

SUNTEC REIT FINANCIAL RESULTS

For the 3rd Quarter and Nine Months ended 30 September 2019

23 October 2019



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Looking Ahead

3Q 19 Highlights

3Q 19 Distributable Income S\$66.2 million

Distributable income from operations:

S\$59.7 million, +5.7% YOY

Capital distribution:

S\$6.5 million

3Q 19 DPU 2.365 cents

DPU from operations:

2.133 cents, +0.8% YOY

DPU from capital:

0.232 cents

Acquisition

Completed acquisition of
55 Currie Street, Adelaide
for A\$148.3 mil on 10 Sep 2019

Capital Management

All-in Financing Cost

3.01% p.a.

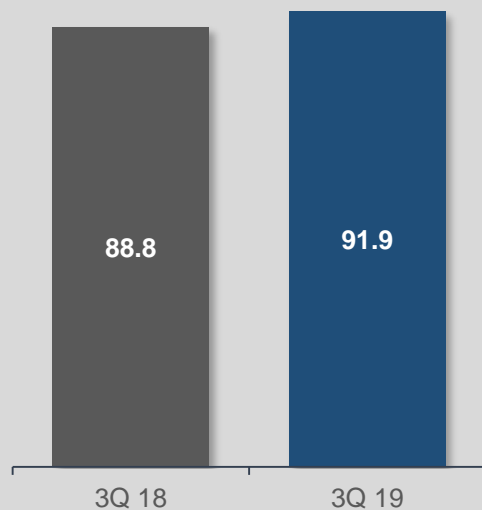


FINANCIAL HIGHLIGHTS

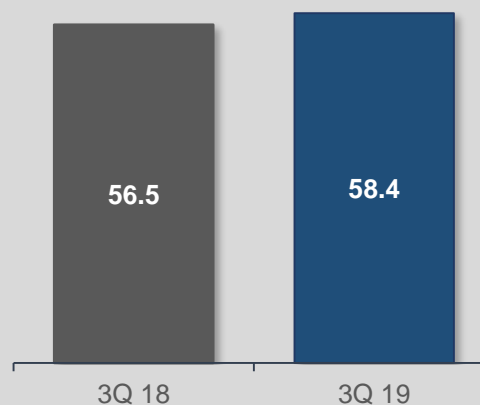


3Q 19 Financial Performance

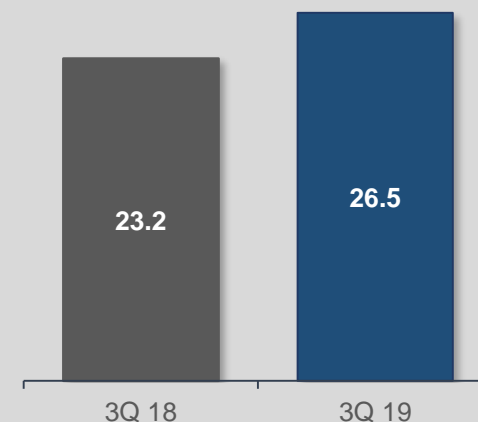
Gross Revenue (S\$ mil)



Net Property Income (S\$ mil)



Income Contribution from JV (S\$ mil)



Gross Revenue

S\$91.9
million

+3.5% y-o-y

Net Property Income

S\$58.4
million

+3.2% y-o-y

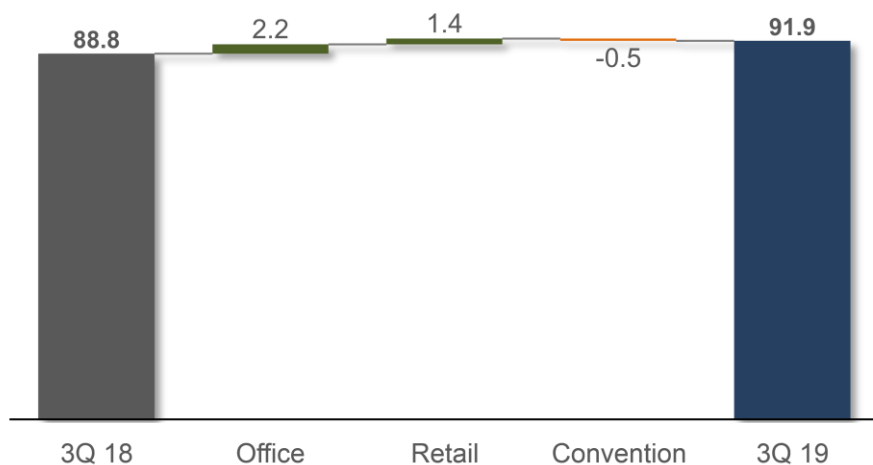
Income Contribution from JV

S\$26.5
million

+14.4% y-o-y

3Q 19 Gross Revenue improved 3.5% y-o-y

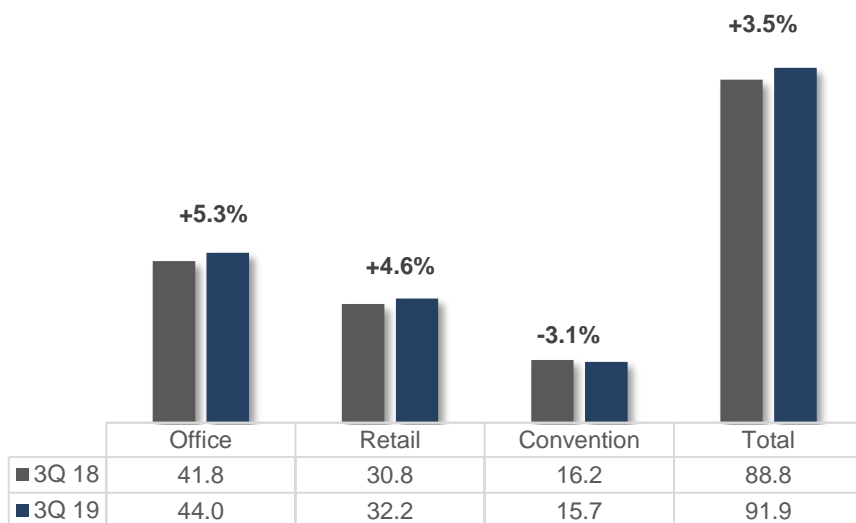
S\$ mil



- Higher contribution from office and retail partially offset by lower contribution from convention.

Office	S\$ mil	Remarks
Suntec City	+1.3	Improved by 4.1% due to higher occupancy
55 Currie Street	+0.9	Acquisition completed on 10 Sep 19
UP	+2.2	

S\$ mil

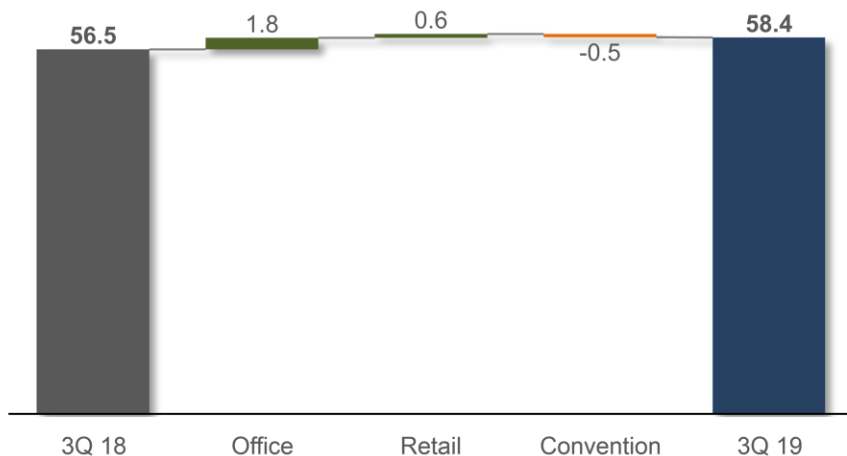


Retail	S\$ mil	Remarks
Suntec City	+1.4	Higher rental rates

Convention	S\$ mil	Remarks
Suntec Convention	-0.5	Smaller scale of events

3Q 19 Net Property Income improved 3.2% y-o-y

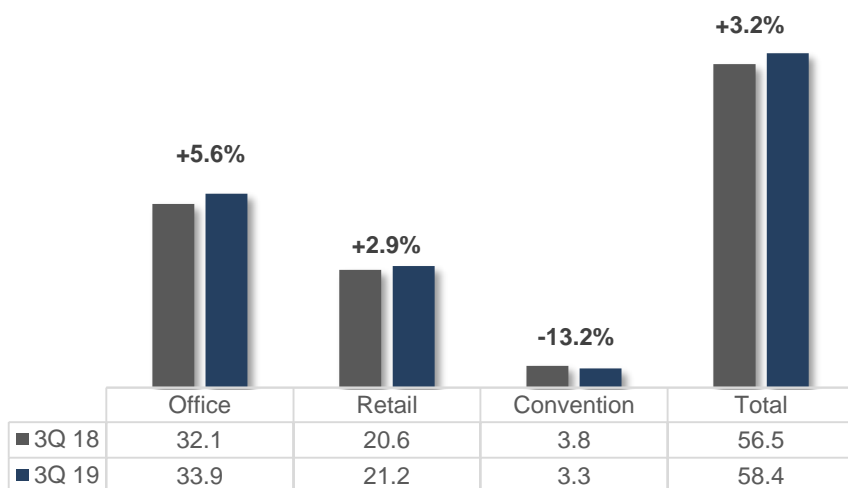
S\$ mil



- Higher income contribution from office and retail partially offset by lower contribution from convention.

