

SUNTEC REIT FINANCIAL RESULTS

For 4th Quarter and Financial Year ended 31 December 2019

22 January 2020



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Looking Ahead

FY19 Highlights

Distributable Income: S\$262.7 million

Distributable income from operations:

S\$236.7 million, +3.9% YOY

Capital distribution:

S\$26.0 million

Distribution Per Unit (DPU): 9.507 cents

DPU from operations:

8.570 cents, +0.5% YOY

DPU from capital:

0.937 cents

Capital Management

Private placement:

Raised S\$200 million

All-in Financing Cost

3.05% p.a.

Assets Under Management: S\$10.4 billion

Singapore:

S\$9,057 million,
+2.2% YOY

Australia:

S\$1,350 million,
+30.7% YOY

Acquisitions: A\$445 million

55 Currie Street, Adelaide

completed in Sep '19

21 Harris Street, Pyrmont, Sydney

acquisition to be completed in 1Q2020

Project Under Development

9 Penang Road:

Obtained Temporary Permit in Oct '19



9 Penang Road

MBFC Properties

One Raffles Quay

Suntec City

177 Pacific Highway

Olderfleet, 477 Collins Street

Southgate Complex

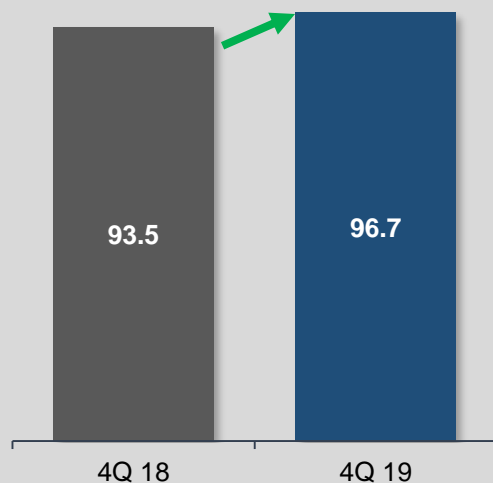
55 Currie Street

FINANCIAL HIGHLIGHTS

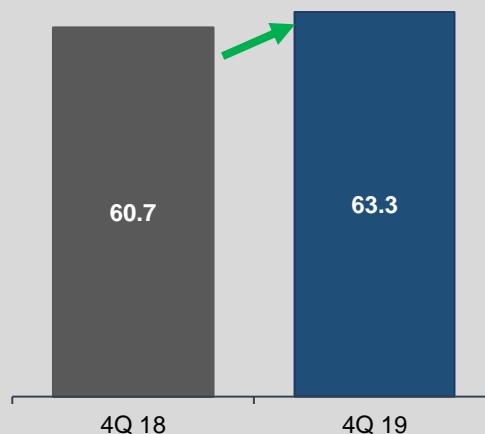


4Q 19 Financial Performance

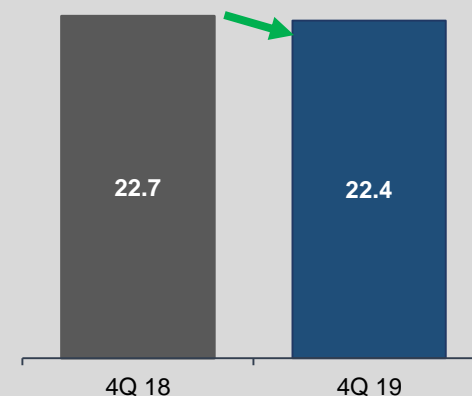
Gross Revenue



Net Property Income



Income Contribution from JV



Gross Revenue

S\$96.7
million

+3.5% y-o-y

Net Property Income

S\$63.3
million

+4.2% y-o-y

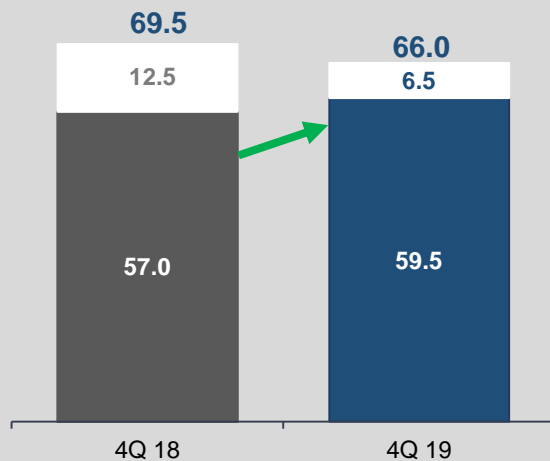
Income Contribution from JV

S\$22.4
million

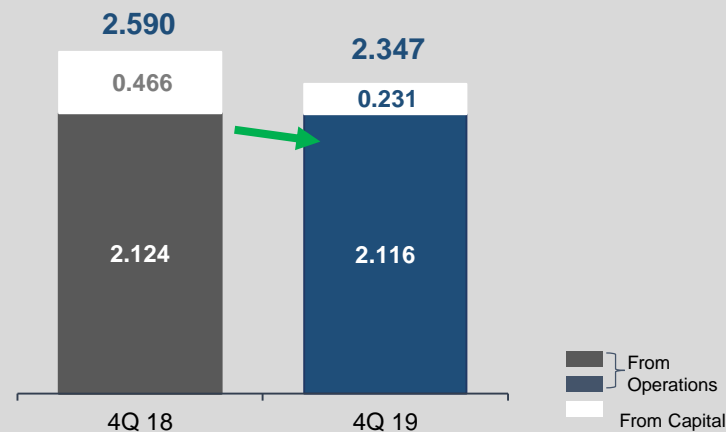
-1.6% y-o-y

Achieved 4Q 19 Distributable Income of S\$66.0 mil

Distributable Income



Distribution Per Unit



Distributable Income

S\$66.0 million, -5.0% y-o-y

+ Higher distributable income from operations:

Higher contribution from Suntec City Office, Southgate Complex, contribution from 55 Currie Street, **partially offset by** lower contribution from 177 Pacific Highway, Suntec City Mall, MBFC Properties and higher financing costs

