

The logo for Keppel DC REIT, featuring the word "Keppel" in white on a grey background, followed by "DC REIT" in orange.

Keppel DC REIT

Fourth Quarter & Full Year 2019 Financial Results

21 January 2020



Outline

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Update
- Outlook

Important Notice: The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking” statements due to 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, 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 terms necessary to support future business.

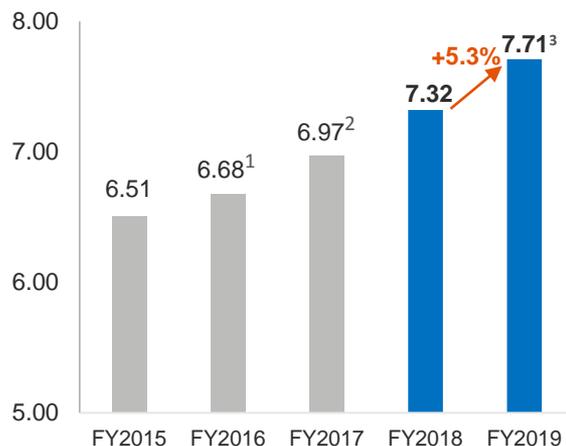
Prospective investors and unitholders of Keppel DC REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the “Manager”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (“Units”) and the income derived from them 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 have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

Key Highlights for FY 2019

Steady growth in Adjusted DPU, increasing by 5.3% to 7.71³ cents

Adjusted DPU (cents)



Stable income stream with healthy portfolio occupancy and long WALE

Portfolio Occupancy

94.9%

as at 31 Dec 2019

Portfolio WALE

8.6 years

by leased area

Low aggregate leverage provides financial flexibility to pursue growth

Aggregate Leverage⁴

30.7%

as at 31 Dec 2019

Interest Coverage

13.3 times

as at 31 Dec 2019

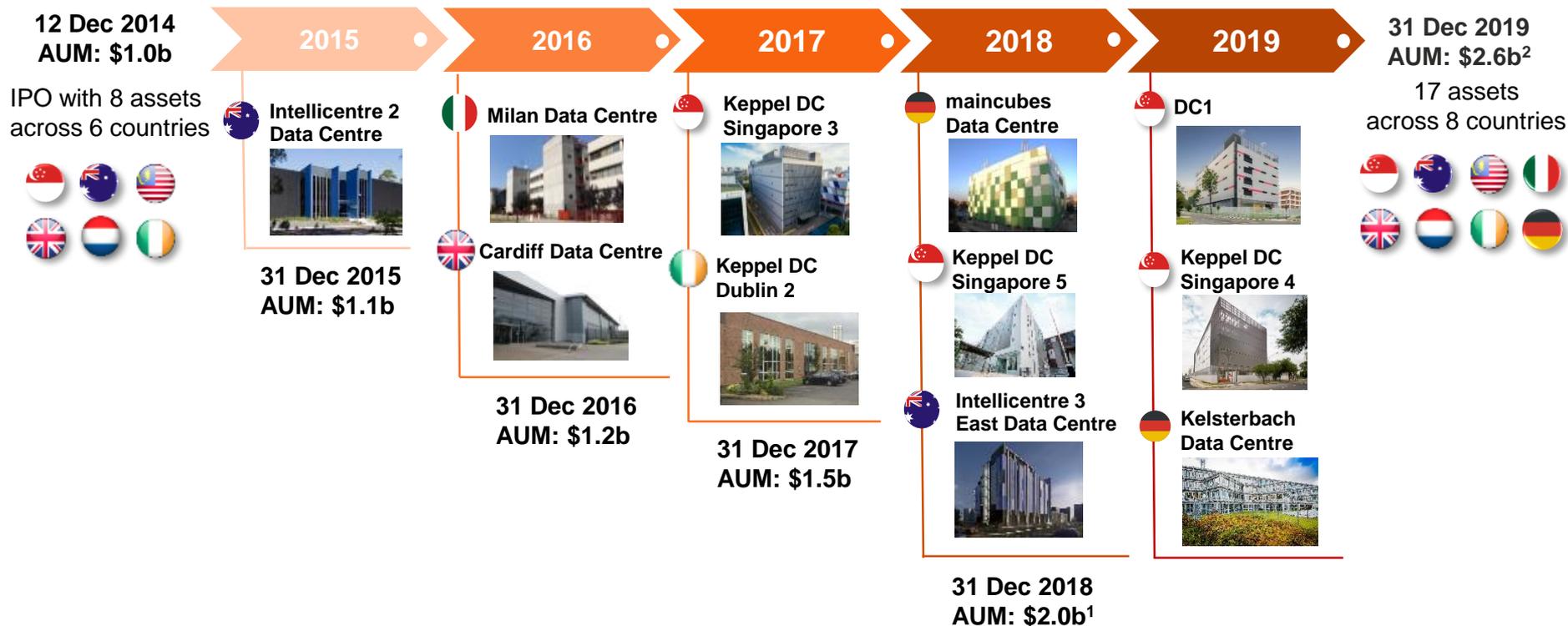
1. Exclude the impact of the pro-rata preferential offering and the one-off net property tax refund in 2016.