Office	S\$ mil	Remarks
Suntec City	+1.1	
55 Currie Street	+0.7	
UP	+1.8	

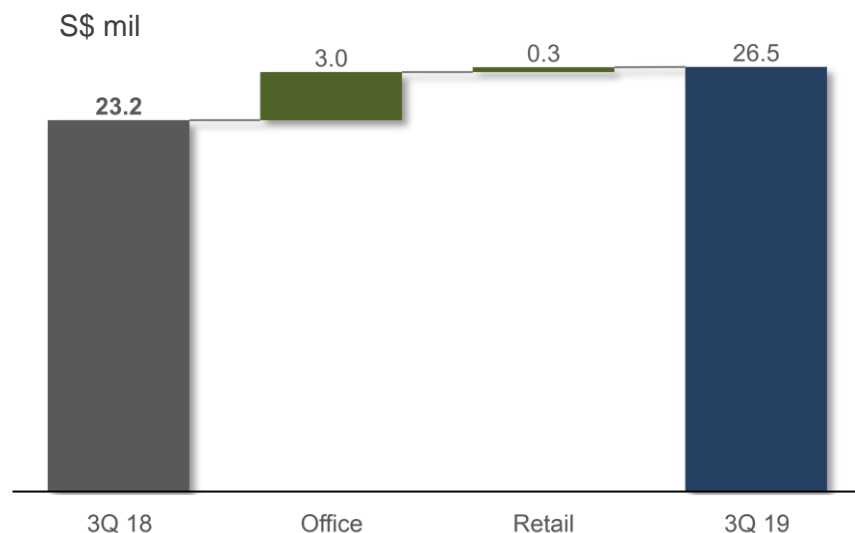
S\$ mil



Retail	S\$ mil	Remarks
Suntec City	+0.6	Higher rental income partially offset by higher property tax

Convention	S\$ mil	Remarks
Suntec Convention	-0.5	

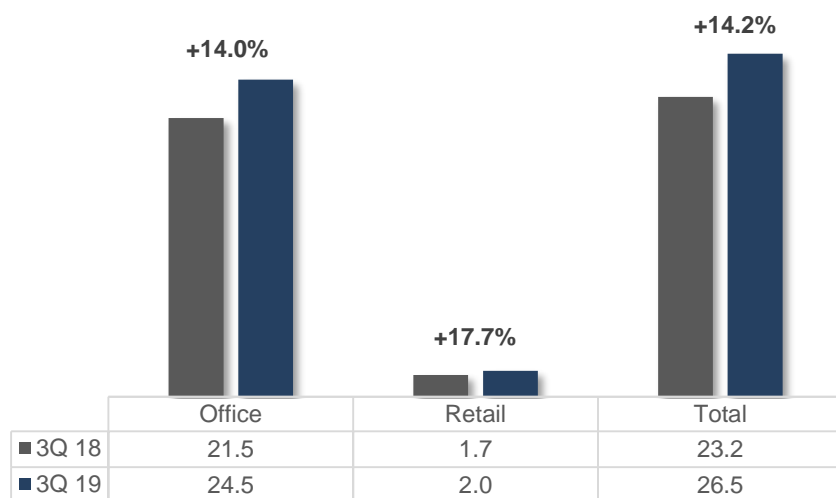
3Q 19 Income Contribution from JV up 14.4% y-o-y



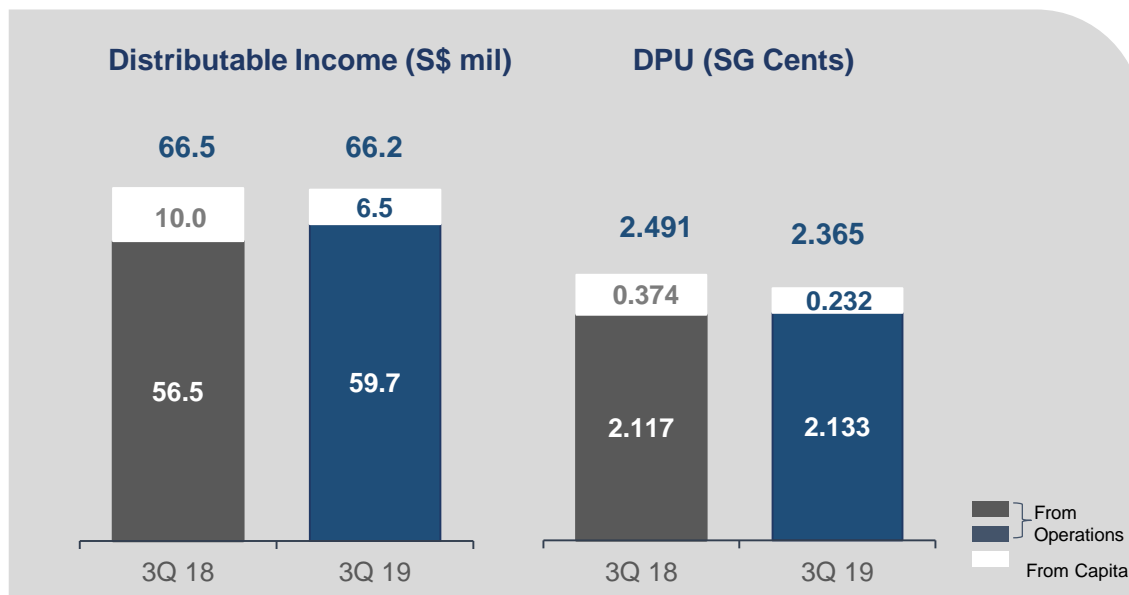
- Higher contribution from both office and retail

Office	S\$ mil	Remarks
MBFC Properties	+2.2	Higher rates offset lower occupancy, one-off compensation received in 3Q 19
Southgate Complex	+0.5	Higher occupancy and rent
ORQ	+0.3	Positive rent reversions and higher occupancy
UP	+3.0	

Retail	S\$ mil	Remarks
MBLM	+0.2	Positive reversions
Southgate Complex	+0.1	Lower operating expenses
UP	+0.3	



Achieved 3Q 19 Distributable Income of S\$66.2 mil



Mainly due to:

- **Higher distributable income** and **DPU from operations** attributed to higher contribution from MBFC Properties, Suntec City, Southgate Complex and contribution from 55 Currie Street
- Higher financing costs and lower capital distribution
- DPU declined 5.1% y-o-y mainly due to enlarged unit base

Distributable Income

S\$66.2

million, -0.4% y-o-y

Distribution Per Unit

2.365

cents, -5.1% y-o-y

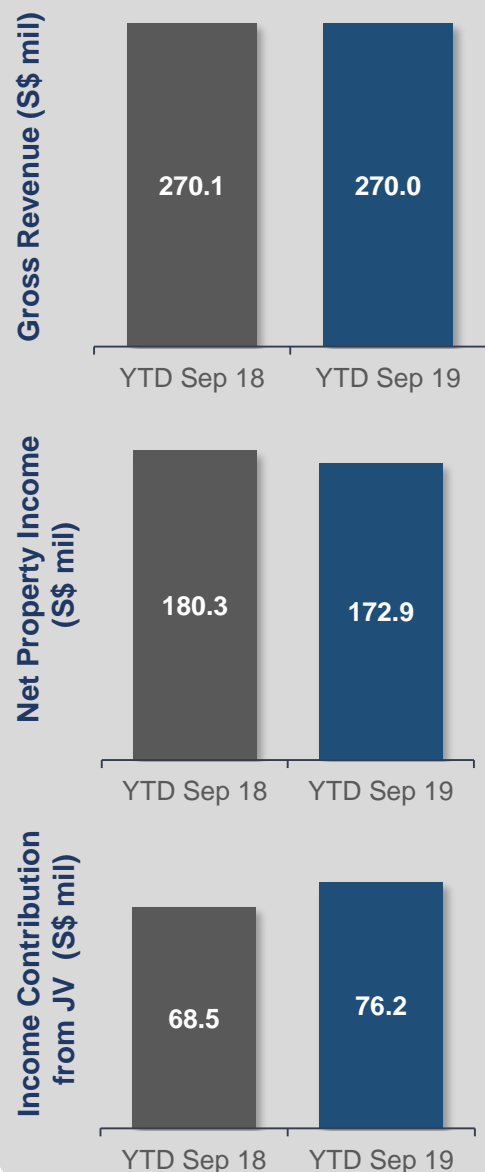
Trading Yield

4.94%¹

Note:

1. Based on 3Q 19 annualised DPU and 30/9/19 closing price of \$1.90

YTD 19 Financial Performance



Gross Revenue

- Gross revenue in line with YTD Sep 18
- Mainly due to higher revenue from Suntec City and contribution from 55 Currie Street offset by lower revenue from convention and 177 Pacific Highway due to the weakened AUD

