

Analysts

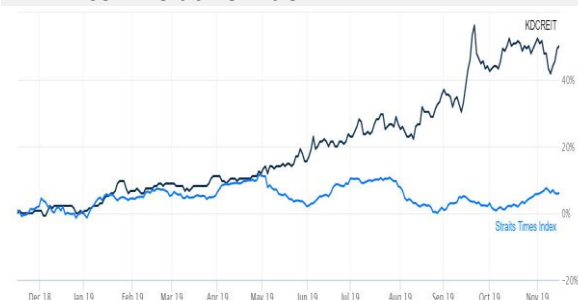
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Basic Information

Last Closed Price	S\$1.96
12M Target Price	S\$2.24
+/- Potential	+14.29%
Bloomberg Ticker	KDCREIT SP
GICS Sector	Real Estate
GICS Sub-Industry	Real Estate

1Y Price v Relative Index

Company Description

KDC REIT is the first pure-play data centre real estate investment trust listed in Singapore, with a portfolio of assets valued at S\$2 billion. The trust owns a diversified portfolio of 15 data centre spanning Asia, Australia and Europe with a strategic focus on the APAC region.

Key Financials

Market Cap	3.291B			
Basic Shares O/S	1.629B			
Free Float	76.62%			
52-Wk High-Low	SGD\$2.093 - SGD\$1.297			
Fiscal Year End	31-Dec-2019			
(\$ M)	FY17A	FY18A	FY19E	FY20E
Revenue	139.1	167.2	188.9	234.3
Gr Rate (%)	40.2	20.2	12.9	24.0
NPI	65.2	141.9	158.3	170.5
Margin (%)	46.9	84.8	83.8	72.8
ROE	6.0	11.2	12.7	13.9
ROA	3.9	7.0	8.2	9.7
ROIC	5.4	6.5	7.2	8.1
Gearing	32.9	31.3	30.1	34.8

Key Executives

Chua Hsien Yang	Chief Executive Officer
Anthea Lee	Deputy Chief Executive Officer and Head of Investment

We assume coverage of Keppel DC REIT with a BUY rating and a \$2.24 12M price target.

FY19 Earnings Highlights

- Net property income of \$128.8 million in 9M 2019, an increase of 11.8% y-o-y from \$115.2 million in 9M 2018. Stronger performance is attributed to the completed acquisition of 2 properties, KDC SGP 5 and maincubes DC in Singapore and Germany respectively.
- Distribution per stapled security was 5.78 cents, representing an increase of 5.7% from 1.85 cents in FY9M18.
- Low aggregate leverage maintained, with gearing of 28.9% - well below the regulatory limit of 45%, allowing for debt headroom to pursue growth opportunities.
- Announcement of proposed acquisition of two data centres in 4Q19, KDC SGP 4 and DC1 that will increase the number of data centre in its portfolio from 15 to 17.
- Increased assets under management (AUM) from \$2 billion to \$2.6 billion (30.2%) in 4Q19 according to management guidance.

Investment Thesis

- Strategic expansion through acquisitions and building of data centres to capitalize on rising demand in the APAC region.
- High weighted average lease expiry (WALE) that provides income stability along with built-in rental escalation to drive higher revenue growth.
- Asset enhancement initiatives to boost portfolio occupancy rate and energy efficiency of its data centers.

Catalysts

- Opportunities for acquisition of data centers domestically and overseas to further drive revenue growth and strengthen portfolio
- Continued support from governments in the Asia Pacific region, with massive investments committed to developing the data centre industry creating opportunities.
- Shift towards an asset light model as more companies are preferring to lease servers from data centers, driving demand for data storage.

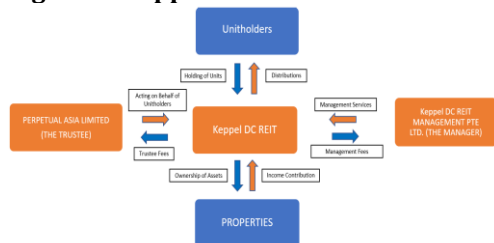
Valuations

Our 12M price target from date of coverage is **\$2.24**. Using an assumed payout ratio of 90%, a DDM model was used to derive valuation. Our target price falls within the relative valuations of our competitors as well as street estimates. The current yield spread between KDCREIT and 10 SGS is higher than the 1-year lookback mean of 4.16% and presents an attractive risk reward profile for its current price.

Investment Risks

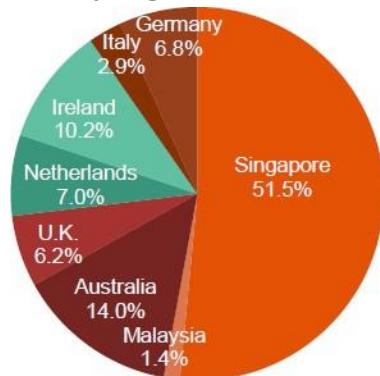
- **Brexit:** Risk from Brexit remains an ongoing concern which may have an adverse impact on its debts.
- **FX fluctuations:** High FX exposure to Europe and further weakening of the pound and AUD that may impact earnings.
- **Threat of competition from larger data centre players:** Increased competition to retain and attract tenants as competitors are expanding into KDCREIT's existing markets.

Figure 1. Keppel DC REIT Trust Structure



Source: Keppel DC REIT

Figure 2. NPI by Region for FY3Q19



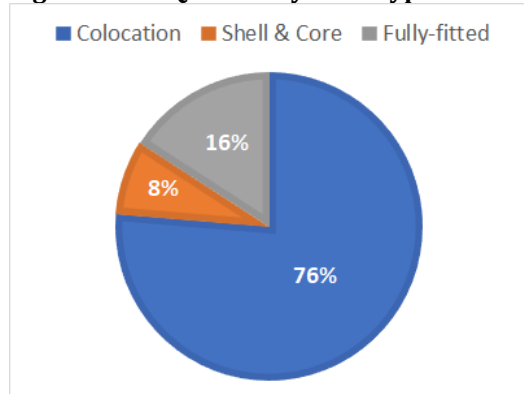
Source: KDCREIT FY3Q19 Presentation

Figure 3. Total Rental Income contribution by Trade Sector

Trade Sector	% of Total Rental Income
Internet Enterprise	46.7
IT Services	23.9
Telecoms	20.0
Financial Services	7.8
Corporate	1.6

Source: KDCREIT FY3Q19 Financial Results

Figure 4. FY3Q19 NPI by lease type



Source: KDCREIT FY3Q19 Presentation

Company Overview

Keppel DC REIT is the first pure-play data centre REIT listed in Asia. Its current portfolio comprises 15 high-quality data centres strategically located in key data centre hubs. The REIT is managed by Keppel DC REIT Management Pte Ltd. (the Manager). Keppel Capital has a 50% interest in the Manager, with the remaining interest held by Keppel Telecommunications & Transportation (Keppel T&T). The REIT has rights of first refusal for future acquisition opportunities of data centre assets of Keppel T&T.

With the vision to be the preferred data centre REIT, KDCREIT employs a 3-pronged approach - focused investment strategy, proactive asset management and prudent capital management. The portfolio of the REIT comprises of 15 data centres strategically located in Singapore, Malaysia, Australia, United Kingdom, The Netherlands, Ireland, Italy and Germany. This excludes Intellicentre 3 East Data Centre in Sydney, Australia, which is slated for completion in 2020. Keppel DC has also proposed the acquisition of DC1 (Formerly 1-Net North DC) and Keppel DC Singapore 4, which was duly passed with 99.9% majority in an EGM on 23rd October 2019.

The diversification of KDCREIT's portfolio can be attributed to the company maintaining a diversified trade mix spanning Internet Enterprises (46.7%), IT services (23.9%), Telecoms (20.0%), Financial services (7.8%) and Corporate (1.6%). KDC has increasingly preferred colocation lease (76.3%) types over shell & core (7.8%) and fully-fitted lease types (15.9%). Colocation lease types provide diverse client portfolio as multiple clients typically share a data centre location with varied terms of lease.

As of Q3 2019, KDC's prudent capital management by financing \$478.2m in gross proceeds through a heavily oversubscribed private placement and preferential offering has maintained its strong growth in financial performance, with stronger NPI and distributable income while providing it with additional debt headroom to continue its acquisition plans.

FY3Q19 Earnings Review

- Net property income (NPI) of \$128.8 million in 9M2019, an increase of 11.8% y-o-y from \$115.2 million in 9M18.
- The increase in NPI were mainly supported by the higher contributions from the Singapore data centres which partially offset the weaker overseas contributions resulting from the weakening AUD and GBP where the currencies have depreciated against the Singapore dollar.
- Distribution per unit was 5.78 cents, representing an increase of 5.7% from 5.47 cents in FY9M18.
- Strong balance sheet maintained, with gearing of 28.9% that is well below the regulatory limit of 45%. This leaves significant regulatory debt headroom of S\$387 million.
- Overall portfolio occupancy rate has increased to 93.6%
- Overall portfolio WALE remains stable at 7.7 years
- Overall portfolio AUM is set to increase by 30.2% to S\$2.6 billion in 4Q19 according to management guidance.
- Overall portfolio aggregate lettable area is estimated to increase 34.4% from 1,113,898 sq ft to 1,497,411 sq ft following the completion of Intellicentre 3 East Data Centre in FY 2020.

Figure 5. Growth of Cloud Market in 2019



Source: Synergy Research Group

Figure 6. Global Mobile Traffic by Connection Type



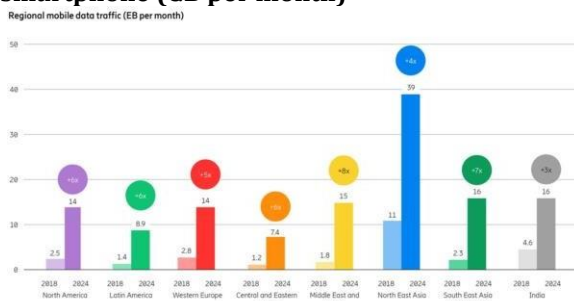
Source: Cisco Visual Networking Index

Figure 7. Regional Share of Smart Devices and connections

Region	2017	2022
North America	87%	99%
Western Europe	73%	95%
Central and Eastern Europe	63%	93%
Asia Pacific	54%	82%
Latin America	53%	86%
Middle East and Africa	27%	77%

Source: Cisco VNI Mobile, 2019

Figure 8. Mobile data traffic per active smartphone (GB per month)



Source: Ericsson Mobility Report 2019

Industry Outlook

Strong and sustained data center demand across all regions driven by new technologies

Demand for data creation and storage facilities has been driven by ongoing digitalization and cloud deployment initiatives by both governments and companies alike. These initiatives include the rapid development and adoption of new and upcoming technologies such as 5G, Internet of Things (IoT), Cloud Computing and Virtual Reality. KDCREIT is well positioned to leverage on the macro development given its strategic portfolio of data centres.

Increase spending on data center leasing by cloud provider

Global data traffic is projected to experience double digit growth over the next 5 years, driving the demand for data centre space. As such, the global cloud infrastructure market is expected to experience 25% CAGR from 2019 to 2023. Additionally, global, rapid expansion in cloud markets has resulted in service providers increasing spending on hardware and software infrastructures which grew 10% to \$55 billion in 2019.

As per Synergy Research report, cloud associated markets are expected to grow between 10% to 40% with annual spending set to double within the next 4 years. Increasing need for expansion of existing servers and digital infrastructure has driven cloud service providers to increase spending on data centre leasing and colocation service. This spending has grown 17%, fuelled by the strong growth in the cloud markets.

Governmental legislation to reshape the industry

In recent years, the global data storage and processing industry has faced greater scrutiny from both governments, NGOs and consumers alike. Data sovereignty laws dictate where data should be hosted and data localization laws enforce how data should be processed within a certain territory.

