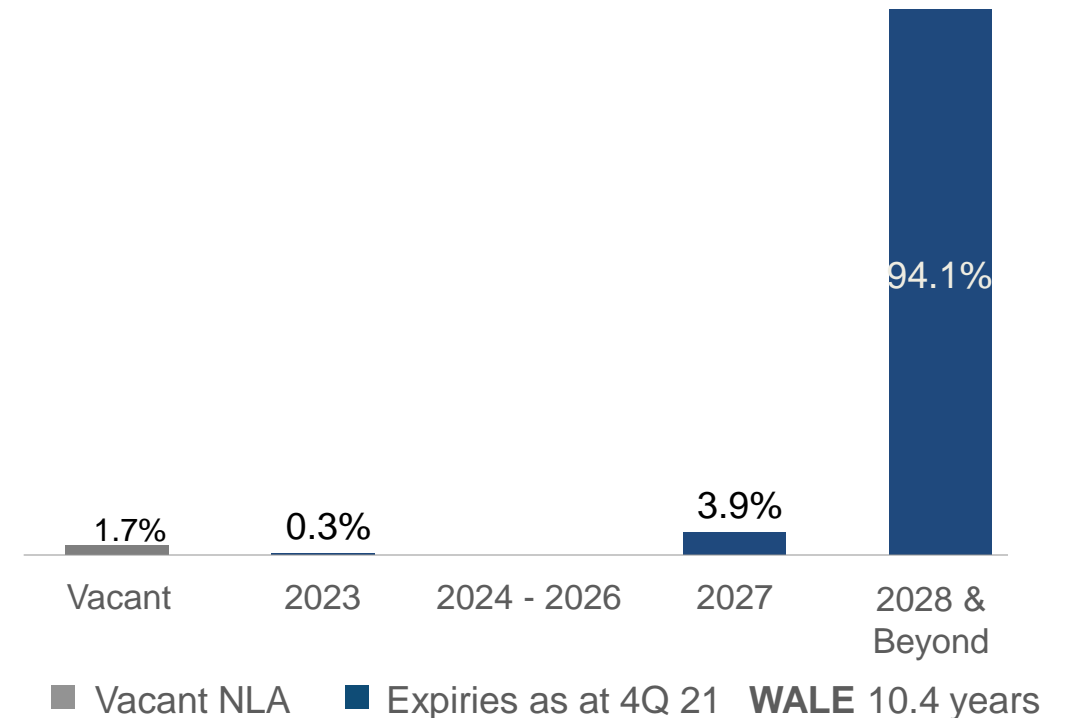
## Committed Occupancy

As at 31 Dec 21



## Lease Expiry Profile

% of Total NLA<sup>1</sup> Comparison



Notes:

1. Source: JLL as at 4Q 2021

2. Rent guarantee on vacant spaces.



# Nova Properties, London

Full Occupancy with Long WALE



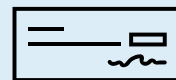
**Committed Occupancy**  
**100%**



**Lease Expiry**  
**No Expiry until 2027**



**WALE**  
**9.6 years**



**Retail Income Support**  
**until December 2022**



# The Minster Building, London

High Occupancy with Long WALE



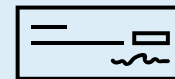
**Committed Occupancy**  
**96.7%**



**Lease Expiry**  
Minimal Expiry until 2027



**WALE**  
**11.1 years**



**Income Support**  
until July 2023 for vacant/  
retail spaces; July 2022 for  
co-working lease



The Minster Building, London

# UK Office Outlook and Focus

**GDP grown** beyond pre-pandemic level with unemployment at record low rates

Leasing demand in West End and City of London markets **recovered** to pre-pandemic levels

92.4%<sup>1</sup> Occupancy across Central London office markets expected to **improve further**