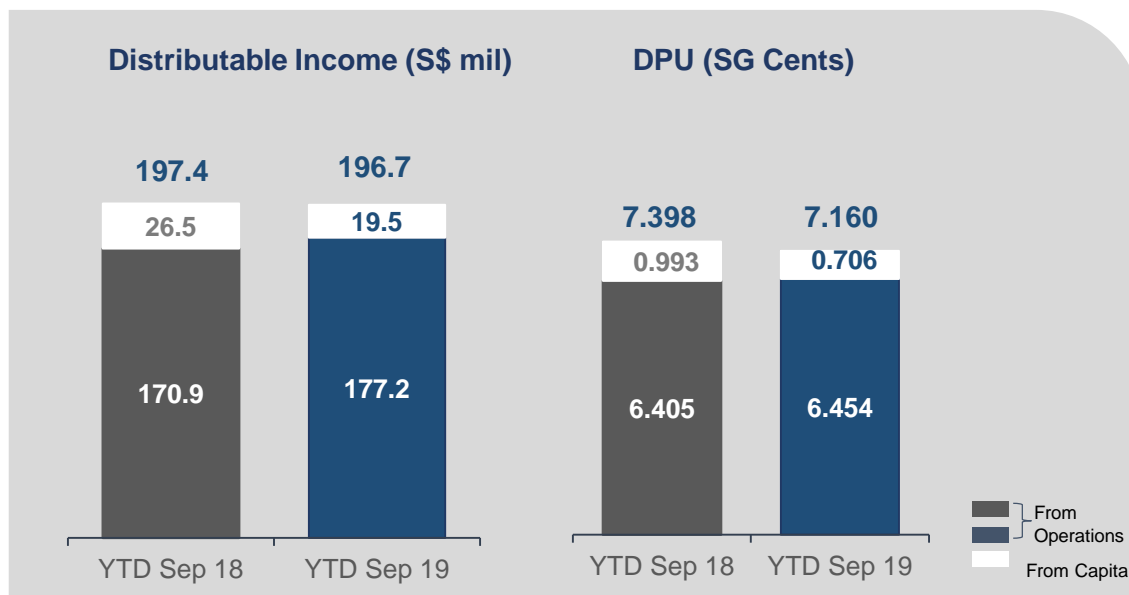
Net Property Income

- Net property income declined 4.1% year-on-year
- Mainly due to the sinking fund contribution
- Excluding the sinking fund contribution of S\$14.4 mil (2018: S\$6.4 mil), NPI would be 0.4% higher y-o-y

Income Contribution from JV

- Income contribution from JV improved 11.3% y-o-y
- Mainly due to the stronger performance and additional 25% interest in Southgate Complex and higher contribution from MBFC Properties due to stronger performance and one-off compensation received
- Partially offset by lower contribution from ORQ due to lower occupancy

Achieved YTD 19 Distributable Income of S\$196.7 mil



Mainly due to:

- **Higher distributable income** and **DPU from operations** attributed to higher contribution from Southgate Complex, Suntec City, MBFC Properties and contribution from 55 Currie Street
- Higher financing costs and lower capital distribution
- DPU declined 3.2% y-o-y mainly due to enlarged unit base

Distributable Income

S\$196.7
million

-0.3% y-o-y

Distribution Per Unit

7.160
cents

-3.2% y-o-y

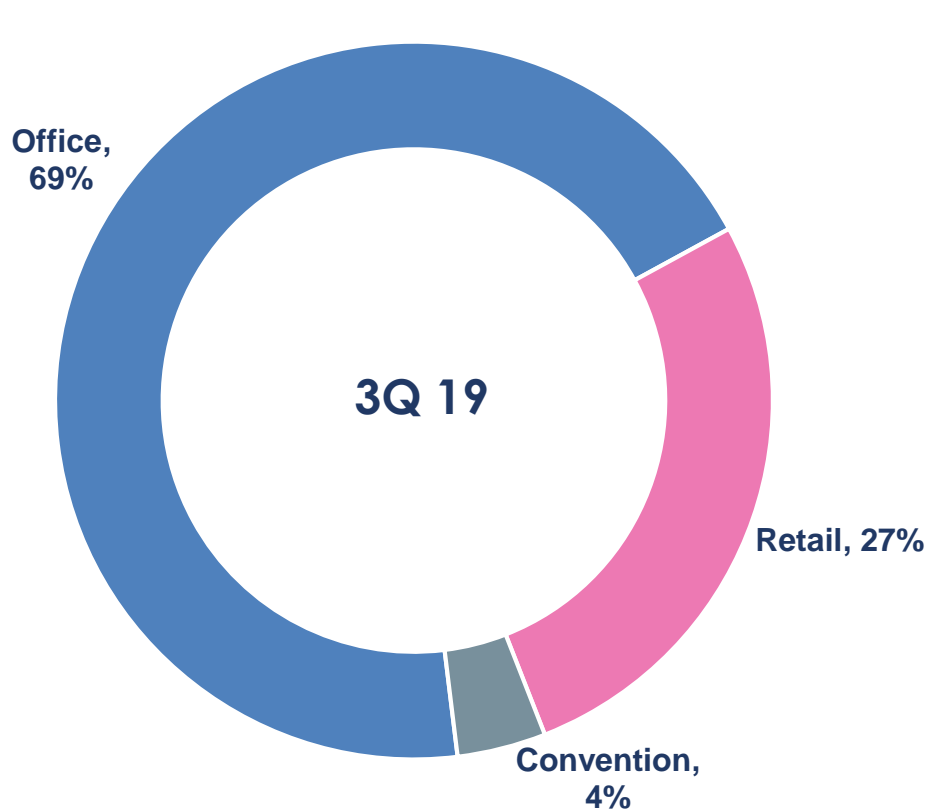
Distribution Timetable

Distribution Payment	
Distribution Period	1 July – 30 September 2019
Amount (cents/unit)	2.365

Ex-date	31 October 2019
Books closure date	1 November 2019
Payment date	28 November 2019

