



**SENTRAL
REIT**



CORPORATE PRESENTATION

4th Quarter 2022 Financial Results

19 January 2023



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Financial Results



Quill Building 5 - IBM



SENTRAL RECORDS RM16.6 MIL REALISED NET INCOME IN 4Q 2022

(RM'000)	(Unaudited) 4Q 2022	(Unaudited) 4Q 2021	Variance
Realised Revenue	36,630	40,616	-9.8%
Net Property Income	27,846	29,727	-6.33%
Net Income ¹	16,610	19,035	-12.7%
Distributable Income ³	16,610	19,035	-12.7%
EPU ²	1.55 sen	1.78 sen	-12.7%*
Distributable Income Per Unit	1.55 sen	1.78 sen	-12.7%*

- 1 Net Income refers to realised income after taxation (exclude gain from re-measurement of derivatives and revaluation surplus)
- 2 EPU refers to Realised Earnings Per Unit
- 3 Distributable Income refers to realised income after taxation adjusted for any Manager's management fee payable in units
- * Rounding differences



FY2022 DPU OF 6.82 SEN DECLARED

- 7.62% DPU yield based on year end closing unit price

(RM'000)	(Unaudited) FY 2022	(Audited) FY 2021	Variance
Realised Revenue	148,931	160,645	-7.3%
Net Property Income	114,696	122,649	-6.5%
Realised Income	73,625	84,486	-12.9%
EPU ¹	6.87 sen	7.88 sen	-12.9%*
Distributable Income	73,625	84,486	-12.9%
Distributable Income Per Unit	6.87 sen	7.88 sen	-12.9%*
DPU ²	6.82 sen	7.41 sen	-8.0%

1 EPU refers to Realised Earnings Per Unit (after manager's fees)

2 DPU refers to Distribution Per Unit. FY 2022 DPU of 7.41 sen is 99.3 % of FY 2022 distributable income of RM73.6 million

* Rounding differences



TOTAL ASSETS – RM2.147 BILLION

NAV PER UNIT – RM1.1704

	Unaudited as at 31 Mar 2022 (RM'000)	Unaudited as at 30 Jun 2022 (RM'000)	Unaudited as at 30 Sept 2022 (RM'000)	Unaudited as at 31 Dec 2022 (RM'000)
Non-Current Assets	2,081,455	2,081,945	2,083,068	2,060,737
Current Assets	68,733	90,710	68,179	85,980
Total Assets	2,150,188	2,172,655	2,151,247	2,146,718
Current Liabilities	25,732	27,890	22,340	25,718
Non-Current Liabilities	828,888	830,746	833,123	829,957
Net Assets before Distribution	1,295,568	1,314,019	1,295,784	1,291,042
Distribution	(20,360)*	(36,441)	(18,205)*	(36,655)
Net Assets after Distribution	1,275,208	1,277,578	1,277,579	1,254,387
No of Units	1,071,783	1,071,783	1,071,783	1,071,783
NAV per Unit (RM)	1.1898	1.1920	1.1920	1.1704

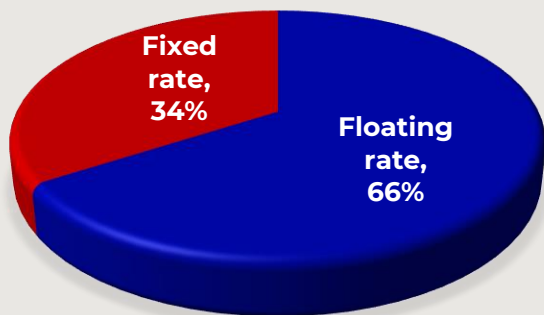
* Assuming 100% of realised net income is provided for income distribution



