



**SENTRAL
REIT**



CORPORATE PRESENTATION

4th Quarter 2023 Financial Results

23 January 2024



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Financial Results - 4Q 2023

Menara CelcomDigi



SENTRAL RECORDS 24.8% INCREASE IN 4Q 2023 REALISED NET INCOME

(RM'000)	(Unaudited) 4Q 2023	(Unaudited) 4Q 2022	Variance
Realised Revenue	44,890	36,630	22.6%
Net Property Income	36,258	27,846	30.2%
Net Income ¹	20,726	16,610	24.8%
Distributable Income ³	20,726	16,610	24.8%
EPU ²	1.88 sen	1.55 sen	21.3%*
Distributable Income Per Unit	1.88 sen	1.55 sen	21.3%*

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



HIGHER FY2023 EPU OF 6.88 SEN

- 8.51% DPU yield based on year end closing unit price

(RM'000)	(Unaudited) FY 2023	(Audited) FY 2022	Variance
Realised Revenue	161,151	148,931	8.2%
Net Property Income	124,867	114,696	8.9%
Realised Income	74,221	73,625	0.8%
EPU ¹	6.88 sen	6.87 sen	0.1%
Distributable Income	74,221	73,625	0.8%
Distributable Income Per Unit	6.88 sen	6.87 sen	0.1%
DPU ²	6.68 sen ⁴	6.82 sen ³	-2.0%

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

2 DPU refers to Distribution Per Unit

3 FY2022 DPU of 6.82 sen is 99.3 % of FY2022 distributable income of RM73.6 million

4 FY2023 DPU of 6.68 sen is 97.6% of FY2023 distributable income of RM74.2 million



TOTAL ASSETS – RM2.616 BILLION

NAV PER UNIT – RM1.1253

	Unaudited as at 31 Mar 2023 (RM'000)	Unaudited as at 30 Jun 2023 (RM'000)	Unaudited as at 30 Sept 2023 (RM'000)	Unaudited as at 31 Dec 2023 (RM'000)
Non-Current Assets	2,063,720	2,066,229	2,066,549	2,521,512
Current Assets	60,414	78,016	62,640	94,533
Total Assets	2,124,134	2,144,245	2,129,189	2,616,044
Current Liabilities	24,341	26,322	23,960	55,751
Non-Current Liabilities	827,742	828,240	831,536	1,206,831
Net Assets before Distribution	1,272,051	1,289,683	1,273,693	1,353,462
Distribution	(17,664)*	(34,190)	(18,199)*	(8,129)
Net Assets after Distribution	1,254,387	1,255,493	1,255,764	1,345,333
No of Units	1,071,783	1,071,783	1,071,783	1,195,503
NAV per Unit (RM)	1.1704	1.1714	1.1714	1.1253

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

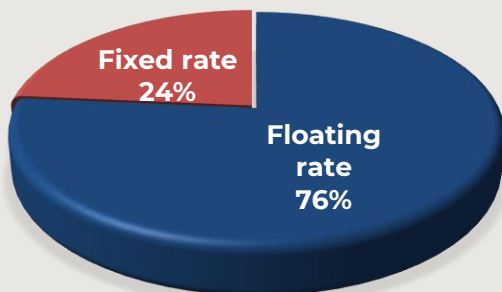


Capital Management – FY2023

PRUDENT AND DISCIPLINED CAPITAL MANAGEMENT

- ✓ No refinancing due in 2024. Next refinancing due in 2025
- ✓ Stable financial indicators

Fixed and Floating Rate Composition

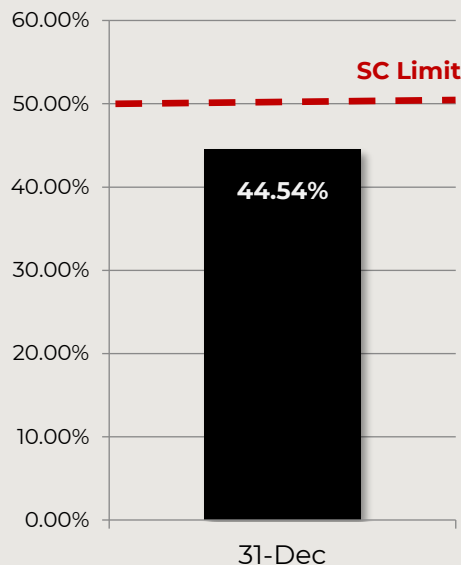


Total Debt: RM1,165.13 mil
(3Q 2023: RM804.76 mil)

