

Singapore

ADD (no change)

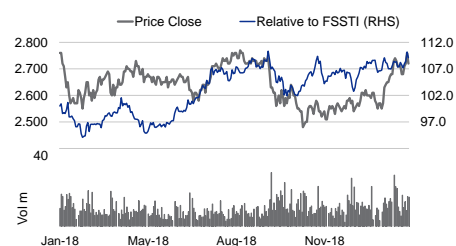
Consensus ratings*: Buy 15 Hold 5 Sell 3

| | |
|-------------------------|-------------------------|
| Current price: | S\$2.72 |
| Target price: | S\$2.83 |
| Previous target: | S\$2.84 |
| Up/downside: | 4.1% |
| CGS-CIMB / Consensus: | 2.3% |
| Reuters: | AEMN.SI |
| Bloomberg: | AREIT SP |
| Market cap: | US\$6,257m S\$8,461m |
| Average daily turnover: | US\$20.98m S\$28.92m |
| Current shares o/s: | 3,108m |
| Free float: | 81.1% |

*Source: Bloomberg

Key changes in this note

- FY19F DPU decreased by 3.4%.
- FY20F DPU decreased by 5.3%.
- FY21F DPU decreased by 7.2%.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|-----|-----|------|
| Absolute (%) | 6.7 | 7.1 | -1.5 |
| Relative (%) | 2.7 | 0.1 | 9.1 |

| Major shareholders | % held |
|------------------------------|--------|
| Ascendas | 18.9 |
| Blackrock | 9.0 |
| Mondrian Investment Partners | 6.0 |

Analyst(s)

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Ascendas REIT

GRAB-ing new opportunities

- 3QFY3/19 DPU of 3.988 Scts was in line with our and consensus forecasts, mainly driven by new acquisitions in Australia and UK.
- AREIT secured a S\$181.2m project to build Grab's new Singapore HQ with a stabilised NPI yield of 6.4% and built-in annual rental escalations.
- Maintain Add, with a TP of S\$2.83.

3QFY3/19 results in line

3QFY3/19 DPU of 3.998 Scts (+0.7% yoy) was in line at 24%/25% of our/Bloomberg consensus full-year forecasts. The yoy improvement was largely due to contribution from new acquisitions in Australia and two UK portfolios. This was offset by the equity fund raising for its 2nd UK portfolio in Sep 2018 and non-renewals in certain properties in Singapore. 9MFY19 DPU of 11.887 Scts (+1.6% yoy) was at 72% of our forecast.

Occupancy improved with positive rental reversions

Portfolio occupancy increased to 91.3% in 3QFY19 (90.6% in 2QFY19), driven by an increase in occupancy in Singapore from 87.1% to 87.3%. This was mainly due to new take ups at 20 Tuas Ave 1, FoodAxis@Senoko, and 9 Changi South St 3. Portfolio rental reversion was more positive in 3QFY19 at +3.2% (2.3% in 2QFY19). The remaining lease expiries in FY19 and FY20 represent 1.6%/18.6% of its gross rental income.

Building Grab's new Singapore HQ for S\$181m

AREIT secured a S\$181.2m development project for Grab's headquarters in Singapore. The 42,310 sq m property, located in one-north, will be fully leased by Grab to house all its Singapore-based employees; it will have an NPI yield of 6.4%. The lease will run for 11 years with a renewal option of five years, and have built-in rental annual rental escalations. This will be AREIT's 17th development project and 3rd business park asset in one-north. Post-completion in 4QCY20, AREIT's business park segment will comprise 34% of its portfolio.

Balance sheet remains robust

Aggregate leverage increased to 36.7% in 3QFY19 (33.2% in 2QFY19) due to the drawdown of debt for the 2nd UK portfolio acquisition. Average interest cost held steady at 3.0%, with 75.6% on fixed rates, and average debt maturity remained stable at 3.6 years.

