

Keppel REIT

Annual General Meeting

19 April 2024



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ASEAN 5 Index



FTSE EPRA Nareit Global
Developed Index



GPR 250
Index Series



MSCI Singapore
Small Cap Index

FY 2023 Key Highlights

Strong Operating Performance and Robust Balance Sheet



Higher Net Property Income

\$182.4m

3.7% higher than FY 2022

High Portfolio Occupancy

97.1%

As at 31 Dec 2023

Long Portfolio WALE

5.5 years

Top 10 tenants' WALE at 9.7 years

As at 31 Dec 2023



Healthy Aggregate Leverage

38.9%

As at 31 Dec 2023

All-in interest rate

2.89% p.a.

As at 31 Dec 2023

Fixed Borrowings

75%

Borrowings on fixed rates as at 31 Dec 2023



Distribution to Unitholders

\$218.7m

FY 2023 DPU

5.80 cents

Portfolio Valuation

\$9.2 billion

As at 31 Dec 2023

Financial Results

Keppel Bay Tower,
Singapore



Keppel REIT Achieves FY2023 Distribution to Unitholders of \$218.7m on Higher NPI

- NPI for FY 2023 was 3.7% higher due mainly to higher rentals and occupancy for the Singapore properties.
- FY 2023 Distribution to Unitholders was 1.0% lower year-on-year at **\$218.7m**, due mainly to increased borrowing costs

	FY 2023	FY 2022	+/(−)
Property Income⁽¹⁾	233.1m	219.3m	+6.3%
Net Property Income (NPI)	182.4m	175.9m	+3.7%
Less: Attributable to Non-controlling Interests	(18.6m)	(17.0m)	+9.7%
NPI Attributable to Unitholders	163.8m	158.9m	+3.0%
Interest Income⁽²⁾	7.3m	25.3m	(70.9%)
Share of Results of Associates⁽³⁾	80.1m	77.8m	+3.0%
Share of Results of Joint Ventures⁽⁴⁾	23.7m	22.9m	+3.3%
Borrowing Costs	(67.0m)	(57.7m)	+16.0%
Distributable income from operations	198.7m	210.9m	(5.8%)
Anniversary distribution⁽⁵⁾	20.0m	10.0m	+100%
Distribution to Unitholders	218.7m	220.9m	(1.0%)
DPU (cents)	5.80	5.92	(2.0%)

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Pinnacle Office Park, T Tower, Keppel Bay Tower, KR Ginza II after it was acquired on 30 Nov 2022 and 2 Blue Street after it achieved practical completion on 3 Apr 2023.

(2) Consist mainly of interest income from advances to associates.

(3) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

(4) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

(5) As announced on 25 Oct 2022, to celebrate Keppel REIT's 20th anniversary, a total of \$100 million of Anniversary Distribution will be distributed over 5 years. \$20 million will be distributed annually with such distribution to be made semi-annually.

Healthy Debt Profile

- Aggregate leverage at 38.9% with 75% of borrowings on fixed rates
- AUD, KRW and JPY denominated loans formed ~15%, ~4% and ~3% of total portfolio borrowings⁽¹⁾ respectively
- Sustainability-focused funding constituted 64% of total borrowings⁽¹⁾
- Access to ~\$1.2 billion of available borrowing facilities

(1) This includes Keppel REIT's share of external borrowings accounted for at the level of associates.

(2) Defined as trailing 12 months earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense and borrowing-related fees.

