

SUNTEC REIT 1Q 2021 UPDATE

BNP Paribas Singapore REITs Day
17 May 2021



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DISTRIBUTABLE INCOME FROM OPERATIONS
\$58.1 million, +5.4% y-o-y



DISTRIBUTION PER UNIT TO UNITHOLDERS
2.045 cents, +16.2% y-o-y



CAPITAL MANAGEMENT
Adequate Facilities of \$630 million for
FY 2021 Refinancing



FINANCIAL HIGHLIGHTS

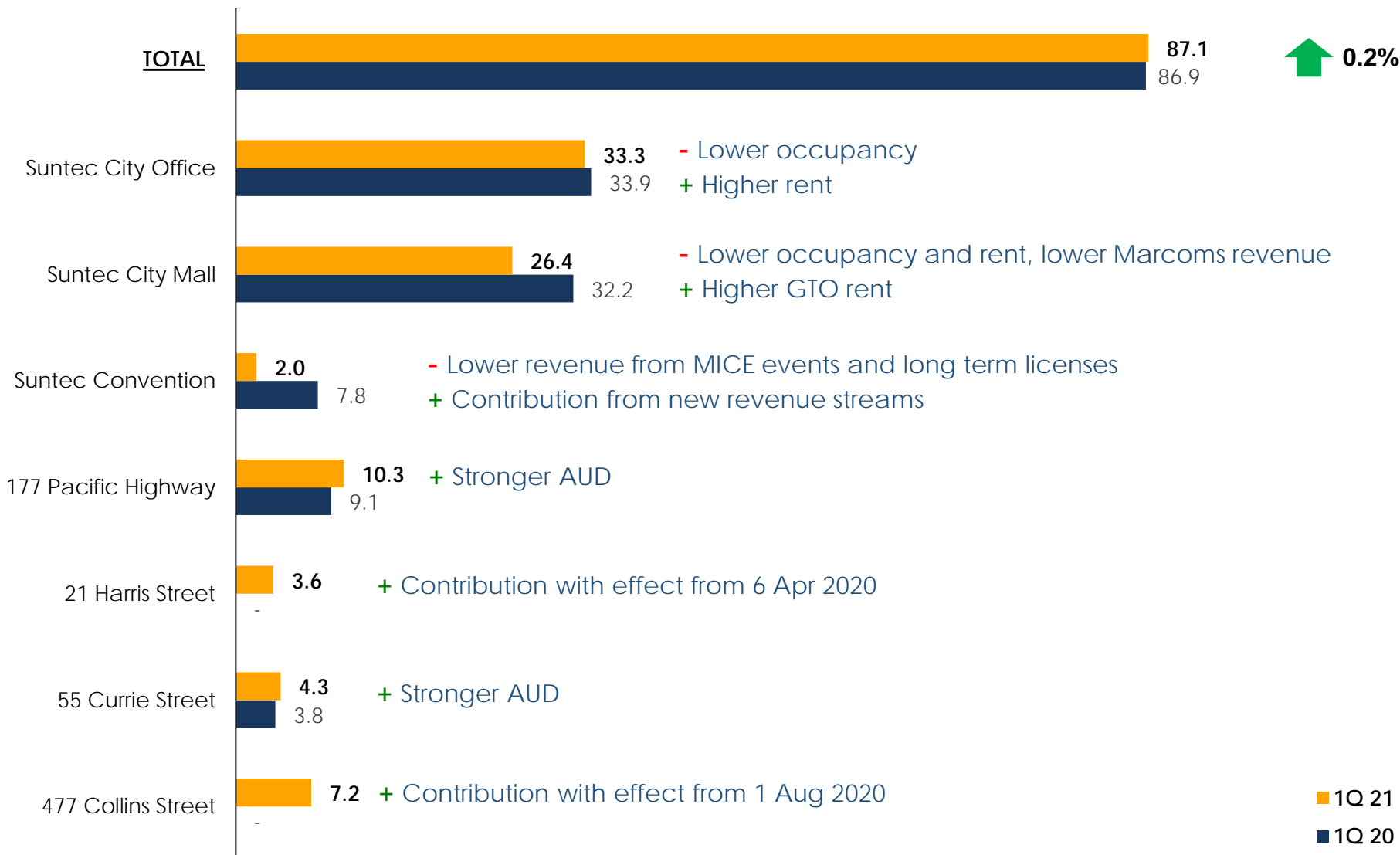


1Q 21 Financial Performance



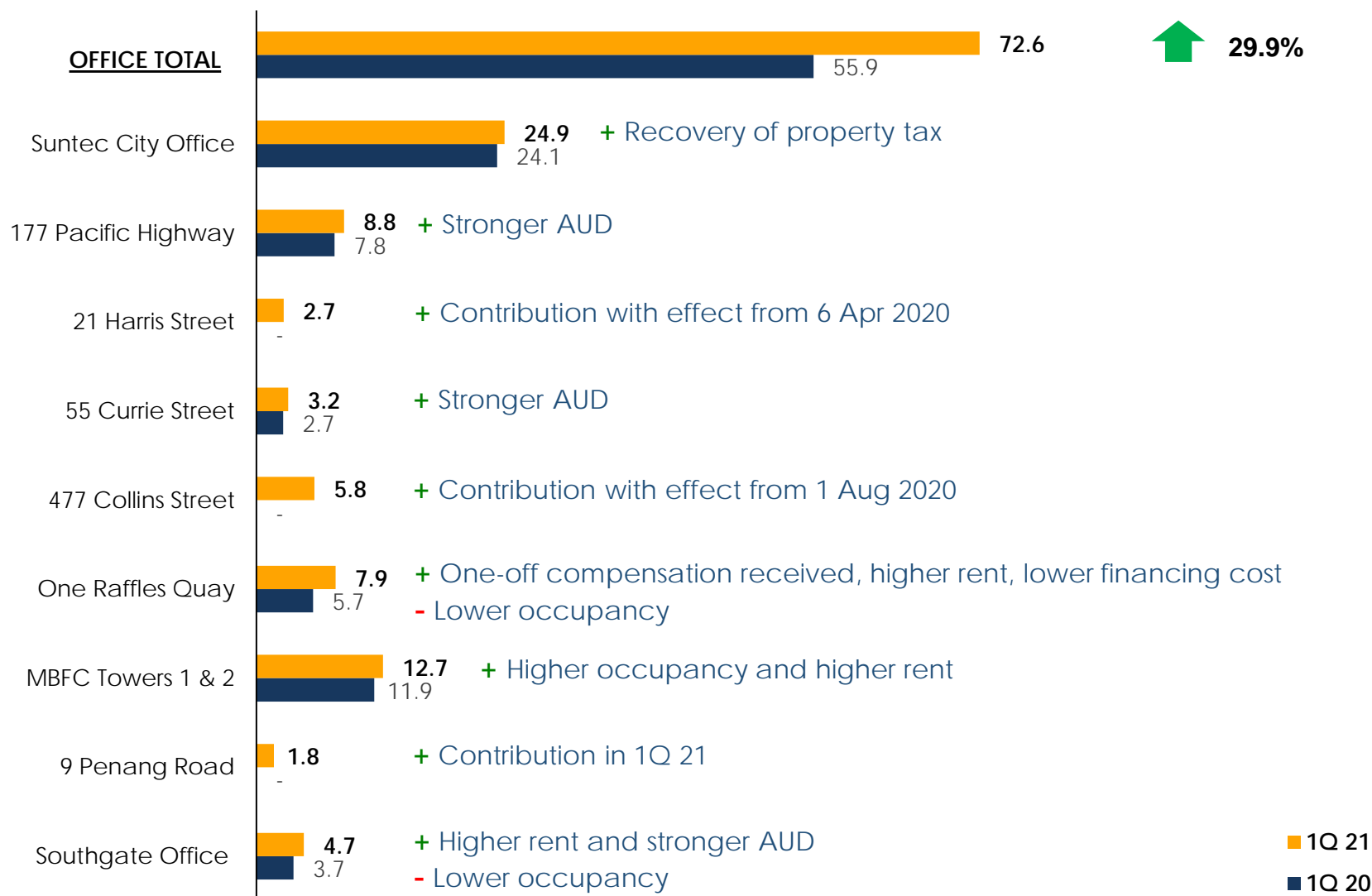
1Q 21 Gross Revenue increased 0.2% y-o-y

