# Business Updates for 1st Quarter 2025

24 April 2025


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# 1Q 2025 Key Highlights

Delivering resilient results through stable asset performance, proactive capital management and strategic portfolio reconstitution


*OUE Bayfront*

# 1Q 2025 Highlights:
## Singapore Portfolio Delivered Steady Operating Performance Enhanced by Significant Decline in Financing Costs

**Resilient Performance**

**Revenue**

S$66.0m

(11.9%) YoY | (3.9%) YoY (on a like-for-like basis[1])

**Net Property Income ("NPI")**

S$53.2m

(12.1%) YoY | (4.1%) YoY (on a like-for-like basis[1])

**Financing Costs**

S$22.6m

(11.3%) YoY

**Defensive Singapore Portfolio**

**Office**

96.3% Healthy committed occupancy as of 31 Mar 2025

9.9% Positive rental reversion in 1Q 2025

**Hospitality**

S$20.8m NPI in 1Q 2025

S$248 RevPAR[2] in 1Q 2025

**Retail (Mandarin Gallery)**

99.5% Healthy committed occupancy as of 31 Mar 2025

4.9% Positive rental reversion in 1Q 2025

**Disciplined Balance Sheet**

**Aggregate leverage**

40.6%

**Cost of Borrowings**

4.2% p.a.

**Average Term of debt**

2.8 years

OUE REIT

Note: Brackets connotes decline.
(1) Excludes Lippo Plaza Shanghai which was divested in December 2024.
(2) "RevPAR" refers to Revenue per Available Room.

# Financial Summary & Capital Management

**Proactive asset and strong balance sheet supports stable DPU performance**


*One Raffles Place*

# 1Q 2025 Financial Performance

**Steady like-for-like performance underpinned by Singapore-centric portfolio**

| | 1Q 2025 (S$m) | 1Q 2024 (S$m) | YoY Change (%) |
|---|---|---|---|
| **Revenue** | **66.0** | **74.9** | (11.9) |
| ***Like-for-like Revenue*** (1) | ***N.A.*** | ***68.7*** | *(3.9)* |
| **Net Property Income** | **53.2** | **60.5** | (12.1) |
| ***Like-for-like NPI*** (1) | ***N.A.*** | ***55.4*** | *(4.1)* |
| **Share of Joint Venture Results** | **3.0** | **2.2** | 37.8 |

- 1Q 2025 revenue and NPI were S$66.0 million and S$53.2 million respectively, 11.9% and 12.1% lower YoY mainly due to the divestment of Lippo Plaza in Shanghai, and lower contributions from the hospitality segment due to a weaker trading environment compared to the previous year.
- Excluding Lippo Plaza Shanghai which was divested in December 2024, revenue and NPI moderately declined by 3.9% and 4.1% YoY on a like-for-like basis, supported by the resilient performance of Singapore's commercial portfolio.
- Financing costs declined by approximately 11.3% YoY to S$22.6 million versus S$25.5 million in 1Q 2024.
- For 1Q 2025, 50% of base management fees to be paid in cash, with the balance in Units.

N.A.: Not Applicable
(1) Excludes Lippo Plaza Shanghai which was divested in December 2024.

# Proactive and Prudent Capital Management

## Weighted average cost of debt significantly decreased to 4.2% per annum (p.a.)

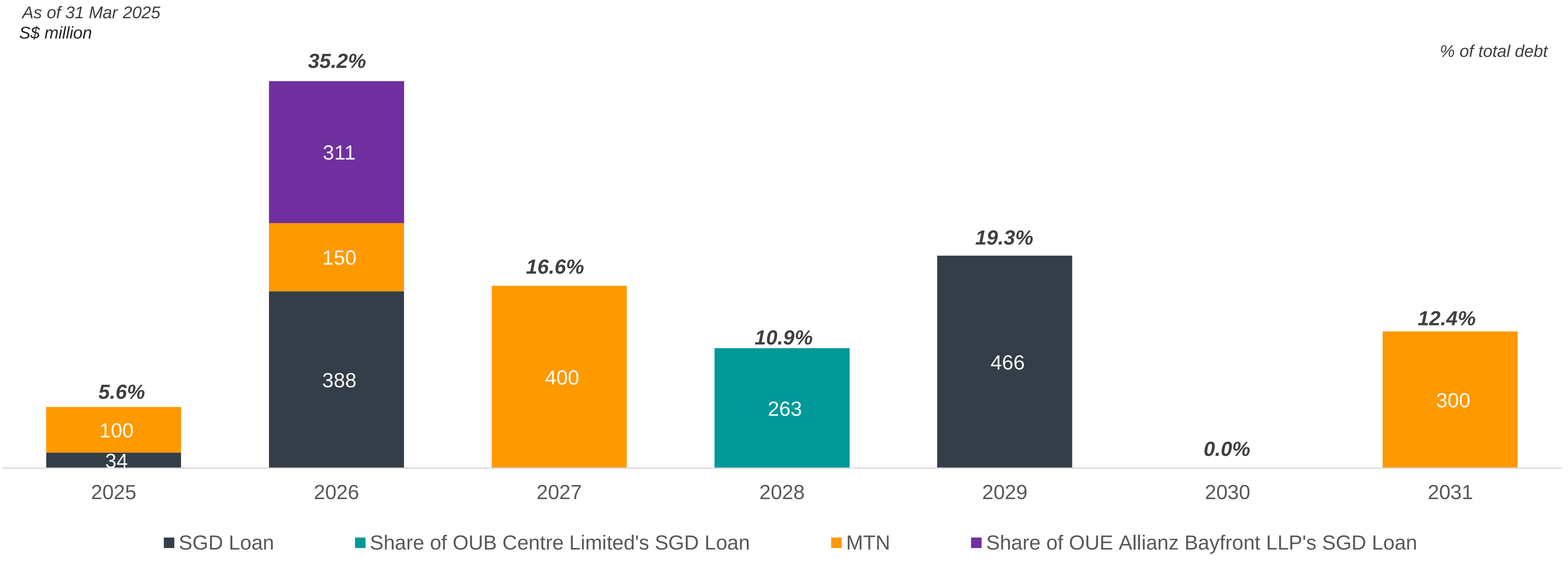
| | As of 31 Mar 2025 | As of 31 Dec 2024 |
|---|---|---|
| Aggregate leverage | 40.6% | 39.9% |
| Total debt[1] | S$2,412m | S$2,370m |
| Weighted average cost of debt | 4.2% p.a. | 4.7% p.a. |
| Average term of debt | 2.8 years | 3.0 years |
| % fixed rate debt | 74.7% | 76.0% |
| % unsecured debt | 87.1% | 86.9% |
| % unencumbered assets | 87.4% | 87.4% |
| Interest coverage ratio ("ICR")[2] | 2.1x | 2.2x[3] |
| ICR Sensitivity[2]<br>• 10% decrease in EBITDA<br>• 100bps increase in weighted average interest rate[4] | <br>1.8x<br>1.6x | |
| OUE REIT's Issuer Ratings[5] | "BBB-" by S&P with Stable Outlook | |

- Assuming a 25 basis points decrease in interest rates, DPU would increase by 0.03 Singapore cents.

(1) Includes OUE REIT's share of OUB Centre Limited's loan and OUE Allianz Bayfront LLP's loan.
(2) As prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 28 November 2024).
(3) Including the write-off of upfront fees from early refinancing, ICR stands at 2.1x as of 31 December 2024.
(4) Based on hedged and unhedged debts and perpetual securities. Assuming 100 basis points increase in the interest cost on hedged and unhedged debts, the ICR, excluding distribution on perpetual securities, stands at 1.7x as of 31 March 2025.
(5) S&P Global Rating assigned OUE REIT an investment grade BBB- credit rating with a stable outlook on 30 October 2023.

# Proactive and Prudent Capital Management

## Well-spread debt maturity profile with only 5.6% of total debt due in 2025




- 69.1% of OUE REIT's total borrowings are green financing.

