



# SUNTEC REIT BUSINESS UPDATES

For the Quarter ended  
31 March 2024

**Maybank ASEAN Corporate Day 2024**  
**11 - 12 June 2024**





# Agenda

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# 1Q 24 Financial Overview

**Distributable Income  
from Operations<sup>1</sup> to  
Unitholders**

**\$44.0 million**

-1.1% y-o-y

**Distribution Per Unit  
from Operations<sup>1</sup> to  
Unitholders**

**1.511 cents**

-1.8% y-o-y

**Capital Management**

Refinanced

**\$950 million**

due in FY 2024 & FY 2026

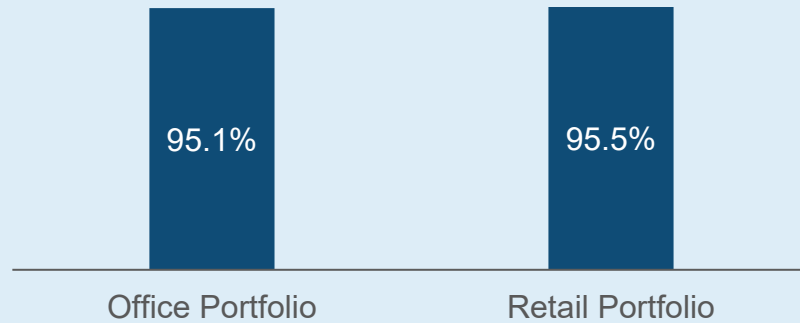
Interest savings of  
~32 basis points  
(~\$3.1M per annum)

Note:

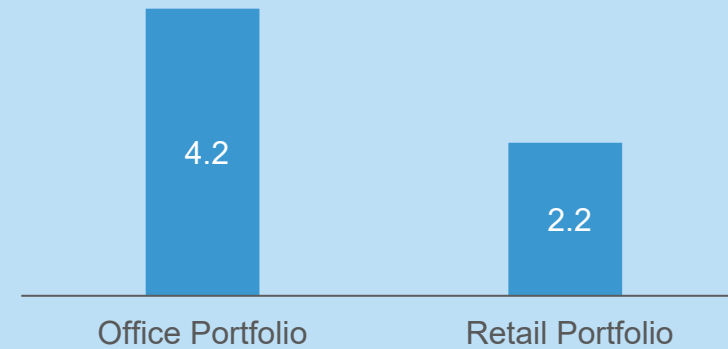
1. Excluding capital distribution

# 1Q 24 Operational Overview

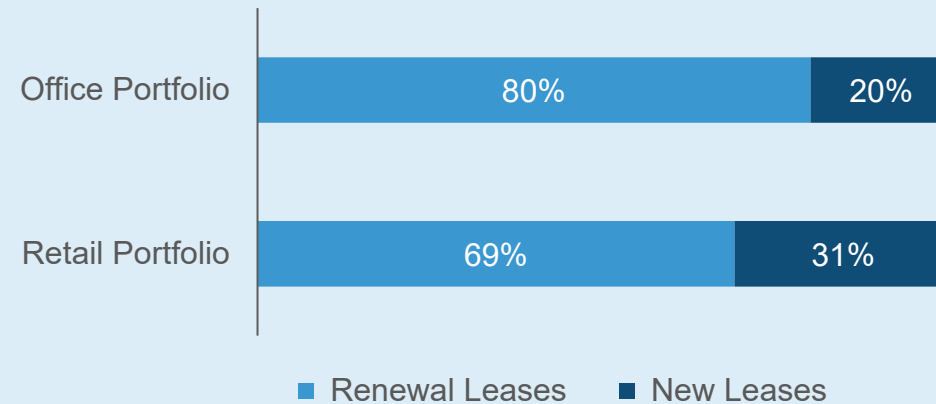
## Portfolio Committed Occupancy



## Portfolio WALE



**Work Done**  
**222,600** sq ft

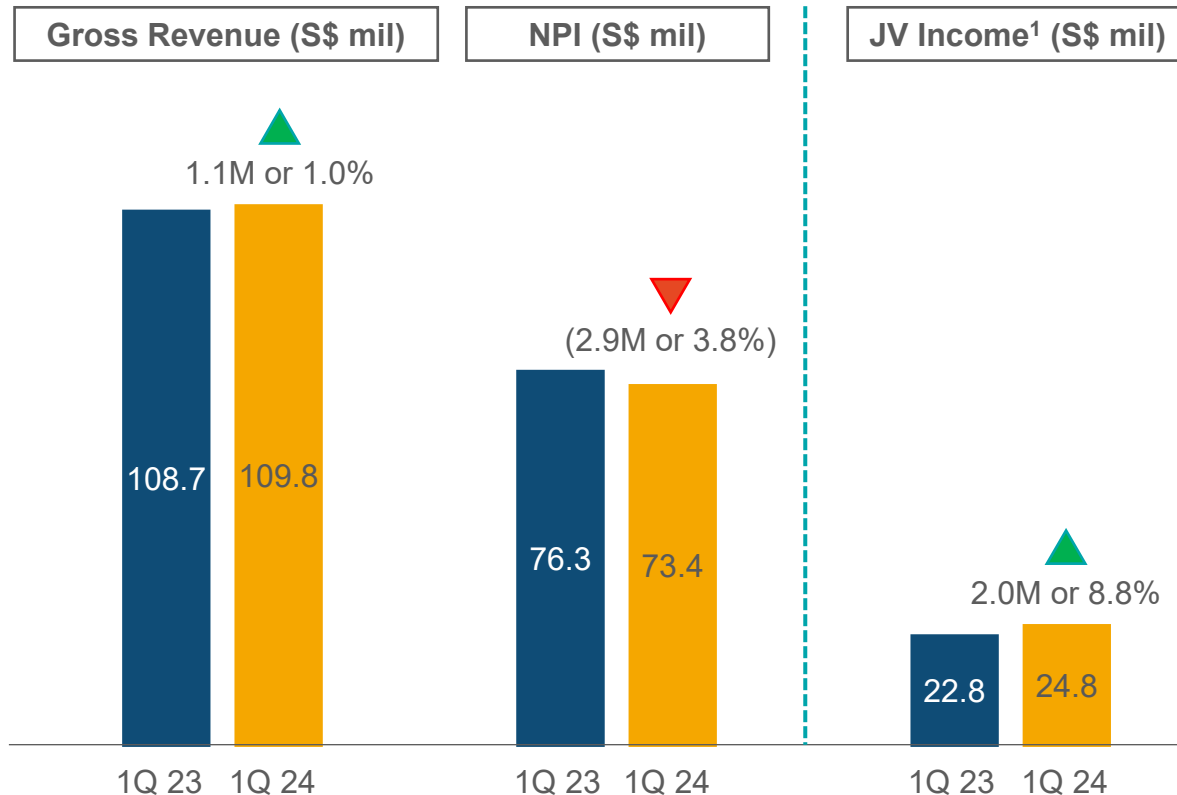




# Financial Highlights



# Portfolio Performance Remained Resilient



## Mainly due to:

### Gross Revenue & Net Property Income:

- ▲ Stronger operating performance from Suntec City Office, Mall and Suntec Convention
- ▼ Lower contribution from 55 Currie Street (Adelaide) and 177 Pacific Highway (Sydney)
- ▼ Lower contribution from The Minster Building (London)

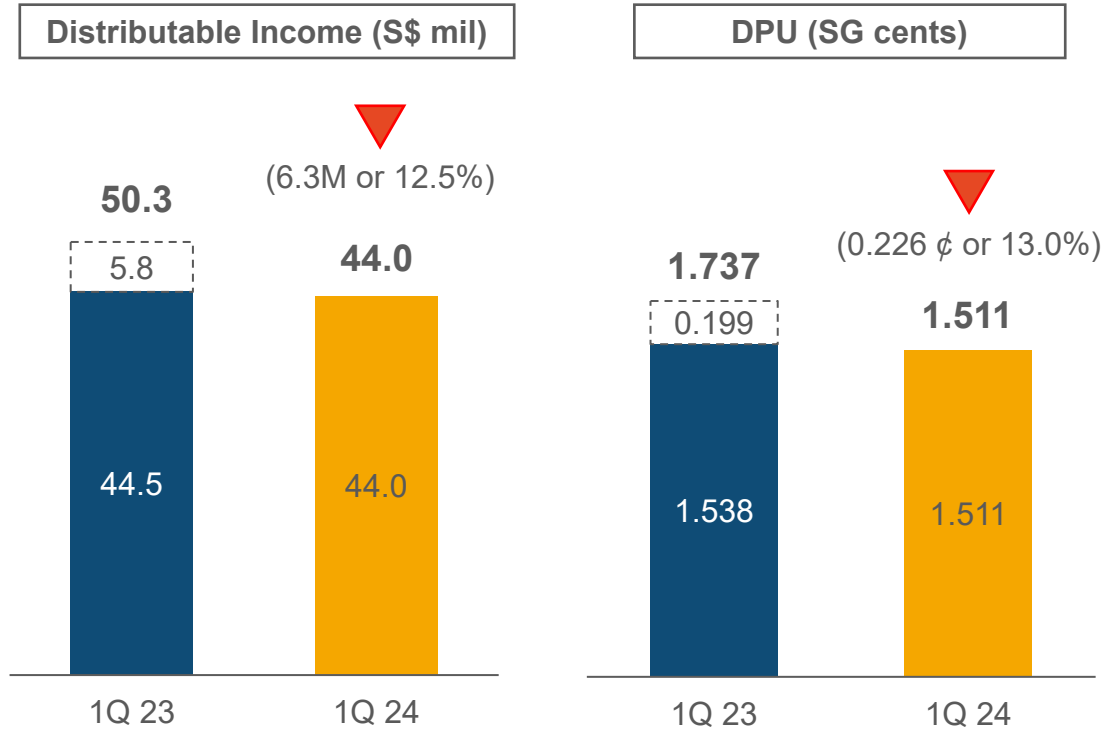
### JV Income:

- ▲ Stronger operating performance at MBFC Properties and One Raffles Quay
- ▲ Higher contribution from Nova Properties (London)
- ▼ Lower contribution from Southgate Complex (Melbourne)
- ▼ Weaker AUD against SGD

Note:  
1. Ownership interest of 33.3% for One Raffles Quay and MBFC Properties, 50.0% for Southgate Complex and Nova Properties.

# DI and DPU from Operations Remained Resilient

DI and DPU from Operations Declined Slightly by 1.1% and 1.8% Respectively



### Mainly due to:

- ▼ Completion of capital distribution (\$5.8m)
- ▼ Higher financing cost (\$2.4m)
- ▼ Vacancies at 55 Currie Street, Southgate Complex and The Minster Building
- ▲ Better operating performance from Suntec City Office, Suntec City Mall, MBFC Properties, One Raffles Quay and Nova Properties
- ▲ Dividend contribution from Suntec Convention

Capital Distribution

# Distribution Payment

Distribution Payment	
Distribution Period	1 Jan 2024 – 31 Mar 2024
Amount (cents/unit)	1.511 <sup>1</sup>

Ex-date	3 May 2024
Record date	6 May 2024
Payment date	30 May 2024

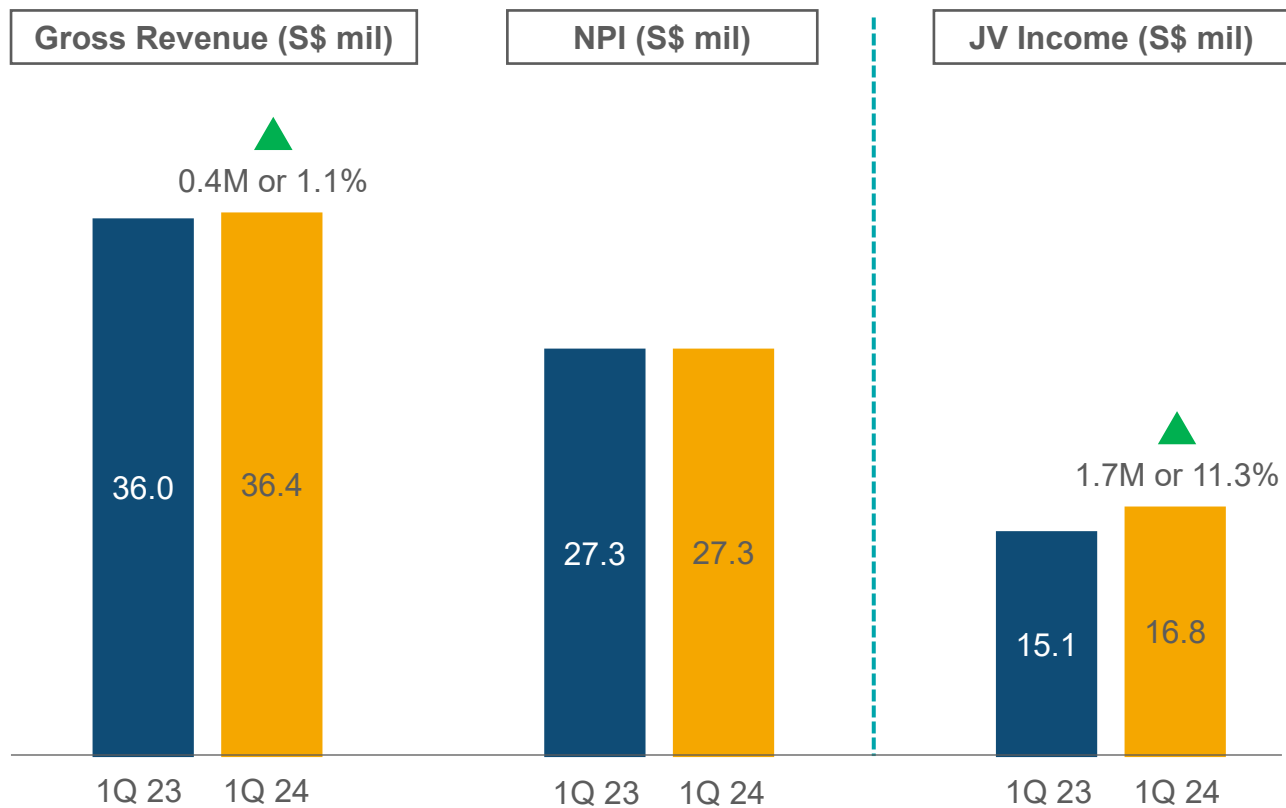
Note:

1. The Manager continues to receive 50% of its asset management fees in units and balance in cash in 1Q 2024.



# Singapore Office Portfolio Revenue and NPI Remained Stable

## Stronger JV Income from Higher Occupancy and Rent



**Mainly due to:**

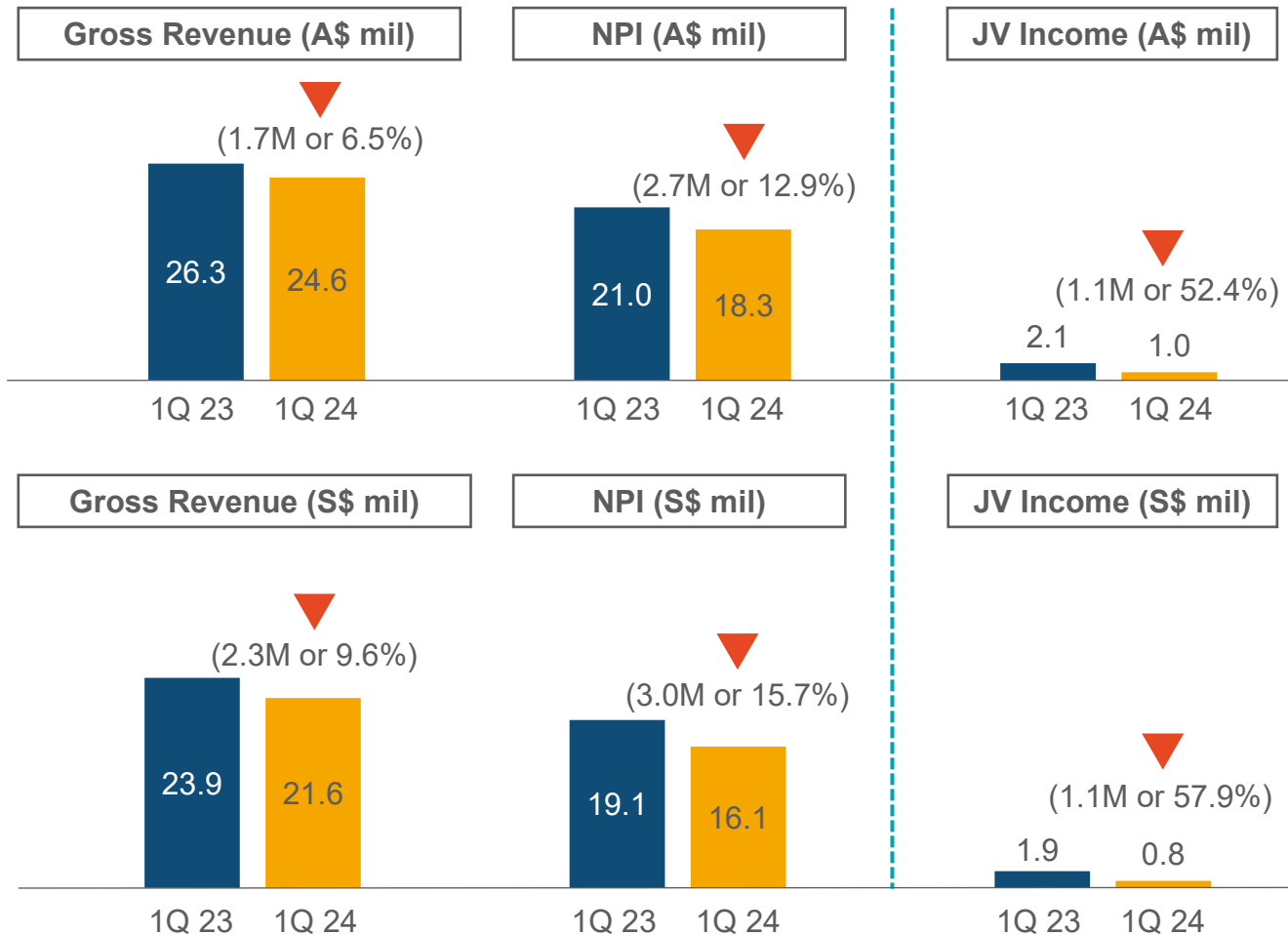
**Gross Revenue & Net Property Income:**

▲ Higher occupancy and rent at Suntec City Office offset by higher property tax

**JV Income:**

▲ Higher occupancy and rent at One Raffles Quay and MBFC Properties

# Australia Portfolio Impacted by Vacancies, Incentives and Interest Expense



## Mainly due to:

### Gross Revenue & Net Property Income:

- ▼ Lower occupancy at 55 Currie Street
- ▼ Incentives at 177 Pacific Highway
- ▲ Higher occupancy at 177 Pacific Highway and 21 Harris Street (Sydney)

### JV Income:

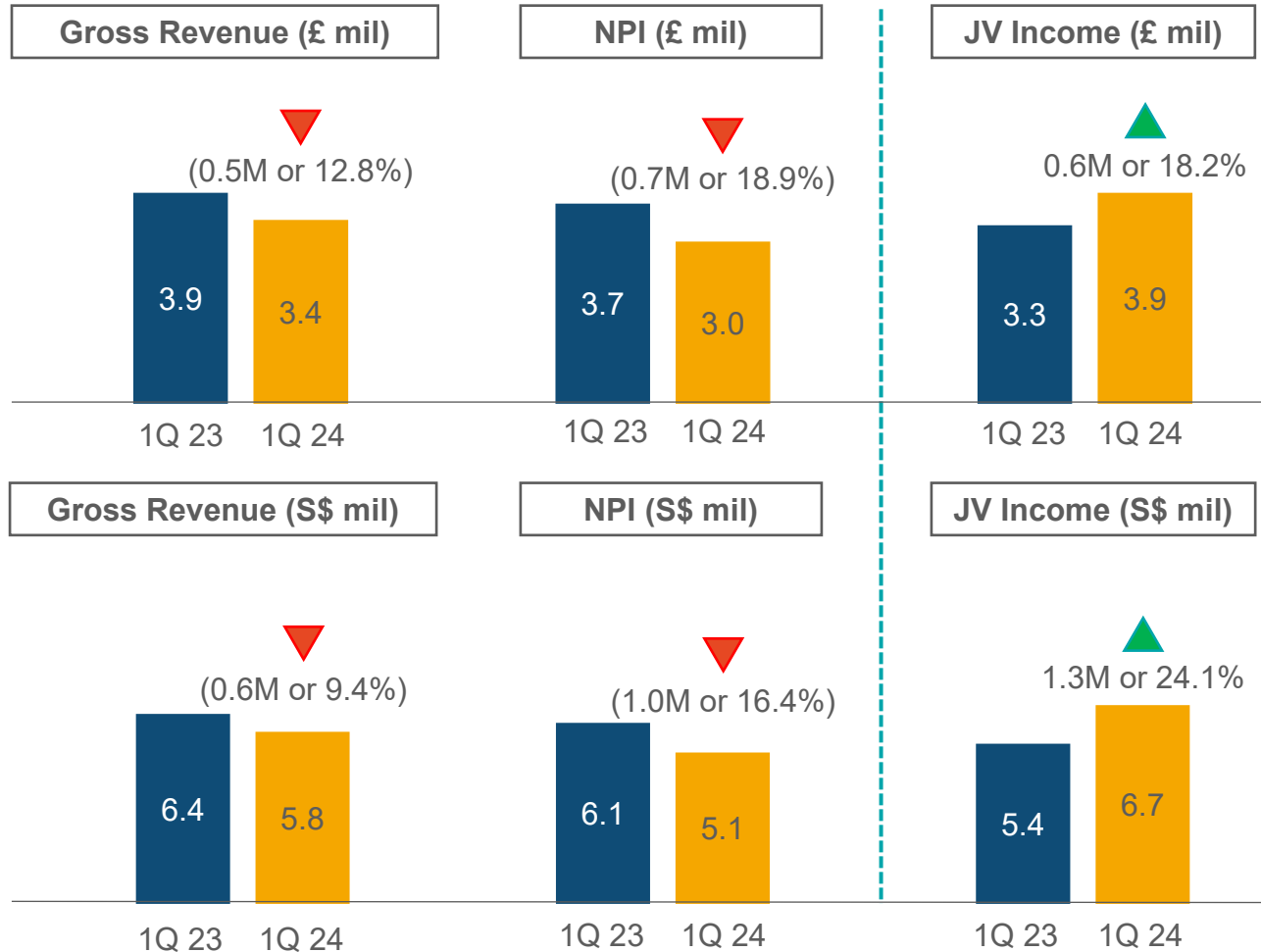
- ▼ Higher interest expense at Southgate Complex
- ▼ Higher incentives
- ▼ Weaker AUD against SGD<sup>1</sup>

Note:

1. Based on exchange rates of S\$0.8807 = A\$1.00 for 1Q 24 and S\$0.9093 = A\$1.00 for 1Q 23



# UK Portfolio Impacted by Vacancies at The Minster Building



**Mainly due to:**

**Gross Revenue & Net Property Income:**

▼ Lower occupancy at The Minster Building

**JV Income:**

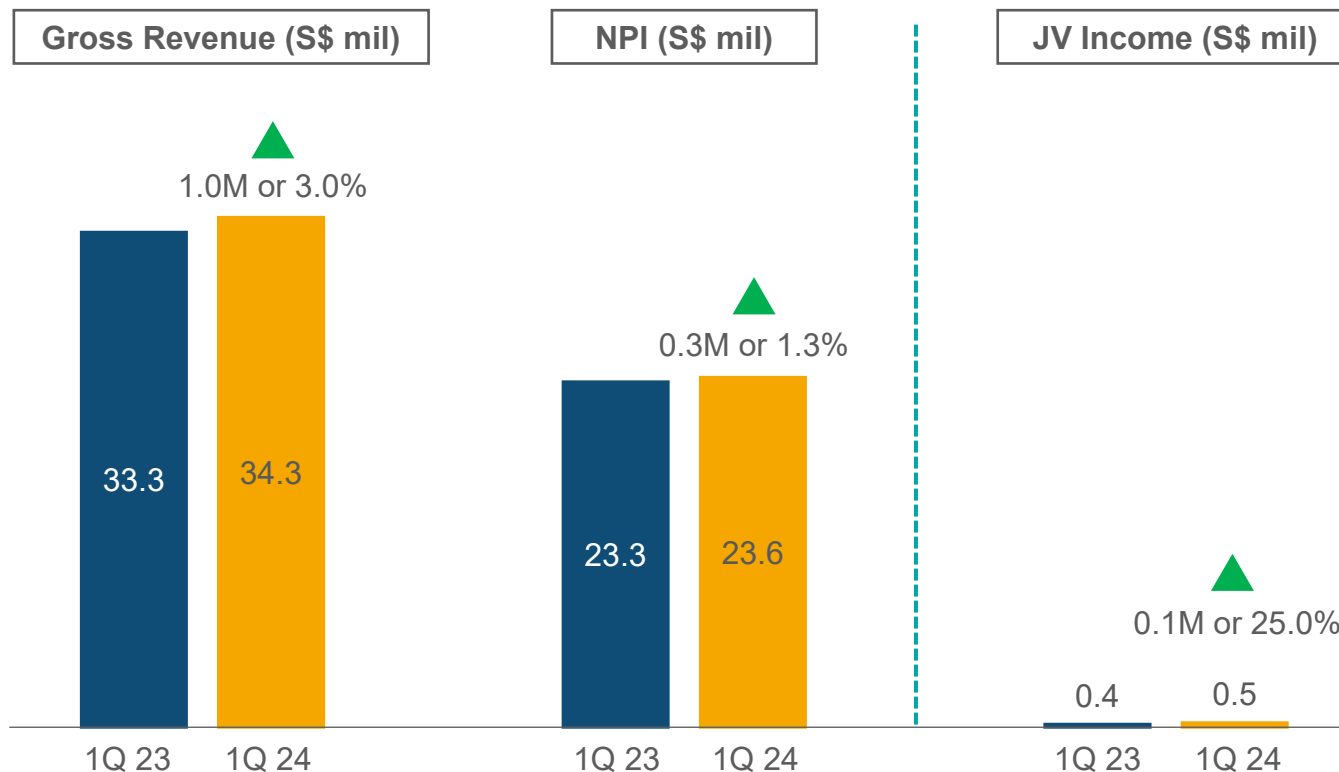
▲ Absence of provision for receivables in 1Q 24 at Nova Properties