- Lower capital distribution

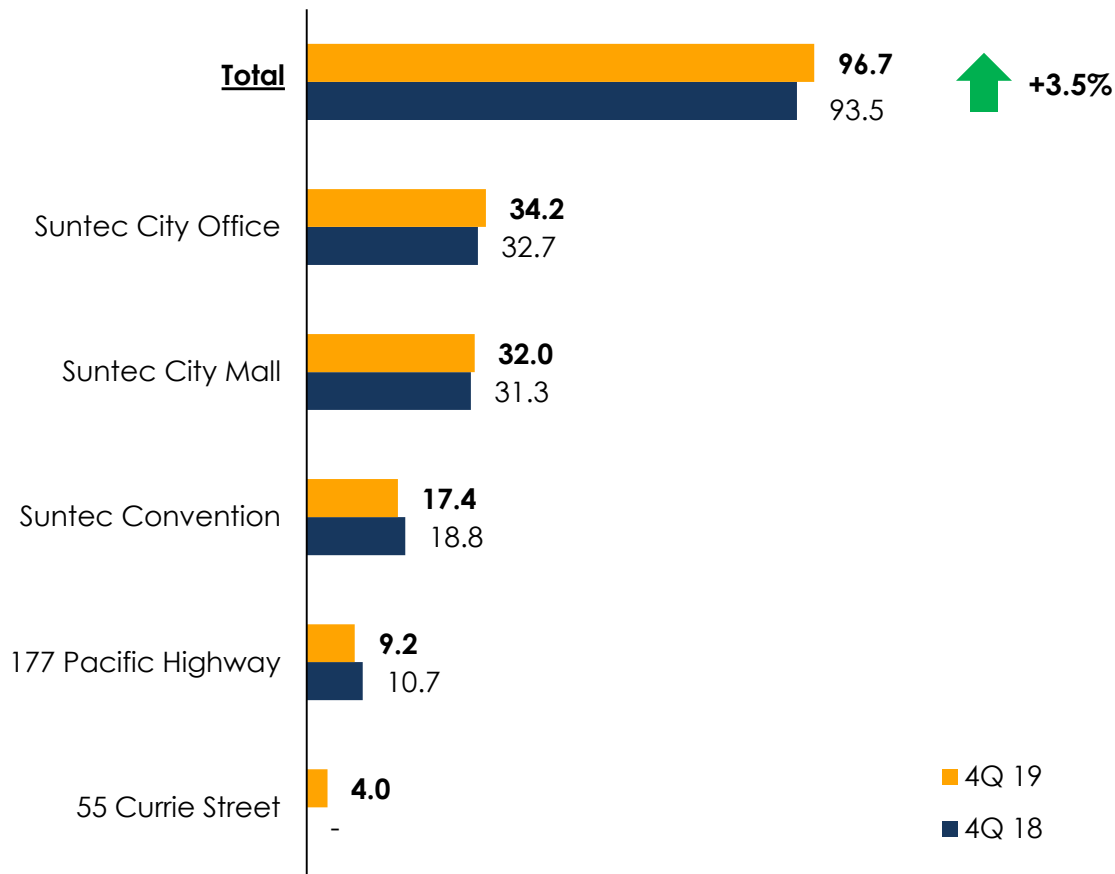
Distribution Per Unit

2.347 cents, -9.4% y-o-y

- Enlarged unit base and lower capital distribution

4Q 19 Gross Revenue increased 3.5% y-o-y

S\$ mil



Mainly due to

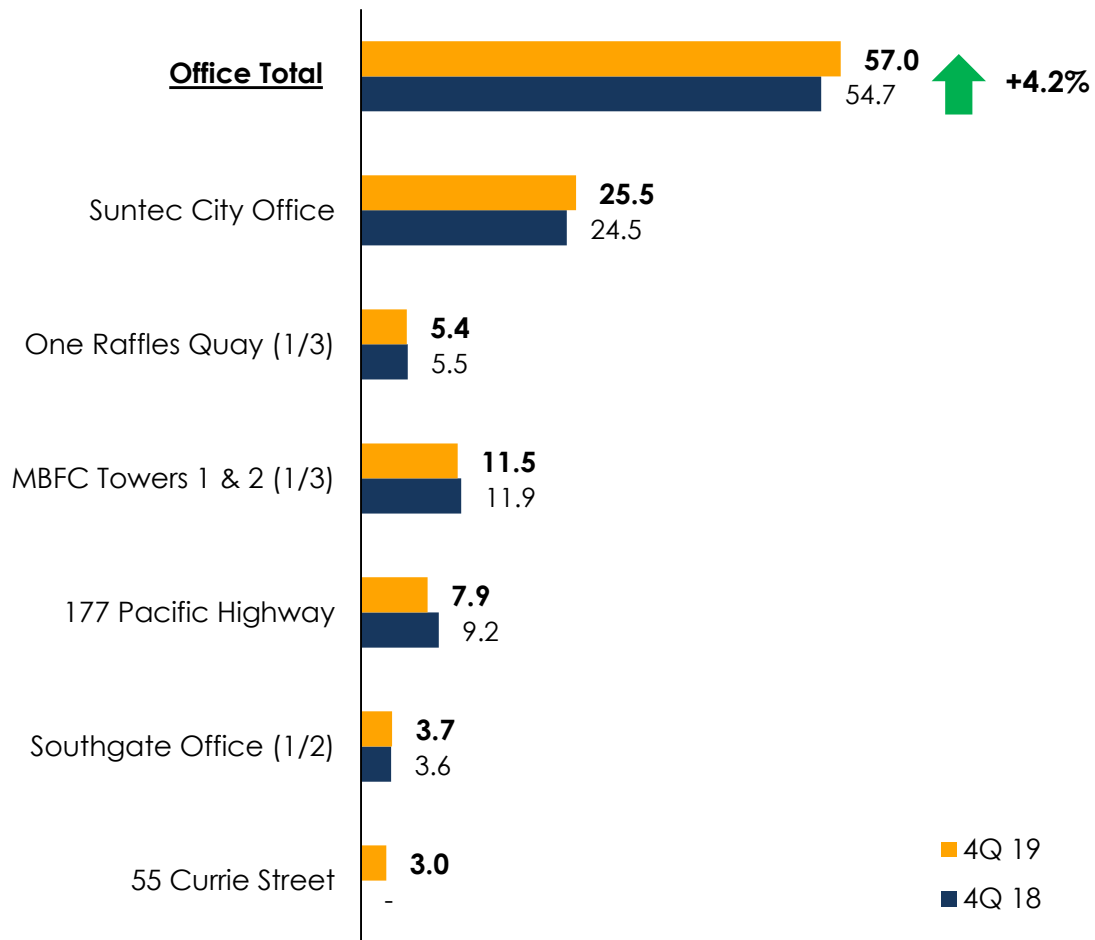
- + Higher occupancy of Suntec City Office
- + Higher rents from asset enhancement works at Suntec City Mall and positive rent reversions from previous quarters
- + Rent contribution from 55 Currie Street

Partially offset by

- Smaller scale events at Suntec Convention
- Weakened AUD for 177 Pacific Highway

4Q 19 NPI & JV Income Contribution - Office

S\$ mil



Mainly due to

+ Higher occupancy of Suntec City Office

+ Stronger performance of Southgate Complex

+ Rent contribution from 55 Currie Street

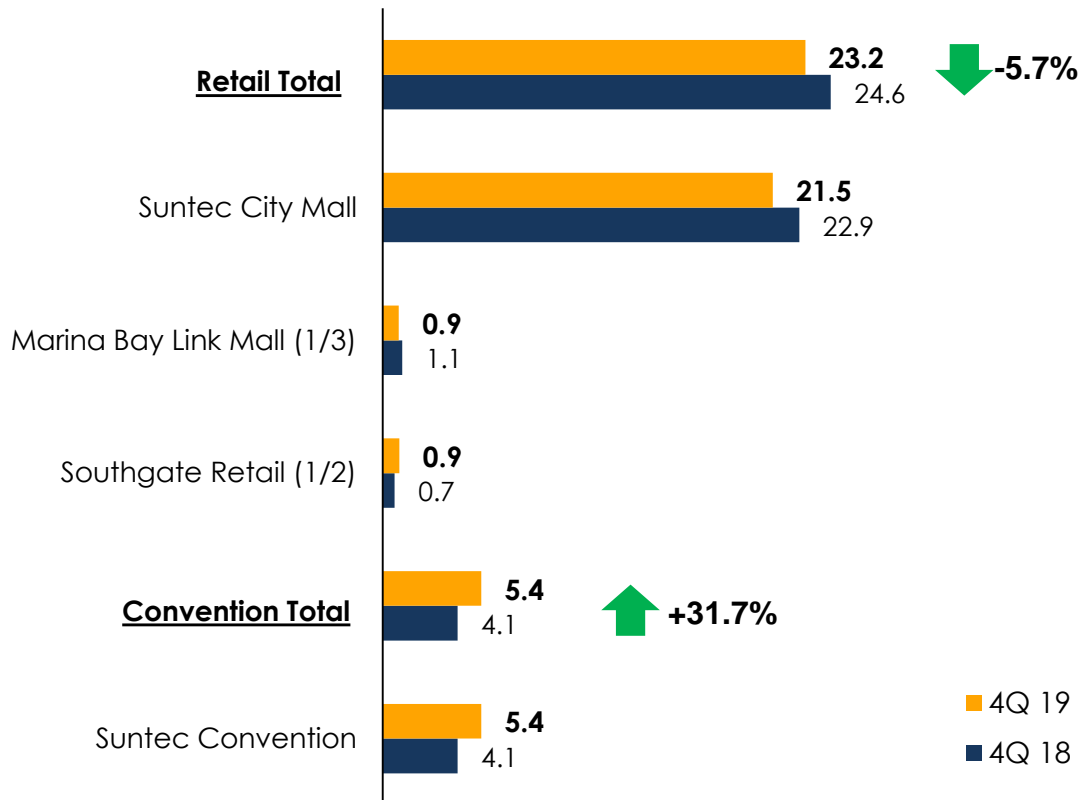
Partially offset by

- Weakened AUD for 177 Pacific Highway

■ 4Q 19
■ 4Q 18

4Q 19 NPI & JV Income Contribution – Retail & Convention

S\$ mil



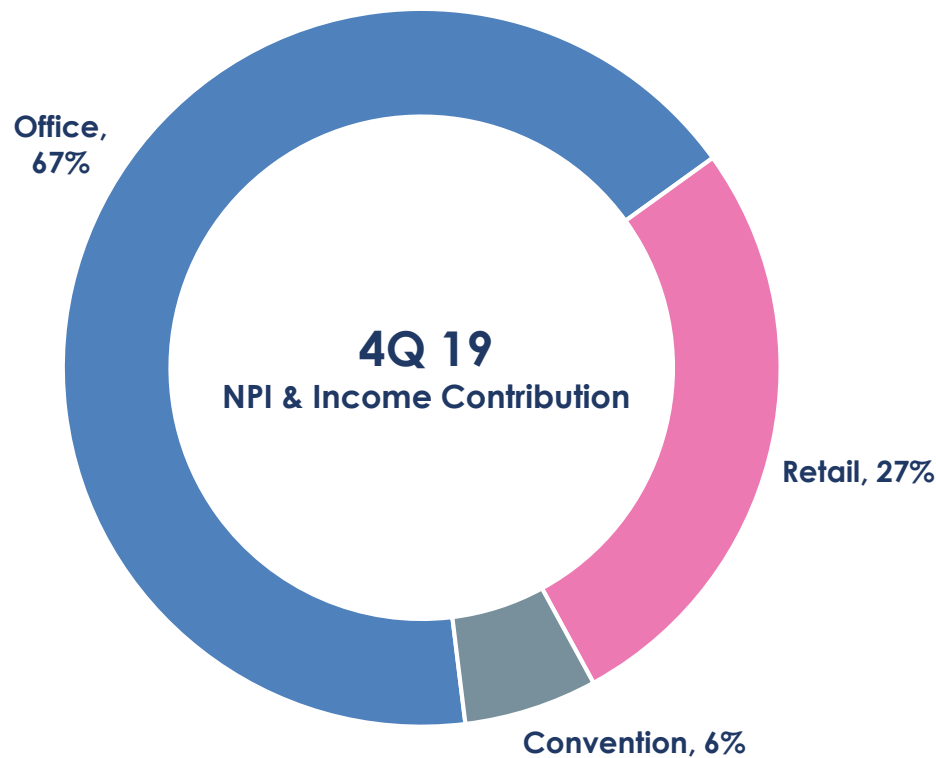
Mainly due to

- Higher Advertising and Promotion expenses and property tax for Suntec City Mall