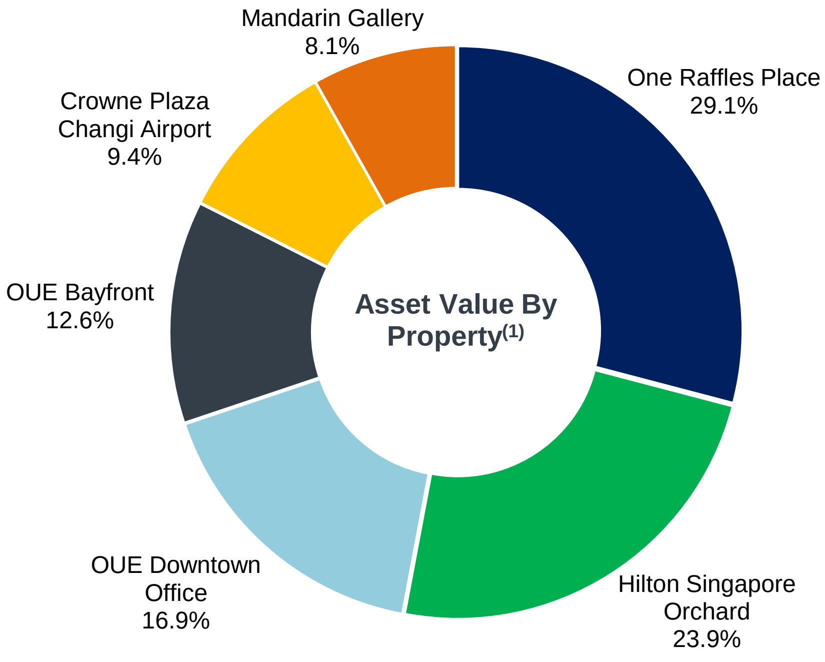
# Portfolio Performance

**Defensive prime-located assets delivered stable performance and long-term growth opportunities**

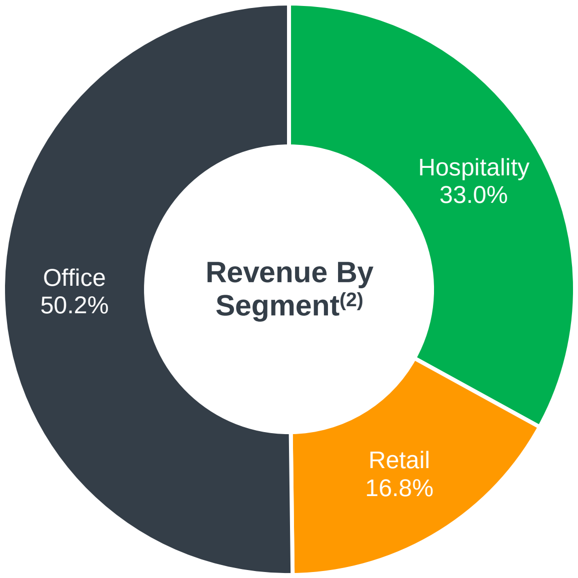

*Crowne Plaza Changi Airport*

# Well-balanced Portfolio with High Quality Assets Provides Income Resilience

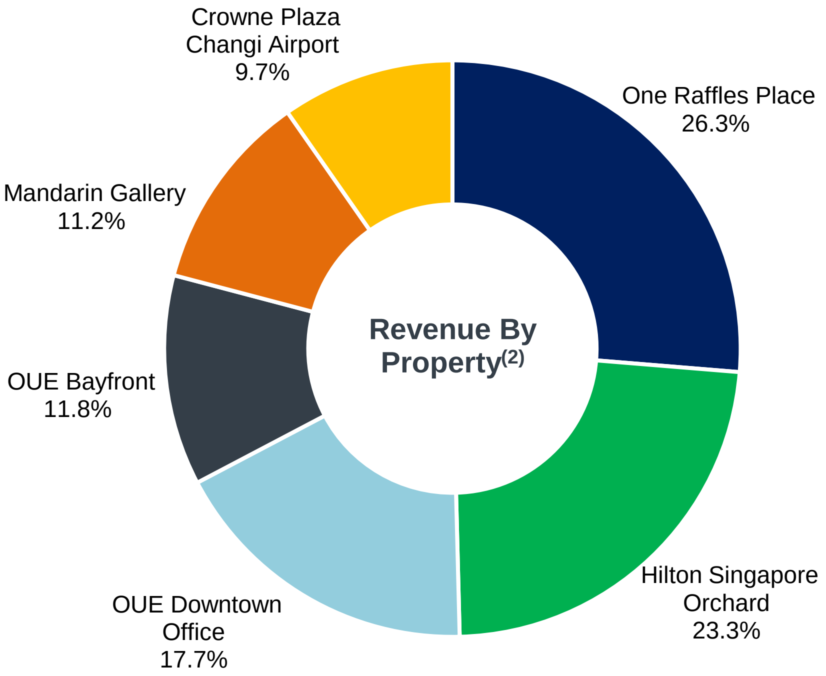
**100% of assets under management in Singapore**




**Hospitality and retail segment account for c.50% of portfolio contribution**




**No single asset contributes to more than 27% of portfolio revenue**

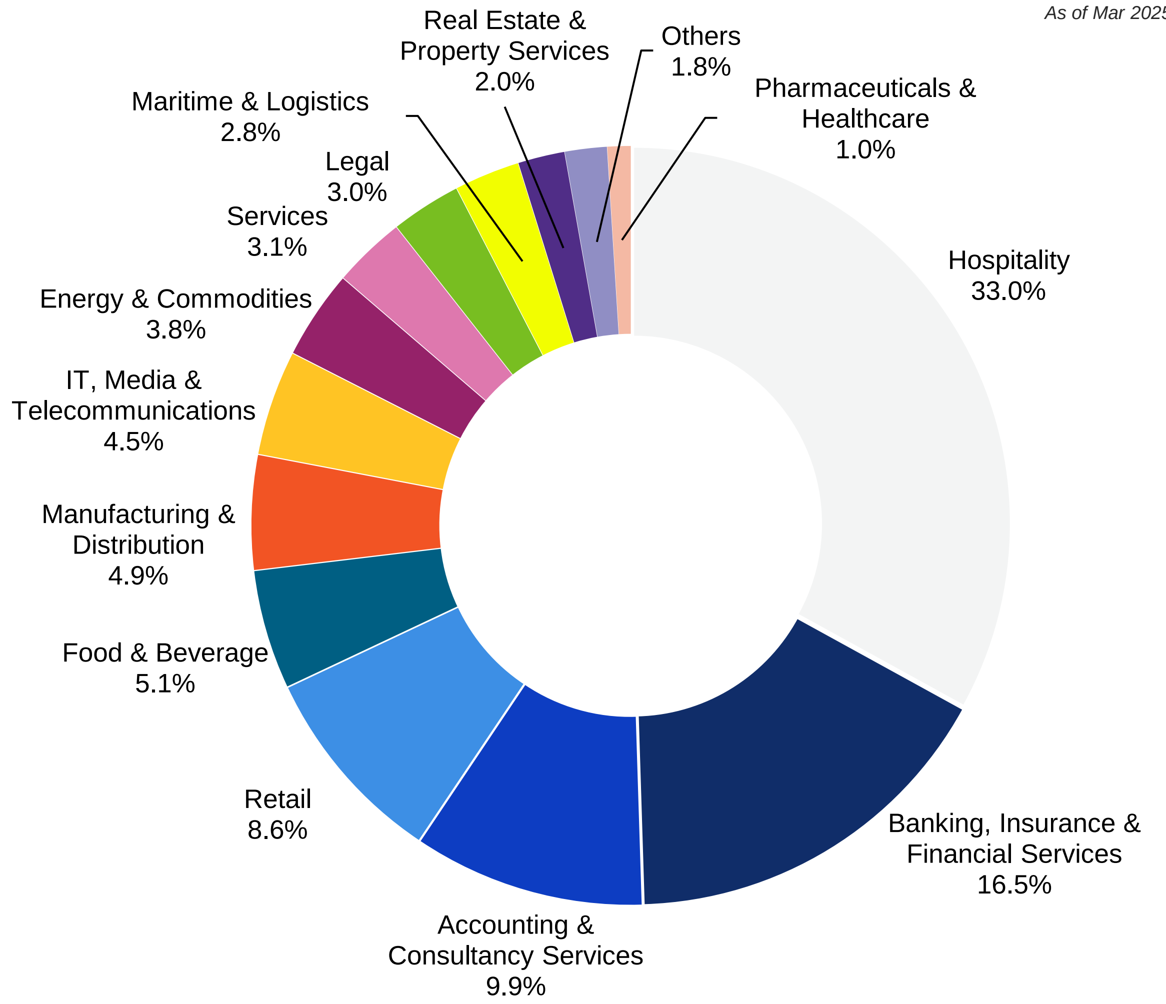



(1) Based on independent valuations as of 31 December 2024 and OUE REIT's proportionate interest in the respective properties as of 31 December 2024.
(2) Based on 1Q 2025 revenue and OUE REIT's proportionate interest in the respective properties.

