



Financial Results Presentation

3Q2019



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Key Highlights



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Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial

3Q2019 at a Glance



Proactive Asset Management

- Healthy occupancy of 91.0%, above JTC average of 89.3%⁽²⁾
- Completed the acquisition of 49% interest in 48 Pandan Road (PTC Logistics Hub)
- Secured new tenant for 8 Tuas South Lane reducing lease exposure to Hyflux Membrane
- Reduced lease expiry concentration for MTB⁽³⁾ in FY2019 from 12.2% to 6.0%

Prudent Capital Management

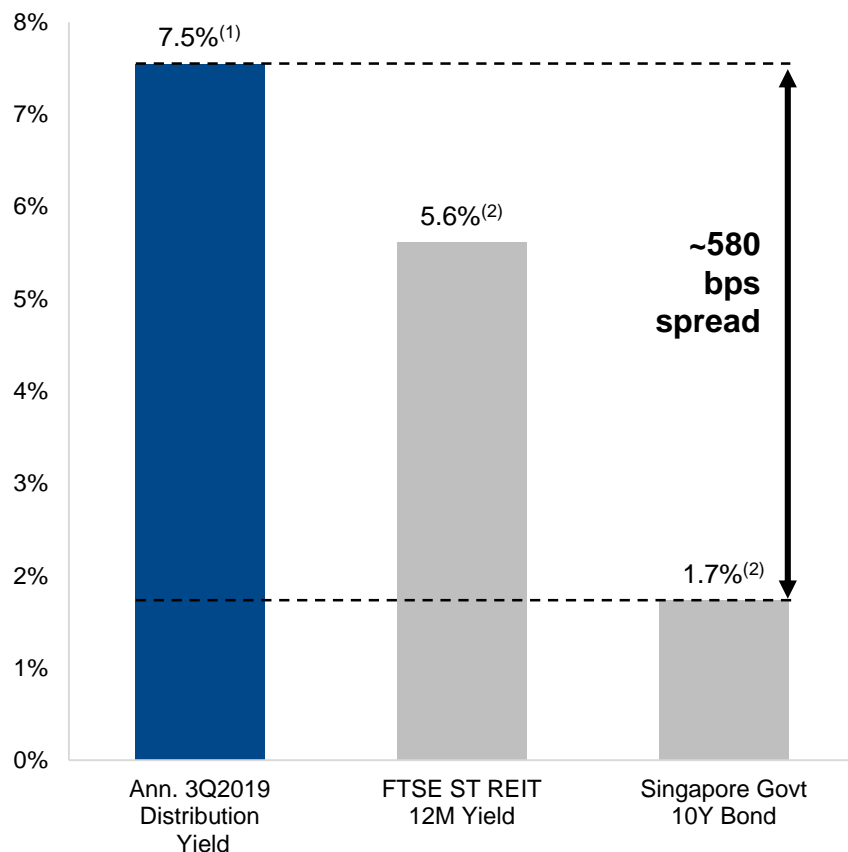
- ~S\$50.0m Preferential Offering was 2.13x subscribed, successfully completed on 14 October 2019⁽⁴⁾
- WADE⁽⁵⁾ at 2.8 years
- 85.3% of interest rate exposure fixed for 2.8 years
- Portfolio remains 100% unencumbered⁽⁶⁾
- No refinancing requirements due in 2019

Financial Performance

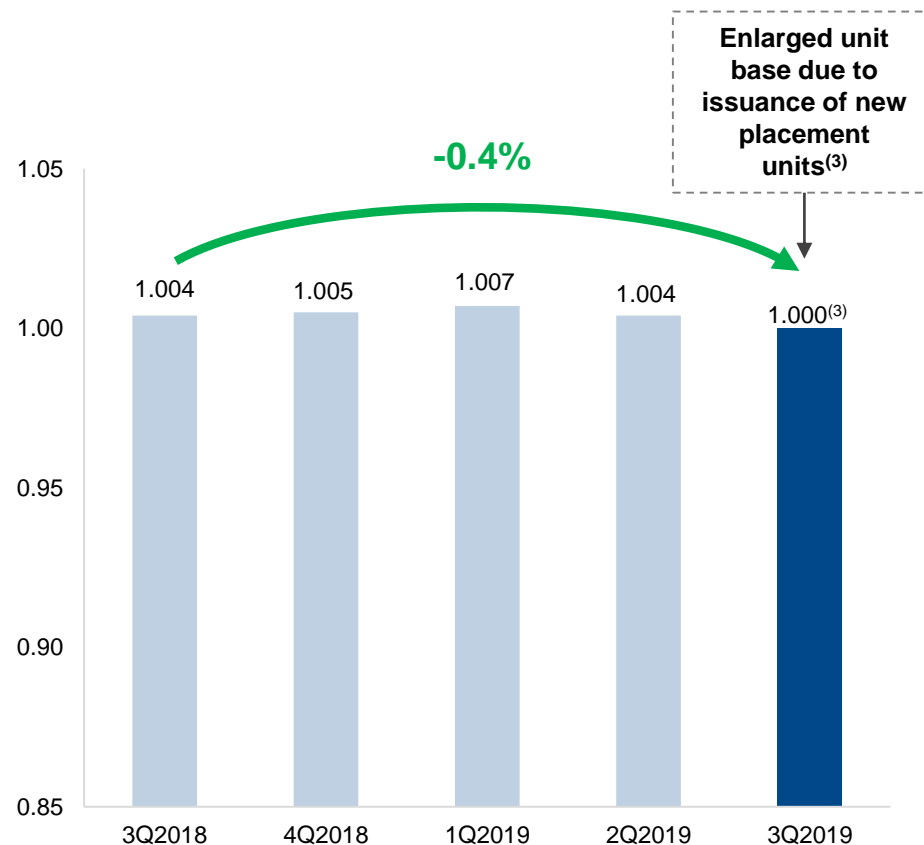
- 1.000 cents DPU for 3Q2019
- NAV per unit increased from 45.7 cents in 2Q2019 to 46.3 cents this quarter
- Cumulative distribution of 1.145 cents will be paid on or around 8 November 2019⁽⁷⁾
- Achieved stable distributions with lower portfolio & capital structure risk, demonstrating effective execution of strategy

Distributions for 3Q2019

Annualised Quarterly Distribution Yield (%)



Quarterly Distribution Per Unit (cents)



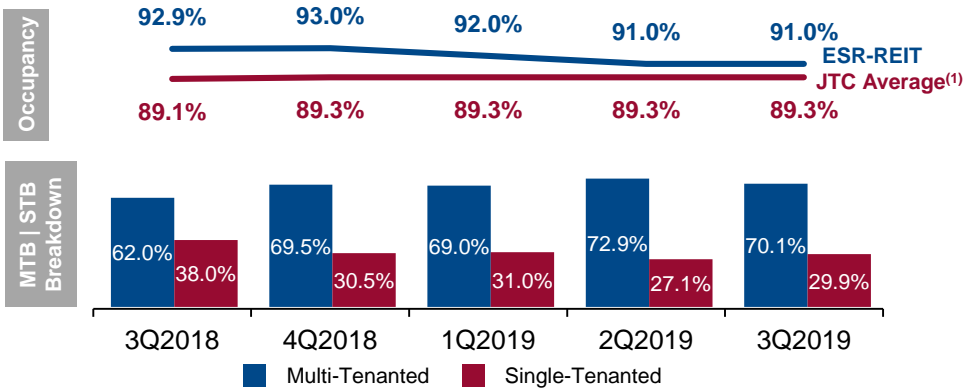
Notes:

- (1) Based on closing price of S\$0.53 as at 30 September 2019 and annualised 3Q2019 DPU of 1.000 cents.
- (2) Based on closing price as of 30 September 2019.
- (3) 194.2 million new units were issued pursuant to the Private Placement completed on 26 June 2019.