2. Exclude the one-off capital distribution for the month of December 2016 arising from the later completion of Keppel DC Singapore 3 in 2017.

3. Excluding the impact of the pro-rata preferential offering in October 2019.

4. Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options.

Steady Growth Momentum Since IPO



DPU-Accretive Acquisitions in Singapore and Germany

- Completed acquisitions of Keppel DC Singapore 4 and DC1 in 4Q 2019
- Deepen presence in Germany with acquisition of Kelsterbach Data Centre, a purpose-built data centre facility located near the Frankfurt Airport



99% Interest in Keppel DC Singapore 4

- Five-storey carrier-neutral and purpose-built colocation facility
- Occupancy rate of 95.7% with IT power fully-committed as at 31 Dec 2019



100% Interest in DC1

- Five-storey purpose-built facility
- Triple-net master lease with remaining lease of 16.3 years as at 31 Dec 2019



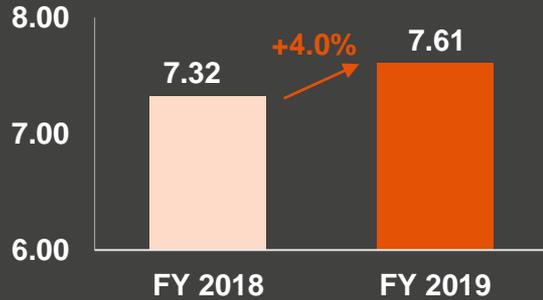
100% interest in Kelsterbach Data Centre

- Fully leased on a triple-net basis until end-2025
- Acquisition expected to be completed in 2020

Financial Performance

Distributable Income

Distribution Per Unit (cents)



Distribution

for the period from 25 Sep to 31 Dec 2019

DPU a) Taxable Income: 0.72 cents
b) Tax-exempt Income: 1.23 cents

Ex-Date 29 Jan 2020

Book Closure Date 30 Jan 2020

Payment Date 3 Mar 2020

(\$'000)	4Q 2019	4Q 2018	+/(-) %	FY 2019	FY 2018	+/(-) %
Distributable Income to Unitholders	31,464	26,126	20.4	113,245	96,096	17.8
Comprising						
Gross Revenue	52,981	48,043	10.3	194,826	175,535	11.0
Property Expenses	(4,455)	(5,576)	(20.1)	(17,543)	(17,862)	(1.8)
Net Property Income	48,526	42,467	14.3	177,283	157,673	12.4
Distribution per Unit^{1,2} (DPU) (cents)	1.83	1.85	(1.1)	7.61	7.32	4.0
Adjusted DPU³ (cents)	1.93	1.85	4.3	7.71	7.32	5.3
Distribution Yield⁴ (%)				3.66	3.52	14bps

1. Exclude an amount of capital expenditure that has been set aside.
2. Keppel DC REIT paid an advanced distribution of 1.81 cents per Unit to eligible Unitholders on 27 Nov 2019 for the period from 1 Jul to 24 Sep 2019 in connection with the private placement launched on 16 Sep 2019. For the period from 25 Sep to 31 Dec 19, eligible unitholders will receive distribution of 1.95 cents per Unit. Keppel DC REIT declares distributions on a half-yearly basis.
3. Excluding the impact of the pro-rata preferential offering in October 2019, the adjusted DPU for 4Q 2019 and FY 2019 would be 1.93 cents and 7.71 cents respectively.
4. Distribution yields were computed based on FY 2019 closing price of \$2.080.