In light of the “cloud” phenomenon, most governments have scrutinized their data policies. In the region, Singapore is the only Southeast Asian country to rank in the top ten countries for the 2017 Comparitech Cybersecurity Report. Operational cybersecurity aside, Singapore leads the development of the ASEAN Framework on Digital Data Governance which was endorsed by the delegates of the ASEAN Telecommunications and Information Technology Ministers in 2018. Being at the forefront of both operational and regulatory cybersecurity has made Singapore the 3rd most competitive data centre globally and the 1st in the region as per the 2019 Cushman & Wakefield report.

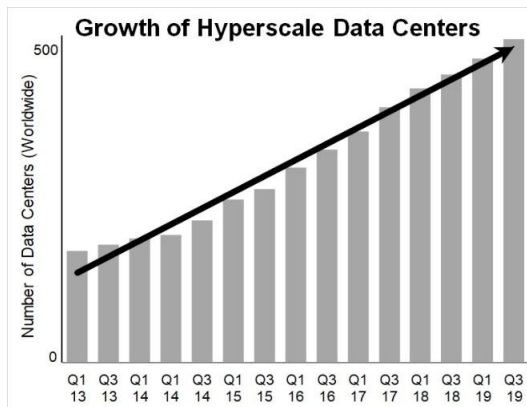
With greater pressure arising from compliance to increasingly stringent regulations worldwide, major players such as Facebook have already selected Singapore to be its Asia data centre HQ (Slated for completion in 2022). As such, we expect to see more companies shift their Southeast Asia and perhaps even Asia Pacific data operations into Singapore in order to ensure certainty in regulatory compliance.

5G network rollout that will increase mobile data traffic, driving up demand for data storage

Singapore

Singapore is set to undergo 5G network testing by 2020 with the Infocomm Media Development Authority (IMDA) seeking submission for proposal by interested telcos on their deployment plans. Two selected telcos will be assigned the 5G airwaves and are required to achieve 50% network coverage islandwide by 2023. As such, data stream will not only be faster, but denser as well. This will in turn drive demand for data storage capacity. In particular, the growth is largely

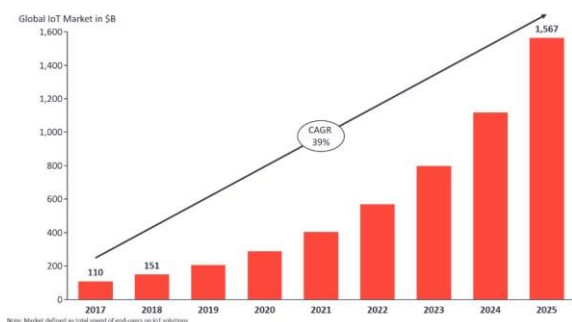
Figure 9. Growth of Hyperscale Data Centers



Source: Synergy Research Group

Figure 10. Global IoT Market Forecast

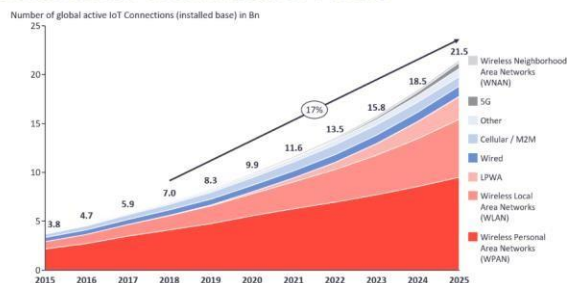
Global IoT Market Forecast



Source: IoT Analytics Research 2018

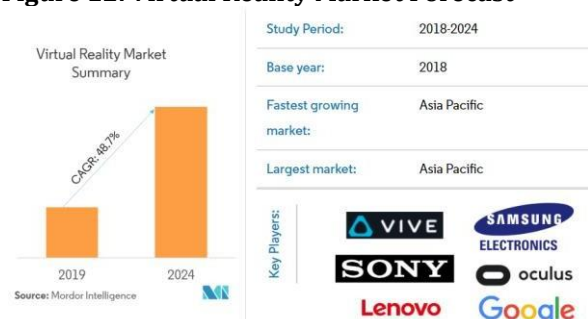
Figure 11. Global IOT devices connections

Global Number of Connected IoT Devices



Source: IoT Analytics Research 2018

Figure 12. Virtual Reality Market Forecast



Source: Modor Intelligence

attributed to the increased number of connections once the 5G network has been fully established.

As per report published by Ericsson, the total mobile data traffic per month in South East Asia and Oceania is expected to grow 7 times, from 2.3 exabytes (EB) in 2018 to 16EB by 2024. Overall data traffic per smartphone per month in this region will grow from 3.6GB to 17GB at a CAGR of 29%.

Globally

On a global scale, the upcoming 5G network will generate 35% of mobile data traffic globally by 2024.

As per Ericsson report, total mobile data traffic continues to increase globally and is predicted to reach 131 exabytes (EB) per month by the end of 2024. This would imply a 30% CAGR between 2018 and 2024.

As smartphone usage continues to generate the bulk of mobile data traffic (90%) today. Its contribution is projected to reach 95% by the end of 2024. Hence, smartphones associated services will play a key role in the growth of global traffic in the long term.

Increase in worldwide IoT spending

Worldwide Internet of Things (IoT) spending is forecasted to grow at a CAGR of 13.6% over the 2017-2022 forecast period and reach \$1.2 trillion in 2022 as per IDC Worldwide Internet of Things report.

As the focus of IoT projects shift away from mere proof of concepts to full scale commercial applications, companies have begun scaling up their projects and this will drive investment and spending in IoT enabling hardware, software, services and connectivity.

The combination of Internet of Things devices such as machines, sensors and cameras are expected to generate 79.4 zettabytes of data in 2025, according to IDC. Hence, this will drive up the demand for data storage and demand for data centre globally.

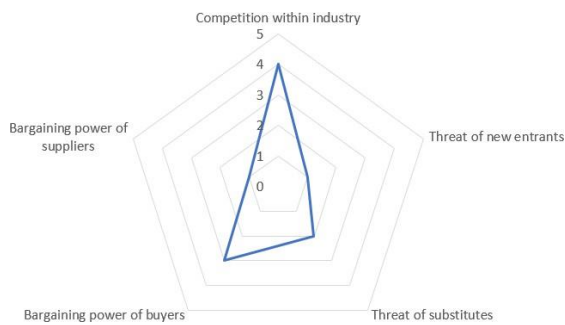
Growth in the virtual reality market

Between 2018 to 2024, the virtual reality market is expected to experience high growth, with a CAGR of 48.7% according to Modor Intelligence estimates.

The growth is attributed to the gaming and entertainment sectors which have invested heavily in VR technology to produce commercially affordable VR devices for the market. This plays a key role in rapid market adoption and penetration in regions such as the Asia-Pacific which holds the largest share of the VR market.

Hence, given that VR technology stores data in the cloud, which in turn depend on data centre infrastructure, demand for data centre space is set to increase.

Figure 13. Porter's 5 Forces



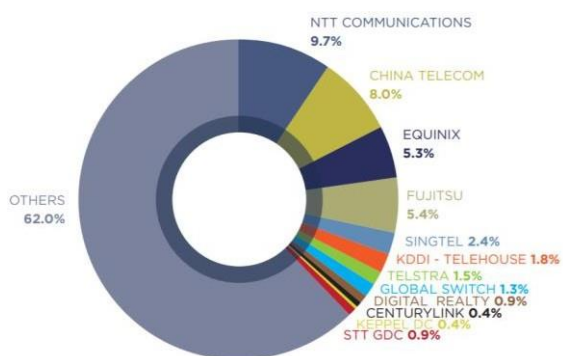
Source: NUS Investment Society estimates

Figure 14. Growth in revenue for data center in the APAC region from 2014 to 2022



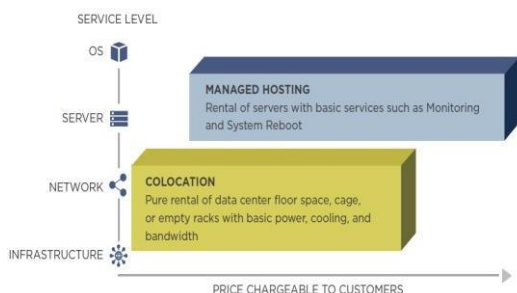
Source: Frost & Sullivan analysis

Figure 15. Players in the DC Markets



Source: Frost & Sullivan analysis

Figure 16. Main classification of services available in data centre



Source: Frost & Sullivan analysis

Porter's Five Forces

Illustrating the points below using the Porter's Five Forces diagram, we observe that the expected competition within the industry will be moderate as competitors are expanding into the APAC region that KDCREIT has a presence in. This might result in excess supply going forward. Nonetheless, we are unlikely to see significant new entrants into the market due to the relatively high barriers to entry in this industry. We note that data centre demand is shifting from mere storage capacity towards 5G capabilities, increased storage efficiencies and other upcoming technologies. As such, data centre hubs are aggressively engaging in asset enhancement initiatives to stay relevant in the industry and charge higher rental premiums to ultimately boost their rental revenues in the long term.

Competition within industry - Moderate

There are few major players in the data centre industry which are currently located in other geographical markets. However, the level of competition in the industry is expected to increase with major competitors such as Equinix and Digital Realty seeking to expand their geographical reach to the APAC region. This is attributed to the strong demand for data storage within the region. In the long term, we foresee increased competitive pressure in the industry.

Threat of new entrants - Moderate

The high investment costs in terms of time and money is a significant barrier to entry for new entrants. This is attributed to the high amount of initial outlay required to build or acquire a data centre along with the high capex required to maintain and revamp the existing infrastructures. This may deter new entrants from venturing into the industry.

Threat of substitutes - Low

New developments in the industry such as data centre integration and managed hosting has offered customers integrated ICT solutions, disrupting demand for existing conventional colocation leases. Nonetheless, demand for colocation leasing remains strong. Based on Frost & Sullivan report, colocation leasing will continue experiencing growth as secure latency sensitive applications continue to be in demand for highly regulated segments such as the financial services sector.

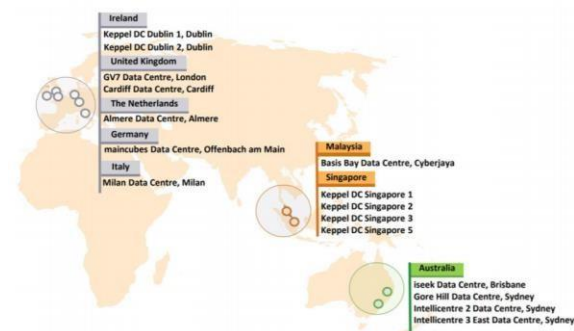
Bargaining power of buyers - Moderate

With increased competition in the data centre industry, customers who are looking to lease spaces for their data storage needs will have significant power over businesses. This is given the ample supply options available at competitive prices from different DC providers. As a result, DC providers that fail to meet consumer demands for quality infrastructure, superior customer service support and competitive prices will face backlash and risk not limited to long term declining occupancy rates and WALE.

Bargaining power of suppliers - Low

DC providers likely have low bargaining power given the sufficient supply of data centres in the market. Hence, providers who are able to offer competitive prices and quality infrastructure will be better positioned to attract new tenants with escalated rental on existing leases, creating positive rental reversion for their portfolios in the long term.

Figure 17. Well-positioned locations in major Western Europe and Asia-Pacific markets



Source: KDC FY18 Annual Report

Figure 18. Singapore major expressways link data centres to city centres with high connectivity



Source: LTA

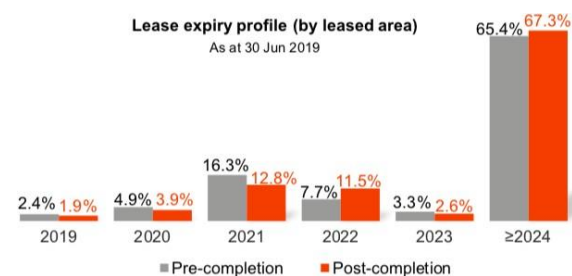
Figure 19. Increasing trend in global average total cost of a data breach

Global average total cost of a data breach
Measured in US\$ millions



Source: IBM Security

Figure 20. Healthy lease expiry profile in the short-term



Source: KDCREIT EGM 2019 Presentation.

