

# 1Q 2021 Operational Updates

20 April 2021



# Key Highlights for 1Q 2021



## Continued to deliver healthy financial performance

Distributable income<sup>1</sup> and DPU<sup>2</sup> for 1Q 2021 was up 17.5% and 18.1% y-o-y respectively, supported by contributions from accretive acquisitions and asset enhancement initiatives in 2020



## Value creation through portfolio optimisation

Completion of AEI works at Keppel DC Dublin 2 and DC1, totalling approximately \$72m<sup>3</sup>



## Resilient asset class and stable portfolio matrices provide long-term income sustainability

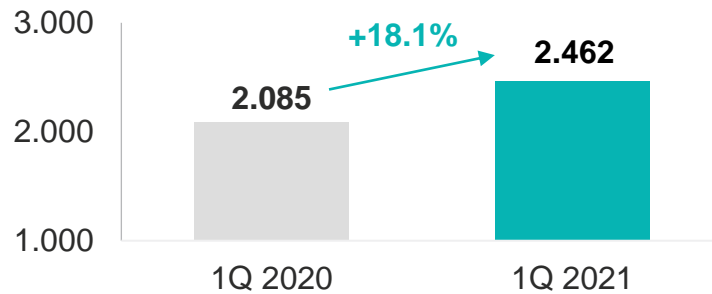
Maintained healthy portfolio occupancy of 97.8% and long WALE of 6.6 years<sup>4</sup>



## Maintain investment focus

Continue to pursue opportunities to diversify portfolio globally and sustain growth momentum

## Distribution per Unit (cents)



**DPU increased 18.1% y-o-y in 1Q 2021, supported by new acquisitions and AEIs**



Amsterdam Data Centre

## Continued to Deliver Healthy Returns

(\$'000)	1Q 2021	1Q 2020	% Change
Gross Revenue	66,685	60,272	+10.6
Net Property Income	60,989	55,443	+10.0
Distributable Income <sup>1</sup>	42,029	35,781	+17.5
Distribution per Unit (DPU) <sup>2</sup> (cents)	2.462	2.085	+18.1

## Stable Balance Sheet

	31 Mar 2021	31 Dec 2020	% Change
Unitholders' Funds (\$'000)	1,932,492	1,944,652	(0.6)
Units in Issue ('000)	1,633,461	1,633,121	-
Net Asset Value (NAV) per Unit (\$)	1.18	1.19	(0.8)
Unit Price (\$)	2.70	2.81	(3.9)
Premium to NAV (%)	+128.8	+136.1	(7.3pp)

1. Distributable Income includes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 31 March 2021.
2. Excludes an amount of Capex Reserves that has been set aside.



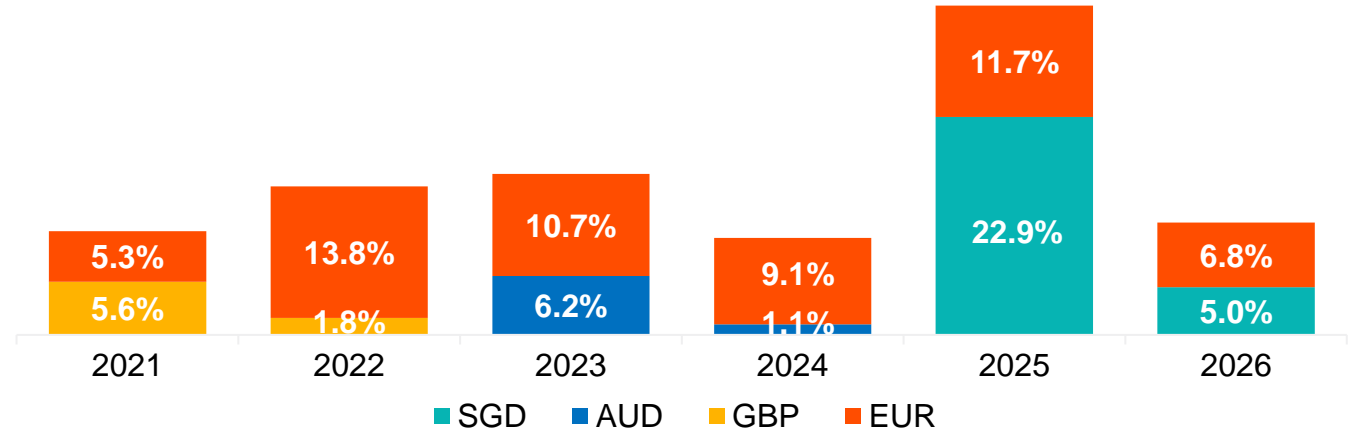
Gore Hill Data Centre

- **Proactively manage interest rate exposure**, with 67% of loans hedged with floating-to-fixed interest rate swaps, and the remaining unhedged borrowings in EUR
- **Mitigate impact of currency fluctuations to distributions** by hedging forecasted foreign-sourced distributions till 2H 2022 with foreign currency forward contracts
- Engaging banks to refinance loans, due in 4Q 2021