S\$ mil

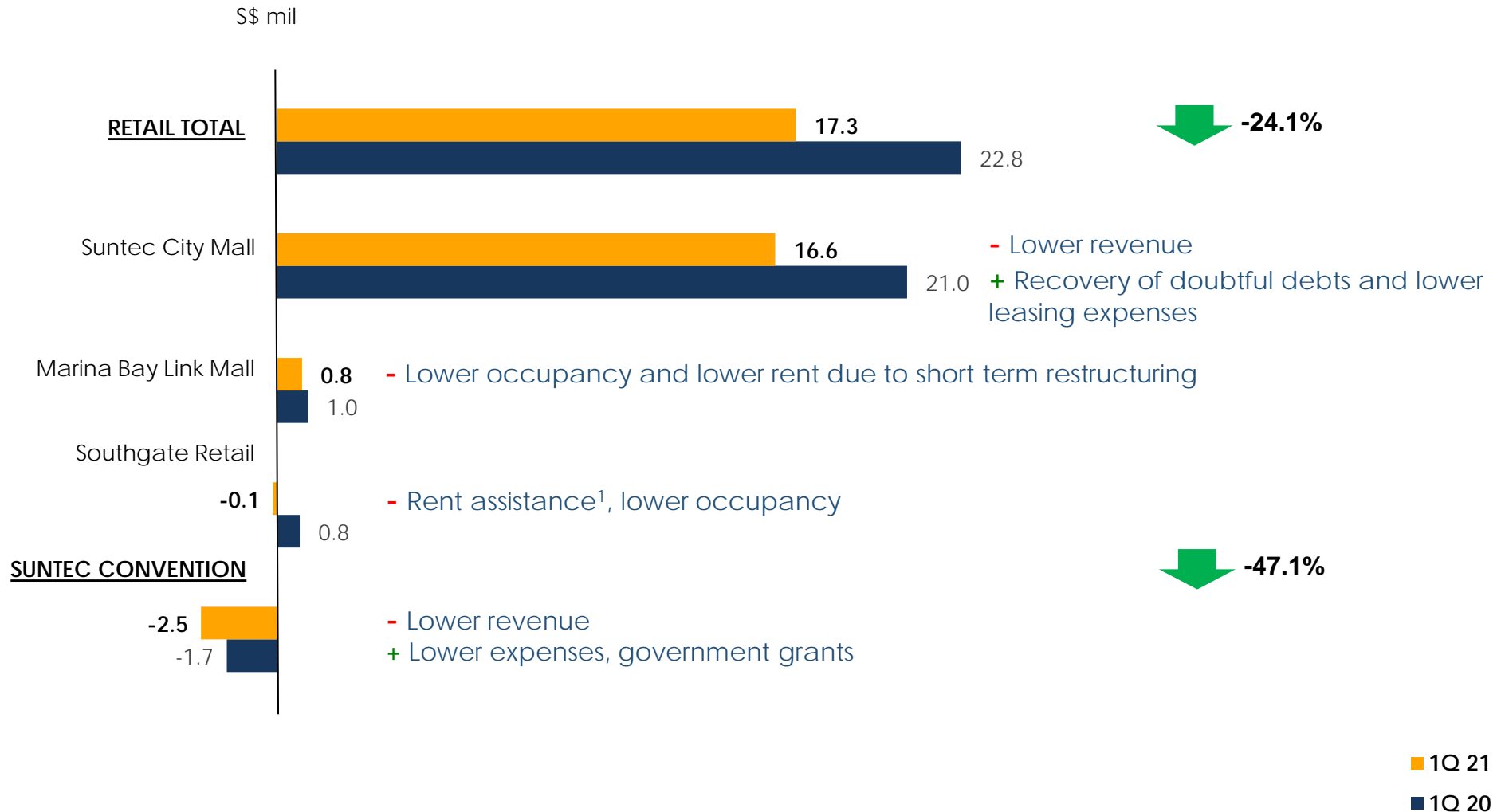


1Q 21 NPI & JV Income (Office) increased 29.9% y-o-y

S\$ mil



1Q 21 NPI & JV Income (Retail & Convention) decreased 24.1% and 47.1% respectively

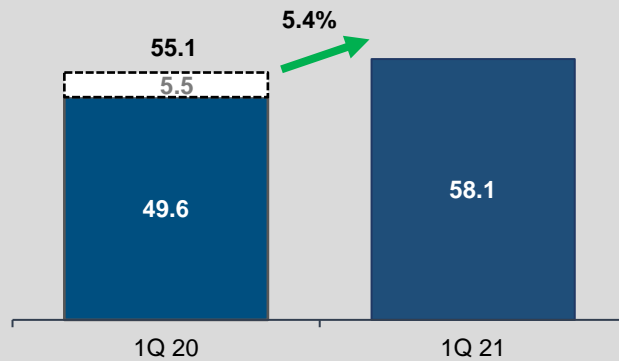


Note:

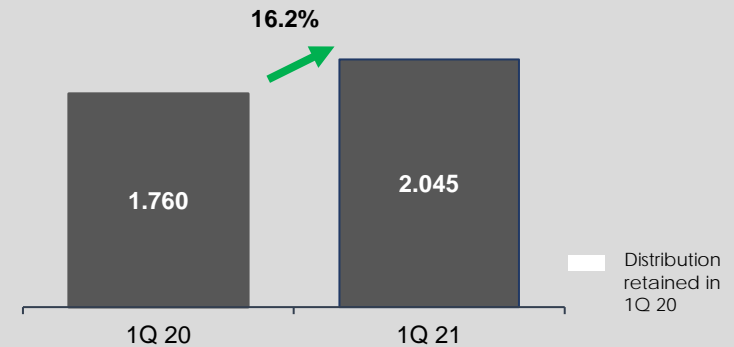
1. Provision of rent assistance of approximately 2.4 months for vast majority of tenants in 1Q 21

Distribution Income to Unitholders

Distributable Income from Operations
(S\$ mil)



DPU to Unitholders
(SG cents)



Distributable Income from Operations

S\$58.1 million, +5.4% y-o-y

- + Contribution from 9 Penang Road, 21 Harris Street, 477 Collins Street
- + One-off compensation received from ORQ
- + Better performance of MBFC Properties
- + Stronger AUD
- + Lower financing cost

Partially offset by

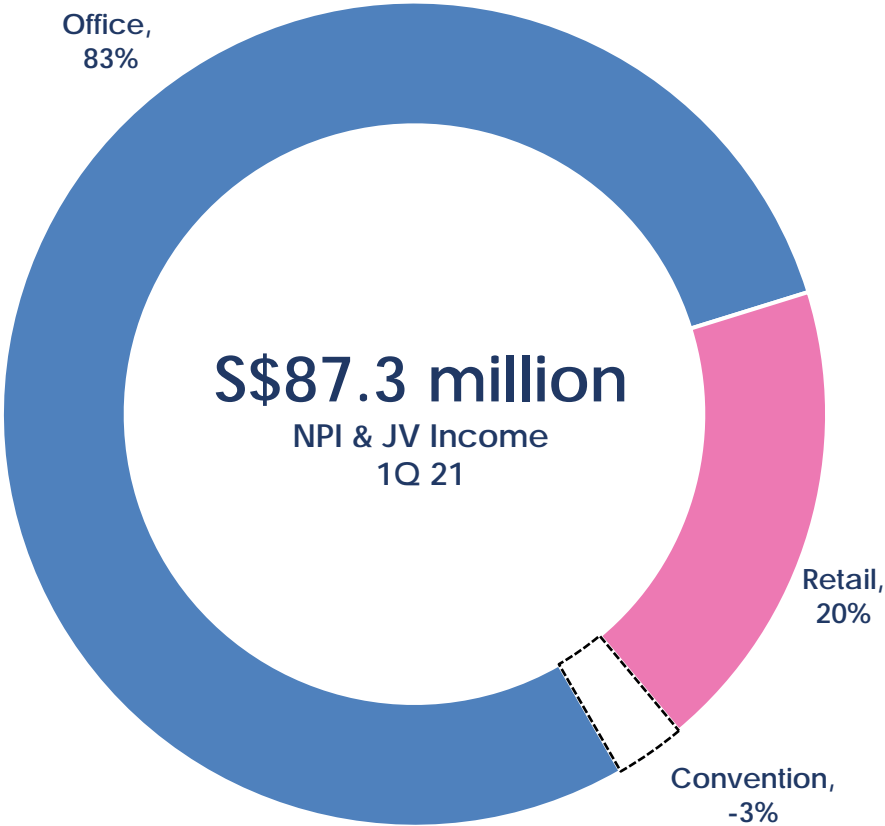
- Lower contribution from Suntec City Mall
- Rent assistance for Southgate Complex Retail

DPU to Unitholders

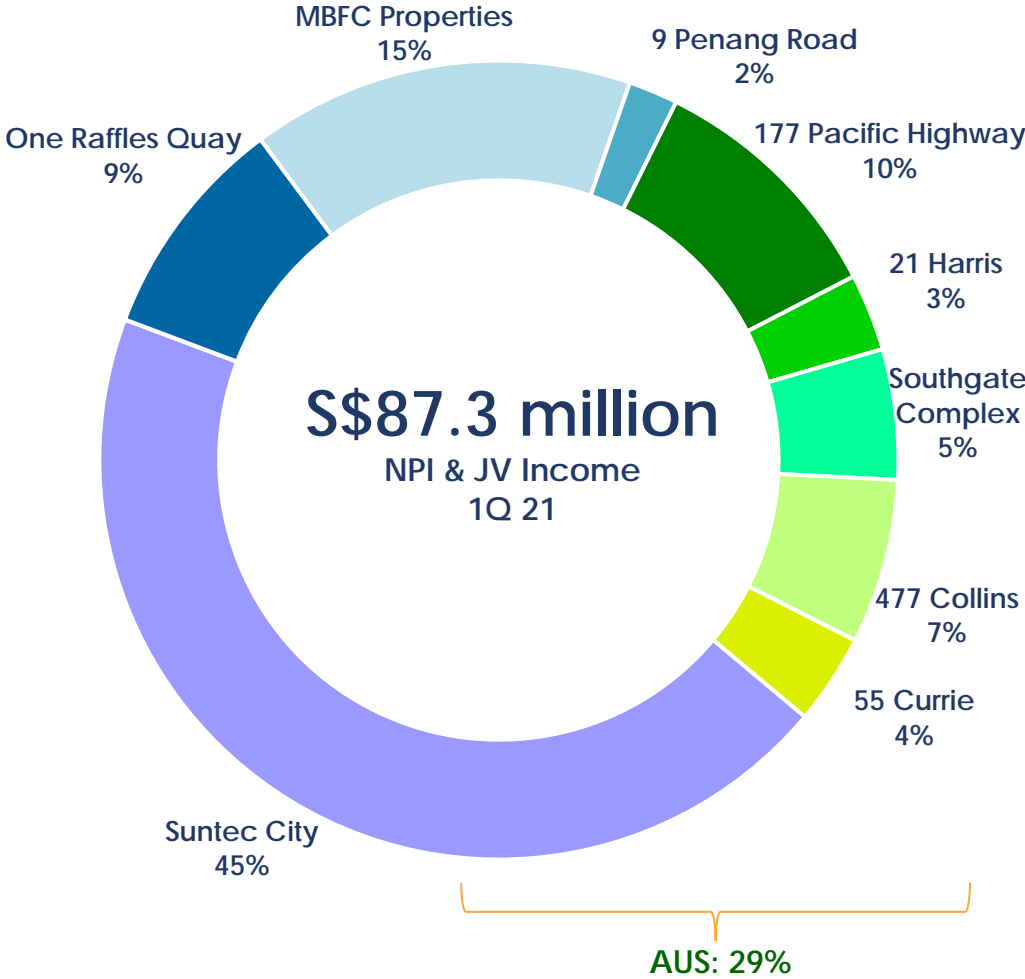
2.045 cents, +16.2% y-o-y

- + Higher distributable income from operations
- + Absence of distribution retained (S\$5.5 mil)