Interest Coverage

3.07_x
Increase
(3Q 2023: 3.04x)

Gearing Ratio



Below SC limit of 50%
Increase
(3Q 2023 : 37.8%)

Average Cost of Debt

4.40% pa

Maintain
(3Q 2023: 4.40% pa)

Average Debt to Maturity

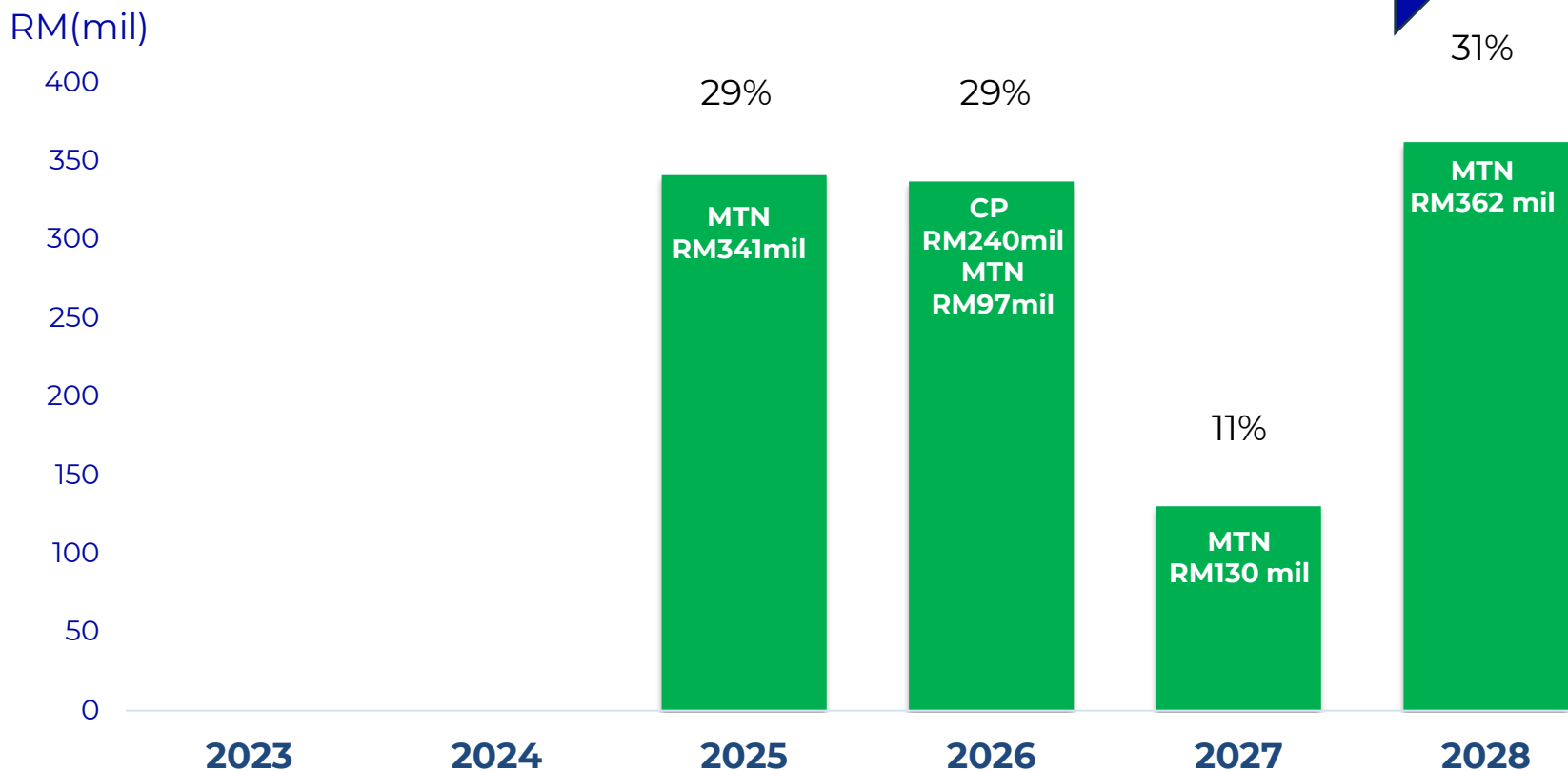
3.10 years

Increase
(3Q 2023 2.55 years)

HEALTHY DEBT MATURITY PROFILE

No Refinancing of Debt Due in 2023 and 2024

3.10 Years Debt Maturity Profile



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

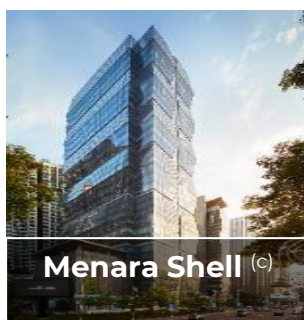
Portfolio Update @ 31 December 2023



Sentral Building 3 - BMW



PORTFOLIO OF QUALITY ASSETS – 31 DEC 2023