Maintain Add with a TP of S\$2.83

We roll forward our DDM-based valuations, and amend our rental growth and occupancy assumptions to arrive at a revised TP of S\$2.83. We like AREIT due to its strong parentage and dominant market position in Singapore. We think re-rating catalysts could come in the form of new asset enhancement initiatives; we have not factored these into our valuations yet. Downside risks to our call include impact from escalating US-China trade tensions, and a slower recovery of industrial rents.

| Financial Summary | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|-------------------------------|---------|---------|---------|---------|---------|
| Gross Property Revenue (S\$m) | 830.6 | 862.1 | 901.8 | 947.8 | 976.3 |
| Net Property Income (S\$m) | 611.0 | 629.4 | 666.1 | 706.5 | 727.7 |
| Net Profit (S\$m) | 452.4 | 486.8 | 488.5 | 515.1 | 532.5 |
| Distributable Profit (S\$m) | 446.3 | 468.0 | 484.9 | 511.9 | 518.3 |
| Core EPS (S\$) | 0.17 | 0.16 | 0.16 | 0.17 | 0.17 |
| Core EPS Growth | 16.9% | (6.3%) | 0.0% | 2.3% | 3.2% |
| FD Core P/E (x) | 15.76 | 16.82 | 16.81 | 16.44 | 15.92 |
| DPS (S\$) | 0.16 | 0.16 | 0.16 | 0.16 | 0.17 |
| Dividend Yield | 5.79% | 5.88% | 5.90% | 6.05% | 6.11% |
| Asset Leverage | 33.4% | 34.0% | 35.3% | 35.5% | 35.8% |
| BVPS (S\$) | 2.17 | 2.22 | 2.24 | 2.24 | 2.24 |
| P/BV (x) | 1.26 | 1.23 | 1.21 | 1.21 | 1.21 |
| Recurring ROE | 7.96% | 7.38% | 7.26% | 7.39% | 7.62% |
| % Change In DPS Estimates | | | (3.35%) | (5.33%) | (7.17%) |
| CIMB/consensus DPS (x) | | | 0.99 | 0.99 | 0.97 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

| FYE Mar (\$\$ m) | 3Q FY19 | 3Q FY18 | yoy % chg | qoq % chg | 3QFY19 Cum | 3QFY18 Cum | yoy % chg | Prev. FY19F | Comments |
|-----------------------------|-------------|-------------|--------------|--------------|---------------|---------------|--------------|----------------|---|
| Revenue | 226.4 | 217.3 | 4.2 | 3.8 | 661.1 | 646.4 | 2.3 | 908.1 | Broadly in line. 3Q/9MFY19: 25%/73% of our FY19 forecast. Mainly driven by new acquisitions in Australia and UK. |
| Property operating expenses | (58.4) | (59.7) | (2.1) | (1.4) | (175.0) | (174.8) | 0.1 | (228.7) | |
| NPI | 168.0 | 157.6 | 6.6 | 5.7 | 486.1 | 471.5 | 3.1 | 679.4 | Broadly in line. 2Q/9MFY19: 25%/72% of our FY19 forecast |
| <i>NPI margin (%)</i> | <i>74.2</i> | <i>72.5</i> | | | <i>73.5</i> | <i>73.0</i> | | <i>74.8</i> | |
| Interest expense | (32.7) | (27.6) | 18.7 | 3.3 | (93.5) | (81.6) | 14.5 | (134.0) | |
| Interest & invt inc | 2.7 | 2.4 | 11.9 | 0.9 | 7.7 | 6.7 | 14.6 | 10.0 | |
| Manager & trustee fees | (16.3) | (14.8) | 9.9 | 3.9 | (46.9) | (44.1) | 6.3 | (63.0) | |
| Associates' contrib | 0.2 | 0.1 | 11.7 | 27.6 | 0.4 | 0.4 | 4.1 | - | |
| Other trust expenses | (9.4) | 13.9 | (167.6) | (218.8) | (22.7) | 37.2 | (161.1) | (8.9) | |
| Exceptionals & revaln | 19.3 | (21.6) | (189.7) | (924.6) | 35.7 | (32.8) | (208.7) | - | |
| Pretax profit | 131.8 | 110.1 | 19.7 | 9.9 | 366.8 | 357.3 | 2.7 | 483.6 | |
| Tax | (3.0) | (1.1) | 180.1 | 23.6 | (7.8) | (1.7) | 349.1 | (20.6) | |
| <i>Tax rate (%)</i> | <i>2.2</i> | <i>1.0</i> | | | <i>2.1</i> | <i>0.5</i> | | <i>4.3</i> | |
| Minority interests | - | 0.0 | na | nm | 0.0 | 0.0 | 183.3 | - | |
| Perpetual securities | (3.6) | (3.6) | - | (0.0) | (10.7) | (10.7) | na | (14.3) | |
| Net profit | 125.2 | 105.5 | 18.7 | 9.9 | 348.3 | 344.9 | 1.0 | 448.7 | |
| Distr profit | 124.3 | 116.3 | 7.0 | 8.1 | 356.7 | 353.5 | 0.9 | 489.6 | Broadly in line. 3Q/9MFY19: 25%/73% of our FY19 forecast. Performed better than NPI due to capital distributions of rental support from acquisitions in Australia and UK. |
| DPU (S cts) | 4.00 | 3.97 | 0.7 | 2.9 | 11.89 | 12.08 | (1.6) | 16.43 | Broadly in line. 3Q/9MFY19: 24%/72% of our FY19 forecast |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Earnings revisions

