



ASCENDAS REIT

CapitaLand Group Corporate Day, Bangkok

14 August 2019

Disclaimers

- **This material shall be read in conjunction with Ascendas Reit's financial statements for the financial year ended 30 June 2019.**
- 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 similar developments, shifts in expected levels of property rental income and occupancy, 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 Ascendas Reit's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.
- The value of Units in Ascendas Reit ("Units") and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, 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. 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 unitholders of Ascendas Reit may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.
- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

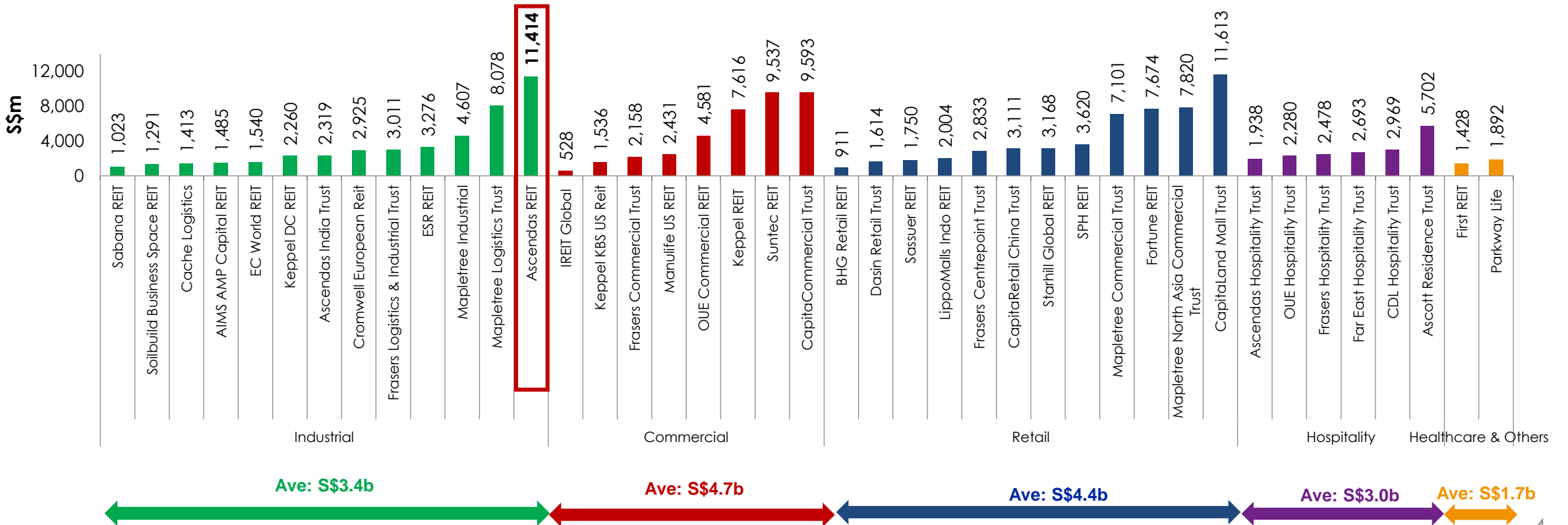
A photograph of a modern building facade with a white, geometric, lattice-like structure. The building has large glass windows and balconies with greenery. The image is overlaid with a semi-transparent white geometric pattern. The text "Overview of Ascendas Reit" is written in bold black font on a white background in the upper left quadrant.

Overview of Ascendas Reit

Largest Singapore Industrial Reit

- First and largest business space and industrial REIT listed on the Singapore Exchange
- Largest Singapore Industrial Reit by AUM and Market Capitalisation
- A constituent of many indices such as MSCI, FTSE, EPRA/NAREIT, Straits Times Index

Assets Under Management (As at 31 Mar 2019)



Largest Singapore Industrial Reit

- Ascendas Reit is the largest Singapore industrial REIT by AUM and market capitalisation
- Its business space and industrial properties are located across 3 mature and developed markets – Singapore, Australia and the United Kingdom (UK)



Total Assets

> **\$S11 b**



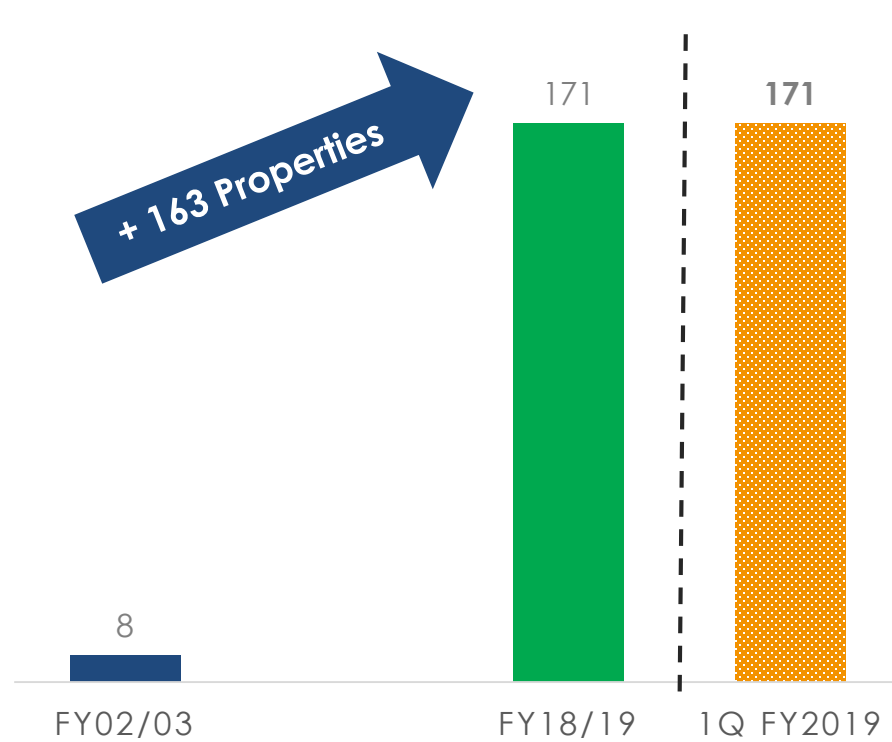
Market Capitalisation

> **\$S9 b**

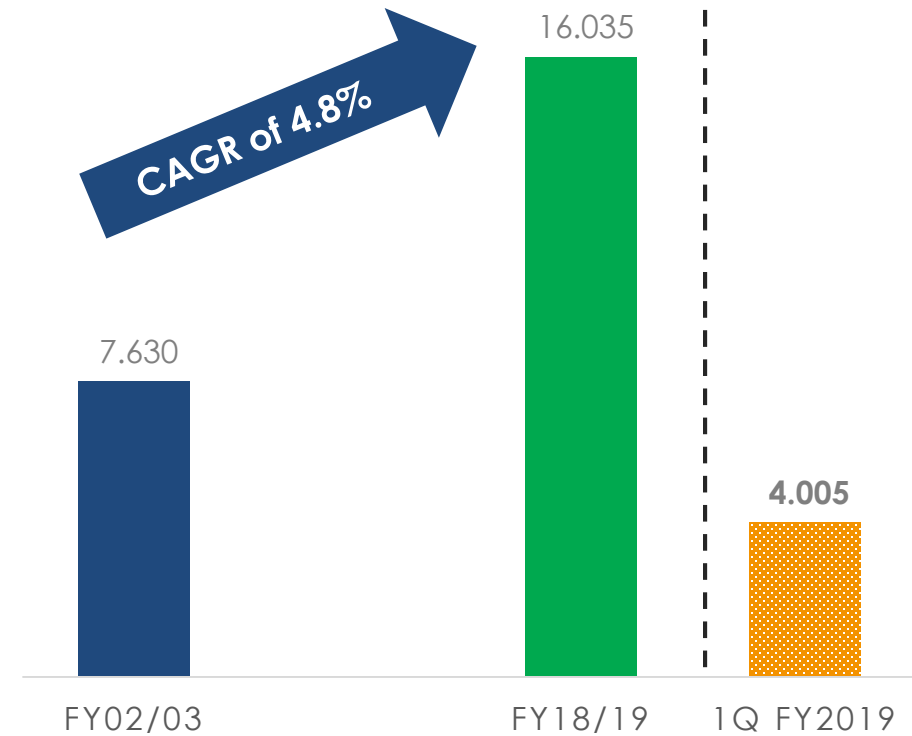


Steady Growth since Listing

No. of Properties



Distribution per Unit (cents)

