



Trusted Investment Partner. Delivering Sustainable Returns.

# Singapore REITs Symposium 19 September 2020

*Ang Sock Cheng*  
*Chief Financial Officer*



# Content Outline

- 3 **Keppel Capital: An Integrated Asset Management Platform**
- 4 Overview of Keppel Capital
- 6 **Our REITs and Trust**



Keppel Capital is a signatory of the United Nations Global Compact and is committed to the Ten Principles of the UN Global Compact, which include human rights, labour, environment and anti-corruption.

## — Our Commitment —



### ENVIRONMENTAL STEWARDSHIP

We will do our part to combat climate change and are committed to improving resource efficiency and reducing our environmental impact.



### RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through strong corporate governance and prudent risk management.



### PEOPLE AND COMMUNITY

We are committed to providing a safe and healthy workplace, investing in developing and training our people, and uplifting communities wherever we operate.

# Keppel Capital: An Integrated Asset Management Platform



## Private Fund Managers

Keppel Capital  
Alternative Asset

alpha



Private equity manager focusing on alternative asset classes (e.g. infrastructure, education, senior living)



Private equity fund manager with investments across key global gateway cities

## SGX-Listed REITs and Business Trust

Keppel REIT



One of the largest Pan-Asian commercial REITs with premium Grade A assets in prime business and financial districts

Keppel DC REIT



Asia's first pure-play data centre REIT with an initial focus on Asia Pacific and Europe

Keppel Pacific Oak US REIT



US REIT with office buildings and business campuses in key growth markets driven by innovation and technology

KIT KEPPEL INFRASTRUCTURE TRUST



The largest diversified Business Trust with a portfolio of strategic infrastructure assets.

