

Phillip
Securities

CORPORATE
WEBINAR



19 April 2023

Agenda

- 01** Overview
- 02** FY 2022 Highlights
- 03** 1Q 2023 Highlights
- 04** Upcoming AGM

01 Overview



Industrial-Focused REIT With Diversified Portfolio



Our properties are diversified into four industrial segments across Singapore. Most of our buildings are in close proximity to expressways, MRT stations and other modes of public transport.



High-Tech Industrial

- 1 151 Lorong Chuan
Lorong Chuan (CC14)
- 2 8 Commonwealth Lane
Commonwealth (EW20)
- 3 15 Jalan Kilang Barat
Redhill (EW18)
- 4 1 Tuas Avenue 4
Tuas Crescent (EW31)
- 5 23 Serangoon North Avenue 5
- 6 508 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)

PORTFOLIO OCCUPANCY 91.2%

- 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
\$885.7 million

Tenant Base
158 tenants

Total GFA (sq ft)
4.2 million

Portfolio Occupancy *
91.2%

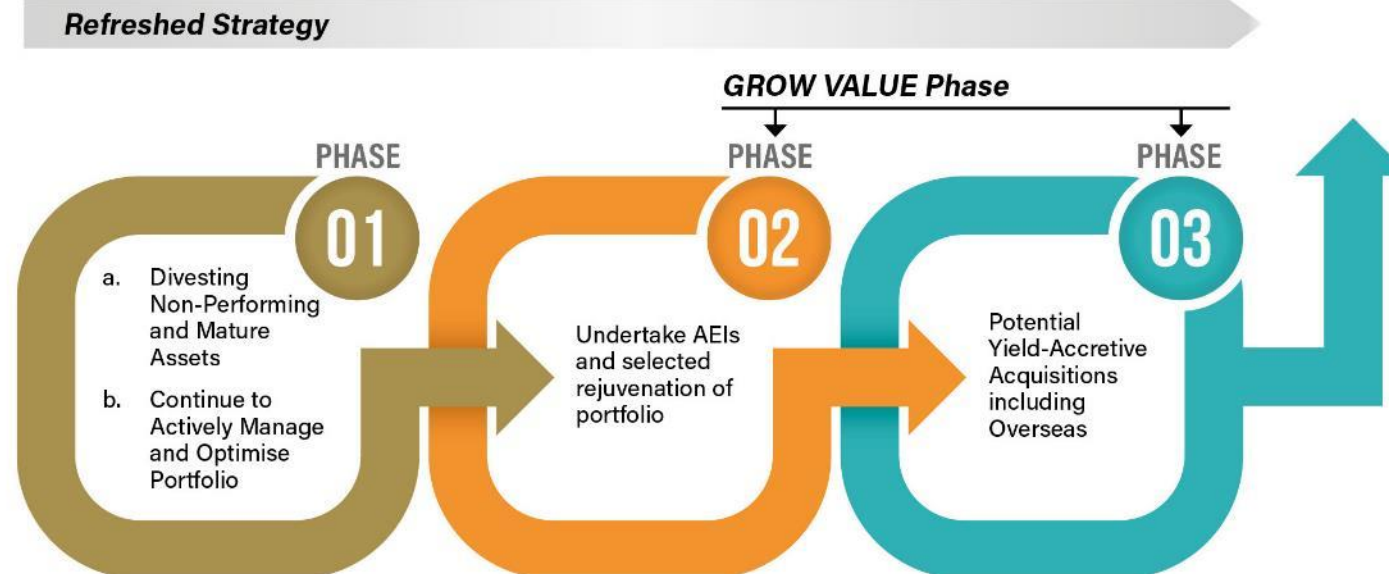
Total NLA (sq ft)
3.5 million

Portfolio WALE
3.0 years

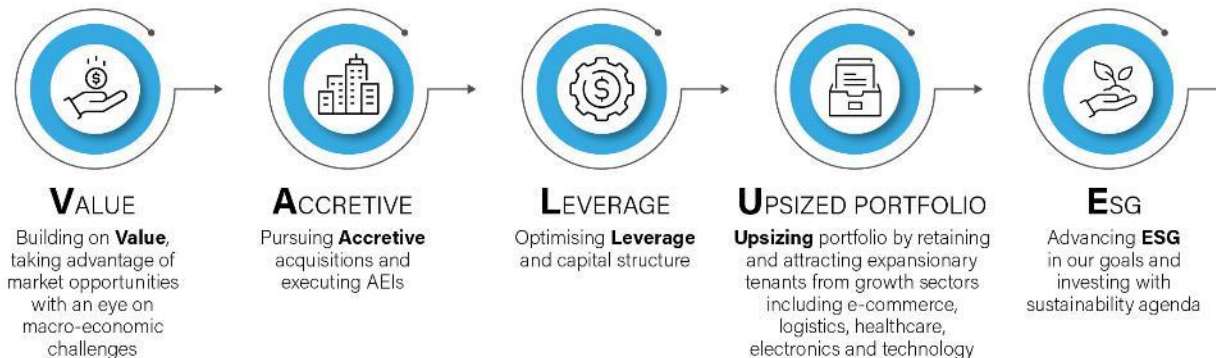
All figures are as of 31 December 2022
*Excluding 1 Tuas Avenue 4, which is undergoing AEI

Grow VALUE Phase of Our Refreshed Strategy

On the GROW VALUE phase of Refreshed Strategy with five strategic priorities



Five Strategic VALUE Priorities for Phases 2 and 3 of Refreshed Strategy



Targeting to achieve upsized portfolio valuation of more than \$1 billion between 2025 and 2027

02 FY 2022 Highlights



FY 2022 AT A GLANCE

For the year ended 31 December 2022

Financial Performance



Gross Revenue
\$94.9m
+15.9% y-o-y

Net Property Income
\$53.3m
+2.6% y-o-y

Total Amount Available for
Distribution
\$33.1m
+1.7% y-o-y

Distribution per Unit
3.05 cents
unchanged

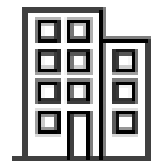
Capital Management



Aggregate Leverage¹
32.4%