(3) Defined as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

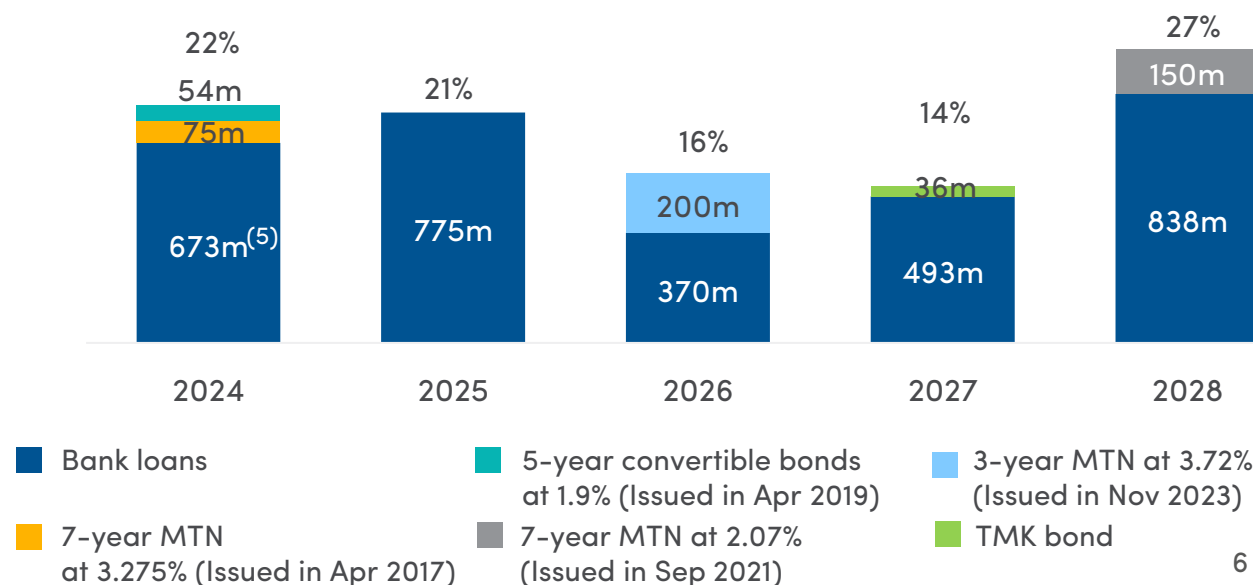
(4) Refers to changes to SORA and BBSW for applicable loans on floating rates.

(5) Refinancing discussions with respective lenders are in progress.

As at 31 Dec 2023	
Interest Coverage Ratio ⁽²⁾	3.4x
Adjusted Interest Coverage Ratio ⁽³⁾	3.0x
All-in Interest Rate	2.89% p.a.
Aggregate Leverage	38.9%
Weighted Average Term to Maturity	2.4 years
Borrowings on Fixed Rates	75%
Sensitivity to Interest Rates ⁽⁴⁾	+/-25 bps = ~0.06 cents decrease/increase in DPU p.a.

Debt Maturity Profile

(As at 31 Dec 2023)



Portfolio Review

Ocean Financial Centre,
Singapore

Photo Credit: Central Narcotics Bureau

Diversified Portfolio of Prime Commercial Assets in Asia Pacific

\$9.2b portfolio of prime quality assets anchored across different markets enhance **income stability and long-term growth opportunities**

T Tower, Seoul
99.4% Interest
Occupancy: 95.8%



South Korea
3.4%

Japan
1.0%

KR Ginza II, Tokyo
98.5% Interest
Occupancy: 100.0%



Ocean Financial Centre
79.9% Interest
Occupancy: 100.0%



Singapore
79.1%

Marina Bay Financial Centre
33.3% Interest
Occupancy: 98.7%



One Raffles Quay
33.3% Interest
Occupancy: 99.4%



Keppel Bay Tower
100% Interest
Occupancy: 97.7%



David Malcolm Justice Centre, Perth
50% Interest
Occupancy: 100.0%



Australia
16.5%

8 Chifley Square, Sydney
50% Interest
Occupancy: 100.0%



Pinnacle Office Park, Sydney
100% Interest
Occupancy: 90.8%



2 Blue Street (formerly known as Blue & William), Sydney
100% Interest
Occupancy: 66.4%⁽¹⁾



8 Exhibition Street, Melbourne
50% Interest
Occupancy: 99.1%



Victoria Police Centre, Melbourne
50% Interest
Occupancy: 100.0%



Note: Information as at 31 Dec 2023.

1. 2 Blue Street (formerly known as Blue & William) achieved practical completion on 3 Apr 2023 and is receiving rental support arrangement on unlet space for a period of up to three years from the practical completion date.

Prime Office Space Continues to Attract Quality Tenants

- Singapore portfolio committed occupancy remains high at 99.0%
- Ocean Financial Centre, 8 Chifley Square and KR Ginza II achieved 100% committed occupancy as at 31 Dec 2023
- Strong portfolio rental reversion of 9.9% and high retention rate of 73.7%



Ocean Financial Centre, Singapore



8 Chifley Square, Sydney



KR Ginza II, Tokyo

As at 31 Dec 2023:

97.1%

Portfolio committed
occupancy

9.7 years

Top 10 tenants' WALE

5.5 years

Portfolio WALE

- Singapore portfolio: 2.5 years
- Australia portfolio: 11.5 years
- South Korea portfolio: 4.1 years
- Japan portfolio: 2.6 years

2 Blue Street Achieved Practical Completion on 3 April 2023



Blue & William is designed to achieve the 5 Star Green Star Design and As Built Rating by the Green Building Council of Australia, as well as the 5.5 Stars NABERS Base Building Energy Rating