PRIME US REIT

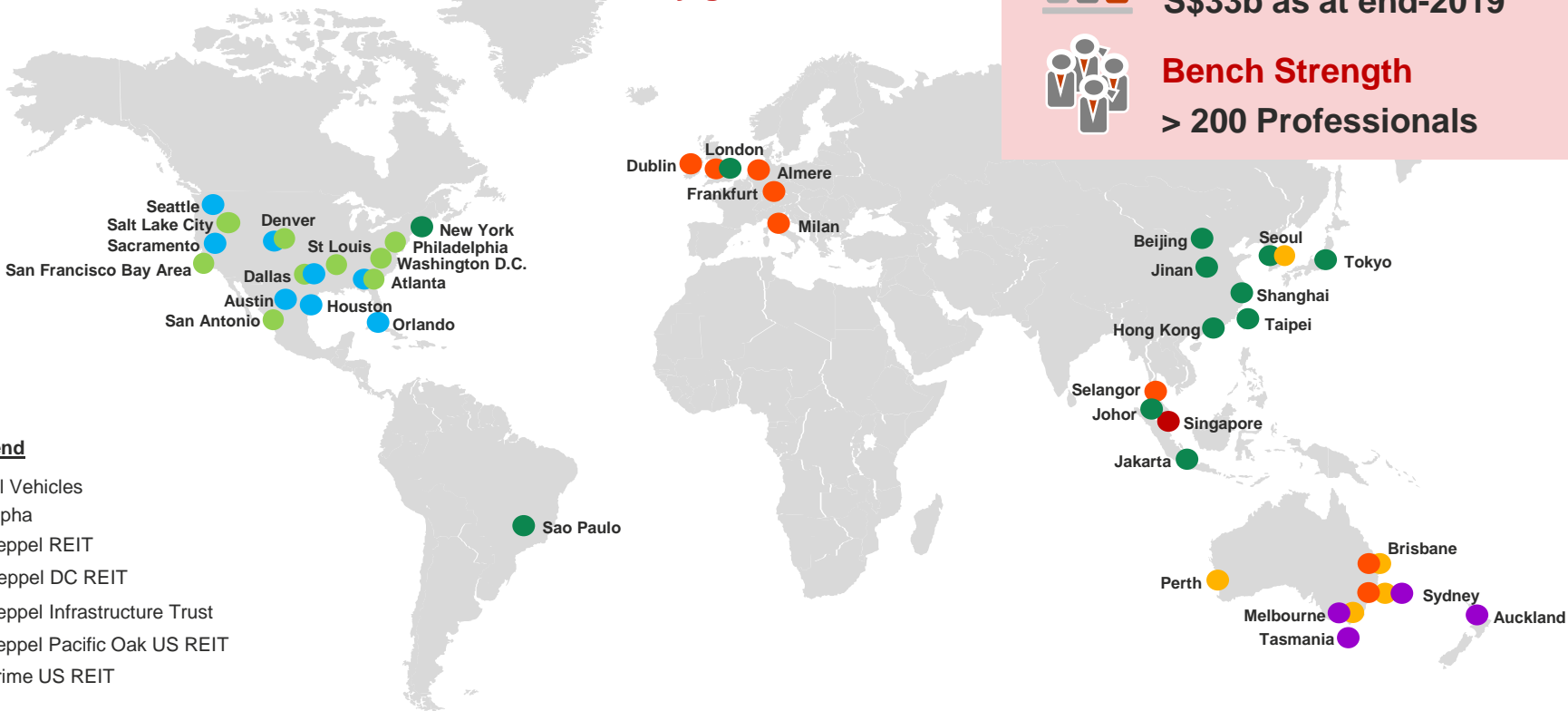


US REIT with Grade A office assets in key primary markets

Keppel Capital owns 100% of Keppel REIT Management Limited (Manager of Keppel REIT), 50% of Keppel DC REIT Management Pte. Ltd. (Manager of Keppel DC REIT), 100% of Keppel Infrastructure Fund Management Pte. Ltd. (Trustee-Manager of Keppel Infrastructure Trust), 50% of Keppel Pacific Oak US REIT Management Pte. Ltd. (Manager of Keppel Pacific Oak US REIT), and 30% interest in KBS US Prime Property Management Pte. Ltd. (Manager of Prime US REIT).

# Global Capabilities. Local Agility.

Diversified portfolio of real estate, infrastructure and data centre assets in **over 30 cities** across **key global markets**



## Legend

- All Vehicles
- Alpha
- Keppel REIT
- Keppel DC REIT
- Keppel Infrastructure Trust
- Keppel Pacific Oak US REIT
- Prime US REIT



**Assets under Management**  
S\$33b as at end-2019



**Bench Strength**  
> 200 Professionals

# Delivering Sustainable Returns: Platforms for Growth

Consolidated asset managers under  
**Keppel Capital**

- Expanded into the US with the listing of Keppel Pacific Oak US REIT (KORE)
- Quality acquisitions totalling ~S\$670m in Singapore, Australia and Ireland through Keppel REIT (KREIT) and KDCREIT
- Successfully closed the US\$1b ADCF
- Alpha invested into over US\$910 million worth of real estate and data centre assets, and captured value through over US\$880 million in divestments

- Completed ~S\$8.4b in acquisitions and divestments; and raised equity and debt of S\$9.5 billion
  - KIT acquired the A\$1b Ixom
  - KREIT's continued portfolio optimisation efforts saw maiden acquisition in Seoul and divestment of Bugis Junction Towers
  - KDCREIT acquired 2 Singapore assets
  - KORE expanded into new key growth market of Dallas

- Successfully closed the US\$1.1b AAMTF III
- Successful listing of Prime US REIT
- Expanded asset class with a joint debt mezzanine platform with Pierfront Capital
- Grew AUM to \$33b as at end-2019

2017

2019

2016

2018

2020

- Launched and achieved first close for Alpha Data Centre Fund (ADCF) that will focus on brownfield and greenfield developments
- Strengthened data centre footprint with two European acquisitions by Keppel DC REIT (KDCREIT) and ADCF's first acquisition in Frankfurt
- Alpha's AAMTF II divested Singapore suburban retail portfolio

