

# Interim Business Update

1Q2024



# 1Q2024 Business Updates

## Financial Updates



Gross Revenue  
**S\$89.0 million**

-8.9% y-o-y

+1.3% y-o-y

(on same-store basis<sup>(1)</sup>)

Net Property Income  
**S\$62.9 million**

-10.8% y-o-y

-0.2% y-o-y

(on same-store basis<sup>(1)</sup>)

NAV per Unit  
**31.1 cents**

(31 Dec 2023: 32.0 cents)

## Portfolio Updates



Positive Rental Reversion

**+10.8%**

(1Q2023: +7.3%)

Healthy Occupancy Rate

**91.7%**

(1Q2023: 92.1%)

Significant New Economy Exposure

**62.8%**

(1Q2023: 63.0%)

AEI & Leasing Updates

- TOP obtained for 21B Senoko Loop redevelopment (17 Jan 2024)
- New master lease signed at 41-45 Hydrive Close, Australia, with >15%<sup>(2)</sup> rental growth

## Capital Management



Gearing

**36.3%** as at *pro forma* 31 Mar 2024<sup>(3)</sup>

Interest Rate Exposure Hedged

**74.2%**<sup>(3)</sup> on fixed rates

(31 Dec 2023: 81.6% for 1.3 years)

Cost of Debt

**4.06%**<sup>(3)</sup> per annum

(31 Dec 2023: 3.91%)

No Refinancing Risk in 2024

- Obtained first sustainability linked loan facility, which has been used to refinance all 2024 expiring debt

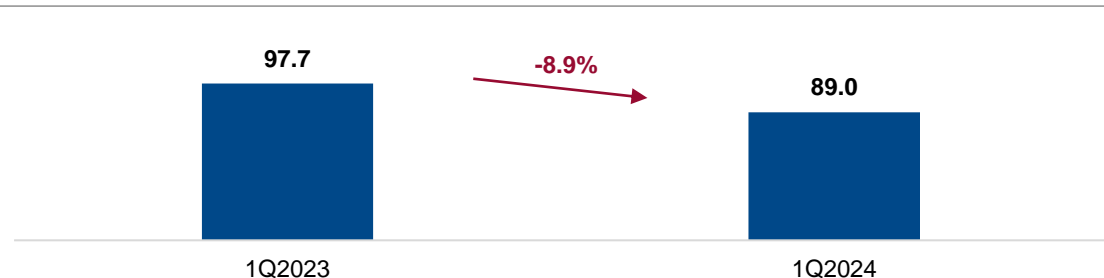
No PERP callable or coupon resetting till 2027

- Redeemable at E-LOG's discretion

# 1Q2024 Key Financial Results

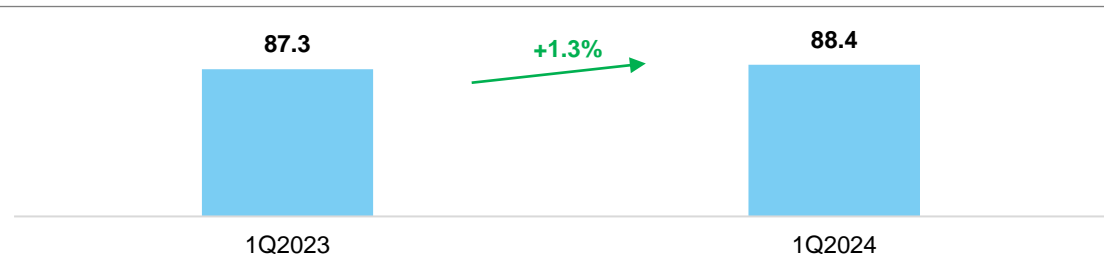
- Represents first quarter of financial results post *Capital Recycling* strategy conducted in 2023
- Gross Revenue and NPI impacted due to divestment of 10 non-core assets conducted in FY2023, with the proceeds pending deployment
- On a same-store basis<sup>(1)</sup>, Gross Revenue grew +1.3% y-o-y and Net Property Income decreased marginally -0.2% y-o-y due to increase in property tax and higher utilities expenses

## Gross Revenue (S\$ million)



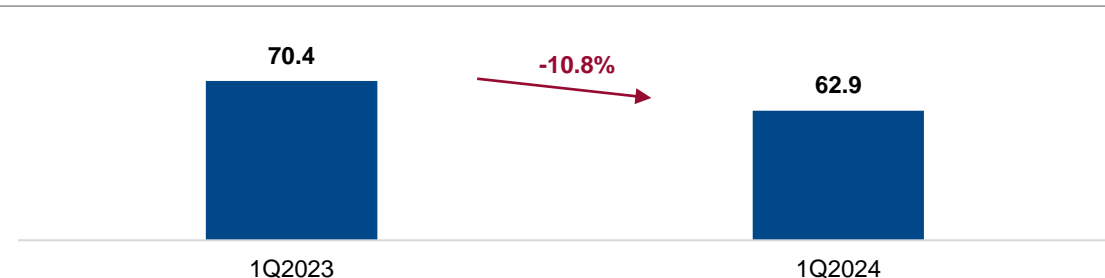
- Gross revenue decreased 8.9% (or S\$8.7 million) y-o-y mainly due to the divestment of non-core assets in FY2023.