# Diversified Tenant Mix & Well-distributed Lease Expiry Profile

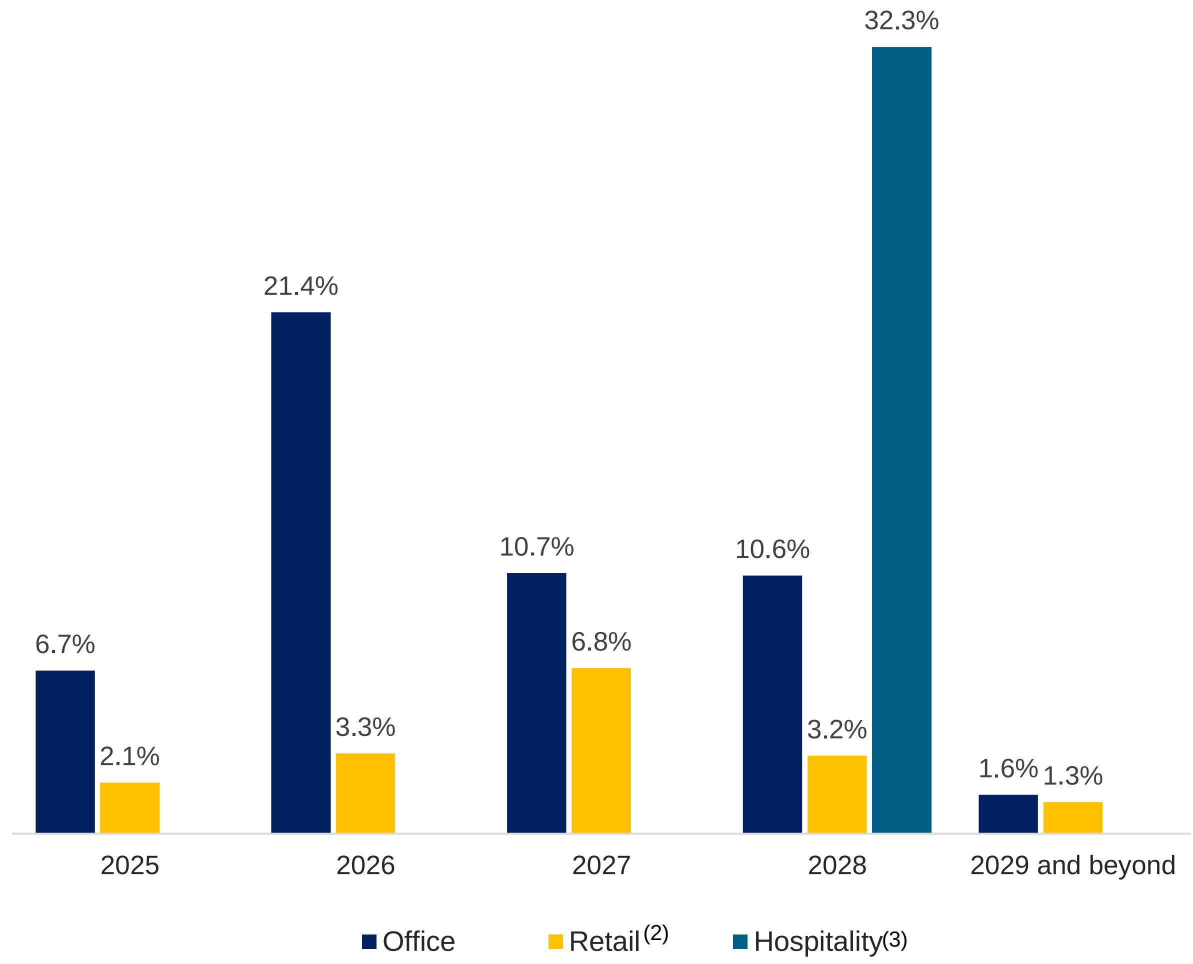
## Diversified tenant mix provides stability

*As of Mar 2025*




## WALE(1) of 2.4 years by Gross Rental Income ("GRI")

*As of Mar 2025*



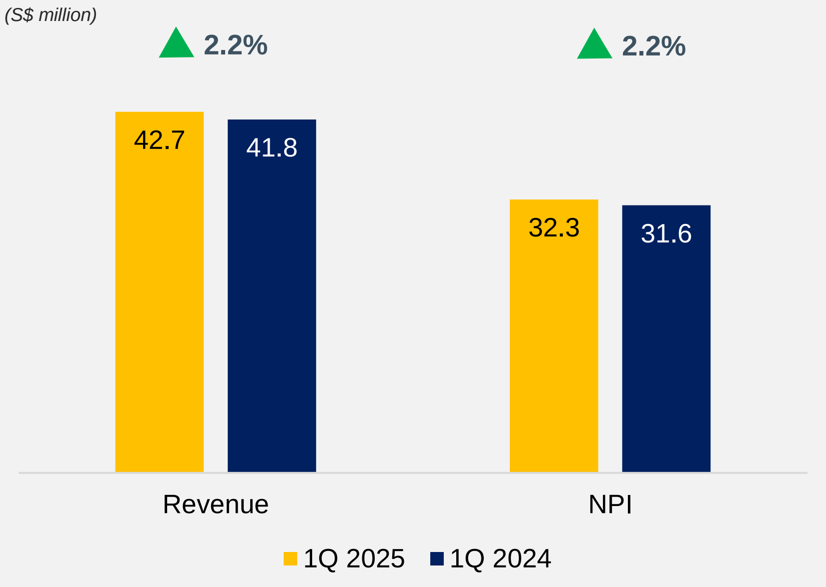

Note: Tenant by trade sector and lease expiry profile is based on GRI (excluding provision of rental rebates and turnover rent), and OUE REIT's proportionate interest in the respective properties.

(1) "WALE" refers to the weighted average lease term to expiry.

(2) Refers to contributions from Mandarin Gallery and all other retail components within OUE REIT's portfolio.

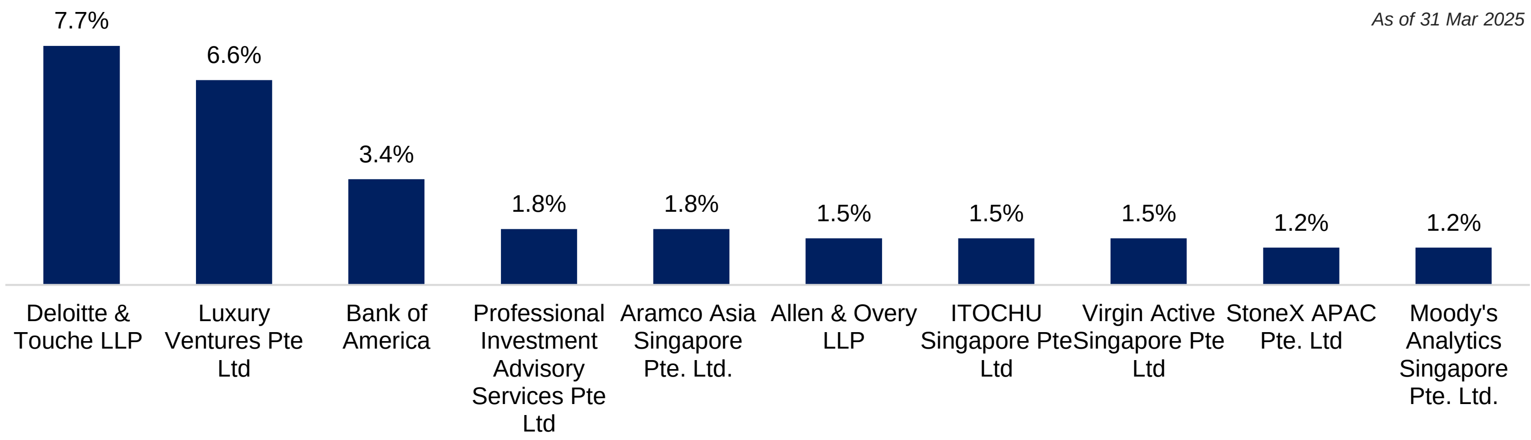
(3) OUE REIT has signed master lease agreements for Crowne Plaza Changi Airport and Hilton Singapore Orchard, expiring in May and July 2028 respectively; see slide 27 for details.

# Commercial Segment Performance – 1Q 2025

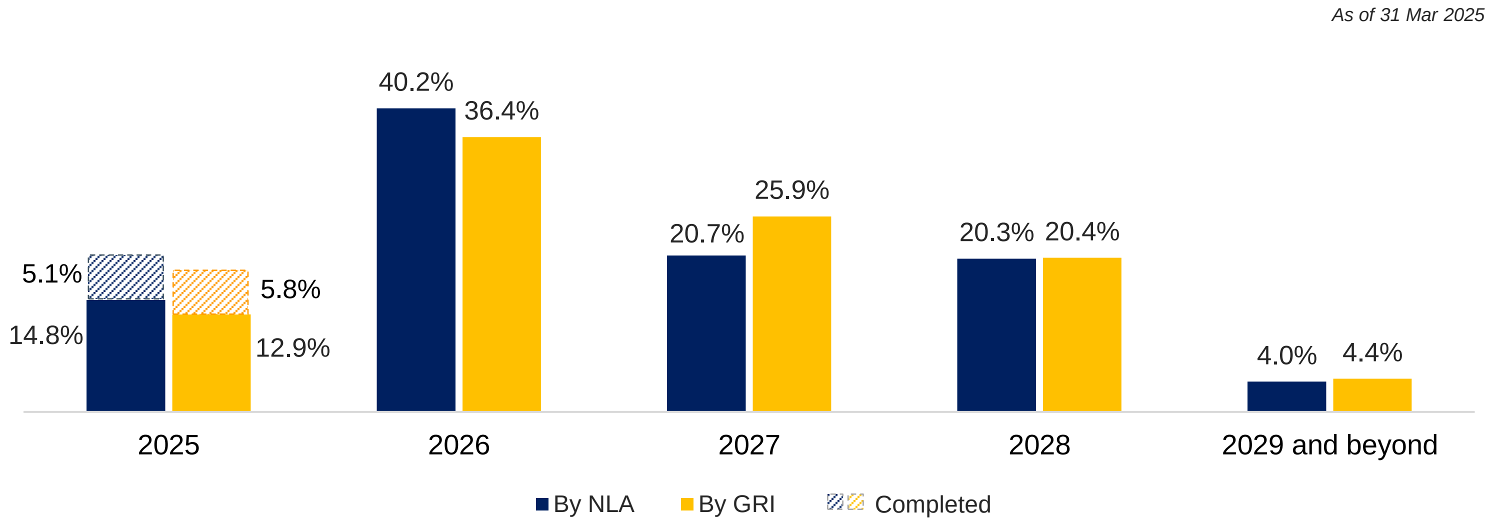



- 1Q 2025 revenue and NPI increased by 2.2% YoY to S$42.7 million and S$32.3 million respectively on a like-for-like basis[(1)].
- The increase is primarily driven by continued improvement in operating performance across the 100% Singapore-based portfolio.

## Top 10 Tenants contribute 28.2% of Commercial Segment GRI[(2)]




## Well-staggered WALE at 2.0 years by both Net Lettable Area ("NLA") and GRI




(1) Excludes Lippo Plaza Shanghai which was divested in December 2024.
(2) Based on GRI (excluding turnover rent), and OUE REIT's proportionate interest in the respective properties.