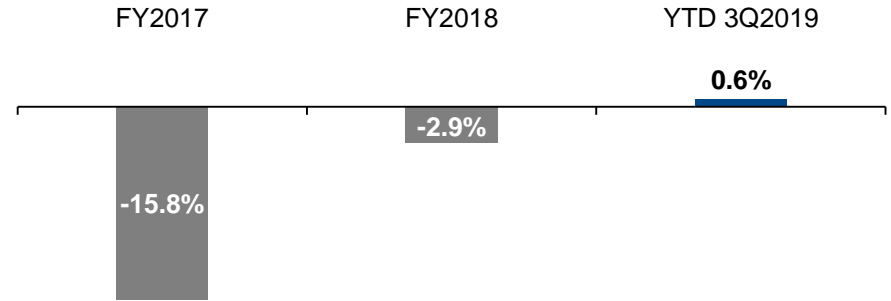
Stabilising and Diversified Portfolio Fundamentals

Stabilised Occupancy and Consistently Above JTC Average

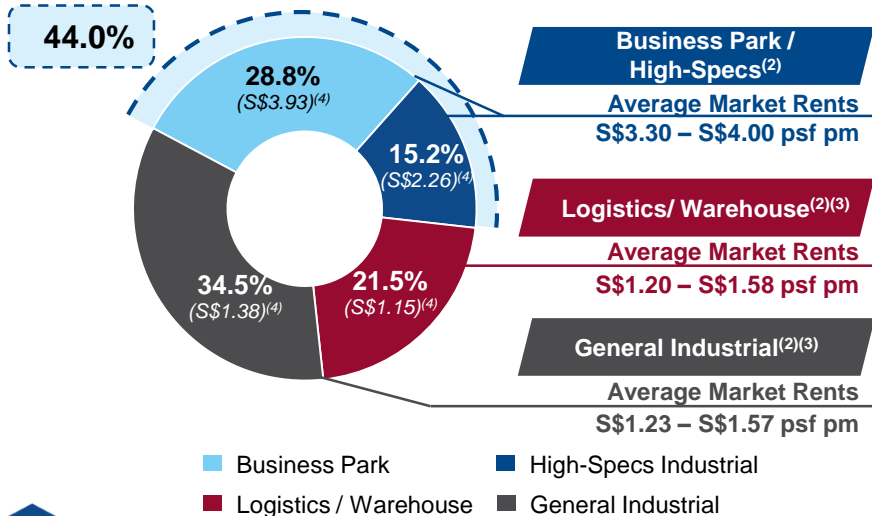
Occupancy fluctuations due to portfolio comprising approx. 70.1% MTBs by rental income



Year-to-Date Rental Reversions

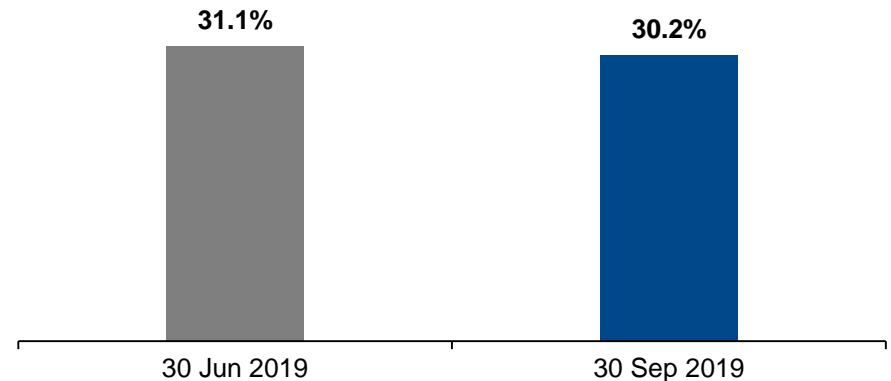


Increased Exposure to Business Park & High-Specs Sector



Top 10 Tenant Concentration Risk

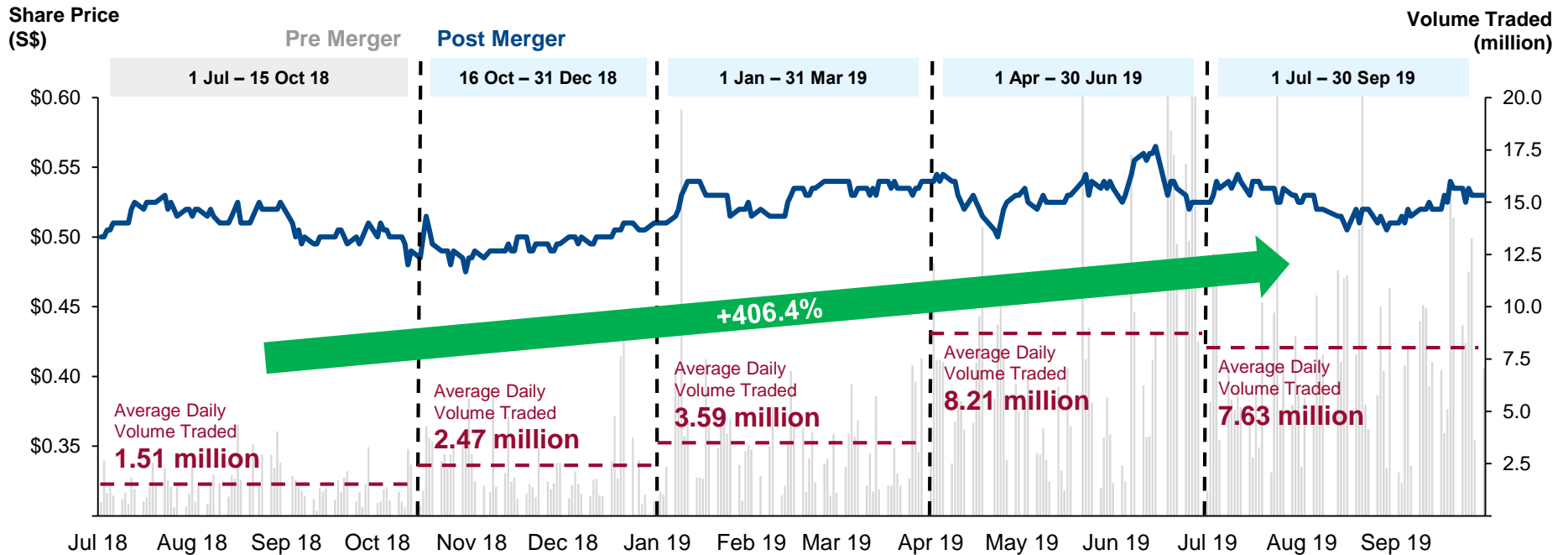
Top 10 tenants account for 30.2% of rental income as at 30 Sep 2019



Notes: (1) Based on JTC Quarterly Market Reports 3Q2018-3Q2019. (2) Based on 2Q2019 and 3Q2019 data from CBRE and JTC. (3) Logistics based on "Warehouse (Ground Floor)" and "Warehouse (Upper Floor)", while General Industrial is based on "Factory (Ground Floor)" and "Factory (Upper Floor)" as defined by JTC. (4) Refers to portfolio MTB YTD passing rents per sqft per month.