Balance Sheet Highlights

(\$'000)	As at 31 Dec 2019	As at 31 Dec 2018	+/(-) %
Investment Properties	2,637,026	2,028,672	+30.0
Total Assets	2,927,994	2,259,144	+29.6
Gross Borrowings ¹	870,388	673,952	+29.1
Total Liabilities	1,025,446	783,150	+30.9
Unitholders' Funds	1,868,018	1,444,839	+29.3
Units in Issue ('000)	1,632,395	1,351,578	+20.8
Net Asset Value (NAV) per Unit (\$)	1.14	1.07	+6.5
Unit Price (Closing price of last trading day) (\$)	2.080	1.350	+54.1
Premium to NAV (%)	+82.5	+26.2	56.3pp

1. Gross borrowings relates to borrowings drawn down from loan facilities and the medium term note programme.

Aggregate Leverage

(\$'000)	As at 31 Dec 2019	As at 31 Dec 2018	+/(-) %
Investment Properties¹ <i>(excluding lease liabilities commitments and options)</i>	2,585,178	1,995,206	+29.6
Deposited Properties¹ <i>(excluding lease liabilities commitments and options)</i>	2,838,306	2,187,396	+29.8
Gross Borrowings + Deferred Payment	870,388	673,952	+29.1
Aggregate Leverage²	30.7%	30.8%	(10bps)

1. Investment properties relates to carrying value and deposited properties relates to total assets as stipulated in the Property Fund Appendix in CIS Code, without considering lease liabilities pertaining to land rent commitments and options.
2. Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties (Note 1). Taking into consideration lease liabilities pertaining to land rent commitments and options, the Aggregate Leverage will be 31.9% (2018: 31.9%).

Capital Management

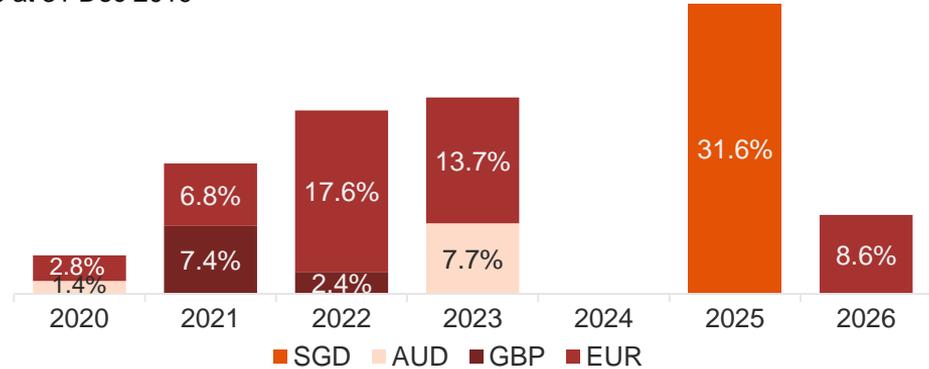
- **Maintaining low aggregate leverage:**
Provides flexibility and a healthy debt headroom for growth
- **Raised \$478.2m in gross proceeds**
through private placement and preferential offering of approx. 277.0m new Units

1. Computed based on gross borrowings as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options.
2. Including amortisation of upfront debt financing costs and excluding lease charges.
3. Calculated as EBITDA over borrowing costs, after adjusting for non-cash items including but not limited to fair value changes in investment properties and management fees paid in Units.