# Singapore Office Portfolio Performance Overview

## Resilient operating metrics supported by prime-located high quality assets

### Committed Occupancy

**96.3%** ▲ 1.7 ppt QoQ

As of 31 Mar 2025

### Average Passing Rent

**S$10.77 psf** ▲ 0.5% QoQ

As of Mar 2025

### Rental Reversion[1]

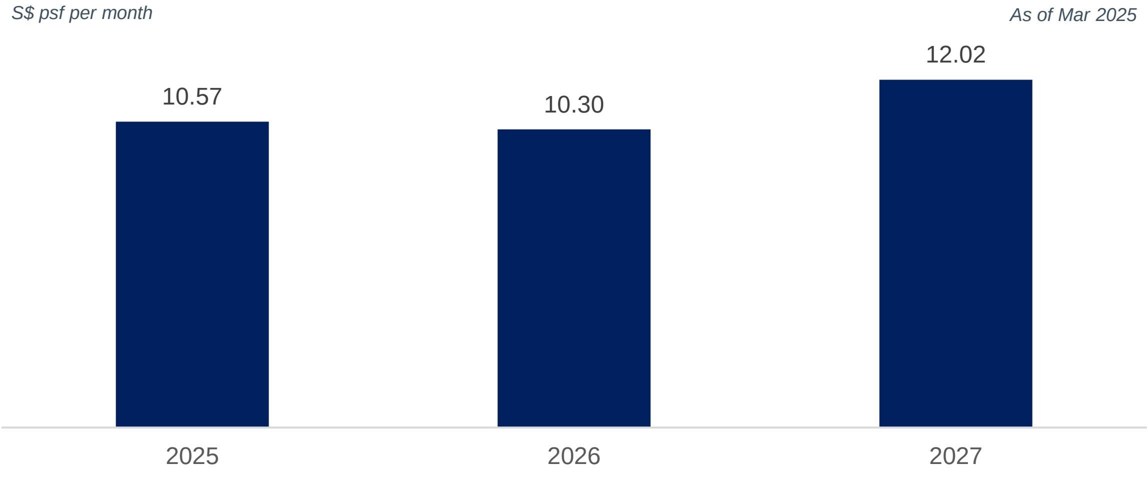
**9.9%**

For 1Q 2025

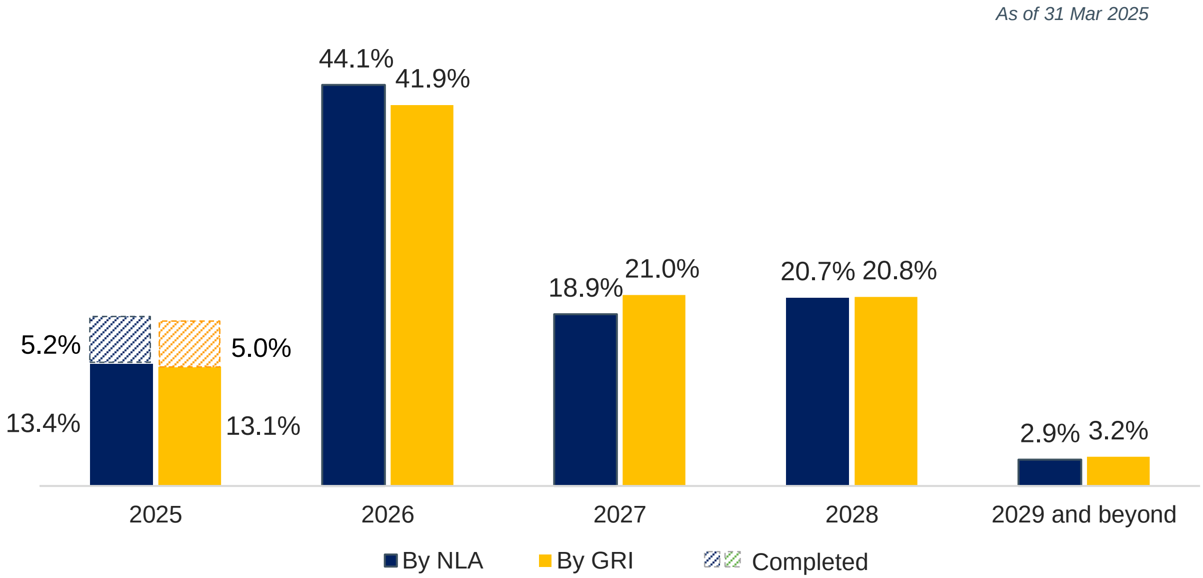
## Navigating macroeconomic uncertainties through proactive leasing strategies

### Average expiring rents in 2025 to 2026 below Market Rent Rate

CBD Grade A office market rent at S$12.05 psf per month in 1Q 2025[2]




### WALE of 1.9 years by NLA and 2.0 years by GRI




(1) Rental reversion is based on average incoming committed rents versus average outgoing rents.
(2) CBRE, Singapore Figures, 1Q 2025.

# Mandarin Gallery Performance Overview

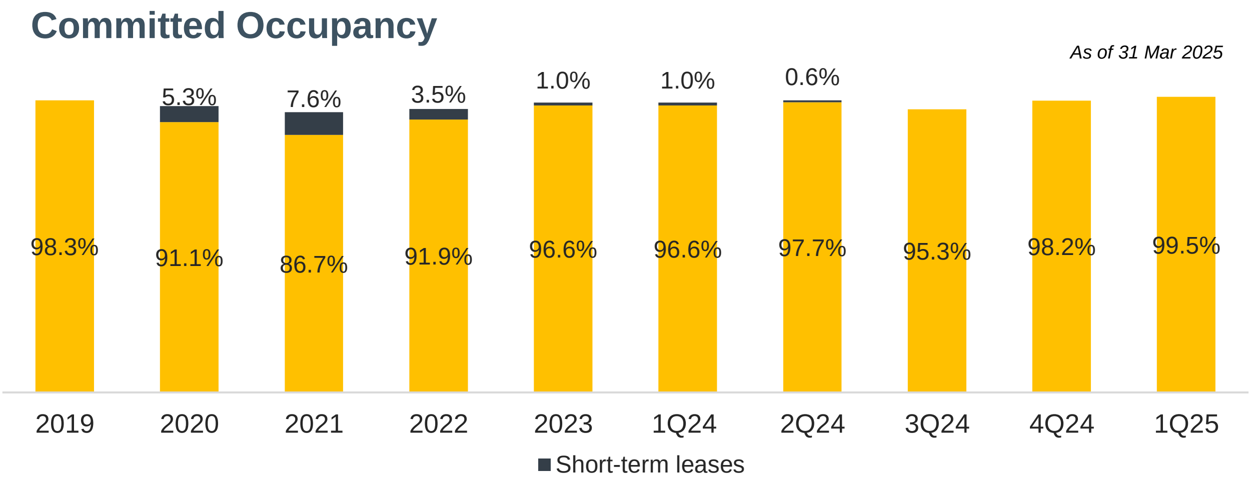
## Stable operating metrics driven by continued tourism recovery

### Committed Occupancy

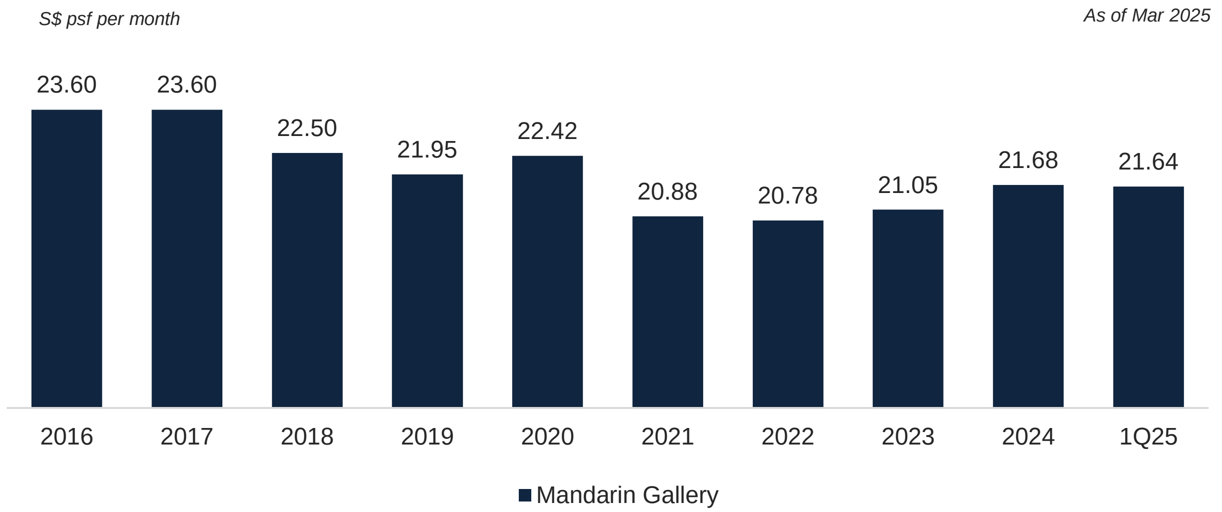
**99.5%** ▲ **1.3 ppt QoQ** As of 31 Mar 2025