Broader Investor Base with Higher Trading Liquidity and Research Coverage

Improved Trading Liquidity



Well-Covered by Research Brokers

“Add”	“Buy”	“Outperform”	“Hold”	“Buy”	“Buy”	“Buy”	“Buy”
TP ⁽¹⁾ : S\$0.61	TP ⁽¹⁾ : S\$0.57	TP ⁽¹⁾ : S\$0.54	TP ⁽¹⁾ : S\$0.52	TP ⁽¹⁾ : S\$0.59	TP ⁽¹⁾ : S\$0.58	TP ⁽¹⁾ : S\$0.61	TP ⁽¹⁾ : S\$0.58

3Q2019 & YTD 3Q2019 Financial Performance



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Summary of Financial Results

	3Q2019 (S\$ million)	3Q2018 (S\$ million)	+ / (-) (%)	YTD 3Q2019 (S\$ million)	YTD 3Q2018 (S\$ million)	+ / (-) (%)
Gross Revenue ⁽¹⁾⁽²⁾	62.0	32.4	91.5 ▲	190.5	98.5	93.4 ▲
Net Property Income (“NPI”) ⁽¹⁾⁽²⁾	45.3	22.5	101.1 ▲	141.7	69.8	103.2 ▲
Distributable Income ⁽³⁾	29.2	13.4	118.0 ▲	87.4	40.9	113.7 ▲
Distribution from Other Gains ⁽⁴⁾	4.6	2.5	84.2 ▲	10.5	4.3	144.7 ▲
Total Distribution to Unitholders	33.8	15.9	112.7 ▲	97.9	45.2	116.6 ▲
Applicable number of units for calculation of DPU (million)	3,383.4	1,583.7	113.6 ▲	3,250.1	1,583.7	105.2 ▲
Distribution Per Unit (“DPU”) (cents)	1.000	1.004	(0.4) ▼	3.011	2.852	5.6 ▲

Notes:

- (1) Higher gross revenue and NPI mainly due to the contributions from (a) the acquisition of Viva Trust’s nine properties pursuant to the Merger and 15 Greenwich Drive, both in October 2018; (b) the leasing up of 30 Marsiling subsequent to the asset enhancement works completed in January 2019; and (c) rental escalations from the existing property portfolio. The growth was partially offset by the lease conversion from single to multi-tenancy for certain properties.
- (2) Includes straight line rent adjustment of -S\$0.8 million for 3Q2019 (3Q2018: S\$0.4 million) and S\$1.0 million for YTD 3Q2019 (YTD 3Q2018: S\$1.6 million).
- (3) Includes management fees payable to the Manager and the Property Manager in units of S\$2.3 million for 3Q2019 (3Q2018: S\$0.7 million) and S\$6.5 million for YTD 3Q2019 (YTD 3Q2018: S\$0.7 million).
- (4) Capital gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

Financial Position

	As at 30 Sep 2019 (S\$ million)	As at 30 Jun 2019 (S\$ million)
Investment Properties ⁽¹⁾	3,024.1	3,022.1
Right-of-use of Leasehold Land (FRS 116)	226.9	226.6
Other Assets	83.1	38.4
Total Assets	3,334.1	3,287.1
Total Borrowings (net of debt transaction costs)	1,238.9	1,182.9
Lease Liabilities for Leasehold Land (FRS 116)	226.9	226.6
Non-Controlling Interest	61.1	61.1
Other Liabilities	88.8	119.7
Total Liabilities	1,615.7	1,590.3
Net Assets Attributable to:		
- Perpetual Securities Holders	152.9	151.1
- Unitholders	1,565.5	1,545.7
No. of Units (million)	3,383.4	3,379.4
NAV Per Unit (cents)	46.3	45.7

Distribution Timetable

Distribution Details

Distribution Period	1 July 2019 – 13 October 2019
Distribution Rate	1.145 cents per unit comprising: Taxable income – 0.982 cents per unit Other gains – 0.163 cents per unit

The Cumulative Distribution of 1.145 cents per unit is computed based on the distributable income accrued by ESR-REIT for the period from 1 July 2019 to 13 October 2019. The next distribution following the Cumulative Distribution will comprise ESR-REIT's distributable income for the period from 14 October 2019 to 31 December 2019. Quarterly distributions will resume thereafter.

Distribution Timetable

Books Closure Date	11 October 2019
Distribution Payment Date	8 November 2019

Prudent Capital Management



*Top: UE BizHub EAST | Business Park
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Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

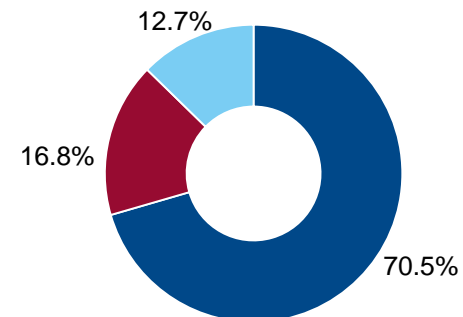
Key Capital Management Indicators

- **WADE⁽¹⁾ at 2.8 years**
- **85.3% of interest rate exposure is fixed for 2.8 years**

	As at 30 Sep 2019	As at 30 Jun 2019
Total Gross Debt (S\$ million)	1,248.6	1,193.6
Debt to Total Assets (%)	41.6 ⁽²⁾ / 40.1 ⁽³⁾	39.0 ⁽²⁾
Weighted Average All-in Cost of Debt (%) p.a.	3.91	3.98
Weighted Average Debt Expiry ("WADE") (years)	2.8	3.1
Interest Coverage Ratio (times)	3.5	3.5
Interest Rate Exposure Fixed (%)	85.3	89.2
Weighted Average Fixed Debt Expiry ("WAFDE") (years)	2.8	2.9
Proportion of Unencumbered Investment Properties (%)	100 ⁽⁴⁾	100
Gearing Headroom (S\$ million)	194.3	333.9
Undrawn Available Committed Facilities (S\$ million)	85.0	140.0

Breakdown of Debt (as at 30 Sep 2019)

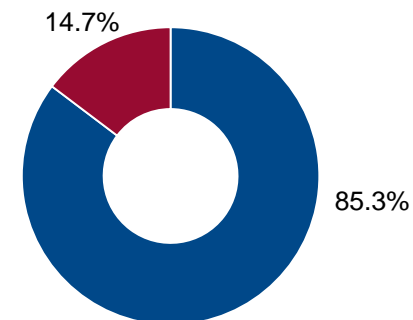
Total Debt of S\$1,248.6m



- Unsecured Term Loans
- MTNs
- Unsecured RCF Loans

Interest Rate Exposure Fixed (%)