- Over S\$2b acquisitions including:
  - KORE's maiden acquisition in Seattle
  - KDCREIT's two data centre acquisitions in Singapore and Germany
  - ADCF expanded data centre footprint to new markets of Bogor, near Jakarta, and Johor, Malaysia
- KREIT divested a minority stake in Ocean Financial Centre as part of its active portfolio optimisation strategy

- Total commitments of ~US\$1.5 billion YTD:
  - Keppel Asia Infrastructure Fund (KAIF) achieved two closings
  - First close of Keppel-Pierfront Private Credit Fund
  - Launched Indonesian logistics property venture with Manulife and PT Mega Manunggal Property
  - On track with new fund initiatives into fast-growing markets and sectors
- KAIF acquired 30% stake in the Gimi FLNG facility as its first investment

- Expanded into the senior living sector with completion of acquisition of interests in Watermark Retirement Communities
- Deepened Australian footprint through JV with Australian Unity, and KREIT's proposed acquisition of Pinnacle Office Park in Sydney
- KDCREIT completed acquisition of Kelsterbach DC
- ADCF invested ~RMB1.5b to acquire and develop a data centre in Huizhou's Tonghu Smart City

# Introducing Our REITs and Trust

The image features a low-angle, upward-looking perspective of several modern skyscrapers with glass and metal facades. The buildings are set against a clear blue sky with some light clouds. A large, semi-transparent red arrow graphic points diagonally upwards from the bottom left towards the top right, crossing over the buildings. In the top left corner, the Keppel REIT logo is displayed, with 'Keppel' in white on a grey background and 'REIT' in red. Below the logo, the text 'Pan-Asian REIT with premium office portfolio' is written in white, bold, sans-serif font.

**Keppel REIT**

**Pan-Asian REIT  
with premium office  
portfolio**

# Sustainable and Resilient Pan-Asian Portfolio

**98.6%**

Strong committed occupancy of  
Grade A commercial portfolio

**4.6 years**

Long weighted average lease expiry

**Green Awards**

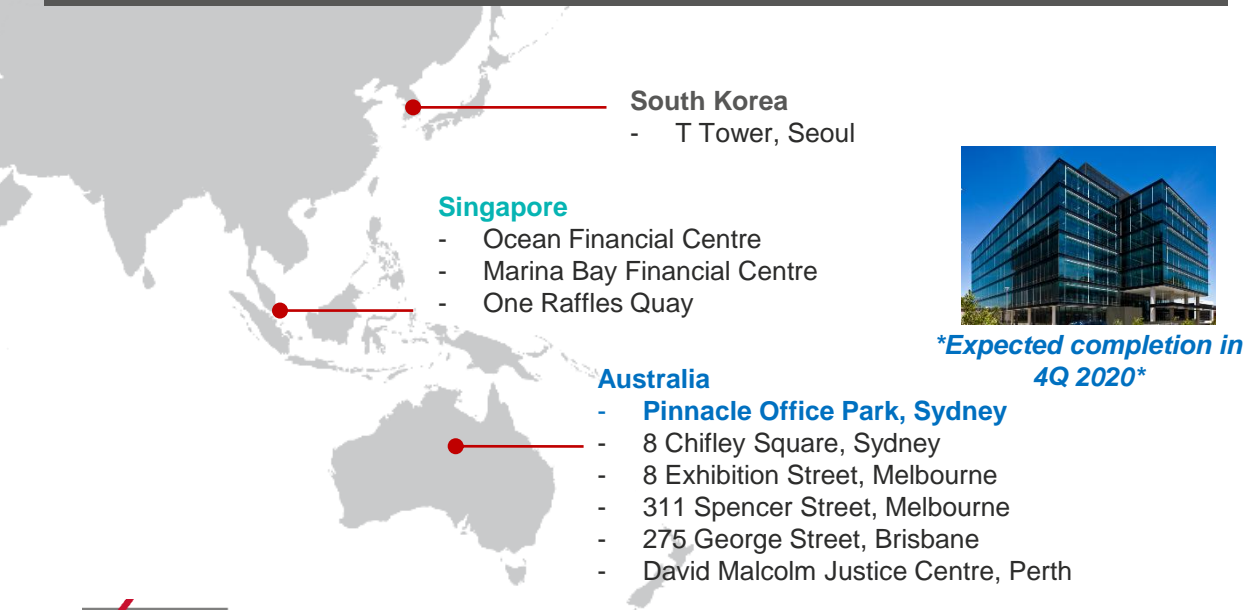
BCA Green Mark Platinum award for  
all Singapore assets; 5 Stars NABERS  
Energy rating for most Australian assets