## Gross Revenue (same-store basis<sup>(1)</sup>) (S\$ million)



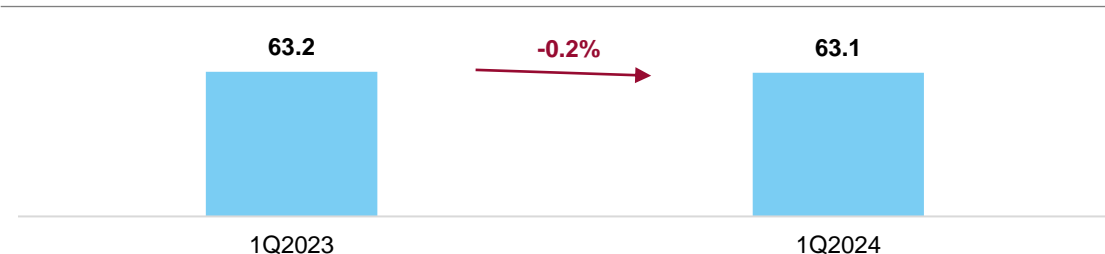
- On same-store basis<sup>(1)</sup>, gross revenue grew 1.3% (or S\$1.1 million) y-o-y due to positive rental reversion.

## Net Property Income (S\$ million)



- Net property income decreased 10.8% (S\$7.5 million) y-o-y mainly due to the divestment of non-core assets in FY2023.

## Net Property Income (same-store basis<sup>(1)</sup>) (S\$ million)



- On same-store basis<sup>(1)</sup>, the net property income decrease marginally by 0.2% y-o-y mainly due to higher utilities expense and property tax, partially offset by higher gross revenue.

# 1Q2024 Key Developments

## 1 Acquisition: US\$70.0m Investment in ESR Japan Income Fund

- E-LOG has entered into a subscription agreement on 1 Feb 2024 to invest US\$70.0 million (being approximately S\$93.0 million<sup>(1)</sup>) (the “Investment”) in ESR Japan Income Fund (“JIF”), through ESR Japan Income Fund, SCSp (“JIF SCSp”)<sup>(2)</sup>
- As at 31 Dec 2023, JIF has 5 properties (the “JIF Properties”) under management with an aggregate valuation of approximately S\$1,744.7 million<sup>(3)</sup>
- The JIF Properties are sited on freehold land located across Tokyo, Osaka and Nagoya in Japan with a total land area and gross floor area of 353,065 sqm and 727,557 sqm respectively
- Investment is expected to be +1.8% DPU accretive<sup>(4)</sup> and will pivot E-LOG’s portfolio towards freehold New Economy and future-ready assets

Target Cash-on-Cash Yield	5.0%
Occupancy	100%
Weighted Average Lease Expiry (“WALE”)	4.2 years
Remaining Land Lease	Freehold
Average Building Age	3.9 years
Life of Fund	Perpetual
E-LOG’s Commitment in JIF	8.4% <sup>(5)</sup>



Figures as at 31 Dec 2023

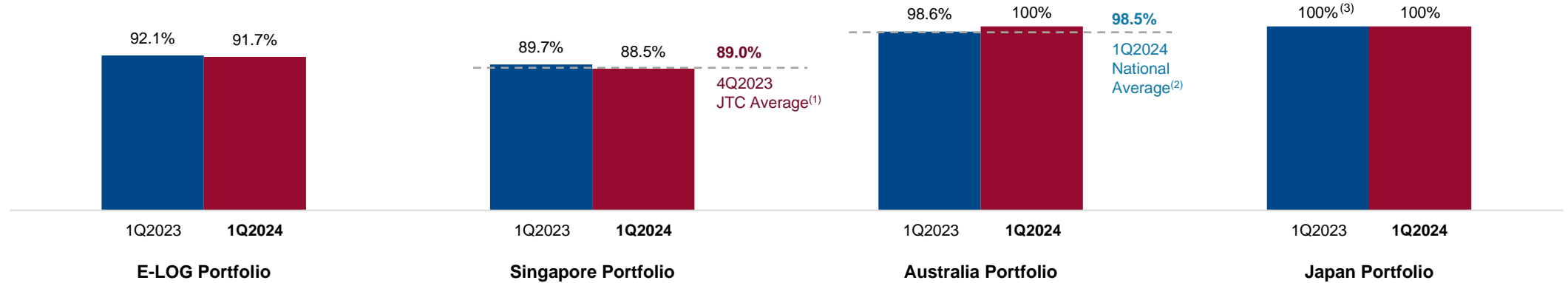
## 2 Redevelopment: Completion of Built-to-Suit Redevelopment of 21B Senoko Loop