85.3% of interest rate exposure fixed for 2.8 years



- Fixed Interest Rate
- Floating Interest Rate

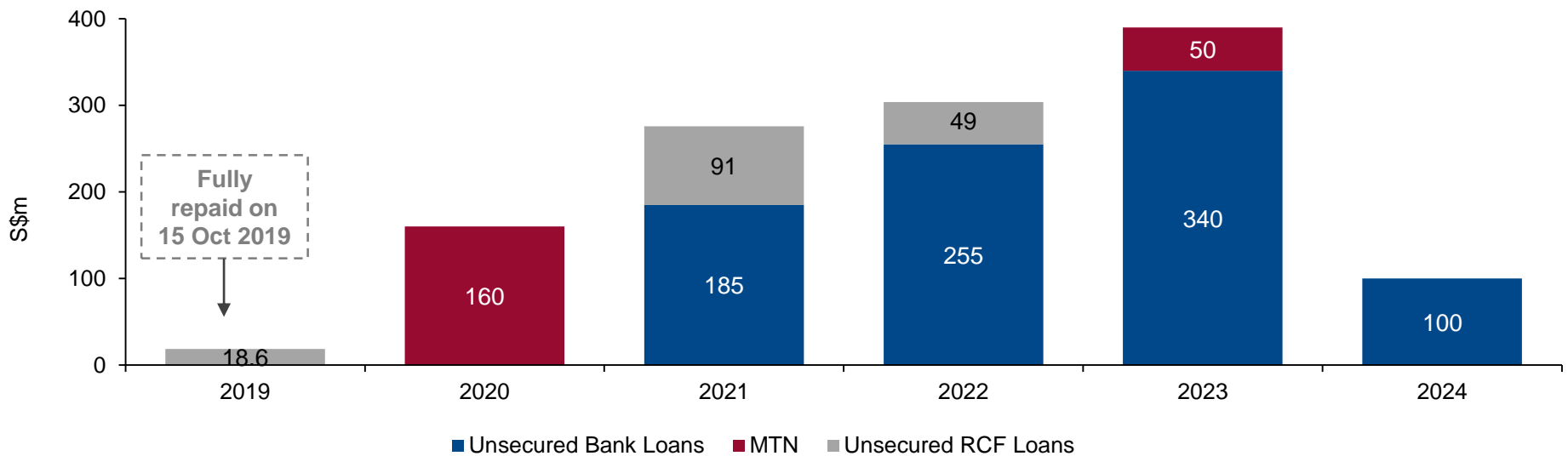


Notes: (1) Weighted average debt expiry. (2) Includes ESR-REIT's 49% share of the borrowings, lease liabilities and total assets of PTC Logistics Hub LLP but excludes the effects arising from the adoption of FRS 116 Leases which became effective on 1 January 2019 where such effects relate to operating leases that were entered into in the ordinary course of ESR-REIT's business and were in effect before 1 January 2019. (3) On a proforma basis assuming ESR-REIT had completed the Preferential Offering and utilised the gross proceeds of S\$50 million for debt repayment on 30 September 2019. (4) Excludes ESR-REIT's 49% interest in 48 Pandan Road.

Well-Staggered Debt Maturity Profile

- Successfully completed approximately S\$50.0m Preferential Offering on 14 October 2019; the offering was 2.13x subscribed⁽¹⁾
- No refinancing requirements due in 2019

Debt Maturity Profile (as at 30 Sep 2019)



% of Debt Expiring	2019	2020	2021	2022	2023	2024
	1.5	12.8	22.1	24.4	31.2	8.0

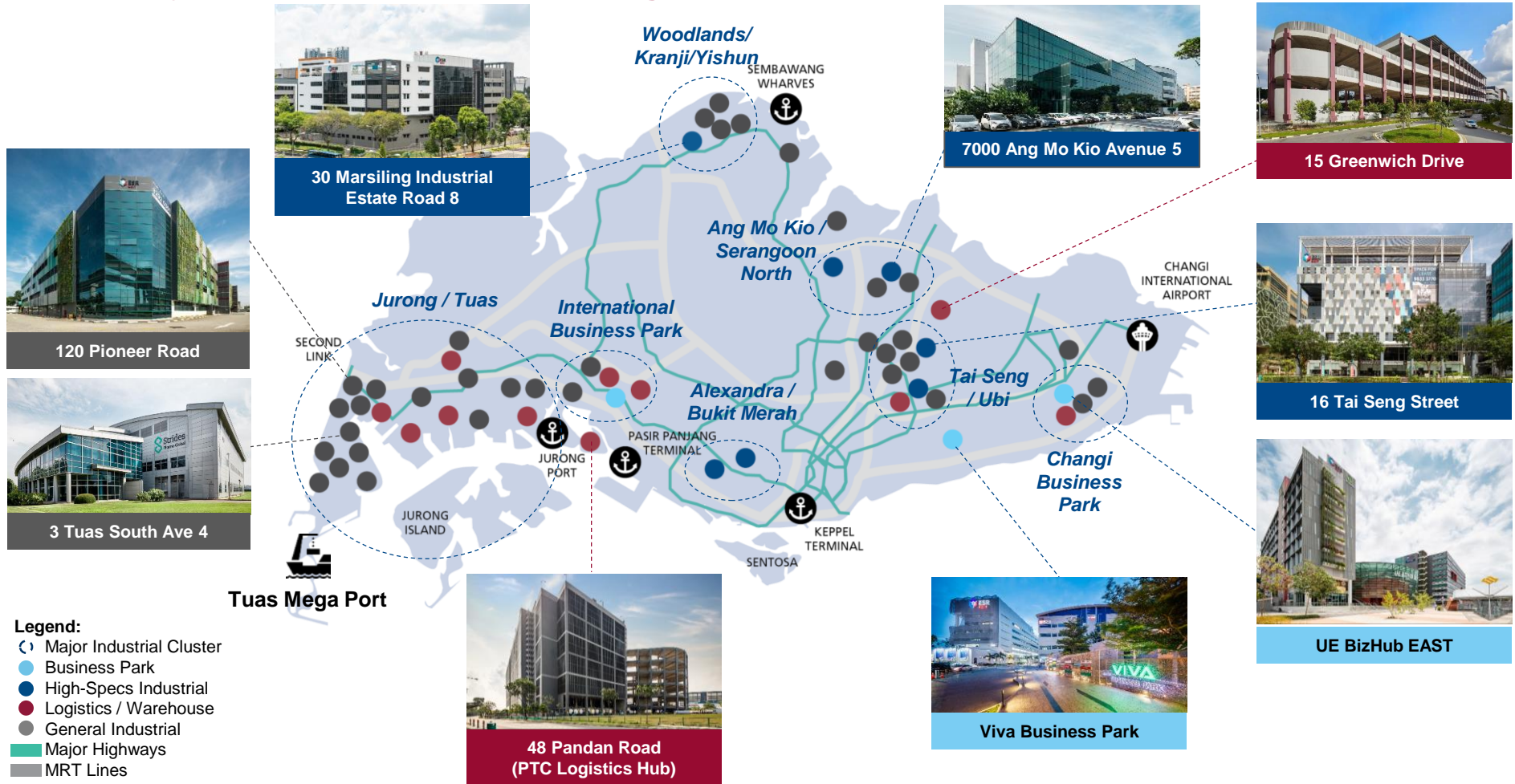
Real Estate Highlights



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Well Located Portfolio Across Singapore

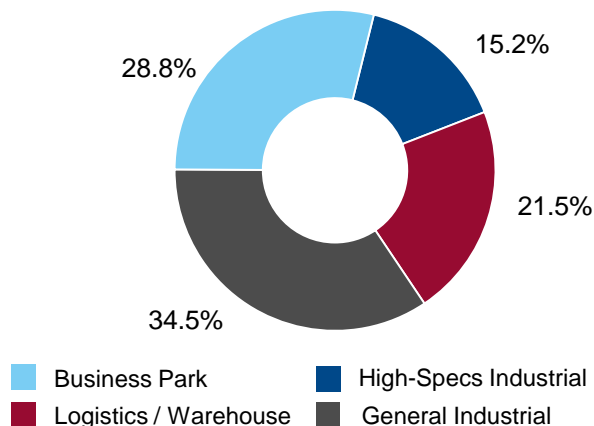
Portfolio of 57 assets totalling S\$3.13bn⁽¹⁾, located close to major transportation hubs and within key industrial zones across Singapore



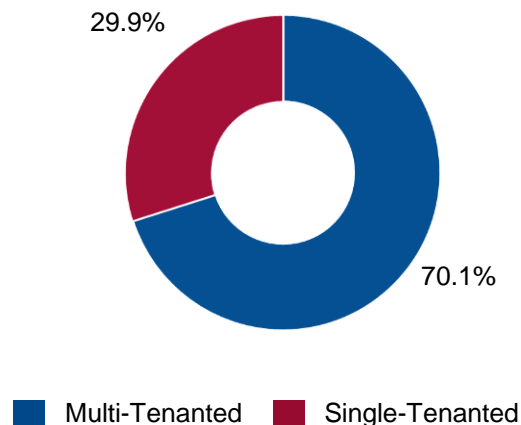
Diversified Portfolio with Stable Fundamentals