# Prudent Capital Management

## Debt Maturity Profile

As at 31 Mar 2021



As at 31 Mar 2021

<b>Total debt</b>	~\$1.20b of external loans/notes (unencumbered)
<b>Available facilities</b>	~\$366.9m of undrawn credit facilities
<b>Aggregate leverage<sup>1</sup></b>	37.2%
<b>Average cost of debt<sup>2</sup></b>	1.5% per annum
<b>Debt tenor</b>	3.1 years
<b>Interest coverage<sup>3</sup></b>	13.1 times

1. Computed based on gross borrowings and deferred payment 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. Interest Coverage Ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

# Portfolio Updates

- Proactively engaging tenants for lease renewals in 2021
- Development of **Intellicentre 3 East Data Centre (IC3 East DC)** progressing as planned
  - New 20-year triple net master lease with Macquarie Data Centres for Intellicentre 2 Data Centre and IC3 East DC to commence upon development completion
  - Achieved practical completion in 1Q 2021
  - Development completion expected in 2Q 2021
- **DC1:** Completed fit-out works; asset leased to 1-Net Singapore on a fully-fitted basis
- **Keppel DC Dublin 2:** Achieved practical completion of AEI works
  - Additional data hall has been committed by an existing client; IT power is fully contracted

Stable income stream with  
healthy portfolio occupancy and long WALE

Portfolio Occupancy

**97.8%**

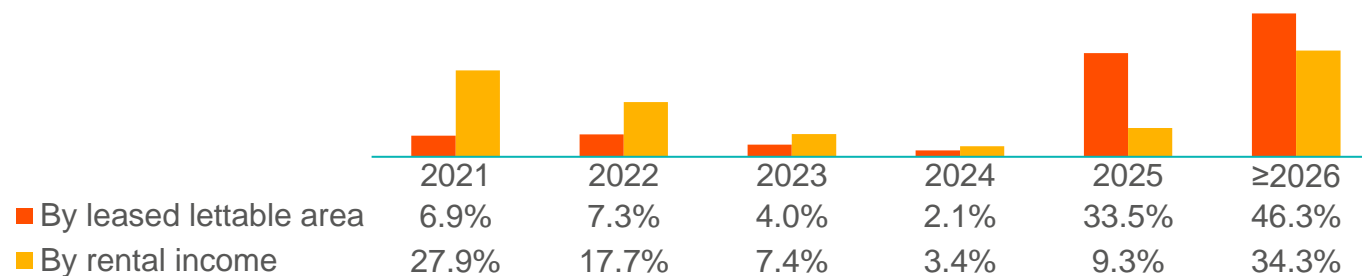
as at 31 Mar 2021

Portfolio WALE

**6.6 years**

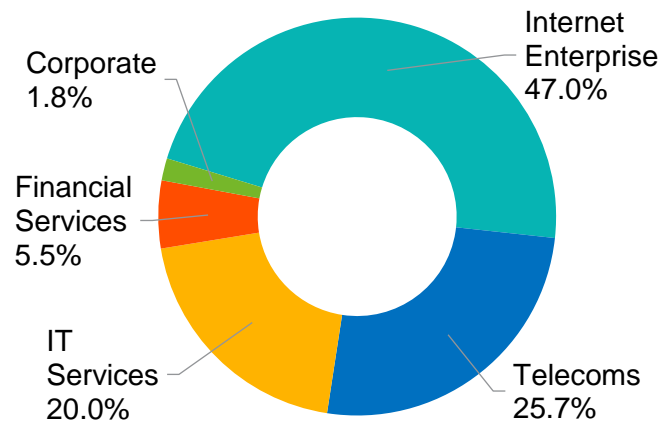
by leased area

## Lease Expiry Profile (as at 31 Mar 2021)

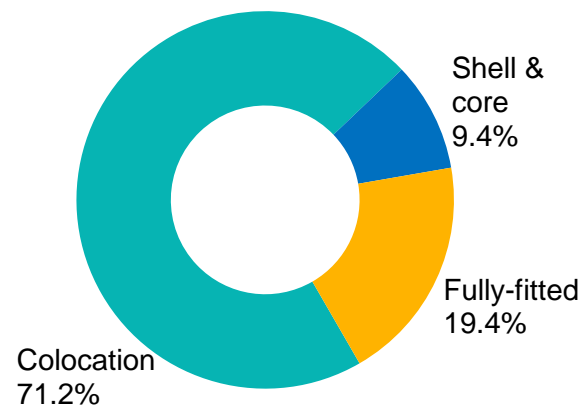


# Rental Income Breakdown

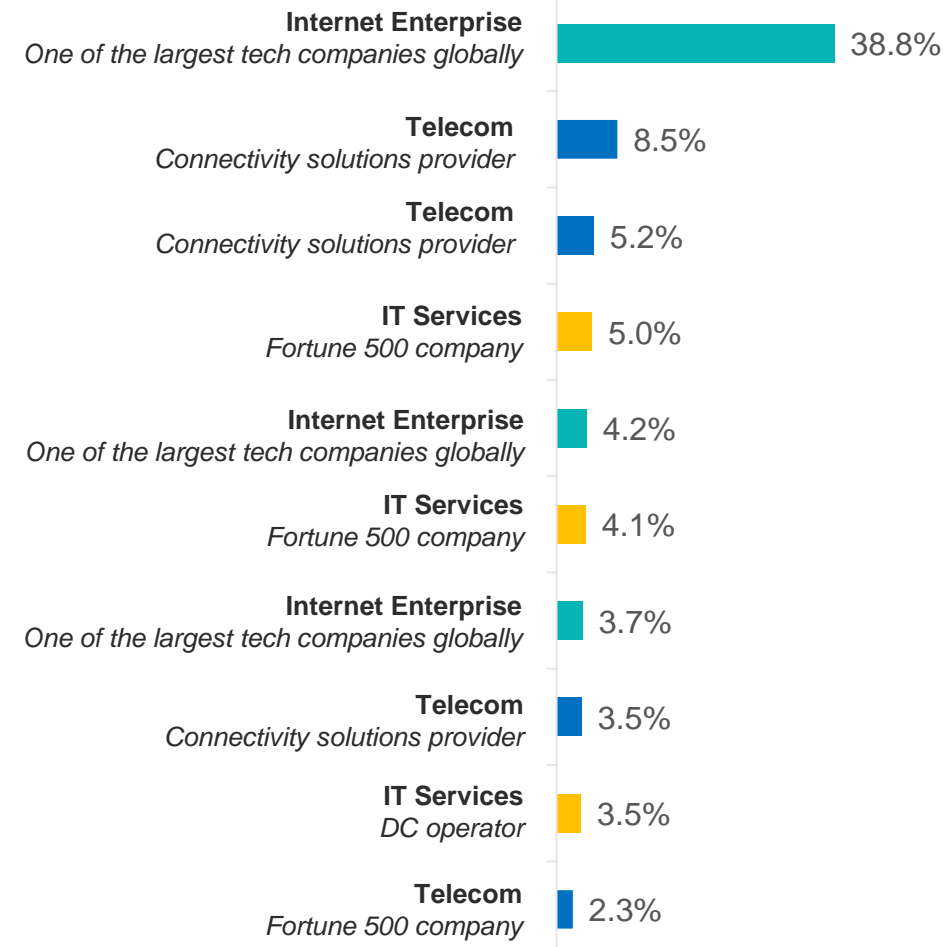