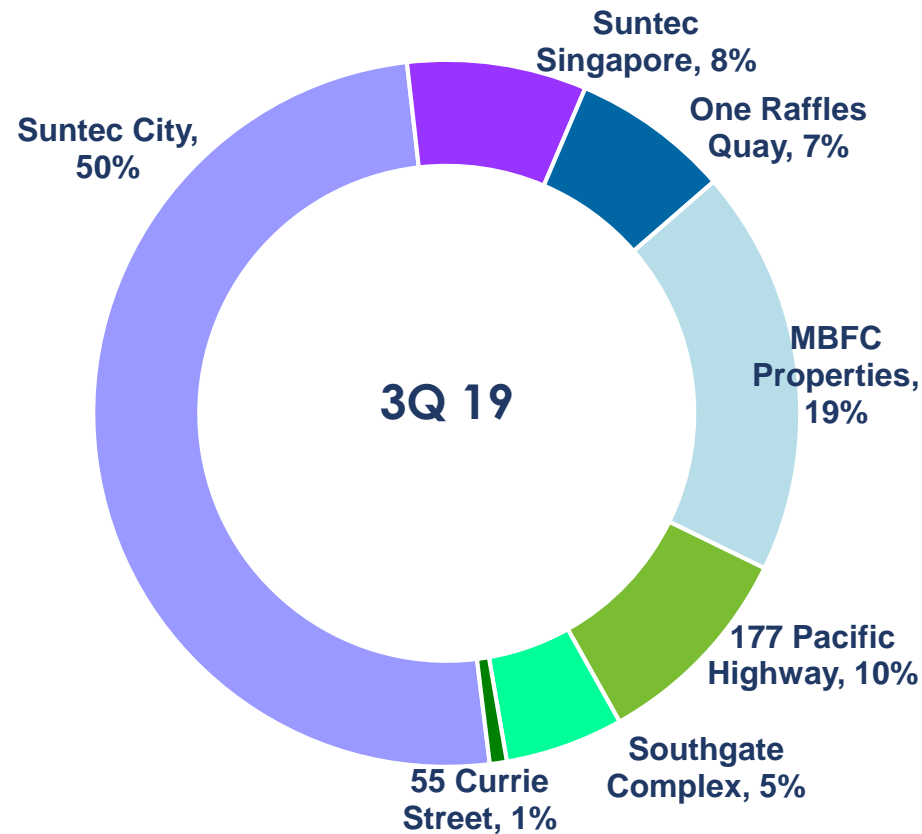
Source: ARATMS

NPI & Income Contribution from JV



Contribution by Segment

- Office portfolio accounts for 69% of NPI & Income



Contribution by Asset

- Singapore properties account for 84% of NPI & Income

southgate

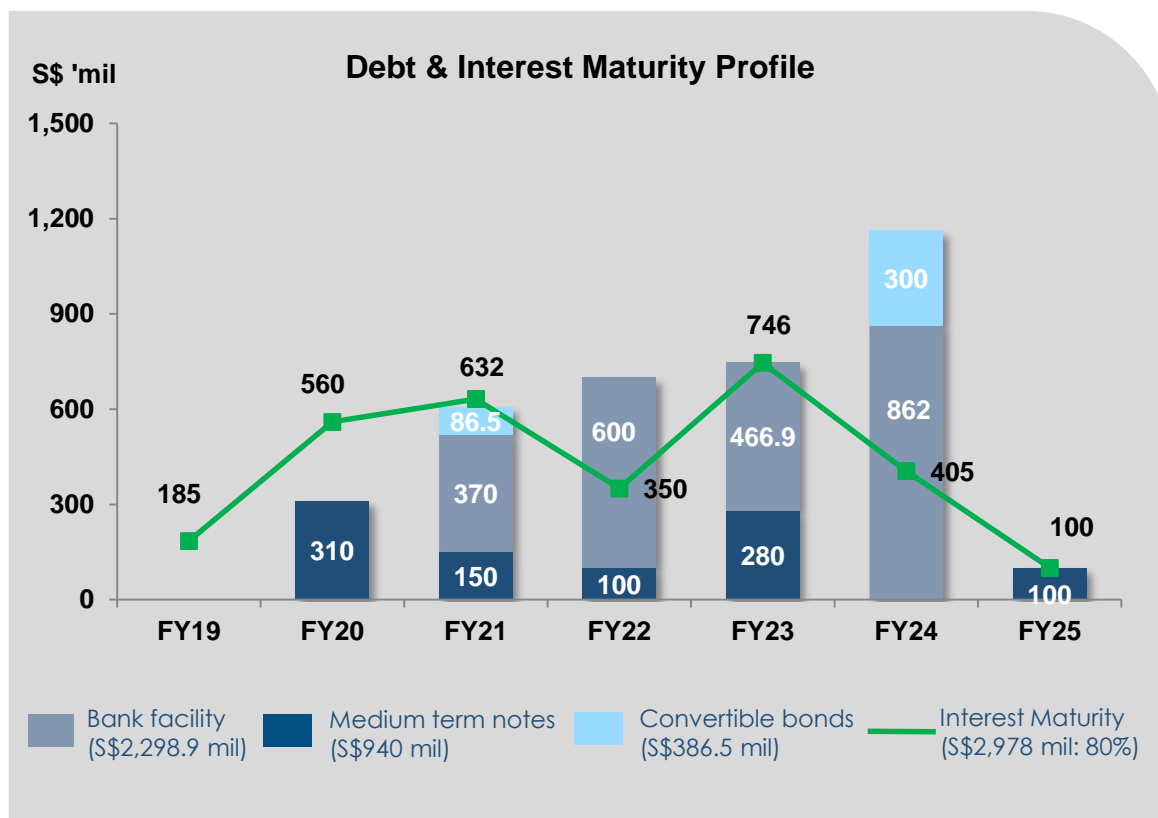
CAPITAL MANAGEMENT



Balance Sheet

As of 30 Sep 2019	
Total Assets	S\$9,775 mil
Total Liabilities	S\$3,883 mil
Net Assets Attributable to Unitholders	S\$5,765 mil
Units in Issue ('000)	2,797,815
NAV Per Unit	S\$2.058

Proactive Capital Management



30 Sep 2019	
Total Debt Outstanding	S\$3,625 mil
Aggregate Leverage Ratio ¹	38.2%
Weighted Average Debt Maturity	Approx. 3.3 years
All-in Financing Cost	3.01% p.a.
Interest Coverage Ratio	3.1x
Weighted average interest maturity	Approx. 2.6 years

- **No refinancing** requirement in FY 2019
- **8.6% of total debt** due in FY 2020

Note:

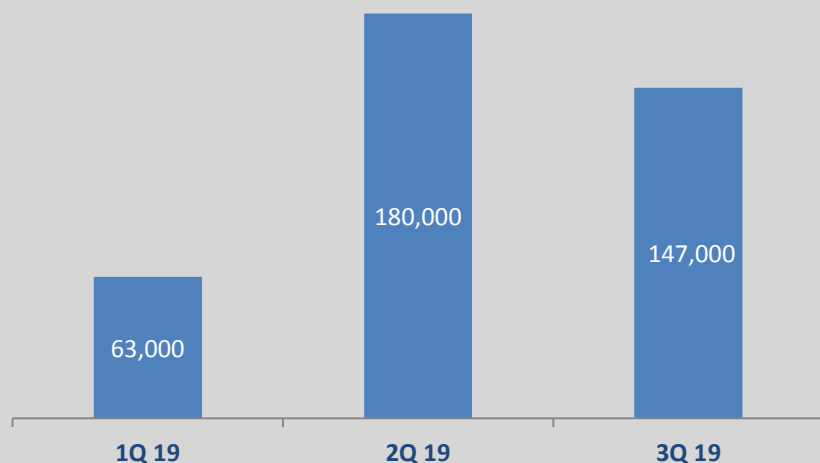
1. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of joint ventures) and deferred payments (if any) to the value of the Deposited Property.

OFFICE PORTFOLIO PERFORMANCE



Office Portfolio Summary

Office Portfolio Work Done (sq ft)

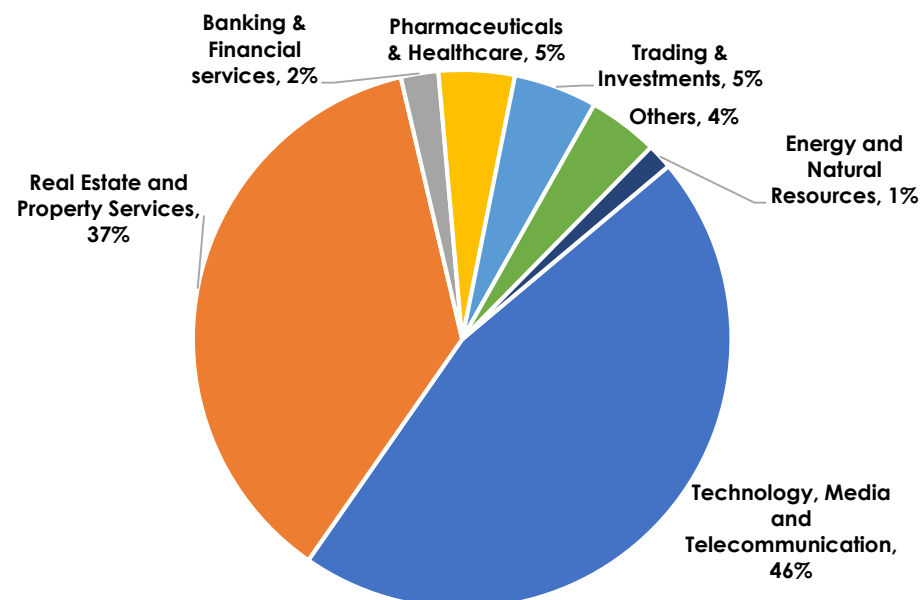


3Q 19

Total new and renewal leases signed in 3Q 19 **147,000 sq ft**

Portfolio Committed Occupancy (as at 30 Sep) **98.6%**

New Demand Profile¹



Ascender

EUROVISION
SERVICES

IMCD



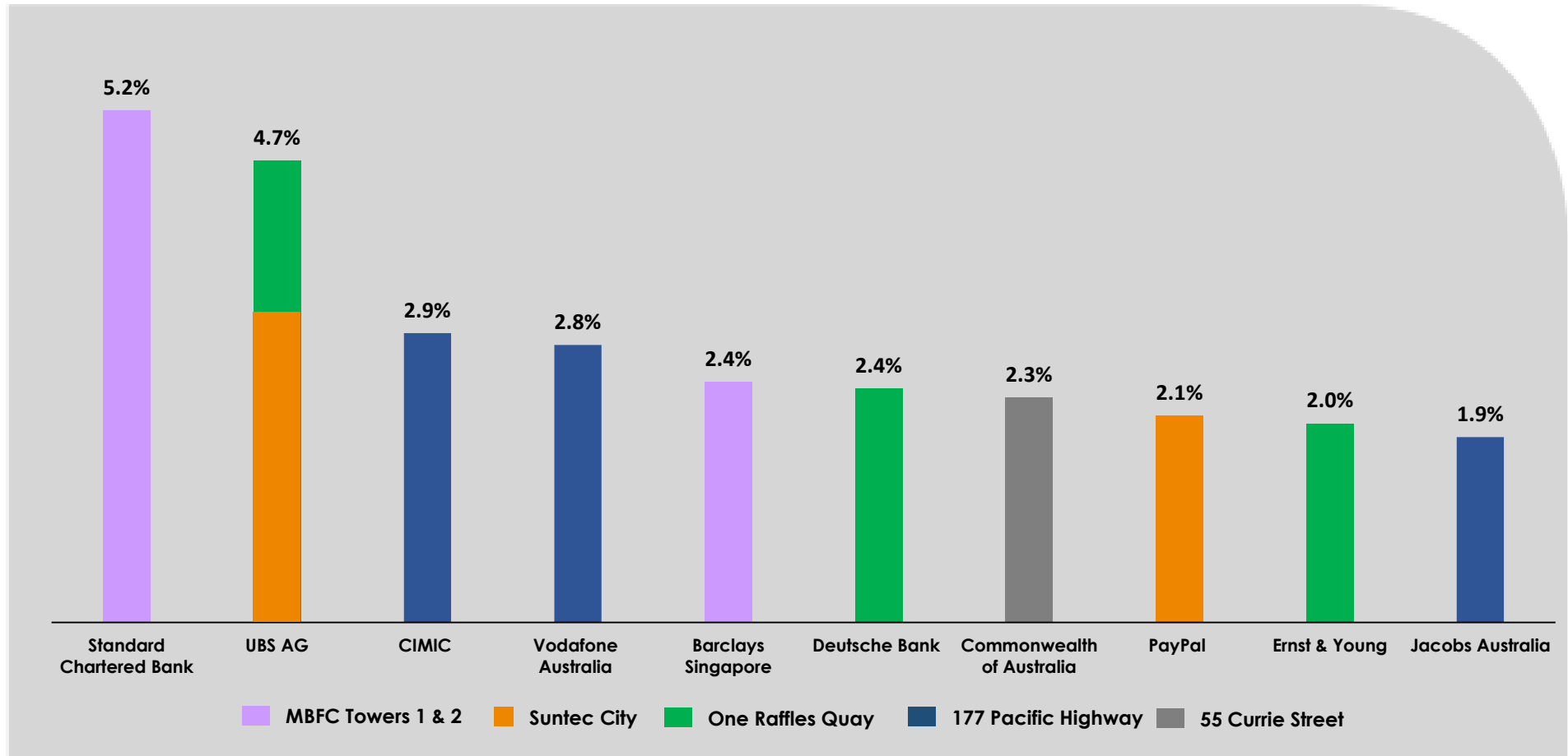
Rothschild & Co

Note:

1. NLA of new leases committed in 3Q 2019 was approximately 77,000 sq ft

Office Portfolio Top 10 Tenants

- Top 10 tenants contribute 28.7% of monthly gross rent income¹

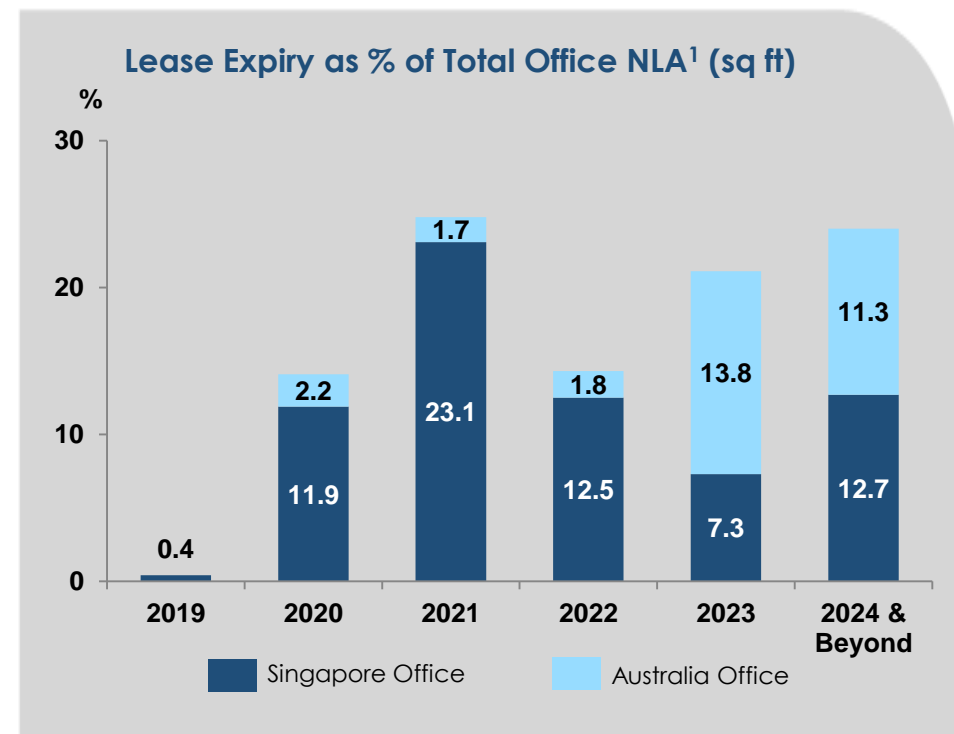


Note:

1. Based on one third interest in One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2 and 50% interest in Southgate Complex.

Office Portfolio Expiring Leases

Expiry Profile As at 30 Sep 19	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2019	13,822	0.4%
FY 2020	478,162	14.1%
FY 2021	841,691	24.8%
FY 2022	483,677	14.3%
FY 2023	713,941	21.1%
FY 2024 & Beyond	811,608	23.9%

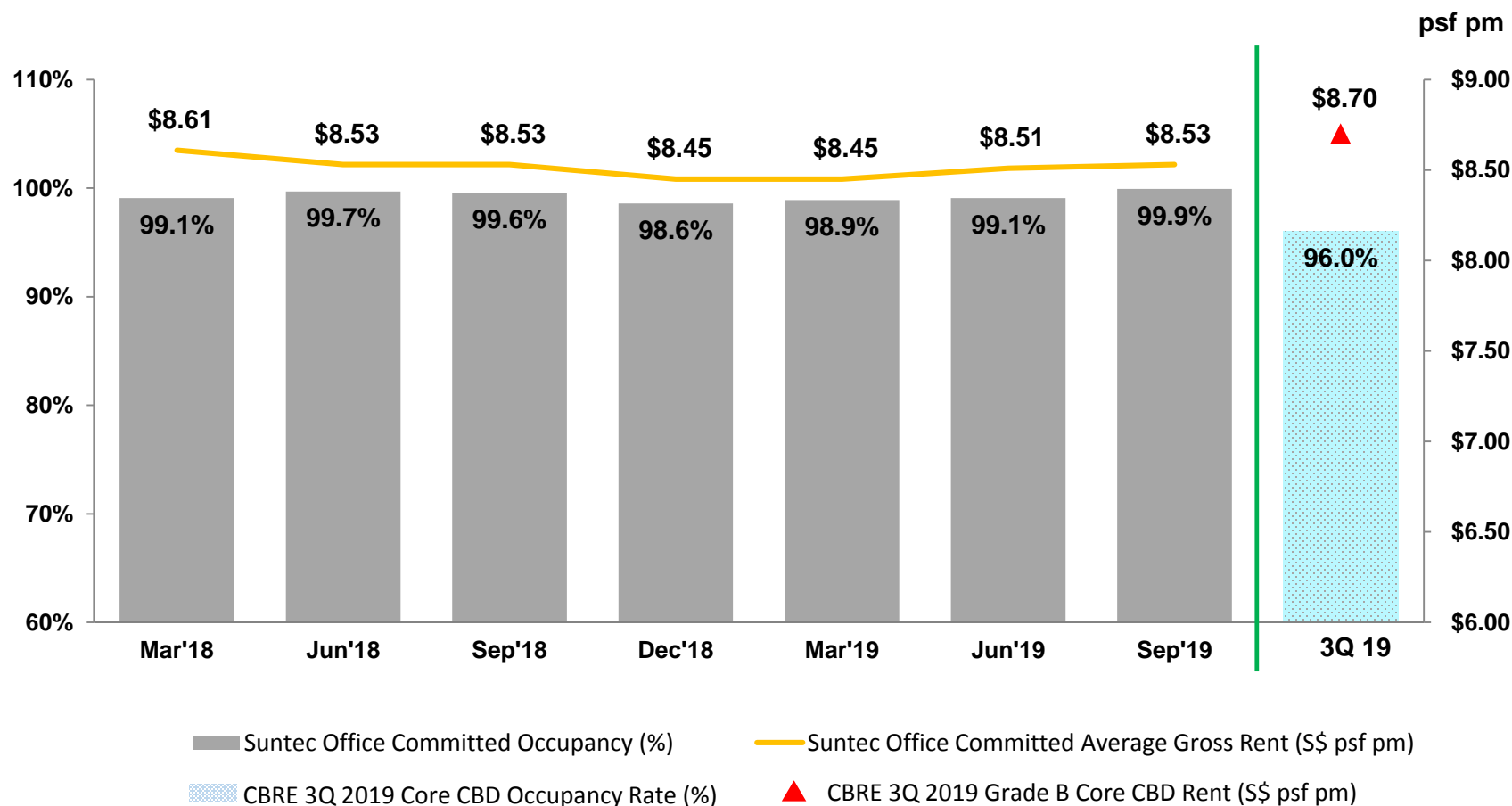


- Balance of office leases expiring in FY 2019 reduced to 0.4%
- Portfolio WALE: 3.63 years
 - Singapore Portfolio: 2.98 years
 - Australia Portfolio: 5.06 years

Note:

1. Assumes one third of total office net lettable area of One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2 and 50% interest in Southgate Complex (Office).

Suntec City Office - Committed Occupancy and Average Gross Rent



- **Increase** in Suntec City Office **committed occupancy** and **average gross rent**, in line with market.