PRUDENT AND DISCIPLINED CAPITAL MANAGEMENT

- ✓ Completed all refinancing due in 2022
- ✓ Stable financial indicators

Fixed and Floating Rate Composition

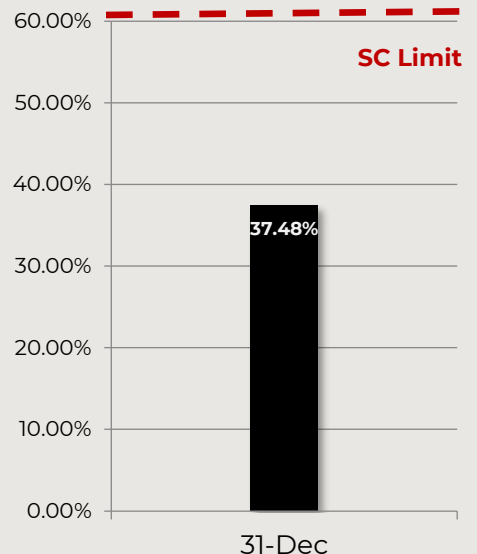


Total Debt: RM804.49 mil
(3Q 2022: RM804.73 mil)

Interest Coverage

3.56x
Decrease
(3Q 2022: 3.75x)

Gearing Ratio



Below SC limit of 60%
Increase
(3Q 2022 : 37.41%)

Average Cost of Debt

3.62% pa
Increase
(3Q 2022: 3.48% pa)