Investment Thesis

1. Strategic expansion through acquisitions and building of data centres to capitalize on rising demand in the APAC region.

With a diversified portfolio of data centres situated in both mature data centre markets and fast-growing data centre markets, KDCREIT is well-primed to take advantage of the high growth data centre sector. KDC has strategic locations in two of the major growing submarkets for data centres, Singapore and Australia. All 3 of its Sydney data centres are located in technological parks with high concentration of technology and communication businesses and are within 9-12km of city centres. Similarly, all 4 Singapore data centres have high connectivity to city centres, airports by major expressways and are situated in concentrated industrial parks. The prime location of their data centres being close to the city centres and set in areas of high concentration of technological and communication businesses allow clients excellent connectivity and physical accessibility. Additionally, KDC has recently acquired DC1, announced their intention to acquire KDC SG 4 and is currently building Intellicentre 3 East Sydney with expected completion in 2020. New acquisitions and constructions are likely to drive revenue growth with increased rental income.

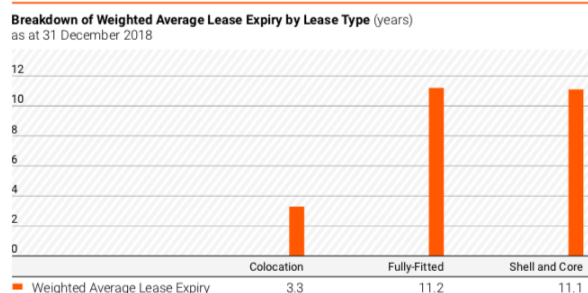
We believe that the street has not priced in the premium that KDCREIT's strategic expansion into Australia and Singapore presents. This is given that we project growth in these regions to exceed global growth rate. Aside from the geographic advantage in terms of proximity to a fast-growing Asia-Pacific region, the two countries have a key legislature advantage for data centres. As there has been a sharp increase in the number of data breaches and the cost of a single data breach has risen 12% over the past 5 years to USD 3.92 million dollars on average globally, the strong enforcement of privacy legislature in these two countries (Singapore's Personal Data Protection Act and Australia's Privacy Amendment Act 2017) coupled with focused growth of the Asia-Pacific region will increase Singapore and Australia's attractiveness as a location to situate a company's data centres and servers to protect clients' data liabilities while capitalising on the Asia-Pacific growth.

Additionally, the completion of the Australia-Singapore Cable linking Perth to Singapore provides an approximate 30% reduction in latency from Sydney to Singapore as compared to alternative routes. This will bolster further growth of data centres in Singapore and Australia markets. We believe the infrastructural benefits has not been priced in as the benefits of the cable will not be realised immediately. In the long term, as major technology and internet services companies relocate their key data operations to the Asia-Pacific in particular Singapore/Australia, the benefits of the submarine cable will become a key differentiator. As the submarine cable has taken 5 years of planning and another 2 years of construction, with 4600km of undersea cable laid at times down to the ocean bed, the infrastructure capability is not easily replicated by other countries in the region and definitely not in the short-term. Thus, this cements Australia's and Singapore's position of having the highest growth potential in the Asia-Pacific region. Given these reasons, we believe that KDCREIT's acquisitions are timely and will capitalise on the high growth drivers behind Australia and Singapore data centre markets.

2. High weighted average lease expiry (WALE) that provides income stability and built-in rental escalation to drive higher revenue growth.

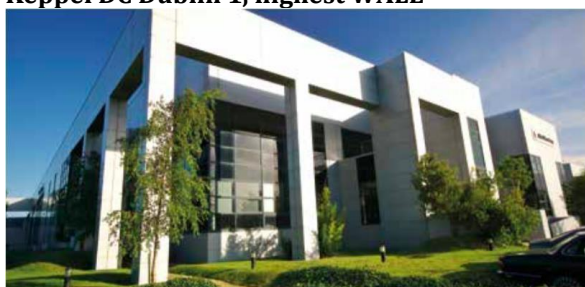
KDCREIT continues to promise income stability amidst its acquisitions and growth. KDCREIT has more than 65.4% (67.3% post-completion of acquisitions) of lease expiries occurring after 2024 and the short-term lease expiries occurring in 2019-2020 remains low, under 5%. As of Q319, KDCREIT has an average WALE of 7.7 years by net leasable area

Figure 21. Breakdown of WALE by lease type



Source: KDCREIT AR18

Figure 22. Asset enhancement initiative of Keppel DC Dublin 1, highest WALE



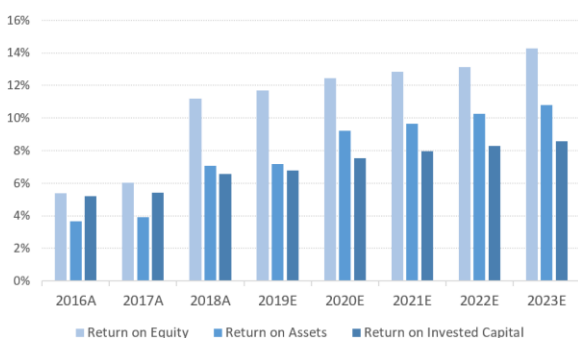
Source: KDCREIT AR18

Figure 23. KDCREIT Extended DuPont Equation

Ratio	2019E
Tax Burden	87.8%
Interest Burden	86.7%
Operating Margin	76.1%
Total Asset Turnover	0.07x
Equity Multiplier	1.67x

Source: NUS Investment Society Estimates

Figure 24. Historical and projected ROE, ROA, ROIC shows stabilization in 2019E and steady growth to 2023E



Source: NUS Investment Society Estimates

which is set to increase to 8.9 years after the upcoming acquisitions of KDC SG 4 and DC1. High WALE along with built in rental escalations of 3.0% per annum in Keppel Lease agreements, allows KDCREIT to generate higher revenue growth in the foreseeable future.

KDCREIT has colocation lease types in Singapore, Malaysia and Dublin. Additionally, WALE by lease type is 3.3 years for colocation which is favourable for KDCREIT as a low WALE allows KDCREIT to renew lease arrangements at a higher rate. Positive rental reversions were observed with DC Dublin 1 buildings after the completion of their respective AEIs. We project 6% positive rental reversions in the period of 2020-2021 for Singapore and Malaysia data center markets in light of the favourable outlook and stronger demand.

3. Asset enhancement initiatives to boost portfolio occupancy rate and energy efficiency of its data centers.

KDC has recently completed 2 asset enhancement initiatives in July: retrofitting works for client's expansion for KDC SG 3 and completed fit-out works for client expansion for KDC Dublin 2, increasing occupancy rate for both to 100%. Asset enhancement works for KDC Dublin 1 to improve energy efficiency are currently underway and are on track for completion by 2020. DC 1 Dublin currently has an occupancy rate of 65.7% while AEI works are underway. As Ireland has committed to meeting EU renewable energy targets by 2020, regulations on data centre energy consumption have been enforced as part of Planning and Development (Amendment) Act 2018. Thus, occupancy rate for DC 1 Dublin is expected to rise as occupants seek energy efficient infrastructure in anticipation of more energy regulations placed on Ireland data centres. Additionally, energy efficiency AEI are expected to reduce electricity and fuel expenses significantly as data centres are energy intensive. This will reduce future property operating expenses for KDCREIT as DC1 is under colocation lease, increasing expected net property income.

Stickiness exists in the data centre market due to the high fixed costs needed for upgrade and riskiness of downtime and data loss in migration. As multinational data centre operators encroach developing markets and competition in major data centre markets increase, Keppel DC's commitment to asset enhancement and sensitivity to the varied needs of individual clients will build up its credibility amongst cloud consumers. In Australian markets, this will increase major telecom partners' confidence in KDCREIT's quality of data centres, prompting them to renew and pursue new shell-and-core leases. In Singapore, KDCREIT will be able to bolster its first mover advantage to capture significant market share in Singapore's fast-growing data centre market.

Catalysts

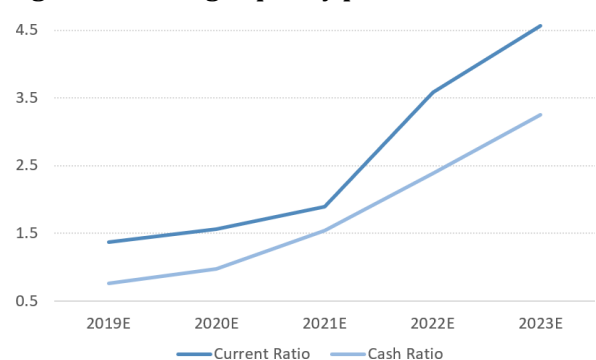
- Opportunities for acquisition of data centers domestically and overseas to further drive revenue growth and strengthen portfolio
- Continued support from governments in the Asia Pacific regions with massive investments committed to develop the data centre industry creating opportunities.
- Shift towards an asset light model as more companies are preferring to lease servers from data centers driving demand for data storage.

Figure 25. Consistent growth in EPS to provide dividend payout stability at 90.0%



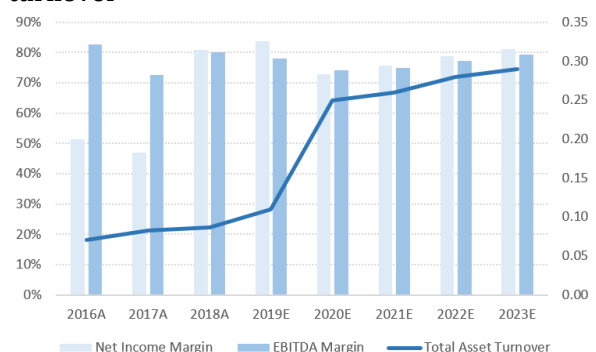
Source: NUS Investment Society Estimates

Figure 26: Strong Liquidity position



Source: NUS Investment Society Estimates

Figure 27: Margin expansion and higher asset turnover



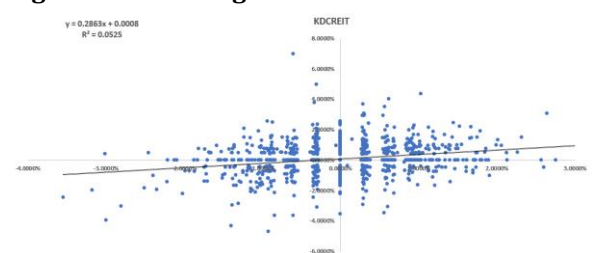
Source: NUS Investment Society Estimates