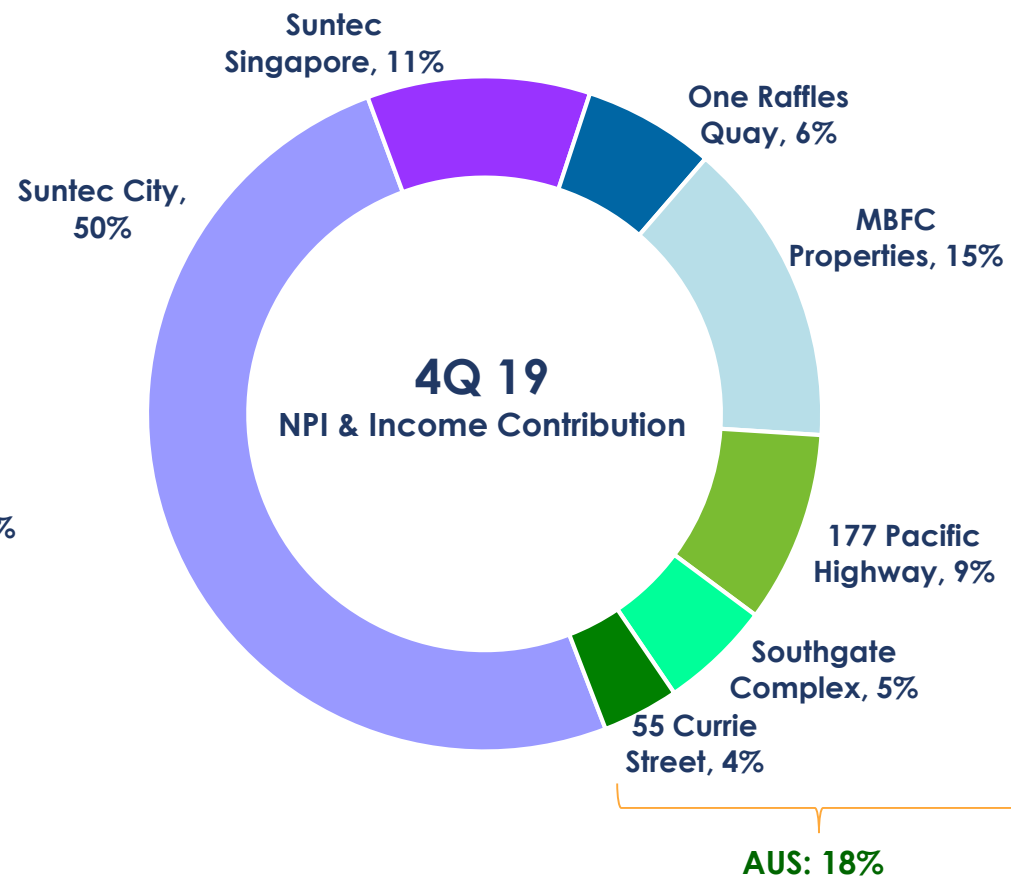
Mainly due to

- + Higher yielding events at Suntec Convention and cost savings from operations

Diversified Portfolio across Sector and Geography



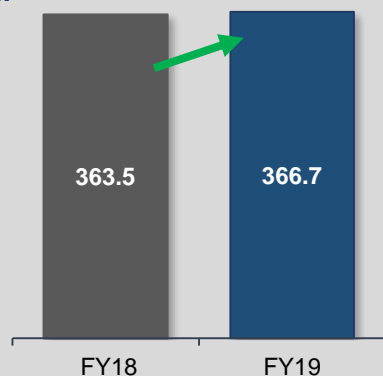
Contribution by Segment



Contribution by Asset

FY 19 Financial Performance

S\$ mil



Gross Revenue 0.9% higher y-o-y

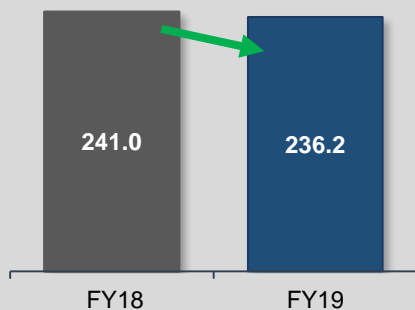
Mainly due to

+ Suntec City and 55 Currie Street

Partially offset by

- Suntec Convention and 177 Pacific Highway

S\$ mil



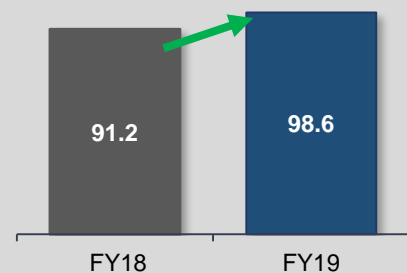
Net Property Income 2.0% lower y-o-y

Mainly due to

- Sinking fund contribution for full year

Excluding the sinking fund contribution of S\$19.3 mil (2018: S\$11.2 mil), NPI would be 1.2% higher y-o-y

S\$ mil



Income Contribution from JV 8.1% higher y-o-y

Mainly due to

+ Stronger performance and additional 25% interest in Southgate Complex

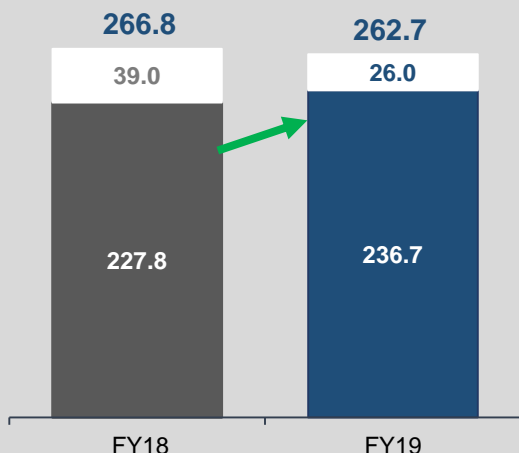
+ One-off compensations for MBFC Properties

Partially offset by

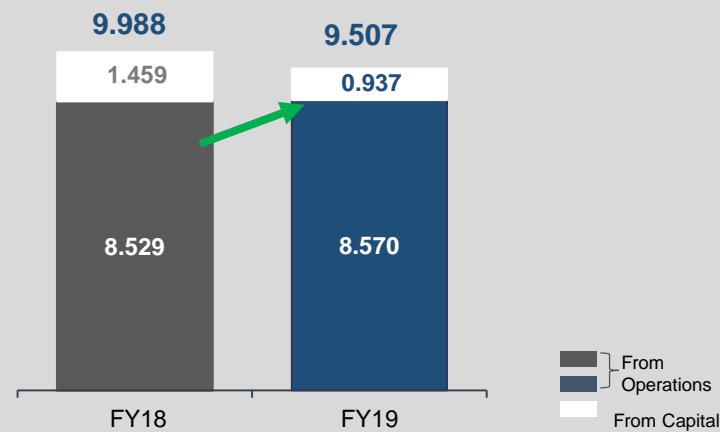
- Lower occupancy in ORQ

Achieved FY19 Distributable Income of S\$262.7 mil

Distributable Income



Distribution Per Unit



From Operations
From Capital

Distributable Income

S\$262.7 million, -1.5% y-o-y

+ Higher distributable income from operations:
Higher contribution from Suntec City, Southgate Complex, MBFC Properties and contribution from 55 Currie Street **partially offset by** lower contribution from 177 Pacific Highway and ORQ, and higher financing costs

- Lower capital distribution

Distribution Per Unit

9.507 cents, -4.8% y-o-y

- Enlarged unit base and lower capital distribution

Trading Yield

5.17%¹

Note:

1. Based on 31/12/19 closing price of \$1.84

Portfolio Valuation (Singapore)

Investment Properties	31 Dec '19 (\$ psf)	31 Dec '19 (\$M)	31 Dec '18 (\$M)	YoY Variation (\$M)	YoY Variation (%)
Completed Properties					
Suntec City Retail ¹	2,549	2,295.0	2,280.7	14.3	0.6%
Suntec City Office	2,354	3,136.0	3,050.0	86.0	2.8%
Suntec Convention (60.8%)	539	212.8	211.6	1.2	0.6%
One Raffles Quay (1/3)	2,836	1,254.3	1,276.0	-21.7	-1.7%
MBFC Properties (1/3)	2,933	1,695.3	1,695.3	-	-
9 Penang Rd (30%)	2,345	279.0 ²	191.0 ³	n.m.	n.m.
Total		8,872.4	8,704.6		

Notes:

1 Includes 60.8% share of retail space under Suntec Singapore.

2 The property obtained its Temporary Occupation Permit on 31 October 2019.

3 Reflects carrying value at cost during construction stage.

n.m.: not meaningful

Portfolio Valuation (Australia)

Investment Properties	31 Dec '19 (psm)	31 Dec '19	31 Dec '18	YoY Variation	YoY Variation
Completed Properties					
177 Pacific Highway	A\$15,862	A\$635.0M	A\$585.0M	A\$50.0M	8.5%
Southgate Complex (50%)	A\$10,567	A\$400.0M	A\$364.5M	A\$35.5M	9.7%
55 Currie Street	A\$5,687	A\$149.0M	-	A\$149.0M	n.m.
Total (Completed Properties)		A\$1,184.0M	A\$949.5M	A\$234.5M	24.7%
Project Under Development					
477 Collins Street (50%)		A\$225.7M ¹	A\$116.1M	n.m.	n.m.
Total (Completed Properties and Project Under Development)		A\$1,409.7M	A\$1,065.6M		
		S\$1,331.5M ²	S\$1,022.8M ²		

Notes:

1 Reflects carrying value based on valuation on an "as if complete" basis of A\$430.0 million.

2 Exchange rate for AUD to SGD was 0.9445 in 2019 and 0.9599 in 2018.

n.m.: not meaningful

Distribution Timetable

Distribution Payment	
Distribution Period	1 October – 31 December 2019
Amount (cents/unit)	2.347

Ex-date	30 January 2020
Books closure date	31 January 2020
Payment date	28 February 2020

Source: ARATMS

southgate

CAPITAL MANAGEMENT



Balance Sheet

	As at 31 Dec '19	As at 31 Dec '18
Total Assets	S\$10,032 mil	S\$9,512 mil
Total Liabilities	S\$3,926 mil	S\$3,744 mil
Net Assets Attributable to Unitholders	S\$5,977 mil	S\$5,637 mil
Units in Issue ('000)	2,801,016	2,670,633
NAV Per Unit	S\$2.126	S\$2.103

