

CGS - CIMB

**INVESTOR
PRESENTATION**

10 November 2022



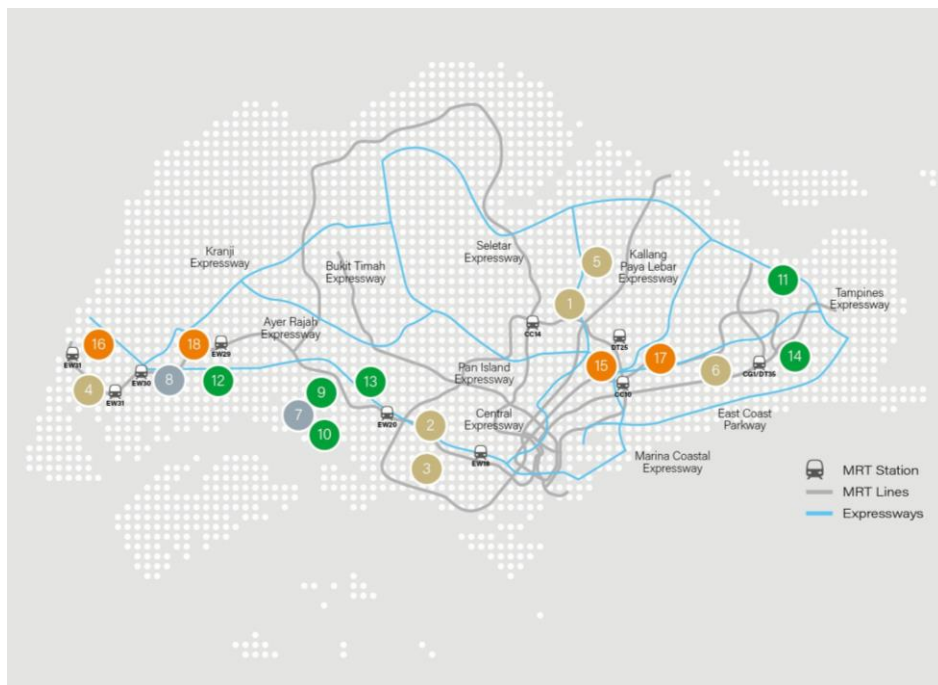
Agenda

- 01** Overview of Sabana Industrial REIT
 - 02** 3Q 2022 Business Updates
 - 03** Key Portfolio Performance
- Q&A

01 Overview



Industrial-Focused REIT With Diversified Portfolio



- Diversified portfolio of 18 industrial properties across four industrial segments in Singapore. We have a wide tenant base of both local and international companies
- Most of our buildings enjoy strong connectivity being in close proximity to expressways, MRT stations and other modes of public transport

Portfolio Value
\$871.7 million

Tenant Base
151 tenants

Total GFA (sq ft)
4.2 million

Portfolio Occupancy
89.1%

Total NLA (sq ft)
3.5 million

Portfolio WALE
2.7 years



High-Tech Industrial

- 151 Lorong Chuan
Lorong Chuan (CC14)
- 8 Commonwealth Lane
Commonwealth (EW20)
- 15 Jalan Kilang Barat
Redhill (EW18)
- 1 Tuas Avenue 4
Tuas Crescent (EW31)
- 23 Serangoon North Avenue 5
- 508 Chai Chee Lane



Chemical Warehouse & Logistics

- 7 33 & 35 Penjuru Lane
- 8 18 Gul Drive
Gul Circle (EW30)



Warehouse & Logistics

- 9 34 Penjuru Lane
- 10 51 Penjuru Road
- 11 26 Loyang Drive
- 12 3A Joo Koon Circle
Joo Koon (EW29)
- 13 2 Toh Tuck Link
- 14 10 Changi South Street 2
Expo (CG1/DT35)