Suntec City Office - Strong rent reversions for leases signed in 3Q 19

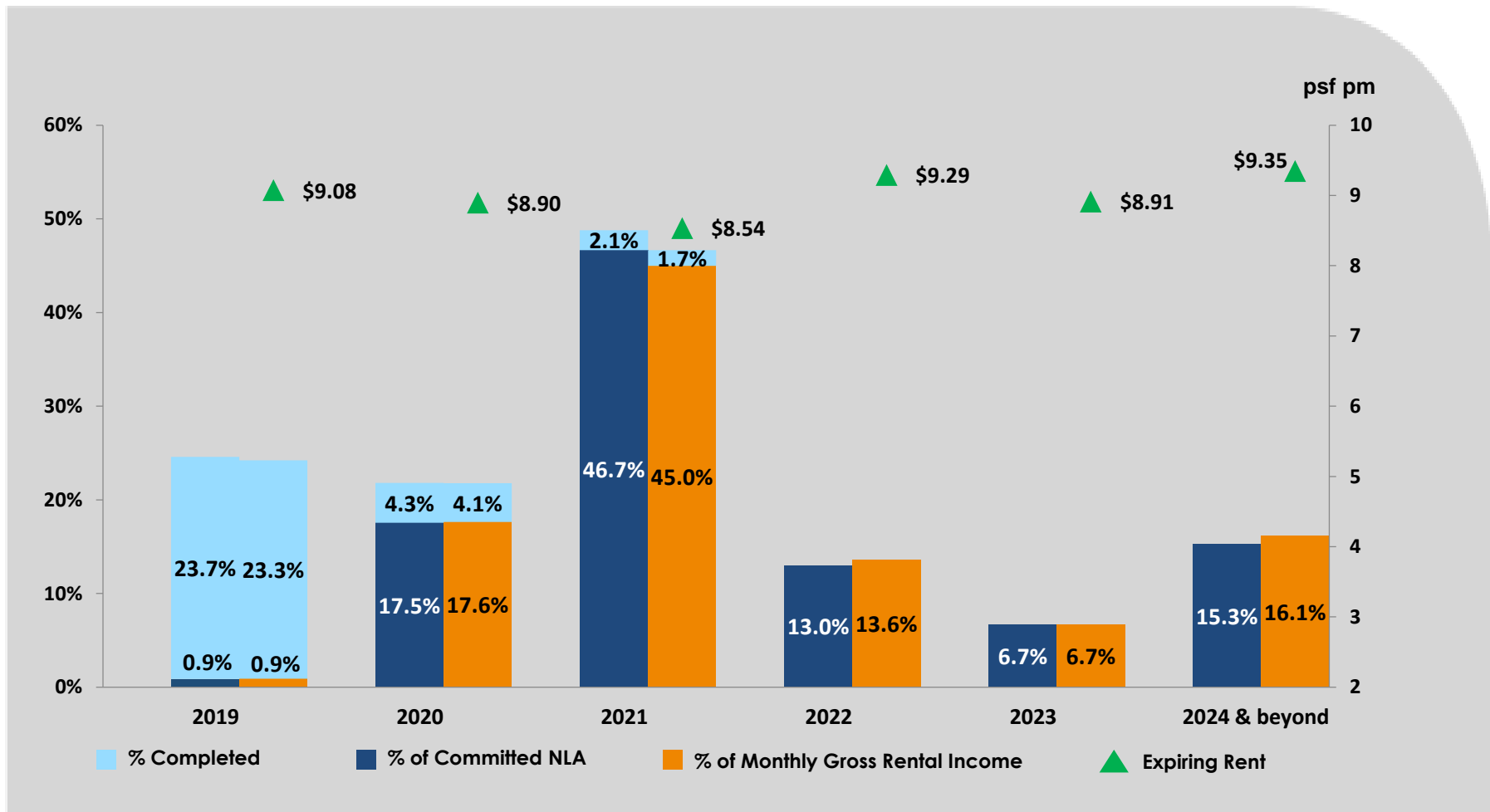
3Q 19	Average Expired Rents (\$ psf pm)	Committed Rents (\$ psf pm)	Rents of Comparable Sub-Markets (\$ psf pm)	
			CBRE ¹	Knight Frank ²
Suntec City Office	8.19	9.50 to 11.00	8.70	9.75 to 10.25

Notes:

1. Source: CBRE 3Q 2019 Grade B Core CBD Office Rent
2. Source: Knight Frank 2Q 2019 Marina Grade A Office Rent

- **Six consecutive quarters** of positive rental reversions
- **New demand** mainly from **TMT** sector and **expansion** from **co-working** sector

Suntec City Office - Lease Expiry Profile



- **Proactive management** of lease expiries

One Raffles Quay & MBFC Properties

- ORQ committed occupancy **maintained at 97%**
- MBFC Properties (Office) committed occupancy **declined to 98.5%** due to space rationalisation by tenant
- **Good rent reversions** achieved for leases signed in 3Q 2019



Australia Portfolio

177 Pacific Highway, Sydney



- Maintained **100%** committed occupancy

Southgate Complex, Melbourne



- Achieved **100%** occupancy for office towers

Olderfleet, 477 Collins Street, Melbourne



- Pre-committed occupancy of **87.0%**
- Additional **~5.0%** of NLA with HOA signed

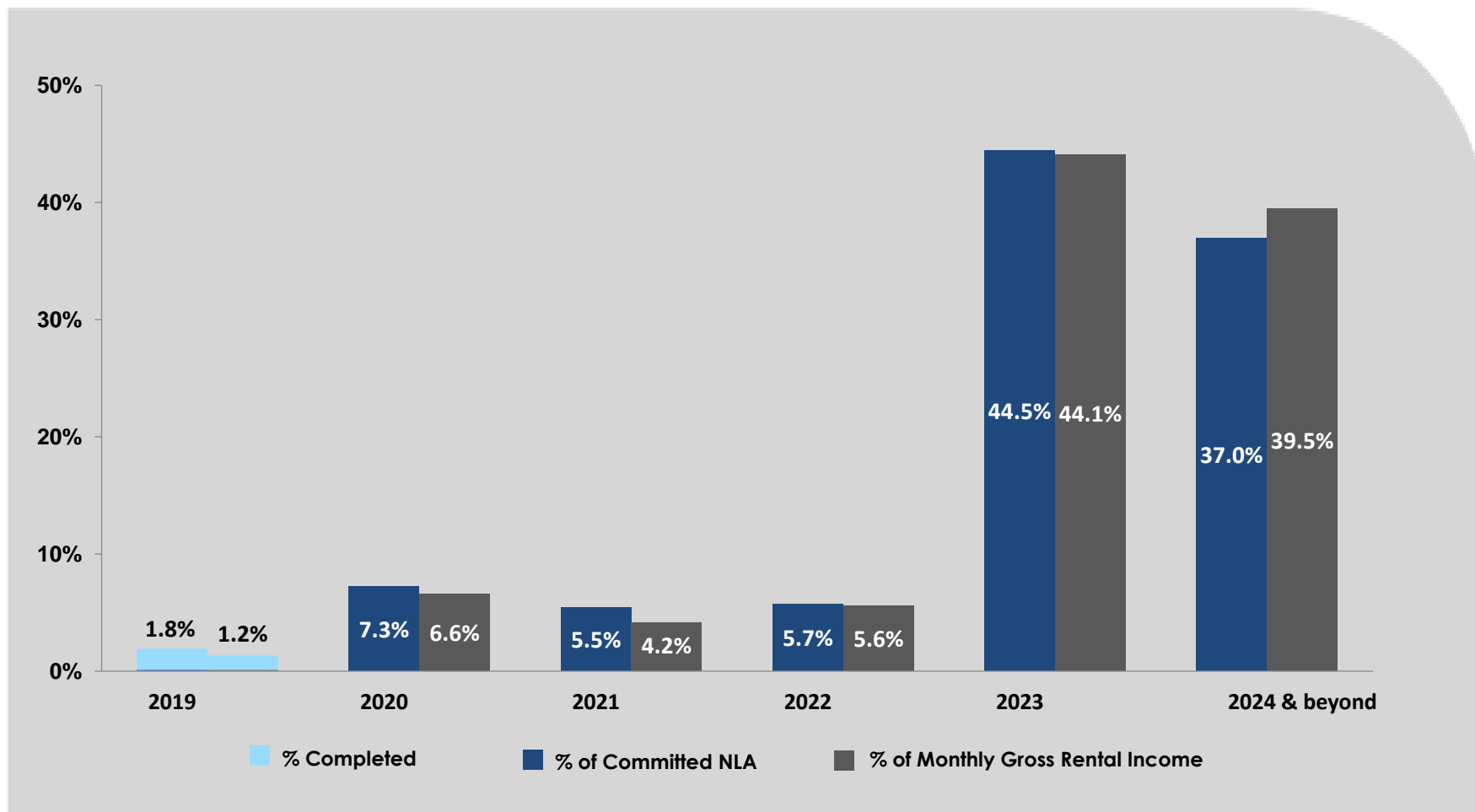
55 Currie, Adelaide



- Acquisition completed on 10 Sep 19
- Committed occupancy of **91.7%**
- **27-month rent guarantee** for remaining 8.3% vacant space from Sep '19

3.5% to 4.0% annual rental escalation for all office leases

Australia Portfolio Office Lease Expiry Profile



- **Less than 19%** of NLA expiring by end 2022

Office Portfolio Summary

3Q 19	Suntec City Office	One Raffles Quay (1/3)	MBFC Towers 1 & 2 (1/3)	SG Office Portfolio
NLA (sq ft)	1.3 mil	443,000	548,000	2.3 mil
Committed Occupancy (%)	99.9 (99.6)	97.0 (96.1)	98.5 (100.0)	99.0 (99.0)
Gross Revenue (\$ mil)	33.6 (32.3)	-	-	33.6 (32.3)
Net Property Income (\$ mil)	25.0 (23.9)	-	-	25.0 (23.9)
Income Contribution from JVs (\$ mil)	-	6.1 (5.8)	14.6 ² (12.4)	20.7 (18.2)
% of Overall Office Contribution ^{3,4}	43% (45%)	10% (11%)	25% (23%)	78% (79%)

Note:

1. All () refers to 3Q18 data
2. Total Income contribution from MBFC Properties is based on approx. 93% split between office and 7% retail
3. Refers to net property income and income contribution from JVs
4. Includes Singapore and Australia office portfolio

Office Portfolio Summary

3Q 19	177 Pacific Highway	Southgate Complex (50%)	55 Currie Street	AUS Office Portfolio	Total Office Portfolio
NLA (sq ft)	431,000	355,000	282,000	1,068,000	3.3 mil
Committed Occupancy (%)	100.0 (100.0)	100 (96.8)	91.7 -	97.8 (98.6)	98.6 (98.9)
Gross Revenue (\$\$ mil)	9.5 (9.5)	-	0.9 -	10.4 (9.5)	44.0 (41.8)
Net Property Income (\$\$ mil)	8.2 (8.2)	-	0.7 -	8.9 (8.2)	33.9 (32.1)
Income Contribution from JVs (\$\$ mil)	-	3.8 ² (3.4)	-	3.8 (3.4)	24.5 (21.6)
% Overall Office Contribution ^{3,4}	14% (15%)	7% (6%)	1% -	22% (21%)	100% (100%)