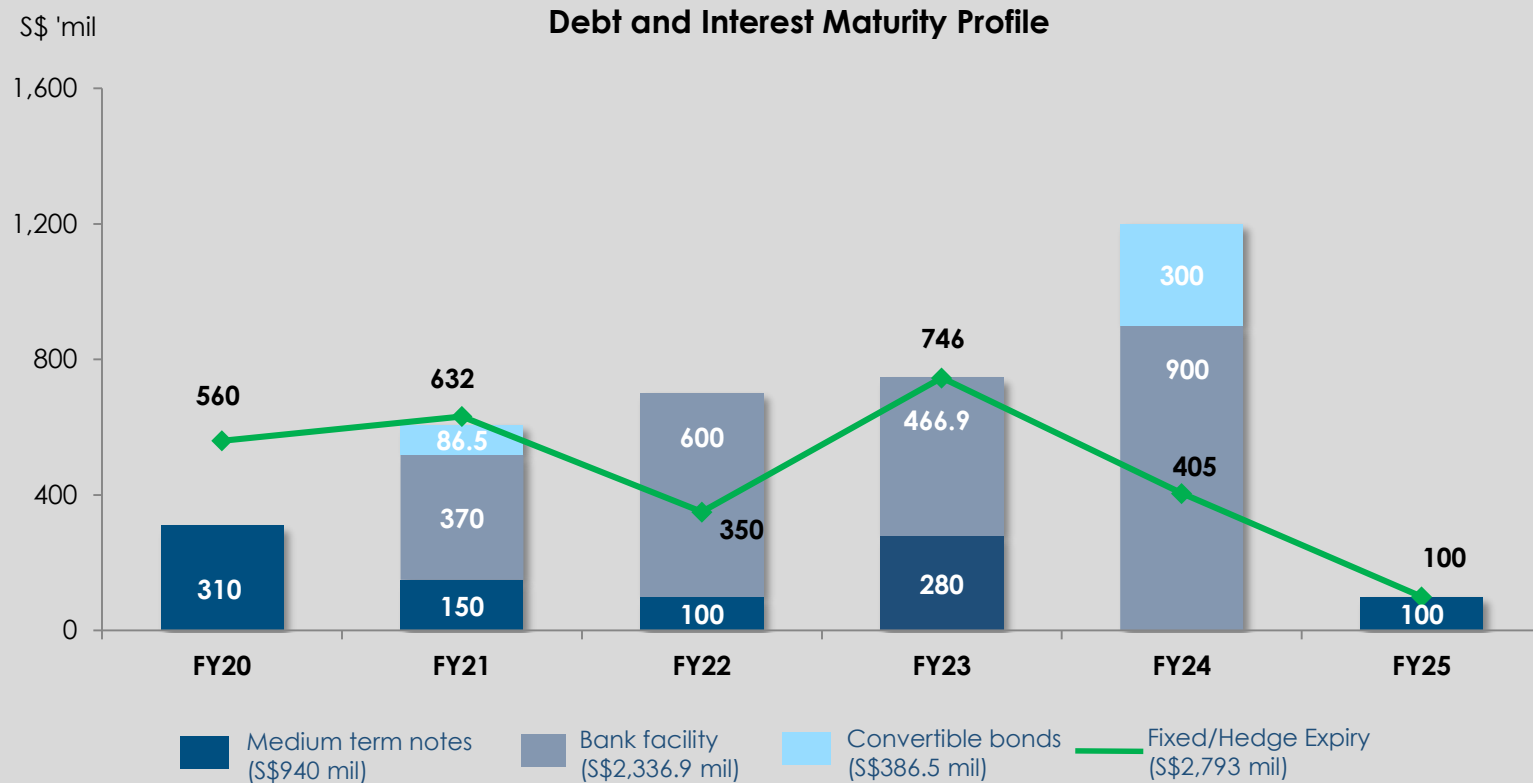
Key Financial Indicators

	As at 31 Dec '19	As at 31 Dec '18
Total Debt Outstanding	S\$3,663 mil	S\$3,531 mil
Aggregate Leverage Ratio ¹	37.7%	38.1%
Weighted Average Debt Maturity	3.06 years	3.20 years
All-in Financing Cost	3.05% p.a.	2.82% p.a.
Interest Coverage Ratio	2.9X	3.3X
Weighted average interest maturity	2.54 years	2.49 years
Interest Rate Borrowings (fixed)	75%	75%
% of AUD income hedged for 2020	~30%	-

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.

Proactive Capital Management

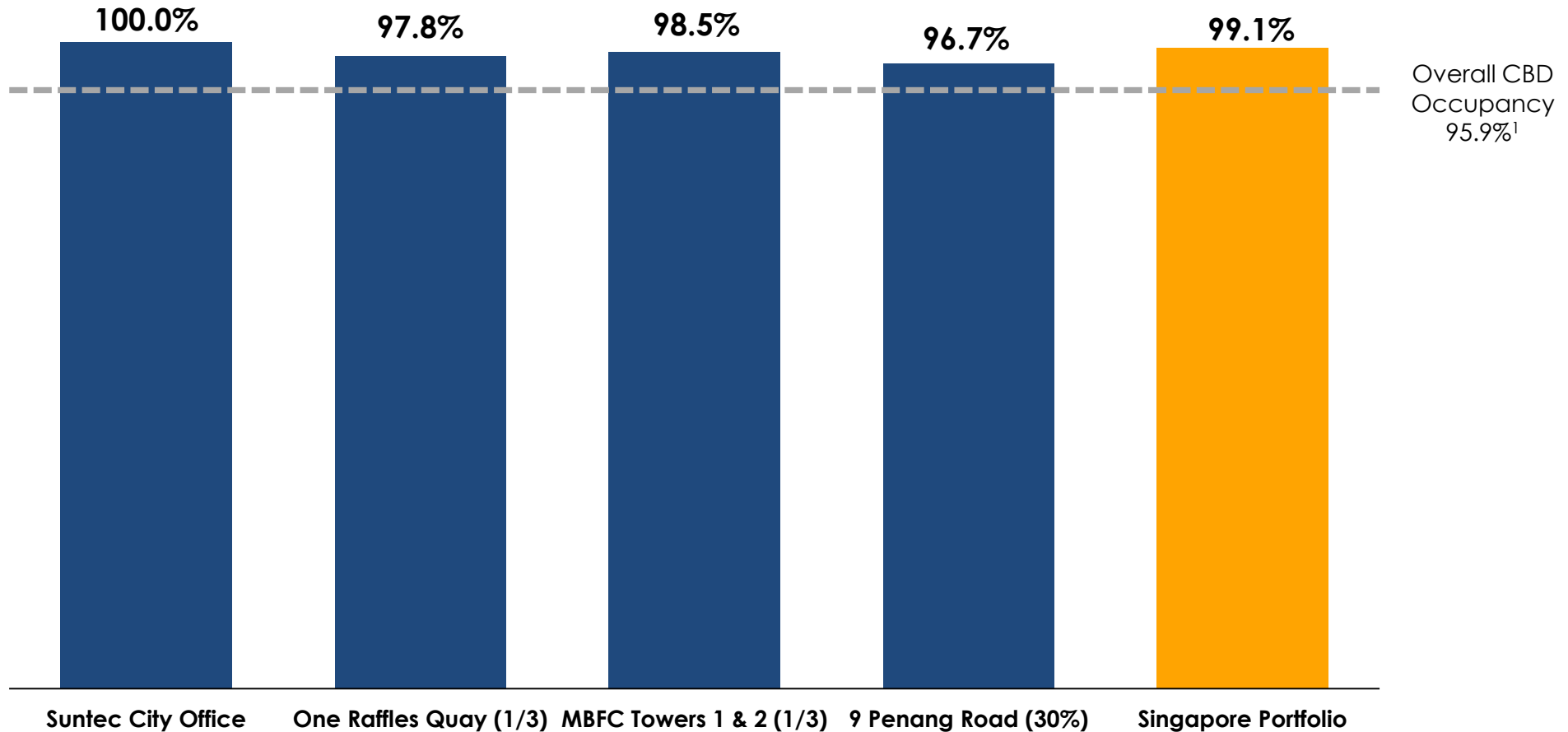


Only S\$310 million Medium Term Notes Due in 2020

SG OFFICE PORTFOLIO PERFORMANCE



4Q 19 Singapore Office Committed Occupancy



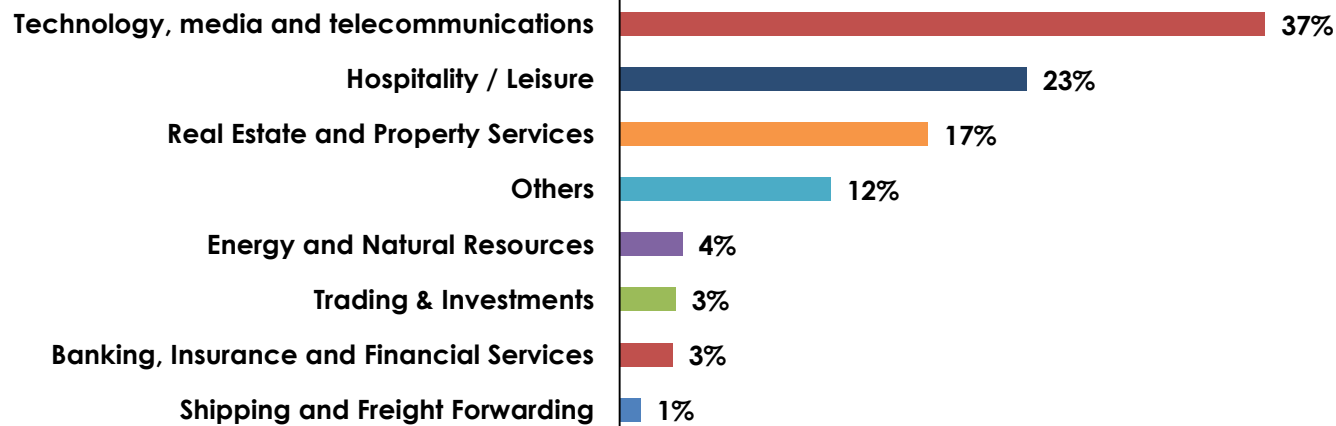
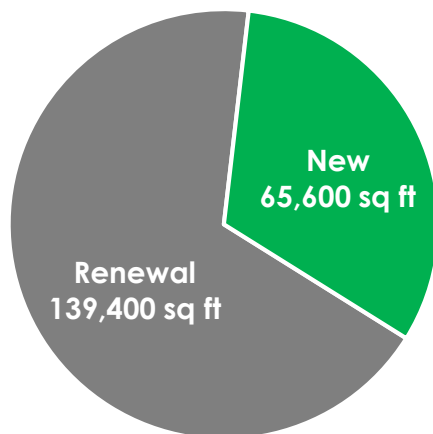
Committed Occupancy Outperformed Market

Note:
1. Source: JLL

4Q 19 Singapore Office Leasing Activity

Portfolio Work Done¹ in 4Q 19: 205,000 sq ft
(32% are new leases)

New Tenants by Sector (sq ft)



FY 19 Tenant Retention²: 71%

Leases secured:

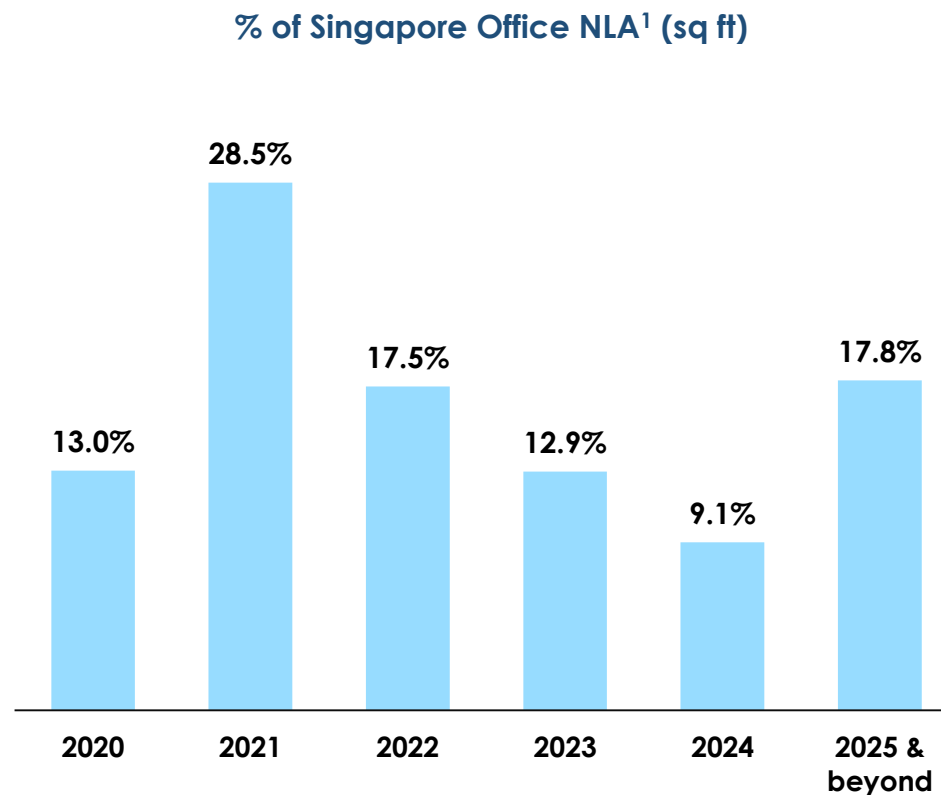


Notes:

- Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.
- Tenant retention ratio = Net lettable area renewed for leases due in FY 19 divided by total net lettable area due for renewal in FY 19.