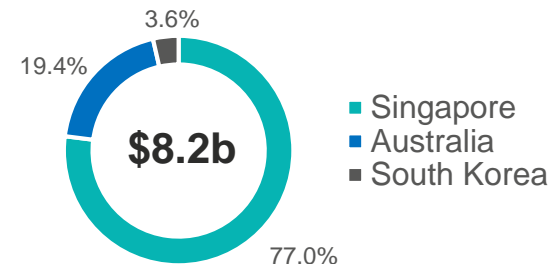
# Ongoing Portfolio Optimisation to Improve Income Resilience and Portfolio Yield

**Diversified \$8.2b portfolio** across key business districts of Singapore, Australia and South Korea enhances income diversification and long-term stability



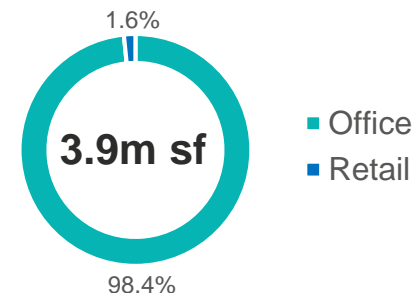
## AUM by Geography

(Post-Acquisition of Pinnacle Office Park)



## Committed NLA by Asset Type

(Post-Acquisition of Pinnacle Office Park)





**Commencement of the 30-year lease** for Victoria Police's new headquarters at 311 Spencer Street contributes a steady income stream to Keppel REIT