▲ Stronger GBP against SGD<sup>1</sup>

Note:

1. Based on exchange rates of S\$1.7010 = £1.00 for 1Q 24 and S\$1.6245 = £1.00 for 1Q 23

# Singapore Retail Portfolio Performance Improved



**Mainly due to:**

**Gross Revenue & Net Property Income:**

- ▲ Higher rent at Suntec City Mall
- ▼ Higher marketing expenses

**JV Income:**

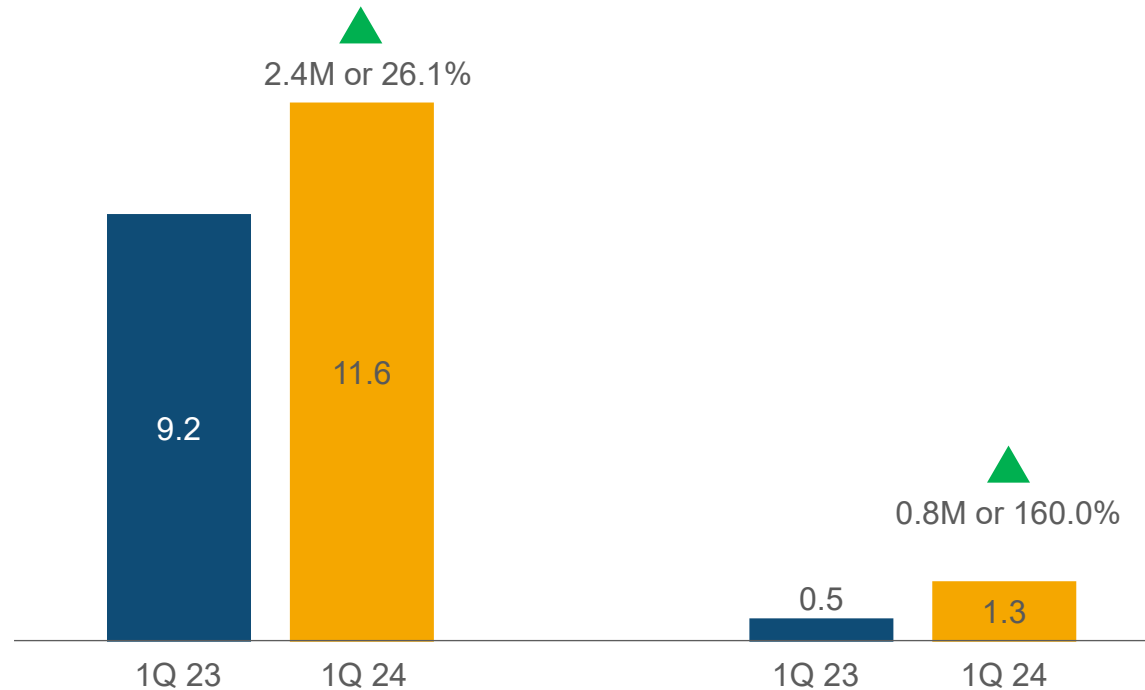
- ▲ Higher occupancy and rent at Marina Bay Link Mall



# Suntec Convention Performance Improved

Gross Revenue (S\$ mil)

Net Property Income (S\$ mil)

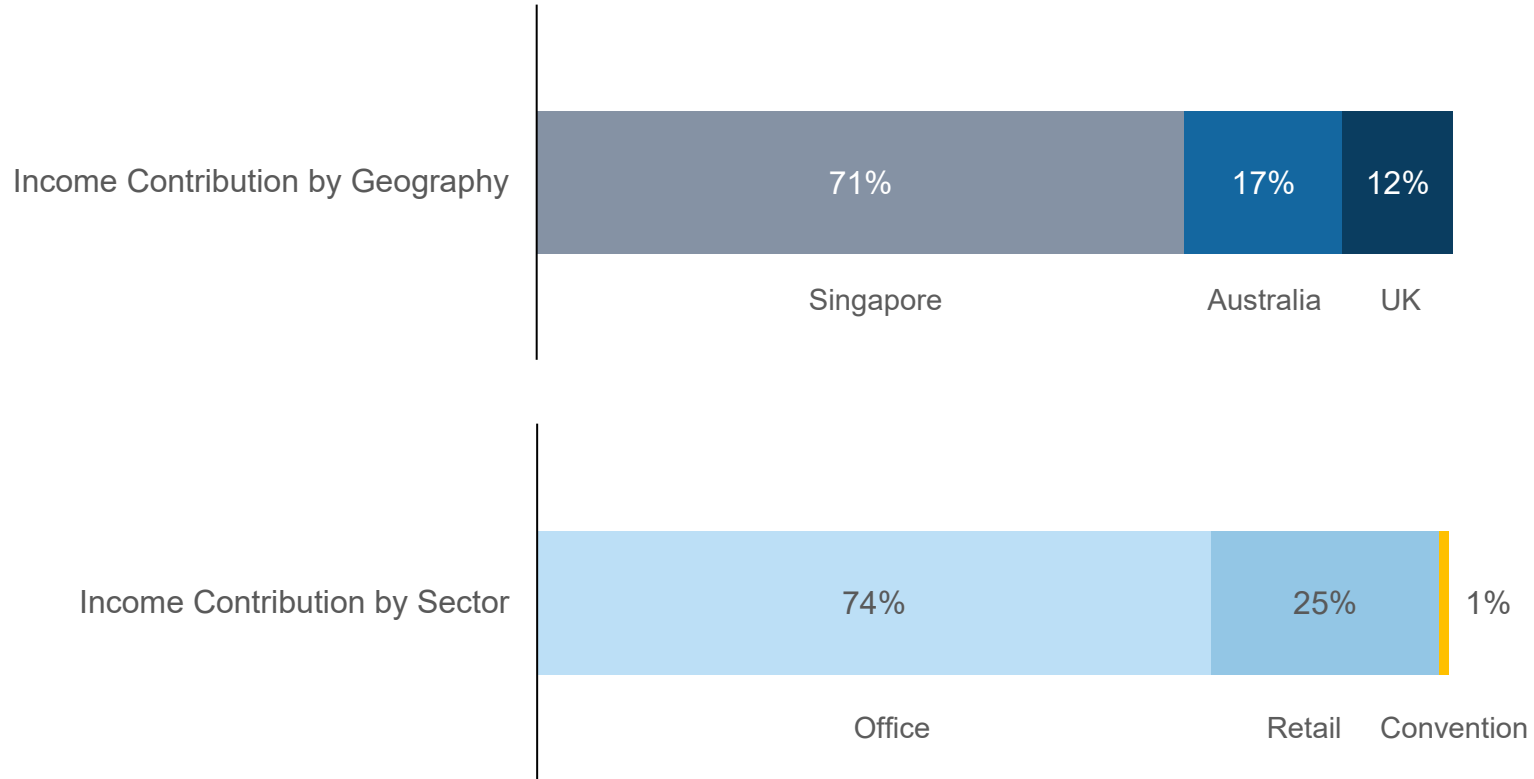


**Mainly due to:**

- ▲ Higher revenue from MICE, long term licences and advertising
- ▼ Higher variable costs due to higher proportion of events requiring F&B
- ▼ Higher staff costs from ramp up of recruitment in 2H 23

# Diversified Portfolio Across Geography and Sector

## Singapore Market and Office Assets Are Mainstays





# Capital Management





# Key Financial Indicators

	As at 31 Dec 23	As at 31 Mar 24
<b>NAV Per Unit</b>	\$2.10	\$2.09
<b>Total Debt Outstanding</b>	\$4,277 mil	\$4,240 mil
<b>Aggregate Leverage Ratio<sup>1</sup></b>	42.3%	42.2%
<b>Weighted Average Debt Maturity</b>	3.00 years	3.57 years
<hr/>		
<b>All-in Financing Cost<sup>2</sup></b>	3.84% p.a. <sup>3</sup>	4.03% p.a. <sup>3</sup>
<b>Adjusted ICR<sup>4</sup></b>	2.0X	1.9X
<b>Weighted Average Interest Maturity</b>	2.22 years	2.25 years
<b>Interest Rate Borrowings (fixed)</b>	~61% <sup>5</sup>	~57% <sup>5</sup>
<b>+/- 10 bp Change in All-in Financing Cost</b>	+/- 0.183 cts to DPU <sup>6</sup>	+/- 0.181 cts to DPU <sup>7</sup>
<hr/>		
<b>% of Foreign Currency Income Hedged<sup>8</sup></b>	~47%	~47%
<b>+/- 5% Change in Foreign Currency</b>	+/- 0.06 cts to DPU <sup>6</sup>	+/- 0.07 cts to DPU <sup>7</sup>

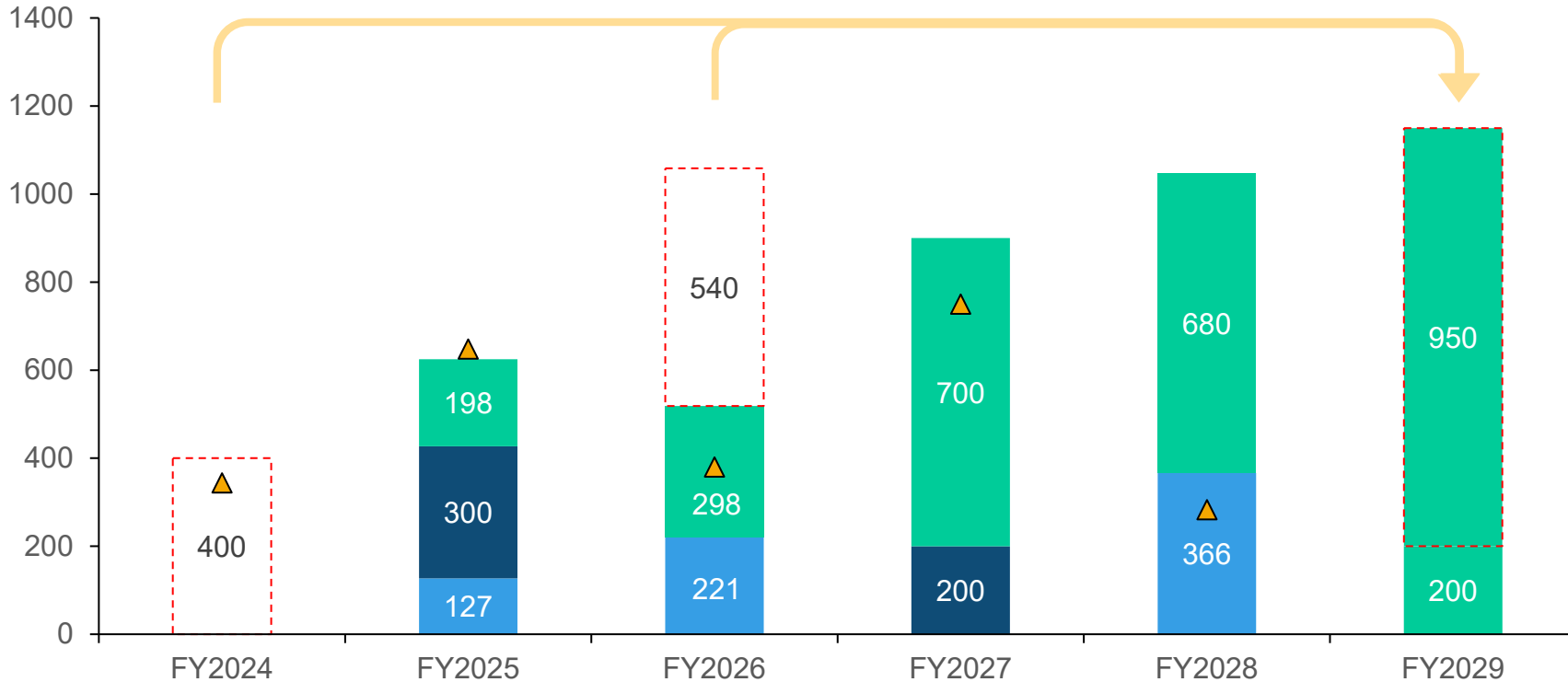
Notes:

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.
2. Excludes joint venture loans.
3. All-in financing cost for 1Q 2024 was higher mainly due to higher interest rates.
4. 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).
5. Including joint venture loans, the total interest rate borrowings (fixed) is 55.4% (31 Dec 2023: 58.6%).
6. Based on total issued and issuable Suntec REIT units as at 31 Dec 2023.
7. Based on total issued and issuable Suntec REIT units as at 31 Mar 2024.
8. Refers to AUD and GBP income hedged.