Prudent Capital Management

Debt Maturity Profile

As at 31 Dec 2019



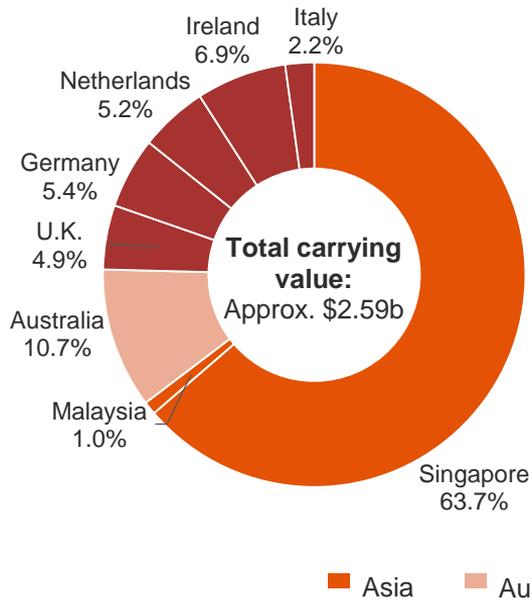
As at 31 Dec 2019

Total debt	~\$870.4m of external loans/notes (unencumbered)
Available facilities	~\$190.6m of undrawn credit facilities
Aggregate Leverage¹	30.7%
Average cost of debt²	1.7% per annum
Debt tenor	3.9 years
Interest coverage³	13.3 times

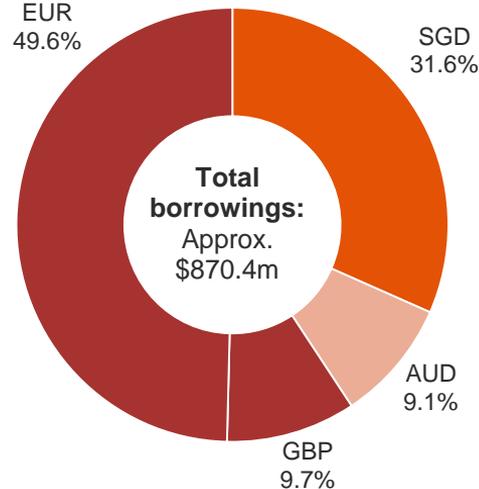
Prudent Capital Management

- **Managing interest rate exposure:**
82% of loans hedged with floating-to-fixed interest rate swaps
- **Mitigating impact of currency fluctuations:**
 - Hedged forecasted foreign-sourced distributions till 1H 2021 through foreign currency forward contracts
 - Adopted natural hedging by borrowing in currencies that match the corresponding investments

Investment properties breakdown¹
(as at 31 Dec 2019)



Debt currency breakdown
(as at 31 Dec 2019)



1. Based on 100% carrying value as at 31 Dec 2019 without taking into consideration the lease liabilities pertaining to the land rent commitments and options.

Portfolio Update

Optimising Portfolio Returns

Increase power capacity at Keppel DC Singapore 5



- Expected completion: 2H 2020
- Estimated costs: \$29.9m

Fit out shell & core space at DC1



- Expected completion: 3Q 2020
- Estimated costs: Up to \$56.6m

Obtained building approvals and commenced construction of Intellicentre 3 East Data Centre



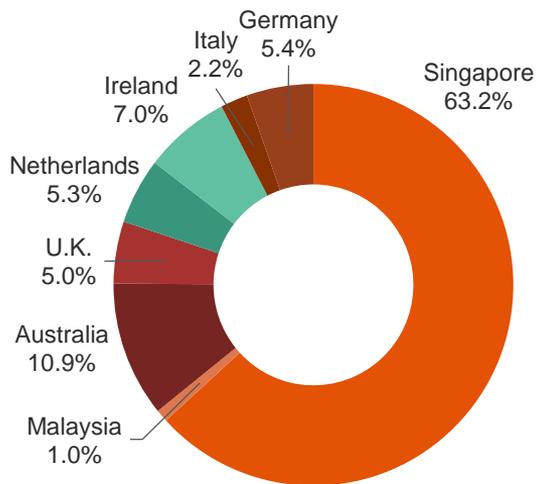
- Expected completion: 4Q 2020
- Development costs of A\$26.0m-A\$36.0m payable on completion