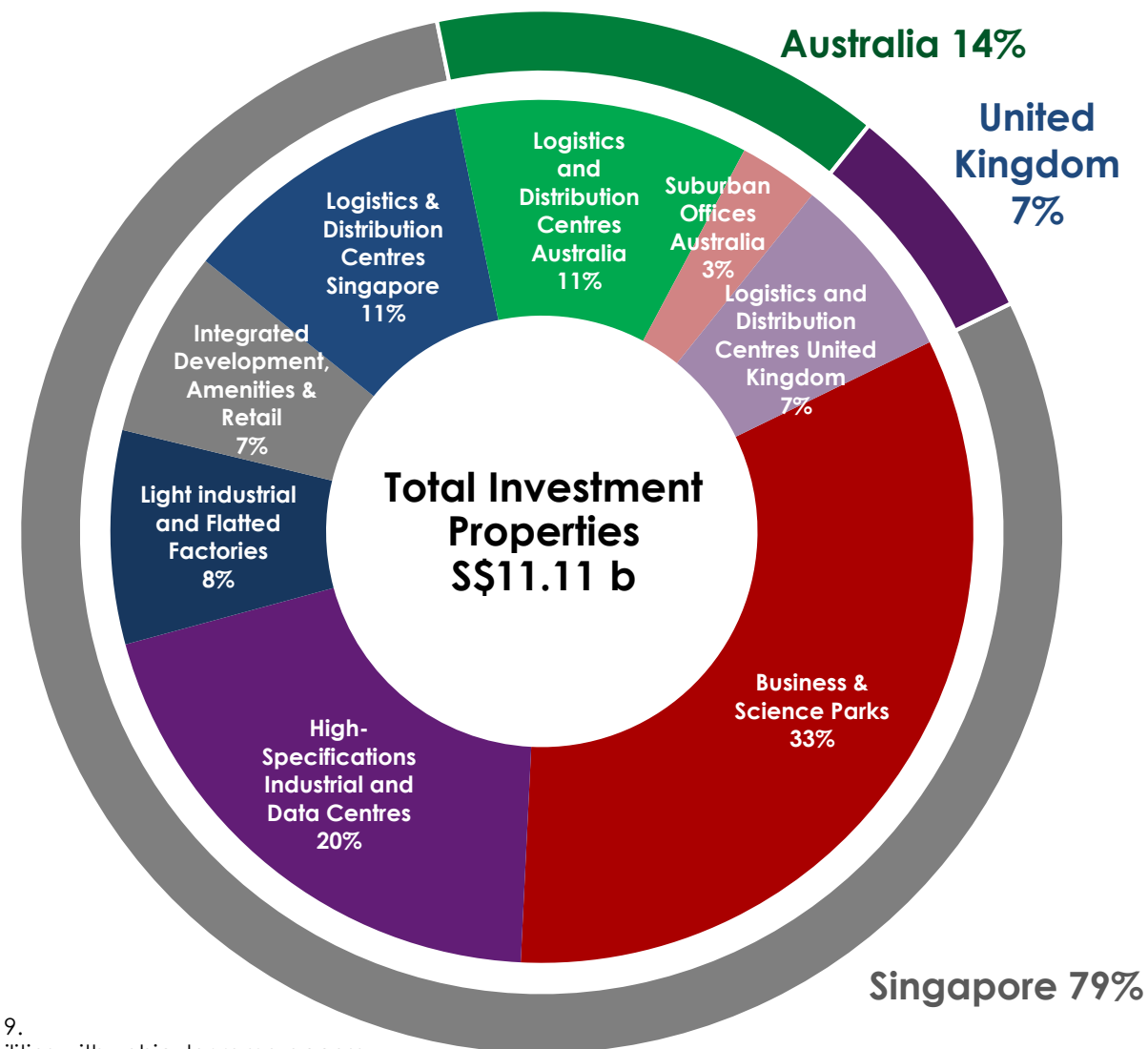


Well Diversified Portfolio

By Value of Investment Properties

- As at 30 Jun 2019, total investment properties stood at **S\$11.11 b**
 - Singapore portfolio: **S\$8.76 b**
 - Australia portfolio: **S\$1.54 b**
 - United Kingdom portfolio: **S\$0.81 b**

- Diversified across
 - Business & Science Park/ Suburban office: **36%**
 - Logistics & Distribution Centre: **29%**
 - Industrial: **35%**

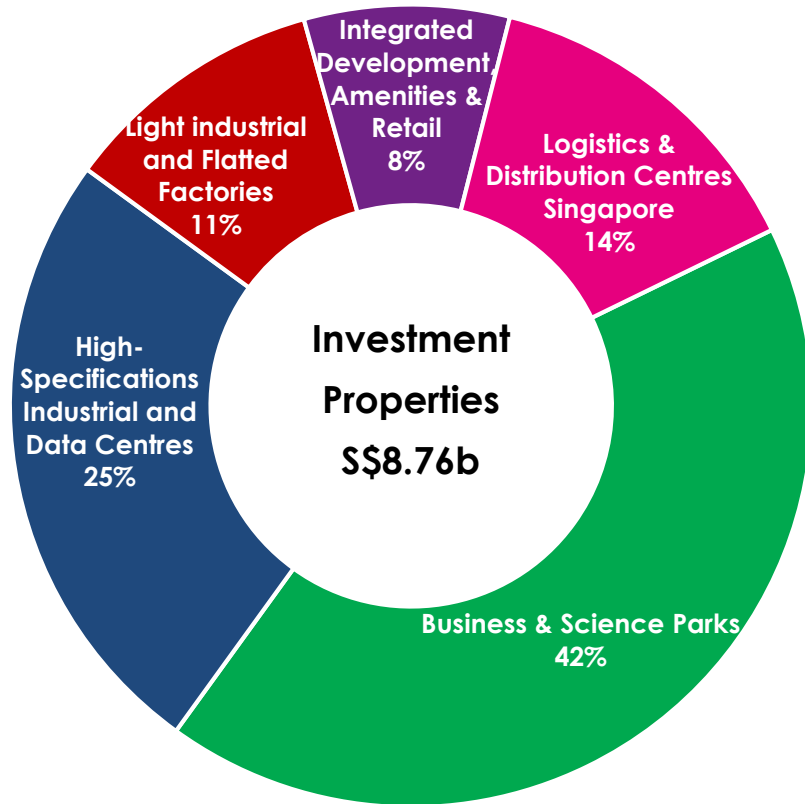


Notes:

Multi-tenant buildings account for 70.6% of Ascendas Reit's portfolio by asset value as at 30 Jun 2019.
 About 65.1% of Logistics & Distribution Centres in Singapore (by gross floor area) are multi-storey facilities with vehicular ramp access.
 Within Hi-Specs Industrial, there are 3 data centres (4.8% of portfolio), of which 2 are single-tenant buildings.
 Within Light Industrial, there are 2 multi-tenant flatted factories (3.0% of portfolio).

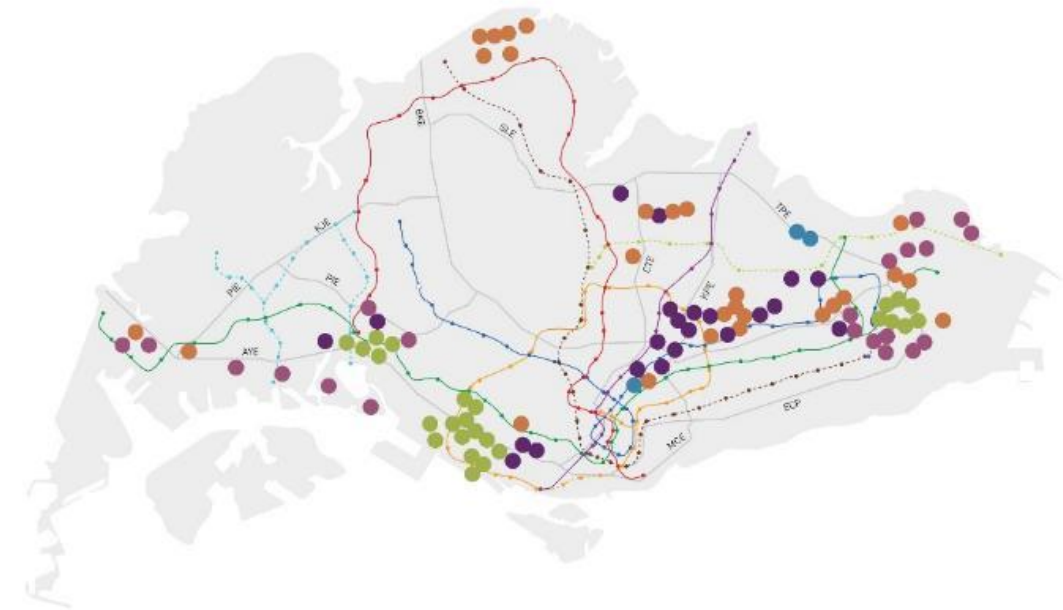
Singapore: 98 properties

Widest variety of industrial properties



As at 30 Jun 2019

Properties are well-located along major expressways, airport, seaport and proximity to MRT stations

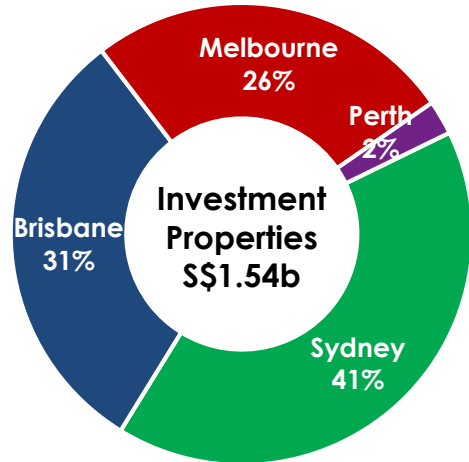


- Business & Science Parks
- Integrated Development, Amenities & Retail
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres Singapore

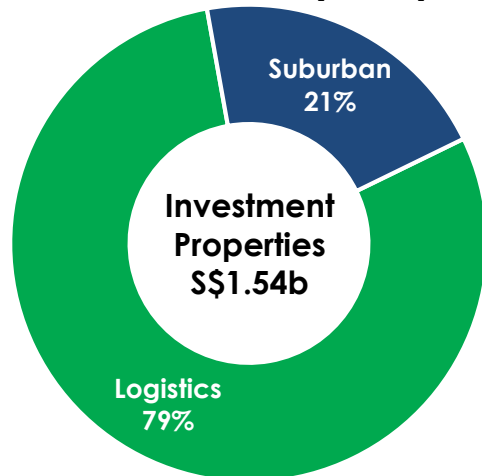
Australia: 35 properties

(32 logistics + 3 suburban offices)