# 1H 2020 Key Highlights

Distribution per Unit

**2.80 cents**

Up 0.7% year-on-year

All-in Interest Rate

**2.48% p.a.**

Down from 2.86% year-on-year

Aggregate Leverage

**36.3%**

as at 30 June 2020

High Portfolio

Committed Occupancy

**98.6%**

as at 30 June 2020

Practical Completion of  
Development

**311 Spencer  
Street**

in Melbourne, Australia,  
on 9 July 2020

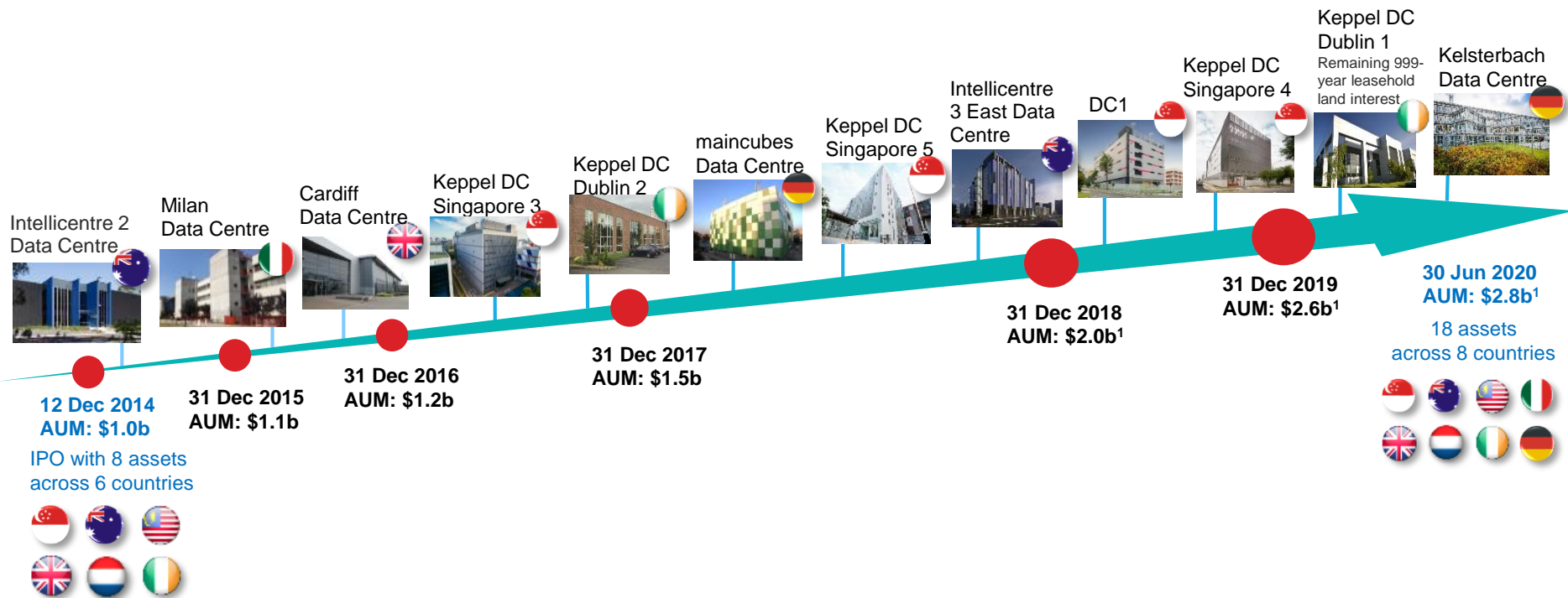
The logo for Keppel DC REIT, featuring the word "Keppel" in white on a dark grey background, followed by "DC REIT" in red on a white background.

**Keppel DC REIT**

A photograph of a data center aisle with rows of server racks. A blue light effect is projected onto the floor and racks, and a large red arrow graphic points from the top right towards the bottom left.

**First pure-play data  
centre REIT listed in  
Asia on SGX**

# Achieving Growth through DPU-accretive Acquisitions

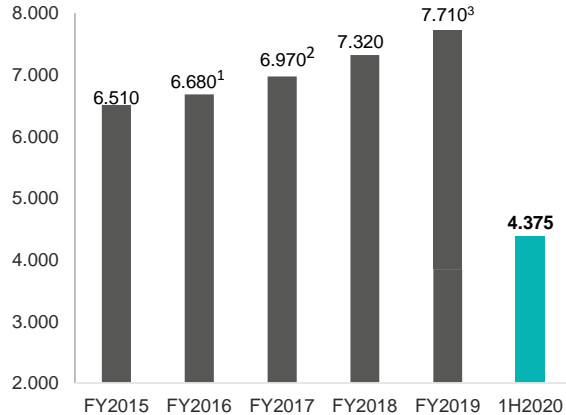


# 1H 2020 Highlights



## Steady growth in DPU

### Adjusted DPU (cents)



1. Exclude the impact of the pro-rata preferential offering and the one-off net property tax refund in 2016.
2. Exclude the one-off capital distribution for the month of December 2016 arising from the later completion of Keppel DC Singapore 3 in 2017.
3. Excluding the impact of the pro-rata preferential offering in October 2019.
4. Aggregate Leverage was computed based on gross borrowings and deferred payment as a percentage of the deposited properties, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options.



## Resilient income stream

### High portfolio occupancy

**96.1%**

as at 30 Jun 2020

### Long portfolio WALE

**7.4 years**

by leased area



## Financial flexibility

### Low aggregate leverage<sup>4</sup>

**34.5%**

as at 30 Jun 2020

### High interest coverage

**12.8 times**

as at 30 Jun 2020

# Resilient Asset Class that Supports the Digital Economy

- COVID-19 a catalyst to go digital, and some of these online behaviours are expected to continue post-pandemic<sup>1</sup>
- Expect higher data traffic as enterprises adopt cloud solutions and ensure adequacy of collaboration platforms and videoconferencing tools as well as stepped-up cybersecurity and cloud data protection
- Traditional client-facing roles could increasingly be augmented with customer-friendly online platforms/ applications such as digital banking and telemedicine<sup>1</sup>