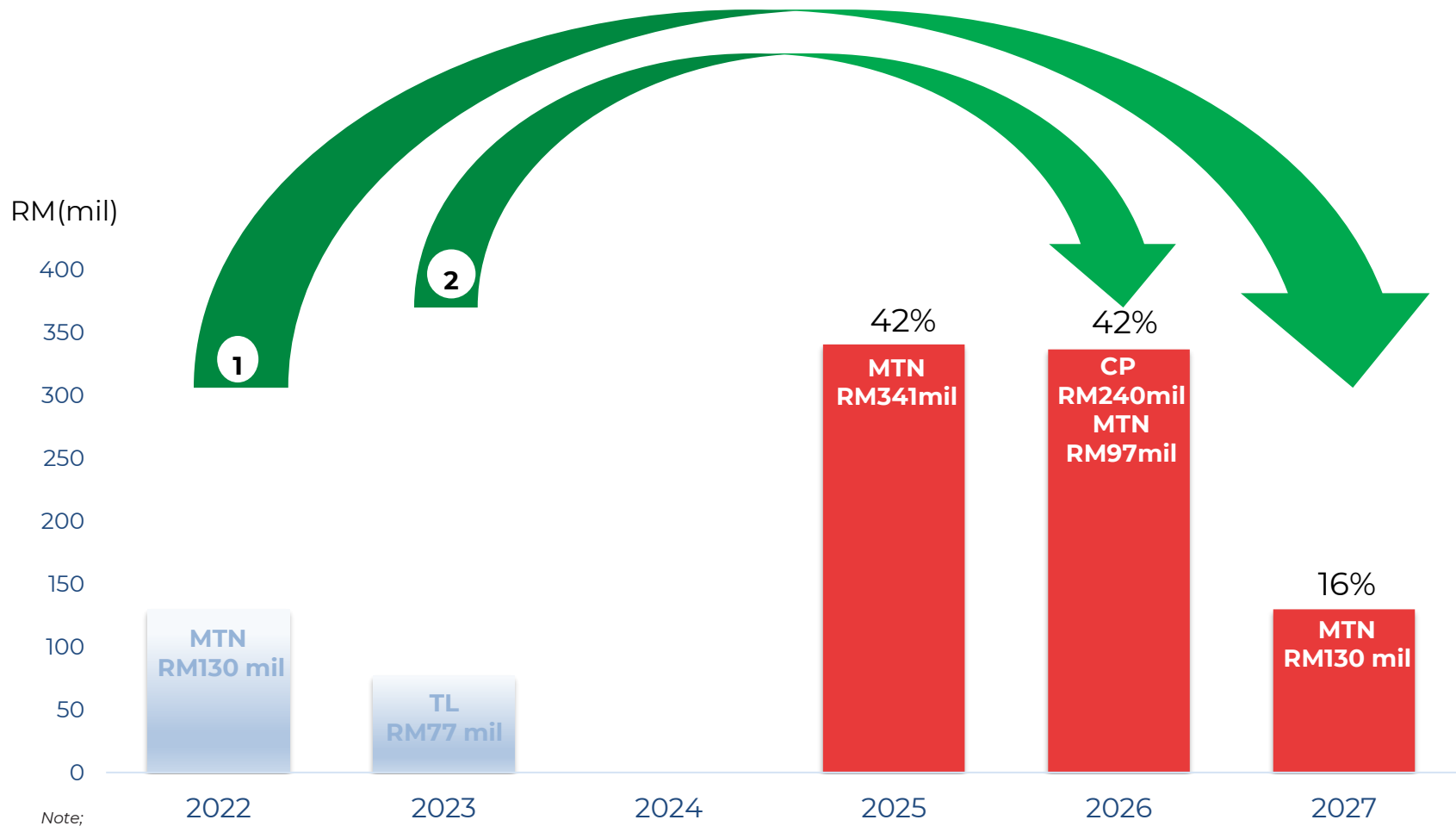
Average Debt to Maturity

3.30 years
Decrease
(3Q 2022 3.55 years)



HEALTHY DEBT MATURITY PROFILE OF 3.30 YEARS

1. Timely Completion of Refinancing of Debt Due in March 2022
2. Early Refinancing of RM77 mil TL



Note;
1. MTN - Medium Term Notes
2. CP - Commercial Papers
3. TL - Term Loan

Portfolio Update @ 31 December 2022



Quill Building 3 - BMW



PORTFOLIO OF QUALITY ASSETS – 31 DEC 2022



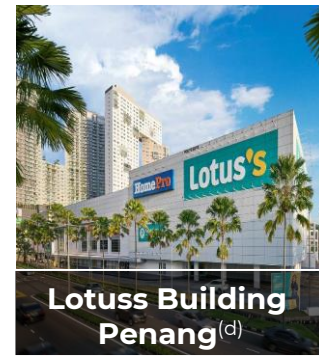
**Portfolio
Occupancy
Rate:
77%**

**Total NLA:
2.11 mil sq ft**
*Excluding car park
area



**Weighted
Average
Term to
Expiry:
3.19 years**

**Market Value
of
9 Properties:
RM2.0607 bil**



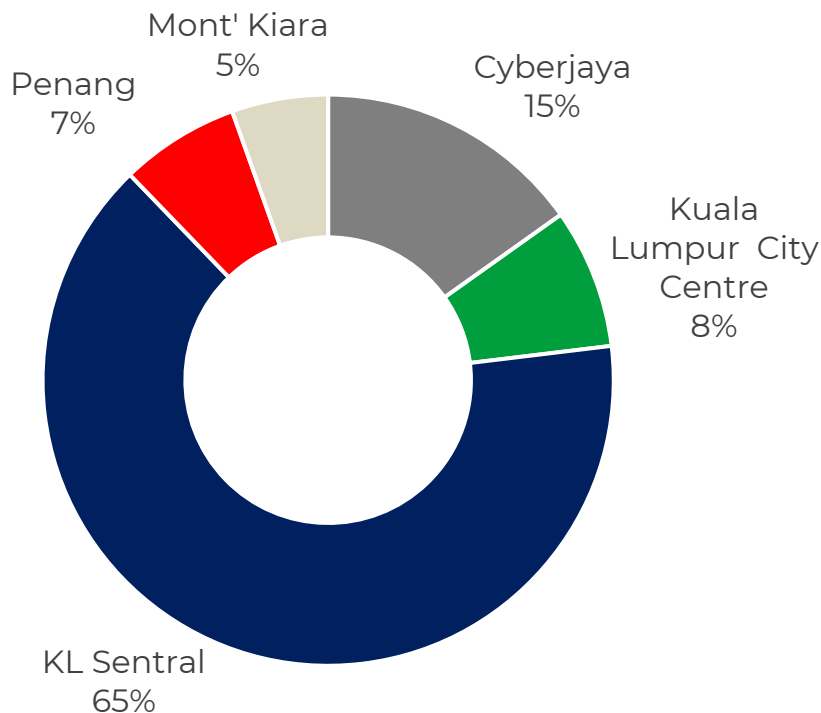
The Properties were valued by the following independent firm of professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers namely:

- a) Nawawi Tie Leung Property Consultants Sdn. Bhd
- b) CH Williams Talhar & Wong Sdn. Bhd
- c) Knight Frank Malaysia Sdn. Bhd
- d) IVPS Property Consultant Sdn. Bhd



GEOGRAPHICAL DIVERSIFICATION

By Valuation



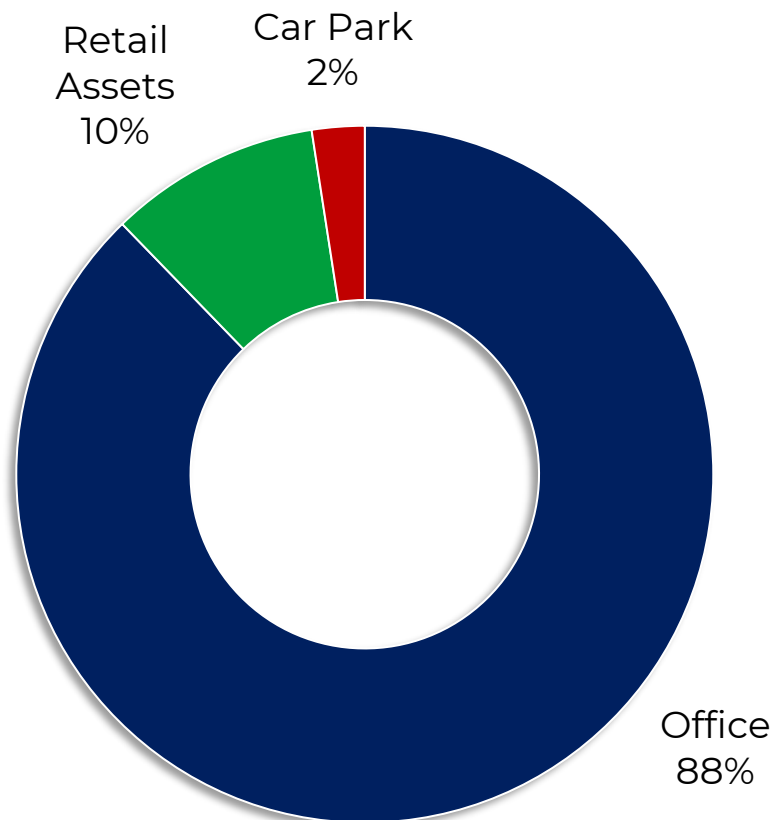
Klang Valley	78%
Cyberjaya	15%
Penang	7%

Notes:

- (1) Klang Valley refers to Kuala Lumpur and Selangor State excluding Kuala Selangor, Sepang and Sabak Bernam.
- (2) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd, CH Williams Talhar & Wong Sdn Bhd, Knight Frank Malaysia Sdn Bhd and IVPS Property Consultant Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.