Breakdown by Geography

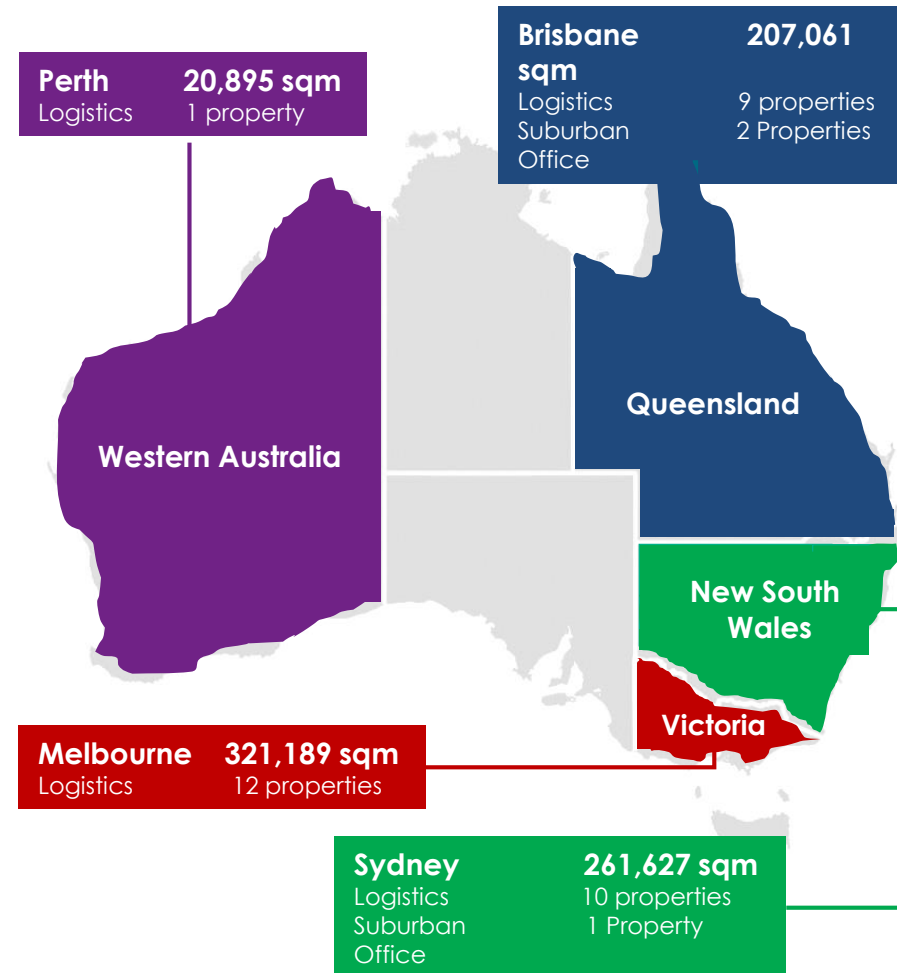


Breakdown by Property



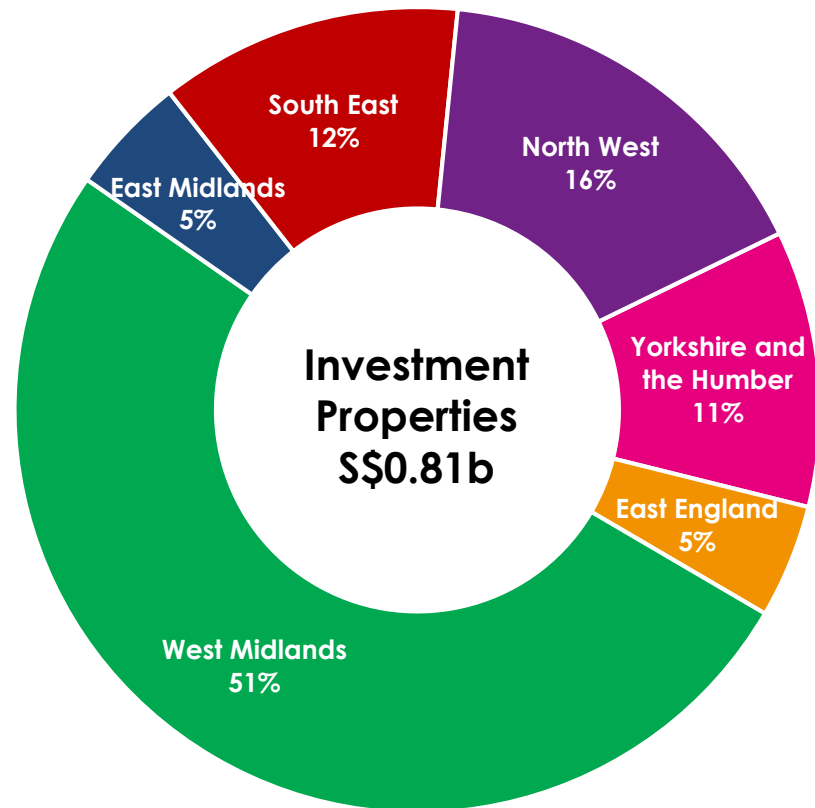
As at 30 June 2019

Located in 4 key cities: Sydney, Melbourne, Brisbane and Perth

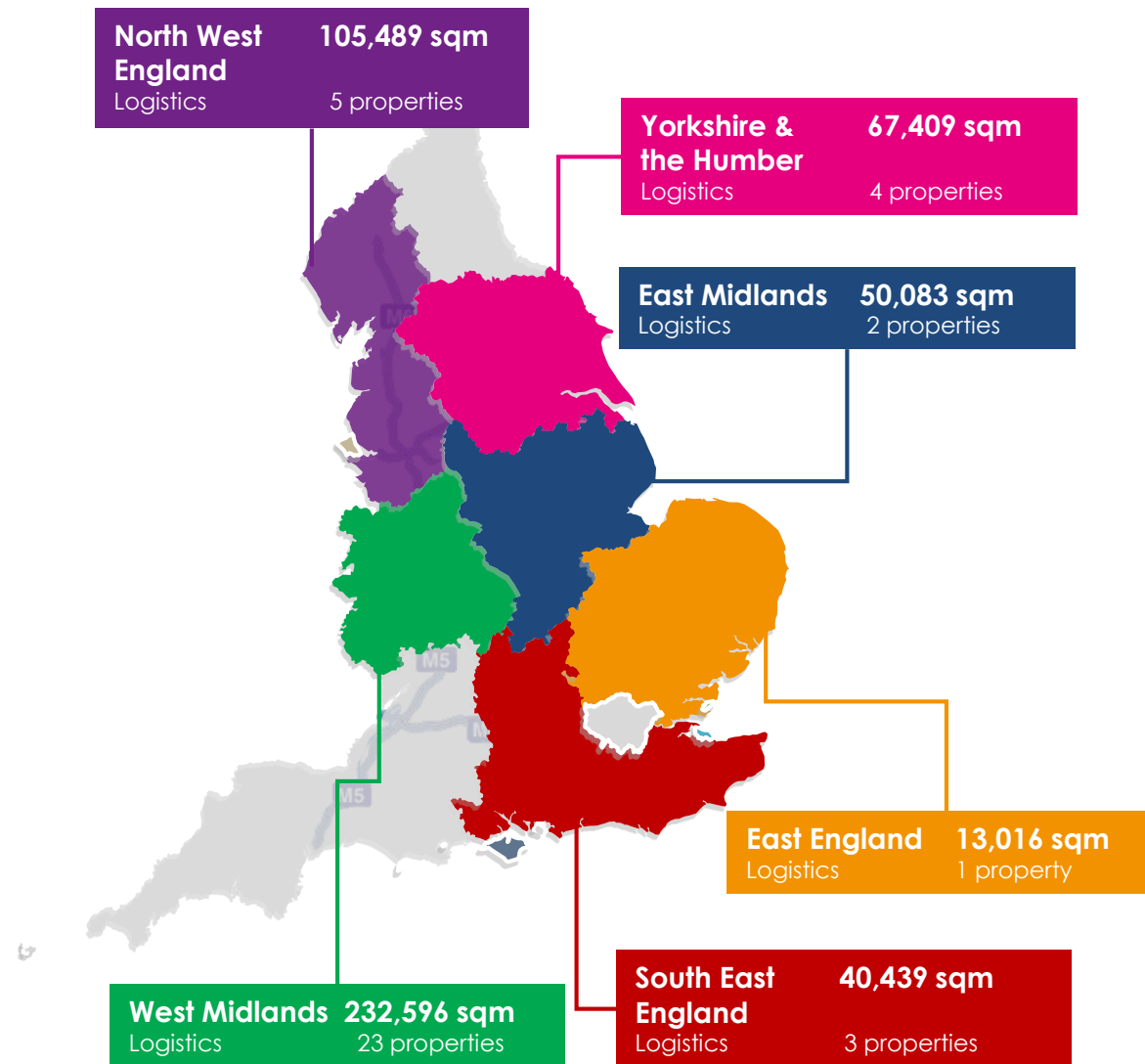


United Kingdom: 38 logistics properties

Breakdown by Geography



As at 30 June 2019

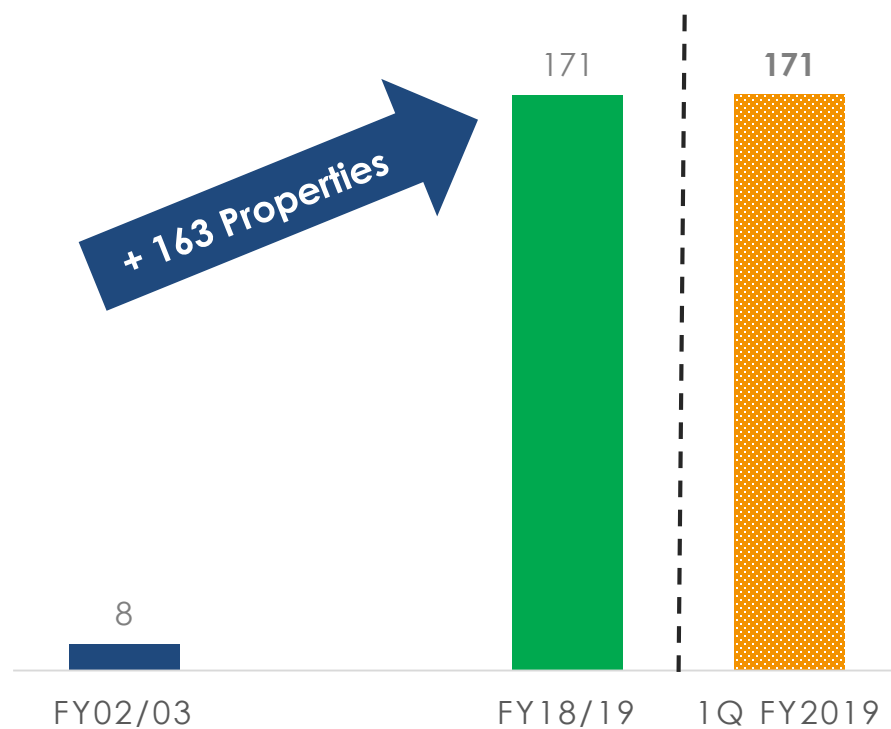


Investment Management

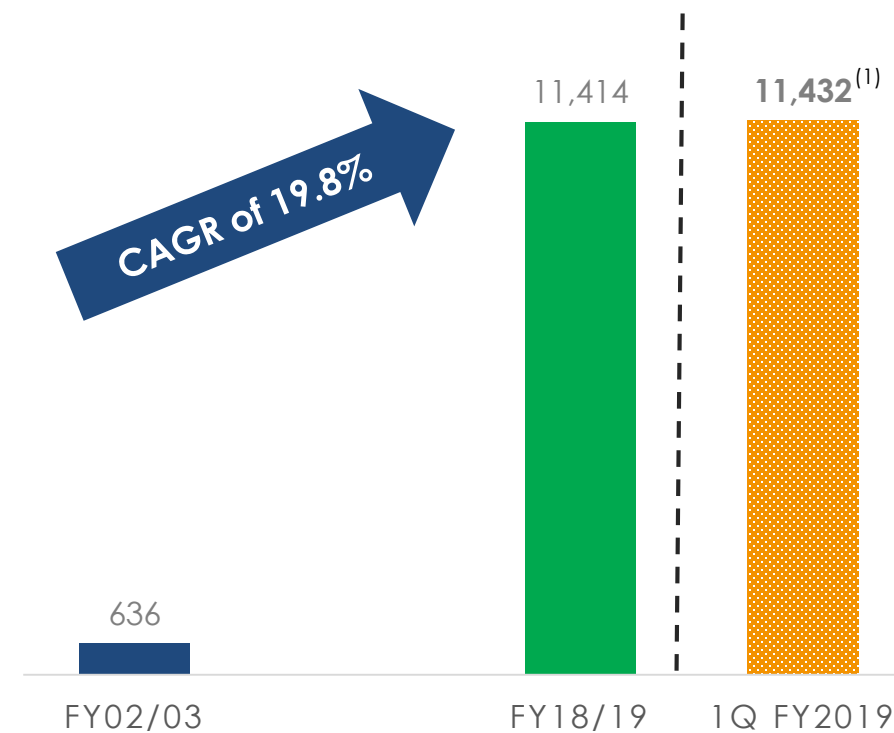
AUM Growth

- Third party acquisitions: 56%
- Sponsor's pipeline: 31%
- Development: 13%

No. of Properties



Total Assets (\$\$ m)

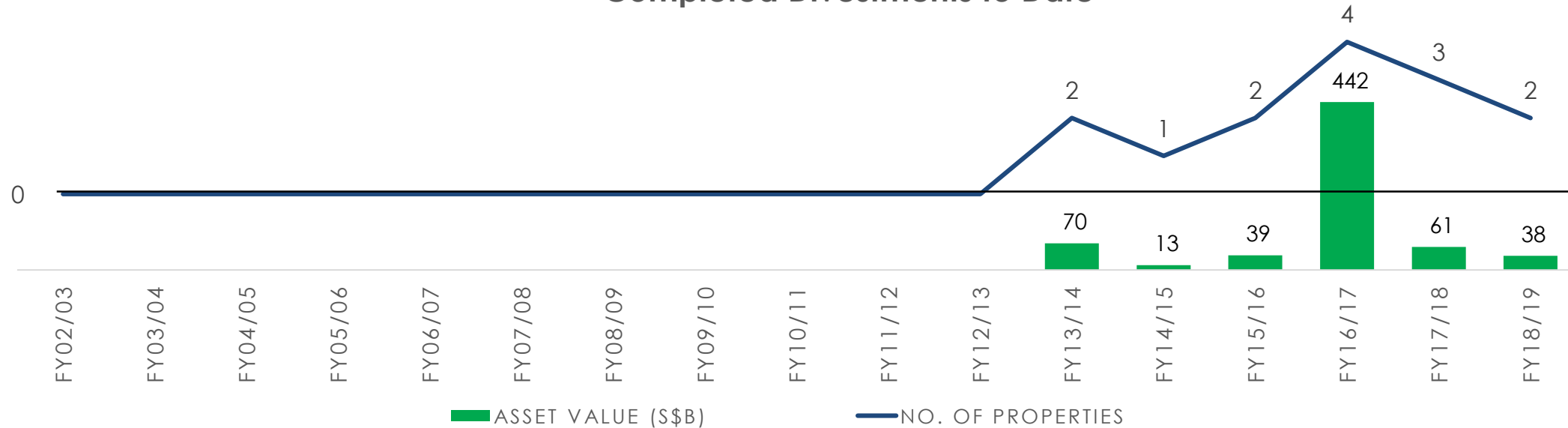


(1) Excludes the effects of FRS 116

Capital Recycling

- Divested 14 projects (\$\$0.7b) at above NAV

Completed Divestments to Date



FY13/14: 6 Pioneer Walk and Blk 5006 at TP2

FY14/15: 1 Kallang Place

FY15/16: 26 Senoko Way and BBR Building

FY16/17: Four Acres Singapore, Jiashan Logistics Centre (China), Ascendas Z-Link (China) and A-REIT City @ Jinqiao (China)

FY17/18: 10 Woodlands Link , 13 International Business Park and 84 Genting Lane

FY18/19: 30 Old Toh Tuck Road and 41 Changi South Ave 2

Development Capability

- Has capability and capacity to develop own properties profitably

	Development	Segment	Completion	Development Cost (\$m)	Revaluation 31 Mar 2019 (\$m)	Capital Gains (\$m)