Diversified Portfolio across Sector and Geography



Contribution by Segment



Contribution by Asset

Distribution Timetable

Distribution Payment	
Distribution Period	1 January – 31 March 2021
Amount (cents/unit)	2.045

Ex-date	30 April 2021
Record date	3 May 2021
Payment date	28 May 2021



CAPITAL MANAGEMENT

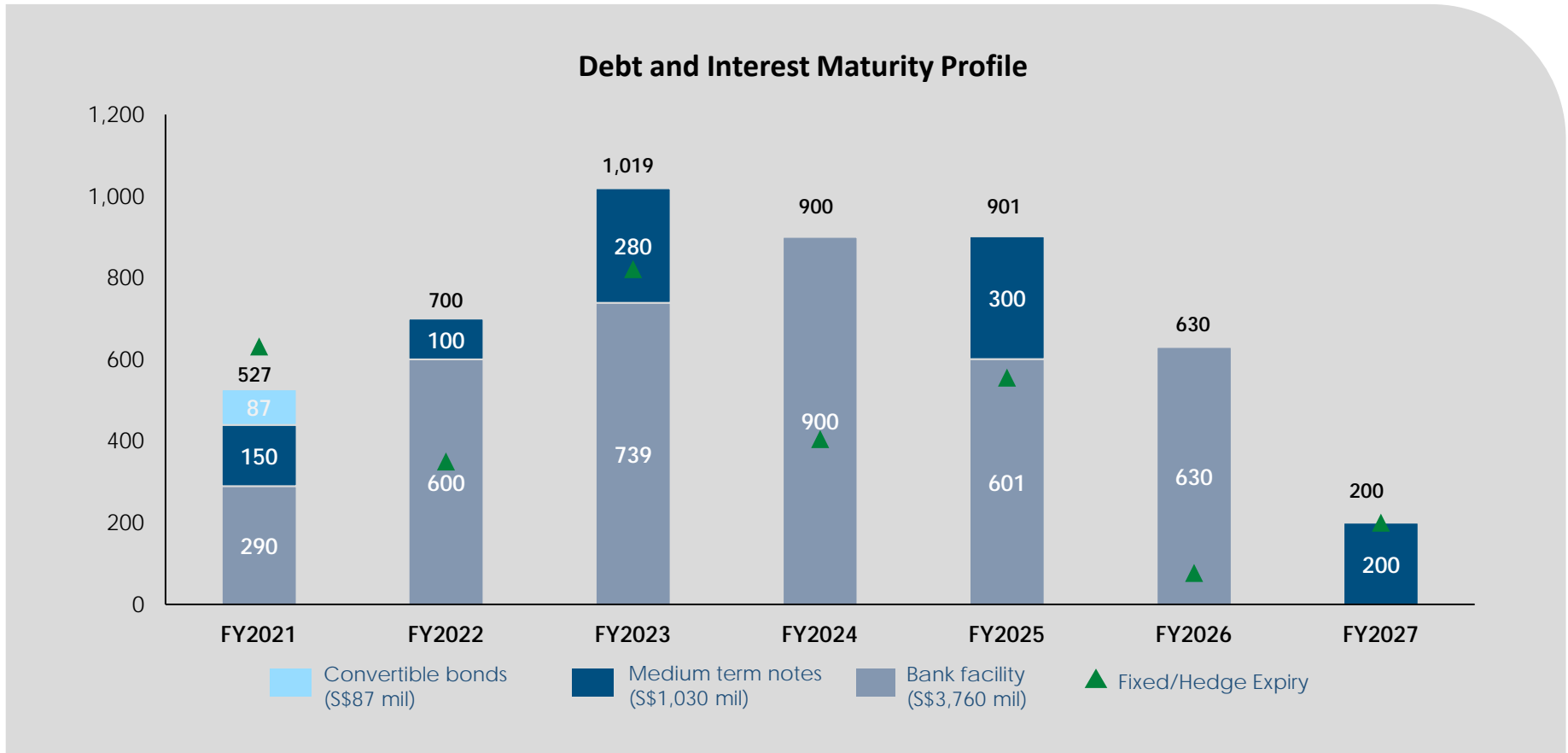
Key Financial Indicators

	As at 31 Mar '21	As at 31 Dec '20
NAV Per Unit ¹	S\$2.063	S\$2.055
Total Debt Outstanding	S\$4,877 mil	S\$4,855 mil
Aggregate Leverage Ratio ²	44.4%	44.3%
Weighted Average Debt Maturity	2.94 years	3.01 years
All-in Financing Cost	2.40% p.a.	2.53% p.a.
Adjusted ICR ³	2.7X	2.6X
Weighted average interest maturity	2.51 years	2.74 years
Interest Rate Borrowings (fixed)	~62%	~61%
% of AUD income hedged ⁴	>75%	>75%

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).
4. Refers to income hedged for FY 21.