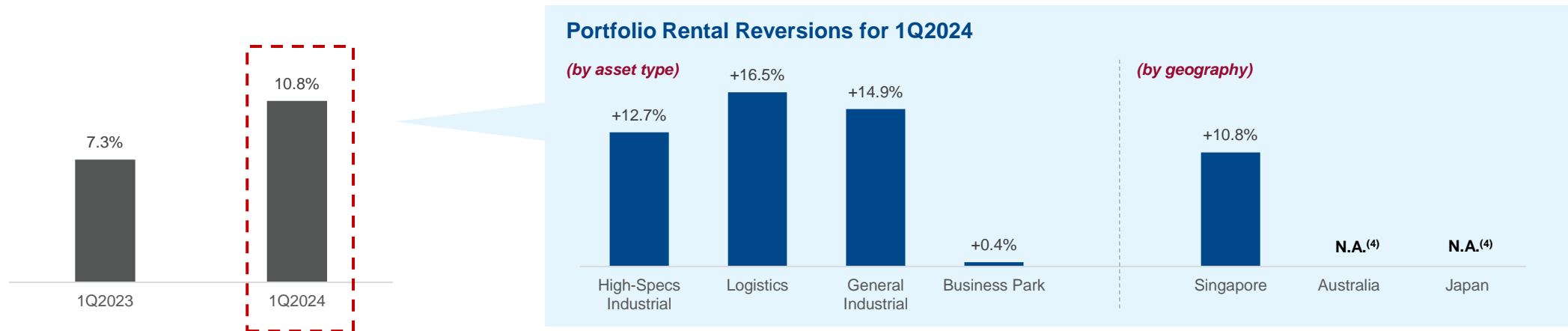
Completion Date	Estimated Cost	Illustrative Yield on Cost	Remarks
<b>TOP:</b> 10 Nov 2023 (Phase 1) 17 Jan 2024 (Phase 2)	c.S\$38.5m	c. 6.6%	<ul style="list-style-type: none"> <li>Redevelopment of a Built-to-suit High-Spec facility on a <b>15-year master lease</b> to NTS Components Singapore Pte Ltd (“NTS”), with <b>fixed annual rent escalation</b></li> <li>Obtained <b>Green Mark Gold</b> Certification</li> </ul>

# Still Favourable Demand and Continued Limited Supply Driving Positive Rental Reversions Across All Sectors

## Stabilised Occupancy



## Portfolio Recorded +10.8% Positive Rental Reversions in 1Q2024...



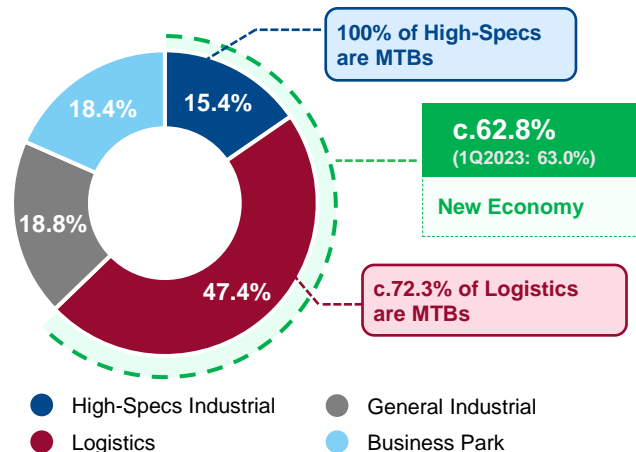
...with New Economy Segments Continuing to Drive Rental Upside

# Still Favourable Sector Demand and Supply Dynamics, Logistics Segment Is Expected to Continue Driving Positive Rental Reversions

## E-LOG Asset Class Breakdown

(by Rental Income)