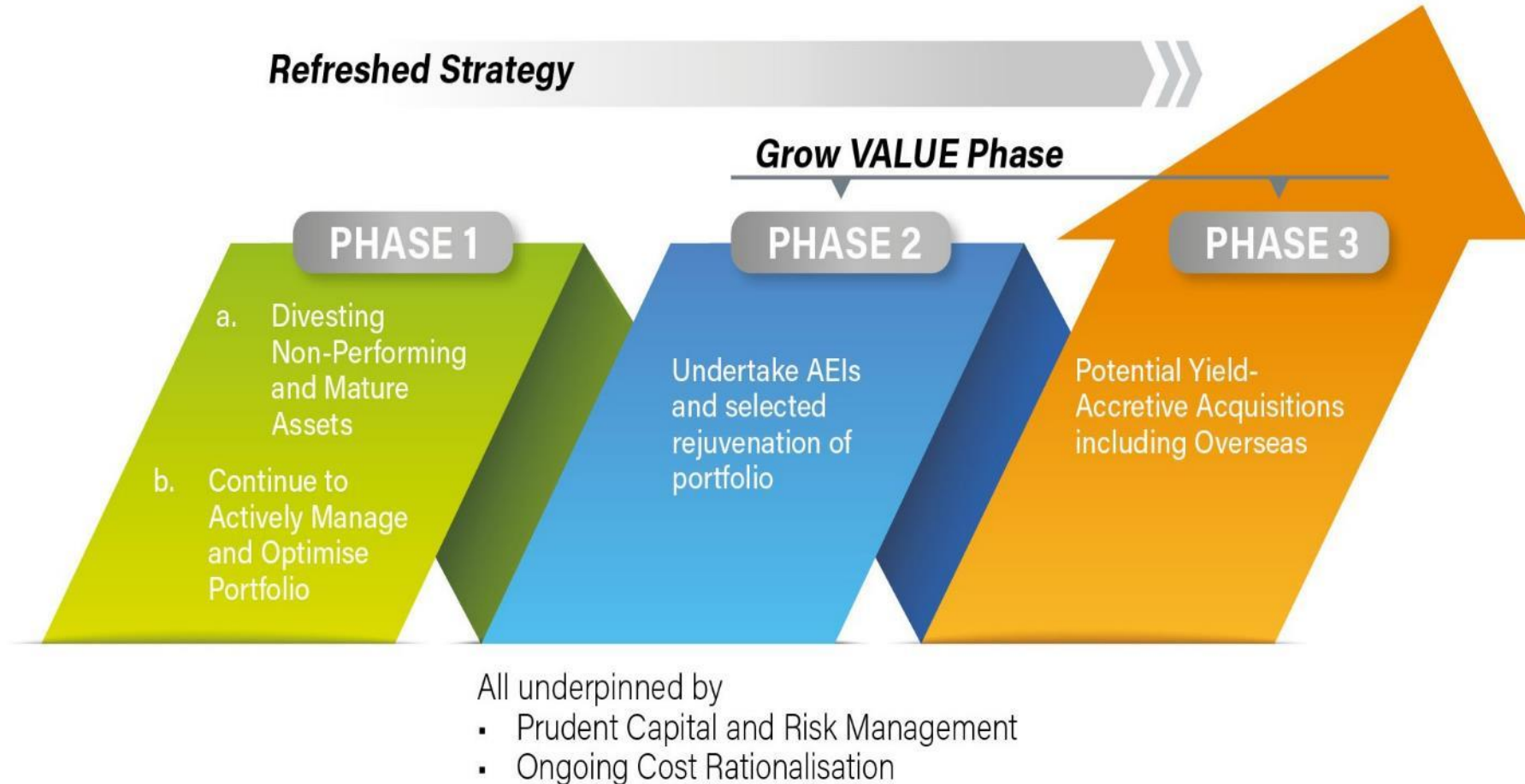


General Industrial

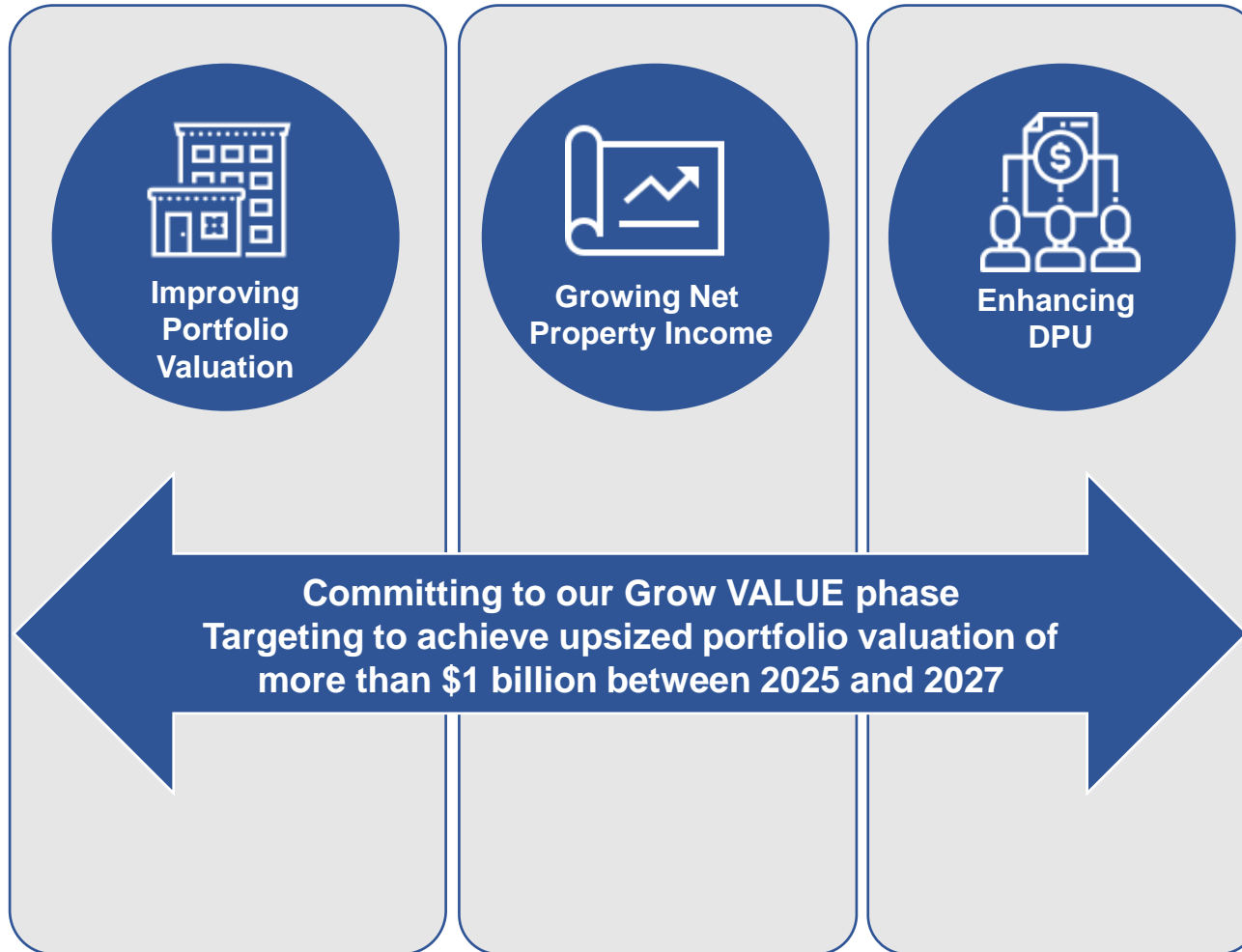
- 15 123 Genting Lane
Mattar (DT25)
- 16 30 & 32 Tuas Avenue 8
Tuas Crescent (EW31)
- 17 39 Ubi Road 1
MacPherson (DT26/CC10)
- 18 21 Joo Koon Crescent
Joo Koon (EW29)

N.B. Above figures are as of 30 June 2022, except for portfolio occupancy and WALE which are as of 31 September 2022. Excluding 1 Tuas Avenue 4 which is undergoing asset enhancement initiative, total portfolio occupancy would have been 92.2% for 3Q 2022.

