



# ASCENDAS REIT

## Extraordinary General Meeting

Proposed Acquisitions of 30 Business Park Properties  
in the US and Singapore for S\$1.66 billion

27 November 2019

# Disclaimers

- **This material shall be read in conjunction with Ascendas Reit’s announcement titled “Proposed Acquisitions of a Portfolio of United States Properties and Two Singapore Properties” on 1 November 2019.**
- 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 similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support Ascendas Reit’s future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.
- The value of Units in Ascendas Reit (“Units”) and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, 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. 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 unitholders of Ascendas Reit may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.
- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

# Agenda

- Unitholders' Approval Sought for the Proposed Acquisitions
- Overview of Acquisitions
- US Business Park Properties
- Singapore Business Park Properties
- What the Proposed Acquisition Offers
- Funding Structure
- Conclusion

# Unitholders' Approval Sought for the Proposed Acquisitions



# Unitholders' Approval Sought

- For the proposed acquisitions of the US Properties, Nucleos and FM Global Centre from the Vendors (Interested Persons<sup>(1),(2)</sup>)

## Vendors

Perpetual (Asia) Limited

Ascendas Venture Pte. Ltd

Singapore Science Park Ltd

100%

100%

100%



28 properties in US  
(San Diego, Raleigh and Portland)



Nucleos, one-north



FM Global Centre, Singapore  
Science Park 2

- (1) Proposed Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required by way of an ordinary resolution. Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
- (2) CapitaLand and their associates will abstain from voting on the resolution relating to the Proposed Acquisition given that the Properties will be acquired from indirect wholly owned subsidiaries of CapitaLand

# Overview of Proposed Acquisitions



# Proposed Acquisitions

**S\$1.66 b worth of Business Park properties in the US and Singapore**



## 28 Properties in Key US Tech Cities



San Diego



Raleigh



Portland



## 2 Properties in Singapore



Nucleos, one-north



FM Global Centre,  
Singapore Science Park 2



- Purchase consideration<sup>(1)</sup> of **US\$937.6 m**  
**(S\$1,285.3 m<sup>(2)</sup>)**

- Purchase consideration of **S\$380.0 m**

(1) The US Properties will be acquired through the acquisition of the entire issued share capital of Ascendas US Holdco Pte Ltd. The purchase consideration of the US Properties takes into account the US Agreed Portfolio Value as defined in the announcement titled "Proposed acquisitions of a portfolio of United States properties and two Singapore properties", dated 1 November 2019

(2) All US\$ figures converted to S\$ in this presentation are based on the exchange rate of US\$1.00: S\$1.3708.

# Overview of Proposed Acquisitions

	 US Properties	 Singapore Properties	Total
Purchase Consideration (\$\$ m)	1,285.3	380.0	1,665.3
Total Acquisition Cost <sup>(1)</sup> (\$\$ m)	1,308.6	397.1	1,705.7
No. of Properties	28	2	30
GFA (sq m)	313,059	57,787	370,846
NLA (sq m)	310,102	49,762	359,864
Net Property Income (NPI) (\$\$ m)	82.3	25.3	107.6
Pre-transaction cost NPI Yield (%)	6.4%	6.7%	<b>6.5%</b>
Valuations (\$\$ m) (as at 1 Sep 2019)	1) JLL: 1,291.7 2) Newmark Knight Frank: 1,318.0	1) CBRE: 397.1 2) Colliers: 392.0	n.a.
Occupancy Rate (%)	93.7	94.6	93.8
Weighted Average Lease to Expiry <sup>(2)</sup> (years)	4.2	6.9	4.9
Weighted Average Land Lease to Expiry (years)	Freehold	56.7	n.a.

Note: Info as at 30 Sep 2019

(1) Includes acquisition fee and other transaction costs.

(2) By gross rental income



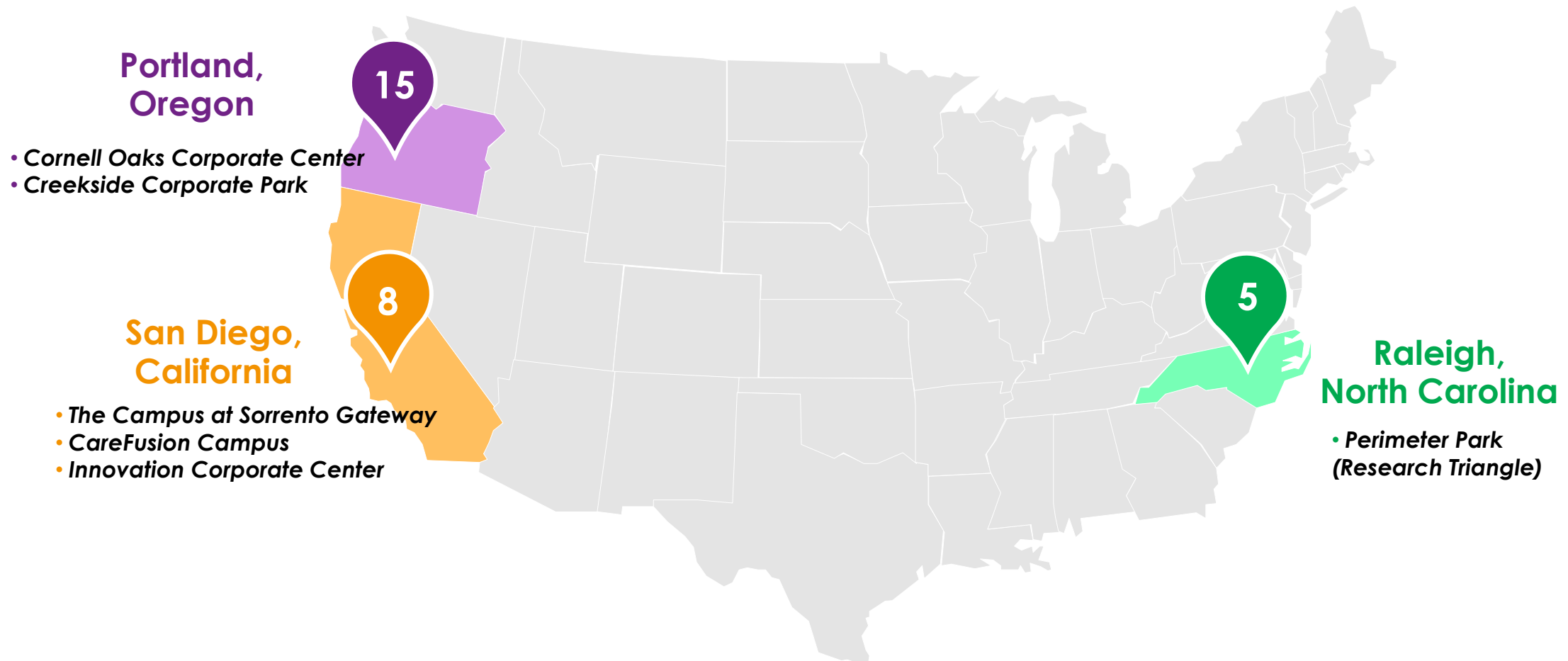
# US Business Park Properties



15253 Avenue of Science, Innovation Corporate Center, San Diego, US

# Where are the US Properties?

## 28 Properties in San Diego, Raleigh and Portland (Top 10 US tech cities)



# The U.S. Portfolio is Strategically Located in Key Clusters – San Diego



**CARMEL MOUNTAIN RANCH TOWN CENTER**  
(1 Mile Square Feet of Retail)

Recent Renovated,  
Coveted Campus Setting

RANCHO BERNARDO	
PROPERTIES	
1	15231, 15253 & 15333 Avenue of Science
2	15073 Avenue of Science
3	15051 Avenue of Science
4	15435 & 15445 Innovation Drive
5	15378 Avenue of Science