Figure 28. Cost of Equity Build-up

Cost of Equity	6.2%
Risk-Free Rate	2.5%
Beta	0.53
Market Risk Premium	9.5%

Source: Bloomberg, NUS Investment Society Estimates

Figure 29: Beta Regression



Source: NUS Investment Society Estimates

Financial Analysis

Financial Ratios	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E
Profitability								
Net Income Margin	51.38%	46.91%	80.83%	83.80%	72.80%	75.60%	78.90%	81.20%
EBITDA Margin	82.60%	72.58%	80.01%	78.01%	74.04%	75.06%	77.30%	79.40%
EBIT Margin	82.09%	70.80%	76.14%	77.20%	73.80%	74.05%	77.01%	78.70%
Return on Equity	5.40%	6.03%	11.20%	11.70%	12.43%	12.85%	13.11%	14.27%
Return on Assets	3.65%	3.90%	7.05%	7.19%	9.22%	9.63%	10.24%	10.78%
Return on Invested Capital	5.22%	5.43%	6.57%	6.78%	7.53%	7.96%	8.28%	8.56%
Liquidity								
Current Ratio	9.63	3.35	1.17	1.37	1.56	1.89	3.58	4.57
Quick Ratio	8.86	2.81	0.95	1.25	1.18	1.64	2.37	2.96
Cash Ratio	8.48	2.22	0.67	0.76	0.97	1.54	2.38	3.25
Activity								
Total Asset Turnover	0.07	0.08	0.09	0.11	0.25	0.26	0.28	0.29
Receivables Turnover	10.45	11.70	7.43	7.29	8.23	8.15	7.98	7.42
Payables Period	77.25	61.51	73.46	71.89	78.16	77.47	75.69	70.14
Financial Leverage								
LT Debt to Assets	29.31%	32.65%	25.37%	24.69%	23.41%	28.73%	29.12%	32.13%
LT Debt to Equity	43.21%	51.56%	38.83%	37.91%	36.49%	42.16%	40.83%	41.85%
Debt to Assets	29.73%	32.85%	31.28%	29.18%	30.74%	29.46%	30.39%	32.83%
Debt to Equity	43.83%	51.89%	47.88%	39.45%	38.58%	43.14%	41.35%	42.89%
Interest Coverage	8.12	9.09	13.83	12.89	12.91	11.41	10.58	9.17
Shareholder Returns								
Earnings per Share (cents)	0.05	0.06	0.11	0.08	0.10	0.11	0.12	0.12
Dividend per Share (cents)	0.06	0.07	0.07	0.08	0.09	0.10	0.10	0.11
Dividend Payout Ratio	53.71%	127.33%	109.72%	82.06%	90.0%	90.0%	90.0%	90.0%

Overview:

The chart above reveals KDCREIT's financial condition prospects for the next 5 years, highlighting our assumptions. Most indicators yield positive and favourable trends that are supportive of the overall BUY recommendation.

Decreasing Leverage

KDCREIT has recently announced 2 acquisitions in which the deals were financed through a mixture of preferential offerings and private placement that was nine times covered. This has decreased its leverage in FY 19 from 31.9% to 28.9% which has allowed for greater debt headroom going ahead. This explains the lower financial leverage ratios with its debt-equity ratio decreasing 8.43%, and its debt-assets ratio decreased 2.1% as compared to FY18. This is on top of the recent acquisitions that are highly DPU accretive and has increased KDCREIT AUM by 30.2%. We see a positive rental reversion trend with expectations that the 2 acquisitions will contribute positively to the bottom line and we believe that KDCREIT made the right acquisitions that will boost its revenue stream in the long term.

Strong Gearing in Financing Future Acquisition

Despite the recent acquisition, KDCREIT's gearing ratio stands at 28.9%, which is well below the regulatory limit of 45%. A debt headroom of S\$387 million provides KDCREIT with the ability to pursue further acquisitions in the future to enhance its portfolio synergies and further entrench its position as the leading data centre operator in the APAC region.

Rising Net Margins and Higher Asset Turnover

With higher occupancy rates and a built-in rental escalation for KDCREIT's data centres, this will drive positive rental reversion y-o-y and increase gross revenue alongside the relatively stable cost of operating the data centres. We expect profitability margins to increase, factoring in the higher rental income each data centre will generate alongside a high WALE in its portfolio. Hence, asset turnover is expected to improve going forward.

Valuation

Valuation Price Target: **\$2.24**

DDM Model

A Dividend Discount Model was utilized to estimate the intrinsic value of KDCREIT's share price. Our model adopts a 5-year forecast period, given the infeasibility of projecting acquisitions and divestments of property on a longer-term basis. We assumed no new acquisitions and divestments for the period forecasted.

Figure 30: Blended long-term growth rate

Region	LT Growth Rate	Weightage by revenue
Singapore	2.0%	51.5%
Australia	2.20%	14.0%
Ireland	2.70%	10.2%
Netherlands	1.70%	7.0%
Germany	1.40%	6.8%
United Kingdom	1.80%	6.2%
Italy	0.60%	2.9%
Malaysia	4.40%	1.4%
Blended LT Growth Rate		2.0%

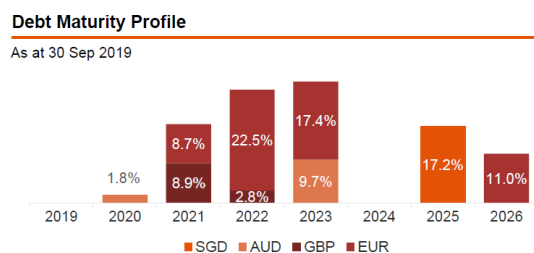
Source: Economist Intelligence Unit, NUS Investment Society Estimates

Figure 31. Sensitivity Tables

Sensitivity Analysis						
		Terminal Growth Rate				
		1.60%	1.80%	2.00%	2.20%	2.40%
Cost of Equity	7.20%	1.68	1.74	1.81	1.88	1.96
	6.30%	2.00	2.09	2.19	2.29	2.41
	6.20%	2.04	2.14	2.24	2.35	2.47
	6.10%	2.09	2.19	2.29	2.41	2.54
	6.00%	2.14	2.24	2.35	2.47	2.61

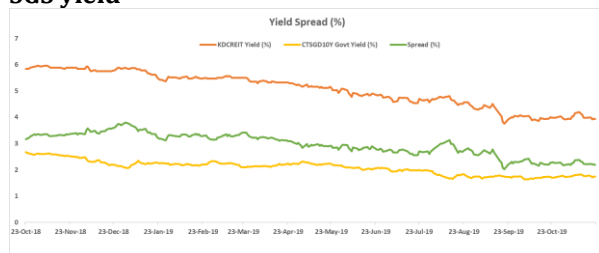
Source: NUS Investment Society Estimates

Figure 32. KDCREIT's Debt Maturity Schedule



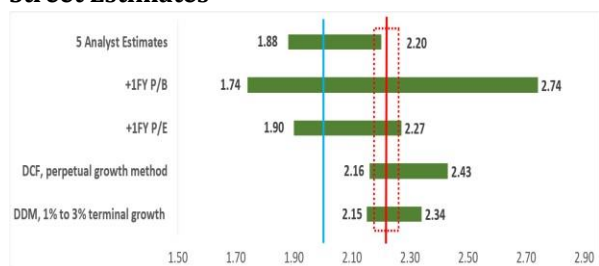
Source: KDCREIT 3Q19 Presentation

Figure 33. Yield Spread of KDCREIT's vs 10 year SGS yield



Source: Bloomberg

Figure 34. KDCREIT Relative Valuation and Street Estimates



Source: NUS Investment Society Estimates

To calculate the PV of future dividend payments, we took reference to its average historical payout ratio and employed a future forecasted payout ratio of 90%. To calculate PV of terminal value, we applied a terminal growth rate of 2% to its dividend in 2023 and used the Gordon Growth Model to determine its terminal value, which was then discounted to the present.

Revenue Projections

The projected revenue was derived by modelling the rent escalation, occupancy rate, attributable lettable area and valuation of each individual property. The occupancy rates were determined based on data centre supply, demand and utilization projections as per BroadGroup Consulting 2018 Report. Rent escalation was determined to be 3.2% as per the 3% fixed rental escalation as well as our own modest provisions for the variable rent component. Capitalization rate was fixed for each region and was estimated based on historical segment revenue and valuation of each property. Historical net property income margin was fixed across all regions and projections are based on historical margins. Lastly, valuation and attributable lettable area was kept constant.

The DDM is most sensitive to the following factors, derivation of which are explained below.

Revenue Growth

Revenue growth for KDCREIT is primarily driven by two factors: Sustained, strong growth in demand for data centre space as well as key external developments causing greater concentration of demand for data centres in regions where KDCREIT is heavily invested in. The advent of data privacy legislation as well as upcoming developments in cross border network cables has diverted the growth in demand to countries such as Singapore and Australia, both of which KDCREIT has a significant portfolio allocation. As such, we believe that KDCREIT will benefit from its Singapore and Australia heavy portfolio allocation as these key countries remain amongst the most desirable locations to set up server headquarters in due to the presence of well-developed physical and virtual infrastructure. As part of our conservative estimates, we have not included any potential acquisitions in our revenue model. While supply is set to increase in line with demand for data centre space, the long WALE and rent escalation policies of KDCREIT provide a hedge against potential strong supply growth. Finally, we believe that KDCREIT's commitment to upgrade its data centres through AEIs will position it favourably relative to its competitors. This is on top of their choice and focus on strategic regions and locations that are set to gain the most from IoT and 5G developments.

Cost of Equity

CAPM was used to estimate Cost of Equity. Risk free rate of 2.5% was used and is in line with the current yields on 10 year Singapore government bonds. Beta was taken from Bloomberg which stands at 0.53. Equity market risk premium of 9.5% was used. Cost of equity was calculated to be 6.2%.

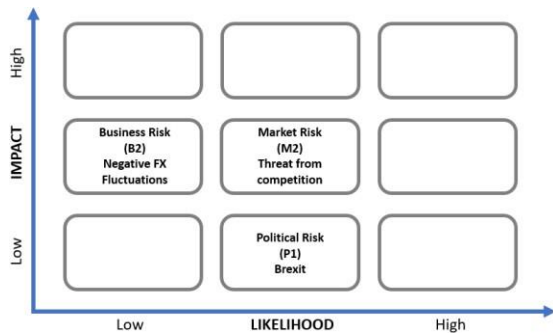
Terminal Growth

In our DDM model, a blended long-term growth rate of 2% was used. The long-term growth rates are weighted by KDCREIT's revenue mix as per geographical region. The long-term growth rate by region was derived from the GDP growth rate of the respective regions and was taken from the Economist Intelligence Unit.

Yield Spread Analysis

A yield spread analysis of KDCREIT's dividend yield against that of the 10 year SGS yield was performed. The current spread sits at 4.60%, versus a historic average of 4.16%. Thus, we believe that KDCREIT presents a relatively attractive risk reward profile for entry at its

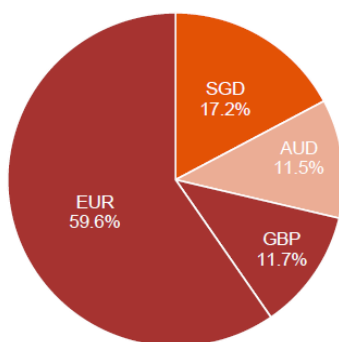
Figure 35. Investment Risk Matrix



Source: NUS Investment Society Estimates

Figure 36. KDCREIT's Debt Currency Profile

Debt currency breakdown
(as at 30 Sep 2019)



Total borrowings:
Approx. \$695.8m

Source: KDCREIT 3Q19 Presentation

current price. Moreover, with KDCREIT embarking on an ambitious portfolio acquisition initiative through various overseas acquisitions in the APAC region, we forecast increasing revenue stability with an increased geographic presence.

A 1 year lookback period was adopted to account for changes in portfolio composition, which includes its recent acquisitions of 3 Singapore data centres, 1 Australia data centre and 1 Germany data centres in FY 18-19.

Relative Valuation

We performed a RV to provide a sanity check to our primary DDM valuations by using a football field. We benchmarked KDCREIT to industry peers with similar size, revenue mix and geographic exposure. Our primary comparable metrics included +1FY P/E and P/B along with DCF (perpetual growth method) and street estimates from various reputable sources.

Our target price of \$2.24 was validated as it lies within the 50th-80th Percentile Ranges of both the P/E and P/B price ranges.

The intrinsic value of \$2.24 represents a 14.29% upside. We remain confident that this valuation reaffirms our BUY recommendation.