Panoramic view of the iconic Sydney Harbour Bridge from the outdoor terraces

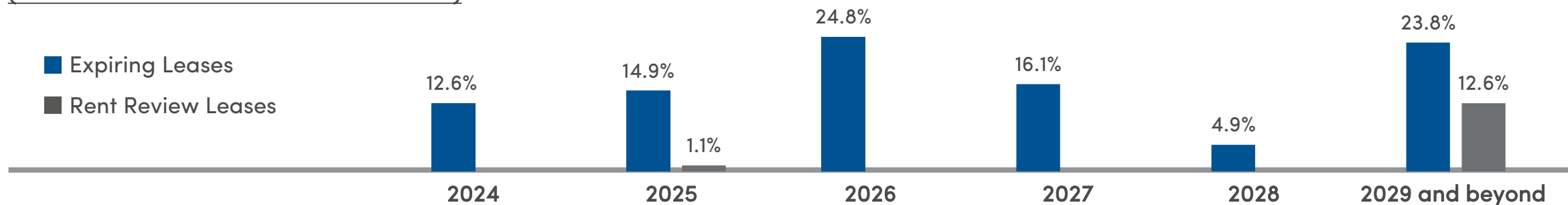
- Secured 4 tenants and increased occupancy to 66.4% as at 31 Dec 2023
- Anchor tenant, Equifax, moved into the building in Oct 2023
- Continue to receive strong interest from tenants for the remaining space
- The developer is providing a three-year rental guarantee on unlet space from practical completion date

Well-spread Lease Expiry Profile

- Average signing rent for Singapore office leases⁽¹⁾ concluded in FY 2023 was \$12.41 psf pm, supported by healthy demand from diverse sectors for prime office space
- Average expiring rents of Singapore office leases⁽²⁾ (psf pm): \$11.19 in 2024, \$11.13 in 2025 and \$11.95 in 2026

Lease Expiries and Rent Reviews as at 31 Dec 2023

(Based on Committed Attributable NLA)



Lease Expiries and Rent Reviews (Based on Committed Attributable Gross Rent)

Expiring leases	13.7%	17.8%	23.5%	17.7%	5.3%	22.0%
Rent review leases	-	1.4%	-	-	-	9.5%

Geographic Breakdown of Expiries and Rent Reviews⁽³⁾

Singapore	9.9%	14.9%	16.4%	10.8%	3.0%	5.9%
Australia	2.6%	0.8%	6.8%	3.5%	0.8%	29.3%
South Korea	0.1%	-	1.4%	1.5%	1.0%	1.2%
Japan	-	0.3%	0.2%	0.3%	0.1%	-

(1) Weighted average for Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.

(2) Weighted average based on attributable NLA of office lease expiries and rent reviews in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.

(3) Based on committed attributable NLA.

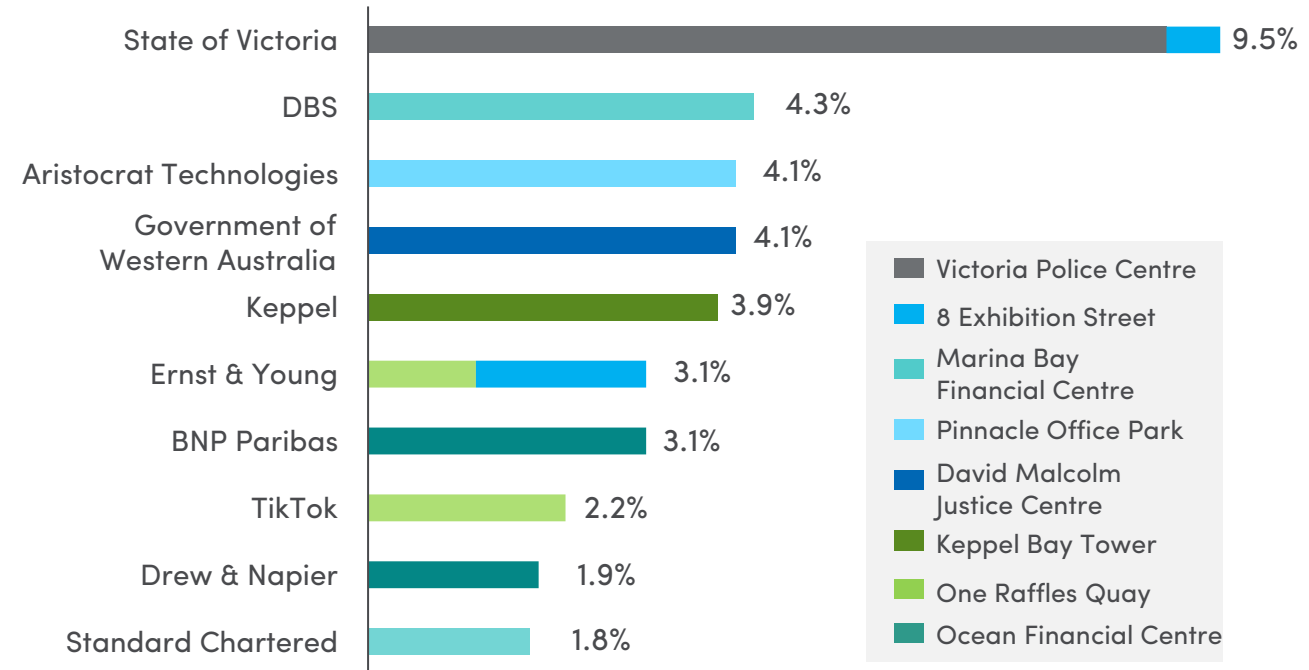
Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 459⁽¹⁾ tenants, many of which are established blue-chip corporations