| | FY19F | | | FY20F | | | FY21F | | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | New | Old | % chg | New | Old | % chg | New | Old | % chg |
| Revenue (\$\$m) | 901.8 | 908.1 | -0.7% | 947.8 | 960.8 | -1.4% | 976.3 | 998.9 | -2.3% |
| NPI (\$\$m) | 666.1 | 679.4 | -2.0% | 706.5 | 747.9 | -5.5% | 727.7 | 778.4 | -6.5% |
| DI (\$\$m) | 484.9 | 495.3 | -2.1% | 511.9 | 534.8 | -4.3% | 518.3 | 567.2 | -8.6% |
| DPU (Scts) | 16.1 | 16.6 | -3.4% | 16.4 | 17.4 | -5.3% | 16.6 | 17.9 | -7.2% |

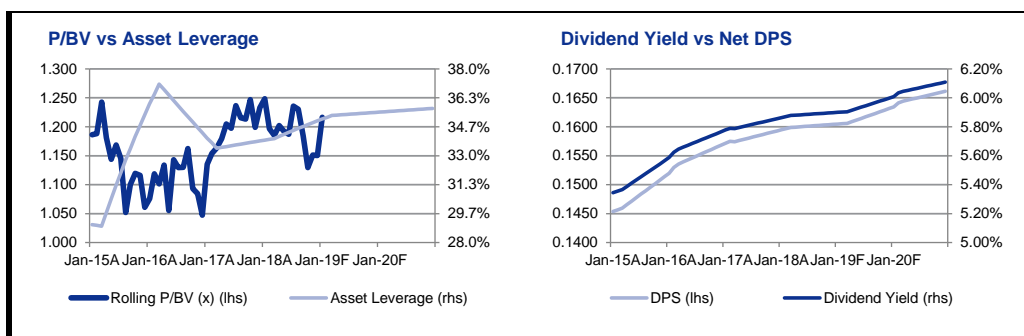
SOURCES: CGS-CIMB RESEARCH

Figure 3: Peer comparison of S-REITs

| SREIT | Bloomberg Ticker | Price as at 29 Jan 19 | Mkt Cap (US \$m) | Last reported asset leverage | Last stated NAV | Price / Stated NAV | Target Price (DDM-based) | Rec. | FY18F Yield | FY19F Yield | FY20F Yield |
|---------------------------------------|------------------|-----------------------|------------------|------------------------------|-----------------|--------------------|--------------------------|------|-------------|-------------|-------------|
| Hospitality | | | | | | | | | | | |
| Ascott Residence Trust | ART SP | \$1.19 | \$1,906 | 36.4% | 1.20 | 0.99 | \$1.13 | H | 5.6% | 5.7% | 5.8% |
| Ascendas Hospitality Trust | ASCHT SP | \$0.77 | \$651 | 32.2% | 0.92 | 0.84 | NA | NR | 7.6% | 7.5% | 7.7% |
| CDL Hospitality Trust | CDREIT SP | \$1.63 | \$1,454 | 33.8% | 1.49 | 1.09 | \$1.64 | A | 5.7% | 5.8% | 6.0% |
| Far East Hospitality Trust | FEHT SP | \$0.65 | \$902 | 40.4% | 0.87 | 0.75 | \$0.68 | A | 6.3% | 6.6% | 6.7% |
| Frasers Hospitality Trust | FHT SP | \$0.69 | \$963 | 33.4% | 0.77 | 0.90 | NA | NR | 7.2% | 7.5% | 7.7% |
| OUE Hospitality Trust | OUEHT SP | \$0.73 | \$983 | 38.7% | 0.76 | 0.95 | \$0.85 | A | 6.9% | 7.1% | 7.3% |
| Simple Average | | | | 35.8% | | 0.92 | | | 6.6% | 6.7% | 6.9% |
| Industrial | | | | | | | | | | | |
| AIMS AMP | AAREIT SP | \$1.39 | \$709 | 33.6% | 1.37 | 1.01 | NA | NR | 7.4% | 7.9% | 7.9% |
| Ascendas REIT | AREIT SP | \$2.72 | \$6,262 | 36.7% | 2.05 | 1.33 | \$2.84 | A | 5.9% | 6.1% | 6.4% |
| Cache Logistics Trust | CACHE SP | \$0.72 | \$573 | 36.2% | 0.66 | 1.09 | \$0.74 | H | 8.2% | 8.0% | 7.9% |
| ESR-REIT | EREIT SP | \$0.52 | \$1,220 | 41.9% | 0.47 | 1.11 | \$0.62 | A | 4.5% | 8.3% | 8.5% |
| Frasers Logistics & Industrial Trust | FLT SP | \$1.07 | \$1,601 | 35.6% | 0.91 | 1.18 | \$1.19 | A | 6.3% | 6.4% | 6.5% |
| Keppel DC REIT | KDCREIT SP | \$1.43 | \$1,431 | 30.8% | 1.07 | 1.34 | \$1.51 | A | 5.3% | 5.8% | 5.9% |
| Mapletree Industrial Trust | MINT SP | \$2.01 | \$2,825 | 34.7% | 1.48 | 1.36 | \$2.13 | A | 5.8% | 6.0% | 6.5% |