31 Dec 2021: 35.0%

Average All-In Financing Cost
3.86%
31 Dec 2021: 3.14%

Portfolio Management



Portfolio Valuation
\$885.7m
31 Dec 2021: \$866.2m

Portfolio Occupancy
91.2%
31 Dec 2021: 88.4%

Rental Reversion
12.9%
31 Dec 2021: 10.5%

1. Ratio of total borrowings & deferred payment to deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes

IMPROVEMENT IN CORPORATE GOVERNANCE RANKINGS

Governance Index for Trusts (“GIFT”)

- Ranked 14th of 43 Singapore-listed REITS, Business Trusts, and Stapled Trusts
- The 2022 ranking (overall GIFT score of 71.5 in 2022) reflects an upward improvement of 24 positions compared to Sabana Industrial REIT’s ranking at 38th place in 2021 (overall GIFT score of 54.0 in 2021)
- Biggest year-on-year improvement in ranking among Singapore-listed REITS, Business Trusts, and Stapled Trusts with a 17.5 point improvement in GIFT score

Singapore Governance and Transparency Index (“SGTI”)

- Ranked 35th of 44 Singapore-listed REITS and Business Trusts in the SGTI in 2022
- The 2022 ranking (overall SGTI score of 74.4 in 2022) reflects an improvement of eight positions compared to Sabana Industrial REIT’s ranking at 43rd place in 2021 (overall SGTI score of 61.1 in 2021)
- Among the top five REITS and Business Trusts with the most year-on-year improvements in overall SGTI scores

03

1Q 2023 Highlights



CEO's Message

Market outlook

According to the Ministry of Trade and Industry, Singapore's economic outlook is expected to be supported by the projected growth in China and the resulting improvements in the growth outlook of the regional economies. The global supply situation is expected to continue to stabilise and global commodity prices are expected to stay elevated. The GDP growth forecast for 2023 is at "0.5 to 2.5 per cent".