Asset Class by Rental Income (as at 30 Sep 2019)

Well-diversified portfolio across sub-sectors

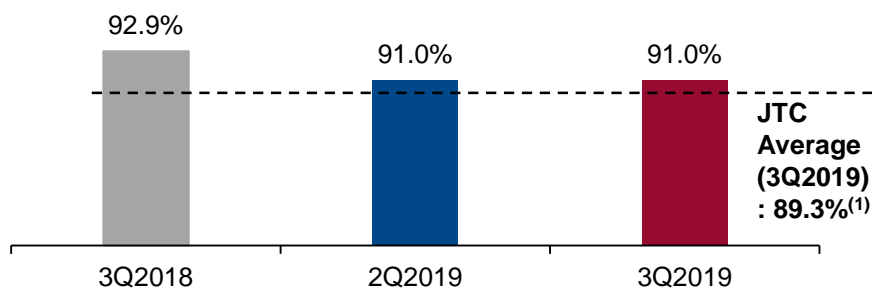


STB and MTB by Rental Income (as at 30 Sep 2019)

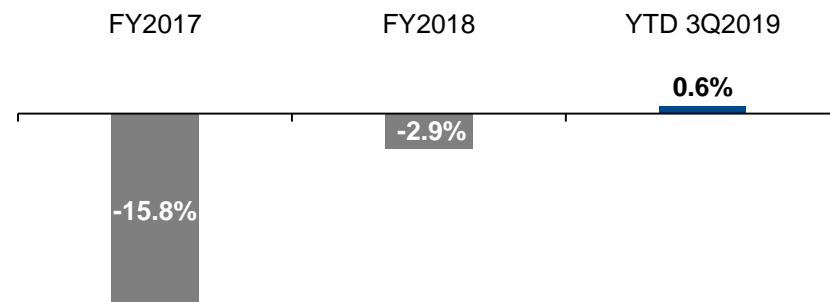


Portfolio Occupancy (as at 30 Sep 2019)

Occupancy at 91.0% (above JTC average of 89.3%), with fluctuations due to 70.1% MTB portfolio



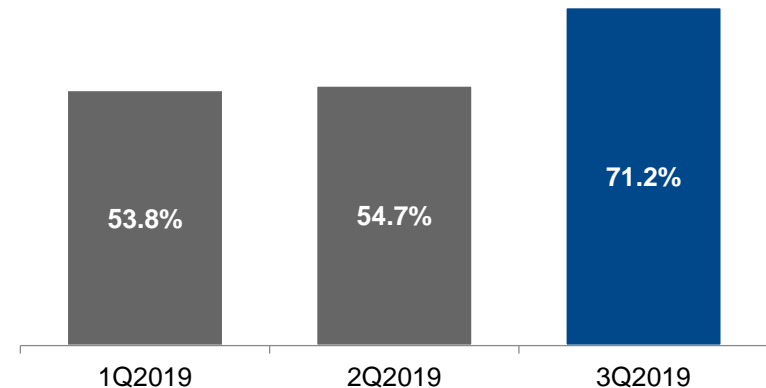
Year-to-Date Rental Reversions



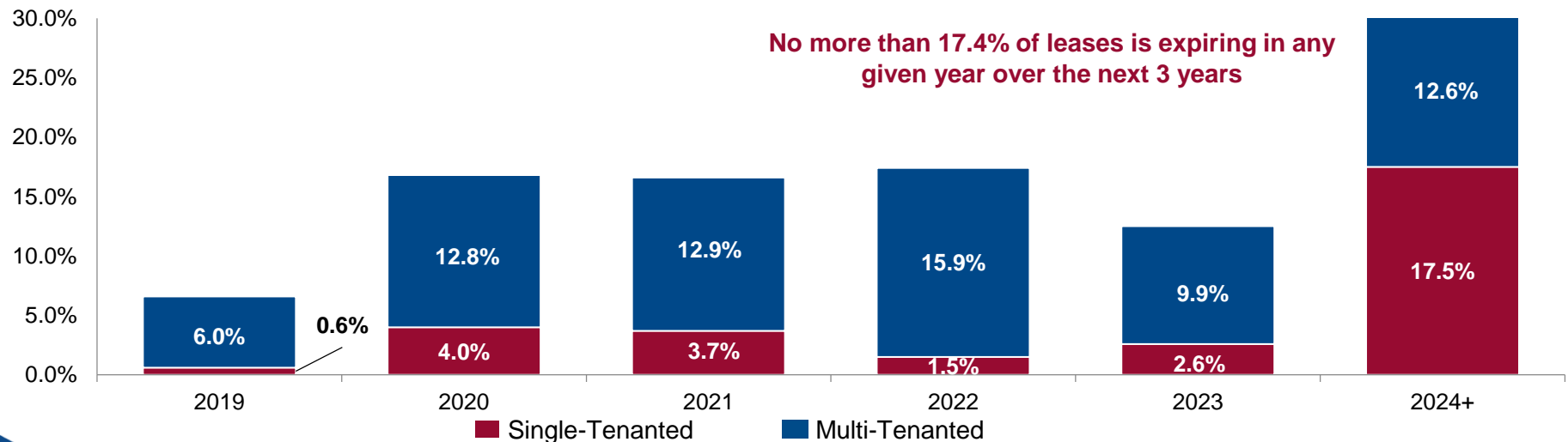
Proactive Lease Management

- WALE improved from 3.6 years in 2Q2019 to 3.8 years this quarter
- Renewed and leased 1,439,600 sqft of space in 3Q2019, bringing the total leased area to 2,164,900 sqft for YTD 3Q2019
 - Less than 7% of leases to be renewed for remaining of 2019
- YTD tenant retention rate is 71.2%




YTD Tenant Retention Rate (as at 30 Sep 2019)



WALE by Rental Income (as at 30 Sep 2019)



New Major Leases Secured During the Quarter

	A General Industrial	B General Industrial	C Business Park
Name of Tenant	P-Way Construction & Engineering Pte Ltd	LS Modular (S) Pte. Ltd.	Future Electronics
			
Location	8 Tuas South Lane	79 Tuas South Street 5	UE BizHub EAST
Description	Specialising in railway construction, installation and maintenance and currently contracted by Land Transport Authority to provide track work services. It intends to house operations related to the upcoming Jurong Region MRT Line and the extension of Changi Airport Terminal to the train depot at the property.	LS Modular specializes in sales, rental and trade-in of new and used containers which are customized for F&B, lifestyle and retail usage.	Headquartered in Montreal and operating in 169 locations in 44 countries around the world, Future Electronics is a worldwide leader in electronic components distribution.
NLA (sqft)	168,846	67,942	30,440
Lease Commencement Date	1 October 2019	15 November 2019	29 November 2019

Reduces lease exposure to Hyflux Membrane: Hyflux now accounts for 3.0% of the Portfolio's rental income (down from 3.6% last quarter)