4Q 19 Singapore Office Lease Expiry

	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	316,363	13.0%
FY 2021	696,630	28.5%
FY 2022	427,553	17.5%
FY 2023	315,441	12.9%
FY 2024	222,228	9.1%
FY 2025 & Beyond	435,524	17.8%

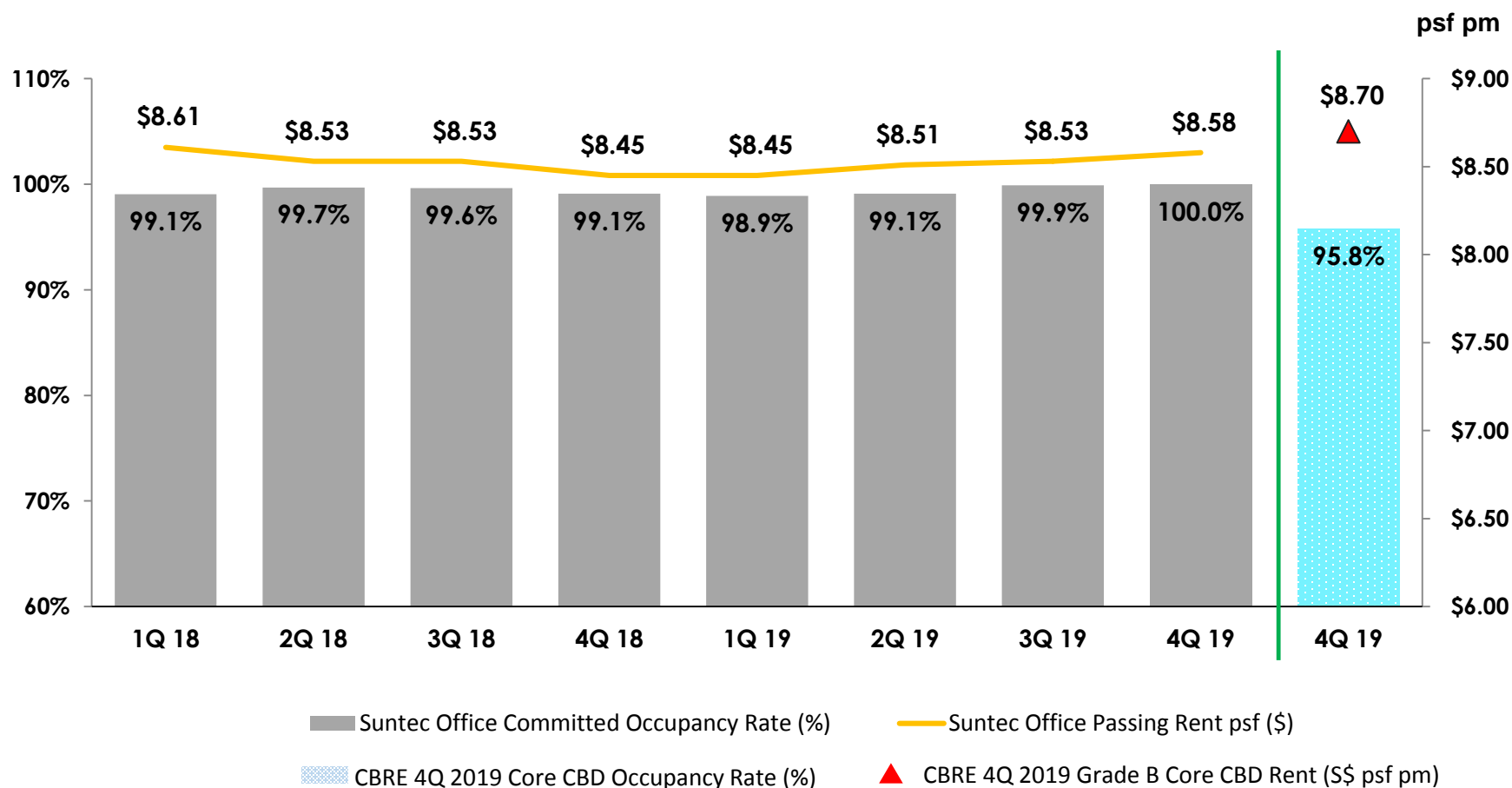


Weighted Average Lease Expiry: 3.30 Years

Note:

1. Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2, and 9 Penang Road.

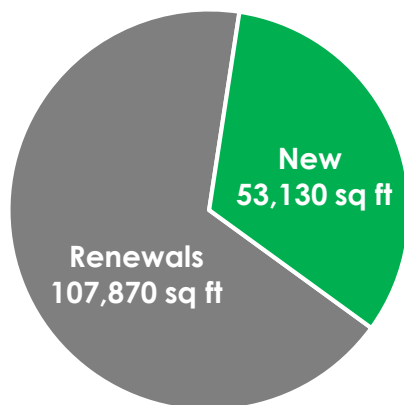
Suntec City Office - Committed Occupancy and Average Gross Rent



Stronger Committed Occupancy and Average Gross Rent

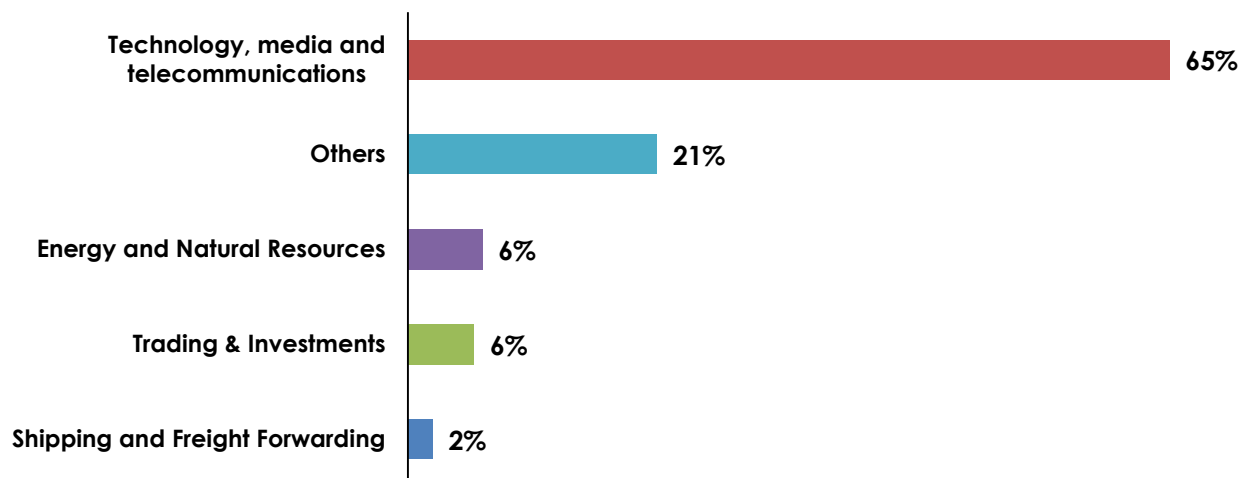
Suntec City Office - 4Q 19 Leasing Activity

Work Done¹ in 4Q 19: 161,000 sq ft
(33% are new leases)



FY 19 Tenant Retention²: 78%

New Tenants by Sector (sq ft)



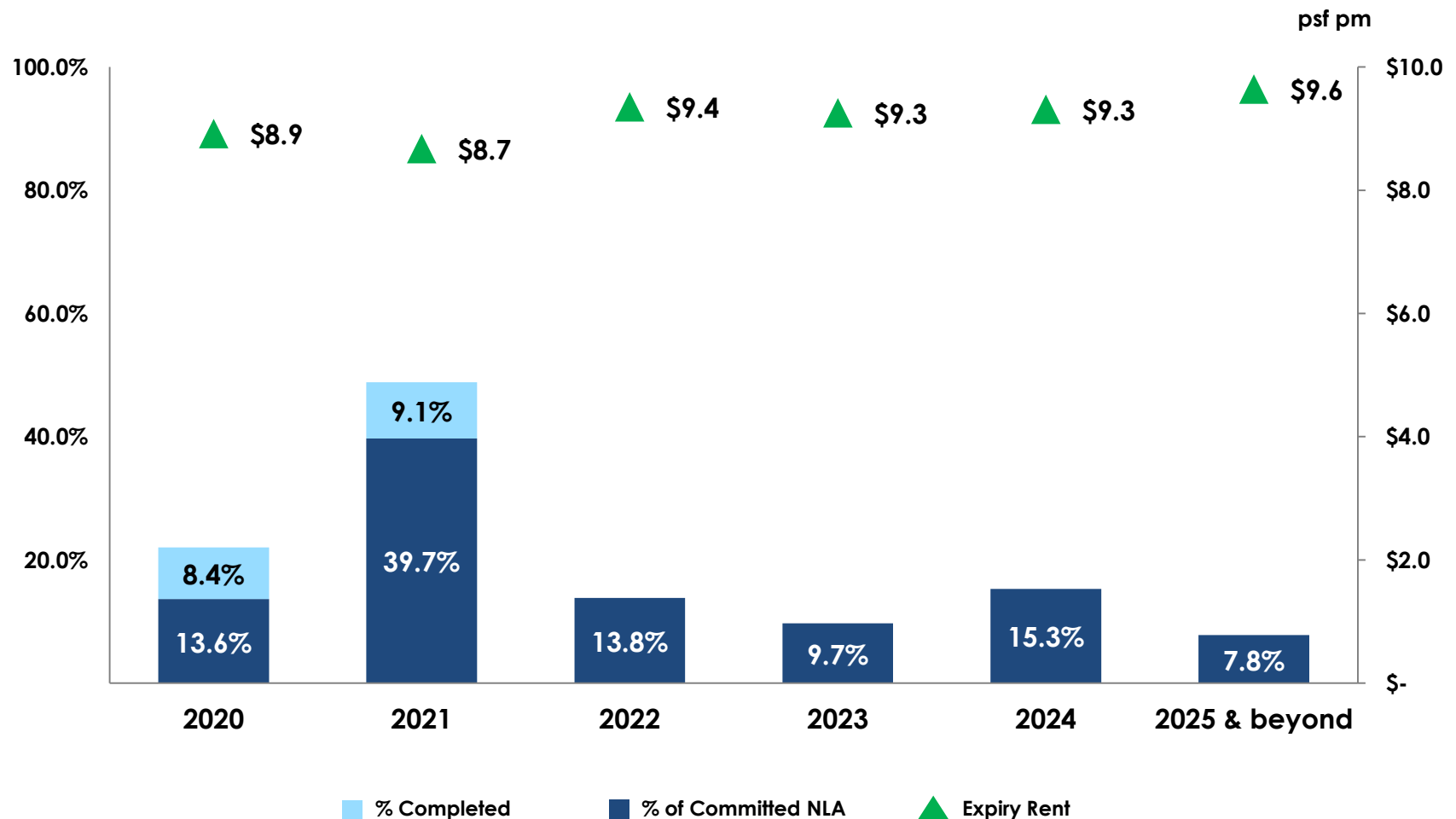
Seven Consecutive Quarters of Positive Rent Reversions