INNOVATION DRIVE

CAMINO DEL NORTE

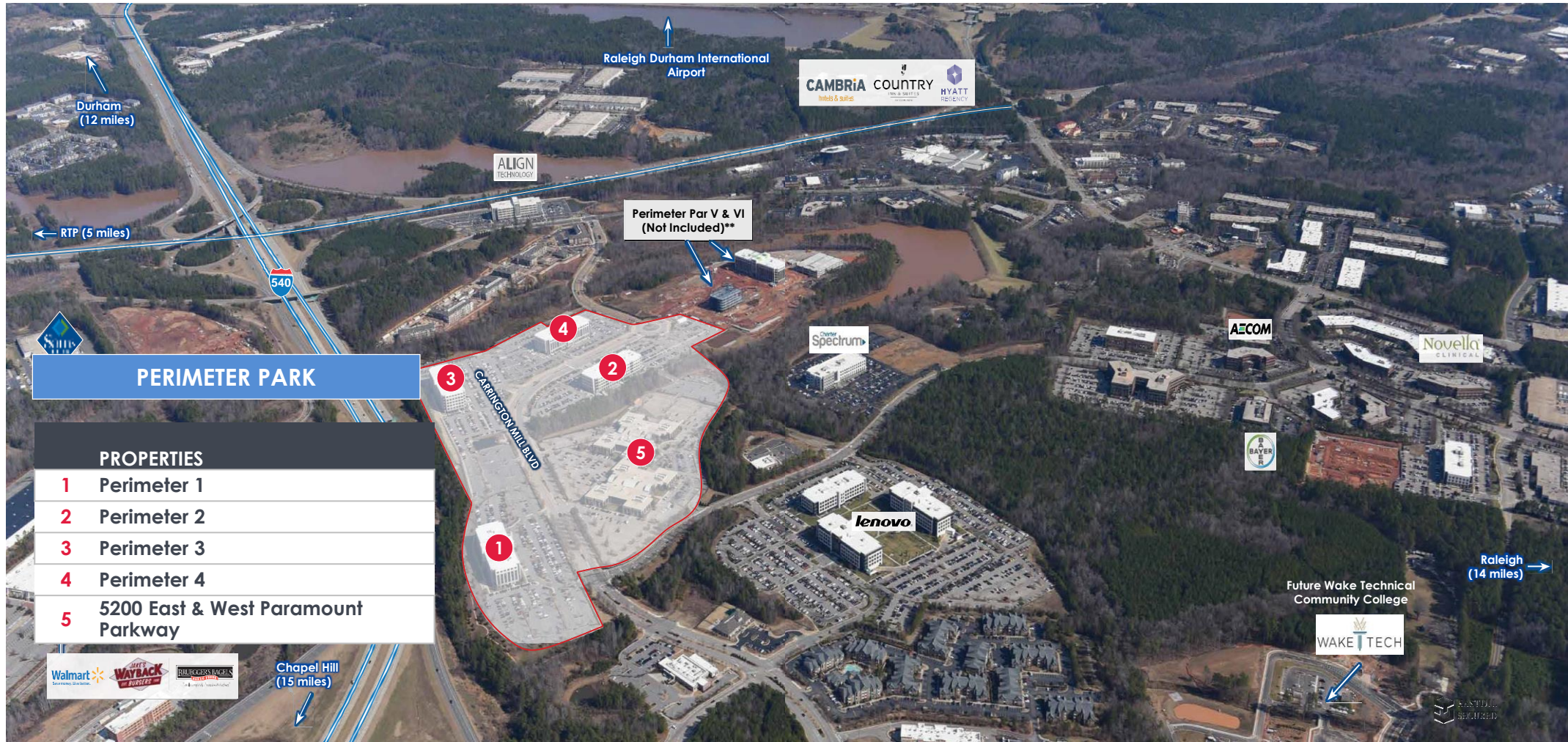
# The U.S. Portfolio is Strategically Located in Key Clusters – San Diego (cont'd)



SORRENTO MESA	
PROPERTIES	
1	6055 Lusk Boulevard
2	10020 Pacific Mesa Boulevard
3	5005 & 5010 Wateridge

CareFusion Campus

# The U.S. Portfolio is Strategically Located in Key Clusters – Raleigh



Note: 5200 West Paramount Parkway and 5200 East Paramount Parkway constitute one property.

# The U.S. Portfolio is Strategically Located in Key Clusters - Portland



**CORNELL OAKS CORPORATE CENTER**

PROPERTIES	
1	Greenbrier Court
2	Parkside
3	The Atrium
4	Waterside
5	Ridgeview
6	The Commons

Headquarter 1.5 miles

HILLSBORO

TANASBOURNE RETAIL COMPLEX

Logos: Nike, Intel, Salesforce, Target, Starbucks, Beyond, Columbia Sportswear Company, Hilton Garden Inn, 24 FITNESS, Men's Health & Science University, DORVILLE, BARNES & NOBLE, CHILDRON, MIA, BANANA REPUBLIC, GEN EARTH & BEYOND.

US 26

Columbia Sportswear Company Corporate Headquarter

# The U.S. Portfolio is Strategically Located in Key Clusters – Portland (cont'd)



# US Properties Details

Tech-driven Cities	San Diego	Raleigh	Portland	Total
Asset Value (\$\$ m)	581.5	411.7	288.4	1,281.7
No. of Properties	8	5	15	28
Valuations <sup>(1)</sup> (\$\$ m)	JLL: 573.4 Newmark Knight Frank: 610.7	JLL: 436.6 Newmark Knight Frank: 401.8	JLL: 281.7 Newmark Knight Frank: 305.6	JLL: 1,291.7 Newmark Knight Frank: 1,318.0
GFA (sq m)	96,460	110,093	106,506	313,059
NLA (sq m)	97,700	107,117	105,285	310,102
NPI (\$\$ m)	34.7	28.8	18.8	82.3
Pre-transaction cost NPI Yield (%)	6.0%	7.0%	6.5%	<b>6.4%</b>
Number of Tenants	15	32	79	126
Occupancy Rate (%)	97.6	95.6	88.3	<b>93.7</b>
Weighted Average Lease to Expiry <sup>(2)</sup> (years)	3.9	4.9	3.5	<b>4.2</b>
Weighted Average Land Lease to Expiry (years)	Freehold	Freehold	Freehold	Freehold

Note: Info as at 30 Sep 2019

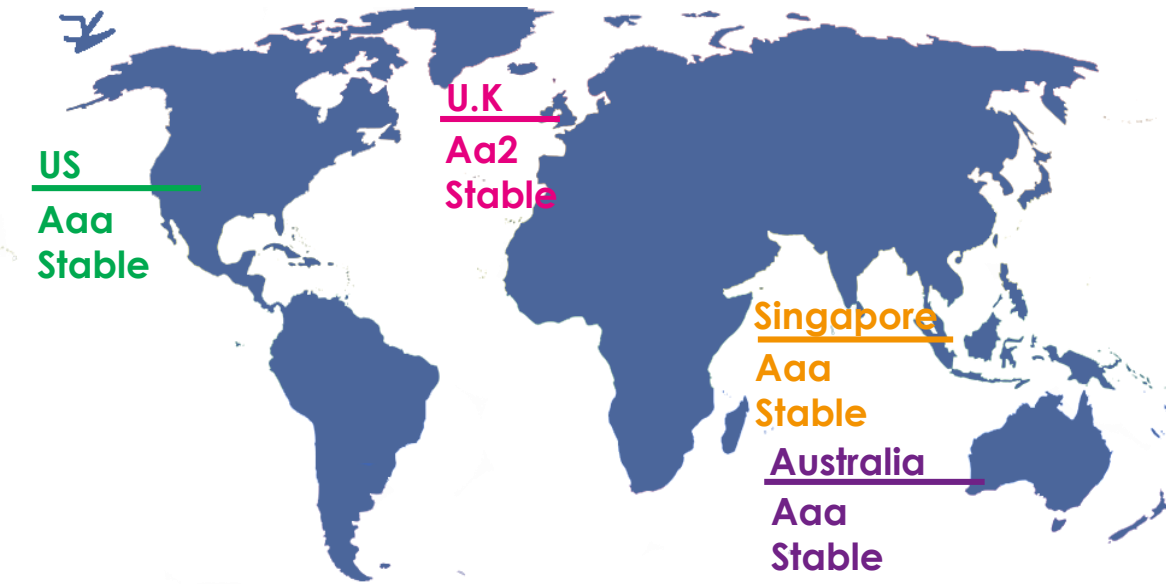
(1) Valuations were commissioned by HSBC Institutional Trust Services (Singapore) Limited (Trustee) and the Manager respectively. JLL and Newmark Knight Frank carried out the valuations using the capitalisation approach, discounted cashflow analysis and direct comparison method. Valuations are as at 1 Sep 2019.