Investment Risks

Political Risk (P1)

Brexit: The risk of Brexit from EU would translate to the removal of Europe's financial capital from the union and can potentially threaten the political and economic stability of the EU. This may adversely impact both the Euro and Pound following Brexit. As majority of KDCREIT's borrowings are denominated in the Euro, KDCREIT faces extensive exposure and this may have a significant impact on its debt.

Business Risk (B2)

FX fluctuations: KDCREIT has high FX exposure due to its operations that span across multiple countries. Currently, it has a high exposure to Europe which stands at 59% of its borrowings along with pound and AUD at 11.7% and 11.5% respectively. As 82.8% of KDCREIT's debt is in foreign currency, it faces significant FX risk which may impact its earnings as a result of negative currency fluctuations stemming from Brexit and weak domestic economic data in Australia. To mitigate FX risk, KDCREIT holds forward FX contracts and has hedged 80% of its loans with floating-to-fixed interest rate swaps to hedge against adverse currency movements

Market Risk (M3)

Threat of competition from larger data centre players: The growth in the demand of data storage in the APAC region has seen increased competition where competitors are looking to expand their data centre operations in the region. The heightened competition to retain and attract new tenants may affect KDCREIT's earnings. However, as KDCREIT has a first mover advantage with its well-established presence in the APAC region, they are well prepared to defend their markets and compete with the larger players on potential acquisition supported by its low gearing and fortress balance sheet.

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Appendix:

Pro Forma Financial Statements

Keppel DC REIT Pro Forma Financial Statements

12 Months Ending	Historical			Projected				
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Balance Sheet								
Assets								
Non-current assets								
Investment properties	1,225,938	1,570,090	2,028,672	2,664,898	2,724,085	2,790,039	2,860,257	2,934,980
Investment in subsidiaries	—	—	—	0	0	0	0	0
Loans to subsidiaries	—	—	—	0	0	0	0	0
Deposit	12,920	13,474	777	777	777	777	777	777
Intangible assets	3,999	—	—	0	0	0	0	0
Derivative financial assets	1,685	1,640	3,238	3,238	3,238	3,238	3,238	3,238
Deferred tax assets	145	—	—	0	0	0	0	0
	1,244,687	1,585,204	2,032,687	2,668,913	2,728,100	2,794,054	2,864,272	2,938,995
Current assets								
Trade and other receivables	38,691	56,155	85,723	96,444	127,960	133,066	138,389	143,939
Intangible assets	—	3,110	4,000	4,500	5,970	6,209	6,457	6,716
Other asset	—	—	6,213	6,213	6,213	6,213	6,213	6,213
Derivative financial assets	1,663	631	2,106	2,106	2,106	2,106	2,106	2,106
Cash and cash equivalents	297,958	118,182	128,415	100,232	227,834	321,120	409,883	493,137
	338,312	178,078	226,457	209,495	370,084	468,714	563,048	652,111
Total Assets	1,582,999	1,763,282	2,259,144	2,878,409	3,098,184	3,262,767	3,427,320	3,591,106
Liabilities								
Current liabilities								
Loans from a subsidiary	—	—	—	0	0	0	0	0
Loans and borrowings	6,655	3,660	133,563	229,102	355,000	483,493	614,718	748,819
Trade and other payables	27,990	37,836	42,481	52,761	65,530	81,388	101,084	125,546
Derivative financial liabilities	499	1,396	—	0	0	0	0	0
Provision for taxation	—	10,332	16,948	18,396	19,967	21,673	23,525	25,534
	35,144	53,224	192,992	300,259	440,497	586,553	739,326	899,900
Non-current liabilities								
Loans from a subsidiary	—	—	—	0	0	0	0	0
Loans and borrowings	464,034	575,663	573,084	602,216	602,216	602,216	602,216	602,216
Derivative financial liabilities	2,148	1,352	4,459	4,459	4,459	4,459	4,459	4,459
Deferred tax liabilities	7,805	16,541	12,615	12,615	12,615	12,615	12,615	12,615
	473,987	593,556	590,158	619,290	619,290	619,290	619,290	619,290
Total Liabilities	509,131	646,780	783,150	919,549	1,059,787	1,205,843	1,358,616	1,519,190
Equity								
Represented by:								
Unitholders' funds	1,073,525	1,089,716	1,444,839	1,933,654	1,947,643	1,961,920	1,976,501	1,991,401
Non-controlling interests	343	26,786	31,155	31,155	31,155	31,155	31,155	31,155
	1,073,868	1,116,502	1,475,994	1,964,809	1,978,798	1,993,075	2,007,656	2,022,556
Units in issue ('000)	1,130,026	1,127,171	1,351,578	1,628,568	1,628,568	1,628,568	1,628,568	1,628,568
Net asset value per Unit (\$)	0.95	0.97	1.07	1.19	1.20	1.20	1.21	1.22
Total Equity	1,073,868	1,116,502	1,475,994	1,958,859	2,038,396	2,056,924	2,068,704	2,071,917
Balance Check								
Assets less Liabilities	1,073,868	1,116,502	1,475,994	1,958,859	2,038,396	2,056,924	2,068,704	2,071,917
Check Balance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Difference	0	0	0	0	0	0	0	0

Statement of Comprehensive Income								
Gross revenue	99,139	139,050	175,535	197,470	261,999	272,453	283,352	294,716
Property operating expenses	-8,203	-13,931	-17,862	-21,722	-31,440	-32,694	-34,002	-35,366
Net property income	90,936	125,119	157,673	175,748	230,559	239,758	249,350	259,350
Finance income	1,293	1,402	834	938	1,245	1,294	1,346	1,400
Finance costs	-12,768	-14,671	-16,663	-21,809	-26,682	-30,181	-33,761	-37,426
Trustees' fees	-180	-295	-299	-336	-446	-464	-483	-502
Manager's base fee	-5,563	-7,216	-8,922	-10,432	-14,365	-15,483	-16,669	-17,927
Manager's performance fee	-3,070	-4,077	-5,062	-5,892	-8,079	-8,674	-9,305	-9,972
Audit fees		-226	-299	-336	-446	-464	-483	-502
Valuation fees		-200	-238	-268	-355	-369	-384	-400
Net realised gains on derivatives	1,776	934	555	624	828	861	896	932
Other trust expenses	-744	-14,660	-9,192	-10,341	-13,720	-14,267	-14,838	-15,433
Net non-property operation related expenses	-19,256	-39,009	-39,286	-47,851	-62,021	-67,747	-73,680	-79,830
Profit before tax and fair value change in investment properties	71,680	86,110	118,387	127,897	168,538	172,011	175,670	179,520
Net change in fair value of investment properties	-13,994	-8,519	32,634	0	0	0	0	0
Profit before tax	57,686	77,591	151,021	127,897	168,538	172,011	175,670	179,520
Tax expenses	-6,743	-7,317	-5,012	-21,742	-28,651	-29,242	-29,864	-30,518
Profit after tax	50,943	70,274	146,009	106,155	139,887	142,769	145,806	149,002
Profit attributable to:								
Unitholders	50,937	65,225	141,881	103,153	135,932	138,733	141,684	144,789
Non-controlling interests	6	5,049	4,128	3,001	3,955	4,036	4,122	4,213
	50,943	70,274	146,009	106,155	139,887	142,769	145,806	149,002
Basic shares outstanding								
Diluted shares outstanding	913,537	1,129,884	1,278,968	1,629,000	1,629,000	1,629,000	1,629,000	1,629,000
Earnings per Unit (cents)								
Basic and diluted	5.58	5.77	11.09	6.33	8.34	8.52	8.70	8.89

Cash Flow Statement								
Cash flows from operating activities								
Profit after tax	50,943	70,274	146,009	106,155	139,887	142,769	145,806	149,002
Adjustments for:								
Tax expenses	6,743	7,317	5,012	21,742	28,651	29,242	29,864	30,518
Finance income	-1,293	-1,402	-834	-938	-1,245	-1,294	-1,346	-1,400
Finance costs	12,768	14,671	16,663	21,809	26,682	30,181	33,761	37,426
Amortisation of intangible assets	509	2,482	6,791	6,791	6,791	6,791	6,791	6,791
Net change in fair value of investment properties	13,994	8,519	-32,634	0	0	0	0	0
Management fees paid in Units	264	351	561	0	0	0	0	0
Unrealised translation differences		19,200	1,942	0	0	0	0	0
	83,928	121,412	143,510	155,558	200,767	207,689	214,876	222,337
Changes in working capital:	-7,002	1,111	-29,885	-507	18,647	-12,220	-15,976	-20,663
Trade and other receivables	-5,480	-3,536	-15,832					
Trade and other payables	-1,522	4,647	-14,053					
Cash generated from operations	76,926	122,523	113,625	155,051	219,413	195,469	198,900	201,674
Net income tax paid	-1,180	-4,745	-1,699	-1,752	-1,806	-1,862	-1,919	-1,979
Net cash from operating activities	75,746	117,778	111,926	153,299	217,607	193,607	196,980	199,695
Cash flows from investing activities								
Acquisitions of interests in investment properties	-110,914	-292,714	-413,265	-586,100	0	0	0	0
Acquisition of an intangible asset	-4,508	-1,563	-8,000	0	0	0	0	0
Rental top up received	4,508	1,563	8,000	0	0	0	0	0
Additions to investment properties	-5,457	-6,256	-10,153	-10,153	-10,153	-10,153	-10,153	-10,153
Capital expenditures on investment properties	-4,352	-6,169	-23,707	-39,973	-49,034	-55,801	-60,065	-64,570
Deposit paid to a vendor	-	-	-808	0	0	0	0	0
Net cash used in investing activities	-120,723	-305,139	-447,933	-636,226	-59,187	-65,954	-70,218	-74,723
Cash flows from financing activities								
Proceeds from issuance of Units	279,497	-	303,072	478,200	0	0	0	0
Proceeds from bank borrowings	188,808	356,661	229,165	95,539	125,898	128,492	131,225	134,102
Short term borrowings								
Additions				225,539	351,437	479,930	611,155	745,256
Repayment				-130,000	-225,539	-351,437	-479,930	-611,155
Long term borrowings								
Additions				0	0	0	0	0
Repayment				0	0	0	0	0
Capital contribution from a non-controlling interest	-	-	1,796	0	0	0	0	0
Payment of financing transaction costs	-192	-514	-156	-156	-156	-156	-156	-156
Repayment of bank borrowings	-92,557	-257,758	-83,934	0	0	0	0	0
Finance costs paid	-11,891	-13,489	-15,751	-22,747	-27,927	-31,476	-35,107	-38,826
Distributions paid to Unitholders	-58,458	-72,419	-82,051	-95,539	-125,898	-128,492	-131,225	-134,102
Dividends paid to non-controlling interests	-31	-1,835	-2,736	-2,736	-2,736	-2,736	-2,736	-2,736
Payment of transaction costs relating to fund-raising	-3,186	-934	-2,183	2183	0	0	0	0
Net cash generated from financing activities	301,990	9,712	347,222	454,744	-30,819	-34,368	-37,999	-41,718
Net increase/(decrease) in cash and cash equivalents	257,013	-177,649	11,215	-28,183	127,602	93,286	88,763	83,255
Cash and cash equivalents at beginning of the year	37,161	293,959	116,098	128,415	100,232	227,834	321,120	409,883
Effects of exchange rate fluctuations on cash held	-215	-212	1,102	0	0	0	0	0
Cash and cash equivalents at end of the year	293,959	116,098	128,415	100,232	227,834	321,120	409,883	493,137
Cash and cash equivalent balances	297,958	118,182	128,415	100,232	227,834	321,120	409,883	493,137
Less: Rental top up received in advance held in a designated account	-3,999	-2,084	0	0	0	0	0	0
Cash and cash equivalents per Consolidated Statement of Cash Flows	293,959	116,098	128,415	100,232	227,834	321,120	409,883	493,137