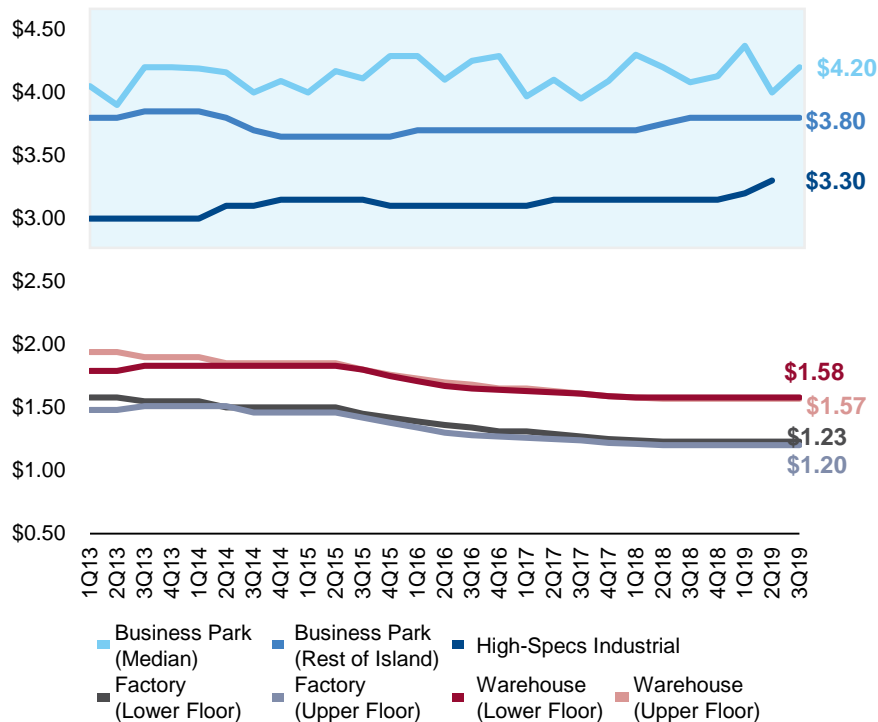
Master lease provides stable income for the REIT

Augments IT/electronics trade sector within the business park

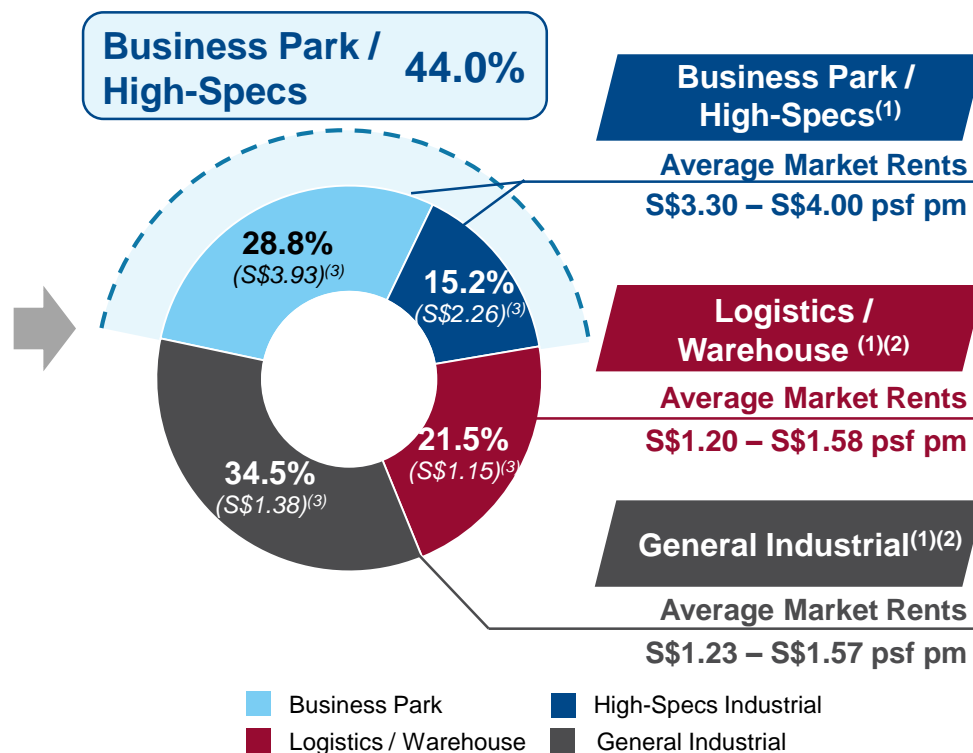
In Sub-Sectors with Favourable Demand/ Supply Dynamics

- 44.0% of properties in Business Parks/High-Specs Sector with favourable demand/supply dynamics
- Provides additional flexibility to conduct AEs on ESR-REIT's identified assets
 - Ensure industrial spaces are “future-ready” to meet the demands of the “industrialists of tomorrow” today

Average Industrial Rents (\$\$ / sqft / month)⁽¹⁾



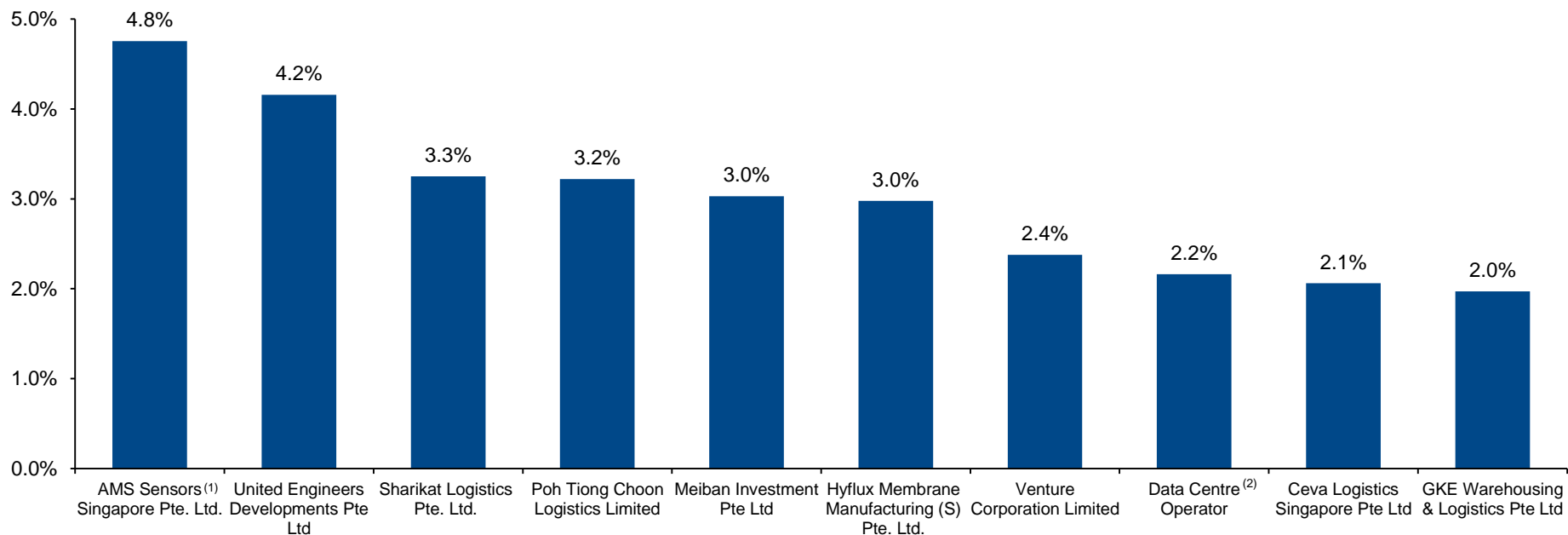
Asset Class Breakdown by Rental Income



Reduced Tenant Concentration Risks

Top 10 tenants account for 30.2% of rental income

Top 10 Tenants by Rental Income (as at 30 Sep 2019)



Notes:

- (1) Formerly known as Heptagon Micro Optics Pte Ltd.
- (2) Tenant cannot be named due to confidentiality obligations.