DIVERSIFIED SEGMENTAL CONTRIBUTIONS



By Valuation

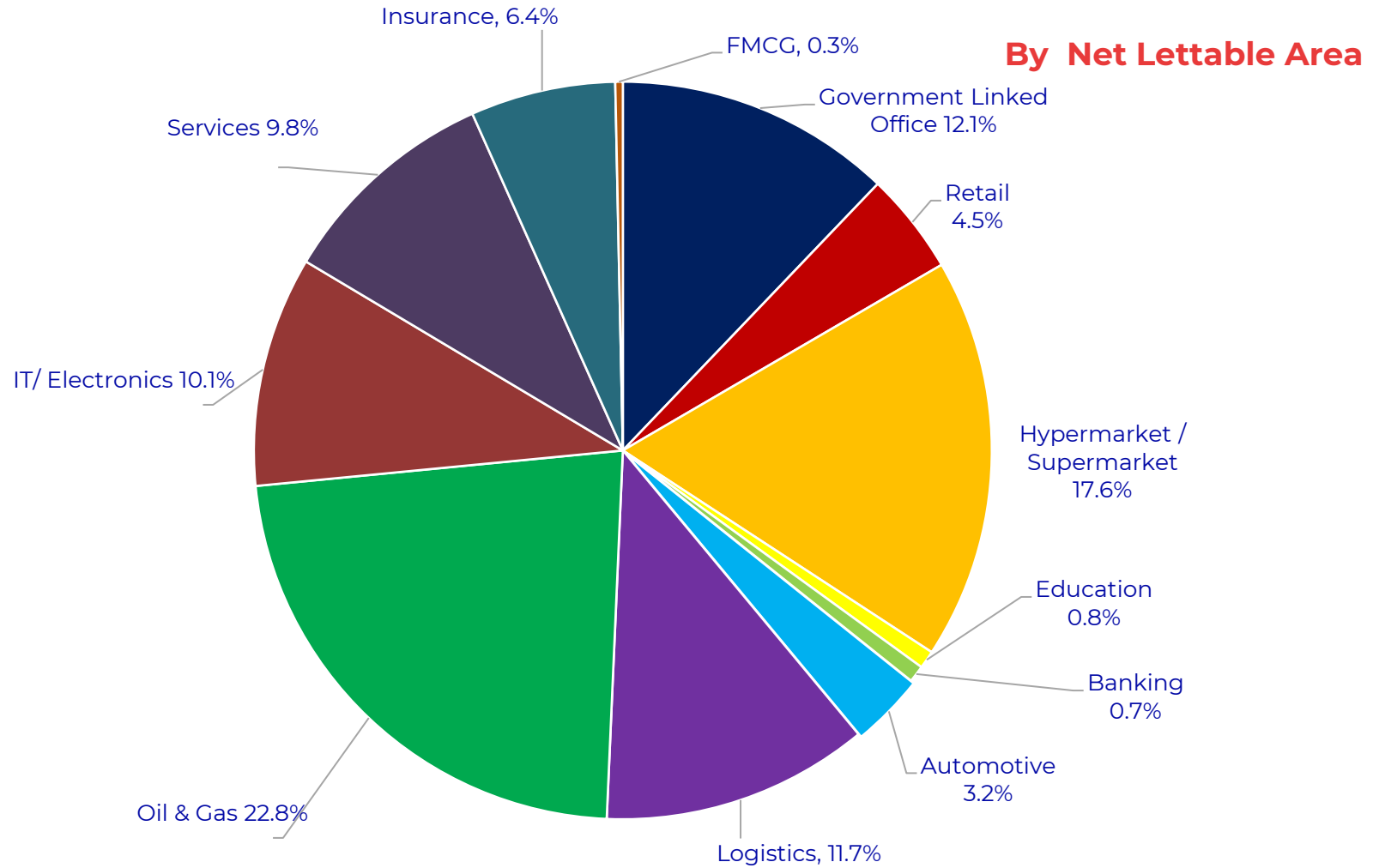
Notes:

- (1) Office comprises Quill Buildings, Platinum Sentral, Wisma Technip and Menara Shell
- (2) Retail refers to retail portion of Plaza Mont' Kiara & Lotuss Building Penang
- (3) Car Park refers to car parking bays in Plaza Mont' Kiara
- (4) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd, CH Williams Talhar & Wong Sdn Bhd, Knight Frank Malaysia Sdn Bhd and IVPS Property Consultant Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.