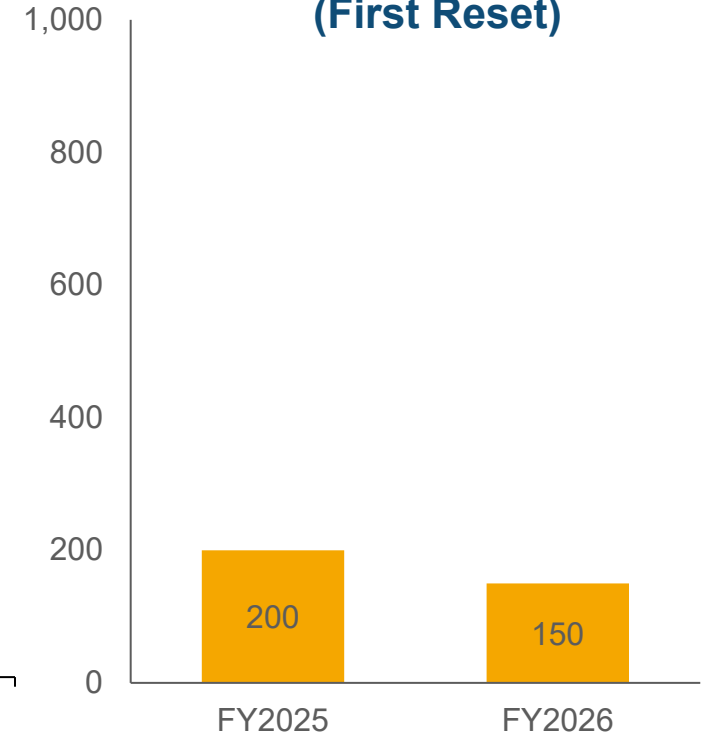
# Refinanced \$950 million Due in FY 2024 & FY 2026

Interest Savings of ~32 basis points (~\$3.1M per annum)

### Debt Maturity Profile



### Perpetual Securities (First Reset)



  Refinanced loan  
 ■ Bank facility (\$714 mil)  
 ■ Medium term notes (\$500 mil)  
 ■ Green/Sustainability-linked loans (\$3,026 mil)  
 ▲ Fixed/Hedge Expiry



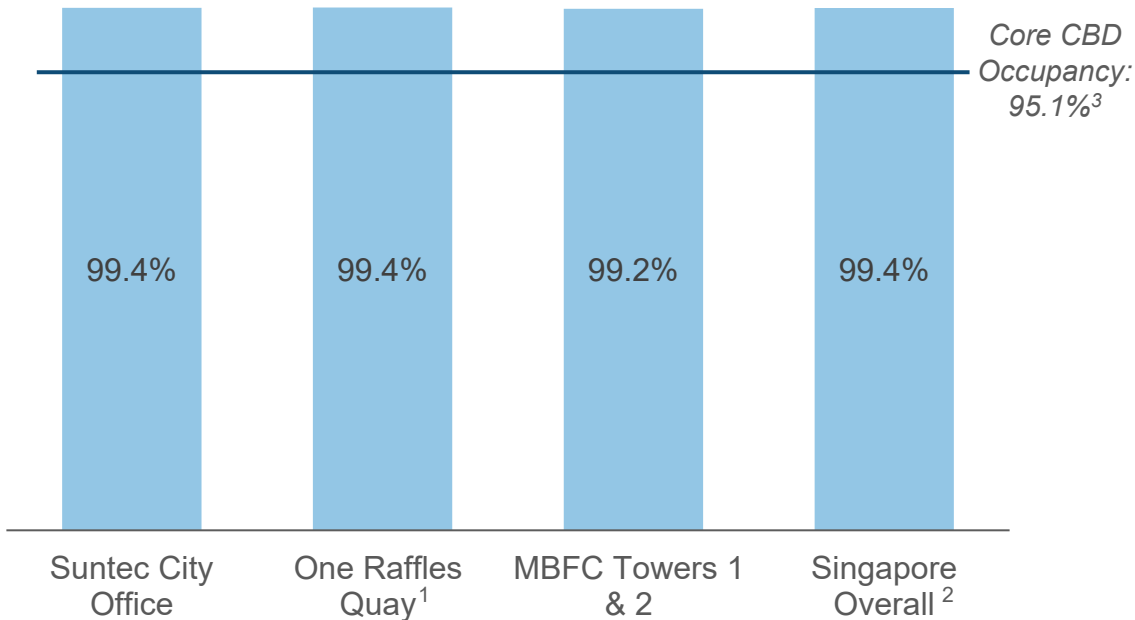
# Singapore Office Portfolio Performance



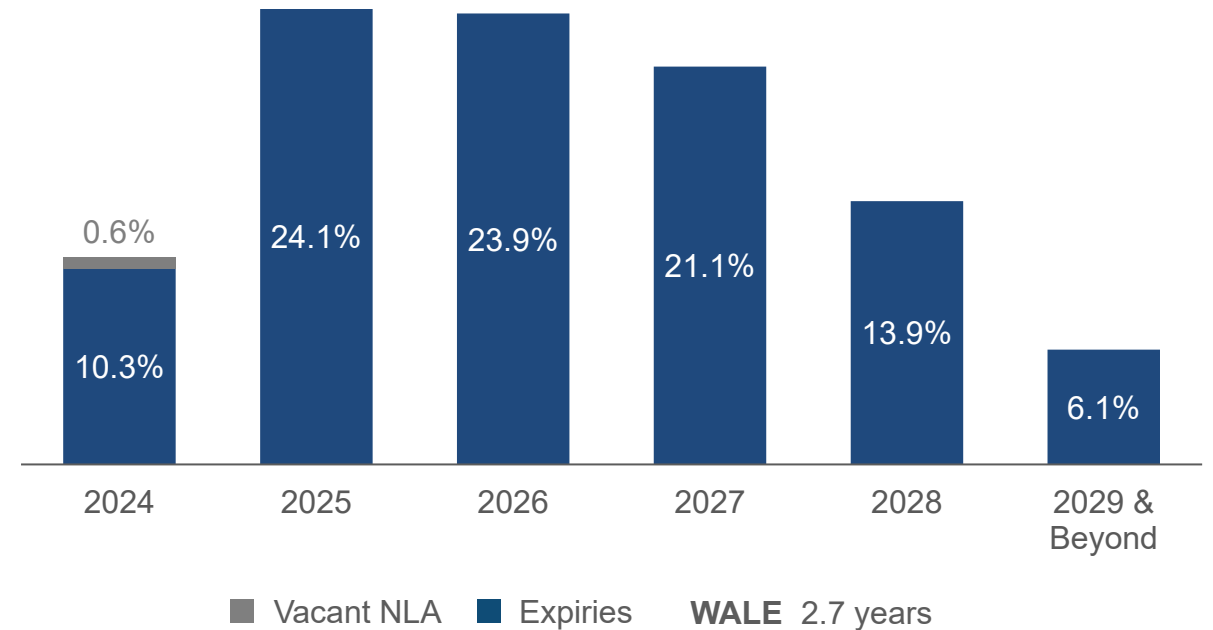


# Singapore Office Portfolio Maintained Strong Occupancy

## Committed Occupancy As at 31 Mar 24



## Lease Expiry Profile % of Total NLA<sup>4</sup> Comparison



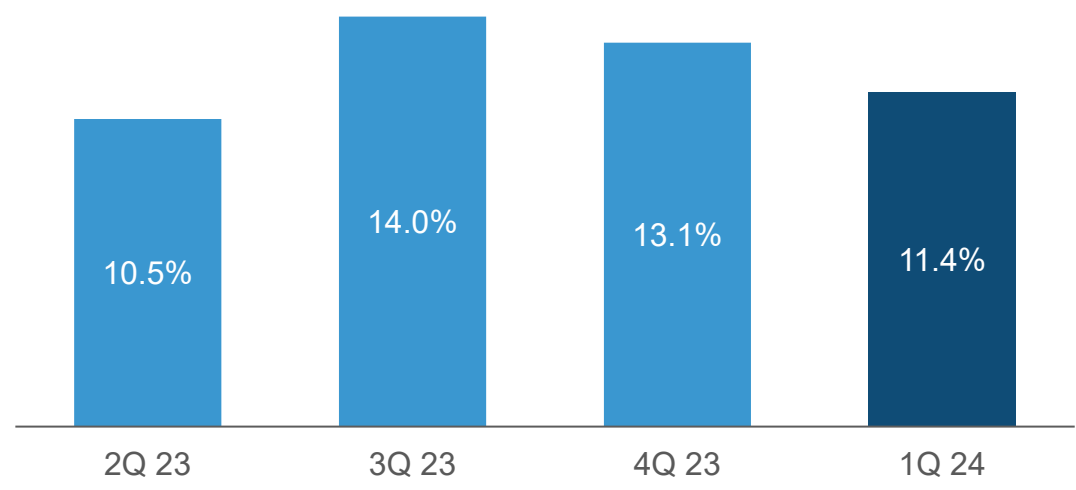
Notes:

1. Combined occupancy for One Raffles Quay office and ancillary retail was 99.4%.
2. Committed occupancy for Singapore Overall (including ancillary retail) was 99.4%.
3. Source: CBRE as at 1Q 2024.
4. Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.