Financial Projections

12 Months Ending 31 Dec

	Historical			Projected				
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Projected Statement of Comprehensive Income								
Gross revenue	99,139	139,050	175,535	197,470	261,999	272,453	283,352	294,716
Property operating expenses	-8,203	-13,931	-17,862	-21,722	-31,440	-32,694	-34,002	-35,366
Net property income	90,936	125,119	157,673	175,748	230,559	239,758	249,350	259,350
Finance income	1,293	1,402	834	938	1,245	1,294	1,346	1,400
Finance costs	-12,768	-14,671	-16,663	-21,809	-26,682	-30,181	-33,761	-37,426
Interest expense on debt		-9,589	-10,875	-15,297	-18,043	-21,198	-24,418	-27,708
Amortized finance lease charges & capitalized transaction costs of debt financing		-5,082	-5,788	-6,511	-8,639	-8,984	-9,343	-9,718
Trustees' fees	-180	-295	-299	-336	-446	-464	-483	-502
Manager's base fee	-5,563	-7,216	-8,922	-10,432	-14,365	-15,483	-16,669	-17,927
Manager's performance fee	-3,070	-4,077	-5,062	-5,892	-8,079	-8,674	-9,305	-9,972
Manager's fees paid in Units				0	0	0	0	0
Audit fees	0	-226	-299	-336	-446	-464	-483	-502
Valuation fees	0	-200	-238	-268	-355	-369	-384	-400
Net realised gains on derivatives	1,776	934	555	624	828	861	896	932
Other trust expenses	-744	-14,660	-9,192	-10,341	-13,720	-14,267	-14,838	-15,433
Net non-property operation related expenses	-19,256	-39,009	-39,286	-47,851	-62,021	-67,747	-73,680	-79,830
Profit before tax and fair value change in investment properties	71,680	86,110	118,387	127,897	168,538	172,011	175,670	179,520
Net change in fair value of investment properties	-13,994	-8,519	32,634	0	0	0	0	0
Profit before tax	57,686	77,591	151,021	127,897	168,538	172,011	175,670	179,520
Tax expenses	-6,743	-7,317	-5,012	-21,742	-28,651	-29,242	-29,864	-30,518
Profit after tax	50,943	70,274	146,009	106,155	139,887	142,769	145,806	149,002
Profit attributable to:								
Unitholders	50,937	65,225	141,881	103,153	135,932	138,733	141,684	144,789
Non-controlling interests	6	5,049	4,128	3,001	3,955	4,036	4,122	4,213
	50,943	70,274	146,009	106,155	139,887	142,769	145,806	149,002
Operating Assumptions for Income Statement (Excluding Depreciation)								
Gross revenue last year		99,139	139,050	175,535	197,470	261,999	272,453	283,352
Growth rate		40.26%	26.24%	12.50%	32.68%	3.99%	4.00%	4.01%
Gross revenue this year	99,139	139,050	175,535	197,470	261,999	272,453	283,352	294,716
Property operating expense as % of gross revenue	8.27%	10.02%	10.18%	11.00%	12.00%	12.00%	12.00%	12.00%
% y/y		69.83%	28.22%	21.61%	44.74%	3.99%	4.00%	4.01%
Property operating expenses	-8,203	-13,931	-17,862	-21,722	-31,440	-32,694	-34,002	-35,366
Non-property operation related income and expenses								
Finance income	1,293	1,402	834	938	1,245	1,294	1,346	1,400
Finance costs	-12,768	-14,671	-16,663	-21,809	-26,682	-30,181	-33,761	-37,426
Interest expense on debt		-9,589	-10,875	-15,297	-18,043	-21,198	-24,418	-27,708
Amortized finance lease charges & capitalized transaction costs of debt financing		-5,082	-5,788	-6,511	-8,639	-8,984	-9,343	-9,718
Trustees' fees	-180	-295	-299	-336	-446	-464	-483	-502
Manager's base fee	-5,563	-7,216	-8,922	-10,432	-14,365	-15,483	-16,669	-17,927
Manager's performance fee	-3,070	-4,077	-5,062	-5,892	-8,079	-8,674	-9,305	-9,972
Manager's fees paid in Units	-264	-351	-561	0	0	0	0	0
Audit fees	0	-226	-299	-336	-446	-464	-483	-502
Valuation fees	0	-200	-238	-268	-355	-369	-384	-400
Net realised gains on derivatives	1,776	934	555	624	828	861	896	932
Other trust expenses	-744	-14,660	-9,192	-10,341	-13,720	-14,267	-14,838	-15,433
Non-property operation related expenses	19,256	39,009	39,286	47,851	62,021	67,747	73,680	79,830
% y/y								
As % of non-property operation related income and expenses as % of gross revenue								
Finance income	1.30%	1.01%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Finance costs	66.31%	37.61%	42.41%	42.41%	42.41%	42.41%	42.41%	42.41%
Interest expense on debt (Refer to debt section below)								
Amortized finance lease charges & capitalized transaction costs of debt financing	0.00%	-3.65%	-3.30%	-3.30%	-3.30%	-3.30%	-3.30%	-3.30%
Trustees' fees	-0.18%	-0.21%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%
Manager's base fee	-5.61%	-5.19%	-5.08%	-5.28%	-5.48%	-5.68%	-5.88%	-6.08%
Manager's performance fee	-3.10%	-2.93%	-2.88%	-2.98%	-3.08%	-3.18%	-3.28%	-3.38%
Manager's fees paid in Units	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Audit fees	0.00%	-0.16%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%
Valuation fees	0.00%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%
Net realised gains on derivatives	1.79%	0.67%	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%
Other trust expenses	-0.75%	-10.54%	-5.24%	-5.24%	-5.24%	-5.24%	-5.24%	-5.24%
Non-property operation related income and expenses as % of gross revenue	19.42%	28.05%	22.38%	22.38%	22.38%	22.38%	22.38%	22.38%
Net change in fair value of investment properties	-13,994	-8,519	32,634	-	-	-	-	-
Tax expenses as % of profit before tax	11.69%	9.43%	3.32%	17.00%	17.00%	17.00%	17.00%	17.00%
Tax expenses	-6,743	-7,317	-5,012	-21,742	-28,651	-29,242	-29,864	-30,518
Profit attributable to: (% of total profit)								
Unitholders	99.99%	92.82%	97.17%	97.17%	97.17%	97.17%	97.17%	97.17%
Non-controlling interests	0.01%	7.18%	2.83%	2.83%	2.83%	2.83%	2.83%	2.83%

Operating assumptions for Non-Current Assets and Liabilities

Non-Current Assets									
Investment Properties									
At 1 January	1,102,685	1,225,938	1,570,090	2,028,672	2,664,898	2,724,085	2,790,039	2,860,257	
Acquisitions		327,143	419,774	586,100	0	0	0	0	
% y/y									
Additions	5,457	6,256	10,153	10,153	10,153	10,153	10,153	10,153	
% y/y		14.64%	62.29%	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital expenditure as % of investment properties	4,352	6,169	23,707	39,973	49,034	55,801	60,065	64,570	
% y/y	0.35%	0.39%	1.17%	1.50%	1.80%	2.00%	2.10%	2.20%	
Change in fair value	13,994	-8,519	32,634	-	-	-	-	-	
Translation differences on consolidation		13,103	-27,686	-	-	-	-	-	
At 31 December	1,225,938	1,570,090	2,028,672	2,664,898	2,724,085	2,790,039	2,860,257	2,934,980	
Investment in subsidiaries									
% y/y	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	
Loans to subsidiaries									
% y/y	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	
Deposit	12,920	13,474	777	777	777	777	777	777	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Intangible assets	3,999	-	-	-	-	-	-	-	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Derivative financial assets	1,685	1,640	3,238	3,238	3,238	3,238	3,238	3,238	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Deferred tax assets	145	-	-	-	-	-	-	-	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Total Non-current assets	1,244,687	1,585,204	2,032,687	2,668,913	2,728,100	2,794,054	2,864,272	2,938,995	
Non-Current Liabilities									
Loans from a subsidiary	-	-	-	0	0	0	0	0	
Bank borrowings (refer to debt section)	436,198	546,481	543,952	573,084	573,084	573,084	573,084	573,084	
Capitalized transaction costs of debt financing	-1,030	-927	-771	-771	-771	-771	-771	-771	
% y/y		-10.00%	-16.83%	0.00%	0.00%	0.00%	0.00%	0.00%	
Finance lease liabilities	28,866	30,109	29,903	29,903	29,903	29,903	29,903	29,903	
% y/y		4.31%	-0.68%	0.00%	0.00%	0.00%	0.00%	0.00%	
Loans and borrowings	464,034	575,663	573,084	602,216	602,216	602,216	602,216	602,216	
Amortized finance lease charges & capitalized transaction costs of debt financing		5,082	5,788	5,788	5,788	5,788	5,788	5,788	
% y/y			13.89%	0.00%	0.00%	0.00%	0.00%	0.00%	
Derivative financial liabilities	2,148	1,352	4,459	4,459	4,459	4,459	4,459	4,459	
% y/y		-37.06%	229.81%	0.00%	0.00%	0.00%	0.00%	0.00%	
Deferred tax liabilities	7,805	16,541	12,615	12,615	12,615	12,615	12,615	12,615	
% y/y		111.93%	-23.73%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Non-current liabilities	473,987	593,556	590,158	619,290	619,290	619,290	619,290	619,290	

Operating assumptions for Current Assets and Liabilities

Current Assets									
Trade and other receivables	38,691	56,155	85,723	96,444	127,960	133,066	138,389	143,939	
as % of gross revenue	39.03%	40.38%	48.84%	48.84%	48.84%	48.84%	48.84%	48.84%	
Intangible assets	-	3,110	4,000	4,500	5,970	6,209	6,457	6,716	
as % of gross revenue		2.24%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	
Amortization of intangible assets	509	2482	6791	6,791	6,791	6,791	6,791	6,791	
as % of gross revenue	0.51%	1.78%	3.87%	0.00%	0.00%	0.00%	0.00%	0.00%	
Other assets	-	-	6,213	6,213	6,213	6,213	6,213	6,213	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Derivative financial assets	1,663	631	2,106	2,106	2,106	2,106	2,106	2,106	
% y/y				0.00%	0.00%	0.00%	0.00%	0.00%	
Cash and cash equivalents	297,958	118,182	128,415	138,229	183,399	190,717	198,346	206,301	
as % of gross revenue	300.55%	84.99%	73.16%	70.00%	70.00%	70.00%	70.00%	70.00%	
Current liabilities									
Loans from a subsidiary	-	-	-	0	0	0	0	0	
Loans and borrowings (refer to debt section)	6,655	3,660	133,563	229,102	355,000	483,493	614,718	748,819	
Bank borrowings	3,123	-	130,000	225,539	351,437	479,930	611,155	745,256	
Finance lease liabilities	3,532	3,660	3,563	3,563	3,563	3,563	3,563	3,563	
% y/y		3.62%	-2.65%	0.00%	0.00%	0.00%	0.00%	0.00%	
Trade and other payables	27,990	37,836	42,481	52,761	65,530	81,388	101,084	125,546	
Trade and other payables as % of gross revenue	28.23%	27.21%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	
Derivative financial liabilities	499	1,396	-	0	0	0	0	0	
Provision for taxation	-	10,332	16,948	18,396	19,967	21,673	23,525	25,534	
Provision for taxation as % of gross revenue		7.43%	9.66%	8.54%	8.54%	8.54%	8.54%	8.54%	