Growing our value



In the climate of high energy prices, inflation and high interest rates, we remain steadfast in our course to grow value. Our portfolio occupancy in 1Q 2023 has climbed to 92.6%, the highest since 1Q 2021. Our positive 13.6% rental reversion builds on our track record of consecutive, positive quarterly reversions over the same period. While outlook for the industrial property sector remains mixed as we enter 2023, demand for our warehouse and logistics properties from third-party logistics service providers was strong, particularly during 1Q 2023.

Sabana Industrial REIT is poised to become one of Singapore's first carbon neutral REITs by 2040, when our various sustainability solutions are implemented, in partnership with Keppel EaaS. This will enable us to reduce energy costs and grow long-term Unitholder value. We are also happy to report significant progress regarding addition and alteration works on 1 Tuas Avenue 4 on the back of the provisional permission from the Urban Redevelopment Authority.



~ Donald Han, CEO of Sabana Industrial REIT Manager

Key Quarterly Highlights

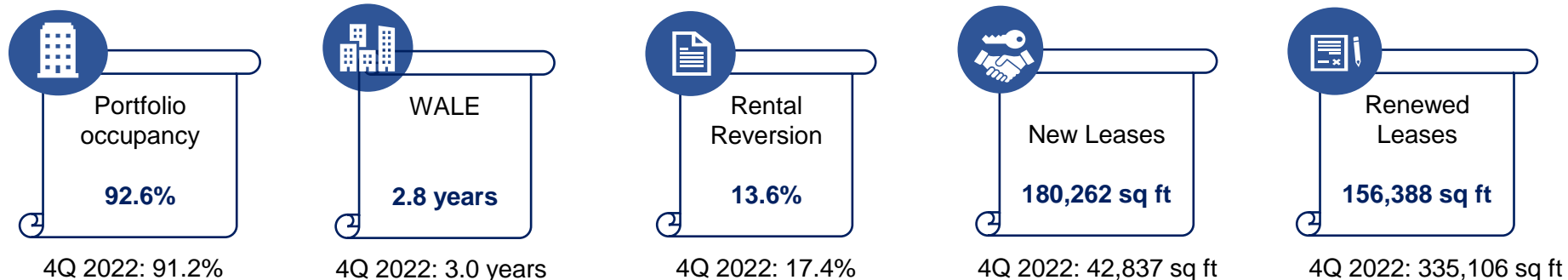
Portfolio Management

- Achieved portfolio occupancy of 92.6%, a new high since 1Q 2021
- Signed 180,262 sq ft of new leases with tenants, driven mainly by significant growth in demand for Warehouse and Logistics properties by third-party logistics providers
- New leases were secured at 10 Changi South Street 2, 34 Penjuru Lane, 51 Penjuru Road, 15 Jalan Kilang Barat and New Tech Park, amongst others
- Renewed 156,388 sq ft of leases with a positive 13.6% rental reversion, sustaining the positive quarterly rental reversion track record since 1Q 2021
- The only master lease that is due to expire in 2023 has been renewed for a further term. The next master lease renewal is due only in 2H 2024
- Proactively engaging almost all tenants with leases expiring in 2023 and key tenants with lease expiry in 2024 to secure their medium and long-term leasing solutions within our portfolio