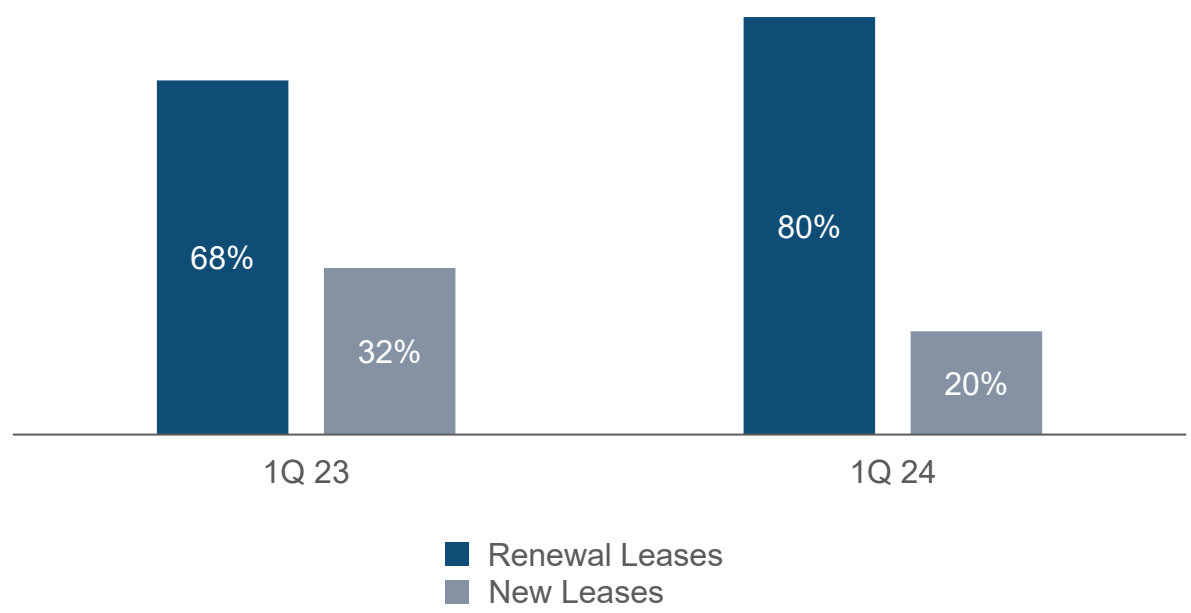
# Strong Rent Reversion

Over 5 Years (23 Quarters) of Positive Rent Reversion

**Rent Reversion**  
**+11.4%** for 1Q 24



**Work Done<sup>1</sup>**  
**123,200** sq ft in 1Q 24



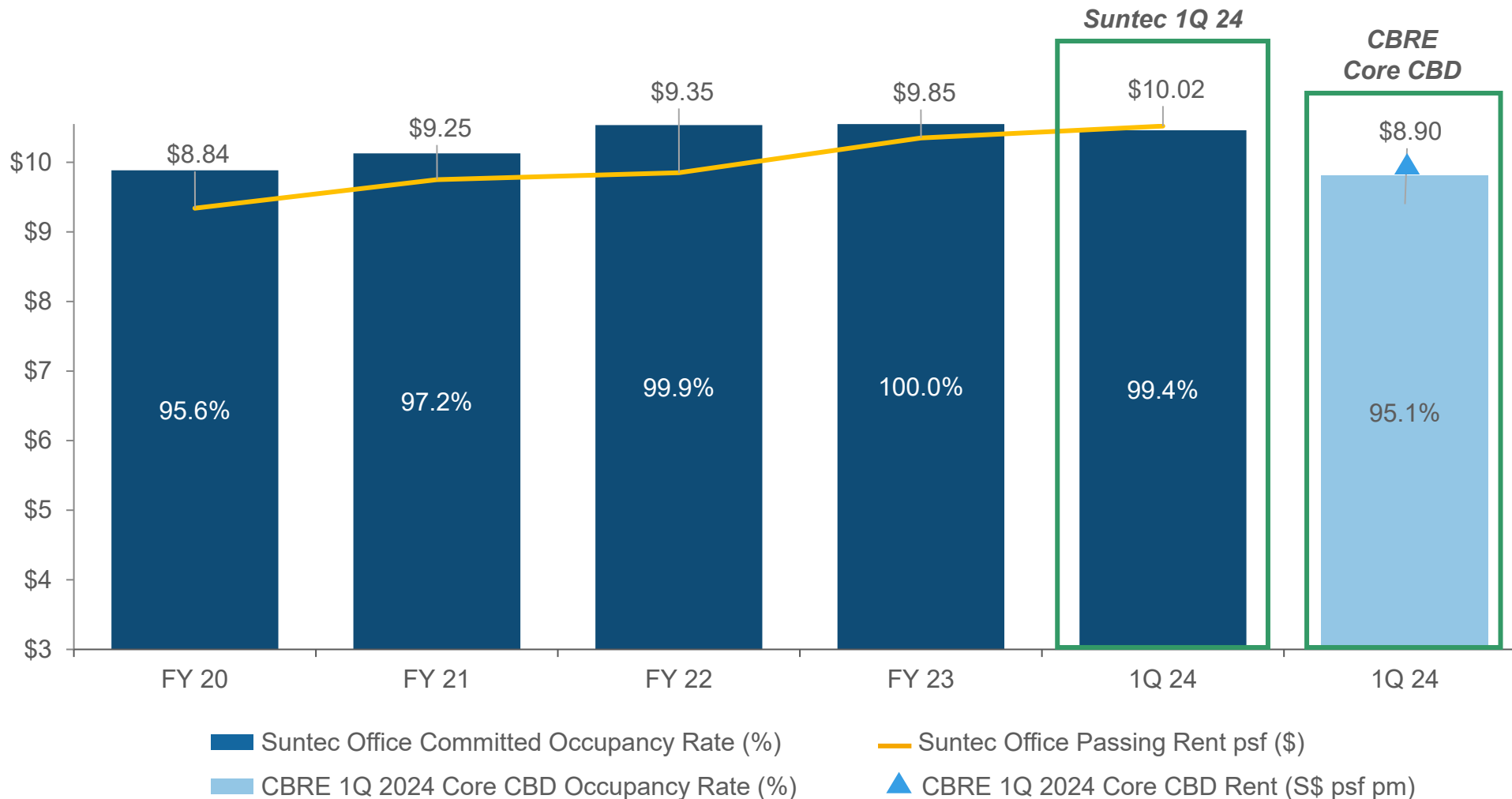
■ Renewal Leases  
■ New Leases

Note:  
1. Reflects net lettable area of new leases and renewals committed.

# Suntec City Office Performance



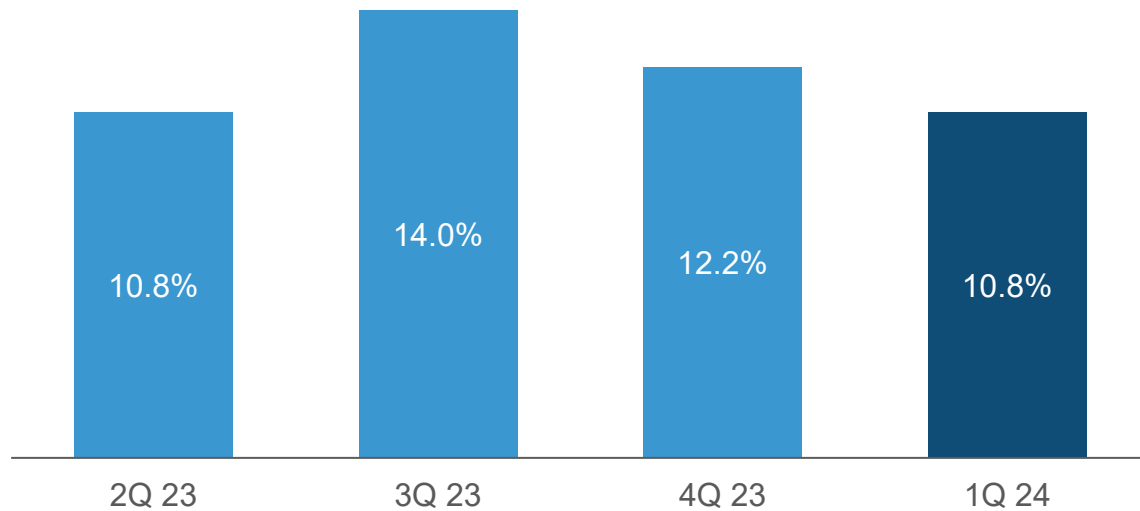
# Occupancy and Rent Continue to Outperform Market



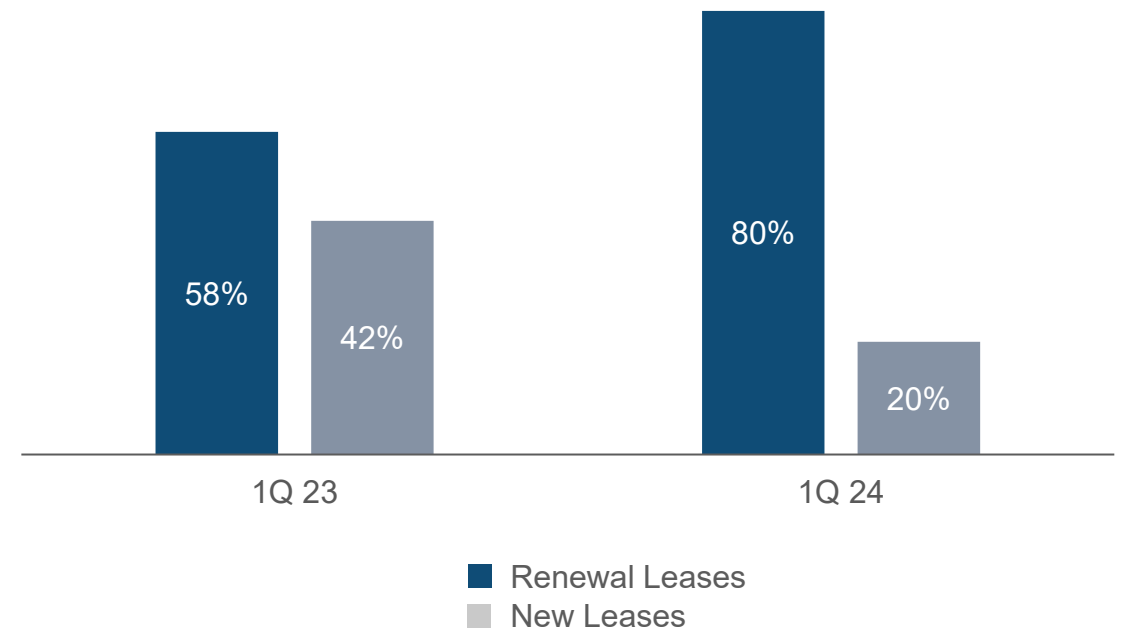


# Strong Rent Reversion Continued With High Tenant Retention

**Rent Reversion**  
**+10.8%** for 1Q 24



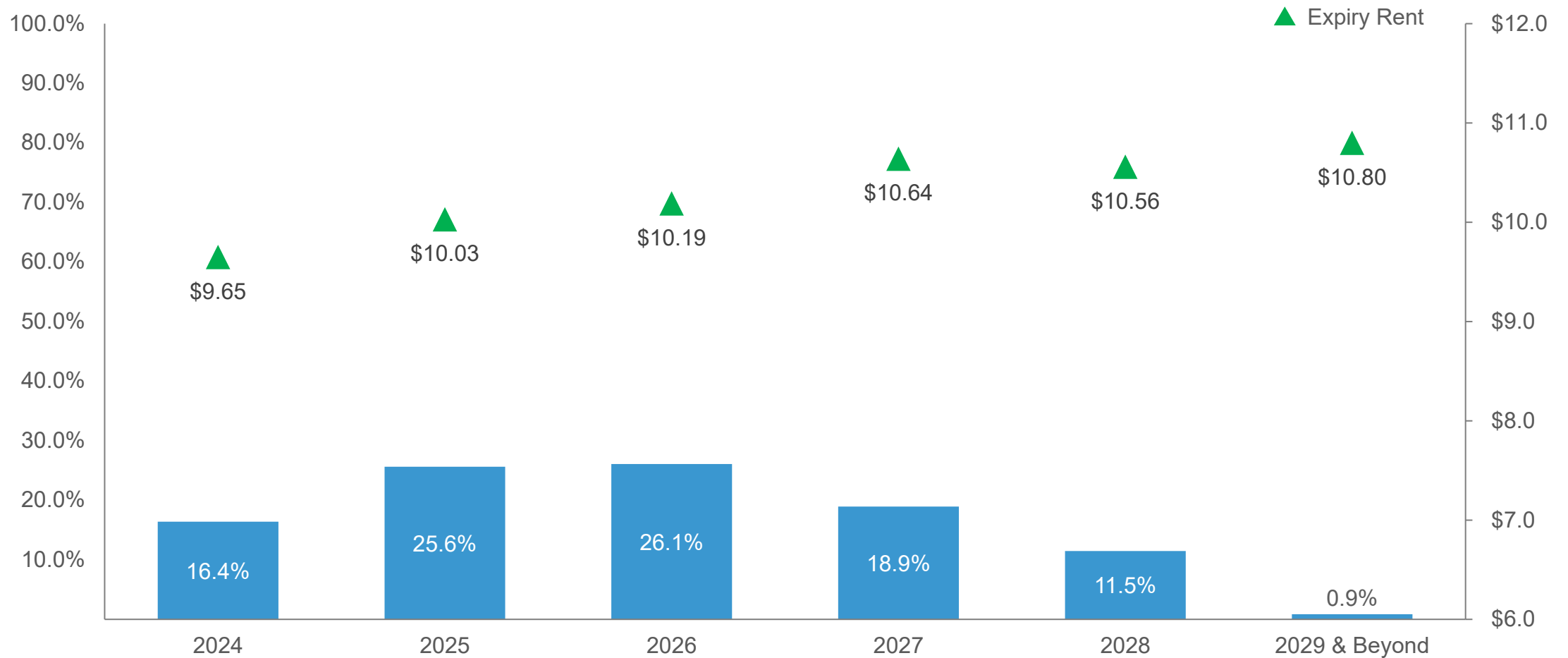
**Work Done<sup>1</sup>**  
**69,000** sq ft in 1Q 24



Note:

1. Reflects net lettable area of new leases and renewals committed.

# Well Spread Lease Expiry Profile

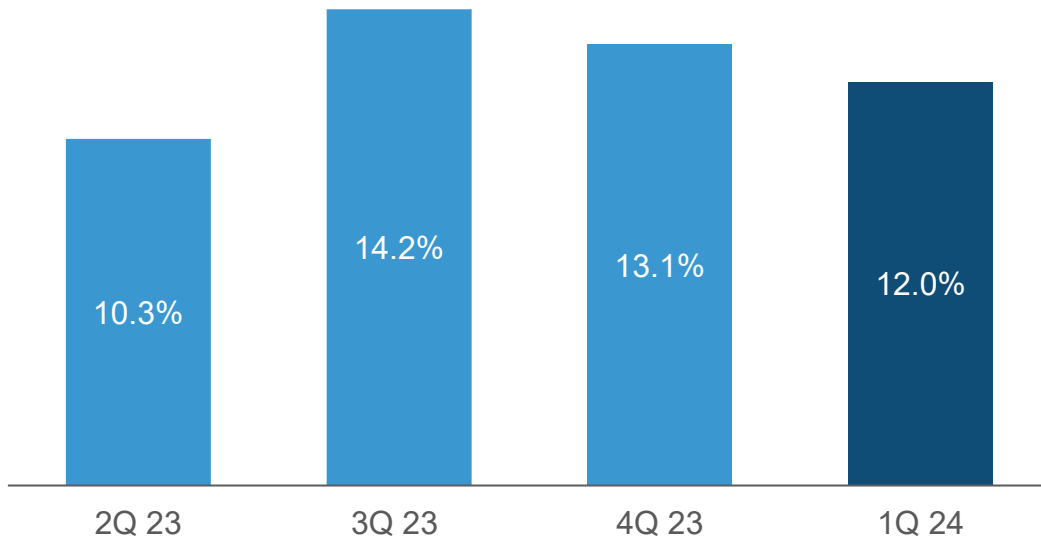


# Performance of One Raffles Quay and Marina Business Financial Centre Towers 1 & 2

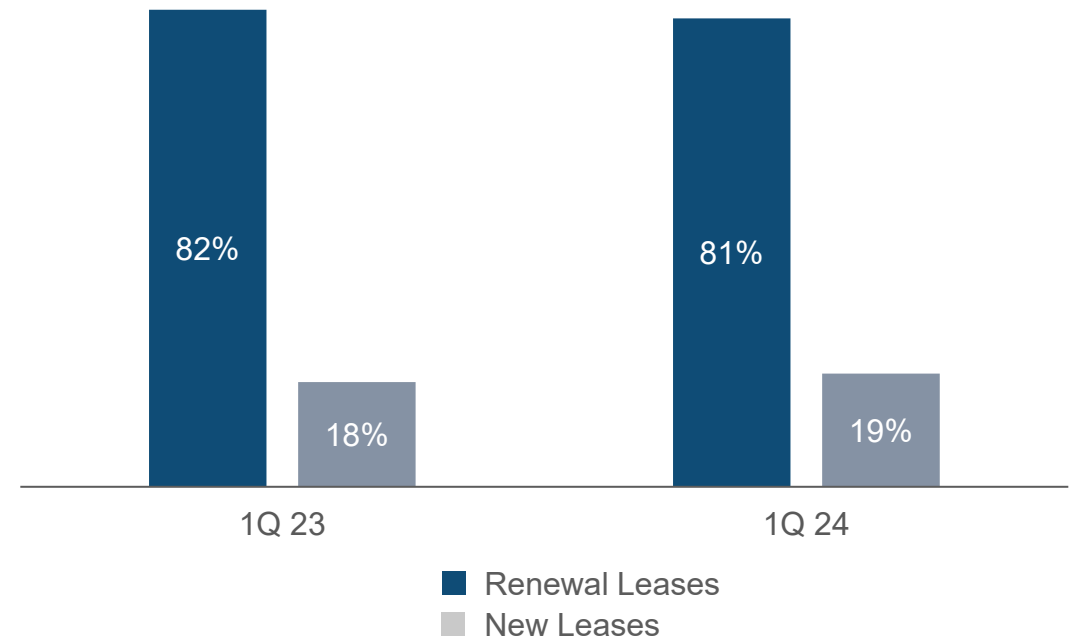


# Robust Rent Reversion Continued with High Tenant Retention

**Rent Reversion**  
**+12.0%** for 1Q 24



**Work Done<sup>1</sup>**  
**54,300** sq ft in 1Q 24



Note:

1. Based on Suntec REIT's interests in One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2. Reflects net lettable area of new leases and renewals committed.





MBFC Properties, Singapore

# Singapore Office Outlook and Focus

Singapore's economy expected to grow by 2.7% YoY in line with projected GDP growth of 1% to 3%

Office market expected to remain resilient with moderate rent growth

Businesses remain cost-conscious due to higher for longer interest rate environment

Tenant retention continues to be key priority

Rent reversion expected to moderate but remain positive

Revenue continues to strengthen, underpinned by strong occupancies and past quarters of robust rent reversions

# Australia Portfolio Performance



# Portfolio Committed Occupancy Outperforms Market

## Committed Occupancy

As at 31 Mar 24



Note:

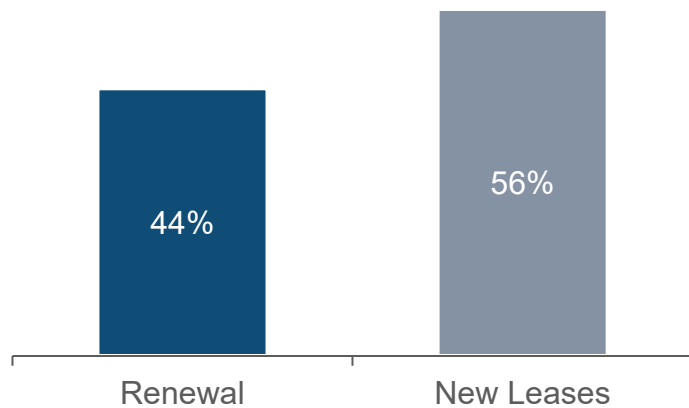
1. Source: JLL Research as at 1Q 2024.



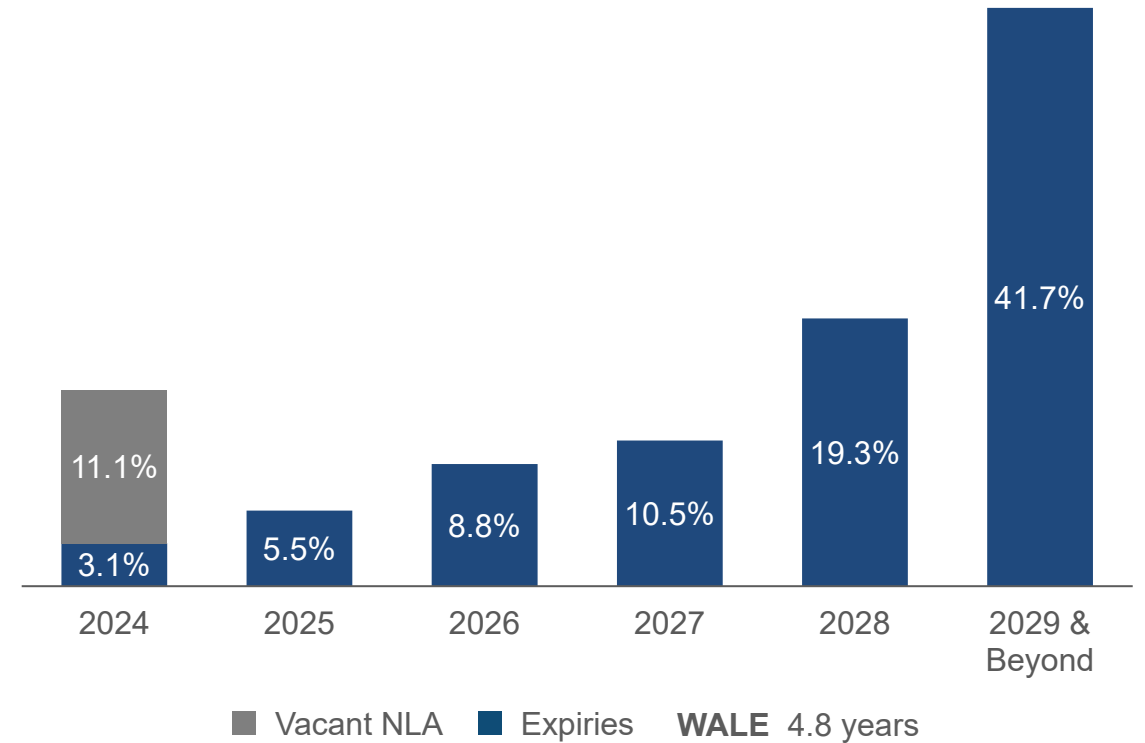
# Backfill of Vacancies

**Rent Reversion**  
**+12.2%**

**Work Done<sup>1</sup>**  
**26,000** sq ft



## Lease Expiry Profile % of Total NLA<sup>2</sup> Comparison



Notes:

1. Based on Suntec REIT's interests in 177 Pacific Highway, 21 Harris Street, Southgate Complex, 477 Collins Street and 55 Currie Street. Reflects net lettable area of new leases and renewals committed.
2. Based on Suntec REIT's interest in 177 Pacific Highway, 21 Harris Street, Southgate Complex, 477 Collins Street and 55 Currie Street.





Southgate Complex, Melbourne

# Australia Outlook and Focus

GDP growth remains subdued<sup>1</sup>. Companies look to contain costs

Nationwide CBD office market occupancy expected to fall in 2024 with new supply coming onstream<sup>2</sup>

Incentives in Melbourne and Adelaide expected to remain high

Asset enhancement initiatives in progress for Southgate Complex

Satisfying tenants' demand with fully fitted small office suites and flexible lease terms

Lower revenue expected due to leasing downtime of vacancies and incentives

Note:

1. FY24 GDP Growth forecast from Reserve Bank of Australia is 1.8%
2. Source: JLL Research



# UK Portfolio Performance



# Portfolio Committed Occupancy Outperforms Market

Committed Occupancy at The Minster Building Improved by 4 percentage points

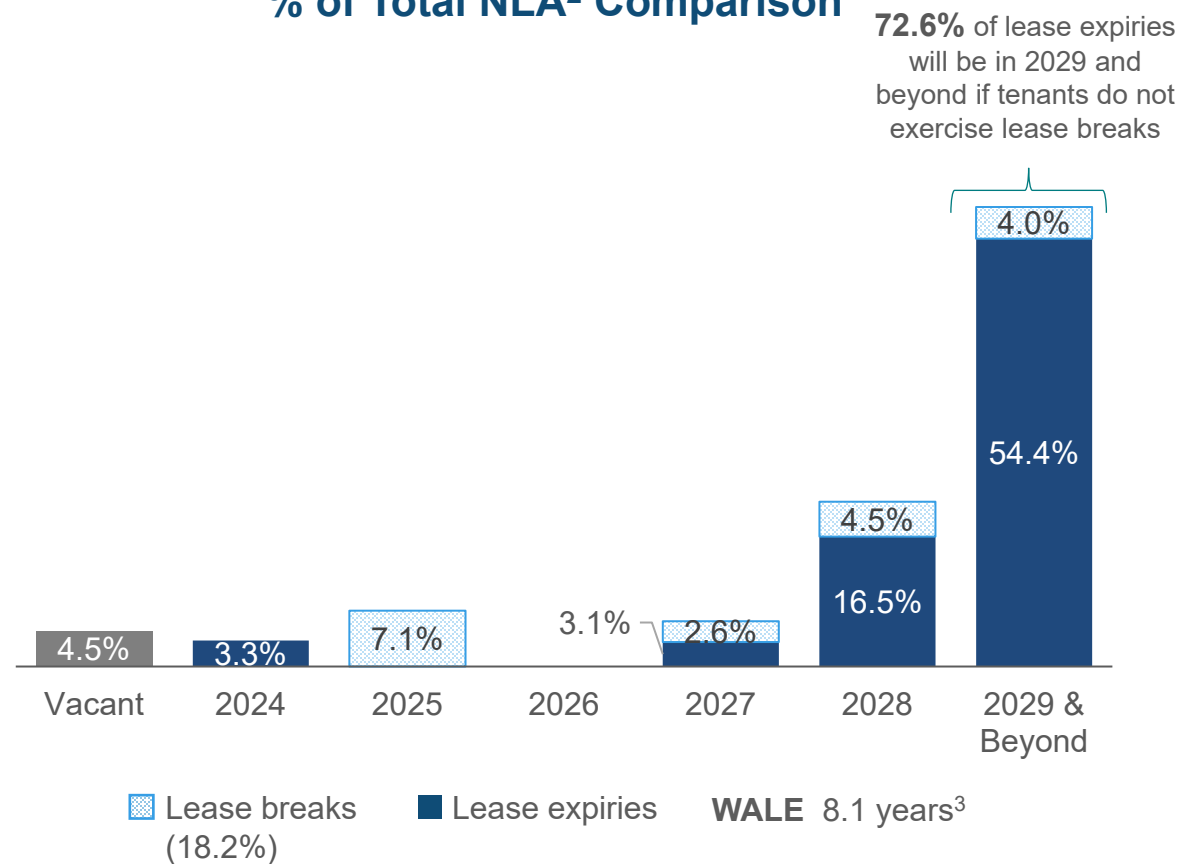
## Committed Occupancy As at 31 Mar 24



Notes:

- 1. Source: JLL Research as at 4Q 2023.
- 2. Based on Suntec REIT's interest in Nova Properties and The Minster Building.
- 3. WALE to Break is 7.1 years.