Work Done (Sq ft)	Average Expired Rents (\$ psf pm)	Committed Rents (\$ psf pm)	Rents of Comparable Sub-Markets (\$ psf pm)	
		Range	CBRE ²	Knight Frank ³
160,534	8.24 ³	9.30 to 11.00	8.70	9.80 to 10.30

Note:

1. Reflects net lettable area of new leases and renewals committed.
2. Tenant retention ratio = Net lettable area renewed for leases due in FY19 divided by total net lettable area due for renewal in FY 19.
3. Source: CBRE 4Q 2019 Grade B Core CBD Office Rent
4. Source: Knight Frank 3Q 2019 Marina Grade A Office Rent

Suntec City Office - Lease Expiry Profile & Expiry Rent



Proactive Management of Lease Expiries

9 Penang Road

- Obtained TOP in October 2019
- 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 trade mix will be predominantly Food & Beverage

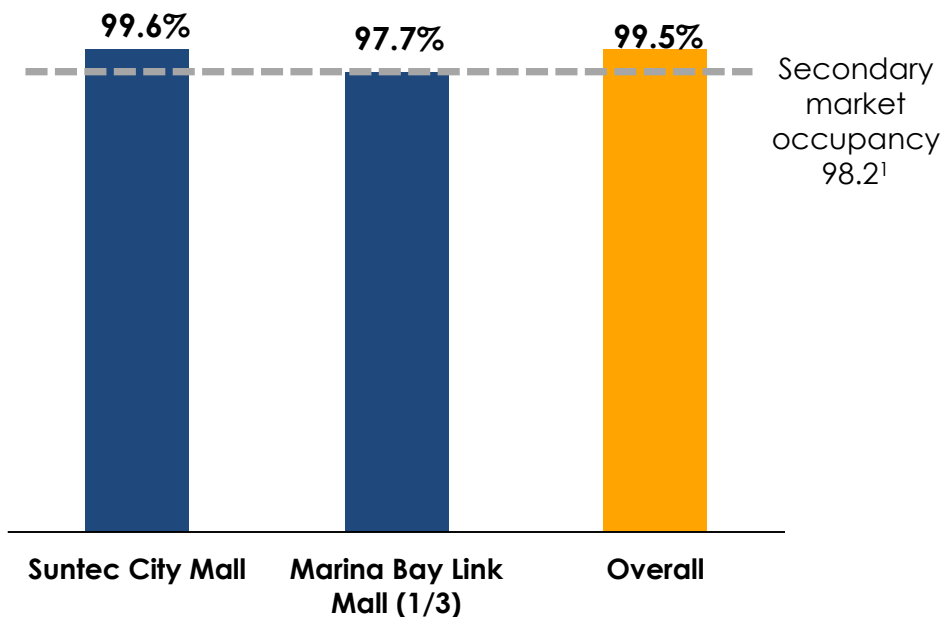




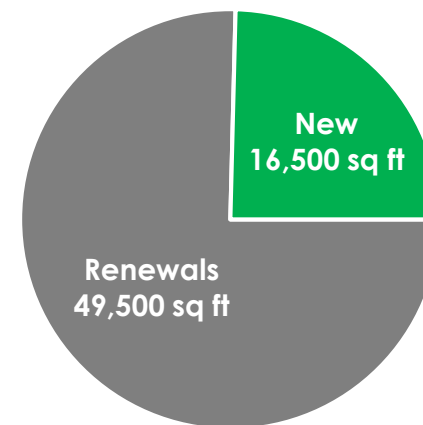
SG RETAIL PORTFOLIO PERFORMANCE

4Q 19 Singapore Retail Portfolio

Committed Occupancy



Portfolio Work Done² in 4Q 19: 66,000 sq ft
(25% are new leases)



FY 19 Tenant Retention³: 69%

Leases secured:



MOTHERHOUSE



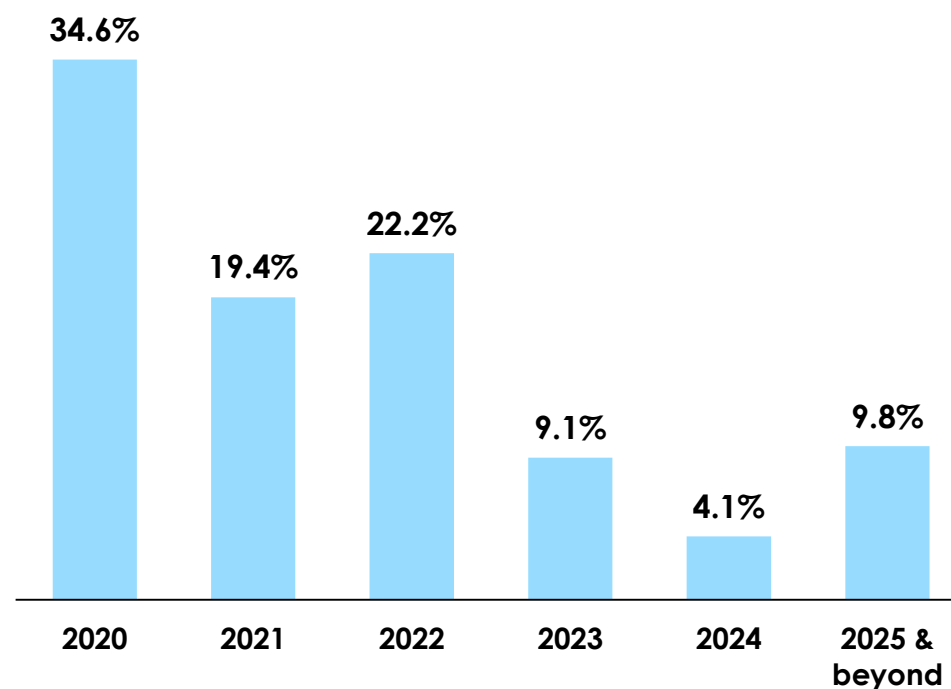
Note:

1. Source: JLL
2. 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
3. Tenant retention ratio = Net lettable area renewed for leases due in FY 19 divided by total net lettable area due for renewal in FY 19

4Q 19 Singapore Retail Lease Expiry

	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	312,335	34.6%
FY 2021	174,906	19.4%
FY 2022	200,310	22.2%
FY 2023	82,151	9.1%
FY 2024	36,678	4.1%
FY 2025 & Beyond	88,784	9.8%

% of Singapore Retail NLA¹ (sq ft)



Weighted Average Lease Expiry: 2.69 Years

Note:

1. Based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall.

Suntec City Mall – Improved Operational Performance



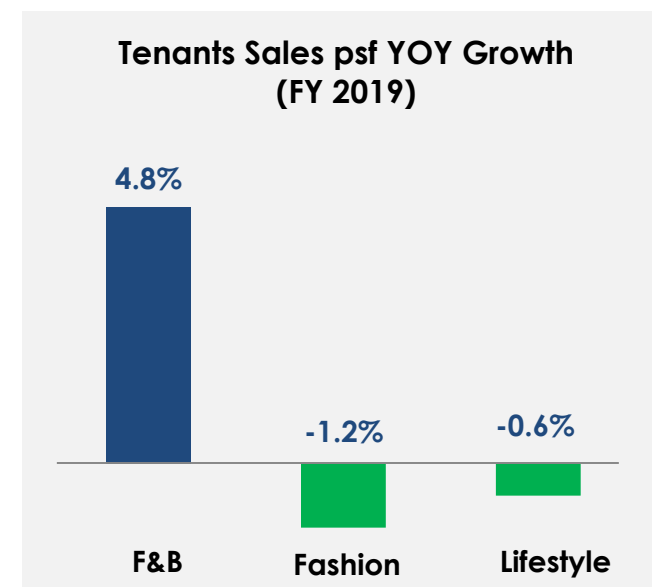
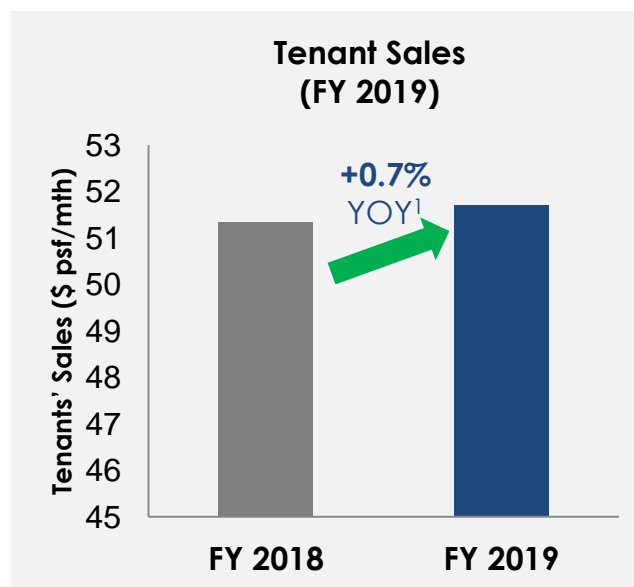
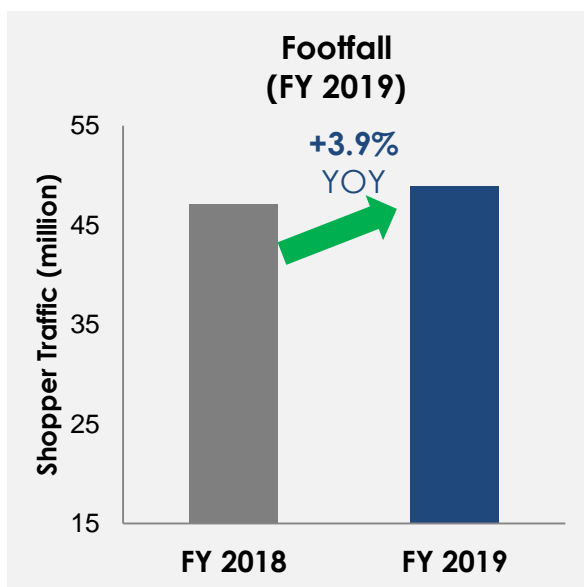
Committed Occupancy
(as at 31 Dec 2019)
99.6%