TENANT MIX

Well Balanced Tenancy Mix

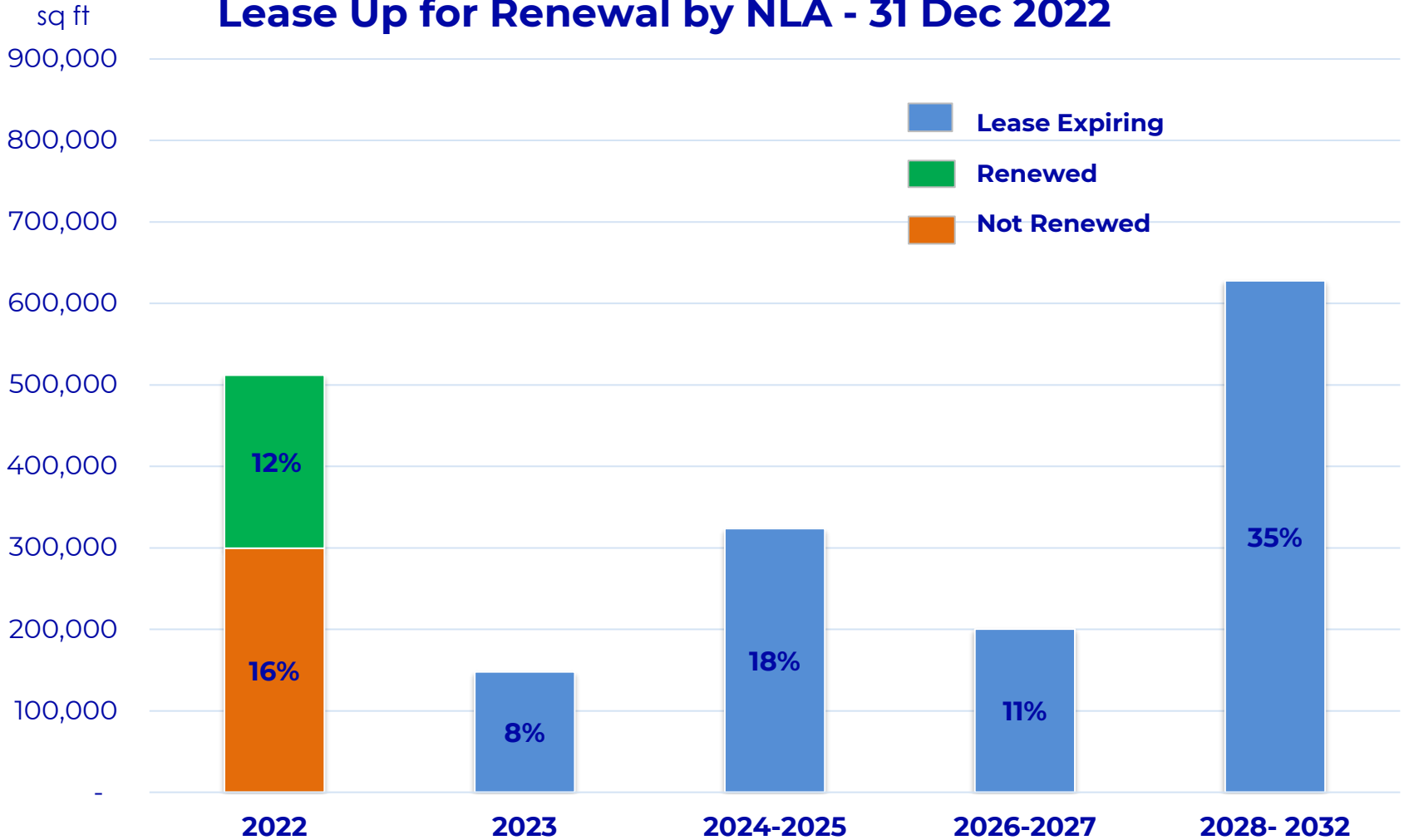




LEASE EXPIRY PROFILE

- 28% of Committed NLA Due in 2022
- 41% Renewal Rate Achieved

Lease Up for Renewal by NLA - 31 Dec 2022



% of net lettable area that are due for renewal

KLCA & Cyberjaya Office Market Outlook





KLANG VALLEY OFFICE MARKET OUTLOOK

□ (extracted from the Property Market Overview 2022 prepared by Knight Frank Malaysia Sdn Bhd)