(2) By gross rental income



# Why US?

## Sovereign A-credit ratings across Ascendas Reit's markets

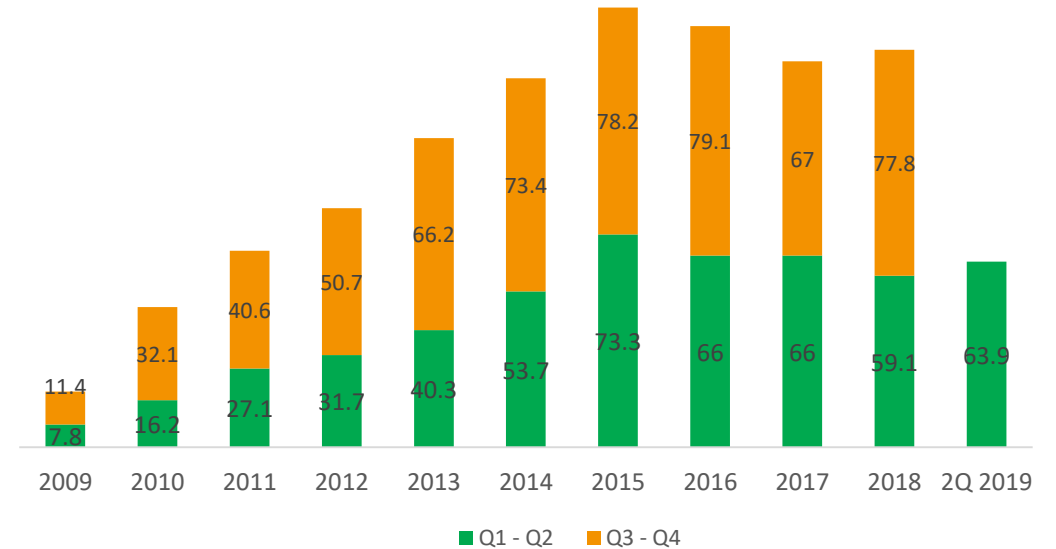


Transparent market and level-playing field

Source: Moody's

## US real estate market provides scalability; Office transaction volumes remain healthy

US National Office Total Sales Volume: 2009 - Q2 2019 (US\$ b)



Source: Real Capital Analytics, Inc.

# Why Invest in Key US Tech Cities?

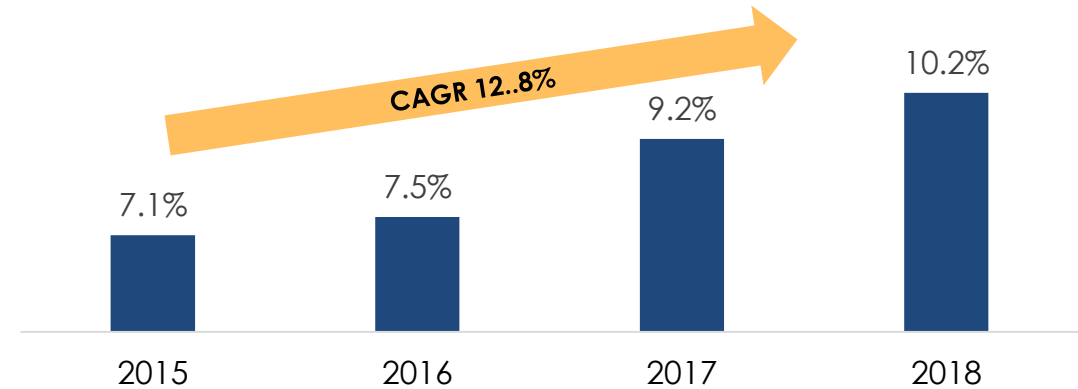
## Superior Tech-Driven Growth

- ✓ Increasing contribution by technology and healthcare sector to US GDP
- ✓ Cities within Metropolitan Innovation Clusters have benefited from technology sector growth

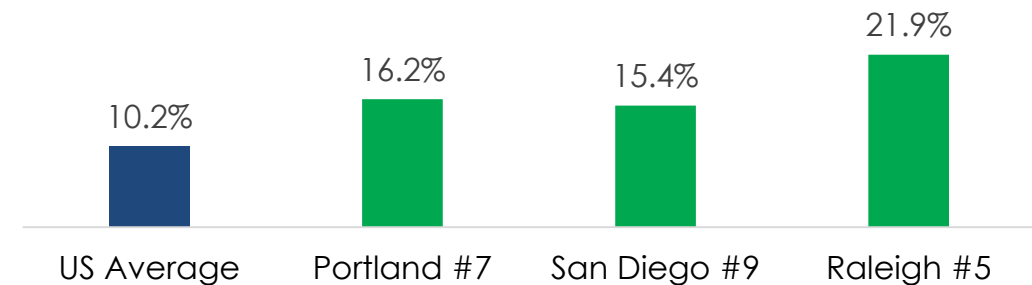
## Attractive Market Fundamentals

- ✓ Vibrant innovation ecosystems
- ✓ Benign supply outlook; asking rents expected to rise
- ✓ Quality tenants with largely domestic focused businesses

Direct Contribution of Technology Sector to US GDP



% Contribution of Technology Sector to Overall GDP and National Ranking



(1) Source: Moody's

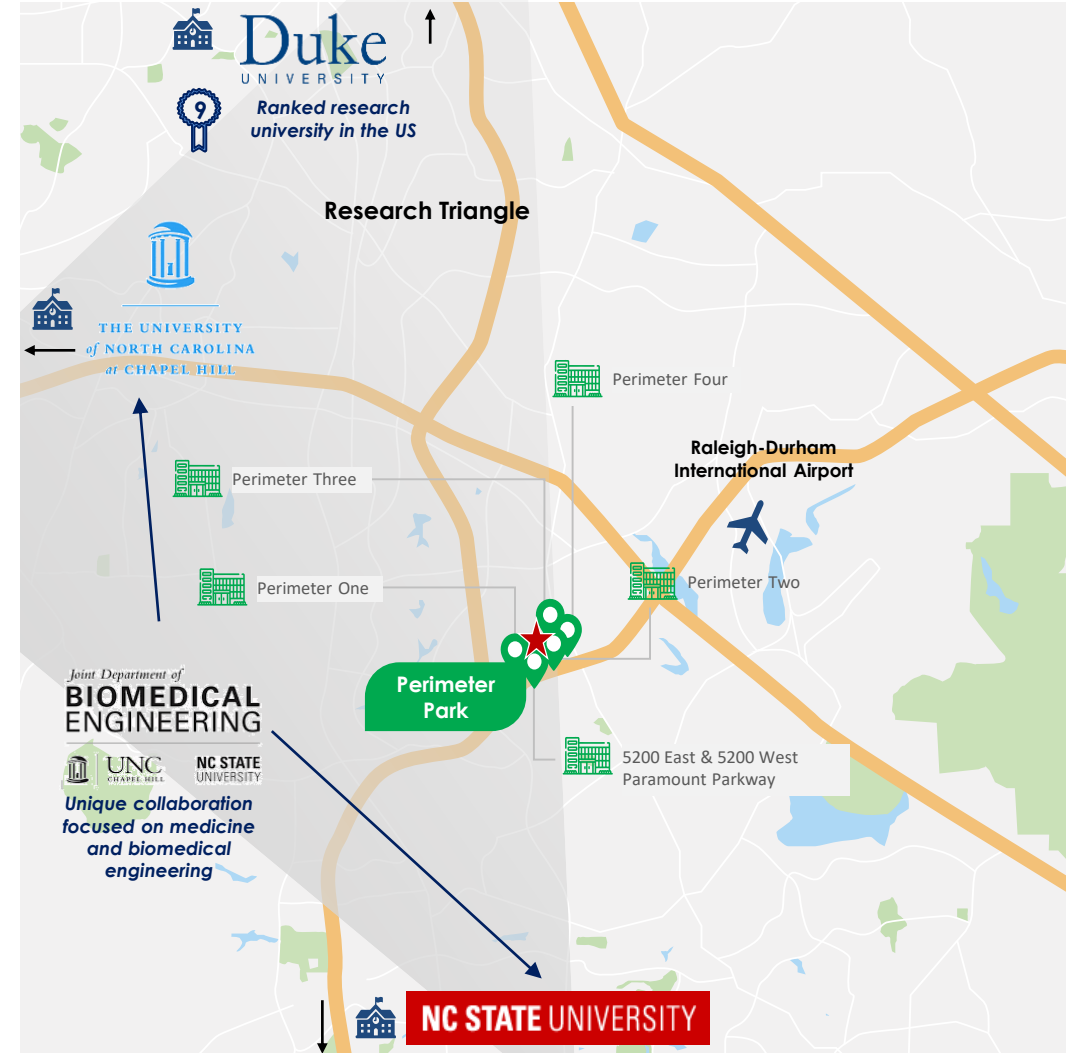
# San Diego: Wireless Tech, Life Science & Defence Hub

- Second largest city in California and **key hub for wireless tech, life science and defence industries**
- Houses **largest US naval base** on the west coast which attracts defence and tech players
- Well-located properties in close proximity to **established industry-leading companies and research institutions**