Tenant Business Sector	%
Banking, insurance and financial services	28.1%
Government agency	15.3%
Technology, media and telecommunications	15.1%
Energy, natural resources, shipping and marine	7.9%
Manufacturing and distribution	7.4%
Real estate and property services	6.3%
Legal	5.6%
Accounting and consultancy services	5.2%
Retail and F&B	2.6%
Services	2.5%
Others	4.0%
Total	100.0%

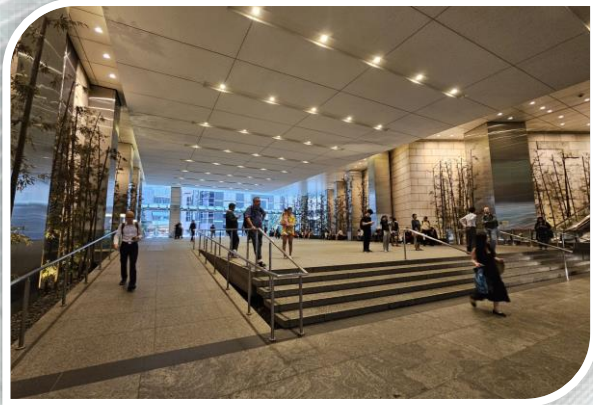
- Top 10 tenants take up 38.0% of NLA and contribute 32.7% of gross rent

Top 10 Tenants



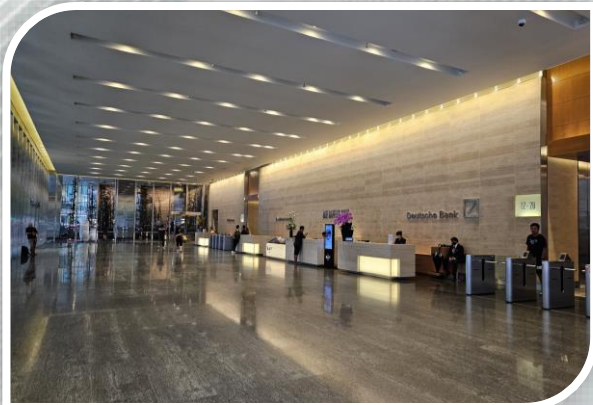
Asset Enhancement Initiatives at One Raffles Quay: Elevate Arrival Experience and Promote Collaboration and Networking

Before



Elevate arrival experience at garden plaza

After



Refresh Tower Lobbies to promote collaboration



- Garden plaza, North and South Tower lobbies will be enhanced to elevate arrival experience
- New seating areas at North and South Tower lobbies will be created to promote collaboration and networking among the tenants and guests

Asset Enhancement Initiatives at One Raffles Quay: Expand Food & Beverage Offerings

Before

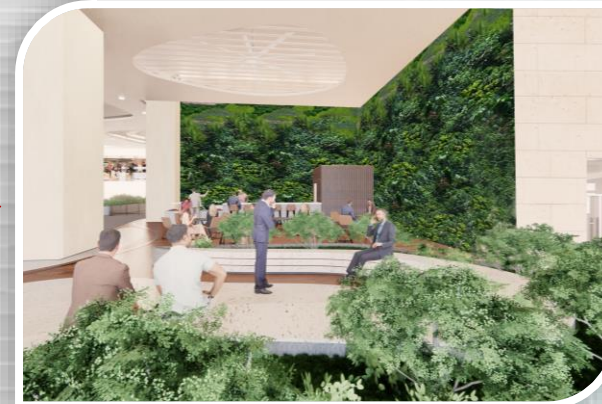
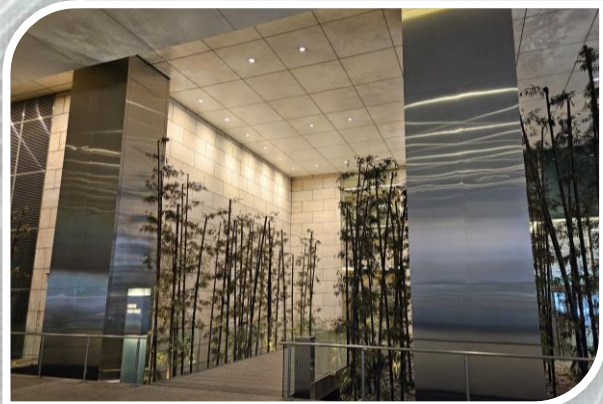