Diversified and Resilient Portfolio

Approx. 75% of portfolio in Asia Pacific and 25% in Europe

Portfolio AUM breakdown

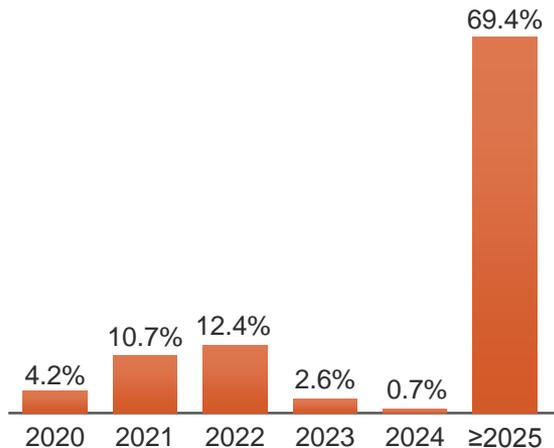
As at 31 Dec 2019



Healthy portfolio occupancy of 94.9% and long WALE of 8.6 years

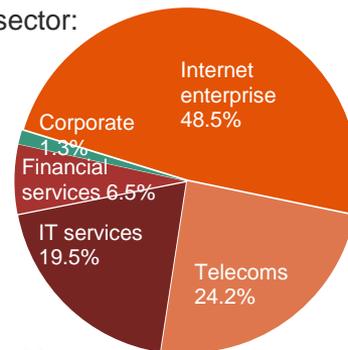
Lease expiry profile (by leased area)

As at 31 Dec 2019

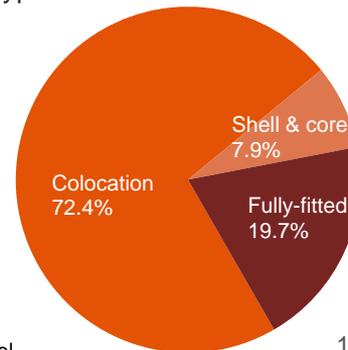


Rental income breakdown for Dec 2019¹

By trade sector:



By lease type:



1. Based on the colocation agreements and lease agreements with clients of the properties, treating the Keppel leases on a pass-through basis to the underlying clients.

Diversified and Resilient Portfolio

Portfolio Valuation

	31 Dec 2019	31 Dec 2018
Valuation	\$2,560m	\$1,970m
Capitalisation Approach		
Capitalisation Rate	5.50% - 10.25%	5.75% - 10.75%
Discounted Cash Flow Approach		
Discount Rate	4.75% - 12.00%	5.50% - 12.25%
Terminal Yield Rate	4.75% - 15.00%	5.50% - 16.00%

- Quality data centres that cater to the requirements of global clientele
 - Colocation facilities provide diverse client profile and lease expiry
 - Fully-fitted and shell & core facilities provide income stability with typically longer lease terms

Lease Type	Client Count	WALE ¹ (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.9	✓	✓	-
Fully-fitted	Single	12.0	✓	-	-
Shell & core	Single	11.4	-	-	-

1. By leased area as at 31 Dec 2019

Outlook



Supported by Sound Industry Fundamentals



Cloud provider spending on colocation and data centre leasing grew by 17% in 1H 2019¹