### Rental Reversion(1)

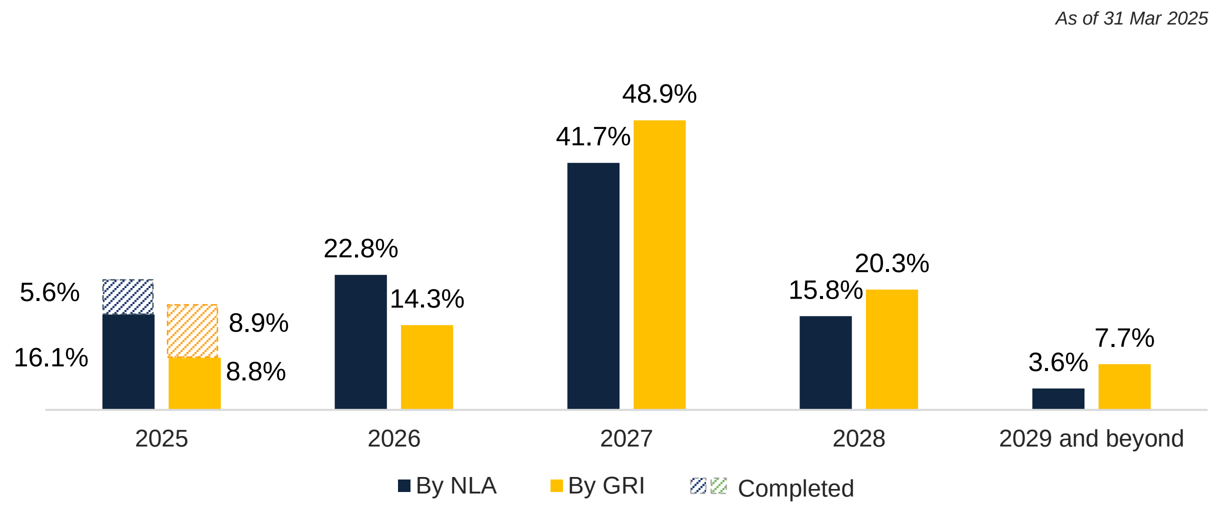
**4.9%** In 1Q 2025




## Average passing rent stood at S$21.64 psf per month




## WALE of 2.0 years by NLA and 2.4 years by GRI



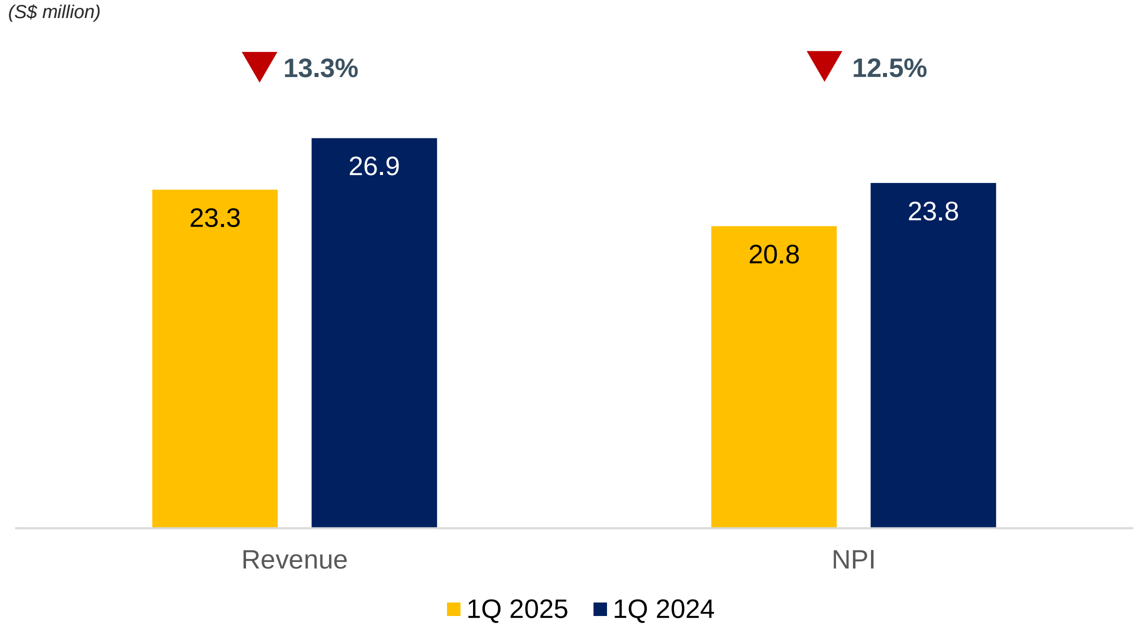



(1) Rental reversion is based on average incoming committed rents versus average outgoing rents.

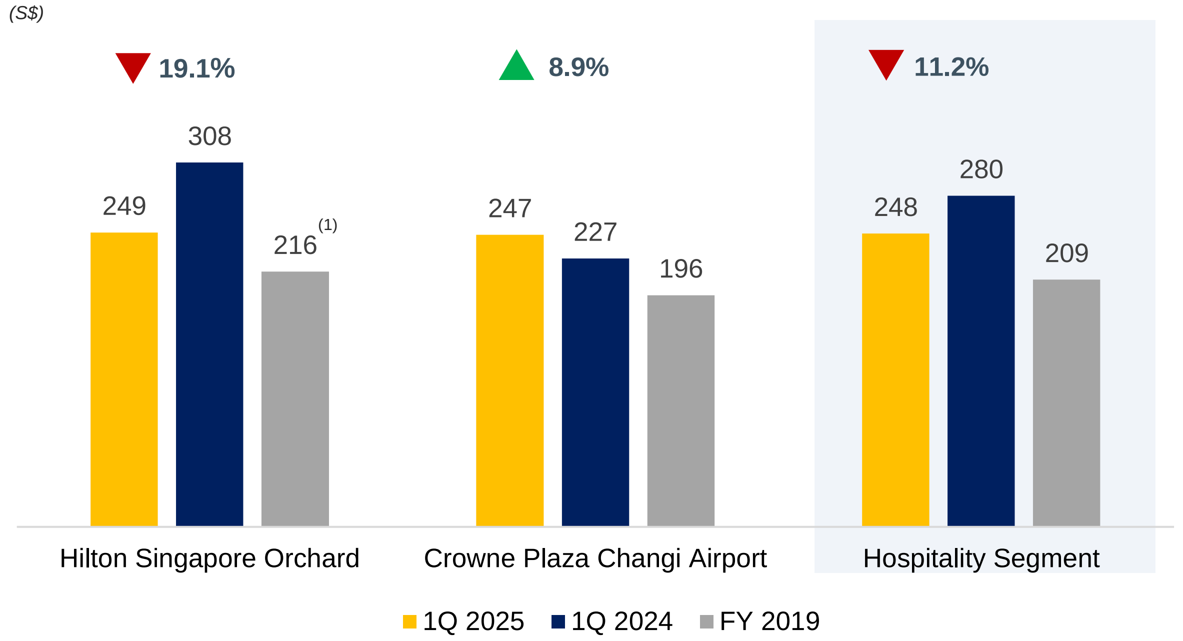
# Hospitality Segment Performance

**RevPAR moderated due to the high-base effect in the prior year**

## 1Q 2025 Hospitality Segment Revenue and NPI




## 1Q 2025 RevPAR




- Against a high-base effect last year, revenue and NPI for the hospitality segment declined by 13.3% and 12.5% YoY to S$23.3 million and S$20.8 million respectively in 1Q 2025. This compares against 1Q 2024, which was supported by the commencement of the China-Singapore visa-free arrangement and a strong calendar of high-profile concerts and MICE events.
- For 1Q 2025, the hospitality segment's RevPAR stood at S$248. Crowne Plaza Changi Airport's RevPAR rose a robust 8.9% YoY reaching S$247 in 1Q 2025. Hilton Singapore Orchard RevPAR moderated to S$249.



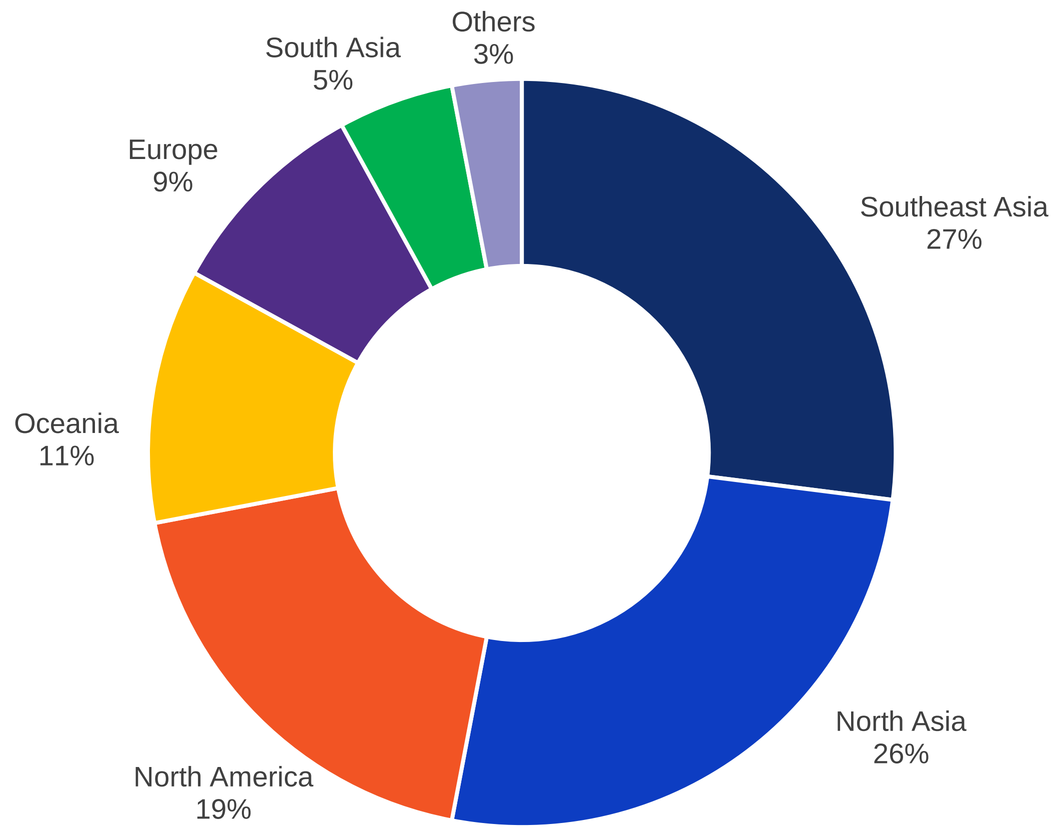
(1) RevPAR for Mandarin Orchard Singapore in FY 2019 before the re-branding to Hilton Singapore Orchard.