| Mapletree Logistics Trust | MLT SP | \$1.36 | \$3,614 | 38.8% | 1.13 | 1.20 | \$1.44 | A | 5.6% | 5.6% | 5.8% |
| Sabana Shariah | SSREIT SP | \$0.43 | \$338 | 37.0% | 0.57 | 0.75 | NA | NR | na | na | na |
| Soilbuild Business Space REIT | SBREIT SP | \$0.66 | \$520 | 40.6% | 0.64 | 1.03 | NA | NR | 7.7% | 7.7% | 7.7% |
| Simple Average | | | | 36.9% | | 1.30 | | | 6.5% | 6.9% | 7.2% |
| Office | | | | | | | | | | | |
| CapitaLand Commercial Trust | CCT SP | \$1.88 | \$5,210 | 34.9% | 1.84 | 1.02 | \$1.94 | A | 4.6% | 4.9% | 4.9% |
| Frasers Commercial Trust | FCOT SP | \$1.48 | \$984 | 28.4% | 1.56 | 0.95 | \$1.50 | H | 6.5% | 6.5% | 6.5% |
| Keppel REIT | KREIT SP | \$1.18 | \$2,964 | 36.3% | 1.40 | 0.84 | \$1.34 | A | 4.7% | 5.0% | 5.1% |
| OUE Commercial REIT | OUECT SP | \$0.49 | \$1,035 | 39.3% | 0.70 | 0.70 | \$0.57 | H | 7.1% | 7.0% | 7.0% |
| Suntec REIT | SUN SP | \$1.89 | \$3,750 | 38.1% | 2.10 | 0.90 | \$2.06 | A | 5.3% | 5.4% | 5.4% |
| Simple Average | | | | 35.4% | | 0.88 | | | 5.6% | 5.8% | 5.8% |
| Retail | | | | | | | | | | | |
| CapitaLand Mall Trust | CT SP | \$2.36 | \$6,440 | 34.2% | 2.00 | 1.18 | \$2.29 | H | 4.7% | 5.0% | 5.3% |
| Frasers Centrepoint Trust | FCT SP | \$2.27 | \$1,559 | 28.6% | 2.08 | 1.09 | \$2.35 | A | 5.3% | 5.3% | 5.5% |
| Mapletree Commercial Trust | MCT SP | \$1.75 | \$2,472 | 34.8% | 1.49 | 1.17 | \$1.79 | A | 5.2% | 5.2% | 5.3% |
| SPH REIT | SPHREIT SP | \$1.03 | \$1,970 | 26.3% | 0.95 | 1.08 | \$1.02 | H | 5.4% | 5.6% | 5.7% |
| Starhill Global REIT | SGREIT SP | \$0.72 | \$1,162 | 35.4% | 0.90 | 0.80 | \$0.75 | A | 6.1% | 6.5% | 6.8% |
| Simple Average | | | | 31.9% | | 1.07 | | | 5.3% | 5.5% | 5.7% |
| Retail Ex-Sin | | | | | | | | | | | |
| CapitaLand Retail China Trust | CRCT SP | \$1.59 | \$1,151 | 32.1% | 1.66 | 0.96 | NA | NR | 6.5% | 6.7% | 6.9% |
| Lippo Malls Indonesia Retail Trust | LMRT SP | \$0.24 | \$497 | 36.0% | 0.30 | 0.79 | \$0.27 | H | 10.1% | 10.1% | 10.4% |
| Mapletree North Asia Commercial Trust | MAGIC SP | \$1.24 | \$2,906 | 39.0% | 1.32 | 0.94 | \$1.32 | A | 6.0% | 6.2% | 6.4% |
| Simple Average | | | | 35.7% | | 0.90 | | | 7.5% | 7.7% | 7.9% |
| Healthcare | | | | | | | | | | | |
| First REIT | FIRT SP | \$1.06 | \$620 | 35.0% | 1.02 | 1.04 | \$1.20 | A | 8.1% | 8.3% | 8.4% |
| Parkway Life REIT | PREIT SP | \$2.83 | \$1,267 | 36.1% | 1.85 | 1.53 | \$3.05 | H | 4.5% | 4.6% | 4.7% |
| Simple Average | | | | 32.2% | | 0.87 | | | 6.3% | 6.5% | 6.5% |
| Simple average for SIN | | | | 35.2% | | 1.00 | | | 6.3% | 6.5% | 6.7% |