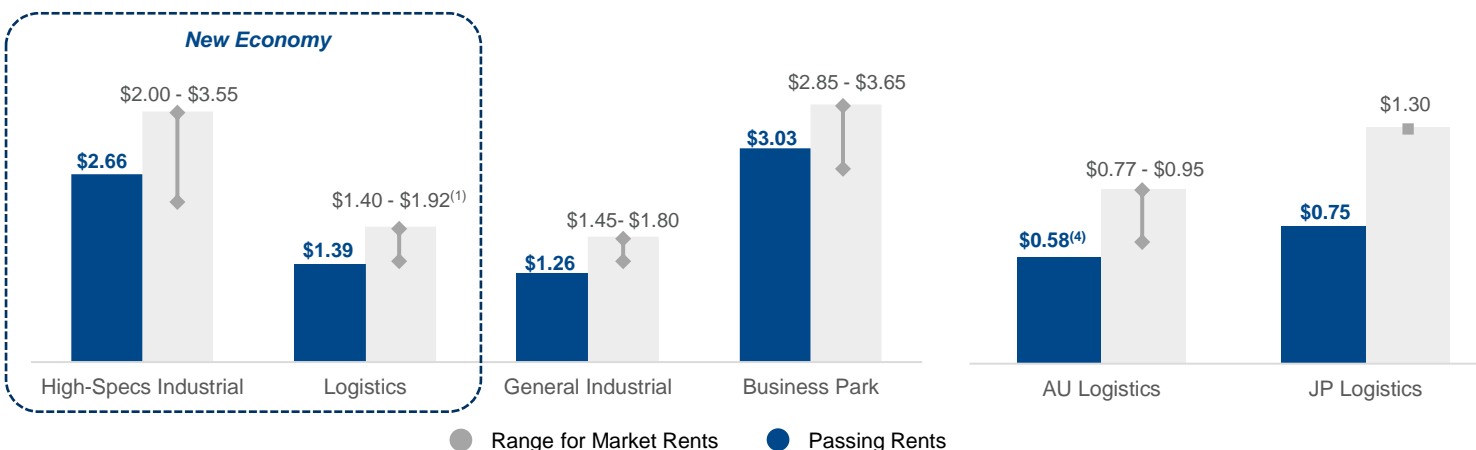
62.8% of portfolio in New Economy sectors, with majority being multi-tenanted buildings



## Passing Rents<sup>(2)</sup> vs Market Rents<sup>(3)</sup>

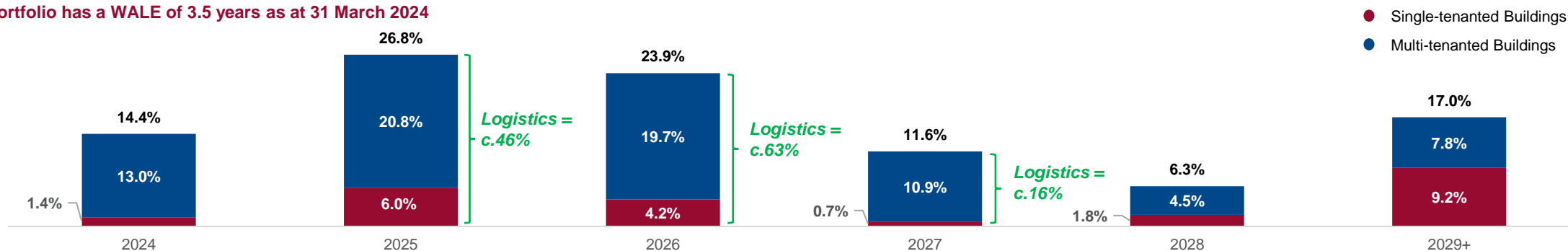
(in S\$psfpm)

All of portfolio passing rents are below or at lower bound of market rents, signalling potential positive rental reversions for upcoming expiries



## Lease Expiry Profile

Portfolio has a WALE of 3.5 years as at 31 March 2024



# Recent Announcement – Divestment of 182-198 Maidstone Street, Altona, Victoria, at 7.4% Premium to Valuation



182-198 Maidstone Street, Altona, Victoria

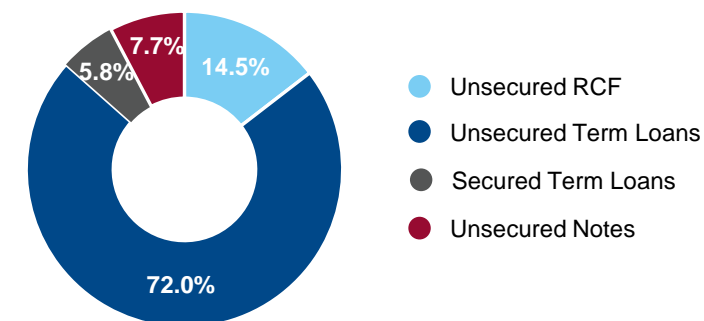
182-198 Maidstone Street, Altona, Victoria	
Asset Type	Logistics
Gross Floor Area	37,862 sqm
Occupancy	100%
Remaining Land Tenure	Freehold
Valuation	A\$61.0 million <sup>(1)</sup>
Sale Consideration	A\$65.5 million
Divestment Premium to Valuation	7.4%
Divestment NPI Yield <sup>(2)</sup>	2.5%
Acquisition Price	A\$54.5 million (22 April 2022)
Divestment Premium to Cost	20.2%
Expected Completion Date	2Q2024