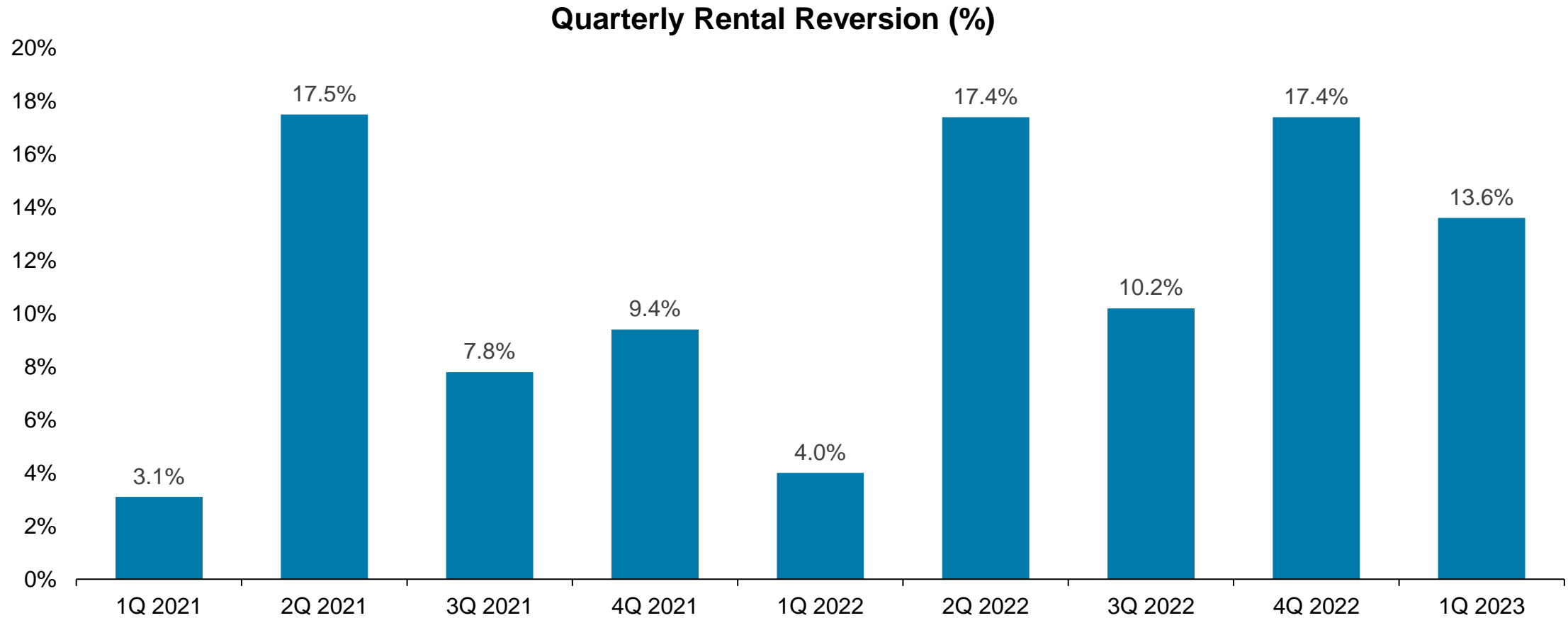
Capital Management

- Aggregate leverage ratio of 33.1%
- 80.0% of borrowings are on fixed rates and weighted average fixed debt expiry of 1.8 years
- Every potential 50 bps increase in interest rates may result in a \$0.30m decrease in distributable income or 0.9% reduction (equivalent to 0.03 cents) on DPU per annum
- Next refinancing in 4Q 2024
- Average borrowing maturity at 2.6 years and interest coverage ratio of 3.8 times
- 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 31 March 2023