1	Courts Megastore	Integrated Development	Nov-06	46.0	64.0	+39%
2	Giant Hypermart	Integrated Development	Feb-07	65.4	84.0	+28%
3	Hansapoint @ CBP	Business & Science Park	Feb-08	26.1	119.5	+358%
4	15 Changi North Way	Logistics & Distribution Centres	Jul-08	36.2	41.7	+15%
5	Pioneer Hub	Logistics & Distribution Centres	Aug-08	79.3	122.5	+54%
6	1,3 & 5 Changi Business Park Crescent (Citibank)	Business & Science Park	Feb-09, Sep-09, Dec-10	200.9	323.7	+61%
7	71 Alps Avenue	Logistics & Distribution Centres	Sep-09	25.6	21.8	-15%
8	38A Kim Chuan Road	High-Specifications (Data Centre)	Dec-09	170.0	179.3	+5%
9	90 Alps Avenue	Logistics & Distribution Centres	Jan-12	37.9	51.8	+37%
10	FoodAxis @ Senoko	Light Industrial	Feb-12	57.8	91.1	+58%
11	Nexus @one-north	Business & Science Park	Sep-13	181.3	192.0	+6%
12	DBS Asia Hub Phase 2 ⁽¹⁾	Business & Science Park	Apr-15	21.8	N.A.	N.A.
13	50 Kallang Avenue (Schneider Electric)	High-Specifications	Jun-17	45.2	91.6	+103%
14	20 Tuas Avenue 1	Logistics & Distribution Centres	Apr-18	61.4	86.4	+41%
	Total			1,054.9	1,469.4	+39%

(1) Valuation for DBS Asia Hub Phase 2 is not available. The entire property was valued at S\$166.9 million.

Note: Divested properties Four Acres Singapore and Jiashan Logistics Centre were not included in the table above.