**Global colocation market** expected to grow by 15%<sup>2</sup> in 2020



**>70% of all hyperscale data centres** are located in facilities that are leased or owned by partners<sup>3</sup>



**Global mobile data traffic** expected to increase by 31% annually from 2019 to 2025<sup>4</sup>



**Enterprise spending on cloud infrastructure** expected to grow by 22%<sup>2</sup> CAGR over next 5 years



**Data traffic increased by 20–100% across markets in Europe, Asia and America** as a result of COVID-19 lockdowns<sup>4</sup>



**5G subscriptions** to generate 2.5x more traffic than the average 4G connection, and take up 10.6% of total mobile traffic by 2023<sup>5</sup>

Distinctive US office  
REIT focused on  
key growth markets  
driven by innovation  
and technology

*Tenant lounge  
The Westpark Portfolio  
Seattle, Washington*



# First Choice Submarkets in Key Growth Markets

## SEATTLE, Washington



**The Plaza Buildings**  
Occupancy: 97.3%



**Bellevue Technology Center**  
Occupancy: 100.0%



**The Westpark Portfolio**  
Occupancy: 97.2%

## ATLANTA, Georgia



**Powers Ferry**  
Occupancy: 93.8%



**Northridge Center I & II**  
Occupancy: 85.8%

## DENVER, Colorado



**Westmoor Center**  
Occupancy: 96.6%

## SACRAMENTO, California



**Iron Point**  
Occupancy: 99.5%

## AUSTIN, Texas



**Great Hills Plaza**  
Occupancy: 99.1%



**Westech 360**  
Occupancy: 90.8%

## HOUSTON, Texas



**1800 West Loop South**  
Occupancy: 76.9%



**Bellaire Park**  
Occupancy: 90.8%

## ORLANDO, Florida

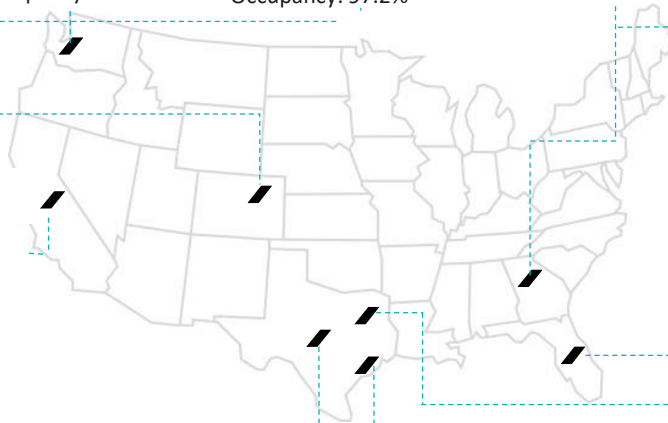


**Maitland Promenade I & II**  
Occupancy: 95.0%

## DALLAS, Texas



**One Twenty Five**  
Occupancy: 96.7%



Focused on key growth markets with positive economic and office fundamentals that generally outpace that of the US national average, as well as the average of the gateway cities

### Overview

**13 freehold office buildings** and **business campuses** across **8 key growth markets**

### Portfolio NLA

Over 4.7 million sf

### Portfolio Value

US\$1.27 billion

### Portfolio Committed Occupancy (by NLA)

94.3%



# 1H 2020 Key Highlights

## Distributable Income

**US\$29.1m**

17.6% growth y-o-y

## Distribution per Unit

**3.10 US cents**

3.3% growth y-o-y

## Annualised Distribution Yield

**8.9%<sup>1</sup>**

## Portfolio Committed Occupancy

**94.3%**

## Strong Rental Reversion

**+14.7%**

## Low Aggregate Leverage

**37.4%**

100% unsecured debt

Information as at 30 June 2020.