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG

BY THE NUMBERS



Profit & Loss

| (\$m) | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Rental Revenues | 830.6 | 862.1 | 901.8 | 947.8 | 976.3 |
| Other Revenues | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gross Property Revenue | 830.6 | 862.1 | 901.8 | 947.8 | 976.3 |
| Total Property Expenses | (219.6) | (232.7) | (235.7) | (241.3) | (248.5) |
| Net Property Income | 611.0 | 629.4 | 666.1 | 706.5 | 727.7 |
| General And Admin. Expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Management Fees | (48.4) | (50.7) | (53.2) | (55.3) | (57.1) |
| Trustee's Fees | (10.4) | (7.7) | (10.6) | (11.1) | (11.4) |
| Other Operating Expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 552.1 | 571.0 | 602.3 | 640.2 | 659.2 |
| Depreciation And Amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 552.1 | 571.0 | 602.3 | 640.2 | 659.2 |
| Net Interest Income | (110.6) | (100.8) | (110.4) | (120.8) | (122.0) |
| Associates' Profit | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 |
| Other Income/(Expenses) | 21.4 | 5.3 | 0.0 | 0.0 | 0.0 |
| Exceptional Items | (30.0) | 13.6 | 0.0 | 0.0 | 0.0 |
| Pre-tax Profit | 433.4 | 489.6 | 491.9 | 519.4 | 537.2 |
| Taxation | 19.0 | (2.8) | (3.4) | (4.3) | (4.7) |
| Minority Interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Preferred Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit | 452.4 | 486.8 | 488.5 | 515.1 | 532.5 |
| Distributable Profit | 446.3 | 468.0 | 484.9 | 511.9 | 518.3 |