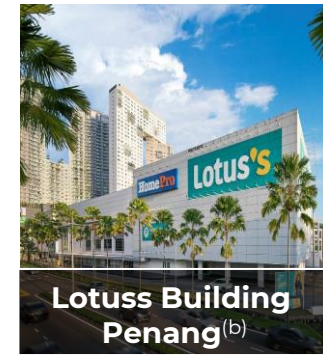
**Portfolio
Occupancy
Rate:
89%**

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



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

**Market Value
of
10 Properties:
RM2.52 bil**



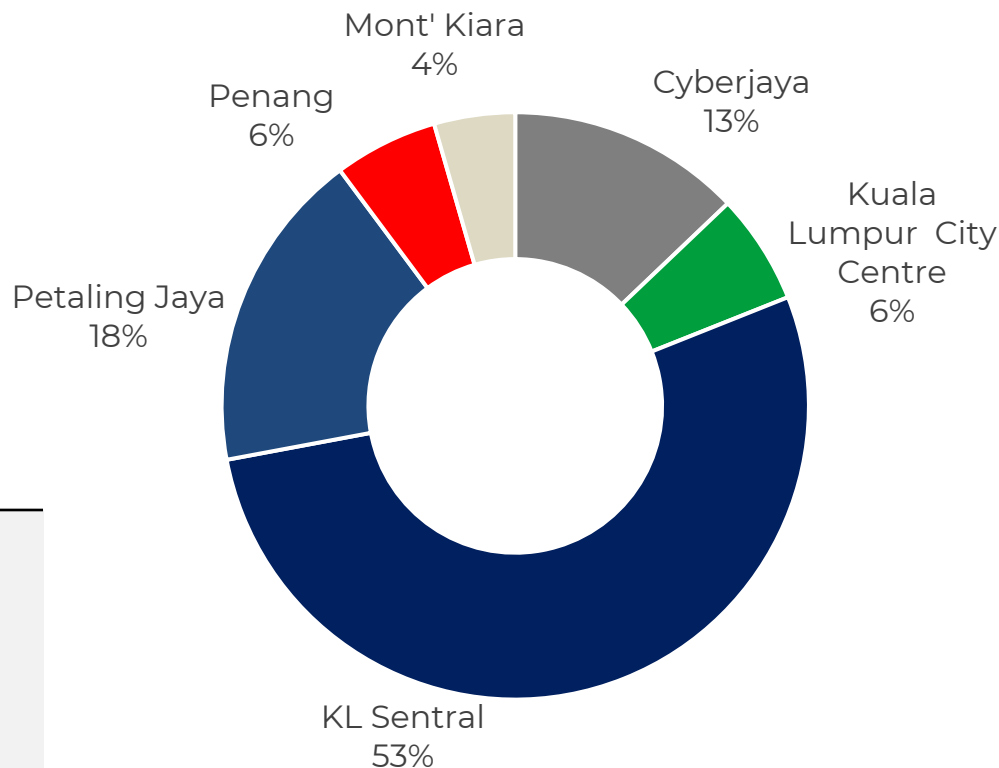
The Properties were valued by the following independent firm of professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers namely:

- a) Nawawi Tie Leung Property Consultants Sdn. Bhd.
- b) CBRE WTW Valuation & Advisory Sdn. Bhd.
- c) Knight Frank Malaysia Sdn. Bhd.
- d) IVPS Property Consultant Sdn. Bhd.