Mobile data traffic expected to increase by up to 3.5 times from 2018 to 2021³



Global cloud infrastructure market expected to grow at 25% CAGR for 2019-2023¹



Worldwide IoT spending to grow at 13.6% CAGR between 2017 and 2024⁴



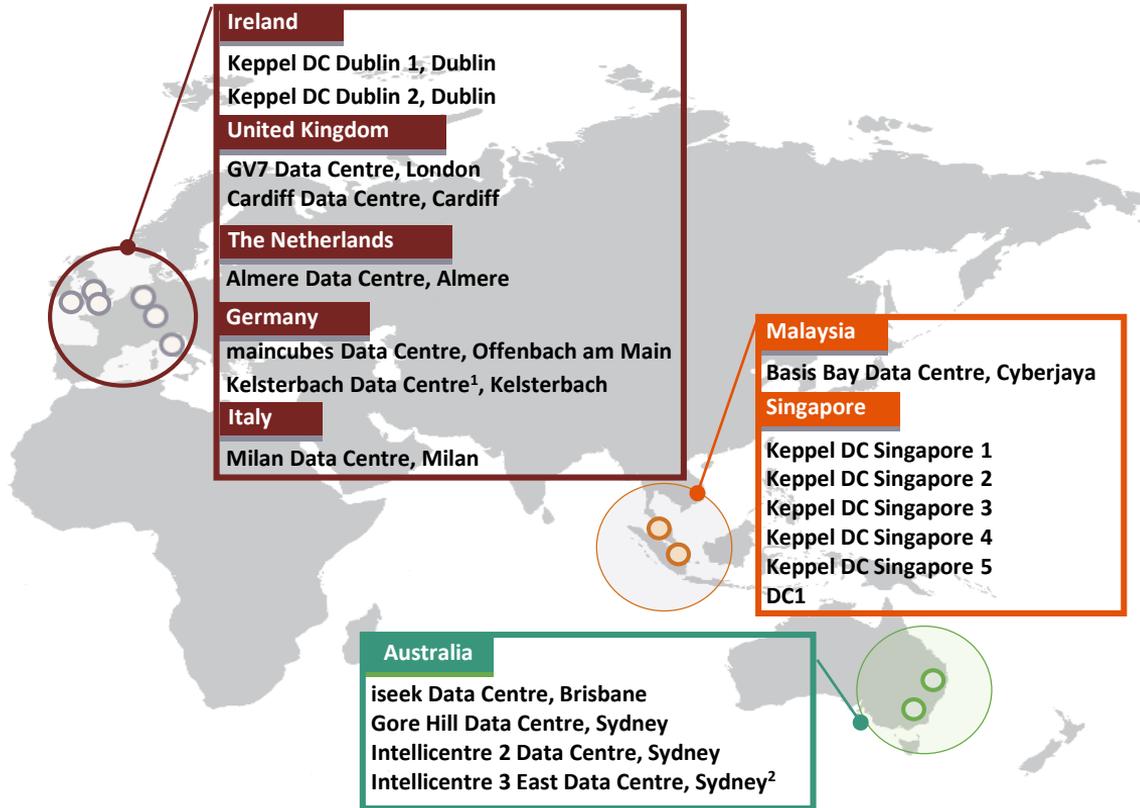
5G connection to generate 2.6 times more traffic than the average 4G connection, and take up 12% of total mobile traffic by 2022²



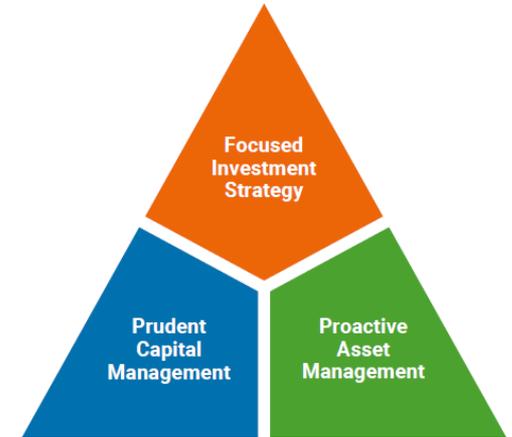
Actively connected cars expected to increase to 2 billion by 2025⁵

- Data centre market supported by ongoing digitalisation and cloud deployment
- Improved connectivity as well as the development and adoption of new technologies will continue to drive the growth of data creation and fuel demand for data storage requirements in key data centre hubs globally

Positioned for Growth



The Manager will continue to strengthen Keppel DC REIT's presence and position it to capitalise growth opportunities in the data centre industry