Proactive Capital Management

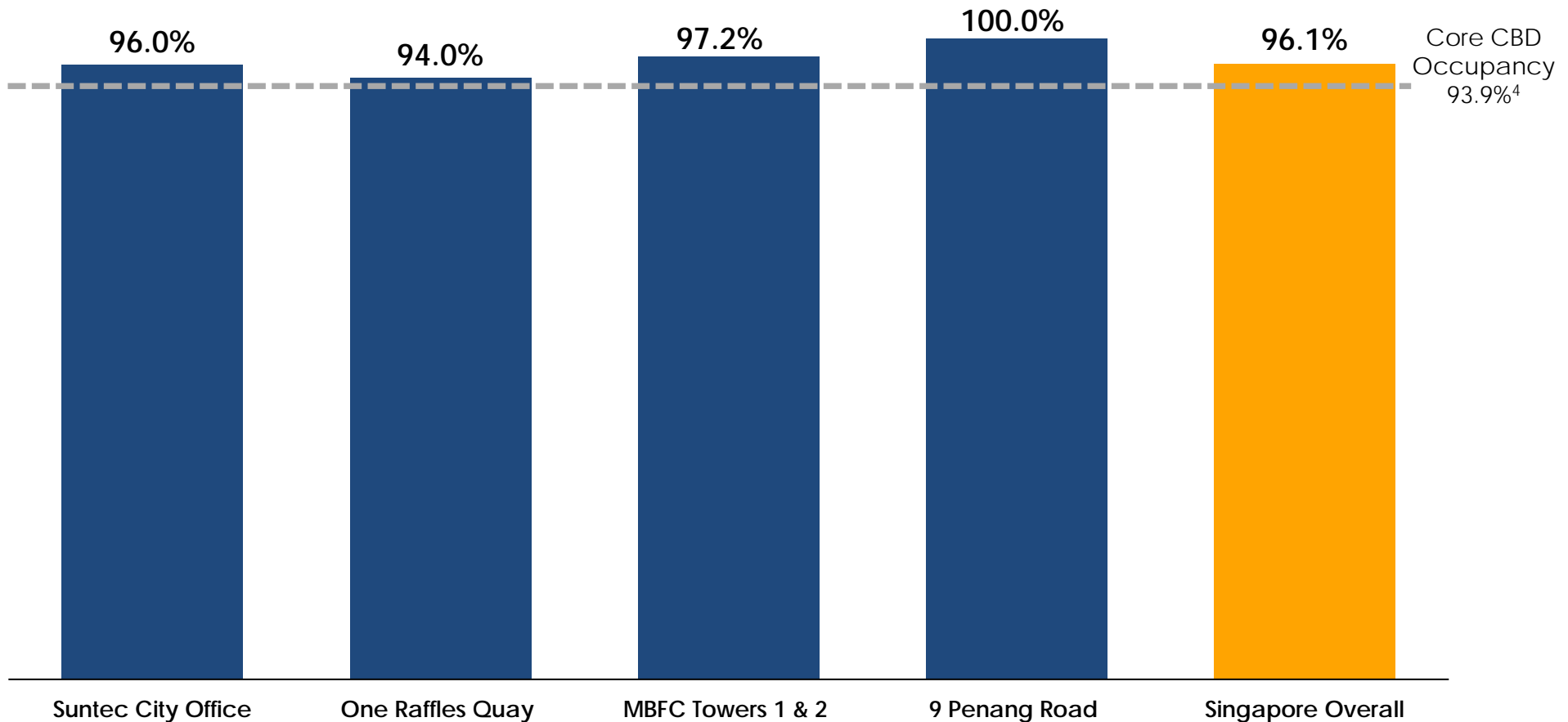


Adequate Facilities of \$630 million for FY 2021 Refinancing

SG OFFICE PORTFOLIO PERFORMANCE



Singapore Office Committed Occupancy

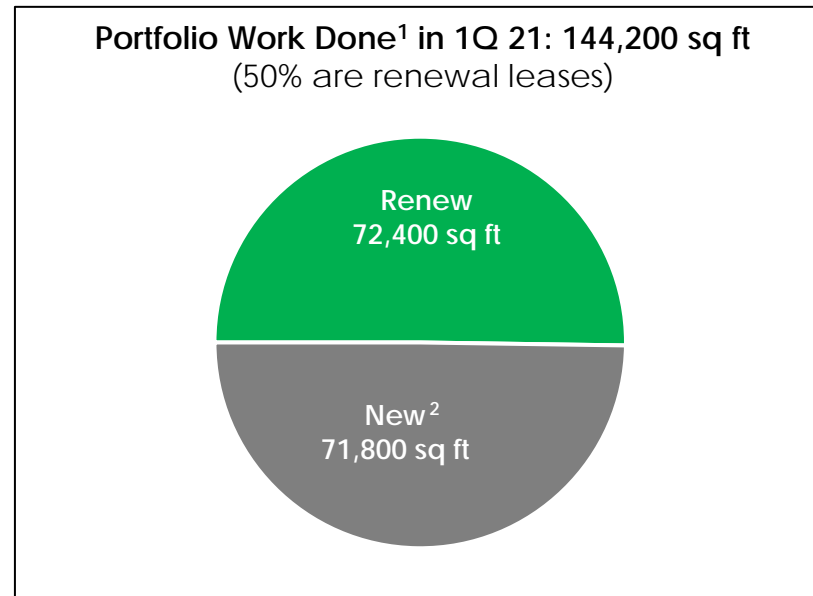


Committed Occupancy Outperformed Market

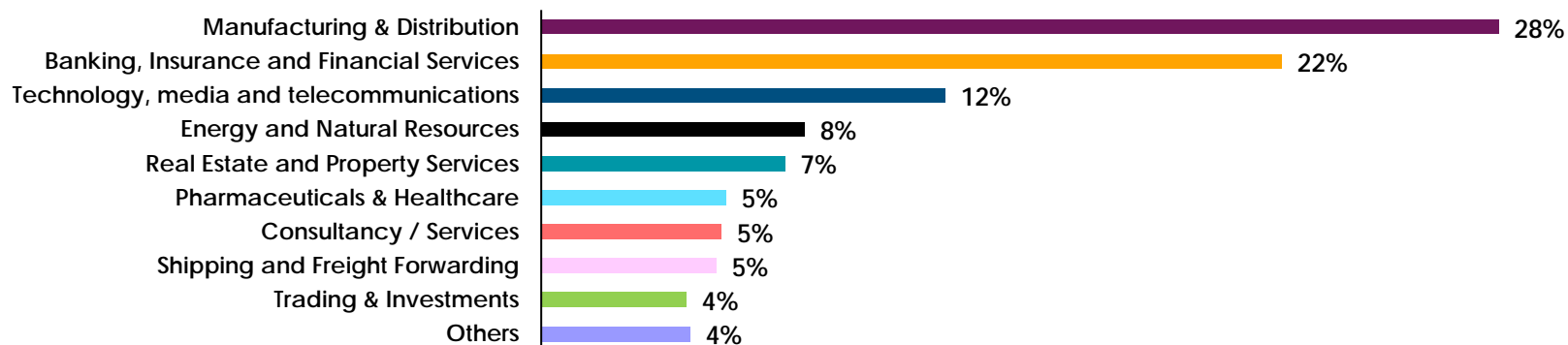
Notes:

1. Combined occupancy for One Raffles Quay office and ancillary retail was 94.0%
2. Combined occupancy for 9 Penang Road office and ancillary retail was 98.7%
3. Committed occupancy for Singapore Overall (including ancillary retail) was 96.0%
4. Source: CBRE as at 1Q 2021

Singapore Office Leasing Activity



New Tenants by Sector in 1Q 21 (sq ft)

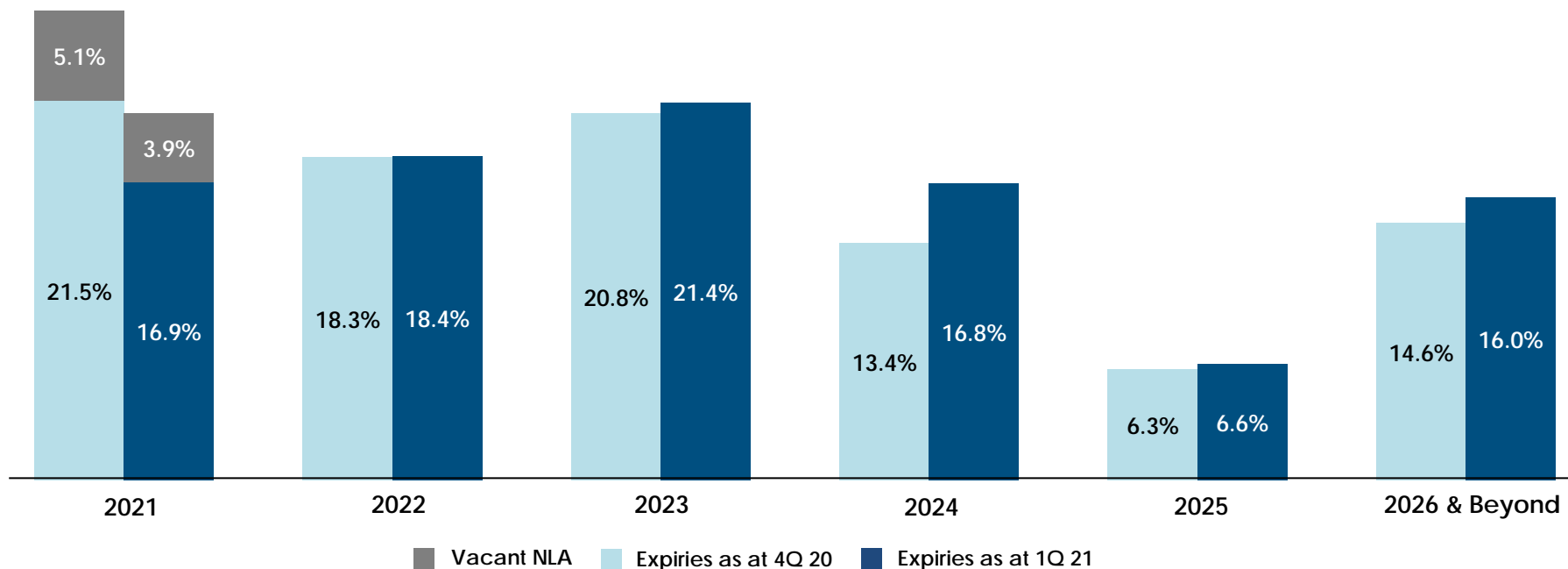


Notes:

1. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Office, One Raffles Quay, Marina Bay Financial Centre Office Towers 1 and 2, and 9 Penang Road.
2. Excludes new leases (about 10,000 sq ft) committed for units that were vacant for more than 1 year.

Singapore Office Lease Expiry

% of Total NLA¹ Q-o-Q Comparison



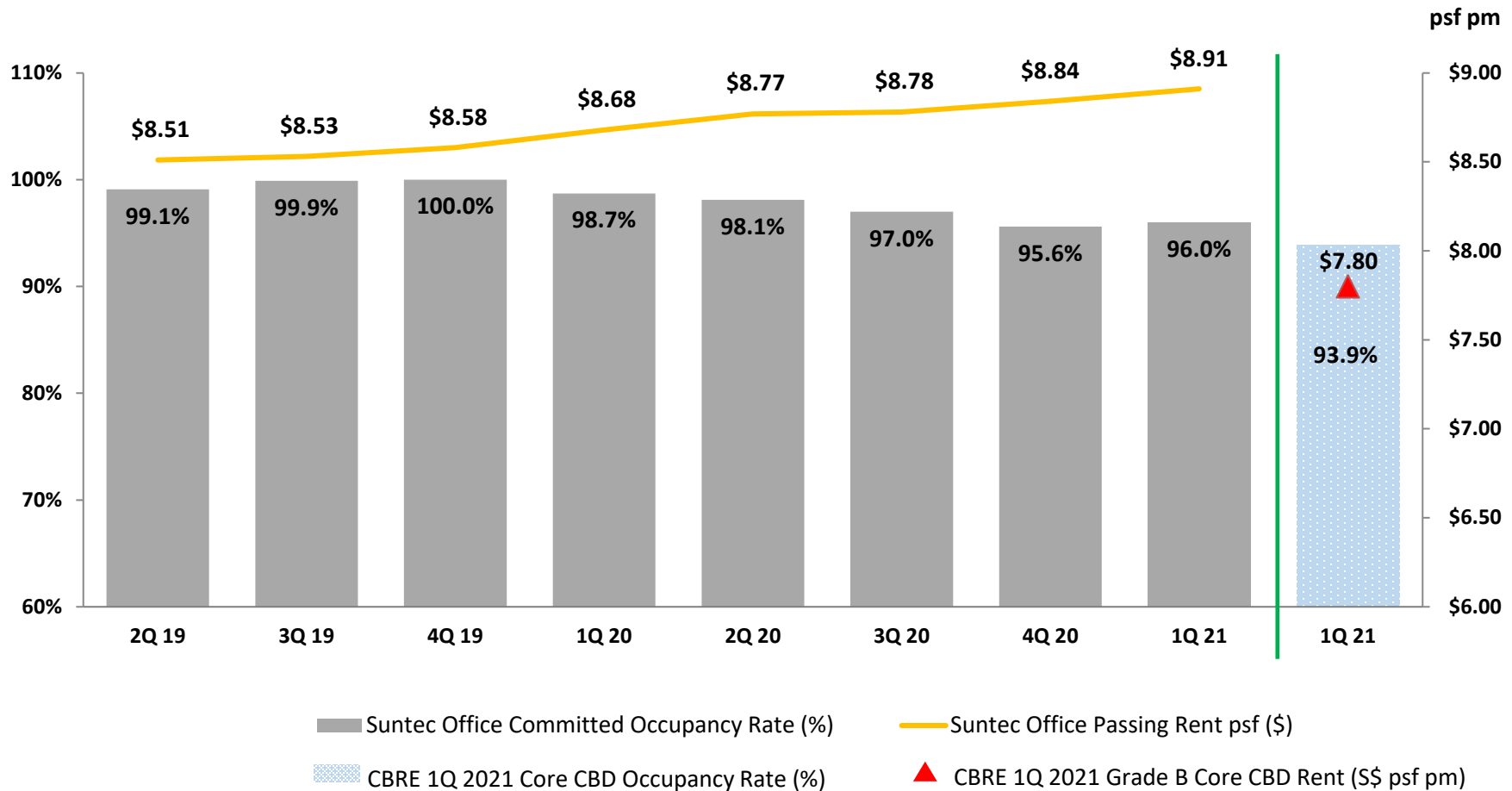
	FY2021	FY2022	FY2023	FY2024	FY2025	FY 2026 & Beyond
Sq ft	412,265	448,518	522,091	410,046	160,455	390,468
%	16.9%	18.4%	21.4%	16.8%	6.6%	16.0%