GEOGRAPHICAL DIVERSIFICATION

By Valuation



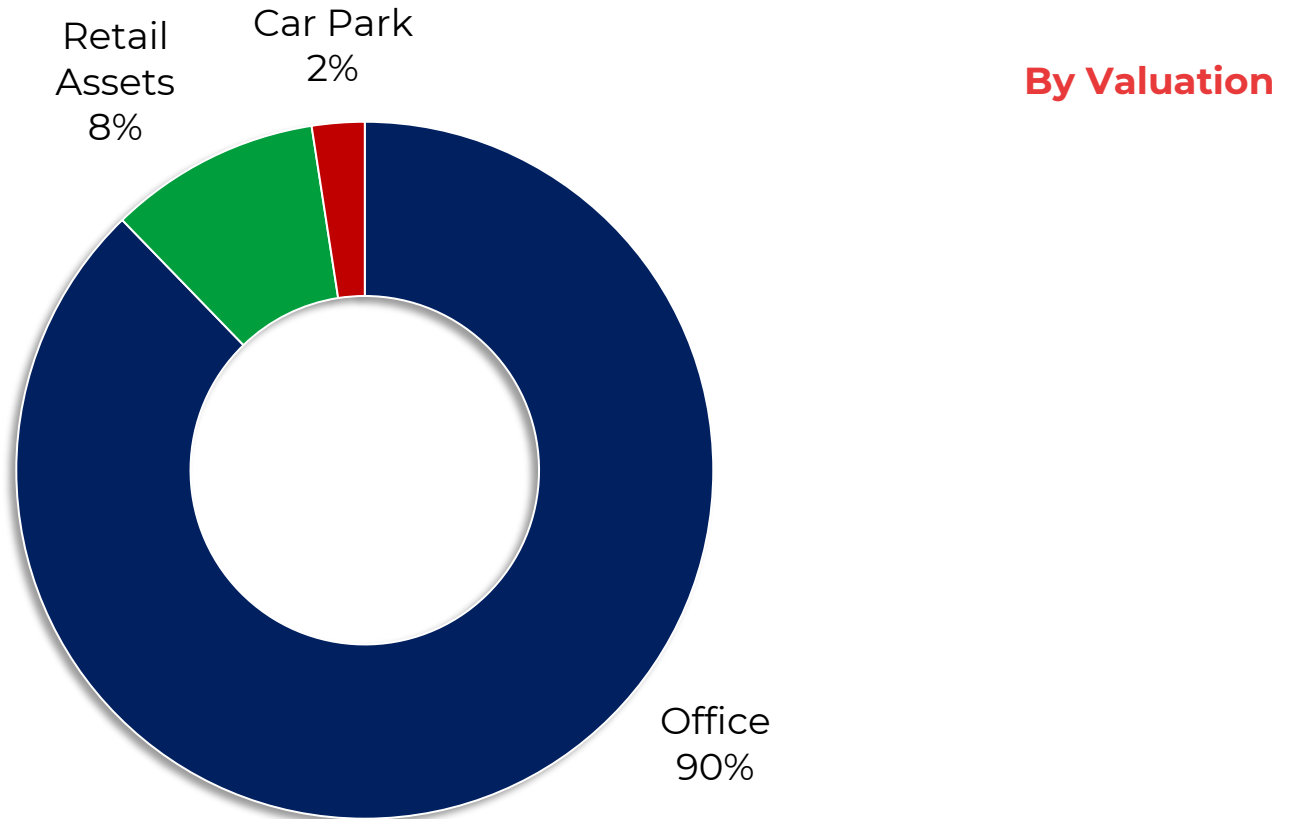
Klang Valley	82%
Cyberjaya	13%
Penang	5%