Committed to Deliver Value

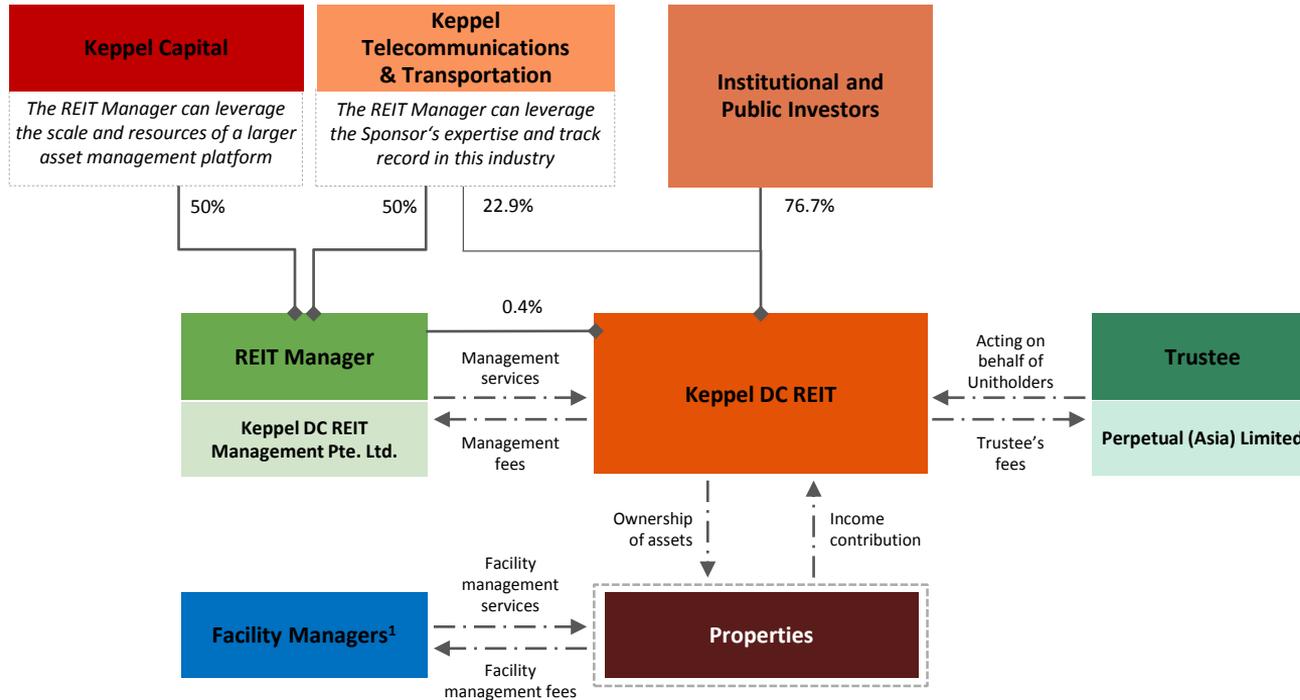
- **Vision:** To be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.
- **Mission:** Guided by the Keppel Group's operating principles and core values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.



Additional Information

Keppel DC REIT Structure

as at 31 Dec 2019



Portfolio Overview (as at 31 Dec 2019)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years)	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	19	89.2	S\$296.0m	Keppel lease / Colocation	3.9	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	4	100.0	S\$174.0m	Keppel lease / Colocation	2.1	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	S\$238.5m	Keppel lease / Colocation	2.4	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S\$384.9m ⁴ (purchase price)	Keppel lease / Colocation	2.6	Leasehold (Expiring 30 June 2020, with option to extend by 30 years)
Keppel DC Singapore 5	Singapore	99%	97,781	3	84.2	S\$327.7m	Keppel lease / Colocation	1.8	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100	S\$200.2m (purchase price)	Triple-net (Fully-fitted/ Shell & core)	16.3	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 78.2m (S\$25.6m)	Colocation	2.5	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A\$207.5m (S\$192.1m)	Triple-net (Shell & core) / Colocation	5.4	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A\$35.0m (S\$32.4m)	Double-net ³ (Fully-fitted)	6.5	Leasehold (Expiring 29 June 2040, with option to extend by 7 years)