**Improve retail tenant mix** with new dining options

**Asset enhancement** of building amenities for better tenant experience

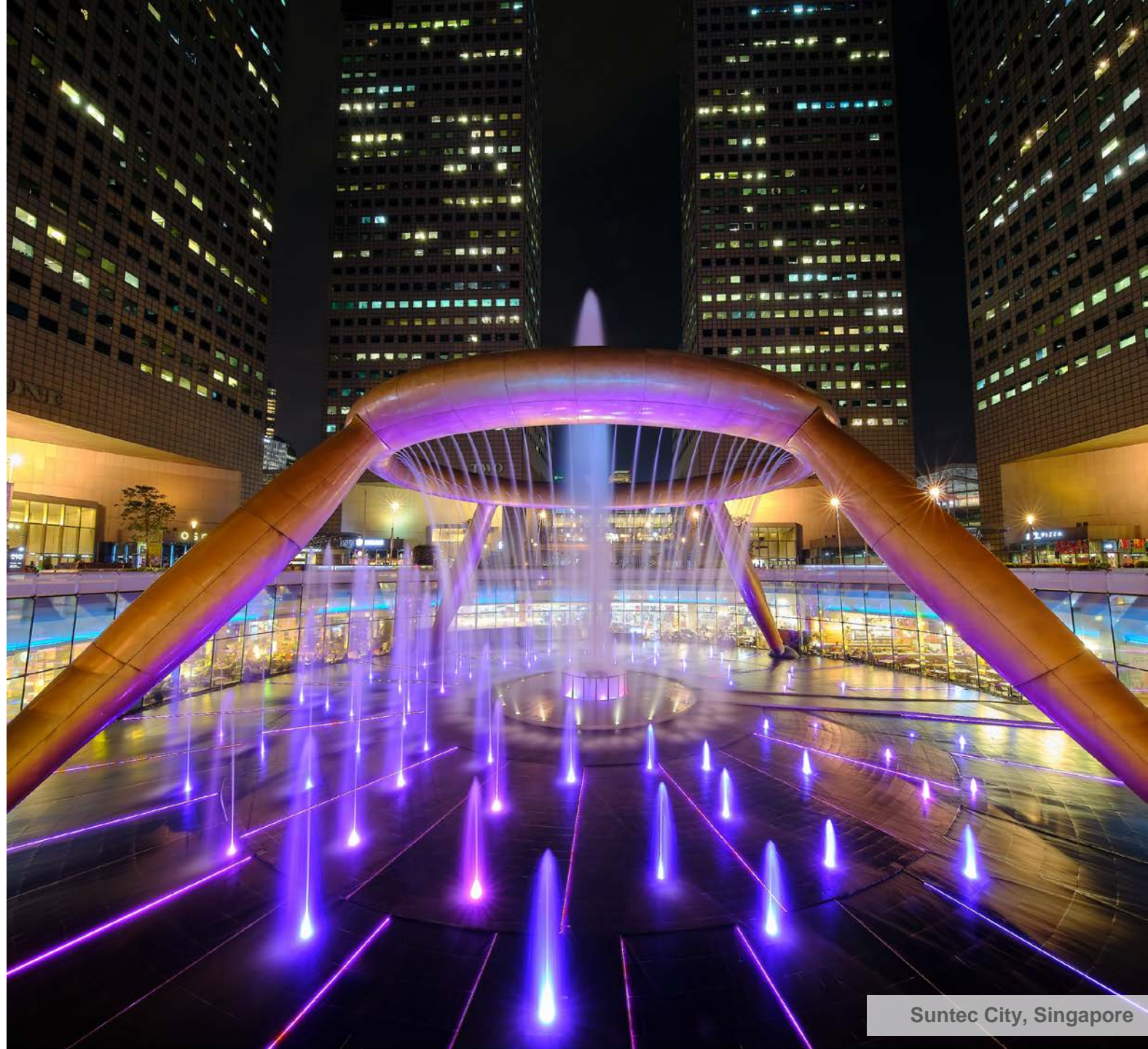
**Revenue resilient** underpinned by high occupancy, long WALE and minimal lease expiry until 2027

Note:

1. Source: JLL as at 4Q 2021



# Singapore Retail Portfolio Performance





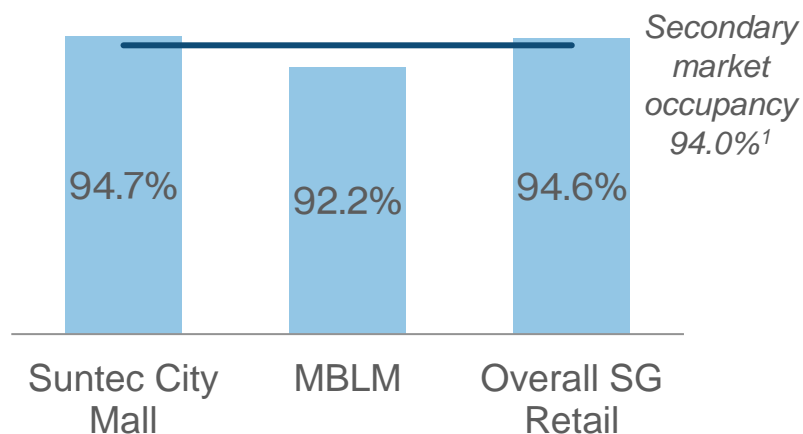
# Highlights of Singapore Retail Portfolio