New F&B offerings at North Tower

After



New outdoor F&B offerings at garden plaza



- Food & beverage offerings will be expanded to enrich the building's amenities and provide more dining options
- Asset enhancement initiatives to commence in 1Q 2024 and target to complete in end 2024

Completion of Refurbishment at Pinnacle Office Park Lobby

- Refurbishment at Pinnacle Office Park (Building B) lobby was completed in Jan 2024
 - Refreshed ground floor lobby, café area and lift lobby to elevate arrival and tenant experience
 - A convertible clubhouse lounge and meeting rooms were added for social events and meetings
 - The outdoor terrace was also renovated to modernise and freshen the seating area, as well as to create a walking track to allow tenants to socialise and encourage them to stay active

Refreshed lobby and café area to enhance arrival experience



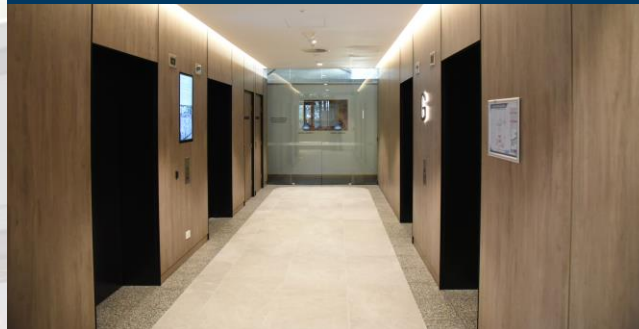
New convertible clubhouse lounge for social events and meetings



Meeting rooms in common areas for tenants to reserve and host meetings



Upgraded lift lobby to elevate tenant experience



Keppel REIT to Acquire 50% Interest in 255 George Street

Core Sydney CBD Location

- Strategically located in the highly sought after **Core Precinct of Sydney CBD** which enjoys healthy office outlook that benefits from flight-to-quality
- **High prominence and visibility** from George Street, one of the busiest roads in Sydney CBD
- **Highly accessible** by multiple modes of public transportation and easy access to good amenities

Grade A Property with Prime Specifications

- Large column free c.1,400 sqm floor plates that can be easily and efficiently subdivided to cater to different demands
- Major refurbishment completed in 2022
- **Leading 5.5 Star NABERS Energy rating**

Stable Cash Flows

- High committed occupancy of **93.0%** and long WALE of **6.8 years¹**
- Diversified tenant mix with high quality tenants from government agency and financial institutions sectors
- Well-staggered lease expiry profile
- Rent guarantee on existing vacancies and potential expiries

Attractive Pricing and Accretive Acquisition

- Purchase consideration of A\$363.8m, representing a first-year yield that exceeds 6.0%
- Pro forma DPU accretion of 1.4%², or 1.5%² if excluding Anniversary Distribution

1. As at 31 Dec 2023, by gross rental income. WALE by NLA was 6.0 years as at 31 Dec 2023.

2. Based on the audited financial statements for FY2023 assuming the acquisition was completed on 1 Jan 2023.

Advancing ESG Agenda



Environmental Stewardship

16.9% reduction in Scope 1 and 2 emissions¹

8.2% reduction in energy usage¹

12.6% reduction in water consumption¹



Responsible Business

100% of Keppel REIT's properties are certified²

64% sustainability-focused funding

Continued to uphold strong corporate governance



People and Community

All Singapore assets have achieved the WELL Health-Safety rating

Achieved an average of 25.2 hours of training hours per employee in 2023

Together with Keppel Fund Management and Investment, dedicated >900 hours to community outreach activities

(1) Based on annualised 11 months of data for 2023 compared against 2019 baseline year.
(2) Except for 2 Blue Street, which obtained practical completion in April 2023 and is in the process of certification.

Thank you

One Raffles Quay,
Singapore