Assumptions for Equity								
Total Equity								
Beginning Balance	1,073,868	1,116,502	1,475,994	1,964,809	1,978,798	1,993,075	2,007,656	
Additions								
Post Tax Profit			106,155	139,887	142,769	145,806	149,002	
Distributions			-95,539	-125,898	-128,492	-131,225	-134,102	
Proceeds from Issuances			478,200	0	0	0	0	
Ending Balance	1,073,868	1,116,502	1,475,994	1,964,809	1,978,798	1,993,075	2,007,656	2,022,556
Unitholders' funds	1,073,525	1,089,716	1,444,839	1,933,654	1,947,643	1,961,920	1,976,501	1,991,401
as % of total equity	99.97%	97.60%	97.89%	98.41%	98.43%	98.44%	98.45%	98.46%
Non-controlling interests	343	26,786	31,155	31,155	31,155	31,155	31,155	31,155
% y/y		7709.33%	16.31%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Adjustments				-5,950	59,598	63,849	61,048	49,361
	1,073,868	1,116,502	1,475,994	1,958,859	2,038,396	2,056,924	2,068,704	2,071,917
Units in issue ('000)	1,130,026	1,127,171	1,351,578	1,628,568	1,628,568	1,628,568	1,628,568	1,628,568
Net asset value per Unit (\$)	0.95	0.97	1.07	1.19	1.20	1.20	1.21	1.22
Distributions paid to Unitholders	58,458	72,419	82,051	95,539	125,898	128,492	131,225	134,102
as % of net profit	114.75%	103.05%	56.20%	90.00%	90.00%	90.00%	90.00%	90.00%

Net Operating Working Capital								
Operating assets	40,354	59,896	98,042	109,263	142,249	147,593	153,165	158,974
Operating liabilities	28,489	49,564	59,429	71,157	85,497	103,061	124,608	151,080
Net operating working capital	11,865	10,332	38,613	38,106	56,752	44,532	28,557	7,894
Change in net operating working capital		-1,533	28,281	-507	18,647	-12,220	-15,976	-20,663

Assumptions for Cash Flow Statement								
Net income tax paid	1,180	4,745	1,699	1,752	1,806	1,862	1,919	1,979
as % of net profit	2.05%	6.12%	1.13%	3.10%	3.10%	3.10%	3.10%	3.10%
Dividends paid to non-controlling interests	31	1,835	2,736	2,736	2,736	2,736	2,736	2,736
% y/y			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Payment of transaction costs relating to fund raising	3,186	934	2,183	0	0	0	0	0
% y/y			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Effects of exchange rate fluctuations on cash held	215	212	-1,102	0	0	0	0	0
% y/y			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital contribution from a non-controlling interest	-	-	1,796	0	0	0	0	0
% y/y			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Payment of financing transaction costs	192	514	156	156	156	156	156	156
% y/y			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Repayment of bank borrowings	92,557	257,758	83,934	0	0	0	0	0
% y/y			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rental top up received	4,508	1,563	8,000	0	0	0	0	0
% y/y			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deposit paid to a vendor	-	-	-808	0	0	0	0	0
% y/y			-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rental top up received in advance held in designated account	3,999	2,084	0	0	0	0	0	0
% y/y			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change in working capital	-7,002	1,111	-29,885	86,233	62,081	133,394	139,572	146,809
Unrealised translation differences	0	19,200	1,942	0	0	0	0	0
Proceeds from issuance of Units	279,497	-	303,072	478,200	0	0	0	0

Short Term and Long Term Debt (Minium target cash method)								
Short Term Debt								
Loans and borrowings								
Beginning balance	6,655	3,123	130,000	130,000	225,539	351,437	479,930	611,155
Additions	3,123	130,000	83,934	225,539	351,437	479,930	611,155	745,256
Repayment	-6,655	-3,123	-83,934	-130,000	-225,539	-351,437	-479,930	-611,155
Ending balance	3,123	130,000	130,000	225,539	351,437	479,930	611,155	745,256
Interest rate on short term debt	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%
Interest paid	121	1,651	3,224	4,409	7,155	10,309	13,529	16,819
Long Term Debt								
Loans and borrowings								
Beginning balance	464,034	575,663	573,084	573,084	573,084	573,084	573,084	573,084
Additions	0	0	0	0	0	0	0	0
Repayment	0	0	0	0	0	0	0	0
Ending balance	464,034	575,663	573,084	573,084	573,084	573,084	573,084	573,084
Interest rate on long term debt				1.90%	1.90%	1.90%	1.90%	1.90%
Interest paid				10,889	10,889	10,889	10,889	10,889
Cash	297,958	118,182	128,415					
Cash as % of revenue	300.55%	84.99%	73.16%					
Minimum target cash balance				95,539	125,898	128,492	131,225	134,102
Minimum target cash balance (% of post tax profit)				90.00%	90.00%	90.00%	90.00%	90.00%
Cash flow before short term debt								
Net cash provided by operating activities				153,299	217,607	193,607	196,980	199,695
Net cash used for investing activities				-636,226	-59,187	-65,954	-70,218	-74,723
Net cash used for financing activities				454,744	-30,819	-34,368	-37,999	-41,718
Beginning cash balance				128,415	100,232	227,834	321,120	409,883
Cash before short term borrowings								
Minimum target cash balance				95,539	125,898	128,492	131,225	134,102
Difference between cash before short term debt and target cash				-95,539	-125,898	-128,492	-131,225	-134,102

Singapore Revenue Model

	Units	Historical			Projected				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Revenue (Singapore)	\$'000	40,667	69,391	85,838	102,213	162,078	169,268	176,793	184,671
Modelled Revenue Difference		40667	69391	85838					
Balance Check		0	0	0					
Capitalization Rate		Yes	Yes	Yes	Regional Rent Escalation				
		9.05%	10.21%	9.32%	3.20%	3.20%	3.20%	3.20%	3.20%

1 Keppel DC Singapore 1									
Title	Leasehold (Expiring 30 September 2025, with an option to extend by 30 years)								
Gross Revenue	\$'000	23308	26589	25870	26734	28142	29623	31182	32824
% of revenue		57%	38%	30%	26%	17%	18%	18%	18%
% y/y			14.08%	-2.70%	3.34%	5.26%	5.26%	5.26%	5.26%
Net Property Income	\$'000	21379	24710	23237	24461	25748	27104	28530	30032
% y/y					5.3%	5.3%	5.3%	5.3%	5.3%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	109711	109721	109721	109721	109721	109721	109721	109721
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	84.7	84.6	86.9	88.6	90.4	92.2	94.1	95.9
% y/y					2.00%	2.00%	2.00%	2.00%	2.00%
Total Leased Area	sq ft	92925	92824	95348	97254	99200	101184	103207	105271
% y/y			-0.1%	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Number of Tenants		20	17	17	17	17	17	17	71
Valuation	\$ '000	279000	286000	287000	287000	287000	287000	287000	287000
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%	91.50%	91.50%	91.50%	91.50%	91.50%
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

2 Keppel DC Singapore 2									
Title	Leasehold (Expiring 31 July 2021, with an option to extend by 30 years)								
Gross Revenue	\$'000	17359	18242	17530	17760	18329	18915	19521	20145
% of revenue		43%	26%	20%	17%	11%	11%	11%	11%
% y/y			5.08%	-3.90%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	15923	16953	15746	16250	16770	17307	17860	18432
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	37098	37098	37098	37098	37098	37098	37098	37098
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	37098	37098	37098	37098	37098	37098	37098	37098
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		4	4	4	4	4	4	4	4
Valuation	\$ '000	176000	166000	169000	169000	169000	169000	169000	169000
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%	91.50%	91.50%	91.50%	91.50%	91.50%
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

3 Keppel DC Singapore 3									
Title	Leasehold (Expiring 31 January 2022, with an option to extend by 30 years)								
	Announced 17 Oct 2016, Acquired 20 Jan 2017								
Gross Revenue	\$'000	0	24561	23992	24308	25085	25888	26717	27572
% of revenue		0%	35%	28%	24%	15%	15%	15%	15%
% y/y				-2.32%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	0	22826	21551	22240	22952	23686	24444	25227
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	90	90	90	90	90	90	90	90
Attributable Lettable Area	sq ft	54925	49433	49433	49433	49433	49433	49433	49433
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	0	49433	49433	49433	49433	49433	49433	49433
% y/y				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		2	2	2	2	2	2	2	2
Valuation	\$ '000	207500	223500	231300	231300	231300	231300	231300	231300
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%	91.50%	91.50%	91.50%	91.50%	91.50%
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

4 Keppel DC Singapore 5									
Title	Leasehold (Expiring 31 August 2041)			Completed Acquisition on 12 June 2018					
Gross Revenue	\$'000	0	0	18446	28593	30098	31683	33351	35106
% of revenue		0%	0%	21%	28%	19%	19%	19%	19%
% y/y					55.01%	5.26%	5.26%	5.26%	5.26%
Net Property Income	\$'000	0	0	24853	26161	27539	28988	30514	32120
% y/y					5.3%	5.3%	5.3%	5.3%	5.3%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	0	0	99	99	99	99	99	99
Attributable Lettable Area	sq ft	1	1	97781	97781	97781	97781	97781	97781
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	0.0	84.2	85.9	87.6	89.4	91.1	93.0
% y/y					2.00%	2.00%	2.00%	2.00%	2.00%
Total Leased Area	sq ft	0	0	82332	83978	85658	87371	89118	90901
% y/y					2.0%	2.0%	2.0%	2.0%	2.0%
Number of Tenants		0	0	3	3	3	3	3	3
Valuation	\$ '000	0	0	316800	316800	316800	316800	316800	316800
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

5 Keppel DC Singapore 4									
Title	Expected completion in 4Q 2019								
Gross Revenue	\$'000	0	0	0	3074	38828	40871	43023	45288
% of revenue		0%	0%	0%	3%	24%	24%	24%	25%
% y/y						1163.17%	5.26%	5.26%	5.26%
Net Property Income	\$'000	0	0	0	33749	35525	37395	39364	41436
% y/y					3.2%	5.3%	5.3%	5.3%	5.3%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	0	0	0	99	99	99	99	99
Attributable Lettable Area	sq ft	1	1	1	84544	84544	84544	84544	84544
% y/y						0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	0.0	0.0	92.0	93.8	95.7	97.6	99.6
% y/y						2.00%	2.00%	2.00%	2.00%
Total Leased Area	sq ft	0	0	0	77780	79336	80923	82541	84192
% y/y						2.0%	2.0%	2.0%	2.0%
Number of Tenants		0	0	0	1	1	1	1	1
Valuation	\$ '000	0	0	0	385100	385100	385100	385100	385100
% y/y						0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%	9.53%				
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

5 1-Net North									
Title	Expected completion in 4Q 2019								
Gross Revenue	\$'000	0	0	0	1744	21596	22287	23000	23736
% of revenue		0%	0%	0%	2%	13%	13%	13%	13%
% y/y						1138.40%	3.20%	3.20%	3.20%
Net Property Income	\$'000	0	0	0	19147	19759	20392	21044	21718
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	0	0	0	100	100	100	100	100
Attributable Lettable Area	sq ft	1	1	1	213815	213815	213815	213815	213815
% y/y						0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	0.0	0.0	100.0	100.0	100.0	100.0	100.0
% y/y						0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	0	0	0	213815	213815	213815	213815	213815
% y/y						0.0%	0.0%	0.0%	0.0%
Number of Tenants		0	0	0					
Valuation	\$ '000	0	0	0	201000	201000	201000	201000	201000
% y/y						0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		9.05%	10.21%	9.32%	9.53%				
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