## Healthy Occupancy and Well-Spread Lease Expiry

### Committed Occupancy

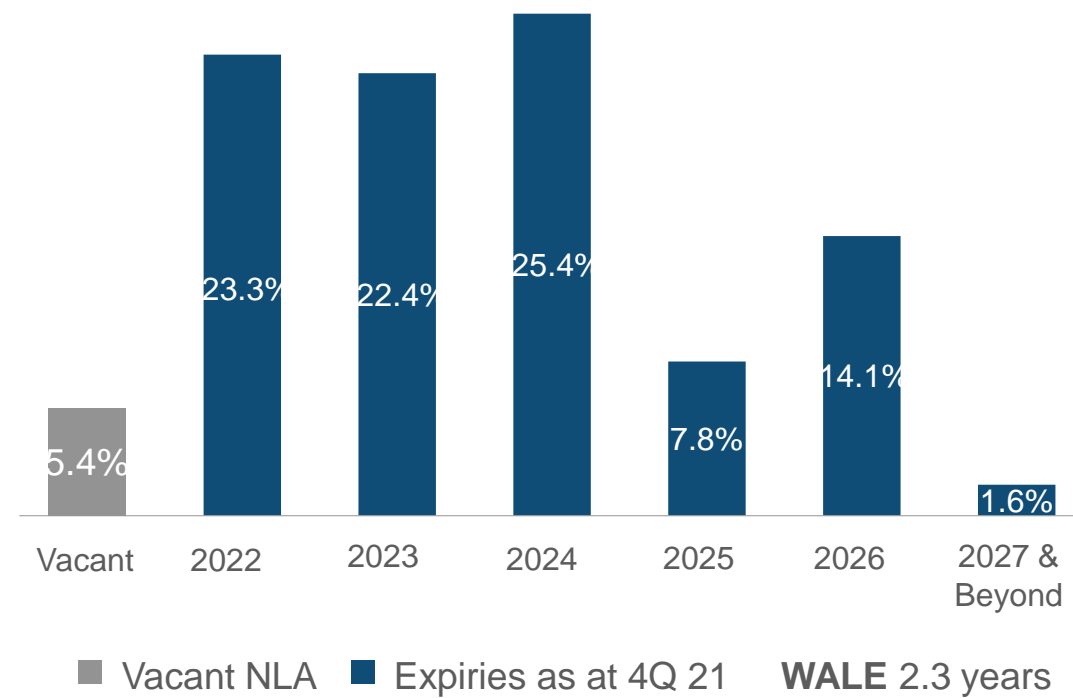
**94.6%**

As at 31 Dec 21

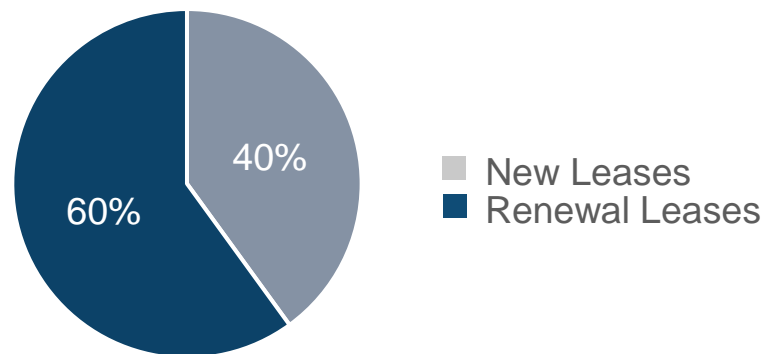


### Lease Expiry Profile

% of Total NLA<sup>2</sup> Comparison



**Work Done<sup>3</sup>**  
**236,900** sq ft



Notes:

1. Source: JLL as at 4Q 2021
2. Based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall
3. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall..

# Suntec City Mall Performance





# Suntec City Mall

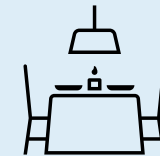
Increased Focus on Dining Offerings and Activity-Based Concepts