Asset Enhancement Initiatives

- Continuously identify buildings to maximise returns

Maximise Plot Ratio



40 Penjuru Lane

- Construction of a new four storey warehouse block with GFA of 24,062 sqm
- New block is connected to the existing 40 feet vehicular ramp and driveway, greatly improving the utilization of the premises
- Completed: October 2015

Multi-tenant to Built-to-Suit Facility



50 Kallang Avenue

- Upgrading the specifications for Schneider Electric
- Maximised building's potential plot ratio of 2.5
- Installed aluminium cladding and fins to the building's external façade. The building
- Retrofitted with larger windows, new air-conditioning system and lifts
- Completed: June 2017

Redevelopment



20 Tuas Avenue 1

- Redeveloped into a ramp-up 3-storey warehouse block with efficient and regular floor plate sizes
- Features include a concrete rooftop carpark for 40 foot container and lorries
- Plot ratio was maximised
- Completed: April 2018

Proposed Divestment:

8 Loyang Way 1, Singapore

Description	Two blocks of 4-storey light industrial buildings located in the Eastern part of Singapore
Remaining Land Tenure (at point of sale)	~33 years
Net Lettable Area	12,069 sqm
Acquisition Year / Purchase Price	2008/ S\$25.0 m
Book Value/Valuation ⁽¹⁾ (as at 31 Mar 2019)	S\$23.6 m
Sales Price ⁽²⁾	S\$27.0 m
Pro-forma Net Property Income Impact	S\$1.9 m
Buyer	Seow Kim Polythelene Co Pte Ltd ("SKP")
Estimated Completion Date	2Q FY2019



- (1) The valuation was commissioned by the Manager and the Trustee, and was carried out by Jones Lang LaSalle Property Consultants Pte Ltd using the capitalisation approach and discounted cash flow approach.
- (2) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the properties.

Capital Management



Healthy Balance Sheet

- Healthy financial metrics way above bank loan covenants
- A3 Moody's credit rating
- Enable access to wider funding options at competitive rates



Aggregate Leverage
37.2%



Weighted Tenure
Of Debt
3.8 years



Average all-in
Debt Cost
3.0%



Moody's Rating
A3



Interest Cover
5.0X



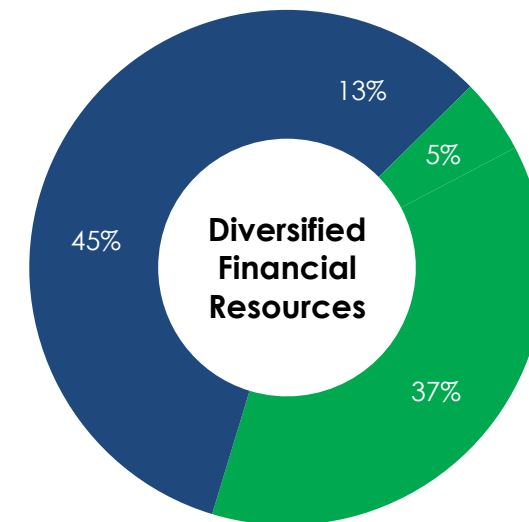
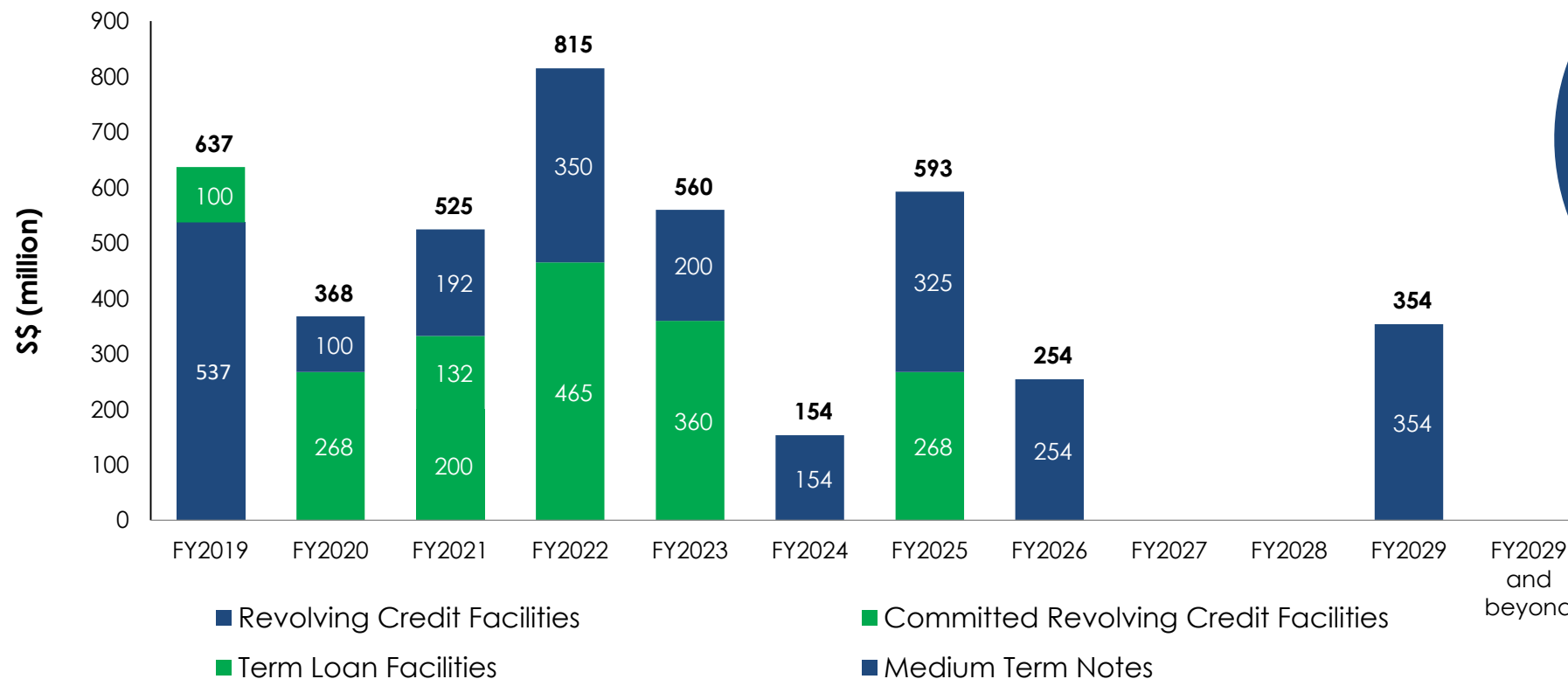
Unencumbered Properties as
% of Total Investment Properties
90.9%



Debt/ EBITDA
7.0X

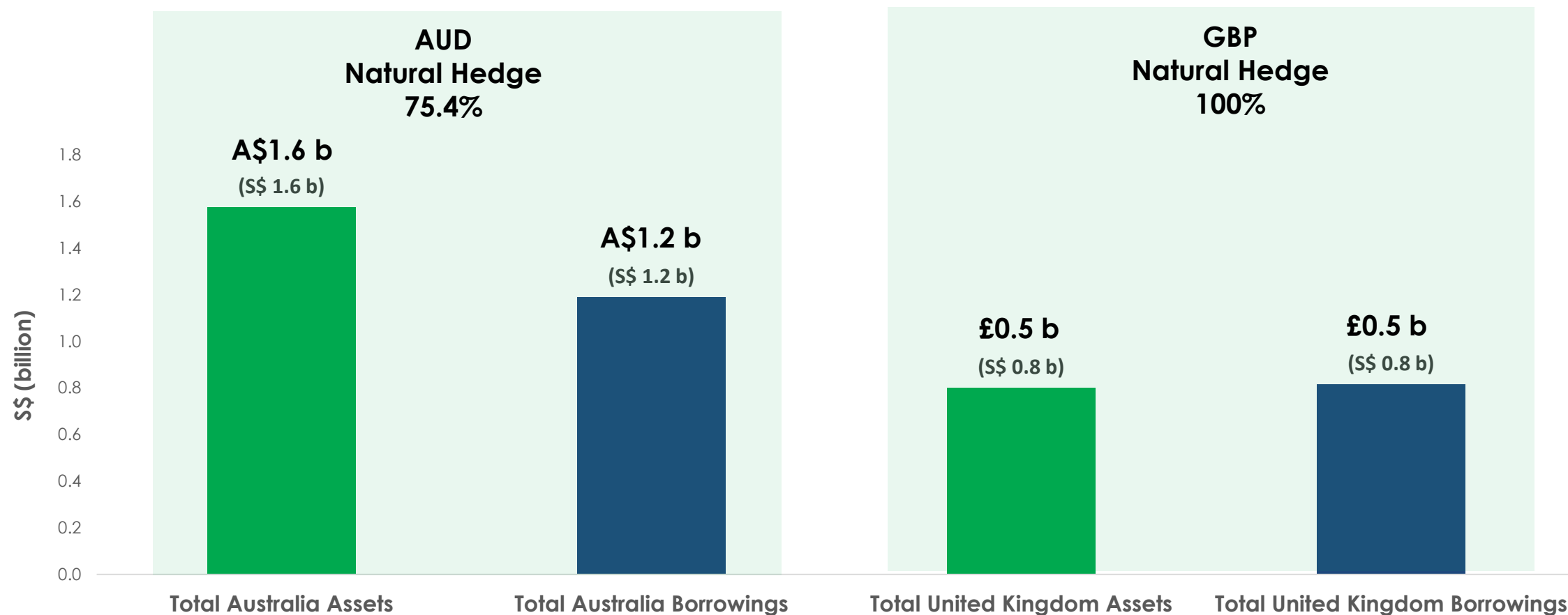
Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in FY2029
- Average debt maturity at 3.8 years (4QFY18/19: 4.0 years; 1QFY18/19: 3.4 years)



High Level of Currency Hedge

- Achieved high level of natural hedge in Australia (75.4%) and the United Kingdom (100%) to minimise the effects of adverse exchange rate fluctuations