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, CBRE WTW Valuation & Advisory 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



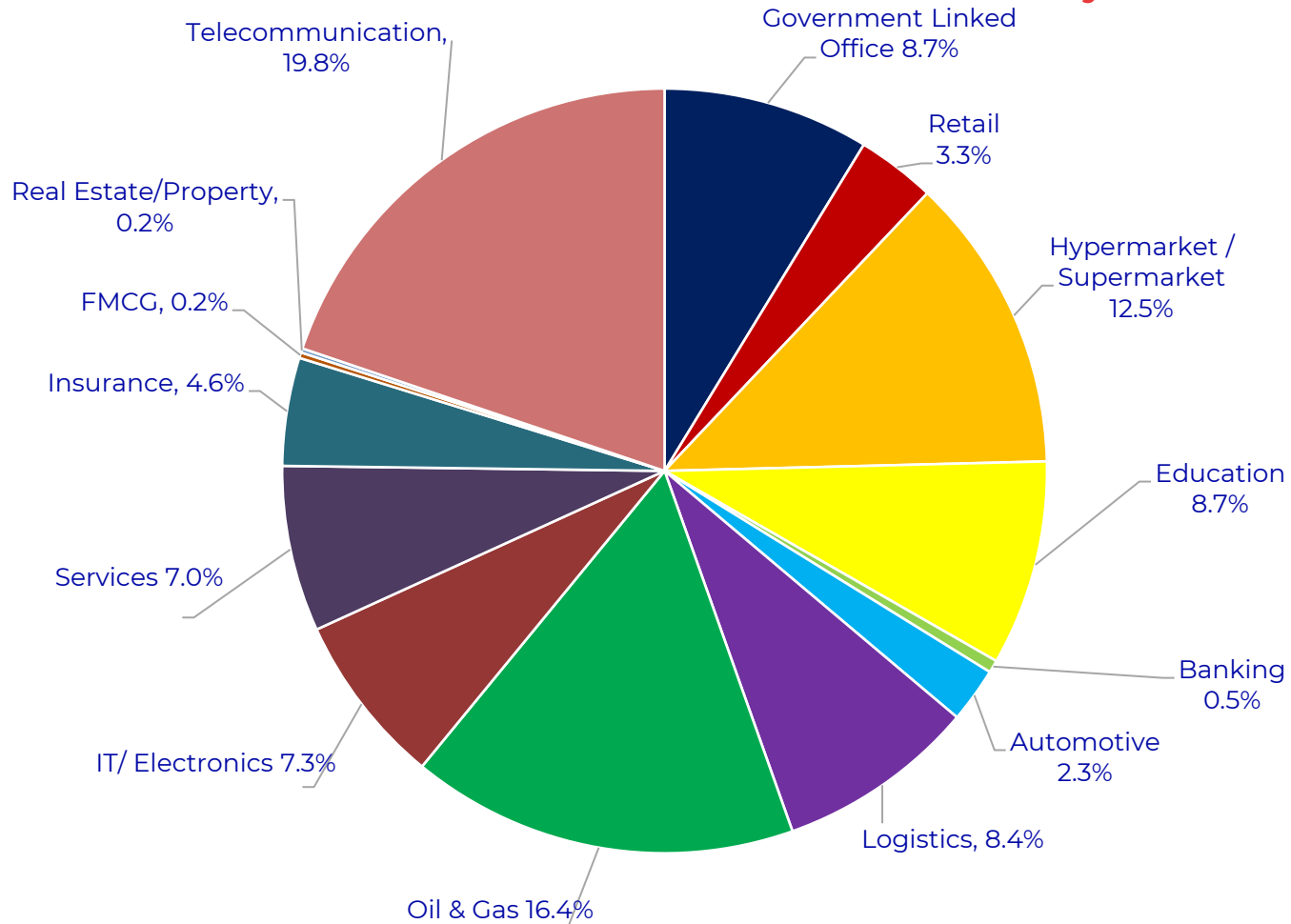
- Notes:
- (1) Office comprises Sentral Buildings, Platinum Sentral, Menara Shell, Menara CelcomDigi and Wisma Sentral Inai
 - (2) Retail refers to retail portion of Plaza Mont' Kiara & Lotuss Building Penang
 - (3) Car Park refers to car parking bays in Plaza Mont' Kiara
 - (4) The Properties were valued 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