Weighted Average Lease Expiry: 2.96 Years

Note:

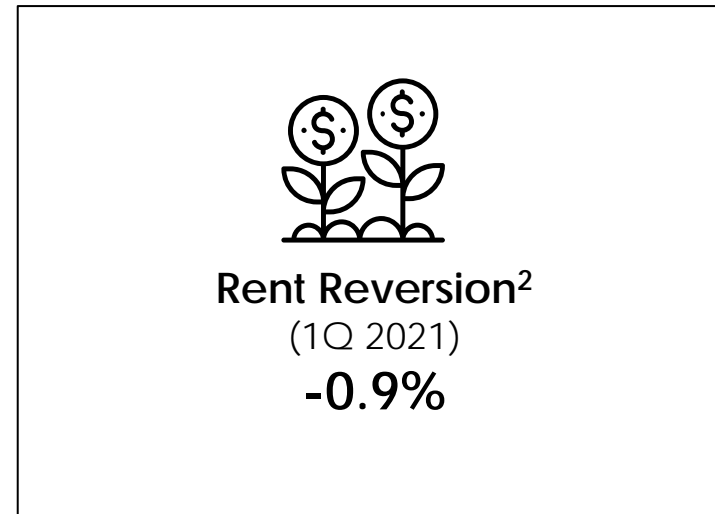
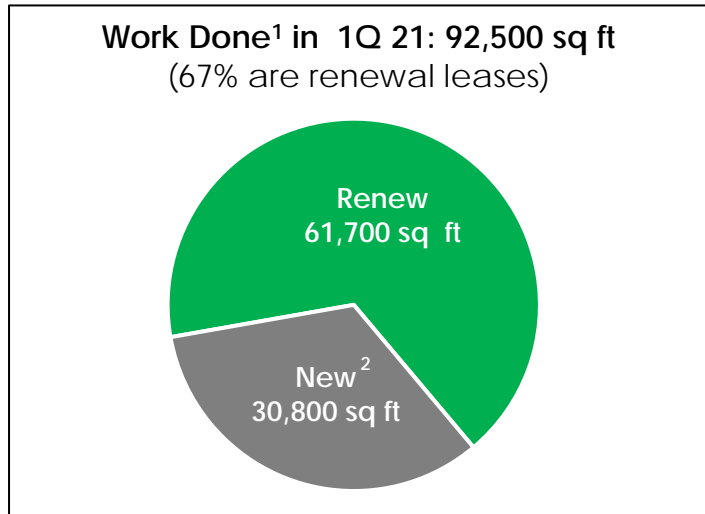
1. Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2, and 9 Penang Road.

Suntec City Office - Committed Occupancy and Average Gross Rent

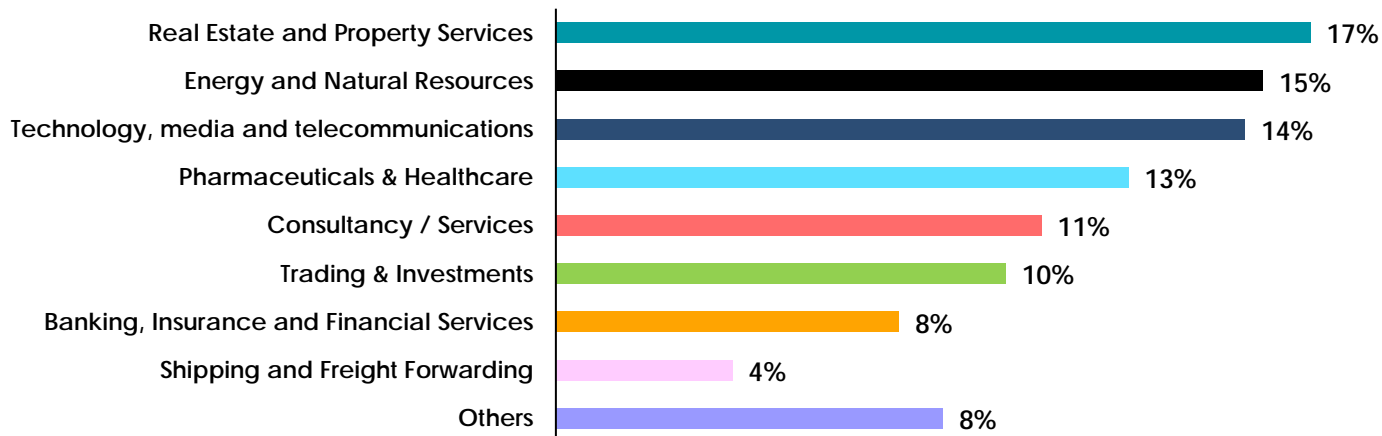


Committed Occupancy and Average Gross Rent Outperformed Market

Suntec City Office – Leasing Activity



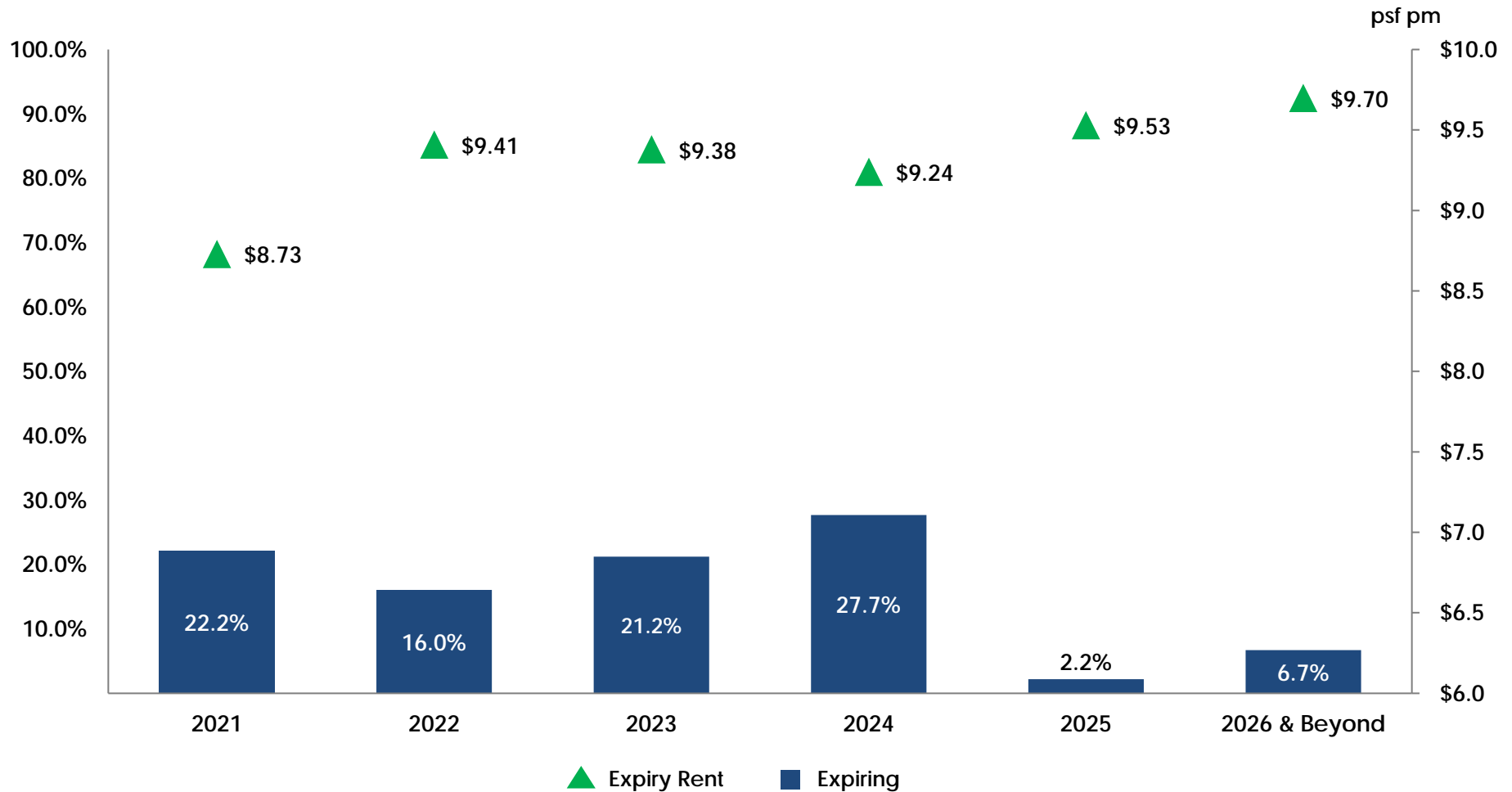
New Tenants by Sector in 1Q 21 (sq ft)



Notes:

1. Reflects net lettable area of new leases and renewals committed
2. Excludes new leases (about 5,700 sq ft) committed for units that were vacant for more than 1 year