CONTINUOUS POSITIVE RENTAL REVERSION SINCE 1Q 2021

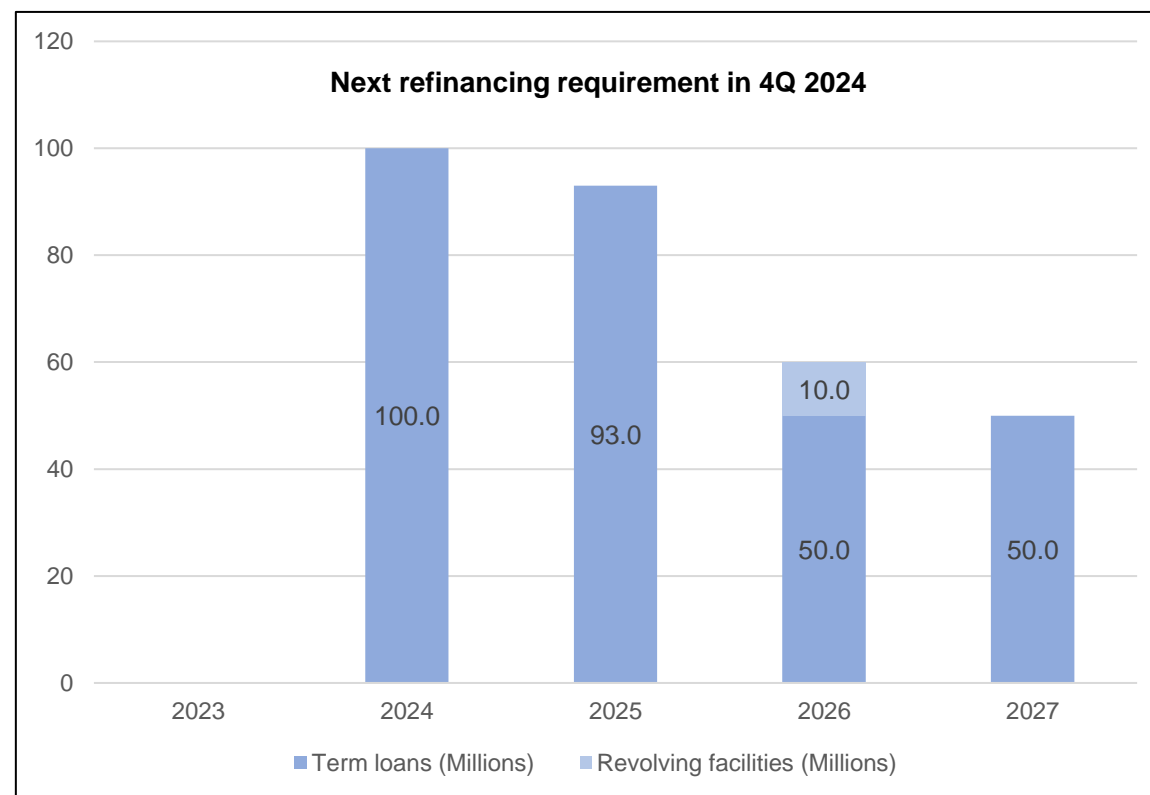


CAPITAL MANAGEMENT

Key Credit Metrics

	As at 31 March 2023	As at 31 December 2022
Total borrowings	\$303.0m	\$293.0m
- Term loans	\$293.0m	\$293.0m
- Revolving facilities	\$10.0m	-
Aggregate leverage⁽¹⁾	33.1%	32.4%
Interest coverage ratio ⁽²⁾	3.8 times	3.8 times
Weighted average tenor of borrowings	2.6 years	2.8 years
Average all-in financing cost	3.83%	3.86%
Proportion of total borrowings on fixed rates	80.0%	82.8%
Weighted average fixed debt expiry	1.8 years	2.0 years
Debt Headroom⁽³⁾	\$151.5m	\$156.1m
Unencumbered assets	100%	100%

Debt Maturity Profile

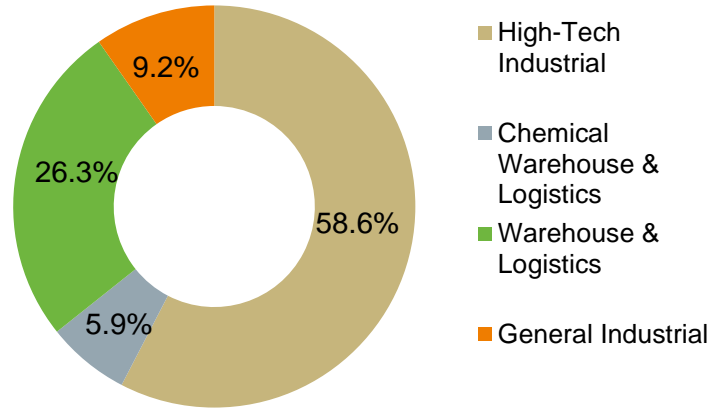


Notes:

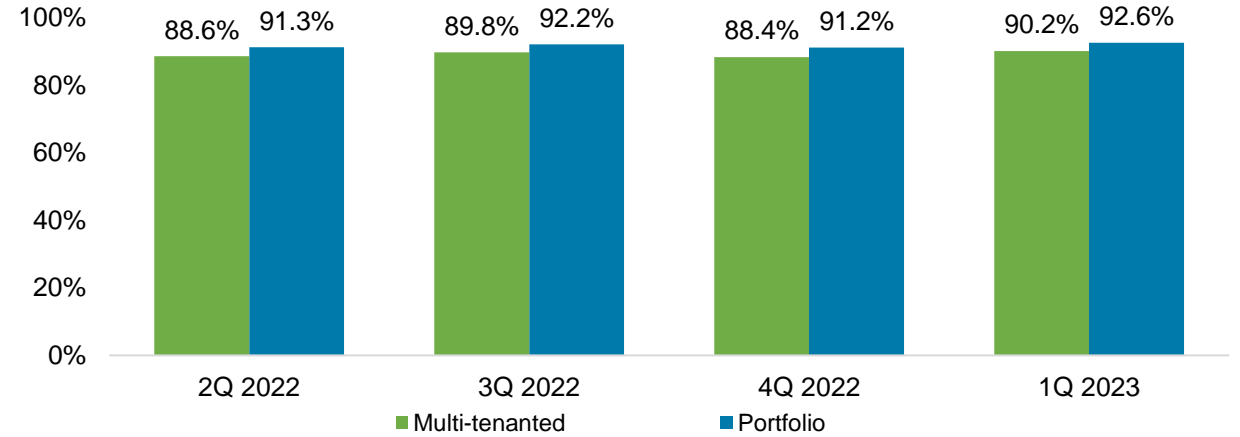
- (1) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.
 (2) Based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes (last revised on 28 December 2021).
 (3) On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix, inclusive of committed and undrawn facilities of \$110m.

Portfolio Performance as at 31 March 2023

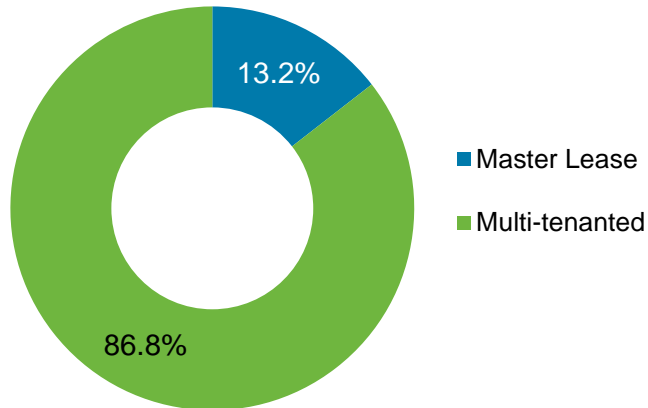
Breakdown of Asset Types
By Gross Rental Income