Grow VALUE Phase of Our Refreshed Strategy

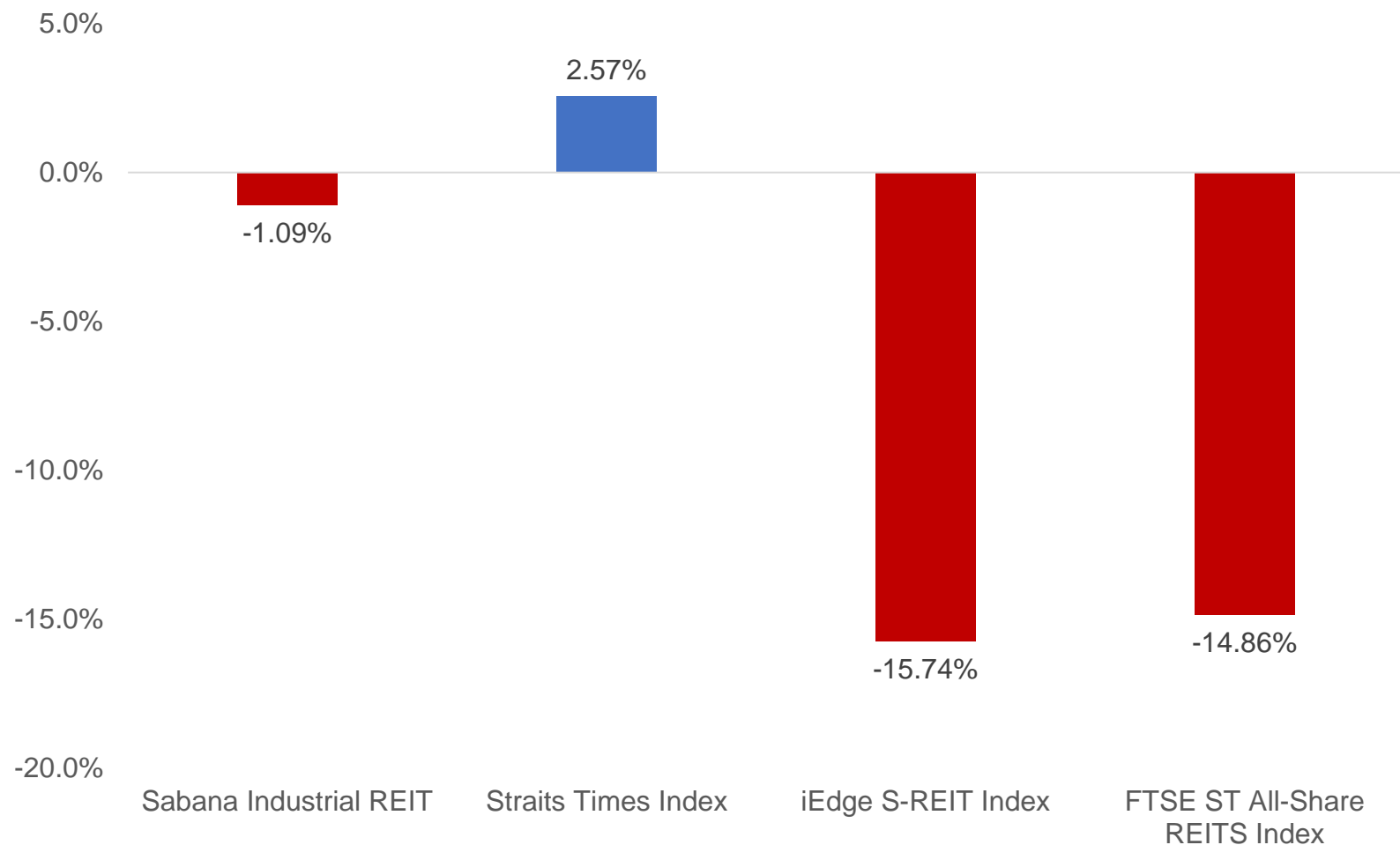


EXECUTING OUR GROW VALUE PHASE



- V** Building on **Value**, taking advantage of market opportunities with an eye on macro-economic challenges
- A** Pursuing **Accretive** acquisitions and executing AEs
- L** Optimising **Leverage** and capital structure
- U** **Upsizing** portfolio by retaining and attracting expansionary tenants from growth sectors including e-commerce, logistics, healthcare, electronics and technology
- E** Advancing **ESG** in our goals and investing with sustainability agenda

TOTAL RETURN FROM JAN – OCT 2022



Sabana Industrial REIT has remained resilient relative to S-REIT indices amid the market rout

Chart data extracted from Bloomberg, with total return based on capital appreciation and distribution yield from January to October 2022

02 3Q 2022 Highlights



CEO's Message

Market outlook

The convergence of high energy prices, rising interest rate and the prevailing significant risks in the global economy are continuing to weaken the overall market outlook for Singapore, with the country's GDP forecast for 2022 having narrowed by the Ministry of Trade and Industry to 3.0 to 4.0 per cent from 3.0 to 5.0 per cent.

Enhancing our portfolio resilience

Despite the higher utility and operating costs, we have continued to deliver on our performance. Our portfolio occupancy has climbed to 92.2% (excluding 1 Tuas Avenue 4 which is undergoing asset enhancement initiative), while our positive 10.2% rental reversion is our 10th positive quarterly reversion in the past 11 quarters. As we forge ahead, we are doing our utmost to manage our costs, optimise our funding sources, and seize opportunities that will enhance our portfolio resilience.

We are enhancing our existing properties to cater to changing market and tenant requirements. 1 Tuas Avenue 4 is a testament to our broader commitment to reduce our carbon footprint through the planned additions and alterations (“A&A”) of the existing structure. Additionally, we made the strategic decision to opt for A&A instead of a redevelopment as it requires a relatively shorter project timeline and will allow for maximum use of existing building structure. We are also incorporating environmental considerations across selected properties. These include the planned roll-out of sustainability projects such as energy conservation projects and solar panel installations. Collectively, these efforts are directed towards improving our buildings' operational efficiency over the medium-term.