Cash Flow

| (\$m) | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Pre-tax Profit | 433.4 | 489.6 | 491.9 | 519.4 | 537.2 |
| Depreciation And Non-cash Adj. | 88.8 | 94.9 | 110.4 | 120.8 | 122.0 |
| Change In Working Capital | (24.0) | (17.6) | 0.0 | 0.0 | 0.0 |
| Tax Paid | (6.7) | (24.7) | (3.4) | (4.3) | (4.7) |
| Others | 37.8 | (3.5) | 10.6 | 11.1 | 0.0 |
| Cashflow From Operations | 529.3 | 538.9 | 609.5 | 646.9 | 654.5 |
| Capex | (128.4) | (132.7) | 0.0 | 0.0 | 0.0 |
| Net Investments And Sale Of FA | (29.3) | (145.9) | (960.4) | (48.6) | (48.6) |
| Other Investing Cashflow | 20.1 | 3.5 | 0.4 | 0.3 | 0.5 |
| Cash Flow From Investing | (137.6) | (275.1) | (960.0) | (48.3) | (48.1) |
| Debt Raised/(repaid) | 50.4 | 120.8 | 467.1 | 48.6 | 48.6 |
| Equity Raised/(Repaid) | 152.0 | 0.0 | 447.9 | 0.0 | 0.0 |
| Dividends Paid | (500.9) | (294.6) | (484.9) | (511.9) | (518.3) |
| Cash Interest And Others | (127.6) | (134.3) | (110.7) | (121.0) | (122.5) |
| Cash Flow From Financing | (426.1) | (308.1) | 319.4 | (584.3) | (592.2) |
| Total Cash Generated | (34.5) | (44.3) | (31.1) | 14.3 | 14.2 |
| Free Cashflow To Firm | 391.6 | 263.8 | (350.5) | 598.6 | 606.4 |
| Free Cashflow To Equity | 330.5 | 266.2 | 5.9 | 526.1 | 532.5 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

| (S\$m) | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Investments | 9,874 | 10,119 | 11,079 | 11,128 | 11,177 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Other Long-term Assets | 197 | 158 | 158 | 158 | 158 |
| Total Non-current Assets | 10,071 | 10,277 | 11,237 | 11,286 | 11,335 |
| Total Cash And Equivalents | 22 | 25 | 18 | 33 | 47 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Trade Debtors | 63 | 28 | 28 | 28 | 28 |
| Other Current Assets | 14 | 24 | 3 | 3 | 3 |
| Total Current Assets | 100 | 77 | 50 | 64 | 78 |
| Trade Creditors | 193 | 144 | 144 | 144 | 144 |
| Short-term Debt | 824 | 910 | 910 | 910 | 910 |
| Other Current Liabilities | 105 | 50 | 50 | 50 | 50 |
| Total Current Liabilities | 1,122 | 1,104 | 1,104 | 1,104 | 1,104 |
| Long-term Borrowings | 2,576 | 2,609 | 3,076 | 3,125 | 3,174 |
| Other Long-term Liabilities | 138 | 142 | 142 | 142 | 142 |
| Total Non-current Liabilities | 2,714 | 2,752 | 3,219 | 3,267 | 3,316 |
| Shareholders' Equity | 6,335 | 6,499 | 6,965 | 6,979 | 6,994 |
| Minority Interests | 0 | 0 | 0 | 0 | 0 |
| Preferred Shareholders Funds | | | | | |
| Total Equity | 6,335 | 6,499 | 6,965 | 6,979 | 6,994 |

Key Ratios

| | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|-------------------------------|---------|---------|---------|---------|---------|
| Gross Property Revenue Growth | 9.15% | 3.79% | 4.61% | 5.09% | 3.01% |
| NPI Growth | 14.5% | 3.0% | 5.8% | 6.1% | 3.0% |
| Net Property Income Margin | 73.6% | 73.0% | 73.9% | 74.5% | 74.5% |
| DPS Growth | 2.51% | 1.56% | 0.45% | 2.39% | 1.11% |
| Gross Interest Cover | 4.70 | 5.20 | 5.44 | 5.29 | 5.38 |
| Effective Tax Rate | 0.00% | 0.58% | 0.68% | 0.83% | 0.87% |
| Net Dividend Payout Ratio | 98.7% | 96.1% | 99.3% | 99.4% | 97.3% |
| Current Ratio | 0.089 | 0.070 | 0.045 | 0.058 | 0.071 |
| Quick Ratio | 0.089 | 0.070 | 0.045 | 0.058 | 0.071 |
| Cash Ratio | 0.020 | 0.023 | 0.017 | 0.030 | 0.043 |
| Return On Average Assets | 4.51% | 4.74% | 4.51% | 4.55% | 4.68% |