**Committed Occupancy**  
**94.7%**



**FY21 Rent Reversion**  
**-14.4%**



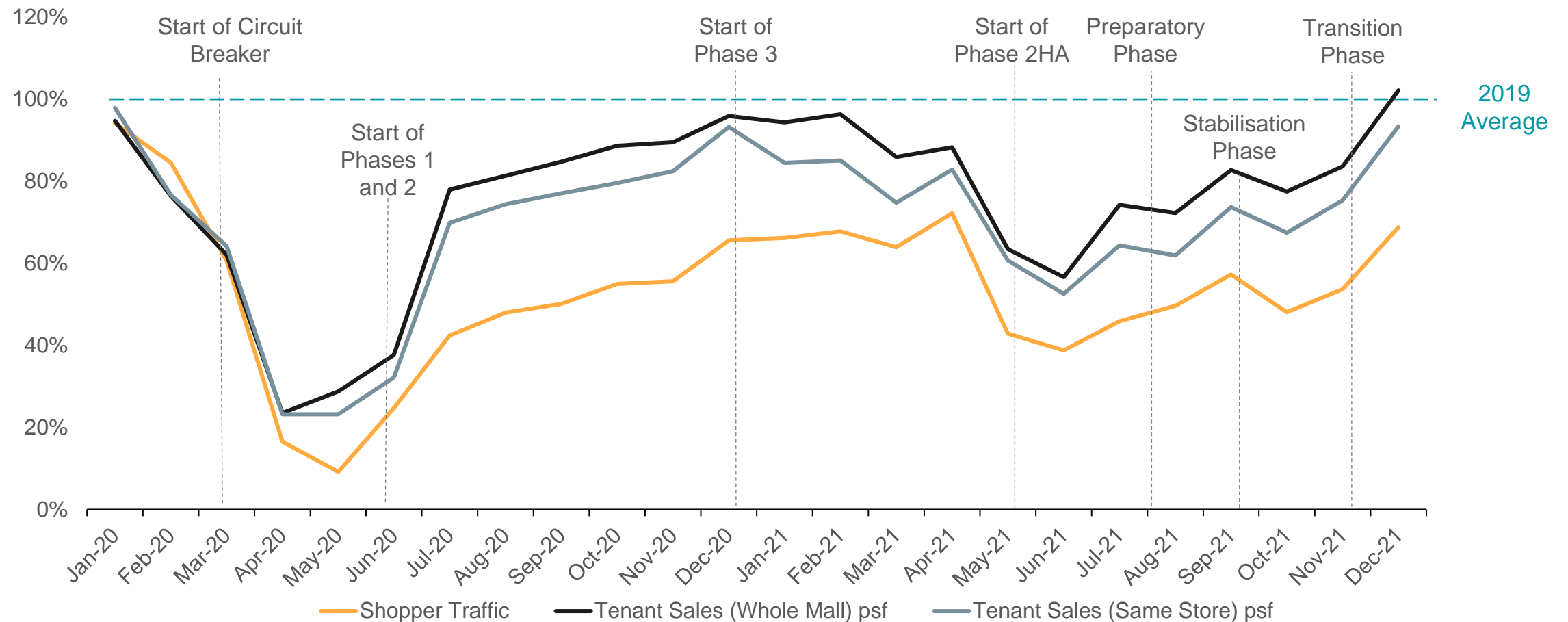
**Trade Mix**  
**Refreshed offerings with**  
**32 new-to-market/ new-**  
**to-Suntec brands**



# Tenant Sales Recovered Faster than Increase in Footfall

Tenant Sales Surpassed 2019 Levels in Dec 2021

Shopper Traffic and Tenant Sales psf (Against 2019)





# Singapore Retail Outlook and Focus

**Stable leasing demand<sup>1</sup>** with F&B, athleisure and furniture stores increasing their presence

Further easing of SMM<sup>2</sup> and reopening of economy will **boost recovery of footfall and tenant sales**

**Rent reversion expected to be weak** as retailers remain cautious due to manpower shortages and rising operating costs

Enhance mall offerings with **activity-based concepts** and new dining options

Mall occupancy likely to **remain stable at >95%**

Revenue recovery supported by **higher occupancy, marcoms revenue and GTO rent**

Notes:

1. Source: CBRE as at 1Q 2022
2. Safe Management Measures



# Suntec Convention Performance





# 2021 - A Year of Consolidation

Diversification of Revenue Streams Helped to Mitigate Losses



**Hybrid Events**

**90**



**New Long-term Licences**

**Badminton Academy**

**One World International School**

temporary campus



**Cost Control**

**Fixed and Variable Costs  
Reduced**



Suntec Convention, Singapore

# Suntec Convention Outlook and Focus

**Increased optimism** from easing of SMM<sup>1</sup> and new VTF<sup>2</sup>

**Domestic market** for consumer and corporate events remains key driver for recovery

**Slower recovery of international MICE events** due to longer lead time for planning

**Strict cost control**

**Existing new revenue streams** to cushion slower recovery of MICE events

Income contribution remains **significantly impacted**

Notes:

1. Safe Management Measures
2. Vaccination Travel Framework



# Our Focus





# Pursuing Growth from a Position of Strength



Proactive Lease  
Management to Enhance  
Resilience of Properties



Strengthen Balance Sheet  
through Active Capital and  
Portfolio Management



Further Enhance Suntec REIT's  
Income Stability by Sourcing for  
Good Quality Assets that are  
Accretive



Deliver Sustainable  
Returns and Long-Term  
Value to Unitholders





# Thank you

For enquiries, please contact:  
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Manager, Investor Relations  
[melissachow@ara-group.com](mailto:melissachow@ara-group.com)



# Disclaimer

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This presentation may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in the expected levels of occupancy rates, property rental income, changes in operating expenses, 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. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

## IMPORTANT NOTICE

1. The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.
2. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.