# Hospitality Segment Performance

## Diversified business mix towards higher-yielding markets

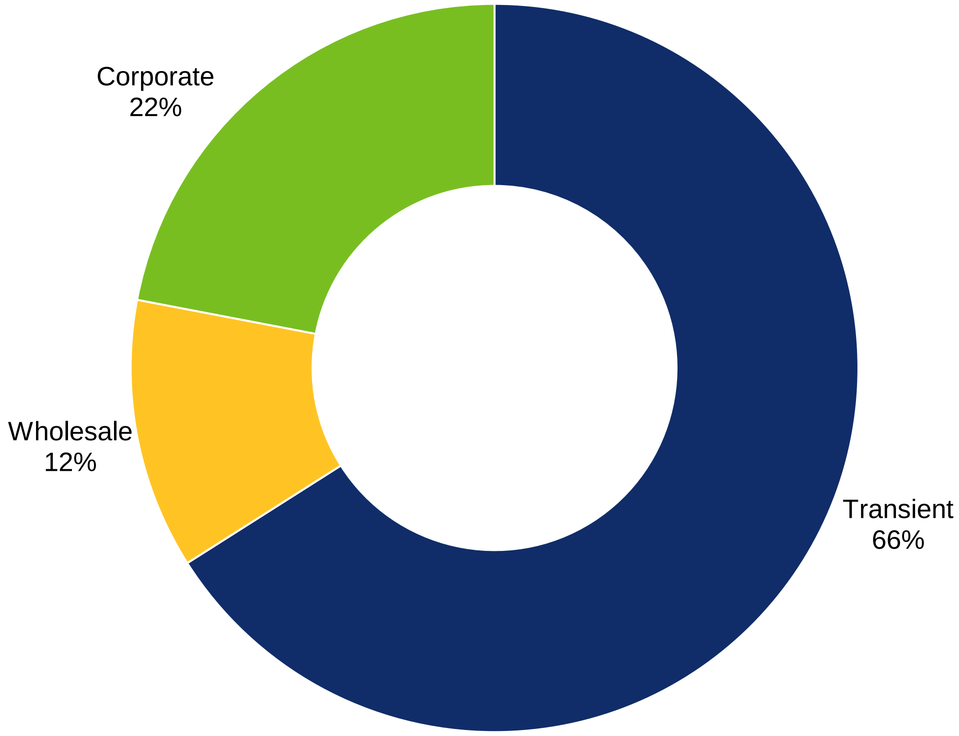
### By Geography

*As of 31 Mar 2025 (By room nights)*




### By Type

*As of 31 Mar 2025 (By room revenue)*




Notes:
Excludes aircrew and delays.
"Transient" refers to revenue derived from the rental of rooms and suites to individuals or groups who do not have a contract with the hotel.
"Corporate" refers to revenue derived from the rental of rooms and suites booked via a corporate or government company that has contracted annual rates with the hotel.
"Wholesale" refers to revenue derived from the rental of rooms and suites booked via a third-party travel agent on a wholesale contracted rate basis.

# Market Outlook & Growth Strategies

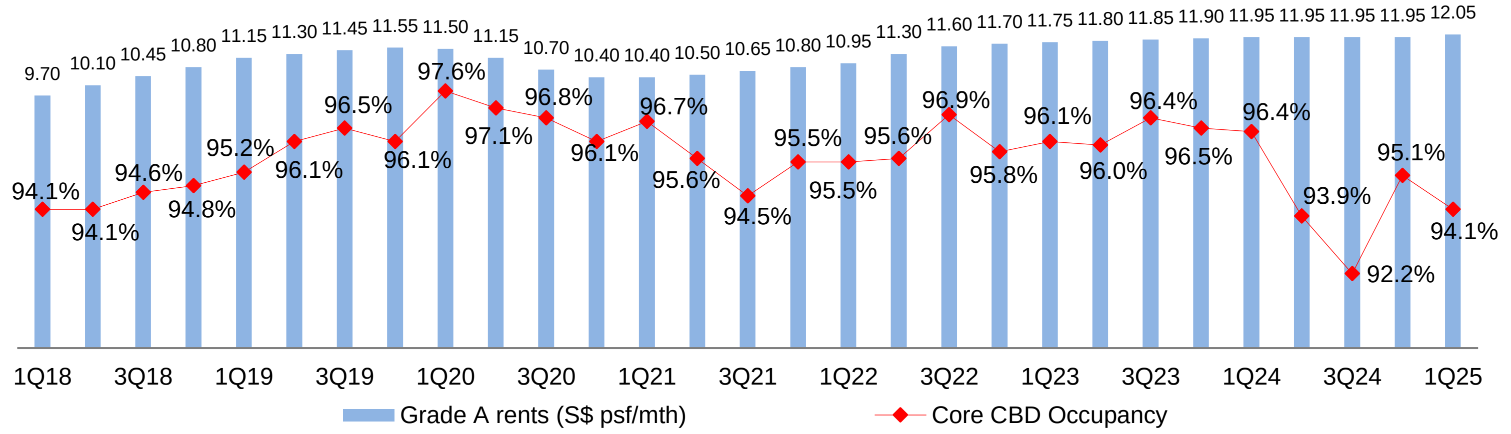
## Optimising Near-term Profitability with Long-term Value Creation


Mandarin Gallery

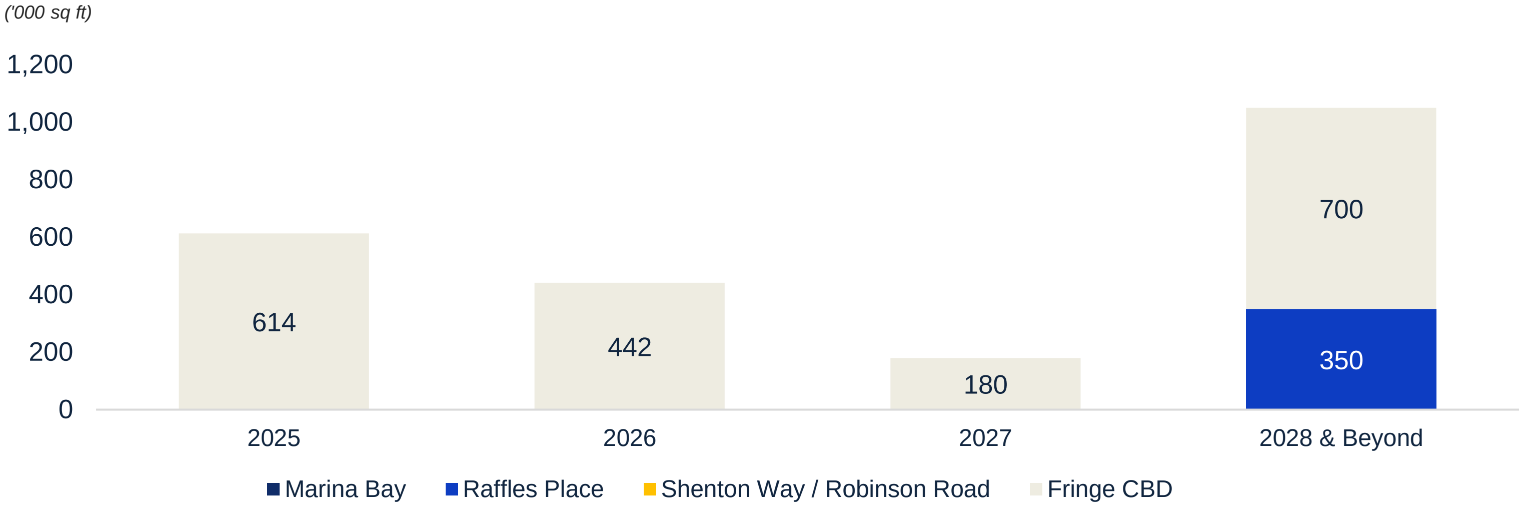
# Singapore Office Market

- Core CBD (Grade A) office rents increased by 0.8% QoQ to reach an average of S$12.05 per square foot per month.
- Occupancy declined slightly by 1.0 percentage points to 94.1% in 1Q 2025, driven primarily by non-renewals from several large occupiers, resulting in a negative net absorption of 0.57 million square feet.
- CBRE remains cautiously optimistic about the office market, with demand expected to remain resilient as Singapore continues to be viewed as a safe haven, underpinned by its political neutrality and stable policy environment.
- Core CBD (Grade A) rents are forecast to grow by 2.0% in 2025, supported by a tight supply environment.
- With all office assets located in Singapore's prime Core CBD, OUE REIT's office portfolio is well-positioned to deliver stable performance in FY 2025.