Rent Reversions
(FY 2019)
+5.1%



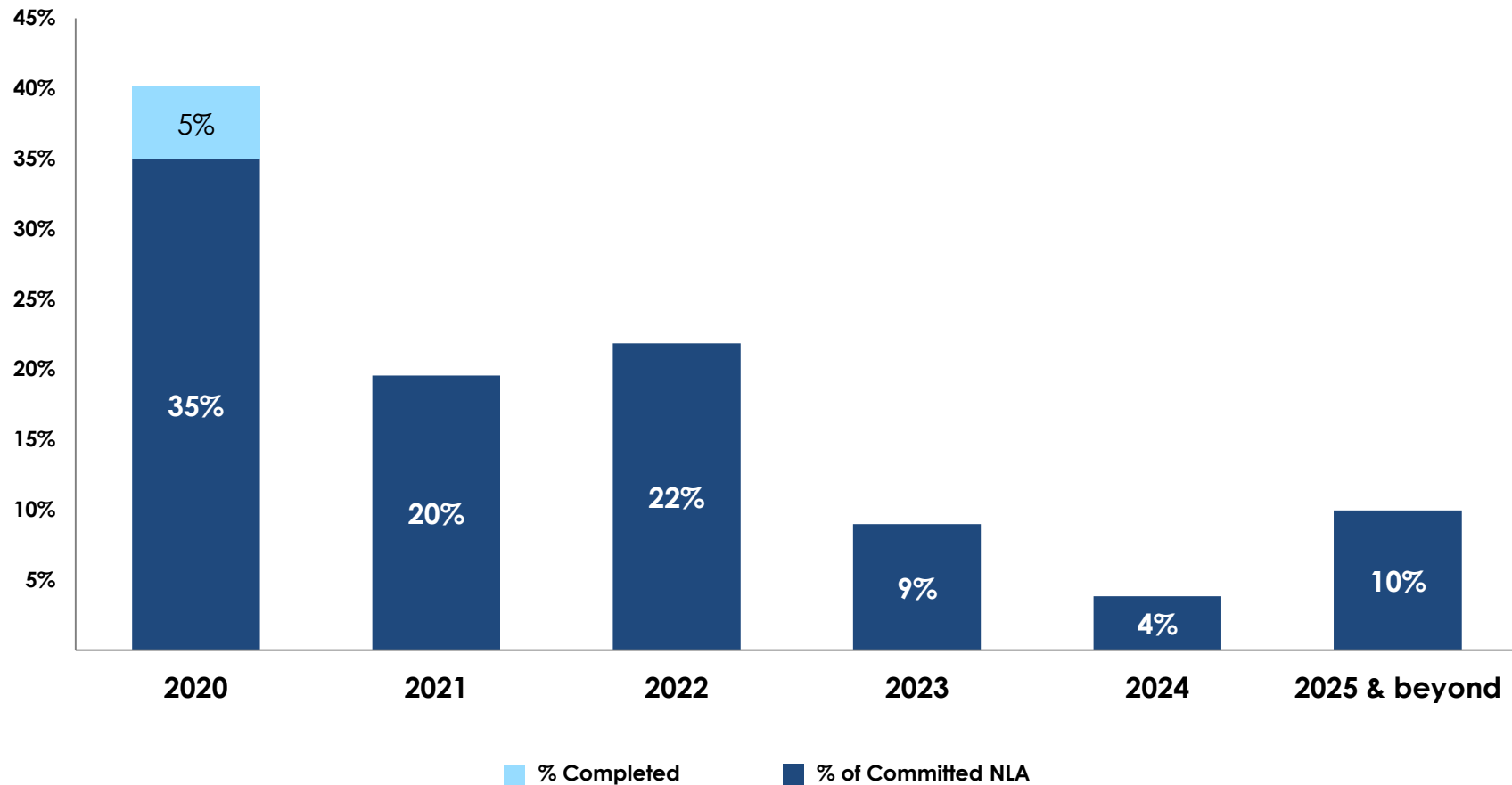
Positive Rent Reversions
10 consecutive quarters



Note:

1. Excluding SuperPark, tenant sales per sq ft increased 3.2% y-o-y

Suntec City Mall - Lease Expiry Profile

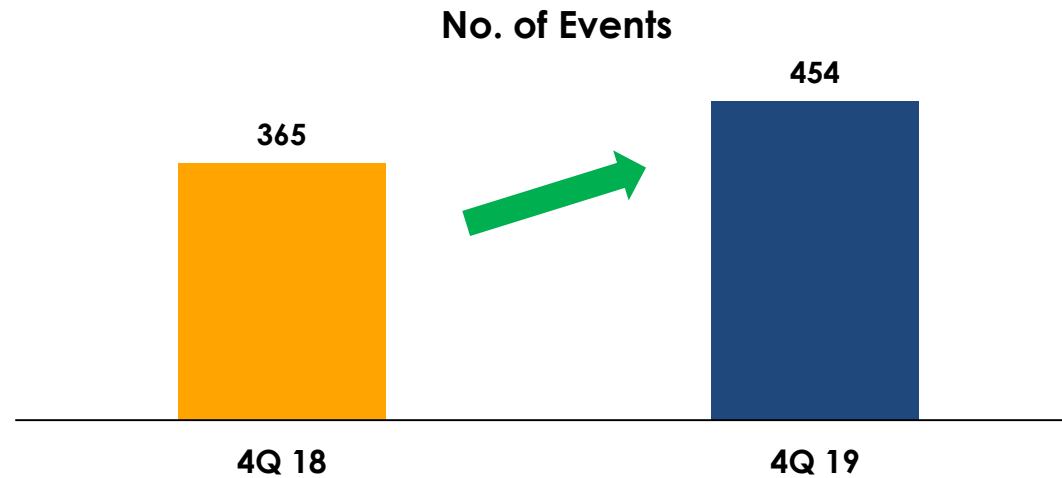


Proactive Management of Lease Expiries

CONVENTION PERFORMANCE



Suntec Convention Performance



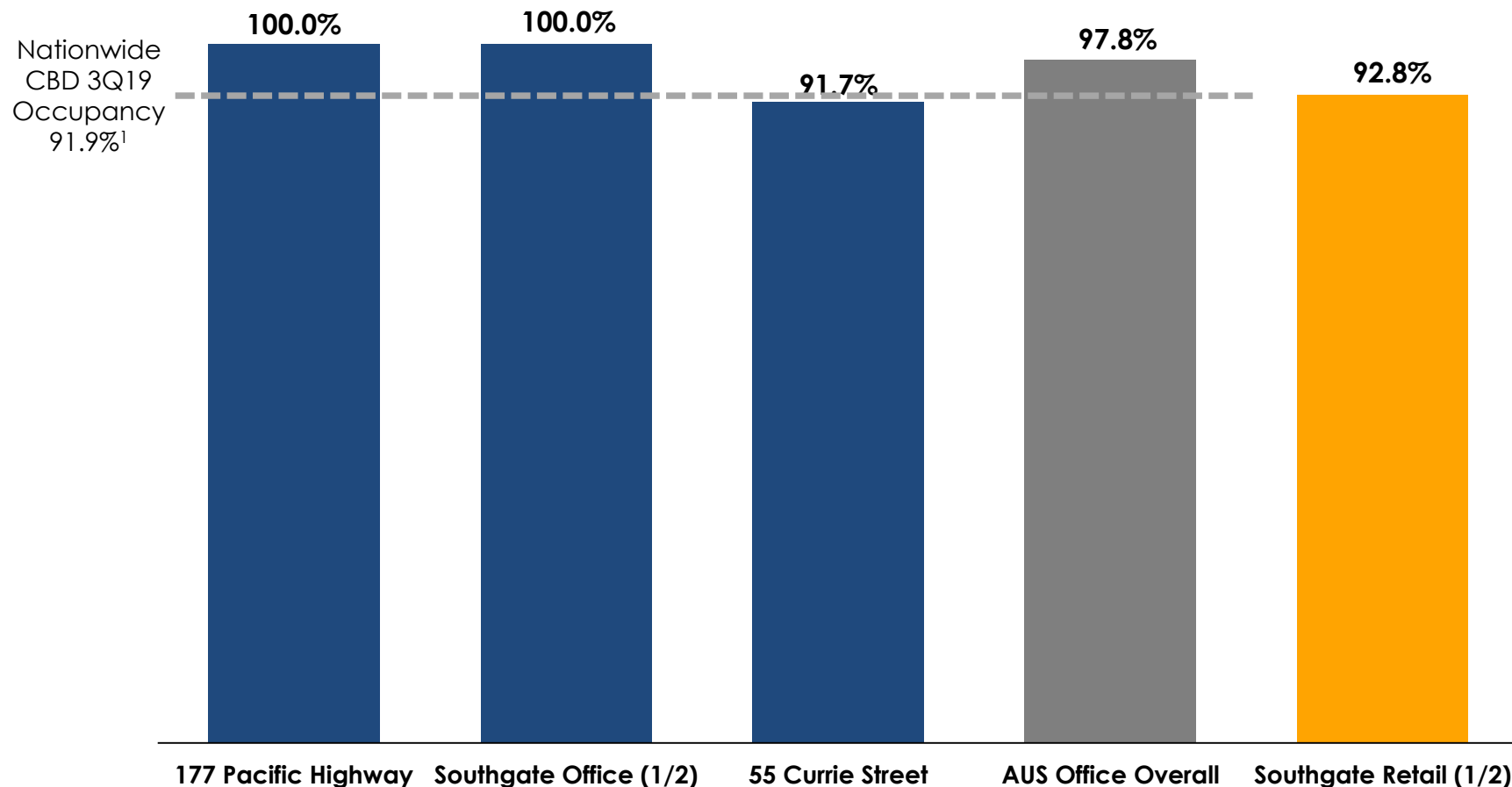
Strong Line-up of Trade Shows, Conferences and Consumer Shows