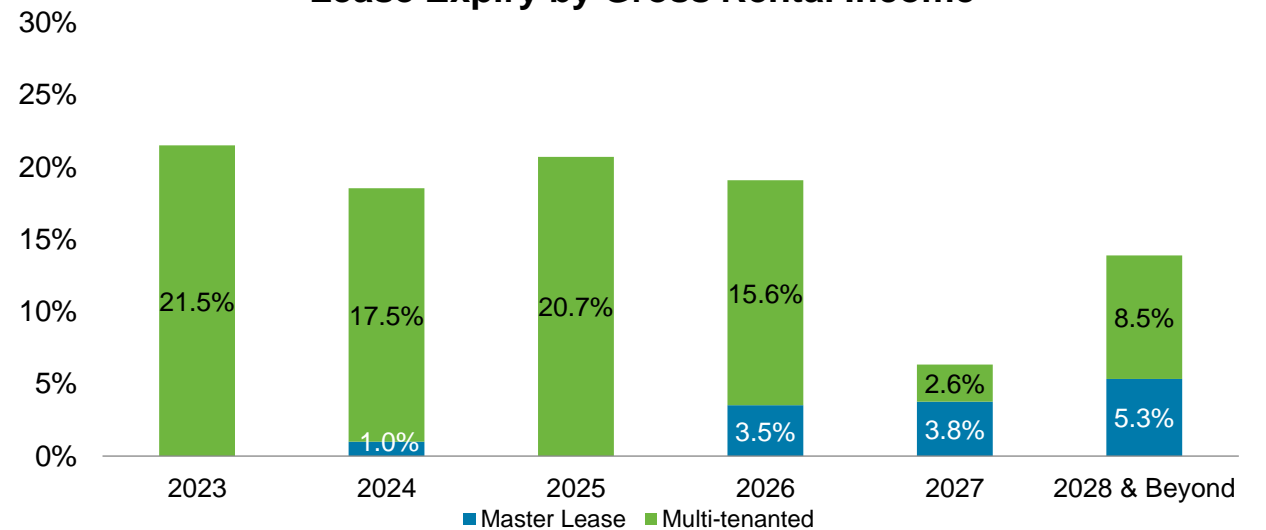
Occupancy Rates



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



Lease Expiry by Gross Rental Income



CREATING VALUE THROUGH ASSET ENHANCEMENT INITIATIVE



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



Strategic Location

The strategic location of 1 Tuas Avenue 4, within established industry clusters including Tuas Mega Port and Tuas Medical Park and good connectivity represents an attractive and ideal space for prospective tenants.

Project Progress

- Obtained provisional permission from the Urban Redevelopment Authority for addition and alteration works
- Main contractor has been appointed
- Ground-breaking took place on 4 April

Description

- Designed to comprise an approximate 156,000 square feet of warehouse, production and ancillary office on an ambient basis
- Ample loading bays with dock levellers
- Development cost of approximately \$20.0m, internally funded
- Targeting to obtain TOP by 1H 2024
- Currently in discussions with prospective tenants including companies in the logistics and manufacturing trade sectors

Green Features


- Will incorporate solar panels that will potentially generate more than 1,000 megawatt-hours of energy per year
- Target to attain a minimum Green Mark Super Low Energy certification post AEI-completion


OUR COMMITMENT TO SUSTAINABILITY: INITIATIVES AND PROGRESS


Partners Keppel EaaS to jointly execute decarbonisation solutions with the aim of creating one of Singapore’s first carbon neutral industrial REITs

- Entered into contracts for the installation of:
 - Photovoltaic solar panels at 10 Changi South Street 2, 34 Penjuru Lane, 3A Joo Koon Circle and 1 Tuas Avenue 4
 - Target completion by end 3Q 2023, except for 1 Tuas Avenue 4 which will be 1H 2024
 - Four Electric Vehicle (“EV”) charging stations at 151 Lorong Chuan (“New Tech Park”); Target completion in 1H 2023

Installed capacity of **4.7** Megawatt peak and able to produce **5,700** Megawatt hours per year, equivalent to:

 Powering 1,700 3-Room HDB Flats

 Reducing over 43,000 tonnes of carbon emissions

 Carbon abatement of planting 30,000 trees



Mr Donald Han, CEO of the Manager of Sabana Industrial REIT and Mr Lim Yong Wei, GM of Keppel EaaS, at the signing of the MoU on 30 March 2023



1 Tuas Avenue 4



10 Changi South Street 2



3A Joo Koon Circle



34 Penjuru Lane

A low-angle, black and white photograph of modern glass skyscrapers. The buildings are seen from below, looking up, creating a sense of height and scale. The sky is bright and clear. A dark blue banner is overlaid on the top left of the image.

04

Upcoming AGM

AGM 2023



25 April, 10 am



Hope Space, New Tech Park (Lobby F) #02-06,
151 Lorong Chuan Singapore 556741

RESOLUTIONS

ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of Sabana Industrial REIT for the financial year ended 31 December 2022 and the Auditors' Report thereon. (Ordinary Resolution)
2. To appoint Ernst & Young LLP in place of KPMG LLP as Auditors of Sabana Industrial REIT and to authorise the Manager to fix their remuneration. (Ordinary Resolution)
3. To endorse the appointment of Ms Lee Kia Jong Elaine (Mrs Elaine Lim) as an Independent Non-Executive Director of the Manager. (Ordinary Resolution)

SPECIAL BUSINESS

4. To authorise the Manager to issue Units and to make or grant convertible instruments. (Ordinary Resolution)
5. To authorise the Manager to allot and issue Units pursuant to the distribution reinvestment arrangements. (Ordinary Resolution)

Q&A

Contact Us



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Important Notice

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