## By trade sector (for the month of March 2021<sup>1</sup>)



## By lease type (for the month of March 2021<sup>1</sup>)



## By Top 10 Customers (for the month of March 2021<sup>1</sup>)



Lease Type	Client Count	WALE <sup>2</sup> (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.4	✓	✓	-
Fully-fitted	Single	11.9	✓	-	-
Shell & core	Single	6.2	-	-	-



# Strong and Resilient Data Centre Demand

- Notwithstanding the pandemic, hyperscalers' spending on colocation data centres increased 25% in 2020, of which 70% was met by colocation providers<sup>1</sup>
- Global colocation market is expected to grow by 16% in 2021, largely spurred by growth in Asia Pacific and Europe<sup>1</sup>
- Enterprise spending on cloud infrastructure grew >30% in 2020, expected to continue expanding at a CAGR of >20% through 2025<sup>1</sup>

Industry Outlook



**APAC data centre spending** to surpass US\$35b by 2024 to account for >35% of global market<sup>1</sup>



**>70% of all hyperscale data centres** are located in facilities that are leased or owned by partners<sup>3</sup>



**Smartphone subscription** estimated at 6.1b by end-2020 and forecasted to reach 7.5b in 2026<sup>4</sup>



**European data centre market** to grow by >40% to over US\$25b by 2024, despite limited new supply<sup>1</sup>



**Global internet traffic surge 47% y-o-y in 2020**, higher than initial forecast of 28%<sup>2</sup>



**5G subscriptions are expected** to reach 3.5b in 2026, and account for an estimated 54% of total mobile data<sup>4</sup>

## Strategic Direction

The Manager will continue to capitalise on growth opportunities in the data centre industry, and strengthen Keppel DC REIT's global presence.