# Prudent Capital Management with Low Gearing

- ✓ **Low gearing** (Debt to Total Assets)<sup>(1)</sup> at **36.3%**<sup>(2)</sup>
- ✓ **74.2%**<sup>(2)</sup> **fixed interest rate** exposure for 1.4 years<sup>(2)</sup>
  - Sufficiently hedged with flexibility to enjoy lower debt costs when interest rates subside
- ✓ E-LOG has **c.S\$407.1m of committed undrawn revolving credit facilities (“RCF”)** available and is **well-supported by 10 lending banks** with strong support for refinancing
- ✓ Undertook **Unit Buy-Back (“UBB”)** exercise
  - 11,420,600 Units bought back in 1Q2024 at average price of S\$0.299 per Unit
  - Bought back Units have been cancelled

## Debt Breakdown (at 31 March 2024) – By Type

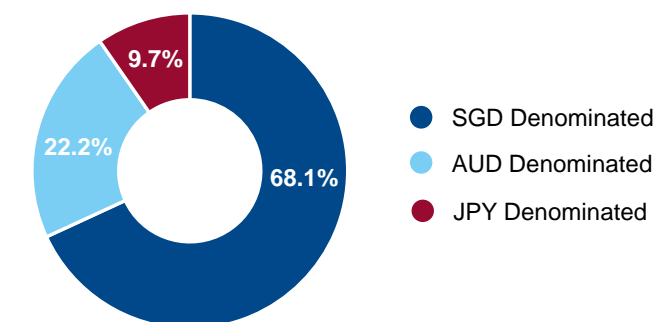
Total Debt of S\$1,623.9 million



	Pro forma as at 31 Mar 2024 <sup>(2)</sup>	As at 31 Mar 2024	As at 31 Dec 2023
Total Gross Debt (S\$ million)	1,570.5	1,623.9	1,566.2
Debt to Total Assets (%) <sup>(1)</sup>	36.3	37.1	35.7
Weighted Average All-in Cost of Debt (%) p.a.	4.06	4.11	3.91
Weighted Average Debt Expiry (“WADE”) (years)	2.2	2.1	2.4
MAS Adjusted Interest Coverage Ratio (times)	2.6	2.6	2.5
Fixed Interest Rate Exposure (%)	74.2	63.1	81.6
Proportion of Unencumbered Investment Properties (%)	95.8	95.8	95.8
Debt Headroom (S\$ million) <sup>(3)</sup>	712.2	658.8	775.5