~ Donald Han, CEO of Sabana Industrial REIT Manager

Key Quarterly Highlights

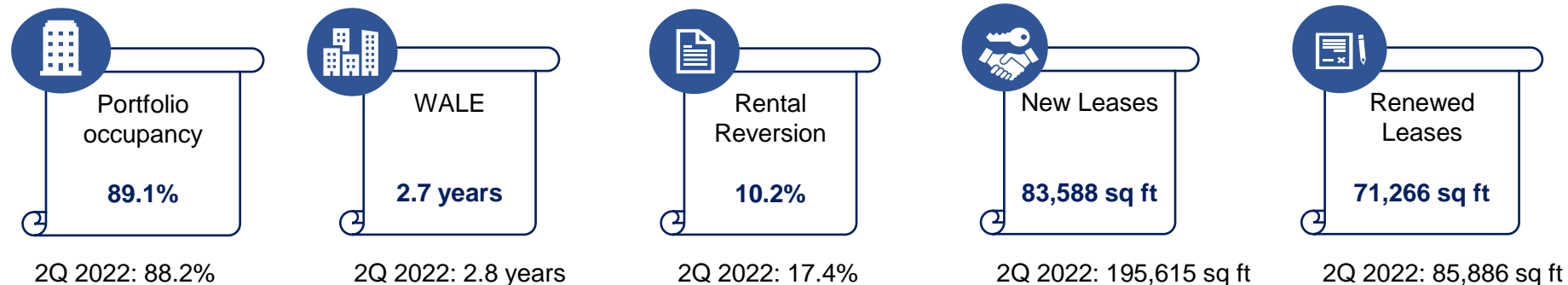
Portfolio Management

- Achieved total portfolio occupancy of 89.1%, a new high since 3Q 2017. Excluding 1 Tuas Avenue 4 which is undergoing asset enhancement initiative, total occupancy would have been 92.2%
- Signed 83,588 sq ft of new leases with tenants primarily from the logistics & supply chain and media & publishing trade sectors
- Renewed 71,266 sq ft of leases with a positive 10.2% rental reversion, which is our 10th positive quarterly reversion in the past 11 quarters
- The only master lease expiring in 2023 is under lease renewal documentation
- Proactively engaging key tenants with leases expiring in 2023 to secure their medium and long term leasing solutions within our portfolio

Capital Management

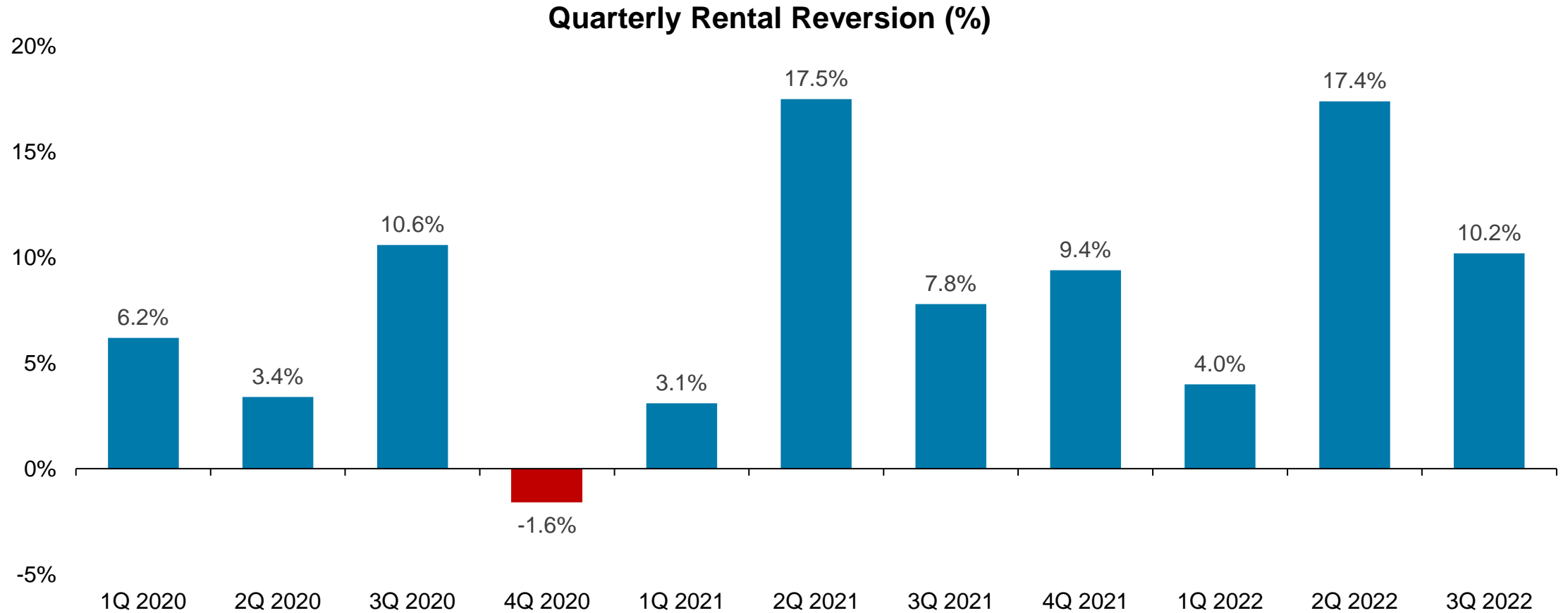
- Aggregate leverage ratio of 33.7%
- 73.3% of borrowings are on fixed rates and weighted average fixed debt expiry of 2.2 years
- Next refinancing in 2024
- Average borrowing maturity at 3.0 years and interest coverage ratio of 3.9x
- Proactively manage the REIT's funding sources and interest rates while exercising prudent capital deployment to enhance resilience of capital structure