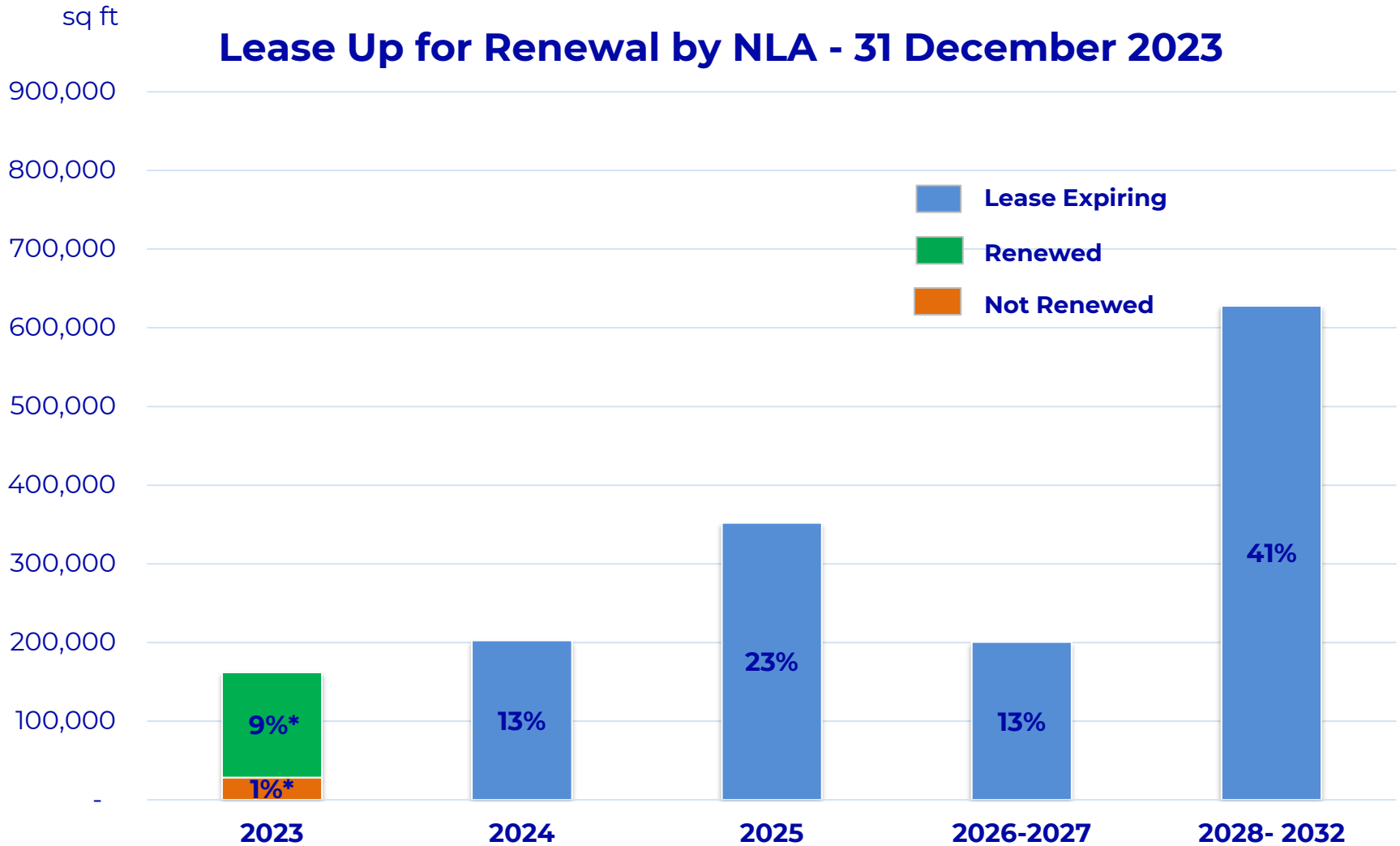
By Net Lettable Area





LEASE EXPIRY PROFILE

- 10% of Committed NLA due in 2023 : 82% Renewal Rate



% of net lettable area that are due for renewal

Note:

* Rounding

KLCA & Cyberjaya Office Market Outlook





KLANG VALLEY OFFICE MARKET OUTLOOK

□ (extracted from the Property Market Overview 2023 prepared by Knight Frank Malaysia Sdn Bhd)

- As at the end of 2023, the cumulative existing supply stands at circa 117.7 million sq. ft.
- By the end of 2024, circa 1.7 million sq. ft. of supply pipeline is scheduled to come on-stream. The bulk of incoming office supply at circa 1.4 million sq. ft. (81.7%) will be from Kuala Lumpur with the balance space of circa 0.3 million sq. ft. (18.3%) from Selangor.
- The overall occupancy rate of office space in Kuala Lumpur declined to 73.0% in 2023 (2022: 73.9%) following the addition of 3.7 million sq. ft. of new supply during the year. In contrast, the occupational demand in Selangor improved slightly to record at 73.8% (2022: 73.6%). Occupancy rates for Cyberjaya declined by 2.0% to record at 70.3% (2022: 72.2%).
- The average rental rate of office space in Kuala Lumpur was marginally higher at RM6.19 per sq ft per month in 2023 (2022: RM6.15 per sq ft per month). Similarly, the average office rent in Selangor was also higher at RM4.15 per sq ft per month during the review period (2022: RM4.09 per sq. ft. per month). In the sub-markets of Petaling Jaya and Cyberjaya, the average monthly rentals were in the region of RM4.47 per sq. ft. and RM3.72 per sq. ft. respectively.



KLANG VALLEY OFFICE MARKET OUTLOOK

- (extracted from the Property Market Overview 2023 prepared by Knight Frank Malaysia Sdn Bhd)

Office Market Outlook

- KL City office market is expected to remain tenant-led due to the supply and demand imbalance. The combination of high incoming supply and the prevailing "flight to quality" trend will continue to exert downward pressure on both occupancy and rental levels. The impact of the pandemic over the past few years has also led to a surplus of fit-out units in the market as companies downsize and relocate. Consequently, landlords are willing to negotiate for more competitive rents, leading to a declining rental trend in KL City.
- In contrast, market demand for office space in KL Fringe is anticipated to remain stable for the remaining part of 2023 and beyond, attributed to its established location, comprehensive infrastructure and limited incoming supply of Grade A offices.
- Selected decentralised office locations in Selangor continue to grow in popularity due to the availability of good-grade office space at attractive rental rates coupled with improved infrastructure providing easy accessibility and good connectivity. Therefore, both rental and occupancy levels within Selangor are expected to be insulated by the presence of sustained demand.

Conclusion





FY2023 IN SUMMARY

Realised Net income increased by 0.8% to RM74.22 million

- Realised net income of RM74.2 million translates to FY2023 realised EPU of 6.88 sen, a marginal 0.1% increase from FY2022 EPU of 6.87 sen
- FY 2023 DPU of 6.68 sen is 2.0% lower than the FY 2021 DPU of 6.82 sen (based on a lower distribution payout of 97.6%)
- Completed renewals due in 2023 with a healthy 82% renewal rate. In addition, approximately 285,000 sq. ft. of vacant spaces were successfully leased in 2023
- Completed the acquisition of Menara CelcomDigi on 11 December 2023, increasing SENTRAL's portfolio valuation and NLA to RM2.52 bil and 2.57 mil sq. ft, respectively
- The healthy renewal rate, coupled with the new leases secured and inclusion of Menara CelcomDigi, resulted in an improvement in SENTRAL's portfolio occupancy rate from 86% recorded in 3Q2023 to 89% as at 31 December 2023

Year 2024 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



**SENTRAL
REIT**



Thank you

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