Prudent Interest Rate Risk Management

- 75.3% of borrowings are on fixed rates with an average term of 3.6 years
- 50 bps increase in interest rate is expected to have a pro forma impact of S\$5.3m decline in distribution or 0.17 cent decline in DPU

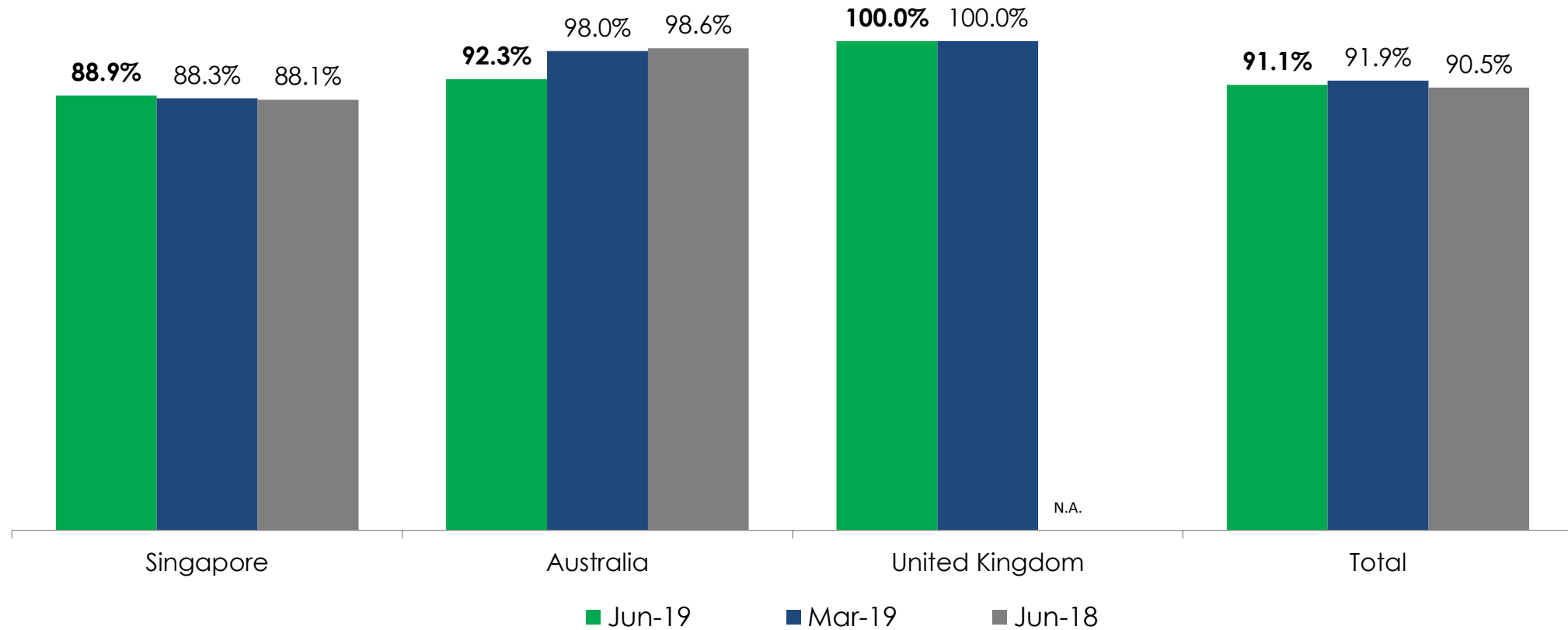
Change in Interest Rates	Decrease in Annualised Distribution (\$m)	Change as % of FY18/19 Distribution	Pro Forma Annualised DPU Impact (cents) ⁽¹⁾
+50 bps	5.3	-1.1%	-0.17
+100 bps	10.5	-2.2%	-0.34
+150 bps	15.8	-3.2%	-0.51
+200 bps	21.0	-4.3%	-0.68

(1) Based on number of Units in issue of 3,113m as at 30 Jun 2019.



Asset Management

Overview of Portfolio Occupancy



Gross Floor Area (sqm) ⁽¹⁾

3,017,037

810,772 ⁽²⁾

509,907 ⁽³⁾

4,337,716

(1) Gross Floor Area as at 30 Jun 2019.

(2) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.

(3) Gross Floor Area for United Kingdom portfolio refers to the Gross Internal Area.

Portfolio Rental Reversions

- Average portfolio rent reversion of 2.7% was recorded for leases renewed in 1Q FY2019
- Rental reversion is expected to be flat in FY2019 in view of the current global uncertainty and excessive supply of industrial properties in Singapore

% Change in Renewal Rates for Multi-tenant Buildings ⁽¹⁾	1Q FY2019	4Q FY18/19	1Q FY18/19
Singapore	3.0%	6.6%	10.5%
Business & Science Parks	3.7%	4.8%	5.6%
High-Specifications Industrial and Data Centres	3.3%	3.9%	24.8%
Light Industrial and Flatted Factories	2.2%	2.9%	4.1%
Logistics & Distribution Centres	2.6%	9.7%	-6.1%
Integrated Development, Amenities & Retail	0.0%	8.5%	5.5%
Australia	0.2%	- (2)	- (2)
Suburban Offices	1.9%	- (2)	- (2)
Logistics & Distribution Centres	-9.9%	- (2)	- (2)
United Kingdom	- (2)	- (2)	- (2)
Logistics & Distribution Centres	- (2)	- (2)	- (2)
Total Portfolio:	2.7%	6.6%	10.5%

(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.

(2) There were no renewals signed in the period for the respective segments.

Weighted Average Lease Expiry

(By gross revenue)

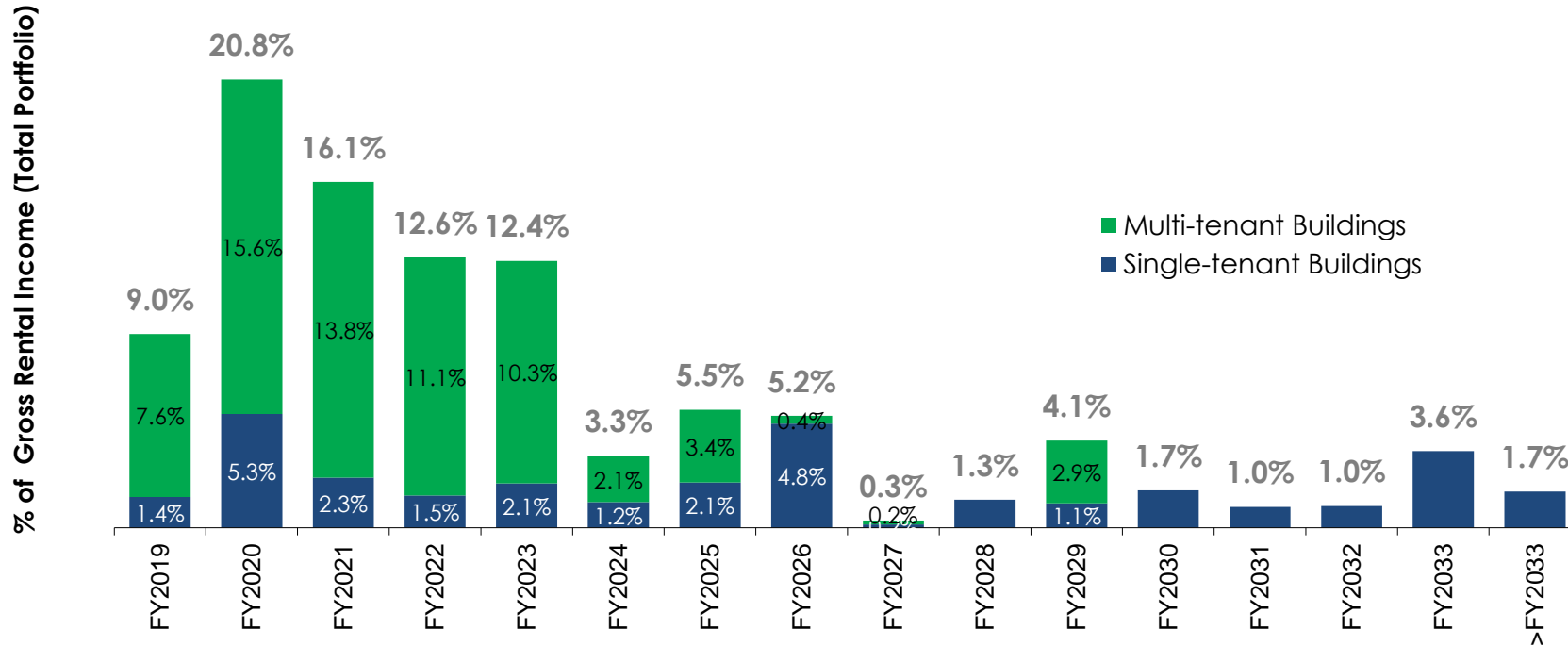
- Portfolio Weighted Average Lease Expiry (WALE) stood at 4.1 years

WALE (as at 30 Jun 2019)	Years
Singapore	3.7
Australia	4.3
United Kingdom	9.1
Portfolio	4.1

Portfolio Lease Expiry Profile

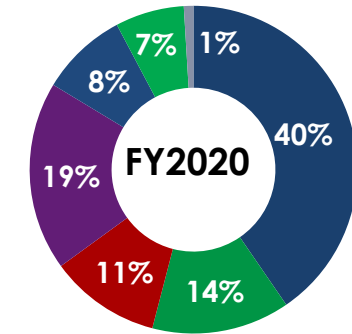
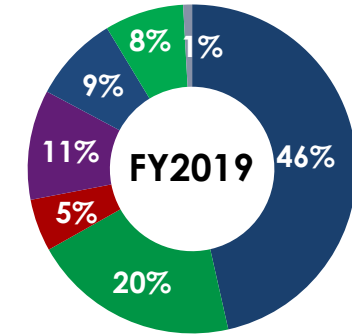
(as at 30 Jun 2019)

- Portfolio weighted average lease to expiry (WALE) of 4.1 years
- Lease expiry is well-spread, extending beyond FY2033
- About 9.0% of gross rental income is due for renewal in FY2019
- Weighted average lease term of new leases ⁽¹⁾ signed in 1Q FY2019 was 3.3 years and contributed 0.6% of 1Q FY2019 total gross revenue



(1) New leases refers to new, expansion and renewal leases. Excludes leases from new acquisitions.