Portfolio and Operational Updates as at 30 September 2022



SUSTAINED RENTAL REVERSIONS

10th positive quarterly reversion in the past 11 quarters

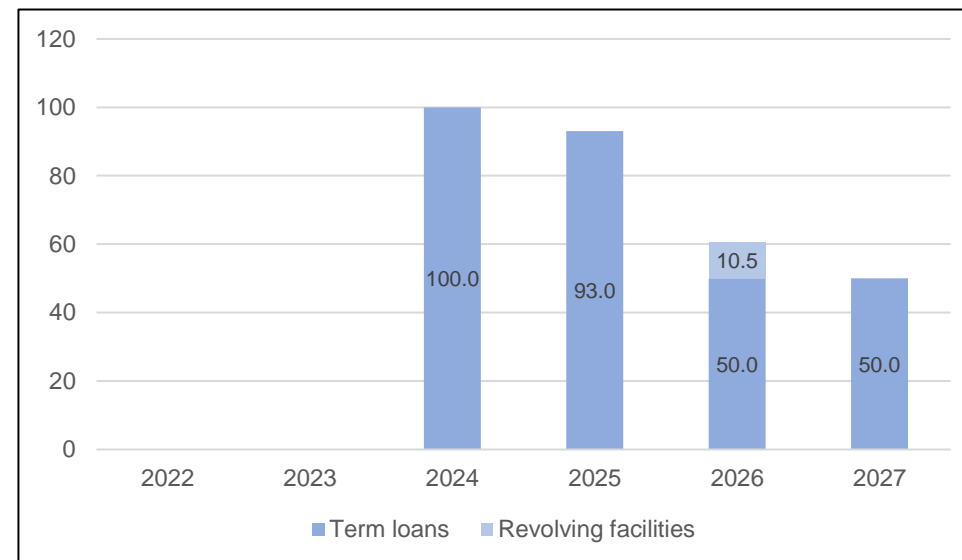


Capital Management

Key Credit Metrics

	3Q 2022	1H 2022	FY 2021
Total borrowings	\$303.5m ⁽¹⁾	\$295.5m	\$315.5m
- Term loans	\$293.0m	\$293.0m	\$315.5m
- Revolving Facilities	\$10.5m	\$2.5m	-
Aggregate leverage⁽²⁾	33.7%	33.4%	35.0%
Interest coverage ratio ⁽³⁾	3.9x	4.0x	4.4x
Weighted average tenor of borrowings	3.0 years	3.3 years	2.9 years
Average all-in financing cost⁽⁴⁾	3.77%	3.35%	3.14%
Proportion of total borrowings on fixed rates	73.3%	75.3%	66.6%
Weighted average fixed debt expiry	2.2 years	2.4 years	2.4 years
Debt Headroom⁽⁵⁾	\$142.2m	\$146.1m	\$130.8m
Unencumbered assets	100%	100%	63%

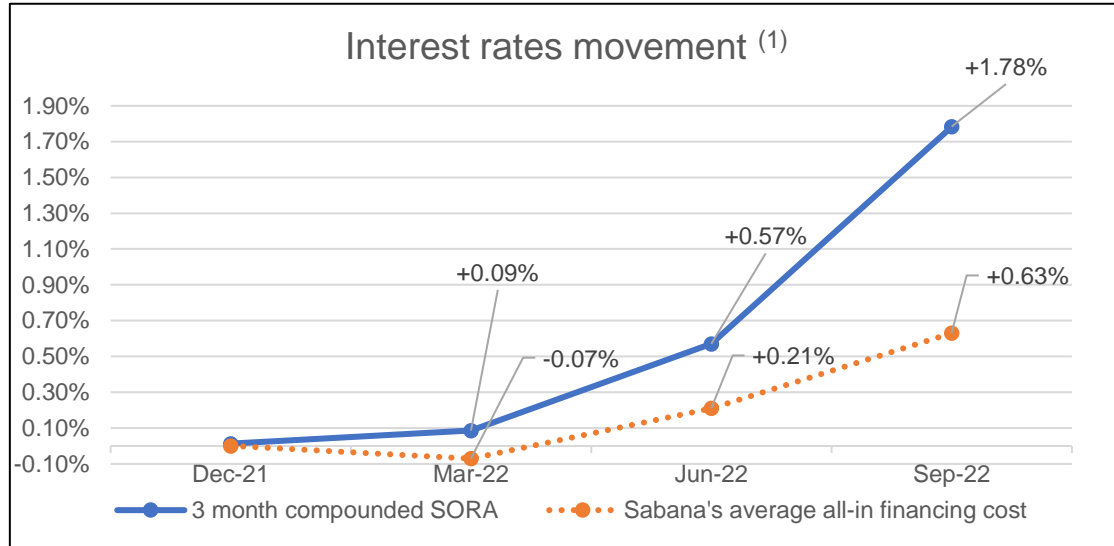
Debt Maturity Profile



Notes:

- (1) Borrowings have reduced due to the repayment using the cash flow generated from operations and Distribution Reinvestment Plan.
- (2) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.
- (3) Based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes (last revised on 28 December 2021).
- (4) Based on SORA/SOR as of period end.
- (5) On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix, inclusive of undrawn committed facilities of \$109.5m (31 December 2021: \$95.9m).