## Singapore Core CBD Grade A Rents and Occupancy




## Below-historical-average office supply in the Core CBD (Grade A)(1)

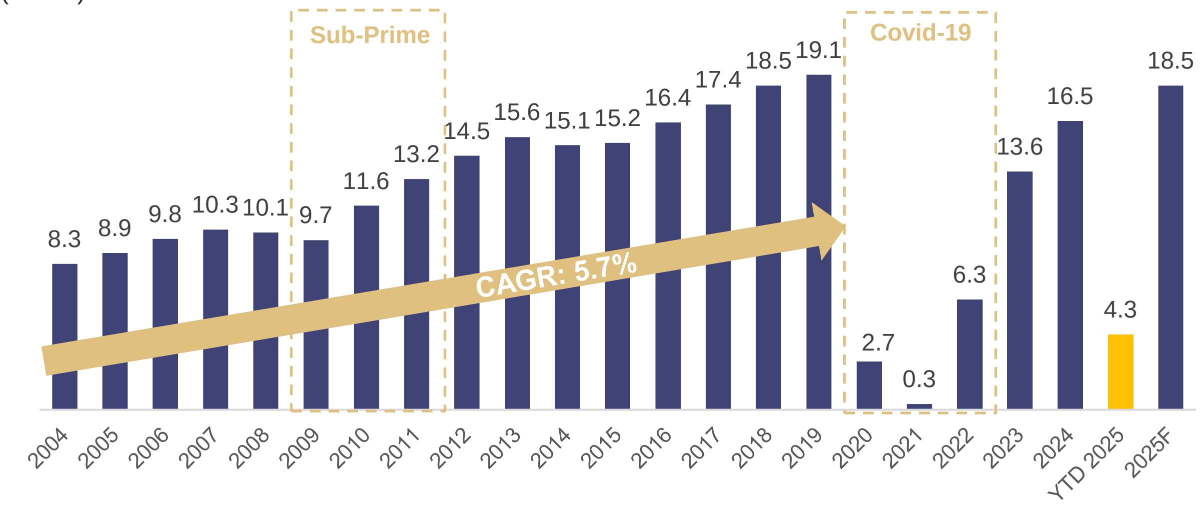



(1) Excluding strata-titled office.
Source: CBRE Research, Manager data.

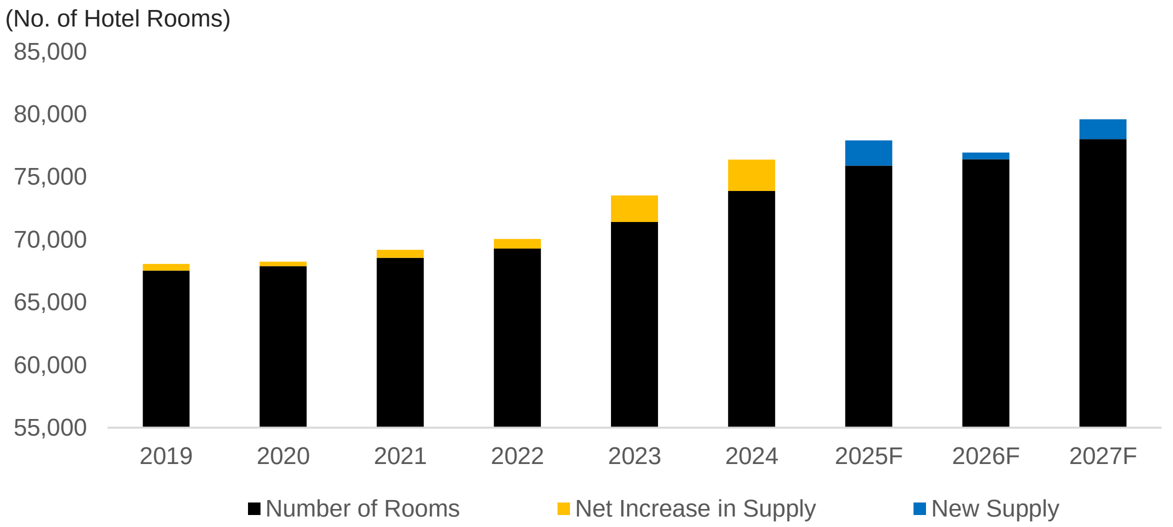
# Singapore Hospitality & Retail Market

- Visitor arrivals between January and March 2025 grew by 0.1% YoY to reach 4.3 million[(1)]. STB expects 2025 international visitor arrivals to reach between 17.0 to 18.5 million, bringing in approximately S$29.0 to S$30.5 billion in tourism receipts[(2)].
- The outlook for FY 2025 remains cautiously optimistic after a weak 1Q 2025, with an improved concert line-up including Lady Gaga's four-night concert in May 2025, as well as performances by G-Dragon (BIGBANG) and Elton John in the F1 week.
- New hotel supply[(3)] is expected to remain muted with a CAGR of 1.7% between 2025 and 2027, compared to a pre-pandemic historical five-year CAGR of 4.4% between 2014 and 2019.
- Orchard Road submarket retail rents rose by 0.4% QoQ to S$37.9 psf per month in 1Q 2025. In the near term, retailers will continue to face challenges such as high operating costs and competition from e-commerce platforms. Nevertheless, with an estimated below-average historical supply over the next few years, CBRE expects overall prime retail rents to recover to pre-COVID levels in 2025.

## Visitor Arrivals in Singapore[(1)]




## Singapore Hotel Supply[(5)]




(1) Singapore Tourism Board's International Visitor Arrival Statistics.
(2) Singapore Tourism Board, Singapore Achieves Historical High in Tourism Receipts in 2024, 4 February 2025.
(3) Excluding serviced apartment rooms.
(4) United Nations Economic and Social Commission for Asia and Pacific.
(5) CBRE Hotels, 4Q 2024.

# Optimising Near-term Profitability while Monitoring Long-term Value Creation Opportunities with Singapore Market as Our Core

**Maximise Asset Performance**

- **Focus on tenant retention and optimise occupancy –** actively monitor market sentiment and customise asset-specific leasing strategies to meet occupiers' need amidst softened leasing sentiment.
- **Diversify retail tenant mix** in response to the shift in consumer preferences and behaviours.
- **Strengthen corporate partnerships and offerings** to diversify hotel guest source.
- **Improve the environmental credential** of OUE REIT's properties to future proof asset performance and value.
- **Tap on asset enhancement initiatives** to create value and maximise portfolio returns.

**Reinforce Capital Structure**

- **Continue to maintain a prudent approach to capital management and funding.**
- **Proactively manage refinancing requirements** to optimise cost of debt and extend debt maturity profile by leveraging on investment-grade credit rating.
- Closely monitor the capital market and adopt appropriate hedging strategies to manage the cost of debt.

**Pursue Value Creation Opportunities**

- Continue to monitor **portfolio reconstitution opportunities** to unlock value amidst improved capital market sentiment.
- Review opportunities **in Singapore as well as key gateway cities in Australia (Sydney), Japan, Hong Kong, and the United Kingdom (London)**. Seek further exposure to hotels, offices or mixed-use developments in prime CBD areas.
- **Further leverage our balanced portfolio to deliver attractive potential returns** and achieve our target to increase revenue contribution from the hospitality segment to 40.0%.

# Prudent Value Creation Approach

**Strengthen our Singapore-centric portfolio**

- Singapore's strong economic fundamentals and status as a global business hub further amplify the benefits of a Singapore-focused portfolio, allowing OUE REIT to deliver long-term stable performance while maintaining growth potential.

**Review Yield-Accretive Opportunities in Key Gateway Cities**

- **Top destinations for both international and local corporate and leisure travellers**
- **Freehold / Long leasehold**
- **Core-prime locations**
- **Strong ESG credentials**

**Sydney, Australia**

- Healthy net absorption of Premium office space totalled 125,182 sqm over the second half of 2024.
- Cap rates for prime assets in Sydney Core CBD reached 5.90%, with indicative yields ranging between 5.25% - 5.50%.
- Flight-to-quality trends continue with the highest levels of leasing activity recorded in Premium grade office assets.
- **OUE REIT's Key focus: Prime office buildings in Core CBD**

**Tokyo, Japan**

- Japan hotels are seen as attractive investments by both local and international investors as an asset type that can take advantage of increasing tourist numbers and benefit from inflation.
- According to Japan National Tourism Organisation (JNTO), the estimated number of international travellers to Japan in Nov 2024 reached 3.2 million (+30.5% compared to 2019).
- Expected NOI yields for hotels in the five central wards of Tokyo remained unchanged since 2Q 2024.
- **OUE REIT's Key focus: Hotels in prime locations**

Source: CBRE.
"NOI" refers to Net Operating Income.