Breakdown of expiring leases for FY2019 and FY2020



- Business and Science Parks
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres
- Integrated Development, Amenities & Retail
- Logistics & Suburban Offices (Australia)
- Logistics & Suburban Offices (United Kingdom)

Ongoing Projects:

Improve Portfolio Quality

	Country	Estimated Value (\$m)	Estimated Completion Date ⁽¹⁾
Development		181.2	
Built-to-suit business park development for Grab	Singapore	181.2	4Q FY2020
Redevelopment		35.0	
25 & 27 Ubi Road 4	Singapore	35.0	2Q FY2021
Asset Enhancement Initiatives		21.5	
52 & 53 Serangoon North Avenue 4	Singapore	8.5	1Q FY2020
Plaza 8 (<i>Part of 1, 3 & 5 Changi Business Park Crescent</i>)	Singapore	8.5	1Q FY2020
ONE@Changi City	Singapore	4.5	3Q FY2019

(1) Based on 31 December financial year end. The financial year for 2019 is a nine-month period from 1 April 2019 to 31 December 2019 (FY2019).

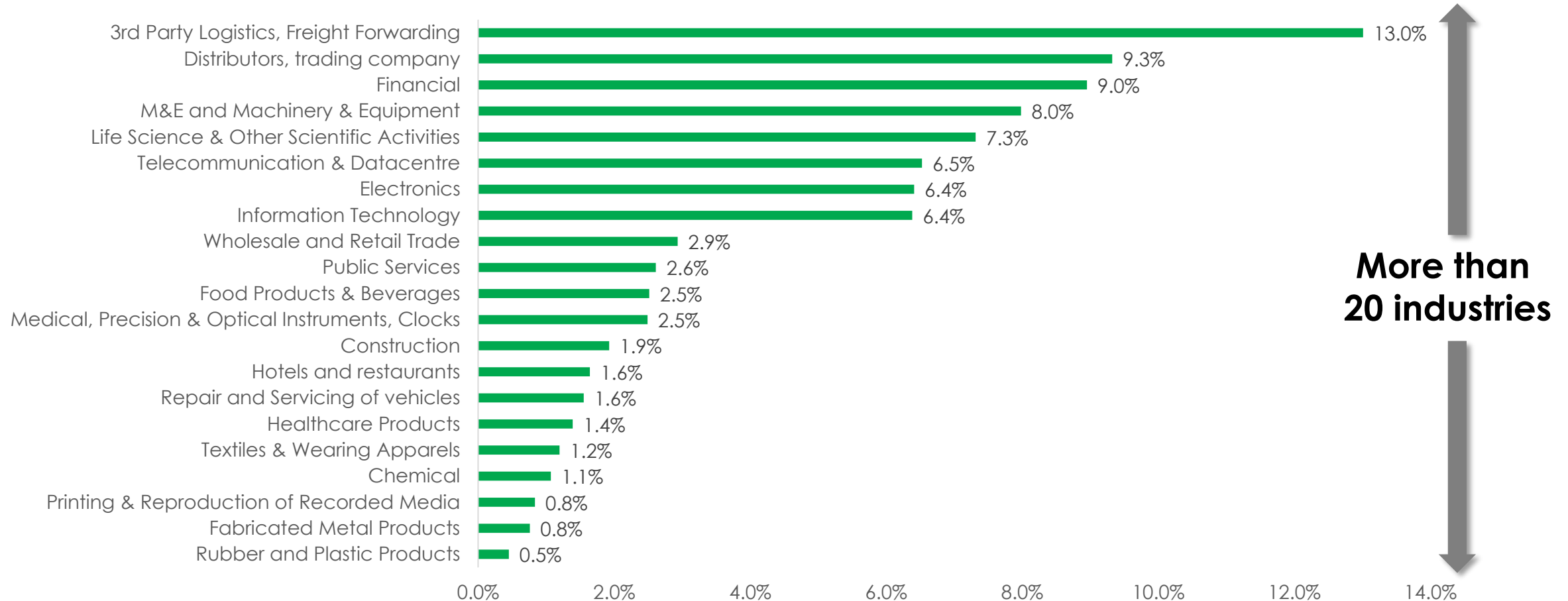
Portfolio Resilience

TECH POINT

Customers' Industry Diversification

(By Monthly Gross Revenue)

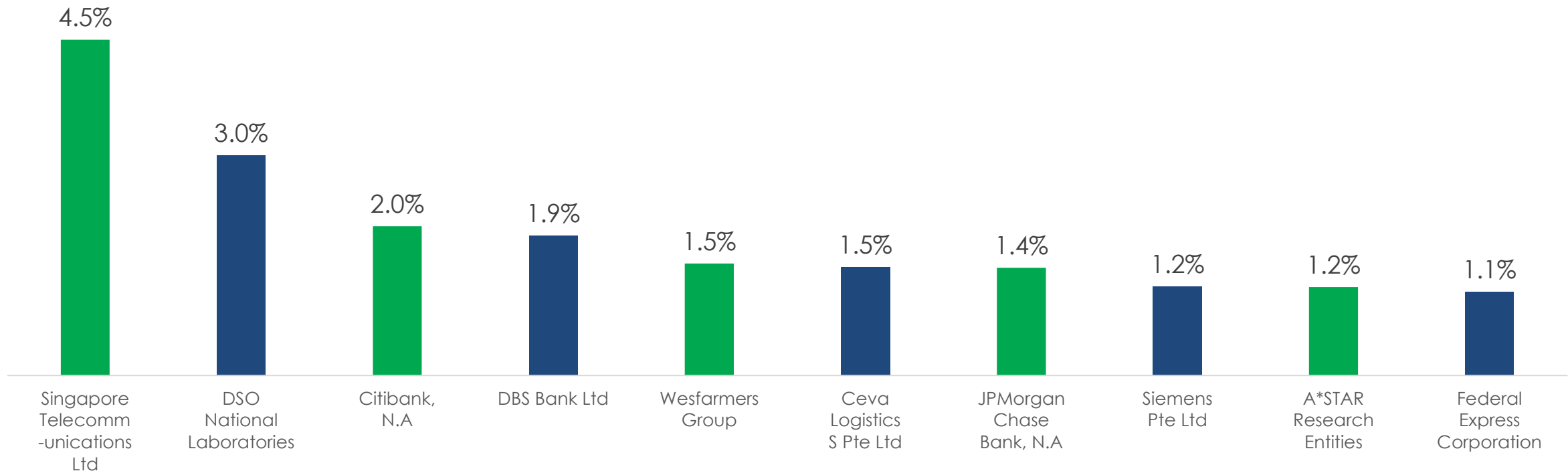
- Well-diversified customer base across more than 20 industries



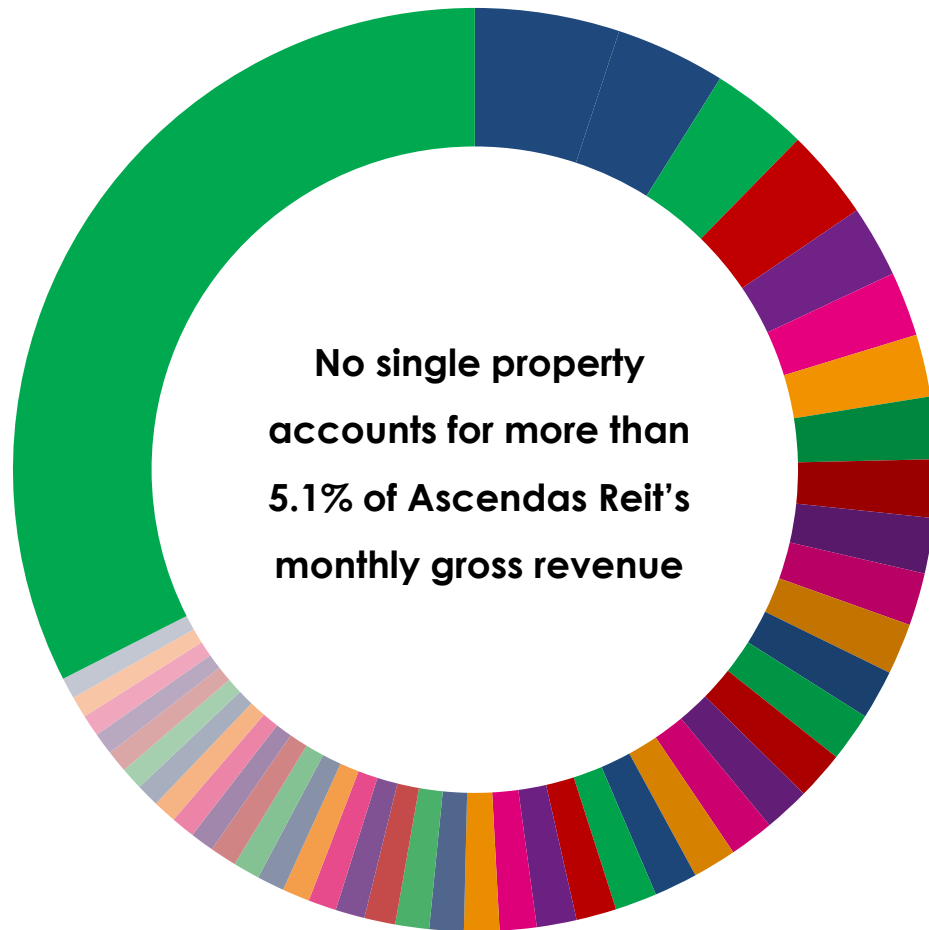
Note: Others include research & development, manufacturing, oil and gas, multi-media products etc.