Prudent Interest Rate Risk Management



Change in interest rates	31 December 2021	30 September 2022	Absolute increase
3 month compounded SORA ⁽³⁾	0.19%	1.97%	+1.78% ⁽²⁾
Average all-in financing cost	3.14%	3.77%	+0.63% ⁽²⁾

Change in interest rates	Impact on Distribution (\$m)	Impact on DPU (cents) ⁽⁴⁾	Impact on DPU %
+ 50 bps	(0.41)	(0.04)	(1.2%)
+ 100 bps	(0.81)	(0.08)	(2.5%)
+ 150 bps	(1.22)	(0.11)	(3.7%)
+ 200 bps	(1.62)	(0.15)	(5.0%)
+ 250 bps	(2.03)	(0.19)	(6.2%)

Notes:
 (1) This represents the YTD absolute increase in the 3 month compounded SORA and the average all-in financing cost.

(2) The increase in the average all-in financing cost of 0.63% (From 3.14% as at 31 December 2021 to 3.77% as at 30 September 2022) is mainly due to the surge in the 3 month compounded SORA of 1.78% (From 0.19% as at 31 December 2021 to 1.97% as at 30 September 2022). The impact of the rising rates are mitigated as 73.3% of the borrowings are on fixed rates.

(3) Source: <https://eservices.mas.gov.sg/Statistics/dir/DomesticInterestRates.aspx>

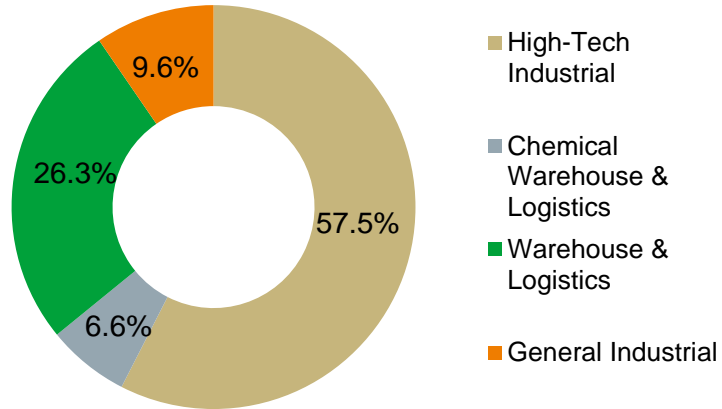
(4) Based on 1,069,950,268 units as at 31 December 2021.

03 Key Portfolio Performance

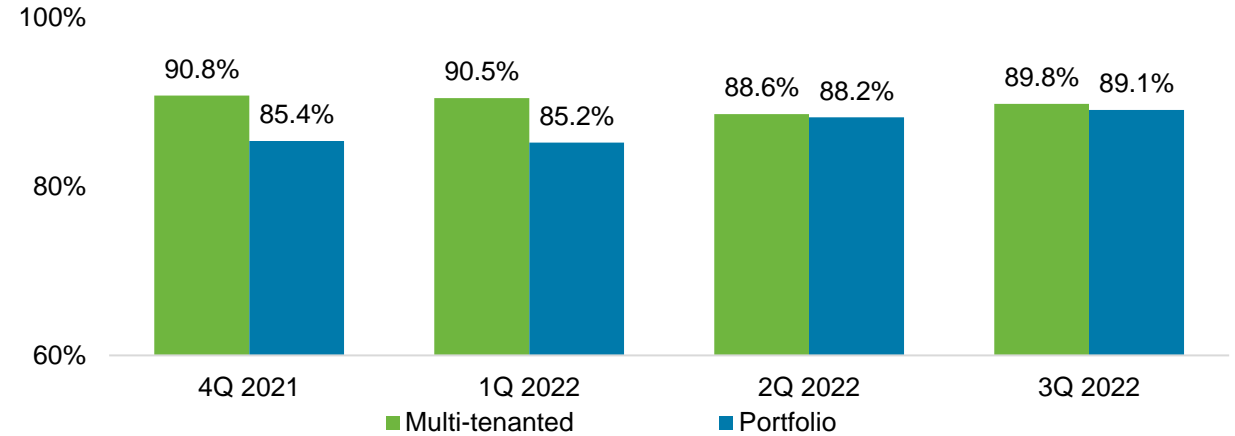


Portfolio Performance as at 30 September 2022

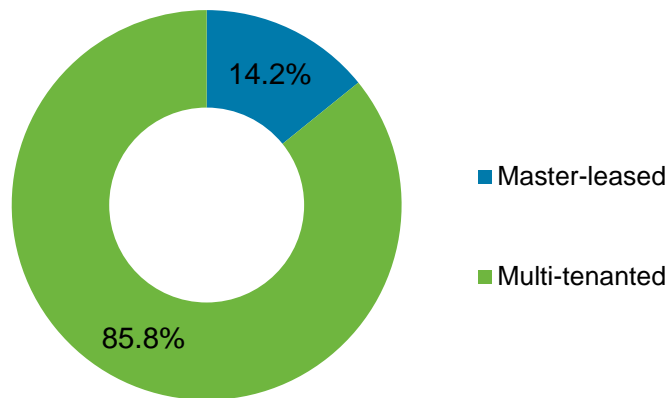
Breakdown of Asset Types
By Gross Rental Income