# Raleigh: Home to the Largest Research Park in the US

- Capital of North Carolina and **key technology hub on the East Coast, one of the hub cities of the Research Triangle**
- The Research Triangle is the **largest research park** in the US and one of the **largest life sciences hub** in the east coast
- Well-located properties in close proximity to **established industry-leading companies and research institutes**



Airport



Universities / Educational institutes



Business park campus



Acquired properties

# Portland: Silicon Forest and Athletic Performance Shoe Capital of the World

- Largest and most populous city in Oregon
- **Clustering of high technology companies** result in area being called 'Silicon Forest'
- Home to **global headquarters of leading sports apparel brands**
- Well-located properties in close proximity to **established industry-leading companies and research institutions**



(1) Source: U.S News

# Singapore Business Park Properties



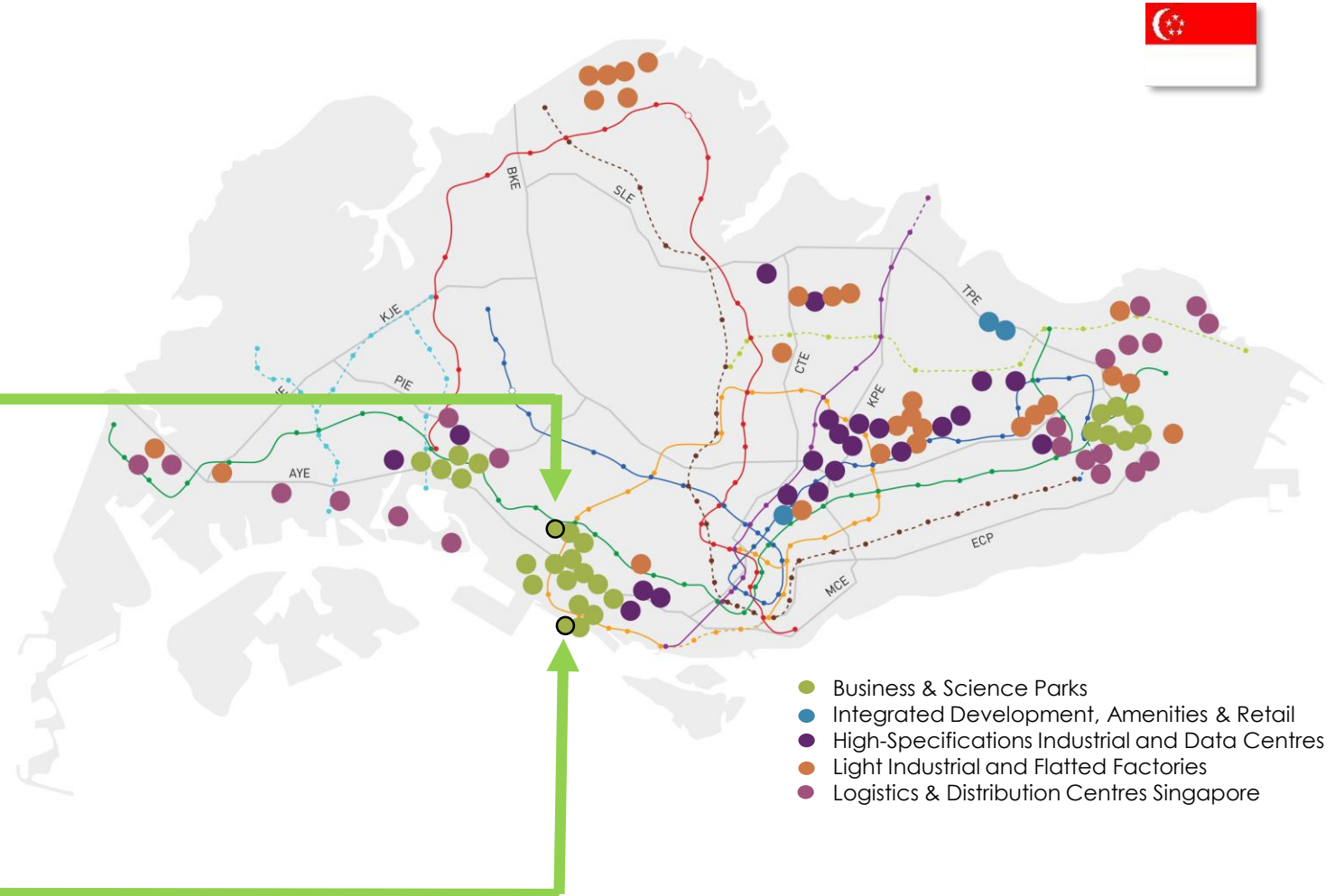
# Where are the Singapore Properties?



**Nucleos,  
one-north**



**FM Global Centre,  
Singapore Science Park 2**



# Singapore Properties Details

	Nucleos	FM Global Centre	Total
Purchase Consideration (\$\$ m)	289.0	91.0	380.0
No. of Properties	1	1	2
Valuations <sup>(1)</sup> (\$\$ m)	CBRE: 303.0 Colliers: 300.0	CBRE: 94.1 Colliers: 92.0	CBRE: 397.1 Colliers: 392.0
GFA (sq m)	46,174	11,613	57,787
NLA (sq m)	38,149	11,613	49,762
NPI (\$\$ m)	20.1	5.2	25.3
Pre-transaction cost NPI Yield (%)	7.0	5.7	<b>6.7</b>
Number of Tenants	32	1	33
Occupancy Rate (%)	92.9	100	94.6
Weighted Average Lease to Expiry <sup>(2)</sup> (years)	2.1	> 25 years	6.9
Weighted Average Land Lease to Expiry (years)	52	73	<b>56.7</b>

Note: Info as at 30 Sep 2019

(1) Valuations were commissioned by HSBC Institutional Trust Services (Singapore) Limited (Trustee) and the Manager respectively. CBRE used the capitalisation approach and discounted cashflow method. Colliers used the capitalisation approach, discounted cashflow analysis and direct comparison method. Valuations are as at 1 Sep 2019.

(2) By gross rental income



# What the Proposed Acquisition Offers

# Acquisition Rationale

In Line with Ascendas Reit's Investment and Acquisition Growth Strategy

- 1 Favourable Demand and Supply Dynamics** 
- 2 High-Quality Tenant Base Anchored by Tenants in Growing Sectors** 
- 3 Strengthens Portfolio with High-Quality Singapore Properties** 
- 4 Attractive Transaction Price that Delivers Accretion**
- 5 Further Strengthens Ascendas Reit's Blue-Chip Portfolio**
- 6 Maintains Well-spread Lease Expiry Profile and Lowers Tenant Concentration Risk**

# 1 Favourable Demand and Supply Dynamics



Raleigh, Portland and San Diego are in the top 10 US tech cities...

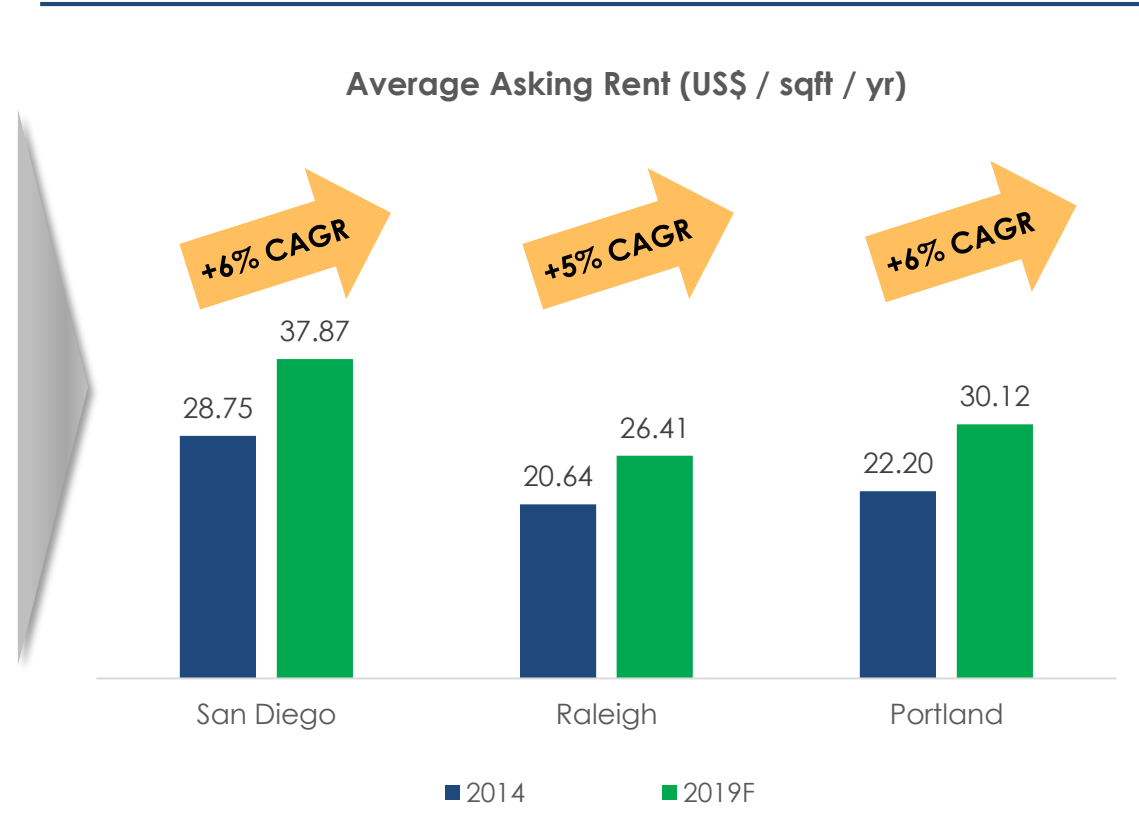
Rank	Cities	Tech economic impact as a % of local economy
1	San Jose	60.0%
2	San Francisco	28.0%
3	Seattle	26.2%
4	Austin	23.5%
5	Raleigh	21.8%
6	Boston	19.7%
7	Portland	16.2%
8	Washington DC	15.6%
9	San Diego	15.4%
10	Denver	15.4%