## Debt Breakdown (as at 31 March 2024) – By Currency

Total Debt of S\$1,623.9 million

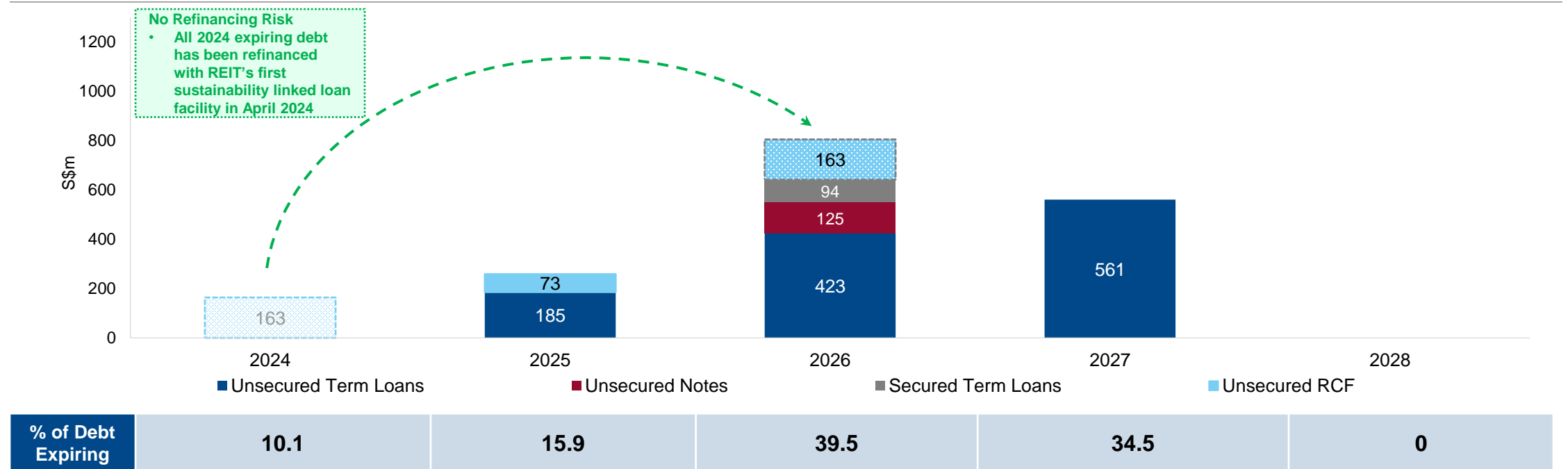




# Proactive Debt Management with No Refinancing Risk

- ✓ **Well spread out** debt expiry profile
- ✓ **No refinancing risk:** Obtained first sustainability linked loan facility, which will be used to refinance all 2024 expiring debt
- ✓ Longer tenured loans may be obtained for potential future acquisitions to lengthen debt expiry profile
- ✓ **No Perpetual Security coupon resetting or refinancing requirements** until 2027

## Debt Maturity Profile as at 31 Mar 2024

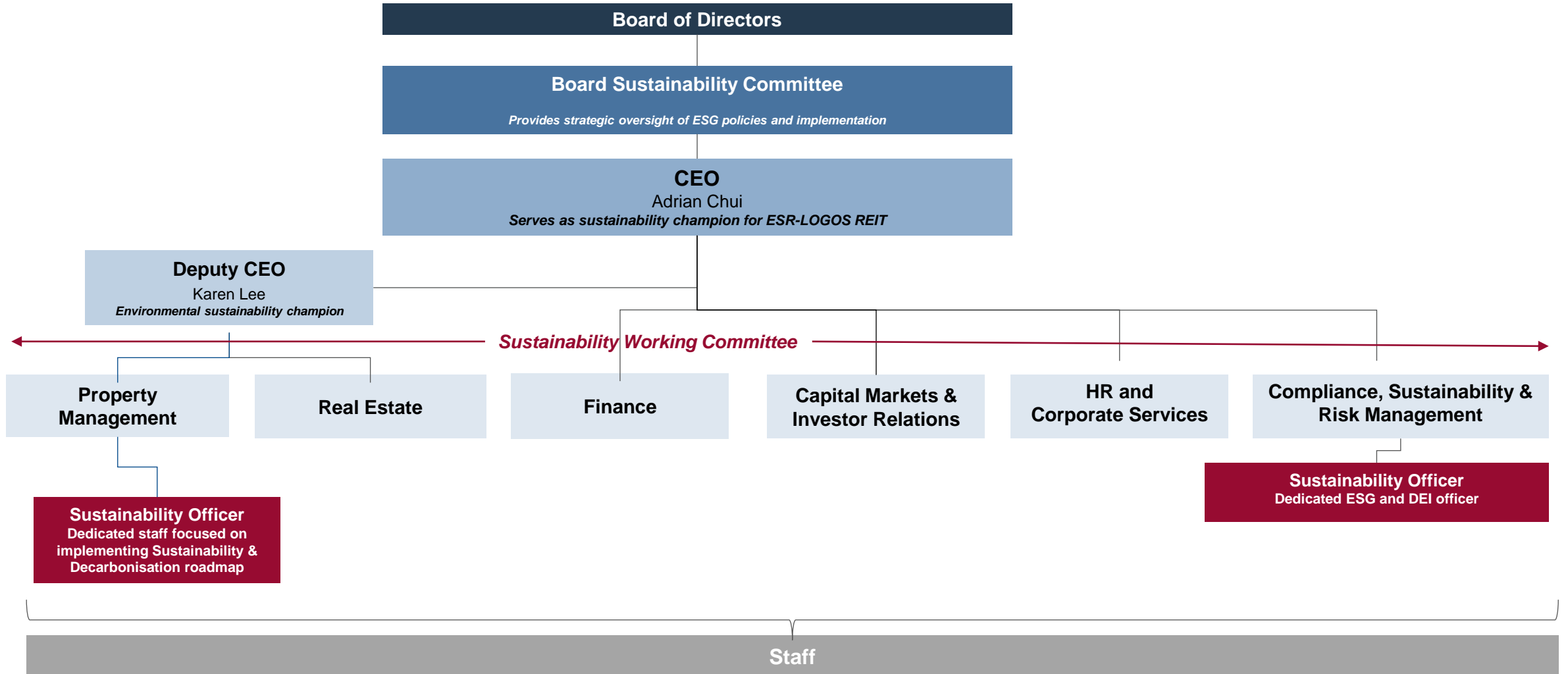


# Appendix



# Inauguration of Board Sustainability Committee

The Board is committed to further integrate ESG practices into our strategy and business decisions to deliver sustainable long-term returns