Note:

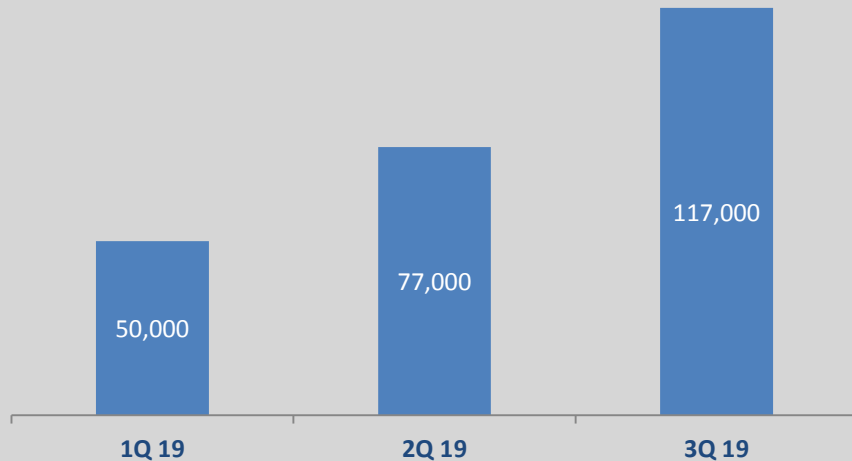
1. All () refers to 3Q18 data
2. Total Income contribution from Southgate Complex is based on approx. 82% split between office and 18% retail
3. Refers to net property income and income contribution from JVs
4. Includes Singapore and Australia office portfolio



RETAIL PORTFOLIO PERFORMANCE

Proactive Leasing Strategy

Retail Portfolio Work Done (sq ft)



3Q 19

Total leases signed in 3Q 19 117,000 sq ft

Portfolio Committed Occupancy (as at 30 Sep) 97.8%

Tenant retention ratio¹ 63%

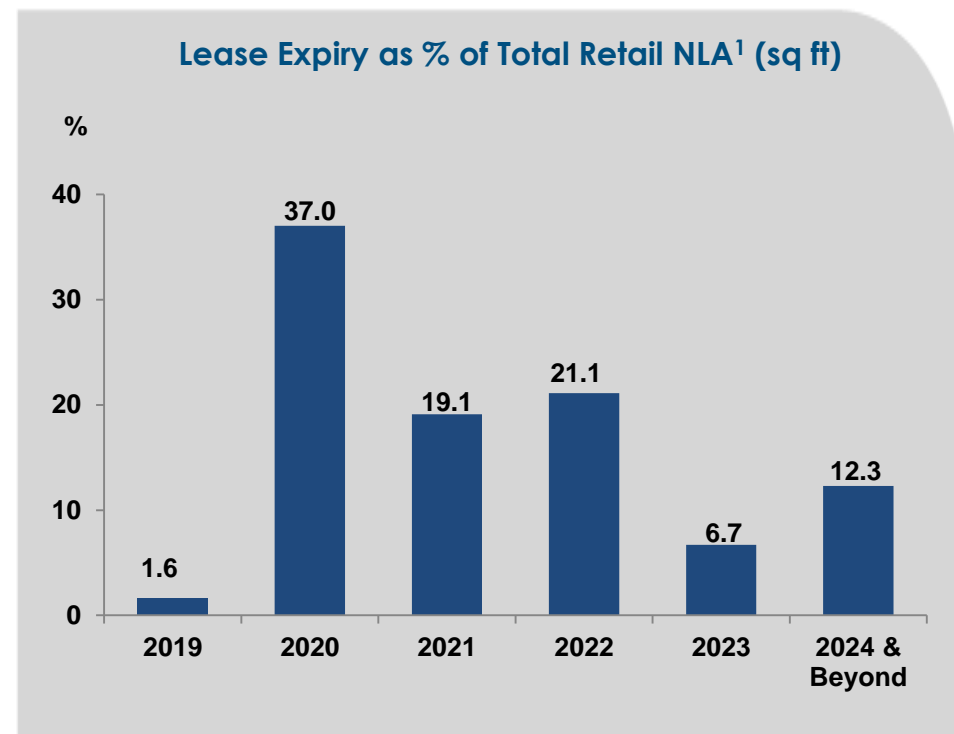
Note:

1. Tenant retention ratio = Net lettable area renewed for leases due in YTD 19 divided by total net lettable area due for renewal in YTD 19



Retail Portfolio Lease Expiry Profile

Expiry Profile As at 30 Sep 19	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2019	15,032	1.6%
FY 2020	352,833	37.0%
FY 2021	182,392	19.1%
FY 2022	201,497	21.1%
FY 2023	64,299	6.7%
FY 2024 & Beyond	117,127	12.3%

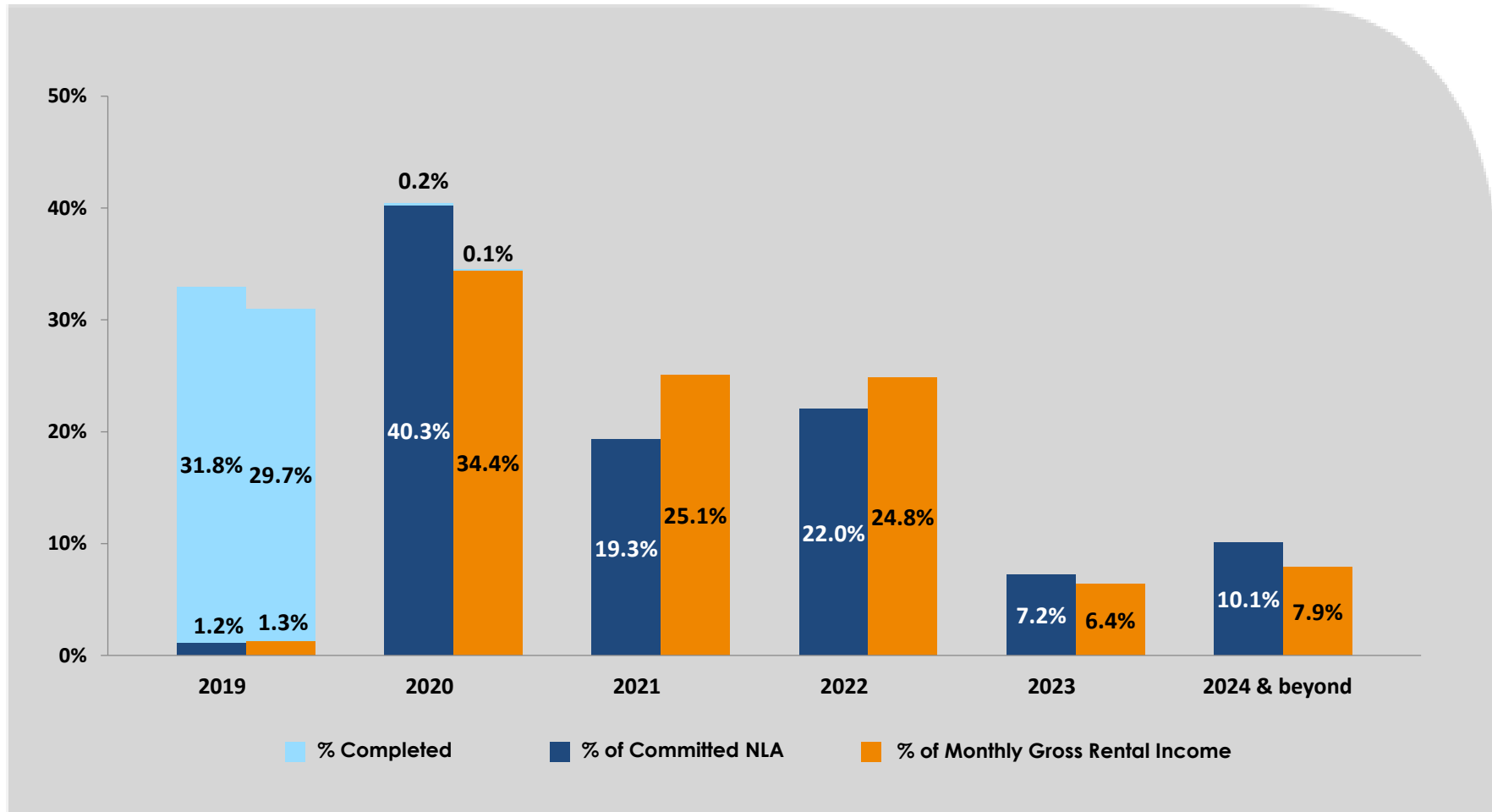


- Portfolio WALE: 2.40 years
 - Singapore Portfolio: 2.26 years
 - Australia Portfolio: 4.94 years

Note:

1. Assumes one third of total retail net lettable area of Marina Bay Link Mall, 60.8% interest in Suntec Singapore (Retail) and 50% in Southgate Complex (Retail).