## Benign supply outlook

Cities / Submarkets	Buildings	Under Construction	
		Area (sq m)	Pre-leased (%)
Research Triangle Park	4	~34,000	91.5
Sunset Corridor/ Hillsboro	1	~93,000	100

Source: CompTIA Cyberstates 2019

...and have strong growth potential for future rental growth



Source: Cushman & Wakefield Research

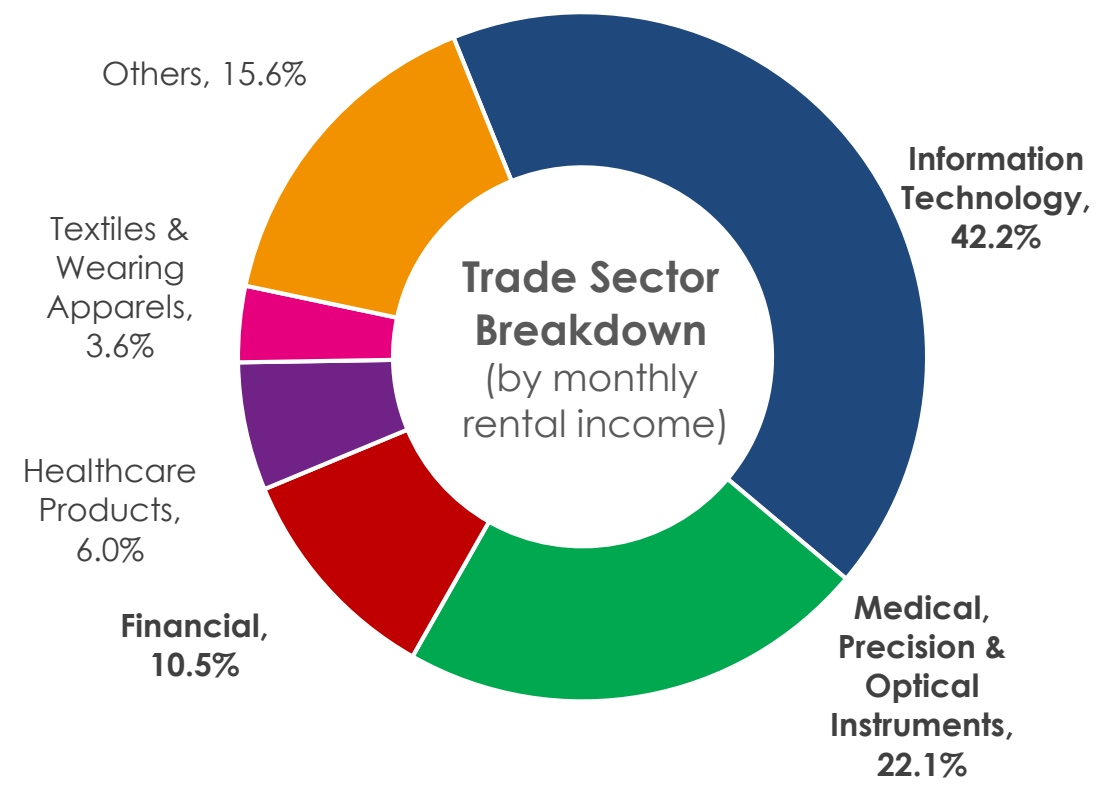
## 2 High-Quality Tenant Base Anchored by Tenants in Growing Sectors



>67% of Top 10 tenants have investment grade credit ratings<sup>(1)</sup>

Top 10 Tenants	City	Contribution to US Rental Income	Industry	Investment Grade
CareFusion Manufacturing	San Diego	14.3%	Medical, Precision & Optical Instruments	✓
Teleflex Medical	Raleigh	5.6%	Medical, Precision & Optical Instruments	
TD Ameritrade Services	San Diego	4.9%	Financial	✓
Northrop Grumman Systems	San Diego	4.6%	Information Technology	✓
ChannelAdvisor	Raleigh	4.3%	Information Technology	
Alliance Behavioral Healthcare	Raleigh	4.2%	Healthcare Products	
Oracle America	Raleigh	4.2%	Information Technology	✓
Nike	Portland	3.6%	Textile & Wearing Apparels	✓
EDF Renewable Energy	San Diego	3.5%	Others	✓
SciQuest, Inc. (Jaggaer)	Raleigh	2.8%	Information Technology	
<b>TOTAL :</b>		<b>52.0%</b>		

>65% of tenants are in the growing information, medical and financial tech sectors



(1) Refers to tenant or its parent company rating. Based on contribution to US Properties Rental Income. Source: Standard and Poor's

# 3 Strengthens Portfolio with High-Quality Singapore Properties



## Nucleos

**Location:** one-north (business park)



Ascendas Reit's Property    Expressway / Highway

## FM Global Centre

**Location:** Singapore Science Park 2



## Benefits to Ascendas Reit

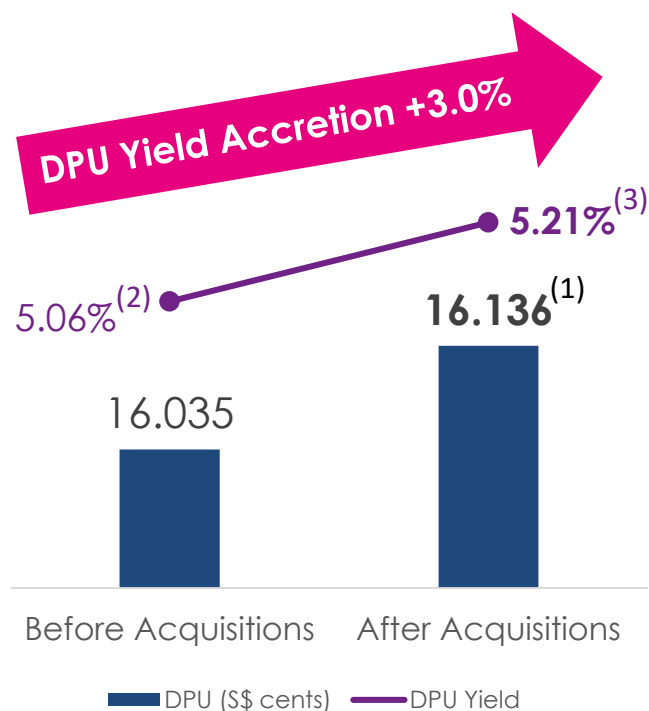
- ✓ More well-located business park properties
- ✓ Improves overall quality and specifications of portfolio
- ✓ Increases Weighted Average Land Lease to Expiry of 44.6 years<sup>(1)</sup> (from 44.1 years)

Note: Info as at 30 Sep 2019

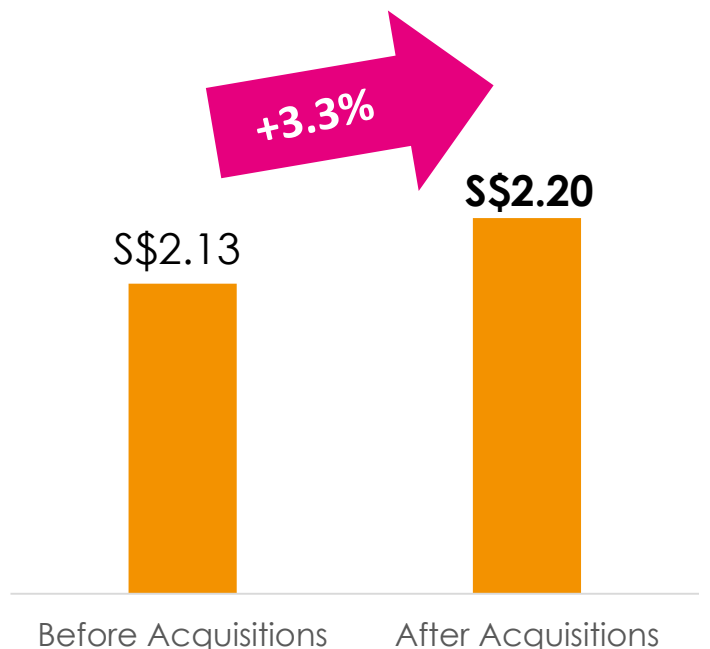
(1) Assuming the Singapore Properties were acquired on 30 Sep 2019.