# ESG Targets and Initiatives that are Material, Measurable and Ambitious

## E-LOG's ESG Targets





Environmental	<b>Green Building Certification</b> <ul style="list-style-type: none"><li>➤ <b>80%</b> of Singapore buildings to be Green Mark certified by 2030</li></ul>	Social	• <b>Community</b> <ul style="list-style-type: none"><li>➤ <b>500 hours</b> of staff volunteerism per year</li></ul>
	<b>Solar Power Generation</b> <ul style="list-style-type: none"><li>➤ Achieve <b>50%</b> increase in solar power generation by 2025 (from base year 2019)</li></ul>		• <b>Training and Development</b> <ul style="list-style-type: none"><li>➤ <b>16 training hours</b> per employee per year</li></ul>
	<b>Energy Efficiency</b> <ul style="list-style-type: none"><li>➤ <b>7%</b> reduction in total energy consumption for multi-tenanted buildings ("MTB") from 2023-2030</li><li>➤ Reduce energy intensity for MTB by <b>1%</b> per year</li></ul>		• <b>Health and Safety</b> <ul style="list-style-type: none"><li>➤ Quarterly health and safety committee meetings</li><li>➤ <b>Zero</b> Workplace Fatal Injury Rate ("WFIR") and Major Injury Rate ("MIR")</li></ul>
	<b>Water Efficiency</b> <ul style="list-style-type: none"><li>➤ <b>14%</b> reduction in water intensity for MTB from 2023-2030</li><li>➤ <b>All</b> MTB buildings to be WEB certified by 2025</li></ul>		• <b>Board Diversity</b> <ul style="list-style-type: none"><li>➤ Includes independence, gender diversity, ethnic diversity and core competencies amongst others</li></ul>
	<b>Supply Chain Management</b> <ul style="list-style-type: none"><li>➤ <b>100%</b> supplier compliance with Green Procurement Policy by 2030</li></ul>		• <b>Climate Change Adaptation</b> <ul style="list-style-type: none"><li>➤ Disclose adaptation and mitigation plans aligned to TCFD by 2025</li></ul>
	<b>Decarbonisation Roadmap</b> <ul style="list-style-type: none"><li>➤ To be implemented from FY2024 with clear steps, targets, and timeline to ensuring a climate resilient portfolio</li></ul>		• <b>Governance and Enterprise Risk</b> <ul style="list-style-type: none"><li>➤ <b>Zero</b> lapses in corporate governance or corruption</li><li>➤ <b>Zero</b> material incidents of non-compliance with socioeconomic or environmental laws</li></ul>
		Governance	

# Pursuit of ESG Plans On Track and Will Be Enhanced







## Environmental

Implementation **Decarbonisation Roadmap** with clear steps, targets, and timeline to ensuring a climate resilient portfolio

		 	
	<p><b>Implementation of Decarbonisation Roadmap for Singapore</b></p> <ul style="list-style-type: none"> <li>To kickstart roadmap for MTBs in Singapore to achieve Sustainability Targets and Green Initiatives.</li> <li>To progressively convert SLB through engagements with tenants and Green Leases</li> </ul>	<p><b>Developing Decarbonisation Roadmap for Overseas Assets</b></p> <ul style="list-style-type: none"> <li>To develop decarbonisation roadmap for overseas assets (Australia &amp; Japan)</li> <li>To develop Sustainability Targets for overseas assets and implementation plan.</li> </ul>	<p><b>Reconciliation with Group Net Zero Targets</b></p> <ul style="list-style-type: none"> <li>To review all assets and conduct gap analysis to address shortfall to meet ESR Group's 2050 targets (net Zero Carbon emissions)</li> </ul>
<b>Timeline</b>	<b>2024 - 2030</b>	<b>2025 - 2030</b>	<b>2030 - 2050</b>






**Current Green Certifications**

<p><b>Green Certifications</b></p> <p>By 2030, &gt;80% of SG buildings will attain Green Mark Certification</p>	<p><b>Green Mark Gold/ Gold Plus (SG)</b></p>  <p><b>6</b> Properties</p>	<p><b>Green Mark Certified (SG)</b></p>  <p><b>2</b> Properties</p>	<p><b>LEED (SG)</b></p>  <p><b>2</b> Properties</p>	<p><b>CASBEE (JPN)</b></p>  <p><b>1</b> Property</p>
---	--	--	--	---