AUSTRALIA PORTFOLIO PERFORMANCE

4Q 19 Australia Committed Occupancy

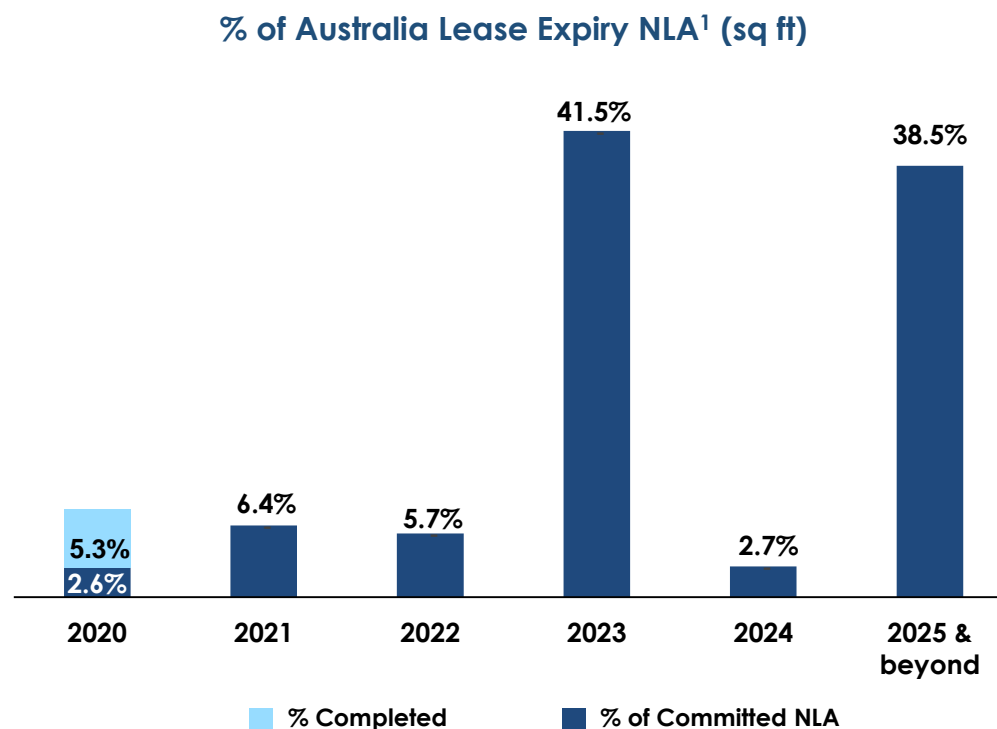


Strong Committed Occupancy

Note:
1. Source: JLL

4Q 19 Australia Lease Expiry

	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	29,318	2.6%
FY 2021	71,671	6.4%
FY 2022	63,742	5.7%
FY 2023	465,393	41.5%
FY 2024	30,758	2.7%
FY 2025 & Beyond	430,862	38.5%



Weighted Average Lease Expiry: 5.11 Years

Note:

1. Based on Suntec REIT's interests in 177 Pacific Highway, Southgate Complex (Office and Retail) and 55 Currie Street.

PROJECT UNDER DEVELOPMENT & AEIs



Artist's impression

Project Under Development

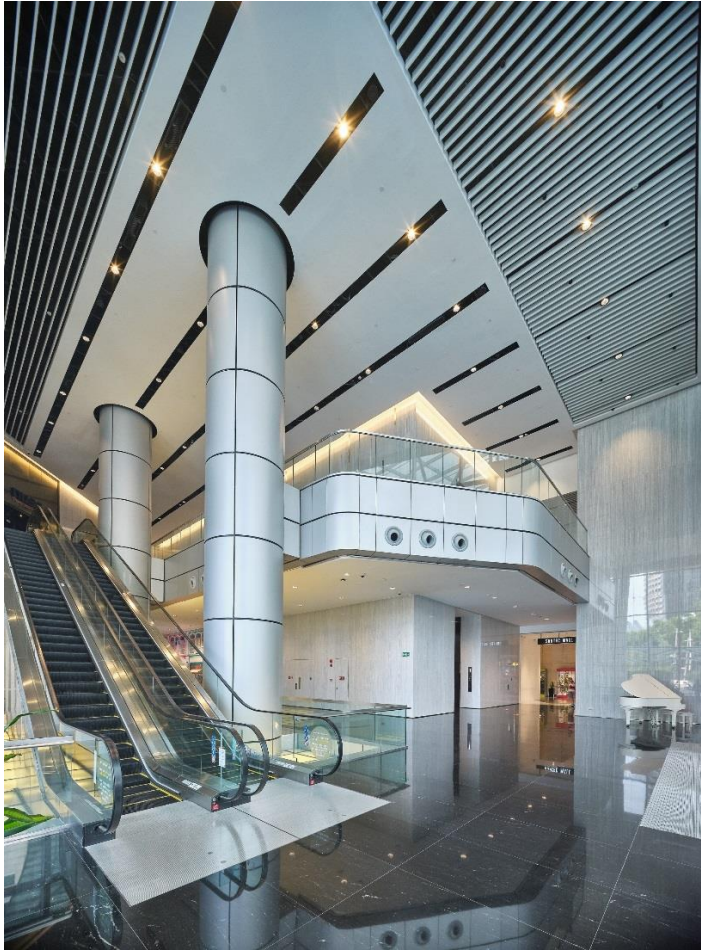
- Topping out of building structure on 31 July 2019
- Fit-out works in progress
- Scheduled to complete in mid 2020
- Leasing update: 93.2% pre-committed with additional 2.4% with Heads of Agreement
- Tenants committed include:
 - Deloitte
 - Lander & Rogers
 - Norton Rose Fulbright
 - Urbis
 - Work Club

Olderfleet, 477 Collins Street, Australia



Suntec City Office Upgrading Works

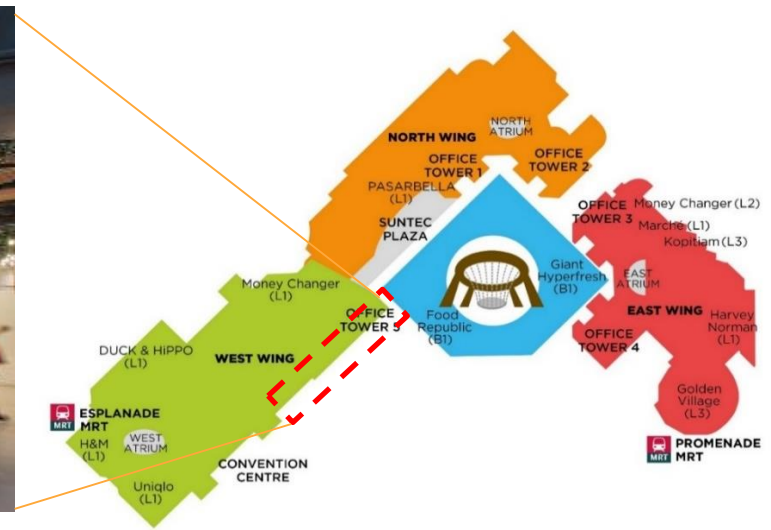
Tower 5 revitalised and modernised



Works for Towers One to Four to Complete by 2021

Suntec City Mall Asset Enhancement

- Works at basement 1 of approx. 15,000 sq ft completed in June '19
- Achieved rent increase of 56%
- Return on investment of approx. 50%



New Tenants:



fluff stack



High Return On Investment

Southgate Office Lobby Asset Enhancement

IBM Tower:
*Refurbishment of
lobbies and foyer*



Works for HWT Towers to Complete by 2020



LOOKING
AHEAD

Acquisition Pending Completion

- Freehold Grade A office
- 5.5% initial yield on amount payable of A\$297.0 mil
- NLA of approximately 203,400 sq ft
- 65% pre-committed occupancy
- 15% commitment under Heads of Agreement
- Long WALE of ~10 years
- Expected completion end Mar 2020

21 Harris Street, Pyrmont, Sydney



Looking Ahead

Singapore

- **Office portfolio** will **continue to perform well** due to positive rent reversions from quarters.
- **Suntec City Mall** **expected to continue to perform well** notwithstanding the continuing challenges in the retail sector, given the high footfall, improved tenant mix and positive rent reversions from previous quarters.

Australia

- **Sydney** office market expected to **remain stable**.
- **Melbourne** office market to face **some vacancy pressures** due to new buildings coming on-stream in 2020.
- **Adelaide** market is **expected to improve further**, driven by long term infrastructure investments.

Bushfires likely to have a negative effect on economy, however, **Suntec REIT Australia portfolio will continue to perform well**, underpinned by strong occupancy, long WALE with minimal lease expiry in 2020.

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



9 Penang Road

MBFC Properties

One Raffles
Quay

Suntec City

177 Pacific
Highway

Olderfleet, 477
Collins Street

Southgate Complex

55 Currie Street

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www.ara-group.com



About Suntec REIT

Singapore's first and largest composite REIT



S\$5.2 Billion¹

Market Capitalisation

S\$10.4 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

Notes:

1. Based on 31/12/19 closing price of \$1.84
2. Excludes 21 Harris Street, Pyrmont, Sydney

Portfolio Snapshot

	Suntec City		One Raffles Quay	MBFC Properties	9 Penang Road
	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	Two premium Grade A office towers	Two premium Grade A office towers and a subterranean mall	New Grade A commercial building
Ownership	100%	60.8%	33.33%	33.33%	30%
City / Country	Singapore	Singapore	Singapore	Singapore	Singapore
Segment	Office Retail	Convention	Office	Office Retail	Office
NLA (sq ft)	Office:~1.3 mil Retail:~0.9 mil	~275,000	~442,000	Office:~547,000 Retail:~32,000	~119,000



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 31 Dec 2019 versus results achieved for the quarter ended 31 Dec 2018. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the quarter ended 31 Dec 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.