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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for the Second Half and Full Year Ended 31 December 2023

26 January 2024

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the second half and full year ended 31 December 2023.

The materials are also available at www.keppeldcreit.com and www.keppel.com.

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Keppel DC REIT reports FY 2023 DPU of 9.383 cents

Key Highlights

- Resilient portfolio performance with positive reversions; portfolio occupancy at 98.3% and portfolio weighted average lease expiry of 7.6 years
- Stable year-on-year portfolio asset valuation, with assets under management at \$3.7 billion
- Continued pursuit of data centre growth opportunities in key international data centre hubs supported by robust balance sheet and active portfolio optimisation

(\$'000)	2H 2023	2H 2022	Change %	FY 2023	FY 2022	Change %
Gross Revenue	140,743	141,782	(0.7)	281,207	277,322	+1.4
Property Expenses	(23,145)	(12,472)	+85.6	(36,256)	(24,777)	+46.3
Net Property Income	117,598	129,310	(9.1)	244,951	252,545	(3.0)
Finance Income	5,380	5,134	+4.8	10,929	9,254	+18.1
Finance Costs	(25,803)	(17,975)	+43.5	(48,518)	(31,072)	+56.1
Distributable Income (DI)	76,407	93,714	(18.5)	167,718	184,872	(9.3)
Distribution Per Unit (DPU)⁽¹⁾ (cents)	4.332	5.165	(16.1)	9.383	10.214	(8.1)
Distribution Yield ⁽²⁾ (%)				4.81	5.77	(96bps)

(1) DPU was computed based on the DI to Unitholders after the deduction of Capex Reserves that has been set aside.

(2) Based on closing price of \$1.950 and \$1.770 per Unit as at 31 December 2023 and 31 December 2022 respectively.

Financial Results

Keppel DC REIT announced \$76.4 million in DI for 2H 2023, bringing DI for FY 2023 to \$167.7 million, 18.5% and 9.3% lower than 2H 2022 and FY 2022 respectively. The year-on-year decreases were mainly due to higher finance costs and loss allowances for the uncollected rental income from the Guangdong Data Centres. There were also net lower contributions from some of the Singapore colocation assets arising from the higher facilities expenses, and less favourable forex hedges. This was partially offset by positive reversions and escalations, contributions from acquisitions made in FY 2022, higher finance income and tax savings.

DPU for 2H 2023 was 4.332 cents, compared to 5.165 cents in 2H 2022. This brought FY 2023 DPU to 9.383 cents, compared to 10.214 cents in FY 2022. Based on Keppel DC REIT's closing price of \$1.950 per Unit on 31 December 2023, distribution yield was 4.81% for FY 2023.

Capital Management

The Manager continues to adopt a disciplined approach towards capital management to maintain a robust balance sheet.

Keppel DC REIT's aggregate leverage was 37.4%, with a healthy interest coverage ratio of 4.7 times for FY 2023. Average cost of debt was 3.3%, with 74% of borrowings fixed through interest rate swaps. Keppel DC REIT has a favourable debt profile, with the bulk of debt expiring in 2026 and beyond. Forecast foreign sourced distributions have been substantially hedged till end December 2024, and progressively hedged till end June 2025.

Portfolio Updates

Keppel DC REIT's resilient portfolio performance was driven by active asset management and positive reversions achieved from renewals. Portfolio occupancy remained healthy at 98.3%¹ with portfolio weighted average lease expiry (WALE) at 7.6 years² as at 31 December 2023.

On the back of strong demand for data centres, the Manager secured new, renewal and expansion contracts for its data centres in Singapore, Australia, Ireland and the Netherlands with positive reversions. The impact of inflation was mitigated by the positive reversions and built-in income and rental escalations. In addition, the Manager also successfully improved its power pass through position during contract renewals for its colocation data centres. To provide pricing stability to its clients, the Manager secured fixed electricity tariffs across its colocation assets in Australia and Singapore to end 2024 and in Dublin to July 2024. Master lease clients contract electricity directly with the power suppliers.

In January 2024, the Singapore High Court issued a judgment in favour of Keppel DC Singapore 1 Ltd. (KDC)³ in relation to the legal proceedings commenced against DXC Technology Services Singapore Pte. Ltd (DXC) and announced in March 2022. The dispute is scheduled for trial in February 2024, largely to determine the actual quantum to be paid to KDC by DXC.

In China, following the issue of a letter of demand for default on rent and coupon payments in relation to the Guangdong data centres in December 2023, the tenant settled part of sums in-arrears of RMB0.5 million (\$0.1 million)⁴. The Manager is working with the tenant on a recovery roadmap and reserved its rights in respect of the acquisition of Guangdong Data Centre 3. The Manager will continue to actively engage with the tenant to get the best possible outcome for Keppel DC REIT.

Portfolio asset valuation was stable year-on-year, with assets under management at \$3.7 billion. The stronger valuations in Singapore, Australia, Ireland, Italy and the Netherlands, helped to offset the lower valuations at certain assets which were impacted by the higher interest rate environment and the stronger Singapore dollar.

Keppel DC REIT is committed to sustainable data centre operations and maintained its 'AA' MSCI ESG Rating in 2023. It also achieved a 3 Star rating and Green Star rating for the 2023 GRESB Real Estate Assessment submission, an improvement from a year ago. Keppel DC Dublin 1 & 2 achieved the LEED v4.1 Operations + Maintenance certification during the year.

Looking Ahead

In the World Bank's Global Economic Prospects 2024 report, global growth is projected to slow for the third year in a row to 2.4% in 2024, almost three-quarters of a percentage point below the average of the 2010s. Ongoing conflicts in Ukraine and the Middle East, the sharp slowdown amid tight global financial conditions and evolving government policies affecting the data centre and online industries in markets such as China, are expected to continue to weigh on global growth.⁵

¹ Not adjusted for the ongoing litigation with DXC Technology Services Singapore Pte. Ltd.

² By area. WALE by rental income was 4.5 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

³ KDC is an indirect wholly-owned subsidiary of Keppel Ltd.

⁴ The RMB dollar amounts have been translated into Singapore dollar on the illustrative exchange rate of RMB1.00 to S\$0.1873.

⁵ Global Economic Prospects 2024, The World Bank, Jan 2024

Despite these challenges, the rapid growth of artificial intelligence along with other modern technologies, such as streaming, gaming and autonomous driving, is expected to underpin continued strong data centre demand. This will spur innovations in data centre design and technology as operators aim to deliver the capacity to meet the increased power density requirements of high-performance computing.⁶

Going forward, the Manager will continue its pursuit of data centre growth opportunities in key international data centre hubs and drive growth through active asset management and portfolio optimisation.

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About Keppel DC REIT (www.keppeldcreit.com)

Keppel DC REIT was listed on the Singapore Exchange on 12 December 2014 as the first pure-play data centre REIT in Asia.

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise an optimal mix of colocation, fully-fitted and shell and core assets, as well as debt securities issued by NetCo which holds network assets, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is managed by Keppel DC REIT Management Pte. Ltd. (the Manager) and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

Important Notice

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this release 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.

Prospective investors and unitholders of Keppel DC REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

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.

⁶ Global Data Center Trends 2023, CBRE, Jul 2023