## Lease Expiry Profile % of Total NLA<sup>2</sup> Comparison







The Minster Building, London

# UK Office Outlook and Focus

UK economic growth expected to remain slow amidst global economic uncertainties and geopolitical tensions

Central London occupancy and rental growth expected to improve due to tight supply and increase in office utilisation<sup>1</sup>

Good quality office space in prime locations continue to be sought after

Backfill remaining vacancy of 8.7% at The Minster Building

Removal of lease breaks and tenant retention remain as key priorities

Revenue will be impacted by leasing downtime of vacancy at The Minster Building

Note:

1. Source: JLL Research

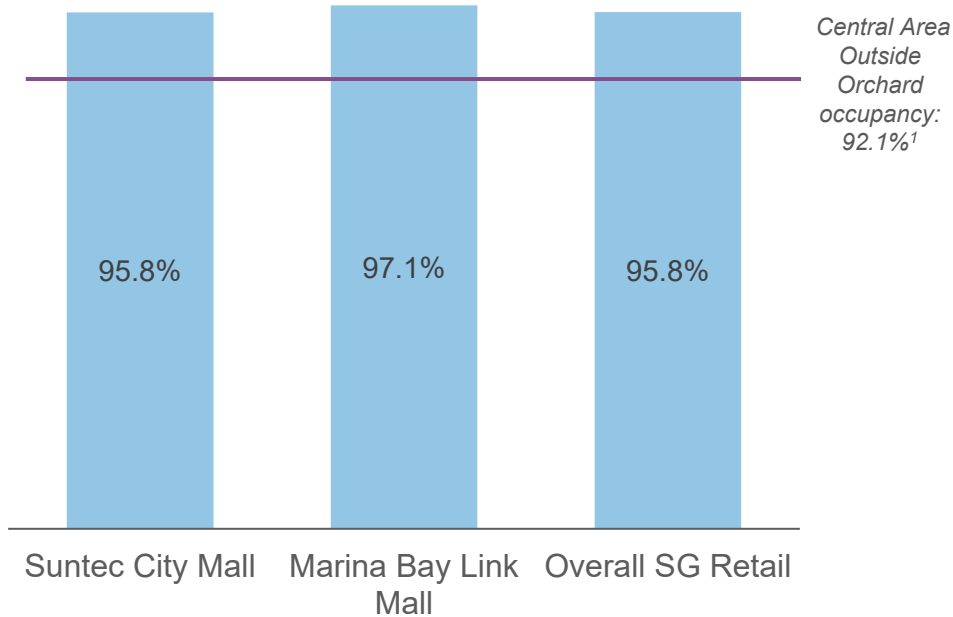


# Singapore Retail Portfolio Performance

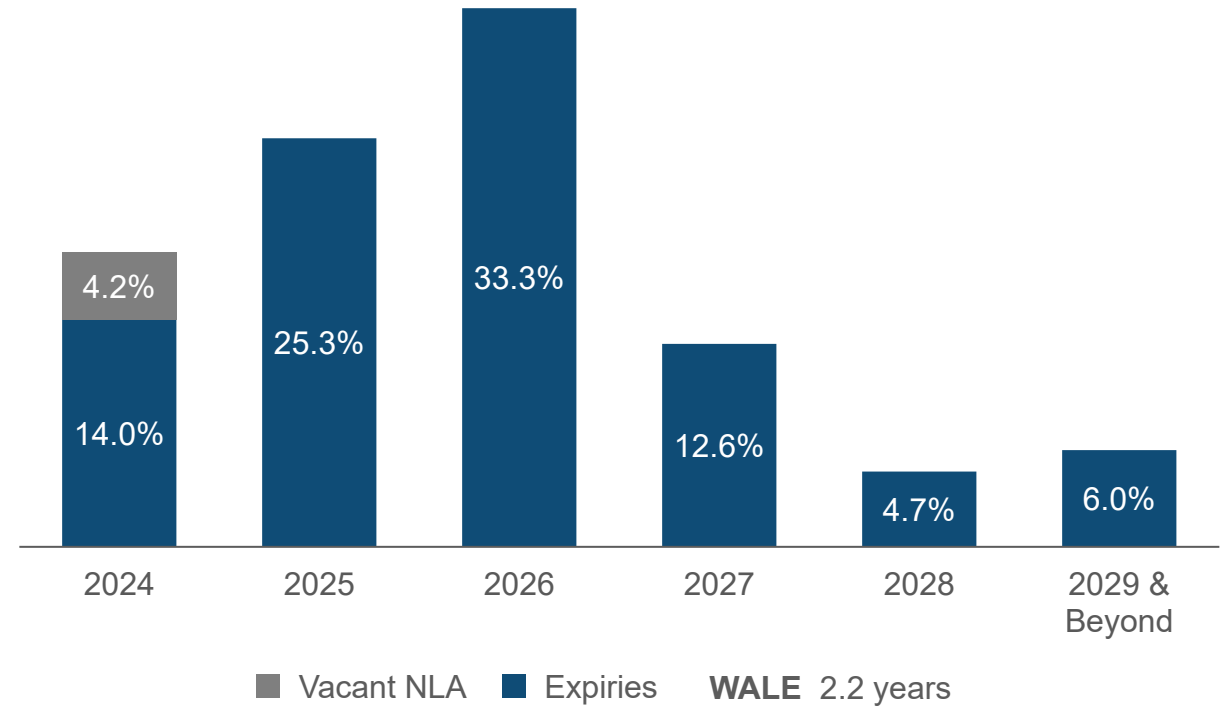


# Portfolio Committed Occupancy Outperformed Market

## Committed Occupancy As at 31 Mar 24



## Lease Expiry Profile % of Total NLA<sup>2</sup> Comparison



Notes:

1. Source: URA as at 4Q 2023.
2. Based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall.

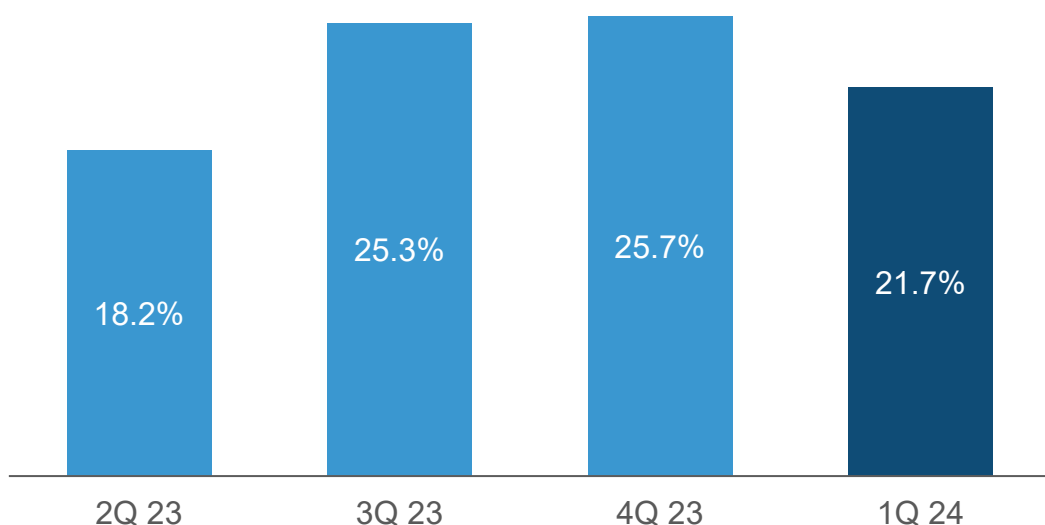


# Suntec City Mall Performance

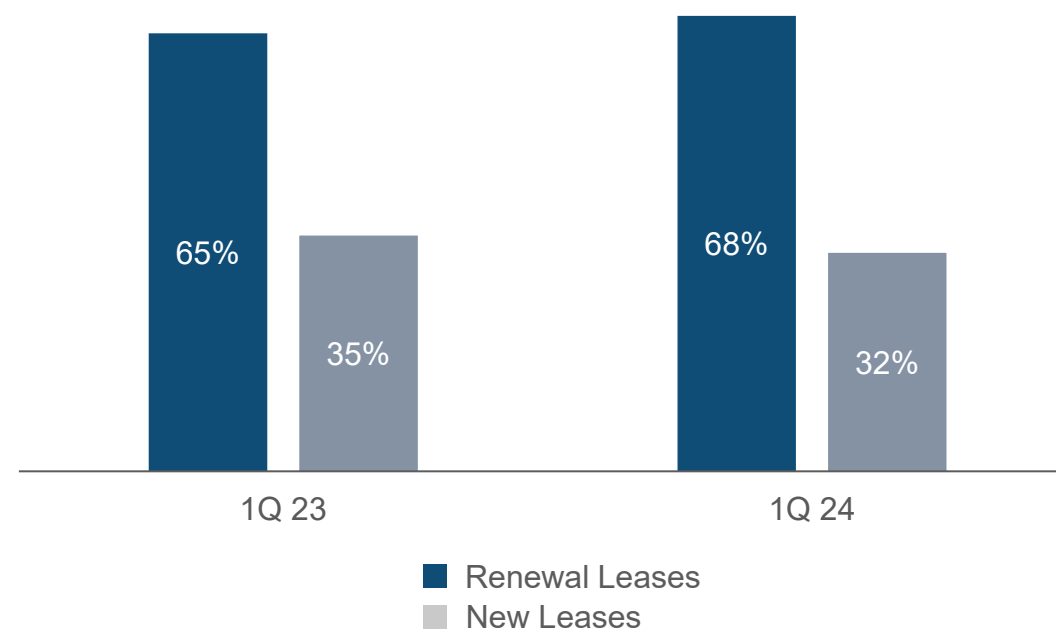


# Positive Rent Reversion for 8 Consecutive Quarters

**Rent Reversion**  
**+21.7%** for 1Q 24



**Work Done<sup>1</sup>**  
**72,100** sq ft in 1Q 24



Note:

1. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Mall and Suntec Singapore (Retail).