Quality and Diversified Customer Base

- Total customer base of around 1,350 tenants
- Top 10 customers (as at 30 Jun 2019) account for about 19.3% of monthly portfolio gross revenue
- On a portfolio basis, weighted average security deposit is about 5.1 months of rental income



Diversified Portfolio



- Aperia, 5.1%
- 12, 14 & 16 Science Park Drive, 3.4%
- Kim Chuan Telecommunication Complex, 2.5%
- TelePark, 2.2%
- 80 Bendemeer Road, 2.0%
- TechPlace II, 1.8%
- Techview, 1.7%
- TechPoint, 1.7%
- The Kendall, 1.6%
- Techlink, 1.5%
- Siemens Centre, 1.4%
- 197-201 Coward Street, 1.3%
- 10 Toh Guan Road, 1.2%
- The Galen, 1.1%
- Nordic European Centre, 1.0%
- HansaPoint @ CBP, 1.0%
- LogisTech, 0.9%
- AkzoNobel House, 0.8%
- Courts Megastore, 0.8%
- Acer Building, 0.8%
- 7 Grevillea Street, 0.8%
- Pacific Tech Centre, 0.7%
- ONE @ Changi City, 3.9%
- 1, 3 & 5 Changi Business Park Crescent, 3.2%
- Neuros & Immunos, 2.3%
- Pioneer Hub, 2.2%
- 40 Penjuru Lane, 1.9%
- Nexus@One North, 1.8%
- The Aries, Sparkle & Gemini, 1.7%
- Corporation Place, 1.6%
- 31 International Business Park, 1.5%
- DBS Asia Hub (Phase I & II), 1.5%
- TechPlace I, 1.4%
- Cintech III & IV, 1.2%
- FoodAxis @ Senoko, 1.2%
- Infineon Building, 1.0%
- The Capricorn, 1.0%
- Giant Hypermart, 0.9%
- 138 Depot Road, 0.8%
- 19 & 21 Pandan Avenue, 0.8%
- The Alpha, 0.8%
- 21 Jalan Buroh, 0.8%
- Changi Logistics Centre, 0.7%
- Others, 32.5%

Corporate Governance



Corporate Governance Framework



AFM, as manager of Ascendas Reit, is a Capital Markets Service License Holder. Activities conducted by AFM are regulated by MAS.



Ascendas Reit, listed since November 2002, is governed by the SGX Listing requirements

Key Guidelines

Gearing

- Aggregate leverage should not exceed 45% of the fund's deposited property

Valuation

- Full valuation at least once a year

Interested Party Transaction

- Asset is acquired from the interested parties at a price not more than the higher of the two assessed values, or sold to interested parties at a price not less than the lower of the two assessed values

Development

- Total contract value of property development activities
 - should not exceed 10% of the deposited property.
 - may exceed 10% (subject to a maximum of 25%) only if:
 - the additional allowance of up to 15% of the property fund's deposited property is utilised solely for the redevelopment of an existing property that has been held by the property fund for at least three years and which the property fund will continue to hold for at least three years after the completion of the redevelopment

High Standards of Corporate Governance: Staying Ahead in Best Practices & Policies



- Early adopter of best practices:
 - First AGM held in 2007, MAS made it compulsory for S-REITs in 2010
 - Nominating and Remuneration Committee in 2005, before 2016 requirement
 - One of the first S-REITs to publish sustainability report in 2013
- Well-diversified Board
 - Varied expertise
 - 6 independent directors, of which 2 are female (out of a board of 9)



SIAS Investors' Choice Award
Most Transparent Company
(2007 to 2015)



Singapore Corporate Award
Best Investor Relations
(2016, 2017)
Best Annual Report
(2011, 2012, 2015, 2019)



Finance Asia's Annual Poll
Singapore's Best Managed
Companies (2009, 2012)
Singapore's Best Investor
Relations (2016)



Singapore Top 100 Brands
(2013 to 2019)

Market Outlook



Market Outlook

- The global economic outlook continues to weaken amid uncertainties arising from the on-going trade frictions, political tensions and Brexit negotiations.
- Singapore's economic growth slowed to 0.1% y-o-y in 2Q 2019. For 2019, GDP growth is expected to be between 1.5% to 2.5% (MTI).
 - On top of the excessive new supply of industrial property space that was built-up over the last 4-5 years, an additional 2.7 million sqm of new industrial space is expected to complete in the rest of 2019 and in 2020 (JTC).
- Australia's economy grew by 1.8% y-o-y in 1Q FY2019 and is expected to grow by 2.1% in 2019 (Bloomberg). To reduce unemployment and achieve its inflation target over time, the Reserve Bank of Australia lowered its cash rate from 1.5% to 1.0% (RBA).
 - The Australian portfolio is underpinned by the long WALE of 4.3 years and average annual rent escalations of approximately 3% per annum.
- UK's economy grew by 1.8% y-o-y in 1Q 2019 and is forecasted to grow by 1.3% y-o-y in 2019 (Bloomberg).
 - The UK portfolio has strong attributes such as the long WALE of 9.1 years, and the domestic nature of the tenants' logistics business should stand Ascendas Reit in good stead to overcome any potential impact arising from Brexit.
- The Manager will continue to look for accretive opportunities in Singapore and other developed markets to scale up Ascendas Reit's portfolio.

Additional Information

- 1 Historical Quarterly Results
- 2 Annual Property Revaluation
- 3 Singapore Industrial Property Market

Historical Quarterly Results

Financial Highlights (S\$ m)	FY18/19					FY2019
	1Q	2Q	3Q	4Q	Total	1Q
Gross Revenue	217	218	226	225	886	230
Net Property Income	159	159	168	164	650	177
Total Amount Available for Distribution	117	115	124	130	486	125
No. of Units in Issue (m)	2,930	3,108	3,111	3,111	3,111	3,113
Distribution Per Unit (cents)	4.002	3.887	3.998	4.148	16.035	4.005

Annual Property Revaluation

- Total valuation of 171 properties was S\$11.1b
- Same-store valuation ⁽¹⁾ of 129 properties as at 31 March 2019 improved to S\$10.22b (S\$10.11b as at 31 March 2018)

As at 31 Mar 2019	Valuation (\$b)	Weighted Average Capitalisation Rates
Singapore portfolio (98 properties)	8.77	6.18%
Business & Science Parks	3.69	6.02%
High-Specifications/ Data Centres	2.19	6.34%
Light Industrial/ Flatted Factories	0.95	6.23%
Logistics & Distribution Centres	1.21	6.53%
Integrated Development, Amenities & Retail	0.72	5.87%
Australia portfolio (35 properties) ⁽²⁾	1.56	6.08%
Suburban Offices	1.56	6.08%
Logistics & Distribution Centres		
United Kingdom portfolio (38 properties) ⁽³⁾	0.81	5.77% ⁽⁴⁾
Total Portfolio (171 properties)	11.14	

(1) Excludes properties which were divested (30 Old Toh Tuck and 41 Changi South Avenue 2) and newly acquired properties (United Kingdom properties, 169-177 Australis Drive, 1314 Ferntree Gully Drive, 1-7 Wayne Goss Drive and Cargo Business Park).

(2) All S\$ amount based on exchange rate of A\$1.00: S\$0.9596 as at 31 Mar 2019.

(3) All S\$ amount based on exchange rate of £1.00: S\$1.7680 as at 31 Mar 2019.

(4) Refers to equivalent yield, which reflects the current level of return on property investments in the United Kingdom.

Singapore Industrial Market: New Supply

- Potential new supply of about 3.1 m sqm (~6.2% of existing stock) over next 3 years, of which 55% are pre-committed
- Island-wide occupancy was 89.3% as at 30 Jun 19 (vs. 89.3% as at 31 Mar 19)

Sector ('000 sqm)	2019	2020	2021	New Supply (Total)	Existing Supply (Total)	% of New/ Existing supply
Business & Science Park	18	171	41	230	2,200	10.5%
% of Pre-committed (est)	100%	56%	100%	67%		
High-Specifications Industrial	305	120	37	463	36,229	6.6%
% of Pre-committed (est)	100%	100%	100%	100%		
Light Industrial	331	1,226	378	1,935	10,849	3.9%
% of Pre-committed (est)	92%	35%	48%	47%		
Logistics & Distribution Centres	145	275	8	428	10,849	3.9%
% of Pre-committed (est)	64%	19%	100%	36%		
Total	799	1,792	465	3,055	49,278	6.2%
% Pre-committed (est)	90%	39%	58%	55%		

Note:
Excludes projects under 7,000 sqm. Based on gross floor area
Source: URA Realis & Ascendas Reit internal research



Thank you