Suntec City Mall Lease Expiry Profile





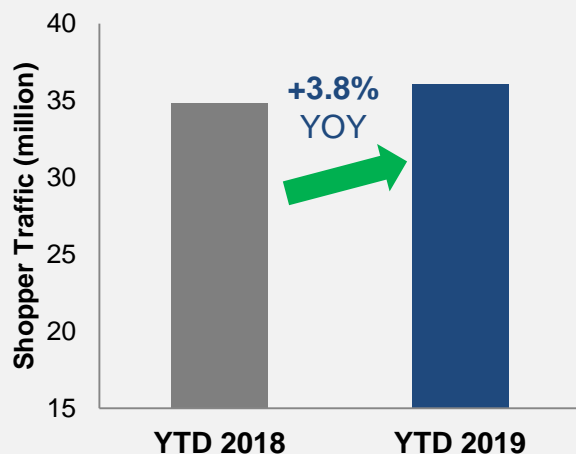
Committed Occupancy
(as at 30 Sep 2019)
98.1%



Rental Reversion
(YTD 2019)
+4.4%

Nine consecutive quarters
of positive rental reversions

Footfall
(YTD 2019)



Tenants sales per sq ft
(YTD 2019)



Note:

1. Excluding SuperPark, tenant sales per sq ft increased 3.6% y-o-y

- **Growth in tenant sales** driven by **F&B (+6.1%)** and offset by decline in other trades (-1.7%) such as **Entertainment** and **Home Furnishing**.

Activating and Engaging the Community



International Champions Cup marketing activation



National Day celebrations



Test of Will Fitness Challenge by Under Armour

Driving footfall and Increasing Sales



Dosirak opening



Manchester United Meet & Greet



Mid-Autumn Festival atrium event



108 Matcha Saro opening

Retail Portfolio Summary

3Q 19	Suntec City Mall	Marina Bay Link Mall (1/3)	SG Retail Portfolio	Southgate Complex (50%)	AUS Retail Portfolio	Total Retail Portfolio
NLA (sq ft)	0.9 mil	32,000	0.93 mil	53,000	53,000	1.0 mil
Committed Occupancy (%)	98.1 (98.5)	98.6 (100)	98.2 (98.6)	91.6 (90.0)	91.6 (90.0)	97.8 (98.1)
Gross Revenue (\$\$ mil)	32.2 (30.8)	-	32.2 (30.8)	-	-	32.2 (30.8)
Net Property Income (\$\$ mil)	21.2 (20.6)	-	21.2 (20.6)	-	-	21.2 (20.6)
Income Contribution from JVs (\$\$ mil)	-	1.2² (1.0)	1.2 (1.0)	0.8³ (0.7)	0.8 (0.7)	2.0 (1.7)
% Overall Retail Contribution ^{4,5}	92% (93%)	5% (4%)	97% (97%)	3% (3%)	3% (3%)	100% (100%)

Note:

1. All () refers to 3Q18 data
2. Total Income contribution from MBFC Properties is based on approx. 93% split between office and 7% retail
3. Total Income contribution from Southgate Complex is based on approx. 82% split between office and 18% retail
4. Refers to net property income and income contribution from JVs
5. Includes Singapore and Australia retail portfolio

CONVENTION PERFORMANCE



467 events held in 3Q 19

- Hosted major trade shows and conferences AICT/AsiaPCR 2019, Eagles Leadership Conference 2019, 21st Annual SMEs Conference and 22nd Infocomm Commerce Conference 2019, SID Directors Conference 2019
- Major consumer shows include COMEX IT Show and SINGPEX 2019



Events in 4Q 19

- Strong line-up of trade shows and conferences including Singapore International Cyber Week, Asia Pacific MedTech Forum, ESMO Asia 2019
- Major consumer shows include The Tech Show 2019, ANIME Festival Asia and Bookfest 2019



PROJECTS UNDER DEVELOPMENT



Projects Under Development

- Office component 100% pre-leased to UBS
 - UBS to occupy both office towers amounting to 381,000 sq ft
 - Target occupation in the second half of 2020
- Retail component will be predominantly F&B and negotiations are in progress
- Development on-track to complete in 4Q 2019

9 Penang Road, Singapore



Projects Under Development

- Topping out of building structure on 31 July 2019
- Fit-out works in progress
- Scheduled to complete in mid 2020
- Leasing update: 87% pre-committed with additional 5% with HOA
- Tenants committed include:
 - Deloitte
 - Lander & Rogers
 - Norton Rose Fulbright
 - Urbis

Olderfleet, 477 Collins Street, Australia



A photograph of a modern glass skyscraper with a Vodafone store at the street level. The building has a distinctive cantilevered upper section. The Vodafone logo is prominently displayed in red on the glass facade. In the foreground, there are traffic lights, a 'NO RIGHT TURN' sign, and a green directional sign pointing left towards the city. Several cars are visible on the street, and a few pedestrians are walking. The sky is clear and blue.

LOOKING
AHEAD

Acquisition Pending Completion

21 Harris Street, Pyrmont, Sydney

- Approximately 81% completed
- On schedule to complete in 1Q 2020
- Pre-committed occupancy of approx. 65% to-date due to termination of a lease agreement
- 3-year rent guarantee for remaining unlet spaces from completion of acquisition



Looking Ahead

Office

- Singapore office portfolio will continue to perform well due to positive rent reversions in earlier quarters.
- Sydney office market is expected to remain stable while the office market in Melbourne continues to be tight for the next 12 months. The Adelaide market is expected to improve further, driven by long term infrastructure investments.

Retail

- Suntec City is expected to continue to perform well notwithstanding the continuing challenges in the retail sector.

To enhance unitholders' value, the Manager will continue to improve the underlying performance of its assets, source for accretive acquisitions and continue its prudent capital management strategy.



THANK YOU



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About Suntec REIT

Singapore's first and largest composite REIT



S\$5.3 Billion¹

Market Capitalisation

S\$10.0 Billion

Assets Under Management

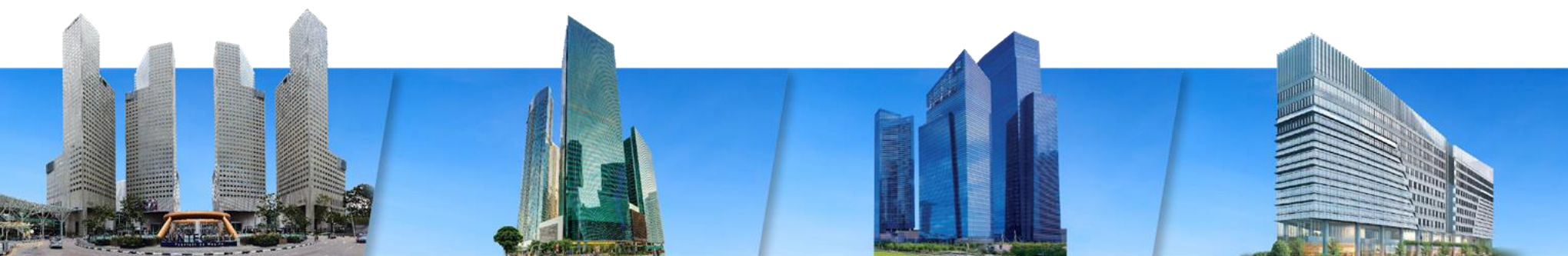
- Listed on **9 Dec 2004** on the SGX-ST
- High quality **office** assets, complemented by **retail** and **convention** components
- **8 properties²** – **4** in Singapore, **1** in Sydney, **2** in Melbourne & **1** in Adelaide

Note:

1. Based on 30/9/19 closing price of \$1.90
2. Excludes 21 Harris Street, Pyrmont, Sydney

Portfolio Snapshot

	Suntec City		9 Penang Road	One Raffles Quay	MBFC Properties
	Suntec City – Office & Retail	Suntec Singapore			
Description	Integrated commercial development comprising five office towers and one of Singapore largest retail mall	World-class convention and exhibition centre	New Grade A commercial building	Two premium Grade A office towers	Two premium Grade A office towers and a subterranean mall
Ownership	100%	60.8%	30%	33.33%	33.33%
City / Country	Singapore	Singapore	Singapore	Singapore	Singapore
Segment	Office Retail	Convention	Office	Office	Office Retail
NLA (sq ft)	Office:~1.3 mil Retail:~0.9 mil	~275,000	~119,000	~443,000	Office:~548,000 Retail:~32,000



Suntec City

One Raffles Quay

MBFC Properties

9 Penang Road

Portfolio Snapshot

	177 Pacific Highway	Southgate Complex	Olderfleet 477 Collins Street	55 Currie Street
Description	31-storey A-Grade office building	Integrated waterfront development comprising two A-Grade office towers and a retail podium	Premium Grade, 40-level state- of-the-art building	Twelve-storey, Grade A office tower
Ownership	100%	50%	50%	100%
City / Country	Sydney, Australia	Melbourne, Australia	Melbourne, Australia	Adelaide, Australia
Segment	Office	Office Retail	Office	Office
NLA (sq ft)	~431,000	Office:~355,000 Retail:~53,000	~312,000	~282,000



177 Pacific Highway



Southgate Complex



Olderfleet, 477 Collins Street



55 Currie Street

This presentation is focused on the comparison of actual results for the quarter ended 30 Sep 2019 versus results achieved for the quarter ended 30 Sep 2018. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the quarter ended 30 Sep 2019 announced on SGXNET.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("**Units**") in Singapore or any other jurisdiction.

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.

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