Industrial Market Outlook and Strategy

*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*



Industrial Property Market Outlook

1 Singapore's GDP grew by 0.1% on a y-o-y basis in 3Q2019⁽¹⁾, avoiding technical recession

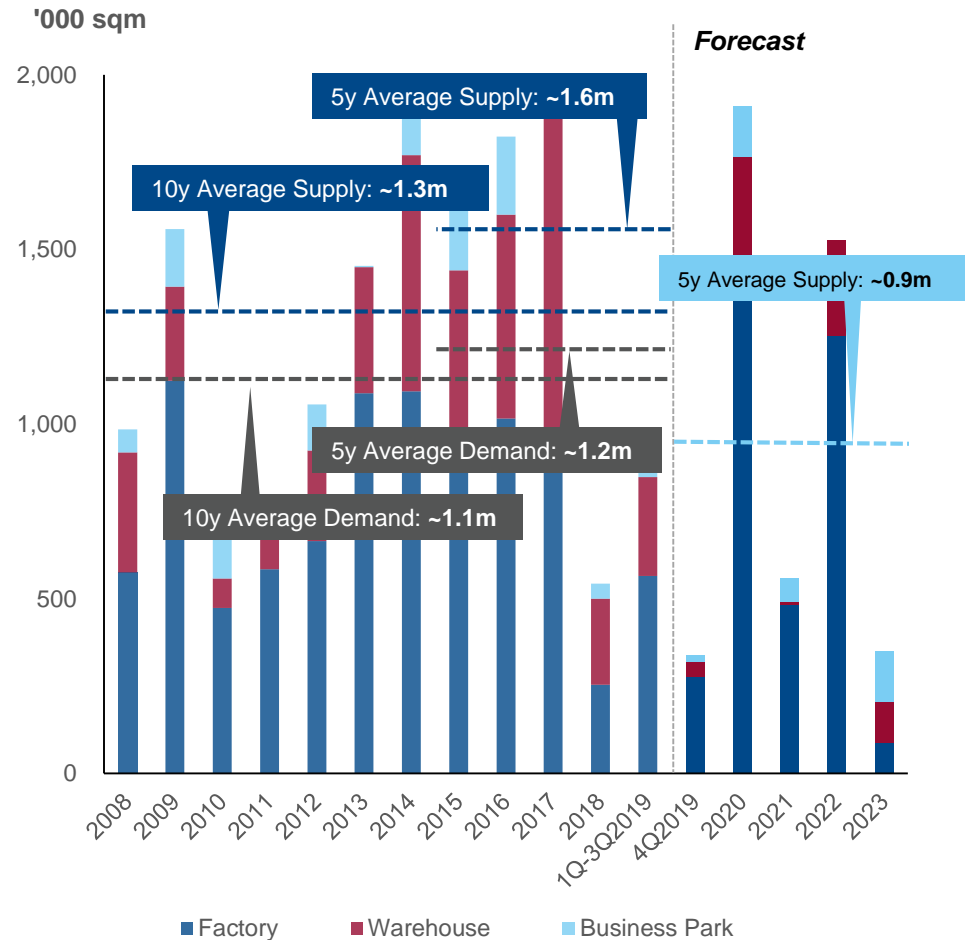
- GDP grew at the same pace of growth as in the previous quarter
- On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from 2.7% contraction in 2Q2019
- Manufacturing output has shrunk 8.0% y-o-y in August 2019
- NODX experienced negative growth during the last 3 quarters and PMI is still in contractionary stage

2 Prices and rentals of industrial space remains stable, overall occupancy remains unchanged compared to previous quarter

- As at end 3Q2019, the occupancy rate of overall industrial property market remained unchanged at 89.3%, no change from the previous quarter and a 0.2% increase over the previous year⁽²⁾
- Prices and rental of industrial space remained relatively stable. Price index increased marginally by 0.1% while rental index remained flat compared to the previous quarter⁽²⁾

3 Headwinds such as uncertainty over the status of US-China talks and weak global demand have started to affect business performance of industrialists, contributing to negative business sentiments which is expected to impact demand for space in the short-to-medium term

Average Supply of Industrial Space⁽²⁾



Conclusion

1



Stabilised Portfolio Provides Opportunities to Pursue Organic Growth

- Larger, diversified portfolio with an attractive distribution yield of 7.5%
- Healthy occupancy at 91% and stable WALE at 3.8 years
- Improving portfolio metrics supports effective execution of strategies such as AEI and rejuvenation plans to optimise returns for unitholders

2



Strengthen Quality of Portfolio through Proactive Asset Management

- Completed accretive acquisition of 49% interest in 48 Pandan Road (PTC Logistics Hub), a high quality, newly-completed modern ramp-up warehouse
- New tenant secured for 8 Tuas South Lane reduces lease exposure to Hyflux Membrane.
- Continue to proactively diversify tenant concentration risks and improve tenant mix and quality within the portfolio

3



Prudent Capital Management

- Successful completion of preferential offering on 14 October 2019 at 2.13x subscribed ⁽¹⁾
- Reduced risks to capital structure by improving WADE⁽²⁾, WAFDE⁽³⁾ and maintaining the proportion of interest rate exposure fixed
- No refinancing requirements due in 2019
- Increased research coverage with Citi Research onboard for 3Q2019 attracts growing investor focus

Appendix



Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial

Real Estate Portfolio Highlights



Diversified portfolio of **57** properties across Singapore

Total GFA of approximately **15.1 million sqft**



Portfolio Occupancy

91.0%

Above JTC Average of 89.3%⁽¹⁾



Asset Valuation

S\$3.13 billion⁽²⁾

332 tenants

from different trade sectors



Located close to major transportation hubs and key industrial zones



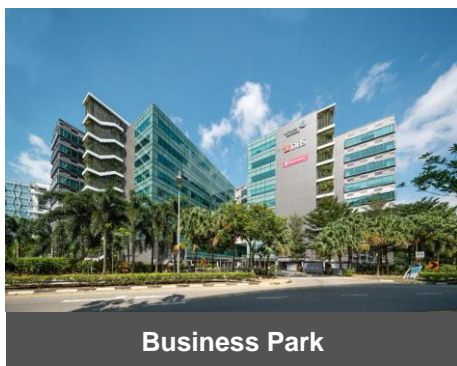
Weighted Average Lease Expiry of

3.8 years

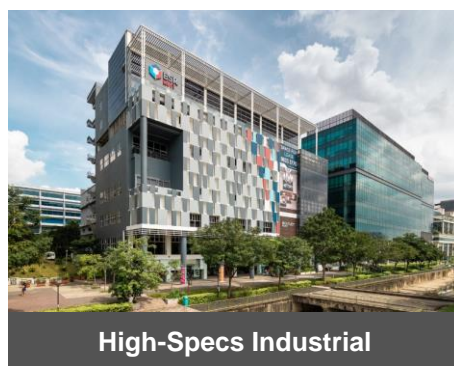


Total assets

S\$3.3 billion



Business Park



High-Specs Industrial



Logistics / Warehouse



General Industrial



Notes: (1) Based on 3Q2019 data from JTC. (2) Includes (i) 100% of the valuation of 7000 Ang Mo Kio Avenue 5 in which ESR-REIT holds 80% interest; and (ii) 49% of the valuation of 48 Pandan Road in which ESR-REIT holds 49% interest, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 Leases which became effective on 1 January 2019. 26