# 4 Attractive Transaction Price that Delivers Accretion

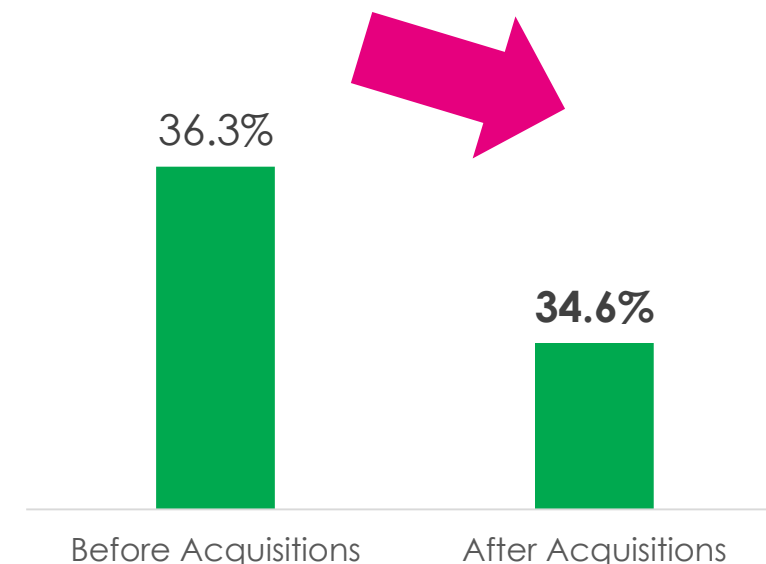
## DPU & DPU yield accretive



## and NAV/Unit accretive



## ...while aggregate leverage decreases



(1) The pro forma DPU (for FY18/19) is calculated based on:

(a) the Proposed Acquisitions had been completed on 1 April 2018 and Ascendas Reit had held and operated the US Properties and Singapore Properties for the financial year ended 31 Mar 2019;

(b) the Proposed Acquisition is funded by proceeds from the Rights Issuance, loan facilities and issuance of Acquisition Fee Units.

(c) the Manager elects to receive its base fee 80% in cash and 20% in Units for the financial year ended 31 Mar 2019.

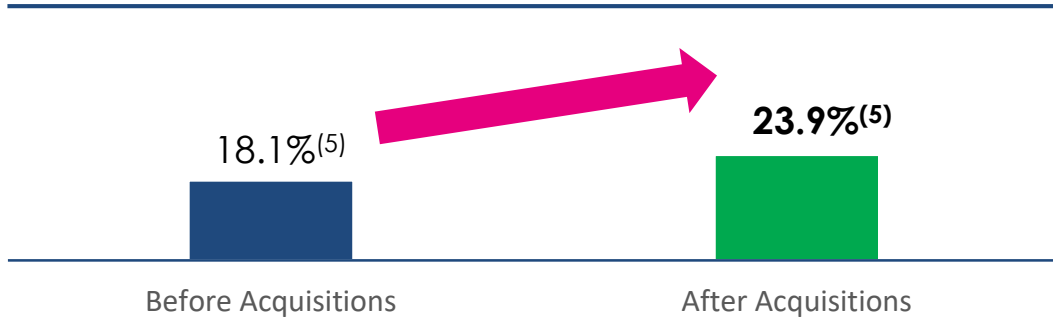
(2) Based on closing price per Unit of S\$3.17 on 31 Oct 2019

(3) Based on the theoretical ex-right price (TERP) per Unit of S\$3.0955

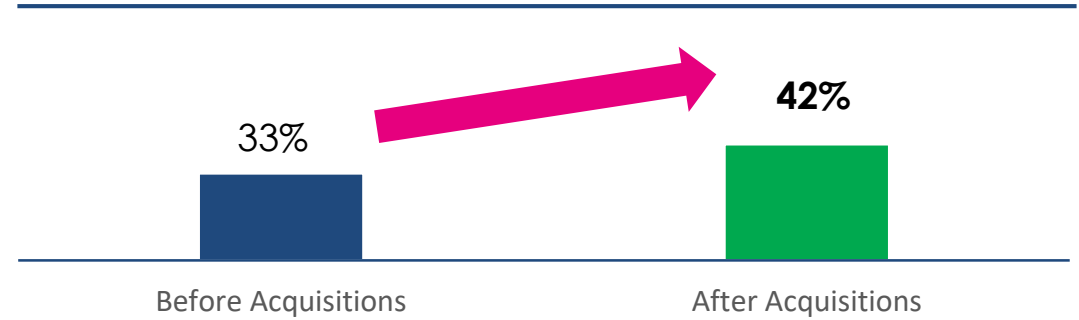
# 5 Further Strengthens Blue-Chip Portfolio

**Enlarged Portfolio valuation will increase from S\$11.1 b<sup>(1)</sup> to S\$12.8 b<sup>(2)</sup>**

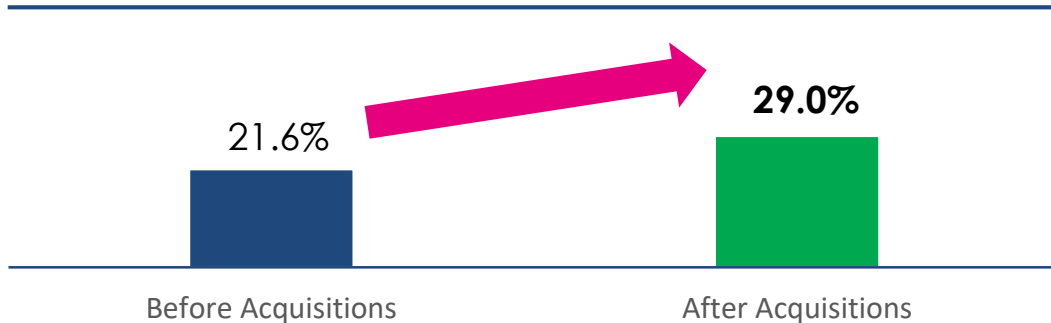
**Larger exposure to growth sectors<sup>(3), (4)</sup>**



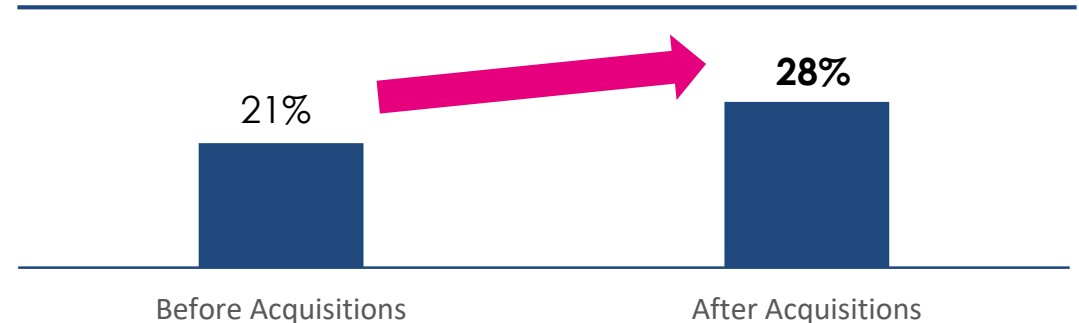
**Exposure to high-quality Business & Science Parks<sup>(3)</sup>**