Suntec City Office - Lease Expiry Profile & Expiry Rent

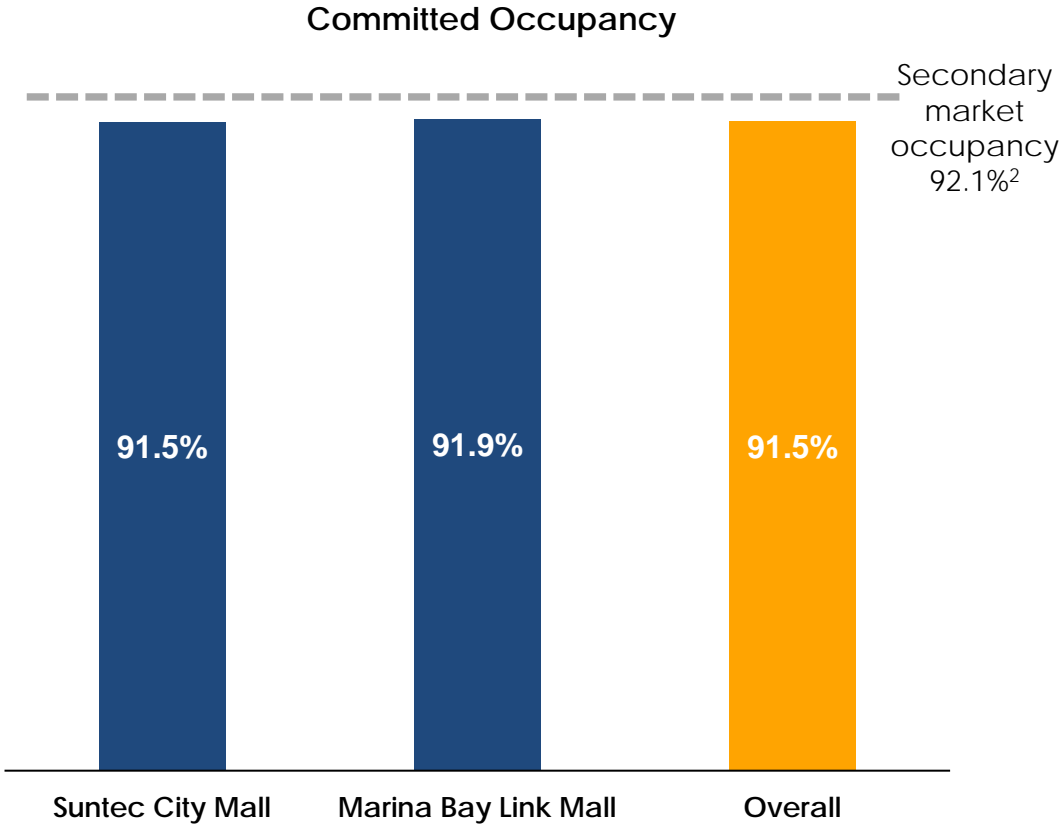
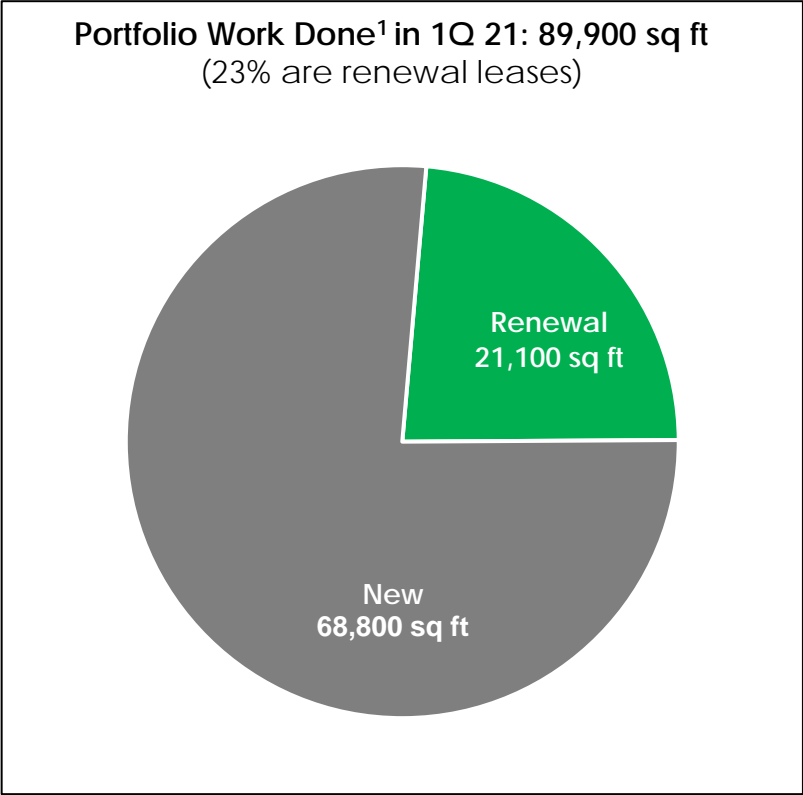


Proactive Management of Lease Expiries



SG RETAIL PORTFOLIO
PERFORMANCE

Singapore Retail Portfolio

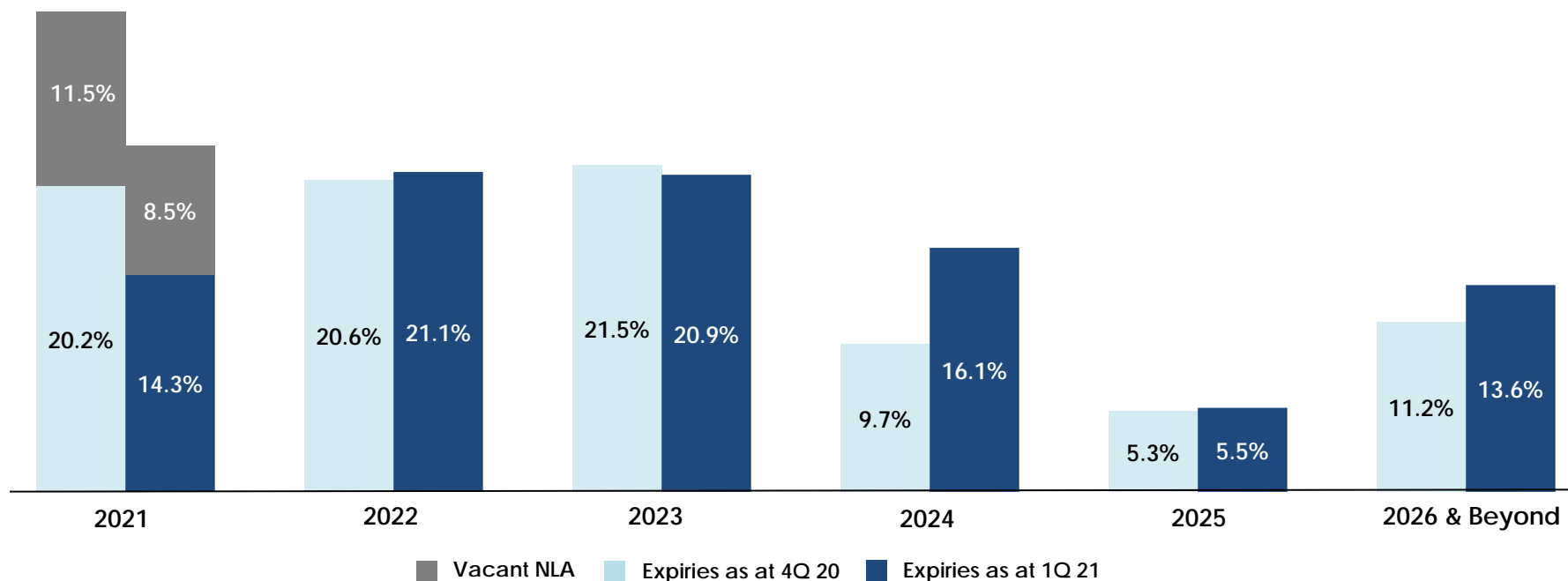


Notes:

1. 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
2. Source: JLL as at 1Q 2021

Singapore Retail Lease Expiry

% of Total NLA¹ Q-o-Q Comparison



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 & Beyond
Sq ft	130,521	191,950	190,241	146,499	50,148	124,139
%	14.3%	21.1%	20.9%	16.1%	5.5%	13.6%

Weighted Average Lease Expiry: 2.56 Years

Note:

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

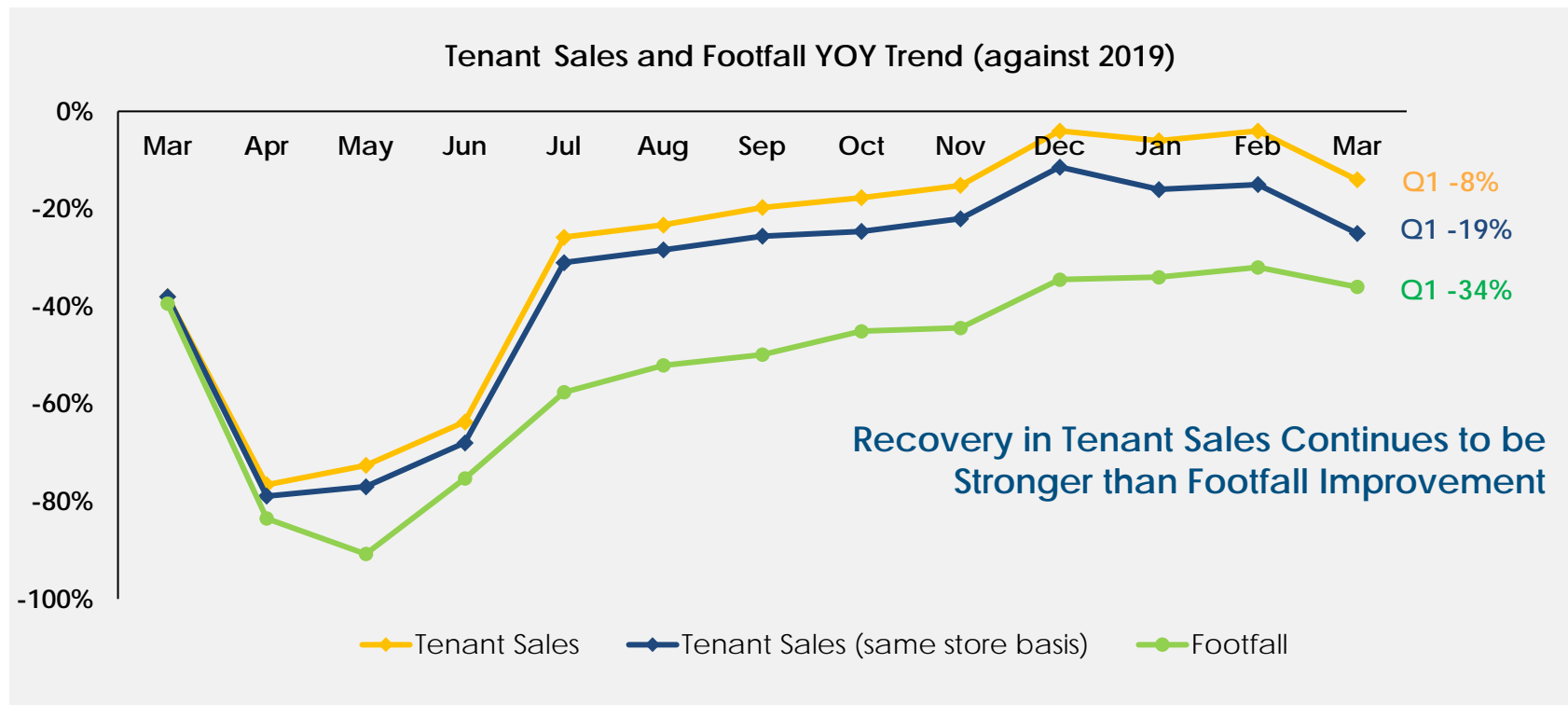


91.5%
Committed Occupancy (as end 1Q 2021)



-26.2%¹
Rent Reversion (1Q 2021)

- Introduced anchor tenants with strong growth potential post-COVID
- Renewal of tenants in growth categories at lower base rent and higher GTO rent to share risk and reward

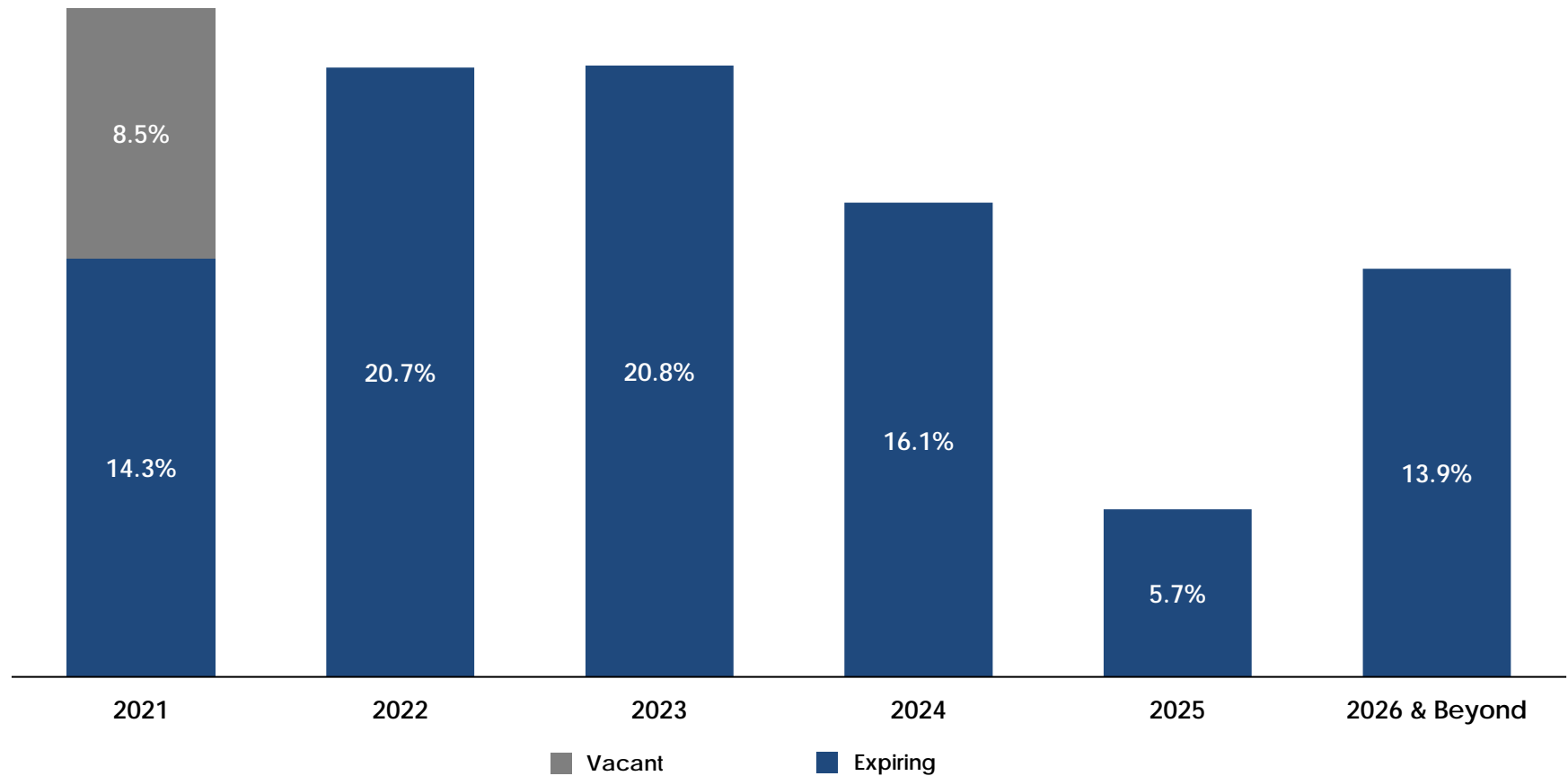


New Anchor Tenants to Further Strengthen Footfall and Sales Recovery

Note:

1. Excluding the anchor leases signed, the rent reversion for 1Q 2021 would be -16%

Suntec City Mall - Lease Expiry Profile

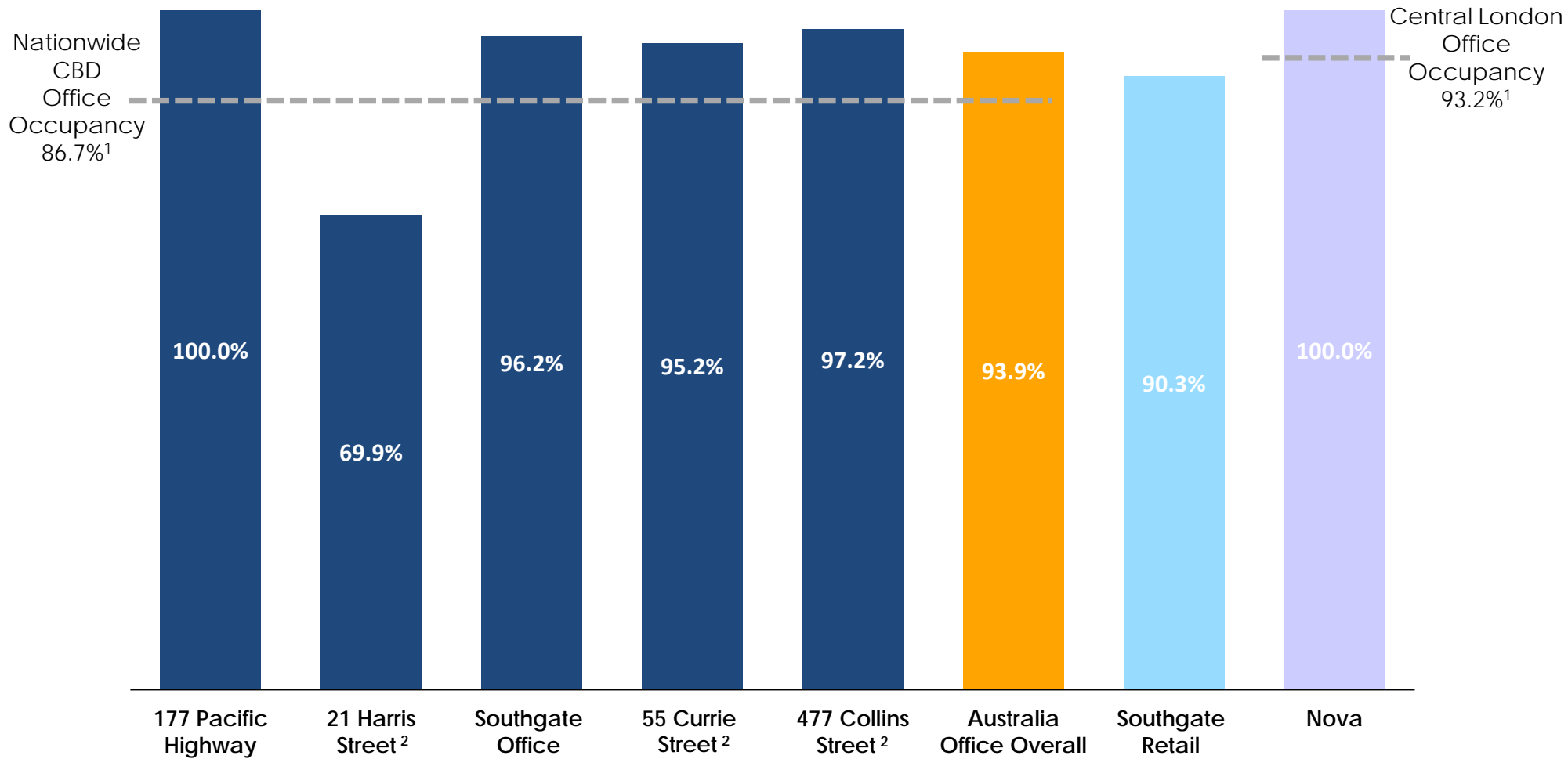


Proactive Management of Lease Expiries



AUSTRALIA & UK PORTFOLIO PERFORMANCE

Australia & UK Committed Occupancy

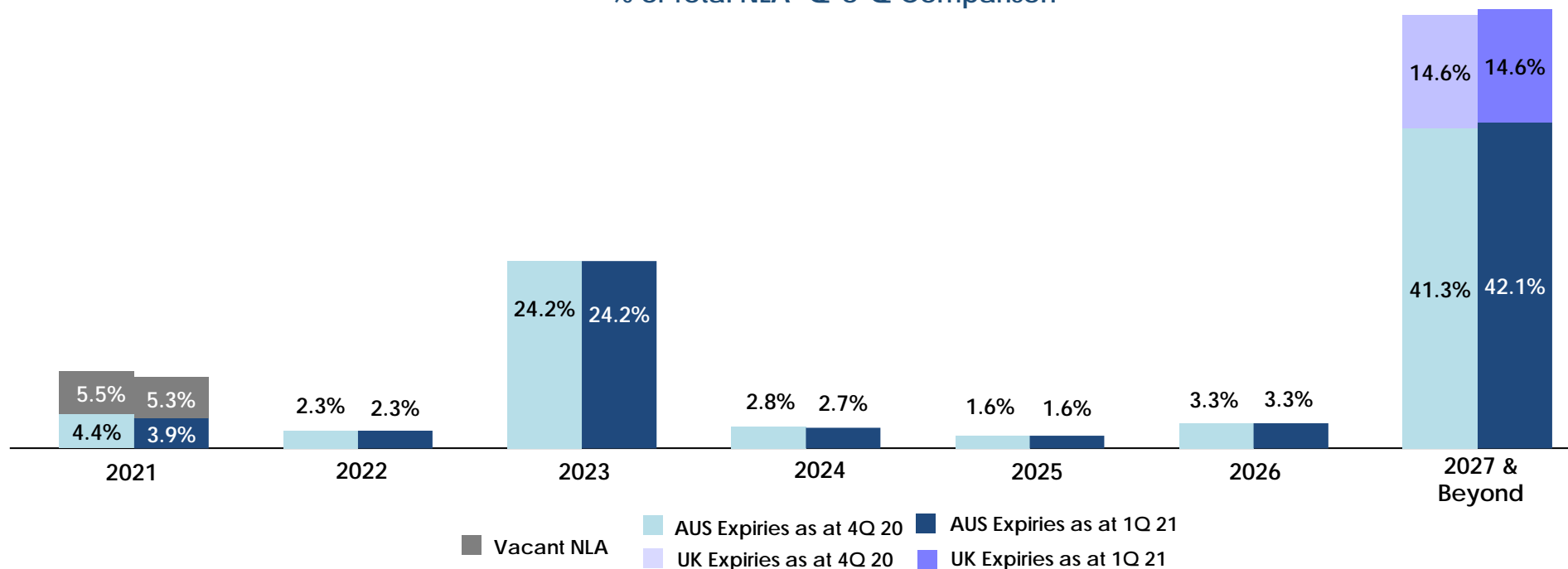


Notes:

- 1. Source: JLL as at 4Q 2020
- 2. Rent guarantee on vacant spaces

Australia & UK Portfolio Lease Expiry

% of Total NLA¹ Q-o-Q Comparison



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 & Beyond
Sq ft	75,474	43,840	464,031	51,497	31,369	62,344	1,087,313
%	3.9%	2.3%	24.2%	2.7%	1.6%	3.3%	56.7%

Weighted Average Lease Expiry: 6.54 Years

Notes:

1. Based on Suntec REIT's interests in 177 Pacific Highway, 21 Harris, Southgate Complex (Office and Retail), 477 Collins, 55 Currie and Nova Properties.
2. 4.4% of NLA is covered by rent guarantees (55 Currie, 21 Harris and 477 Collins).



**LOOKING
AHEAD**

Outlook

- Return of workforce expected to increase from current levels of 30% in Suntec City Office and 45% in One Raffles Quay & MBFC Towers 1 and 2
- Hybrid working arrangement likely to continue but physical office will remain relevant as companies value the need to build corporate culture and foster employee collaboration
- Leasing demand gaining momentum with key demand drivers from TMT, Pharmaceutical and Financial Services
- Companies remain cost conscious and continue to be prudent on rent and capital expenditure
- Potential space rationalisation by financial institutions
- Rent reversion will be moderated but expected to remain positive
- Occupancy anticipated to be in the mid 90% range
- Revenue expected to be stable underpinned by strong rent reversions in the past 11 quarters

Outlook

- Easing of Safe Management Measures (SMM) at workplaces will boost recovery of mall traffic and tenant sales
- Mall traffic expected to recover to about 80% of 2019 level by year-end
- Tenant sales expected to recover close to 2019 level
- Retail recovery uneven, led by categories such as F&B, wellness, supermarket, homeware, kids' fashion and toys
- Rent reversion to remain weak due to cautious sentiments of retailers
- Short-term rent restructuring for most leases will end by Q2 2021
- New-to-Suntec and new-to-market brands commencing operations throughout the year
- Mall occupancy on track to reach around 95% by end 2021
- New Code of Conduct not expected to have significant impact on rental revenue
- Revenue expected to improve towards 2019 level, supported by higher occupancy and higher GTO rent

Outlook

- Latest easing of SMM for events will help sales efforts
- However, recovery slow and uncertain due to weak international travel and restrictions on consumer events
- Domestic market remains key priority and focus in the short term
- Demand for physical-virtual hybrid events has been growing
- Additional 'Hybrid Experience' hall with larger capacity to be set up to capture this demand
- Comprehensive review underway to identify and assess opportunities to pivot Suntec Convention's core business
- Investment in SMM infrastructure to better position Suntec Convention as the MICE destination of choice, post-COVID
- Income contribution remains significantly impacted

Outlook

- Return of workforce approx. 40% to 50% in Sydney/ Melbourne and above 70% in Adelaide
- Flexible remote working arrangement likely to continue as companies redesign offices to create collaborative team workspaces
- Early signs of leasing demand recovery as business sentiment turn positive
- Nationwide CBD vacancy of 13.3% (as at 4Q20)¹ expected to rise from additional supply coming onstream
- Retail tenants that continue to be adversely impacted from the pandemic will be granted rent rebates and rent deferment
- Vacant spaces at 55 Currie Street, 21 Harris Street and 477 Collins Street are protected by rent guarantee
- Revenue remain resilient underpinned by strong occupancy, annual rent escalations and long WALE with minimal lease expiry in 2021

Note:

1. Source: JLL as at 4Q 2021

Outlook

- Reopening of retail trades including food and beverage (outdoor dining only) since 12 April 2021
- Flexible remote working arrangement likely to remain
- Leasing demand remains subdued as companies rationalise space requirements in the near term
- High quality office buildings located near London's key transport hubs remain sought after
- Retail tenants that continue to be adversely impacted from the pandemic will be granted rent rebates and rent deferment
- Retail income is supported by 2-year guarantee
- Revenue remain resilient underpinned by full occupancy, long WALE and no lease expiry until 2027

- 1 Proactive Lease Management to Enhance Resilience of Properties
- 2 Strengthen Balance Sheet through Active Capital Management
- 3 Further Enhance Suntec REIT's Income Stability by Sourcing for Good Quality Assets that are Accretive
- 4 Deliver Sustainable Returns and Long Term Value to Unitholders

THANK YOU

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About Suntec REIT

Singapore's first composite REIT



S\$4.4 Billion¹

Market Capitalisation

S\$11.7 Billion²

Assets Under Management

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

Notes:

1. Based on 31/3/21 closing price of \$1.56
2. Based on exchange rates of S\$1.0237=A\$1.00 and S\$1.8548=£\$1.00 as at 31 Mar 2021

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%	66.3%	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	~430,000	~441,000	Office: ~547,000 Retail: ~32,000	~120,000
Valuation	Office: S\$3,098.0 mil Retail: S\$2,225.4 mil	S\$179.0 mil	S\$1,247.3 mil	S\$1,682.0 mil	S\$279.0 mil
Cap rate	Office: 3.75% Retail: 4.75%	6.00%	3.625%	Office: 3.625% Retail: 4.50%	3.50%



Suntec City

One Raffles Quay

MBFC Properties

9 Penang Road

Portfolio Snapshot

	177 Pacific Highway	Southgate Complex	Olderfleet 477 Collins Street	55 Currie Street	21 Harris Street	Nova Properties
Description	31-storey Grade A 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 building	Nine-storey, Grade A office building	Two Grade A Office buildings with ancillary retail development
Ownership	100%	50%	50%	100%	100%	50%
City/Country	Sydney, Australia	Melbourne, Australia	Melbourne, Australia	Adelaide, Australia	Sydney, Australia	London, United Kingdom
Segment	Office	Office Retail	Office	Office	Office	Office
NLA (sq ft)	~431,000	Office: ~355,000 Retail: ~53,000	~315,000	~282,000	~203,000	~280,000
Valuation	A\$645.0 mil	A\$385.5 mil	A\$445.0 mil	A\$150.0 mil	A\$300.0 mil	£436.0 mil
Cap rate	5.00%	Office: 5.25% Retail: 5.75%	4.63%	6.75%	5.13%	4.73%



177 Pacific Highway



Southgate Complex



Olderfleet, 477 Collins Street



55 Currie Street



21 Harris Street



Nova Properties

This presentation is focused on the comparison of business update for the quarter ended 31 March 2021 versus quarter ended 31 March 2020.

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.

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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.