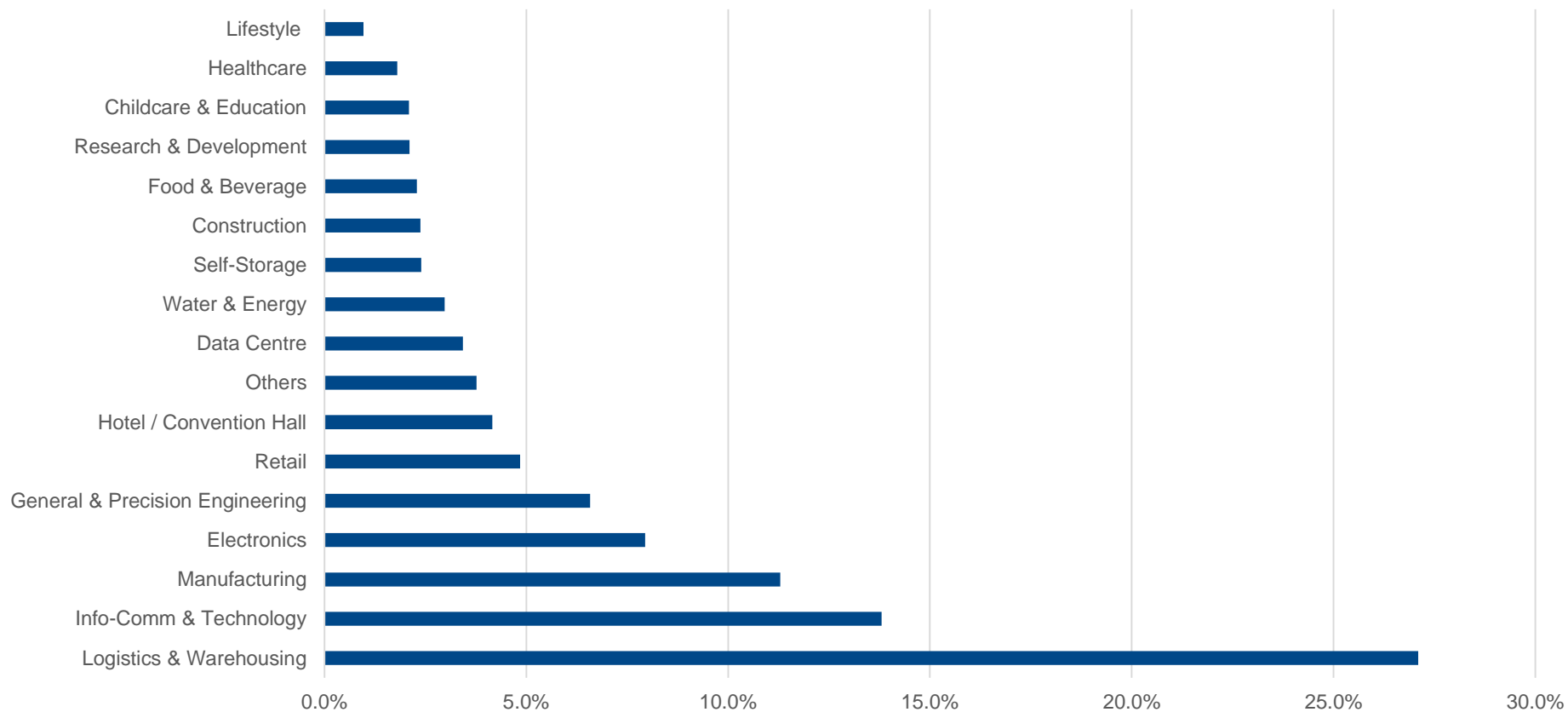
Key Portfolio Statistics

	As at 30 Sep 2019	As at 30 Jun 2019	As at 30 Sep 2018
Number of Properties	57	56	47
Valuation (S\$ million) ⁽¹⁾	3,134.4	3,016.2	1,652.2
GFA (million sqft)	15.1	14.0	9.7
NLA (million sqft)	13.5	12.5	8.8
Weighted Average Lease Expiry (“WALE”) (years)	3.8	3.6	4.4
Weighted Average Land Lease Expiry (years) ⁽²⁾	32.2	32.7	33.8
Occupancy (%)	91.0	91.0	92.9
Number of Tenants	332	328	184
Security Deposit (months)	6.1	6.3	6.6

Diversified Tenant Base and Trade Sectors

No individual trade sector accounts for more than 30% of ESR-REIT's Rental Income

Breakdown by Trade Sectors (by Rental Income) (as at 30 Sep 2019)



ESR-REIT's Competitive Strengths

- **Largest APAC focused** logistics real estate platform with more than **US\$20 billion AUM**
- ESR has ~ 67% stake in the REIT Manager, 100% stake in Property Manager and a ~9% stake in the REIT
 - Demonstrates long-term **commitment** and **alignment of interest**
- **Co-founded by Warburg Pincus** and backed by blue-chip institutional ownership and investors
- Provides ESR-REIT with **development expertise** and extensive **network to strong regional tenant base**

- **Close to 70 years of collective experience** in local and regional real estate companies and financial institutions
 - In-depth knowledge, proven track record and capabilities in Real Estate market, with focus in industrial property sector
- Members have played key roles in the shaping and management of successful REITs in Singapore

- **Proactively conducting AEI** to optimize asset returns
- **Established track record** of acquiring strategic assets and managing build-to-suit (“BTS”) development projects
- **In-house expertise** to specifically address the requirements of clients and their projects
- **Experienced and flexible team** to **pro-actively manage** projects
- **Sponsor ESR has proven track record** of developing BTS warehousing and distribution facilities for leading global e-commerce companies



- **57 properties** valued at S\$3.13 billion⁽¹⁾
- **Strategically located** in key industrial zones across Singapore
- **Proactive** asset and lease management focus
- **Well balanced portfolio** with Single-Tenanted Building conversions to Multi-Tenanted Buildings
- **Diversified Portfolio**: No individual trade sector accounts for >27.1% of rental income
- **Healthy occupancy rate** of 91.0%
- Healthy Portfolio WALE of 3.8 years
- Leases on average have **6.1 months security deposits**
- **Built-in rental escalations** provide organic growth

- Extensive network of **332 tenants**
- Diversified across industries including: Logistics, Wholesale Trade, General Storage, Fabrication and Electronics
- Top 10 tenants account for 30.2% of rental income
- **Long lease terms** of 3-15 years provide **stability** for Unitholders, with in-built escalation
- **71.2% tenant retention rate**

- **Stable and secure income stream** supported by **prudent capital and risk management**
 - Staggered debt maturity profile; gearing of 41.6%⁽²⁾⁽³⁾
 - **85.3%** of interest rate exposure fixed for **2.8 years**
 - **100%** of assets unencumbered⁽⁴⁾
- **No refinancing requirements due in 2019**
- **Diversified pools of capital** while broadening banking relationships

Our Long-Term Strategy

Our three-pronged strategy focuses on optimising Unitholder returns while reducing risks



Organic Growth

- AEs to unlock value and attract high-valued tenants
- Proactive asset management to optimise investor returns
- Divest non-core assets and redeploy to higher value-adding properties
- Enhance tenant base by leveraging Sponsor networks



Acquisition and Development Growth

- Yield-accretive, scalable, value-enhancing acquisition opportunities in Singapore
- Potential pipeline of overseas assets from ESR
- Exploring opportunities to participate in development projects, either individually or in JV with ESR



Capital Management

- 100% unencumbered
- Well-staggered debt maturity profile
- Diversify funding sources into alternative pools of capital
- Broaden and strengthen banking relationships

Important Notice

This material shall be read in conjunction with ESR-REIT's results announcements for the quarter ended 30 September 2019.

Important Notice

The value of units in ESR-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 Funds Management (S) Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-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-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-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 material 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-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.

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