Key Drivers

| | Mar-17A | Mar-18A | Mar-19F | Mar-20F | Mar-21F |
|-----------------------------------|---------|----------|----------|----------|----------|
| Rental Rate Psf Pm (S\$) | 2.2 | 2.2 | 2.3 | 2.3 | 2.4 |
| Acq. (less development) (US\$m) | N/A | N/A | N/A | N/A | N/A |
| RevPAR (S\$) | N/A | N/A | N/A | N/A | N/A |
| Net Lettable Area (NLA) ('000 Sf) | N/A | N/A | N/A | N/A | N/A |
| Occupancy (%) | 92.9% | 92.9% | 92.9% | 92.9% | 92.9% |
| Assets Under Management (m) (S\$) | 9,999.3 | 10,214.4 | 11,174.8 | 11,223.4 | 11,272.0 |
| Funds Under Management (m) (S\$) | N/A | N/A | N/A | N/A | N/A |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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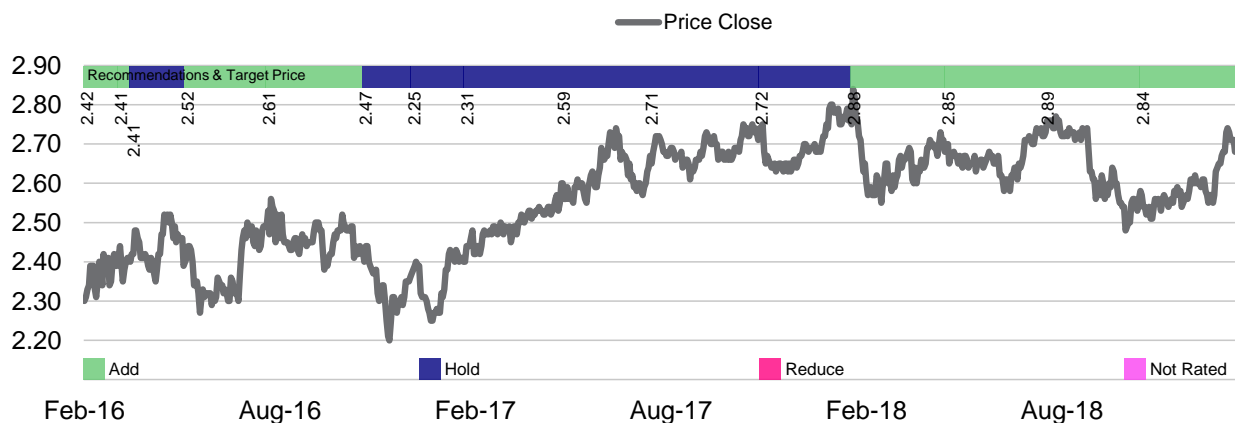
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| | Rating Distribution (%) | Investment Banking clients (%) |
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Spitzer Chart for stock being researched (2 year data)

Ascendas REIT (AREIT SP)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HREIT** - Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WORK** – Good, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

Recommendation Framework

Stock Ratings

| | |
|---------------|---|
| Definition: | |
| Add | The stock's total return is expected to exceed 10% over the next 12 months. |
| Hold | The stock's total return is expected to be between 0% and positive 10% over the next 12 months. |
| Reduce | The stock's total return is expected to fall below 0% or more over the next 12 months. |

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

| | |
|--------------------|--|
| Definition: | |
| Overweight | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation. |
| Neutral | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation. |
| Underweight | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation. |

Country Ratings

| | |
|-------------------|--|
| Definition: | |
| Overweight | An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark. |
| Neutral | A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark. |

Underweight

An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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