# Pursuit of ESG Plans On Track and Will Be Enhanced



## Environmental (cont'd)

Other Operational Green Initiatives	 Energy Efficient Lightings	 EV Implementation	 Green Procurement Policy	 Green Leases & Fit-Out Guide	 Automate ESG Data Collection
	Convert existing lightings to LED lightings in common areas and install motion sensors at staircases	To introduce EV chargers in our portfolio to meet the increasing demand from EV users and potentially improve tenant retention	To introduce a set of Green Procurement Policy and ensuring 100% compliance from onboarded vendors by 2030.	To implement Green Lease and Green Fit-out plans into current leasing framework and SOPs	To integrate with Sustainability Reporting requirements to improve the accuracy and streamline the process of data collection.

### Solar Harvesting Programme



- Solar Power capacity will reach **15.25MWp** by 2024 with the commissioning of the new solar PV installation at 51 Alps Avenue
- ELOG has **8 buildings** installed with solar panels
- E-LOG is on track to achieve **50% increase in solar power generation by 2025** (from base year 2019)

# Pursuit of ESG Plans On Track and Will Be Enhanced (cont'd)



## Social



*Company wide fortnightly initiative:  
Lunch Time Rescue Vegetable Distribution*

- Achieved **528.5 hours** of staff volunteerism hours in FY2023
- **80.5%** employee satisfaction rate

## Tenant Engagement Programme

E-LOG conducted a Responder Plus Programme for tenants in conjunction with SCDF in Nov 2023 to raise awareness on First-Aid and Emergency Preparedness



## Governance



- New **Board Sustainability Committee** to provide strategic oversight on ESG policies and implementation



- **Zero** material incidents of non-compliance with socio-economic or environmental laws

# Glossary

**E-LOG:** ESR-LOGOS REIT

**ALOG:** ALOG Trust

**ESR Group or the Sponsor:** ESR Group Limited

## Definitions:

- **AUM:** refers to the total value of investment properties (excluding right of use of leasehold land), investments in joint venture and property funds
- **Effective Gross Rents:** effective rents take into account rent-free periods and rental escalation as the total rent payable for the lease period would be less than what is reported for passing rents
- **Gross Rents:** contracted rent
- **New Economy:** refers to logistics and high-specs industrial sectors
- **Portfolio Occupancy:** excludes properties under development
- **Passing Rents:** rent payable as stipulated in the lease agreement. These rates are usually quoted on gross basis
- **Rental Reversion:** a metric captured by some REITs to show whether new leases signed have higher or lower rental rates than before. Based on average gross rent
- **Weighted Average Lease Expiry:** a metric used to measure the tenancy risk of a particular property. It is typically measured across all tenants' remaining lease in years and is weighted with either the tenants' occupied area or the tenants' income against the total combined area or income of the other tenants

## Abbreviations:

**AEI:** asset enhancement initiatives

**APAC:** Asia Pacific

**AUM:** assets under management

**Bn or b:** billion

**CAGR:** compounded annual growth rate

**DPU:** Distribution per Unit

**GDP:** gross domestic product

**ESG:** economic, social, governance

**GFA:** gross floor area

**GRI:** gross rental income

**GRESB:** global real estate sustainability benchmarks

**JTC:** JTC Corporation

**m:** million

**NAV:** net asset value

**NLA:** net lettable area

**psfpm:** per square foot per month

**psf:** per square foot

**REIT:** real estate investment trust

**sqm:** square metre

**TOP:** temporary occupation permit

**WALE:** weighted average lease expiry

**y-o-y:** year on year



# Important Notice

The value of units in ESR-LOGOS REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR-LOGOS Funds Management (S) Limited ("**Manager**"), Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-LOGOS REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-LOGOS REIT, any particular rate of return from investing in ESR-LOGOS REIT, or any taxation consequences of an investment in ESR-LOGOS REIT. Any indication of ESR-LOGOS REIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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 occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-LOGOS REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This presentation is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this material is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-LOGOS REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.



## For enquiries, please contact:

### Lyn Ong

Senior Manager,  
Capital Markets and Investor Relations

Tel: +65 6222 3339

Email: [lyn.ong@esr-logosreit.com.sg](mailto:lyn.ong@esr-logosreit.com.sg)

### Sua Xiu Kai

Manager,  
Corporate Communications

Tel: +65 6222 3339

Email: [xiukai.sua@esr-logosreit.com.sg](mailto:xiukai.sua@esr-logosreit.com.sg)