- As of 2022, the cumulative existing supply stands at circa 113.1 million sq ft.
- By the end of 2023, circa 5.5 million sq ft of supply pipeline is scheduled for completion with the bulk of incoming office supply at circa 4.5 million sq ft (83.1%) will be from Kuala Lumpur.
- The overall occupancy rate of office space in Kuala Lumpur improved slightly to 73.9% in 2022 (2021: 73.4%). In contrast, the occupational demand in Selangor posted a drop to record at 73.6% in 2022 (2021: 75.2%), this may be partially due to the downsizing of office space as more businesses implement the hybrid work model post-pandemic coupled with tenants exploring prestigious office address in the city centre. Occupancy rates for the sub-markets of Petaling Jaya and Cyberjaya declined by 2.7% and 1.2% to record at 71.3% and 72.2% respectively.
- The average rental rate of office space in Kuala Lumpur declined to RM6.15 per sq ft per month in 2022 (2021: RM6.20 per sq ft per month). In the sub-markets of Petaling Jaya, Subang Jaya, Shah Alam and Cyberjaya, the average monthly rentals were in the region of RM4.39 per sq ft; RM4.11 per sq ft; RM3.41 per sq ft and RM3.72 per sq ft respectively.



KLANG VALLEY OFFICE MARKET OUTLOOK

- (extracted from the Property Market Overview 2022 prepared by Knight Frank Malaysia Sdn Bhd)

Outlook of Office Space in Klang Valley

- Amid challenges in the office market, selected REITs or landlords of well-located buildings which are dated and older are shifting their focus on asset management and enhancement initiatives by refurbishing / revamping their office buildings. They are also motivated to offer attractive leasing packages that are centred on tenant retention to improve their market competitiveness and attract new occupiers.
- In the short to mid-term, the rental and occupancy levels in KL City are expected to experience further pressure as the gap between supply and demand continues to widen amid high pipeline of office supply heading into 2023. As for KL Fringe, the occupancy is expected to stabilise for remaining year 2022 / 2023, taking time to recover from the COVID-19 impact.
- The Selangor office market is expected to remain relatively resilient in the medium to longer term supported by a wider pool of tenants / occupiers, attractive rental and leasing packages as well as improved rail network that continue to drive demand for office space in these decentralised locations.

Conclusion





FY2022 IN SUMMARY

FY2022 DPU of 6.82 sen declared translating to a DPU yield of 7.62%*

- Achieved FY 2022 realised EPU of 6.87 sen, a 12.9% decrease from FY2021 EPU of 7.88 sen
- FY 2022 DPU of 6.82 sen is 8.0% lower than the FY 2021 DPU of 7.41 sen (which included the one-off gain from the divestment of Quill Building 5)
- Completed renewals due in 2022 with 41% renewal rate. Approximately 121,000 sq. ft. of vacant spaces were successfully leased in 2022, resulted in an improvement in SENTRAL's portfolio occupancy rate from 73% recorded in 3Q2022 to 77% as at 31 December 2022
- Completed refinancing of RM207 million debt in 2022. Next refinancing will be in 2025

Year 2023 Prospects – Ongoing Strategies

- Proactive asset management strategies to focus on tenant relations and continuous building improvements
- Prudent capital management strategies
- Active portfolio management through exploring yield accretive acquisitions and divestment opportunities
- Managing cash flow prudently and exercising financial discipline

* Based on unit price as at 31 December 2022 of RM0.895 per unit



**SENTRAL
REIT**



Thank you

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