# Appendix

- Overview of OUE REIT
- Premium Portfolio of Assets
- Singapore Office Market
- Hotel Master Lease Details

OUE REIT

Creating Value through
Unique Investment Mandate

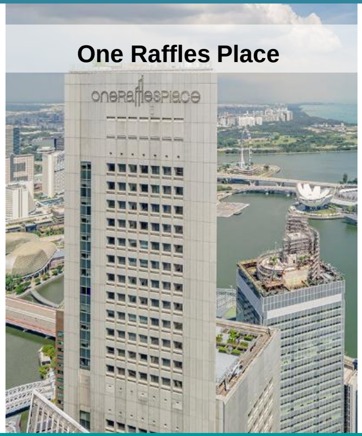

# OUE REIT Today: A Leading Diversified Singapore REIT

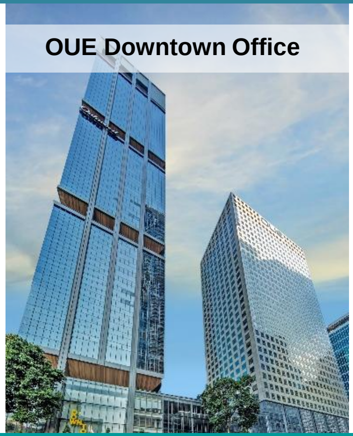
Delivering resilience and sustainable growth for Unitholders with high quality and strategically located office, hospitality and retail assets in Singapore

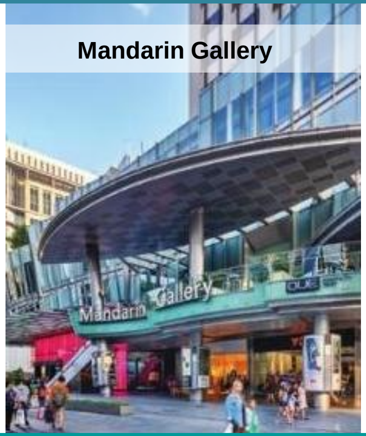
| | | |
|---|---|---|
| **S$5.8B** Total Assets Under Management | **6** High quality prime assets In Singapore | **BBB-** Investment grade credit rating assigned by S&P Global Ratings |

**Manages c. 1.8 million sq ft net lettable area**

OUE Bayfront


One Raffles Place


OUE Downtown Office


Mandarin Gallery


**1,655 upper upscale hotel rooms**


Hilton Singapore Orchard


Crowne Plaza Changi Airport

# Premium Portfolio of Assets

## Strategically located assets in Singapore's prime district

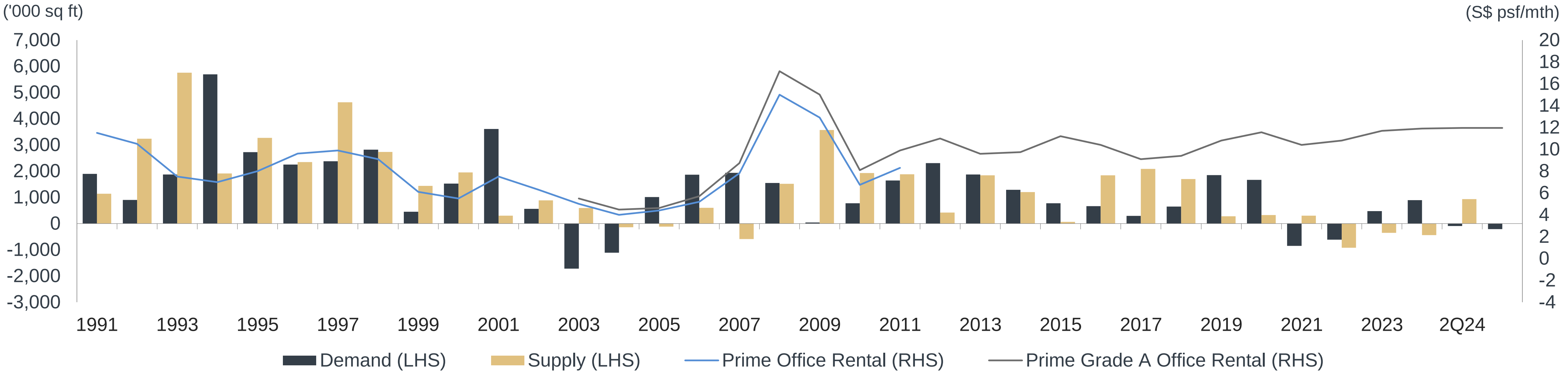



| | OUE Bayfront | One Raffles Place | OUE Downtown Office | Mandarin Gallery | Hilton Singapore Orchard | Crowne Plaza Changi Airport |
|---|---|---|---|---|---|---|
| **Description** | A landmark Grade A office building located at Collyer Quay between Marina Bay downtown and Raffles Place | Iconic integrated development with two Grade A office towers and a retail mall located in Singapore's CBD at Raffles Place | Grade A office space, part of a mixed-used development with offices, retail and serviced residences at Shenton Way | Prime retail landmark on Orchard Road – preferred location for flagship stores of international brands | Hilton's flagship hotel and its largest in Asia Pacific, strategically located in the heart of Singapore's shopping and entertainment district | Award-winning hotel at Singapore Changi Airport and close to Changi Business Park with seamless connectivity to Jewel Changi Airport |
| **Ownership Interest** | 50% | 67.95% | 100% | 100% | 100% | 100% |
| **NLA (sq ft) /No. of Rooms** | Office: 378,425<br>Retail: 21,272 | Office: 604,511<br>Retail: 99,157 | Office: 528,872 | Retail: 126,294 | 1,080 hotel rooms | 575 hotel rooms |
| **Occupancy[1]** | Office: 98.5%<br>Retail: 93.4%<br>Overall: 98.2% | Office: 96.8%<br>Retail: 99.3%<br>Overall: 97.2% | Office: 94.2% | Retail: 99.5% | - | - |
| **Valuation as of 31 Dec 2024** | S$1,388m[2]<br>(S$3,473 psf) | S$1,926m[3]<br>(S$2,737 psf) | S$930m<br>(S$1,758 psf) | S$451m<br>(S$3,573 psf) | S$1,318m<br>(S$1.2m / key) | S$520m<br>(S$0.9m / key) |

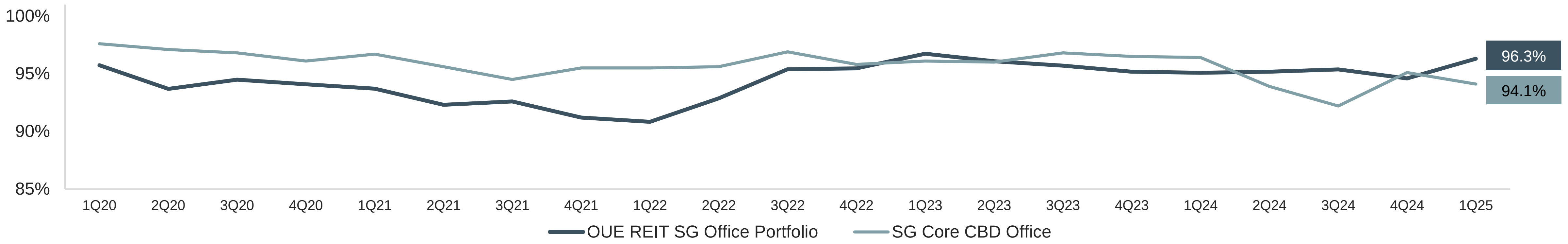
(1) Committed occupancy as of 31 March 2025.
(2) Based on OUE Allianz Bayfront LLP's 100% interest in OUE Bayfront. OUE REIT has a direct 50.0% interest in OUE Allianz Bayfront LLP.
(3) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE REIT has an indirect 83.33% interest in OUB Centre Limited held via its wholly-owned subsidiaries.

# Singapore Office Market

## Singapore Office Demand, Supply and Rents[1]




## Singapore Office Portfolio[2]

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(1) URA statistics, CBRE Research; Note: 2Q 2011 was the last period where CBRE provided Prime Office Rental data. Prime Grade A office rental data not available prior to 1Q 2002.
(2) CBRE, Singapore Figures, 1Q 2025.

# Hotel Master Lease Details




| Property | Hilton Singapore Orchard | Crowne Plaza Changi Airport |
|---|---|---|
| No. of Guestrooms | 1,080 | 575 |
| Master Lease Rental | Variable Rent Comprising Sum of:<br>*(i) 33.0% of Hotel GOR*[(1)] *; and*<br>*(ii) 27.5% of Hotel GOP*[(2)]*;*<br>subject to minimum rent of S$45.0 million[(3)] | Variable Rent Comprising Sum of:<br>*(i) 4% of Hotel F&B Revenues;*<br>*(ii) 33% of Hotel Rooms and Other Revenues not related to F&B;*<br>*(iii) 30% Hotel GOP; and*<br>*(iv) 80% of GRI from leased space;*<br>subject to minimum rent of S$22.5 million[(3)] |
| Master Lessee | ▪ OUE Limited | ▪ OUE Airport Hotel Pte. Ltd. (OUEAH) |
| Tenure | ▪ First term of 15 years to expire in July 2028<br>▪ Option to renew for an additional 15 years on the same terms and conditions | ▪ First term of Master Lease to expire in May 2028<br>▪ Option to renew for an additional two consecutive 5-year terms |
| | **FF&E Reserve** | **Capital Replacement Contribution** |
| | ▪ 3% of GOR | ▪ Aligned with hotel management agreement between OUEAH and IHG<br>▪ Generally at 3% of GOR |

(1) "GOR" refers to Gross operating revenue.
(2) "GOP" refers to Gross operating profit.
(3) The rental under the master lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent.

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# Thank You!

24 April 2025