1. Based on the market closing price of US\$0.700 per Unit as at 30 June 2020.



Great Hills Plaza, Austin, Texas

- Income resilience supported by low tenant concentration and strong tenant mix
- Strong balance sheet and liquidity position with 100% unsecured debt and no long-term refinancing requirement until November 2022



Largest diversified Business Trust listed in Singapore

KIT

KEPPEL  
INFRASTRUCTURE  
TRUST



## \$5 billion portfolio of strategic businesses and assets across a broad range of **highly defensive industries** that delivers **long-term sustainable cash flows to Unitholders**

### Distribution & Network

- City Gas
- Ixom
- Basslink



Strategic businesses and assets with potential for long-term growth supported by favourable demand dynamics

### Energy

- Keppel Merlimau Cogen



Stable and resilient infrastructure assets anchored by concession contracts that are backed by government and government-linked corporations

### Waste & Water

- Senoko Waste-to-Energy Plant
- Tuas Waste-to-Energy Plant
- Ulu Pandan NEWater Plant
- SingSpring Desalination Plant



All business and assets are **classified as essential services** by governments in Singapore, Australia and New Zealand.

No impact to operations during the COVID-19 pandemic.

# 1H 2020 Key Highlights



## All businesses and assets are classified as essential services

No operational disruption throughout lockdowns; business continuity measures were implemented to ensure health & safety of staff



## Resilient Distributable Cash Flows

**\$62.2m**

2Q 2020 DCF of \$62.2m, bringing 1H 2020 DCF to \$113.3m, a 20.3% YoY increase over 1H 2019



## Stable DPU

**1.86 cents**

Defensive cash flows from a diversified portfolio of businesses and assets saw 2Q 2020 DPU of 0.93 cents, bringing 1H 2020 DPU to 1.86 cents



## Annualised DPU Yield

**6.9%**

Based on market closing price of \$0.540 as at 30 June 2020



## Low Gearing

**33.6%**

Comfortable debt headroom to pursue growth opportunities



### Global mindset with local execution

- Led by a team of industry veterans with in-depth expertise and decades of experience working in local and international markets, and global institutional investors



### Strong investment track record with value creation along the entire value chain

- Expertise and proven capabilities in investor management, portfolio composition, efficient tax structuring, active currency and interest rate management
- Proactive asset management of global AUM of \$33b\* across both private and public markets



### Fiduciary mindset with strong compliance and governance practices

- Socially responsible fund manager that creates value while integrating sustainable practices into our invested assets

# Keppel Capital: Trusted Investment Partner

## VISION

To be the **best-in-class asset manager**, serving as **the trusted partner for our investors**.

## MISSION

Guided by our operating principles and core values, we will **create value** for our investors through **harnessing the strengths of the Keppel Group** to build **sustainable business platforms for long-term growth**.

# Thank You

---

**DISCLAIMER:** The materials herein are published solely for informational purposes and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our written consent. No guarantee, representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the markets or developments referred to in the report.

The materials should not be regarded by recipients as a substitute for the exercise of their own judgement and recipients should not act on the information contained herein without first independently verifying its contents. Any opinions or estimate expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by others as a result of using different assumptions and criteria. Keppel Capital Holdings Pte Ltd and its asset managers, namely Keppel Capital Alternative Asset Pte Ltd, Alpha Investment Partners Limited, Keppel REIT Management Limited, Keppel Infrastructure Fund Management Pte. Ltd., Keppel DC REIT Management Pte. Ltd. and Keppel Pacific Oak US REIT Management Pte. Ltd. (collectively known as “Keppel Capital Group”), have not given any consideration to and has not made any investigation of the investment objectives, financial situation or particular needs of the recipient, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient acting on such information or opinion or estimate.

Keppel Capital Group is under no obligation to update or keep current the information contained herein. In no event and under no legal or equitable theory, whether in tort, contract, strict liability or otherwise, shall Keppel Capital Group be liable for any damages, including without limitation direct or indirect, special, incidental or consequential damages, losses or expenses arising in connection with the use of or reliance on the information contained herein.