## Well-positioned for Growth



Resilient asset class with long-term growth visibility, proxy to fast growing technology sector



Highly defensive and sustainable income stream



Strong operational expertise and proven track record



Disciplined investment strategy focused on:

- Growing a diversified portfolio of assets globally
- Cultivating a large and stable customer base
- Ensuring a well-balanced mix of master leases and colocation contracts



# Thank You

**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.

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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.

## Constituent of:



FTSE Straits  
Times Index



FTSE EPRA Nareit  
Global Developed Index



GPR 250  
Index Series



MSCI Singapore  
Small Cap Index

## Awards and Accreditations:



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# **Additional Information**

# Commitment to Sustainability



## ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, we will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.



## RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective board, good corporate governance and prudent risk management.



## PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in developing and training our people, and uplifting communities wherever we operate.



Through Keppel Capital, the Manager supports the United Nations (UN) Global Compact as a signatory and adopts the Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption.



Align sustainability approach with the Sustainable Development Goals to ensure that Keppel DC REIT's ESG efforts help address the most crucial sustainability issues globally.



# Portfolio Overview (as at 31 Mar 2021)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients <sup>1</sup>	Occupancy rate (%)	Valuation <sup>2</sup>	Lease type	WALE (years) <sup>3</sup>	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	24	90.3	S\$298.0m	Keppel lease / Colocation	3.8	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	5	98.2	S\$174.0m	Keppel lease / Colocation	1.6	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	1.3	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S\$386.1m	Keppel lease / Colocation	1.4	Leasehold (Expiring 30 Jun 2050)
Keppel DC Singapore 5	Singapore	99%	92,889	3	100.0	S\$356.4m	Keppel lease / Colocation	1.8	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100.0	S\$212.0m	Triple-net (Fully-fitted <sup>4</sup> )	15.0	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 71.3m (S\$23.4m)	Colocation	1.2	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A\$208.5m (S\$215.3m)	Triple-net (Shell & core) / Colocation	4.2	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A\$35.0m (S\$36.1m)	Double-net <sup>5</sup> (Fully-fitted)	10.2	Leasehold (Expiring 29 Jun 2040, with option to extend by 7 years)

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

2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2020, unless otherwise stated.

3. By leased area.

4. In February 2021, the fit-out of DC1's shell & core space has been completed and DC1 has been leased to 1-Net Singapore on a fully-fitted basis.

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

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Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A\$59.0m (S\$60.9m)	Triple-net (Shell & core)	14.4	Freehold
Intellicentre 3 East Data Centre <sup>4</sup>	Sydney, Australia	100%	Min. 86,000	1	100.0 <sup>3</sup>	A\$26.0-A\$36.0m (development costs)	Triple-net (Shell & core)	20.0	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£36.5m (S\$67.4m)	Triple-net (Shell & core)	10.2	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£37.2m (S\$68.7m)	Triple-net (Fully-fitted)	5.9	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, The Netherlands	100%	118,403	1	100.0	€94.2m (S\$151.7m)	Double-net (Fully-fitted)	7.4	Freehold
Amsterdam Data Centre	Amsterdam, The Netherlands	100%	141,698	10	99.1	€28.0m <sup>5</sup> (S\$45.1m)	Double-net (Shell & core)	4.3	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	26	82.6	€95.9m (S\$154.5m)	Colocation	3.3	Leasehold (Expiring 31 Dec 2998)
Keppel DC Dublin 2	Dublin, Ireland	100%	28,128	4	100.0	€89.3m (S\$143.8m)	Colocation	7.6	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S\$61.5m)	Double-net (Shell & core)	6.8	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€94.1m (S\$151.5m)	Triple-net (Fully-fitted)	12.0	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€79.0m (S\$127.2m)	Triple-net (Shell & core)	4.8	Freehold

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

2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2020, unless otherwise stated..

3. By leased area.

4. Development expected to be completed in 2Q 2021; Facility will be fully leased to Macquarie Data Centres upon completion.

5. Based on latest independent valuation as at 23 Nov 2020.