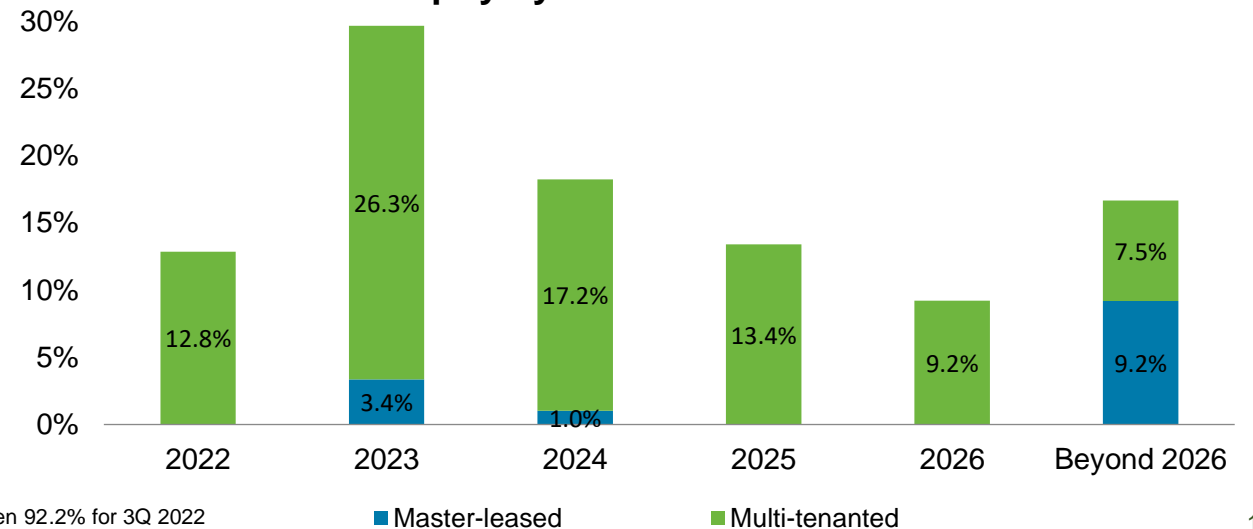
Occupancy Rates



Breakdown of Master-leased and Multi-tenanted Properties
By Gross Rental Income



Lease Expiry by Gross Rental Income



N.B. Excluding 1 Tuas Avenue 4 which is undergoing asset enhancement initiative, total portfolio occupancy would have been 92.2% for 3Q 2022

Progressing with green initiatives; strengthening portfolio resilience

Updates on green initiatives



508 Chai Chee Lane

Stepping up efforts to implement energy conservation projects and green initiatives across selected portfolio properties.

- Energy conservation projects at **508 Chai Chee Lane** expected to be completed in 2H 2023. Building energy consumption efficiency expected to improve by approximately 30% upon completion
- Replacement of existing lighting with LED lights at selected properties, starting with level 1 carpark at **151 Lorong Chuan (New Tech Park)** which is on target for completion by end-2022.
- Planned installation of electric vehicle charging stations at **151 Lorong Chuan (New Tech Park)** on track for completion by end-2022/early-2023
- Proposed installation of solar panels at selected properties



151 Lorong Chuan
(New Tech Park)

Asset Enhancement Initiative



Preliminary artist's impression of the new facility at 1 Tuas Avenue 4

- Proposed plan to convert 1 Tuas Avenue 4 into a brand new warehouse and logistics facility, subject to approval from relevant authorities
- Concurrently in discussions with several prospective tenants, such as third party logistics companies and/or other users
- New facility will incorporate green and smart features

Awards Shortlist for Architecture Excellence



With its successful transformation on the back of the NTP+ mall completion, New Tech Park was shortlisted for architectural awards honouring the best projects that exemplify excellence in architectural design

Singapore:

- Nominated for the Singapore Institute of Architects (SIA) Architectural Design Awards 2022 (Special Categories). This prestigious local event was held in July 2022

Global:

- Shortlisted for the World Architecture Festival (WAF) 2022 Awards under the “New & Old” completed buildings category. This largest global architecture event, for which past winners include the cooled conservatories at Gardens by the Bay, the Helix Bridge, and Kampung Admiralty, will be held from 30 Nov to 2 Dec 2022

Q&A

Contact Us



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