# Enhanced Retail Experience to Attract Shoppers

9 New-to-Market / Suntec Brands Commenced Operations in 1Q 24



**Onggii**  
New-to-market Korean restaurant



**Kidodo Space**  
New-to-Suntec indoor playground

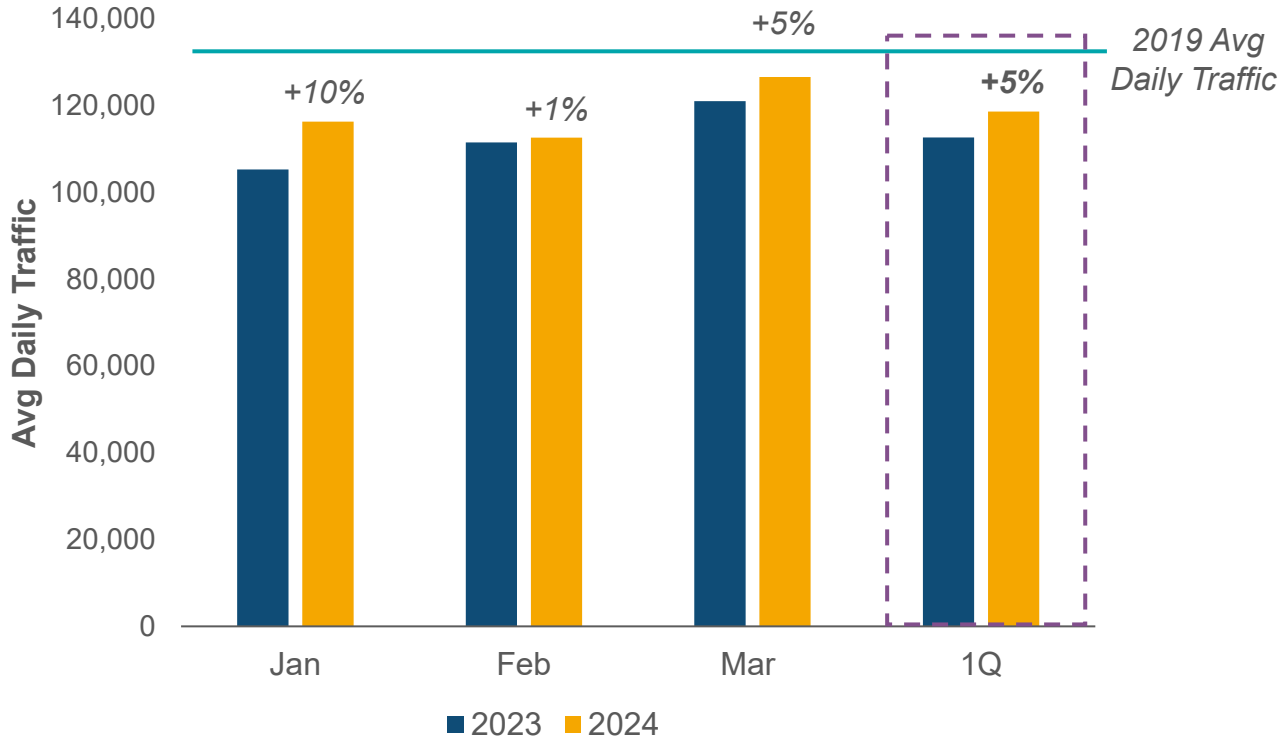


**Tim Hortons**  
New-to-Suntec coffeehouse chain from Canada

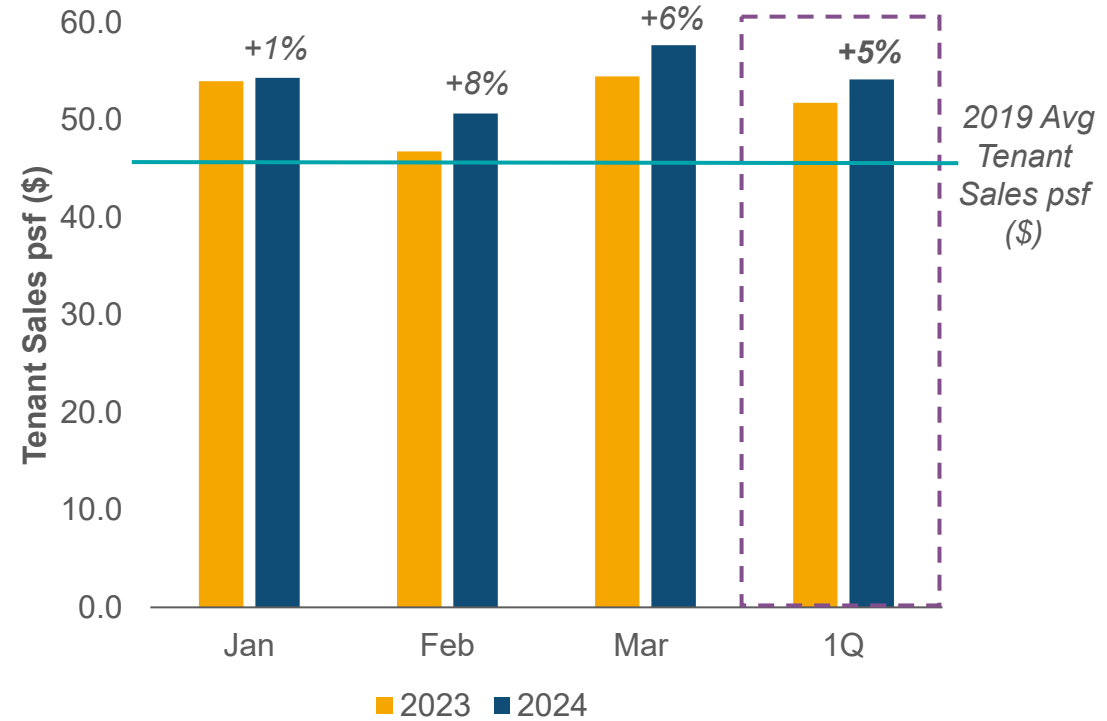


# 1Q 24 Tenant Sales and Traffic Improved +5% YoY

### YoY Traffic Variance



### Tenant Sales psf (\$) YoY Variance





# Singapore Retail Outlook and Focus

YoY retail sales growth expected to remain stable

Continual tourism recovery and the growth of MICE sector remain key to retail sales growth

Rent growth and occupancy underpinned by healthy demand and limited supply

Proactive lease management to improve occupancy and trade mix

Curate differentiated marketing activities to entice shoppers and tourists

Improvement in revenue supported by higher occupancy, rent and marcoms revenue

# Suntec Convention Performance





# Large-Scale International and Local Events in 1Q 24



Singapore MotorShow  
11 – 14 Jan



City of Good Summit  
22 Feb



Aviation Festival Asia  
28 – 29 Feb



World Congress of Anaesthesiologists  
3 Mar – 7 Mar



IT Show 2024  
14 – 17 Mar



Suntec Convention, Singapore

# Suntec Convention Outlook and Focus

Singapore being positioned as “World’s Best MICE City” by Singapore Tourism Board (STB)<sup>1</sup>

STB’s effort expected to drive MICE growth and tourism recovery

Singapore MICE market continues to attract key international headline events

Grow alternative revenue opportunities such as entertainment events

Focus on driving higher-yielding MICE events

Higher dividend contributions expected

Note:

1. Singapore Tourism Board, 28 Mar 2024

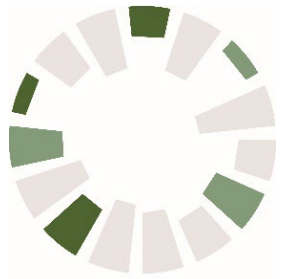


# Our ESG Commitment





# Continual Commitment to ESG



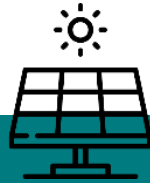
G R E S B  
★★★★★ 2023

Attained highest GRESB  
5 Star rating for  
4 consecutive years

'A' for Public Disclosure



All assets  
Green Building certified  
477 Collins and Nova Properties  
achieved WELL Platinum  
Certification



21 Harris Street, 477 Collins  
Street, Nova Properties and  
The Minster Building using  
100% Renewable Energy

## Achievement



177 Pacific Highway  
55 Currie Street  
Carbon Neutral



Enhance energy  
efficiency in Suntec City  
by integrating chilled  
water into the District  
Cooling System

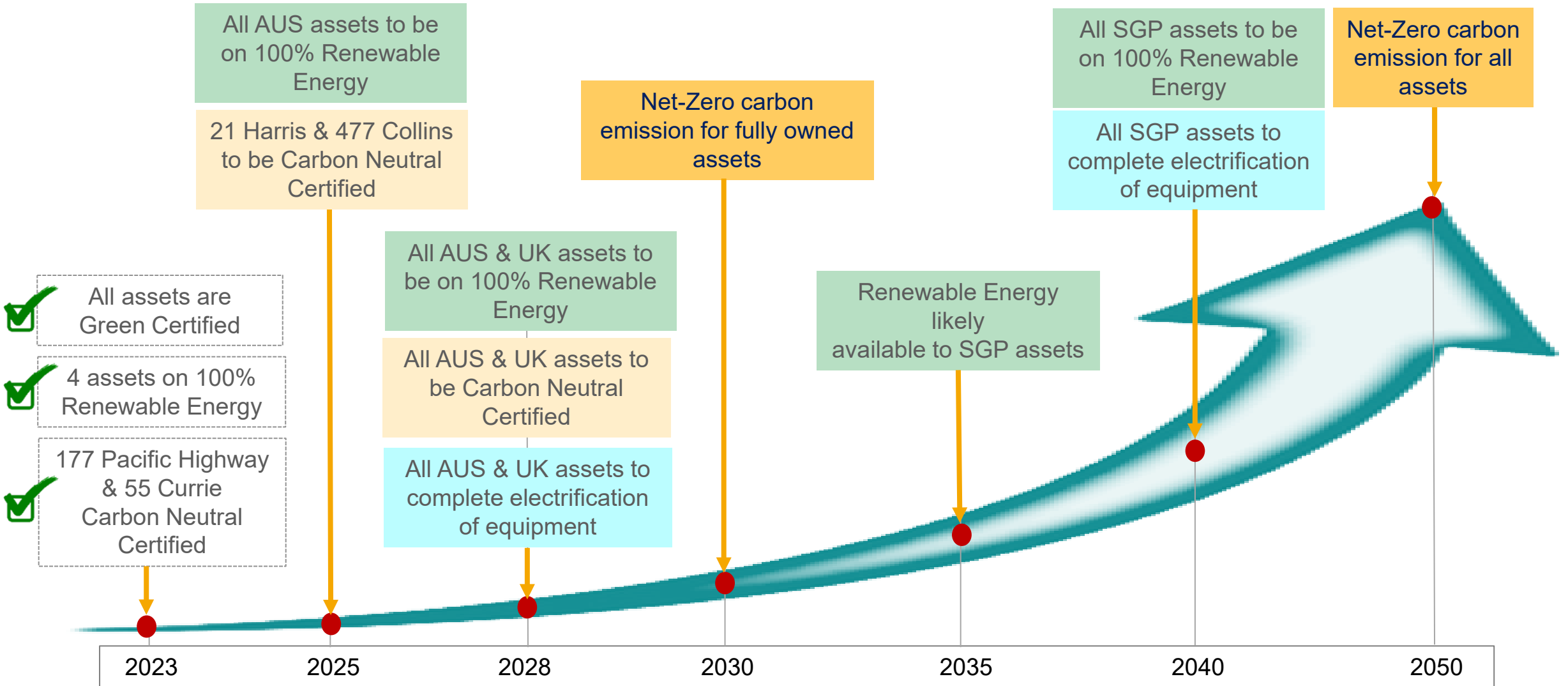


Obtained "B" EPC Energy  
Rating for The Minster  
Building



About 70% of total debt are  
green / sustainability-  
linked loans

# Roadmap Towards Net-Zero Carbon Emission Target by 2050





# Looking Ahead





# Navigating Challenges



Proactive Capital Management  
and Cost Prudence



Unlock Value from Asset  
Enhancement Initiatives and  
Divestment of Mature Assets



Explore Good Quality, Accretive  
Assets



Continual Commitment to  
Sustainability Practices





# Thank you

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Manager, Portfolio Management

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# Disclaimer

This presentation is focused on the comparison of the business update for the quarter ended 31 March 2024 and the quarter ended 31 March 2023.

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.



# About Suntec REIT



177 Pacific Highway, Sydney

# About Suntec REIT

Singapore's First Composite REIT



**Market Capitalisation**  
**S\$3.1 Billion<sup>1</sup>**

**Asset Under Management**  
**S\$12.2 Billion<sup>2</sup>**

Listed on **9 Dec 2004** on the SGX-ST

High quality **office** assets, complemented by **retail and convention** components

**10** properties – **3** in Singapore, **2** in Sydney, **2** in Melbourne, **1** in Adelaide and **2** in UK

Note:

1. Based on 31 March 2024 closing price of \$1.08.
2. Based on exchange rates of S\$0.879=A\$1.00 and S\$1.700=£1.00 as at 31 March 2024.

# Portfolio Snapshot

## Singapore and UK Properties

	Suntec City		One Raffles Quay	MBFC Properties	Nova Properties	The Minster Building
	Suntec City – Office & Retail	Suntec Convention				
<b>Description</b>	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	Two Grade A Office buildings with ancillary retail development	Grade A Office building
<b>Ownership</b>	100%	66.3%	33.33%	33.33%	50%	100%
<b>City/Country</b>	Singapore	Singapore	Singapore	Singapore	London, UK	London, UK
<b>Segment</b>	Office and Retail	Convention	Office	Office and Retail	Office	Office
<b>NLA<sup>1</sup> (sq ft)</b>	Office:~1.2 mil Retail:~0.9 mil	~430,000	~440,000	Office:~542,000 Retail:~32,000	~280,000	~293,000
<b>Valuation as of 31 Dec 2023</b>	Office: S\$3,272.0 mil Retail: S\$2,401.4 mil	S\$225.4 mil	S\$1,324.0 mil	S\$1,818.3 mil	£395.0 mil <sup>2</sup>	£276.9 mil <sup>3</sup>
<b>Cap rate</b>	Office: 3.50% Retail: 4.50%	5.50%	3.40%	Office: 3.40% Retail: 4.25%	4.96%	5.25%

Notes:

1. Based on Suntec REIT's interests in the respective properties.
2. The valuation reflects the price that would be received from the sale of the investment property where the Purchaser's cost (including stamp duty) is assumed to be 6.8%, in line with accounting standards. The valuation based on the price that would be received for the sale of the special purpose vehicle holding the investment property where the Purchaser's cost (excluding stamp duty) is assumed to be 1.8% is £414.4 million as of 31 Dec 23.
3. The valuation reflects the price that would be received from the sale of the investment property where the Purchaser's cost (including stamp duty) is assumed to be 6.8%, in line with accounting standards. The valuation based on the price that would be received for the sale of the special purpose vehicle holding the investment property where the Purchaser's cost (excluding stamp duty) is assumed to be 1.8% is £290.5 million as of 31 Dec 23.



# Portfolio Snapshot

## Australia Properties

	177 Pacific Highway	Southgate Complex	Olderfleet 477 Collins Street	55 Currie Street	21 Harris Street
<b>Description</b>	31-storey Grade A office building	Integrated 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
<b>Ownership</b>	100%	50%	50%	100%	100%
<b>City/ Country</b>	Sydney	Melbourne	Melbourne	Adelaide	Sydney
<b>Segment</b>	Office	Office and Retail	Office	Office	Office
<b>NLA<sup>1</sup> (sq ft)</b>	~431,000	Office:~355,000 Retail:~52,000	~315,000	~282,000	~203,000
<b>Valuation as of 31 Dec 2023</b>	A\$688.0 mil	A\$365.0 mil	A\$450.0 mil	A\$128.7 mil	A\$284.0 mil
<b>Cap rate</b>	5.50%	Office: 6.00% Retail: 6.25%	5.13%	7.25%	5.50%

Note:

1. Based on Suntec REIT's interests in the respective properties.