**More freehold properties<sup>(3)</sup>**



**Increased overseas exposure<sup>(3)</sup>**

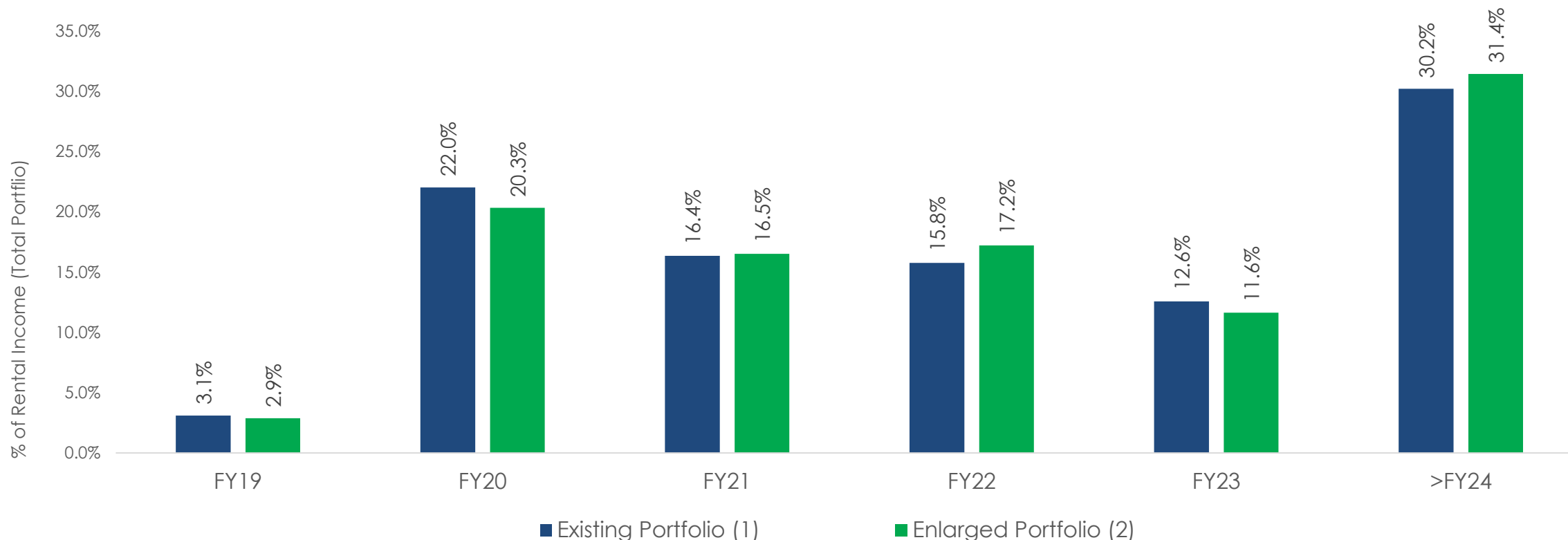


**While remaining Singapore centric, overseas exposure is in line with our 30-40% target**

(1) Based on 170 properties as at 30 Sep 2019.  
 (2) Assuming the US Properties and Singapore Properties were acquired on 30 Sep 2019.  
 (3) As a % of total asset value  
 (4) Represents tenant contribution from Financial, Information Technology and Medical sectors

# 6 Maintains Well-spread Lease Expiry Profile and Lowers Tenant Concentration Risk

## Stable and sustainable income stream



Supplemented by minimal tenant concentration risk, with the top 10 tenants only accounting for **17.6%** (from 19.6%) of gross revenue<sup>(2)</sup>

(1) As at 30 Sep 2019

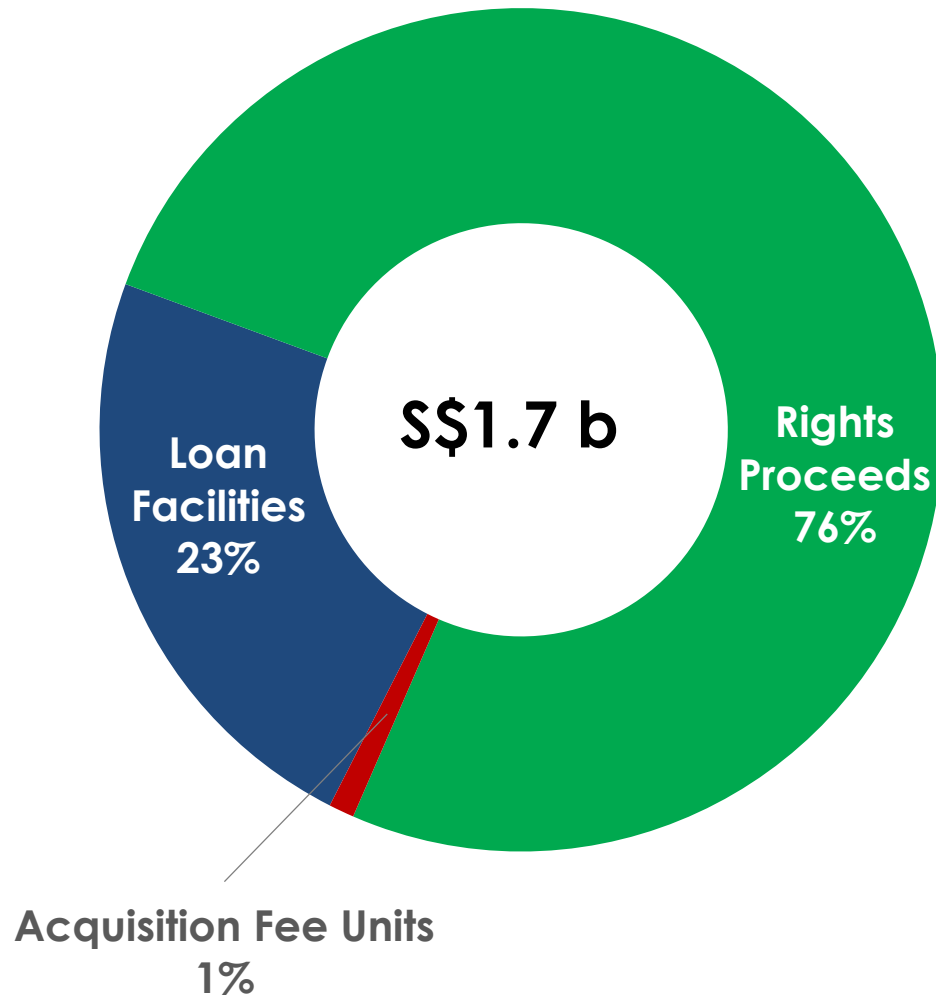
(2) Assuming the US Properties and Singapore Properties were acquired on 30 Sep 2019.



# Funding Structure



# Method of Financing





- The total acquisition cost of S\$1,705.7 m will be funded by
  - S\$1,294.8 m through proposed issuance of Rights Units at S\$2.63 per Unit
  - S\$394.3 m from loan facilities
  - S\$16.6 m through the issuance of Acquisition Fee Units

# Conclusion



# Proposed Acquisition Consolidates our Position as the Largest S-REIT



	Existing Portfolio	Proposed Acquisitions		Enlarged Portfolio	% change
		US Properties 	Singapore Properties 		
<b>Portfolio Impact</b>					
<b>No. of Properties</b>	170 <sup>(1)</sup>	28	2	200 <sup>(2)</sup>	-
<b>Asset Value (m)</b>	11,065 <sup>(1)</sup>	1,305 <sup>(3)</sup>	397 <sup>(3)</sup>	12,767 <sup>(2)</sup>	↑ 15.4%
<b>Net Lettable Area (sq m)</b>	3,790,351 <sup>(1)</sup>	310,102	49,762	4,150,215 <sup>(2)</sup>	↑ 9.5%
<b>Financial Impact</b>					
<b>Net Property Income (\$\$ m)</b>	650 <sup>(4)</sup>	82	25	757 <sup>(5)</sup>	↑ 16.5%

(1) Info as at 30 Sep 2019

(2) Assuming the US Properties and Singapore Properties were acquired on 30 Sep 2019..