Portfolio Overview (as at 31 Dec 2019)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A\$57.7 m (S\$53.4m)	Triple-net (Shell & core)	15.6	Freehold
Intellicentre 3 East Data Centre ⁵	Sydney, Australia	100%	Min. 86,000	1	100.0 ⁵	A\$26.0-A\$36.0m (development costs)	Triple-net (Shell & core)	20.0 ⁵	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£35.9m (S\$63.2m)	Triple-net (Shell & core)	11.5	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£36.3m (S\$64.0m)	Triple-net (Fully-fitted)	7.1	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1 ⁶	100.0	€89.9m (S\$135.2m)	Double-net (Fully-fitted)	8.7	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	22	65.7	€49.9m (S\$75.0m)	Colocation	2.1	Leasehold ⁷ (Expiring 11 Apr 2041)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,652	4	100.0	€68.7m (S\$103.3m)	Colocation	8.6	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S\$57.4m)	Double-net (Shell & core)	8.0	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€91.2m (S\$137.1m)	Triple-net (Fully-fitted)	13.3	Freehold
Kelsterbach Data Centre (Proposed acquisition)	Kelsterbach, Germany	100%	540,869	1	100.0	€81.8m (purchase price)	Triple-net (Shell & core)	6	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.

2. Based on respective independent valuations and respective ownership interests as at 31 Dec 2019, unless otherwise stated.

3. Keppel DC REIT has in place the isseek Lease with the client of isseek Data Centre. While the isseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.

4. Purchase price includes rental support.

5. This development is expected to be completed in 4Q 2020 and is excluded from the portfolio's asset under management; Facility will be fully leased to Macquarie Telecom upon completion.

6. Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.

7. On 14 Mar 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year (from 1 Jan 2000) leasehold land interest in Keppel DC Dublin 1. Legal completion of the acquisition is expected in 1H 2020.

Overview of Lease Arrangements

Asia Pacific	Lease Arrangement	Description	Responsibilities of Owner				
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex	
Keppel DC Singapore 1	Keppel lease ¹ / Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
Keppel DC Singapore 2	Keppel lease ¹ / Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
Keppel DC Singapore 3	Keppel lease ² / Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
Keppel DC Singapore 4	Keppel lease ¹ / Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
Keppel DC Singapore 5	Keppel lease ² / Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
DC1	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except insurance for the shell of the building, responsible for facilities management 	-	-	-	-	
Basis Bay Data Centre	Colocation ³	<ul style="list-style-type: none"> Client: Pays rent; responsible for facilities management Owner: Bears pre-agreed facilities management amount, insurance and property tax 	✓	✓	✓	✓	
Gore Hill Data Centre (for one client)	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management in their space 	-	-	-	-	
Gore Hill Data Centre (for two clients)	Colocation ³	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓	
Intellicentre 2 Data Centre	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management 	-	-	-	-	
Intellicentre 3 East Data Centre ⁵ (under development)	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management 	-	-	-	-	
iseek Data Centre	Double-net lease ⁴	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except building insurance; responsible for facilities management 	-	✓	-	✓	

Overview of Lease Arrangements

Europe	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Cardiff Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
GV7 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Keppel DC Dublin 1	Colocation ^{3,6}	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation ^{3,6}	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Milan Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
maincubes Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Kelsterbach Data Centre (Proposed acquisition)	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

1. Refers to the leases entered into by Keppel DC REIT with the Keppel lessees (Keppel DC Singapore 1 Ltd and Keppel DC Singapore 2 Pte Ltd) in relation to Keppel DC Singapore 1, Keppel DC Singapore 2 and Keppel DC Singapore 4 respectively. Due to the pass-through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel lessees and the underlying clients.

2. Refers to the leases entered into by Keppel DC Singapore 3 LLP and Keppel DC Singapore 5 LLP with the Keppel lessee (Keppel DCS3 Services Pte Ltd) in relation to Keppel DC Singapore 3 and Keppel DC Singapore 5 respectively.

3. Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.

4. Keppel DC REIT has in place the isek Lease with the client of isek Data Centre. While the isek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.

5. This development is expected to be completed in 4Q 2020 and is excluded from the portfolio's assets under management; Facility will be leased to Macquarie Telecom upon completion.

6. Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 and Keppel DC Dublin 2.

Thank You