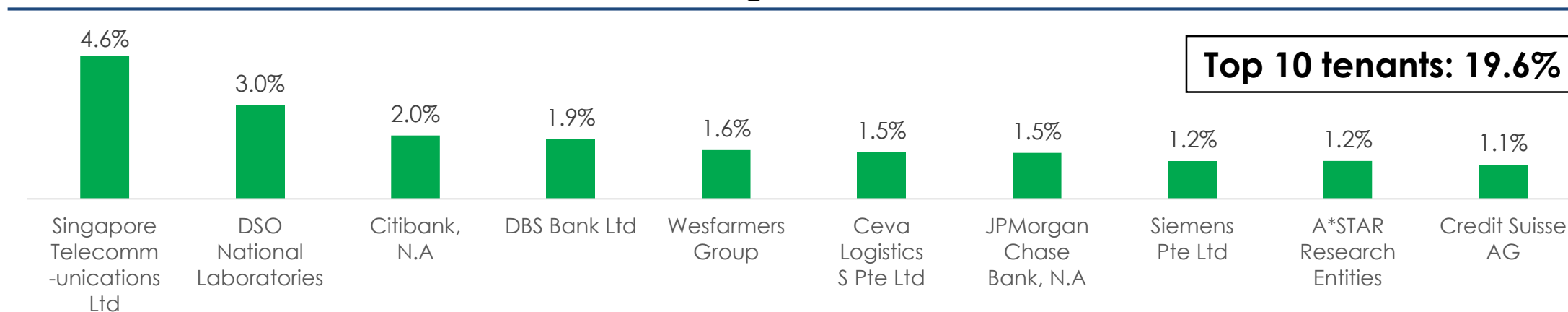
(3) Includes transaction costs.

(4) Net Property Income for FY18/19

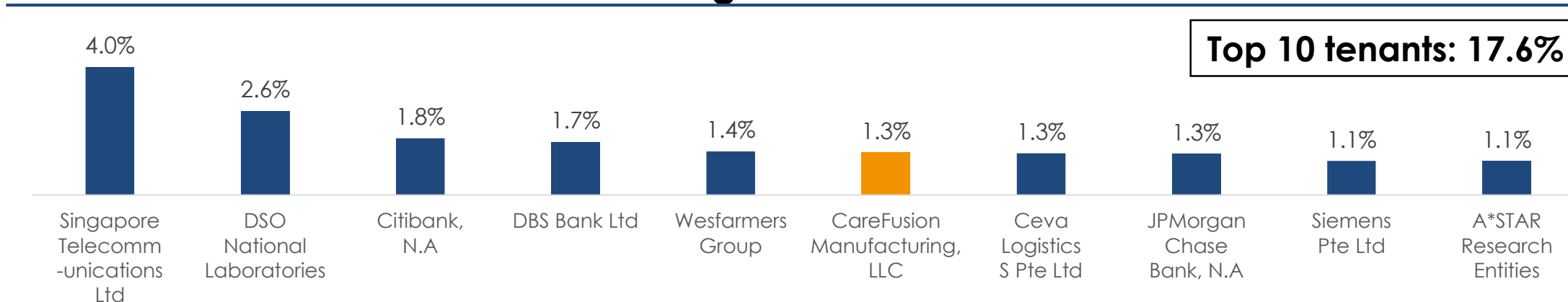
(5) Pro Forma Net Property Income for FY18/19 assuming the US Properties and Singapore Properties were acquired on 1 April 2019.

# Lowering Tenant Concentration Risk

## Existing Portfolio<sup>(1)</sup>



## Enlarged Portfolio<sup>(2)</sup>



(1) Based on 170 properties as at 30 Sep 2019. By gross revenue

(2) Assuming the US Properties and Singapore Properties were acquired on 30 Sep 2019. By gross revenue.

# Growing Ascendas Reit's Portfolio Sustainably

Electric Vehicle Charging Stations



Solar panels used as carpark shelter



Sky garden to reduce CO<sub>2</sub>



Some green features in the US and Singapore Properties



District Cooling System – Energy Saving



Use of non-portable water for irrigation and for cooling tower



Carbon dioxide sensor for monitoring indoor air quality



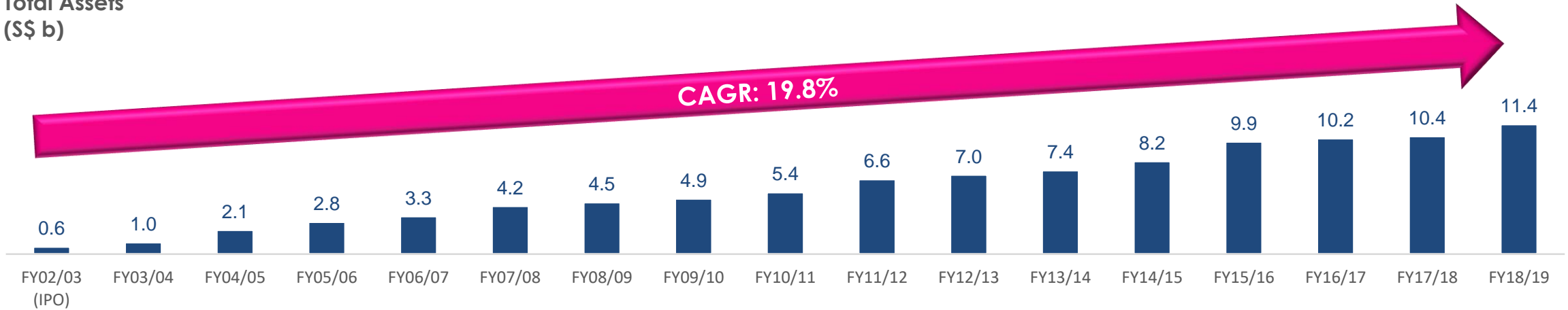
BCA GREEN MARK

Singapore BCA  
**Green Mark Gold**  
Certificates for  
Nucleos and FM  
Global Centre

# Consistent Track Record of Value Creation and Generating Unitholder Returns

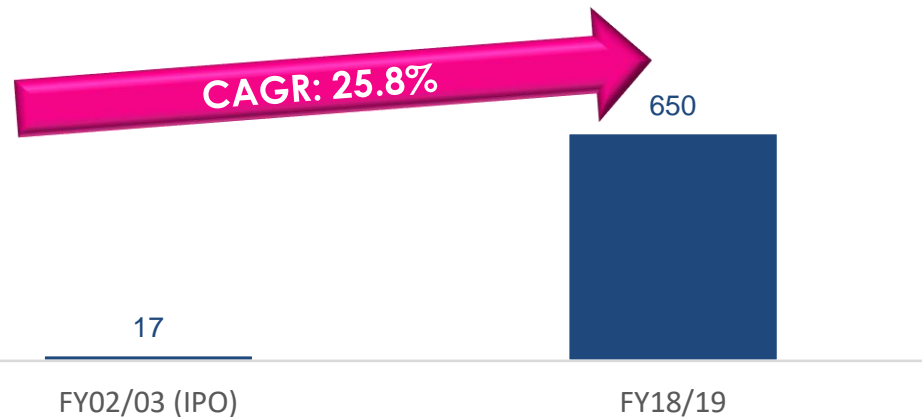
## Exceptional growth trajectory since IPO

Total Assets  
(\$\$ b)

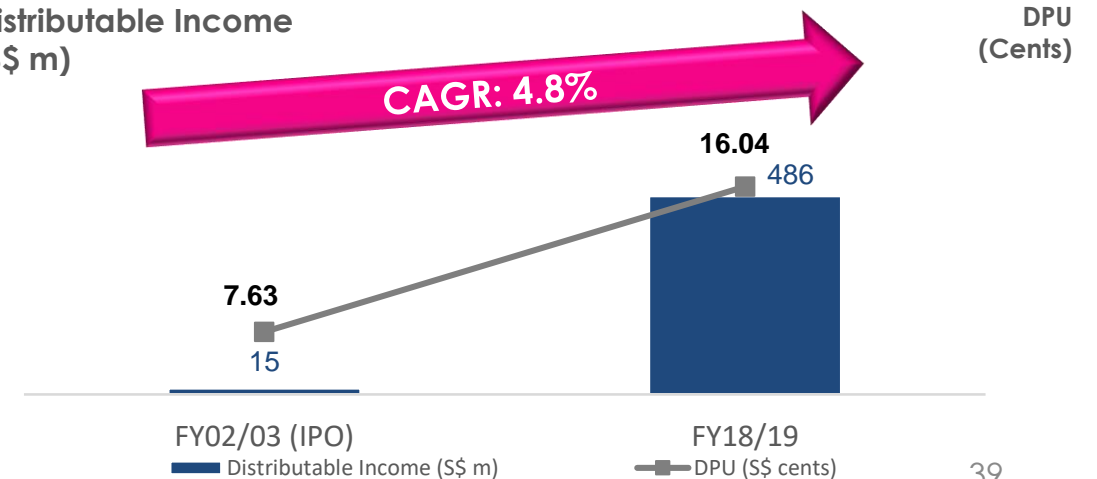


## Growth in NPI, Distributable Income and DPU

Net Property Income  
(\$\$ m)



Distributable Income  
(\$\$ m)



**THANK YOU**