Other Countries Revenue Model

	Units	Historical			Projected				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Revenue (Others)	\$'000	18,776	17,950	25,869	29,082	30,075	31,104	32,171	33,277
Modelled Revenue		18,776	17,950	25,869					
Difference		0	0	0					
Balance Check		Yes	Yes	Yes	Regional Rent Escalation				
Capitalization Rate		6.19%	7.53%	7.37%	9.20%	3.20%	3.20%	3.20%	3.20%
1 Basis Bay Data Centre (Malaysia)									
Title	Freehold								
Gross Revenue	\$'000	2,334	1,584	1,429	1,505	1,616	1,734	1,861	1,998
% of revenue		12%	9%	6%	5%	5%	6%	6%	6%
% y/y			-32.12%	-9.81%	5.37%	7.33%	7.33%	7.33%	7.33%
Net Property Income	\$'000	2140	1472	1283	1377	1478	1587	1703	1828
% y/y					7.3%	7.3%	7.3%	7.3%	7.3%
Lease Type	Colocation								
Ownership Interest	%	99	99	99	99	99	99	99	99
Attributable Lettable Area	sq ft	48,680	48,193	48,193	48,193	48,193	48,193	48,193	48,193
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	63.1	63.1	65.6	68.2	71.0	73.8	76.8
% y/y					4.00%	4.00%	4.00%	4.00%	4.00%
Total Leased Area	sq ft	48,680	30,410	30,410	31,626	32,891	34,207	35,575	36,998
% y/y			-37.5%	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Number of Tenants		1	1	1	1	1	1	1	1
Valuation	\$ '000	34,600	31,000	27,600	27,600	27,600	27,600	27,600	27,600
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		6.19%	7.53%	7.37%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%
2 GV7 Data Centre (UK)									
Title	Leasehold (Expiring 28 Sep 2183)								
Gross Revenue	\$'000	6,510	5,531	5,209	5,278	5,447	5,621	5,801	5,986
% of revenue		35%	31%	20%	18%	18%	18%	18%	18%
% y/y			-15.03%	-5.82%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	5971	5140	4679	4829	4983	5143	5307	5477
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Triple-net (Fully-fitted)								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	24,972	24,972	24,972	24,972	24,972	24,972	24,972	24,972
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	24,972	24,972	24,972	24,972	24,972	24,972	24,972	24,972
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	1	1	1	1	1	1	1
Valuation	\$ '000	67,500	68,300	63,500	63,500	63,500	63,500	63,500	63,500
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.85%	7.53%	7.37%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.2%	3.2%	3.2%	3.2%	3.2%

3 Cardiff Data Centre (UK)										
Title	Freehold	Acquisition Completed c.6 October 2016								
Gross Revenue	\$'000	-	5,013	5,365	5,436	5,609	5,789	5,974	6,165	
% of revenue		0%	28%	21%	19%	19%	19%	19%	19%	
% y/y			#DIV/0!	7.03%	1.32%	3.20%	3.20%	3.20%	3.20%	
Net Property Income	\$'000	5,343	4,659	4,819	4,973	5,132	5,297	5,466	5,641	
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%	
Lease Type	Triple-net (Shell & core)									
Ownership Interest	%	100	100	100	100	100	100	100	100	
Attributable Lettable Area	sq ft	79,439	79,439	79,439	79,439	79,439	79,439	79,439	79,439	
% y/y					0.0%	0.0%	0.0%	0.0%	0.0%	
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
% y/y					0.0%	0.0%	0.0%	0.0%	0.0%	
Total Leased Area	sq ft	79,439	79,439	79,439	79,439	79,439	79,439	79,439	79,439	
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Number of Tenants		1	1	1	1	1	1	1	1	
Valuation	\$ '000	60,400	61,900	65,400	65,400	65,400	65,400	65,400	65,400	
% y/y					0.0%	0.0%	0.0%	0.0%	0.0%	
Assumptions										
Capitalization Rate		8.85%	7.53%	7.37%						
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%	
Rent Escalation					3.2%	3.2%	3.2%	3.2%	3.2%	

4 Almere Data Centre (Netherlands)										
Title	Freehold									
Gross Revenue	\$'000	9,287	11,629	11,403	11,553	11,922	12,304	12,698	13,104	
% of revenue		49%	65%	44%	40%	40%	40%	39%	39%	
% y/y			25.22%	-1.95%	1.32%	3.20%	3.20%	3.20%	3.20%	
Net Property Income	\$'000	8,519	10,807	10,242	10,570	10,908	11,257	11,618	11,989	
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%	
Lease Type	Double-net (Fully-fitted)									
Ownership Interest	%	100	100	100	100	100	100	100	100	
Attributable Lettable Area	sq ft	118,403	118,403	118,403	118,403	118,403	118,403	118,403	118,403	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Total Leased Area	sq ft	118,403	118,403	118,403	118,403	118,403	118,403	118,403	118,403	
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Number of Tenants		1	1	1	1	1	1	1	1	
Valuation	\$ '000	137,700	143,600	139,000	139,000	139,000	139,000	139,000	139,000	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Assumptions										
Capitalization Rate		6.19%	7.53%	7.37%						
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%	
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%	

5 Milan Data Centre (Italy)										
Title	Freehold	Acquisition completed c.21 October 2016								
Gross Revenue	\$'000	645	4,737	4,701	4,762	4,915	5,072	5,234	5,402	
% of revenue		3%	26%	18%	16%	16%	16%	16%	16%	
% y/y			634.23%	-0.78%	1.32%	3.20%	3.20%	3.20%	3.20%	
Net Property Income	\$'000	3,551	4,403	4,222	4,357	4,497	4,641	4,789	4,942	
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%	
Lease Type	Double-net (Shell & core)									
Ownership Interest	%	100	100	100	100	100	100	100	100	
Attributable Lettable Area	sq ft	165,389	165,389	165,389	165,389	165,389	165,389	165,389	165,389	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Total Leased Area	sq ft	165,389	165,389	165,389	165,389	165,389	165,389	165,389	165,389	
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Number of Tenants		1	1	1	1	1	1	1	1	
Valuation	\$'000	57,400	58,500	57,300	57,873	58,452	59,036	59,036	59,036	
% y/y					1.00%	1.00%	1.00%	0.00%	0.00%	
Assumptions										
Capitalization Rate		6.19%	7.53%	7.37%						
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%	
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%	

6 maincubes Data Centre										
Title	Freehold	Acquisition completed c.30 March 2018								
Gross Revenue	\$'000	-	-	8,337	11,262	11,622	11,994	12,378	12,774	
% of revenue		0%	0%	32%	39%	39%	39%	38%	38%	
% y/y			#DIV/0!	#DIV/0!	35.09%	3.20%	3.20%	3.20%	3.20%	
Net Property Income	\$'000	-	-	9,984	10,304	10,634	10,974	11,325	11,688	
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%	
Lease Type	Triple-net (Fully-fitted)									
Ownership Interest	%	0	0	100	100	100	100	100	100	
Attributable Lettable Area	sq ft	1	1	97,043	97,043	97,043	97,043	97,043	97,043	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Occupancy Rate	%	0.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Total Leased Area	sq ft	-	-	97,043	97,043	97,043	97,043	97,043	97,043	
% y/y			#DIV/0!	#DIV/0!	0.0%	0.0%	0.0%	0.0%	0.0%	
Number of Tenants		1	1	1	1	1	1	1	1	
Valuation	\$'000	-	-	135,500	135,500	135,500	135,500	135,500	135,500	
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%	
Assumptions										
Capitalization Rate		6.19%	7.53%	7.37%						
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%	
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%	

UK Revenue Model

	Units	Historical			Projected				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Revenue (Others)	\$'000	6510	10552	10769	10911	11260	11620	11992	12376
Modelled Revenue		6510	10552	10769					
Difference		0	0	0					
Balance Check		Yes	Yes	Yes	Regional Rent Escalation				
Capitalization Rate		8.85%	7.53%	7.50%	9.20%	3.20%	3.20%	3.20%	3.20%
1 GV7 Data Centre (UK)									
Title	Leasehold (Expiring 28 Sep 2183)								
Gross Revenue	\$'000	6510	5535	5305	5375	5547	5724	5908	6097
% of revenue		100%	52%	49%	49%	49%	49%	49%	49%
% y/y			-14.97%	-4.16%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	5971	5144	4765	4918	5075	5238	5405	5578
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Triple-net (Fully-fitted)								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	24972	24972	24972	24972	24972	24972	24972	24972
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	24972	24972	24972	24972	24972	24972	24972	24972
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	1	1	1	1	1	1	1
Valuation	\$ '000	67500	68300	63500	63500	63500	63500	63500	63500
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.85%	7.53%	7.50%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%
2 Cardiff Data Centre (UK)									
Title	Freehold								
Gross Revenue	\$'000	0	5017	5464	5536	5713	5896	6084	6279
% of revenue		0%	48%	51%	51%	51%	51%	51%	51%
% y/y			#DIV/0!	8.91%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	5343	4662	4908	5065	5227	5394	5567	5745
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Triple-net (Shell & core)								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	79439	79439	79439	79439	79439	79439	79439	79439
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	79439	79439	79439	79439	79439	79439	79439	79439
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	1	1	1	1	1	1	1
Valuation	\$ '000	60400	61900	65400	65400	65400	65400	65400	65400
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.85%	7.53%	7.50%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

Australia Revenue Model

	Units	Historical			Projected				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Revenue (Region total)	\$'000	28272	27040	30439	32346	34935	36053	37207	38397
Modelled Revenue		28272	27040	30439	Brisbane Rent Escalation				
Difference		0	0	0	3.20%	3.20%	3.20%	3.20%	3.20%
Balance Check		Yes	Yes	Yes	Sydney Rent Escalation				
Capitalization Rate		8.54%	8.68%	9.23%	3.20%	3.20%	3.20%	3.20%	3.20%
1 Gore Hill Data Centre (Sydney)									
Title	Freehold								
Gross Revenue	\$'000	20459	19054	21331	21612	22303	23017	23754	24514
% of revenue		72%	70%	70%	67%	64%	64%	64%	64%
% y/y			-6.87%	11.95%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	18766	17708	19161	19774	20406	21059	21733	22429
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Colocation (2), Triple-net (Shell & core) (1)								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	90955	90955	90955	90955	90955	90955	90955	90955
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	90955	90955	90955	90955	90955	90955	90955	90955
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		3	3	3	3	3	3	3	3
Valuation	\$'000	219700	204000	207500	207500	207500	207500	207500	207500
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
<i>Assumptions</i>									
Capitalization Rate		8.54%	8.68%	9.23%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

2 Intellicentre 2 (Sydney)									
Title	Freehold								
Gross Revenue	\$'000	4582	4792	5541	5614	5793	5979	6170	6368
% of revenue		16%	18%	18%	17%	17%	17%	17%	17%
% y/y			1.03%	3.93%	0.34%	0.83%	0.83%	0.83%	0.83%
Net Property Income	\$'000	4203	4453	4977	5136	5301	5470	5645	5826
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Triple-net (Shell & core)								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	87930	87930	87930	87930	87930	87930	87930	87930
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	87930	87930	87930	87930	87930	87930	87930	87930
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	1	1					
Valuation	\$ '000	49200	51300	53900	53900	53900	53900	53900	53900
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.54%	8.68%	9.23%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

3 Iseek Data Centre (Brisbane)									
Title	Leasehold (Expiring 29 June 2040, with an option to extend by 7 years)								
Gross Revenue	\$'000	3231	3194	3567	3614	3730	3849	3972	4099
% of revenue		11%	12%	12%	11%	11%	11%	11%	11%
% y/y			-0.18%	1.96%	0.22%	0.54%	0.54%	0.54%	0.54%
Net Property Income	\$'000	2964	2969	3204	3307	3413	3522	3634	3751
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	12389	12389	12389	12389	12389	12389	12389	12389
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	12389	12389	12389	12389	12389	12389	12389	12389
% y/y			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	1	1	1	1	1	1	1
Valuation	\$ '000	34700	34200	34700	34700	34700	34700	34700	34700
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.54%	8.68%	9.23%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

4 Intellicentre 3 East Data Centre									
Title	Leasehold (Expiring 31 August 2041)	Expected completion c.2H 2019							
Gross Revenue	\$'000	0	0	0	1506	3108	3208	3311	3416
% of revenue		0%	0%	0%	5%	9%	9%	9%	9%
% y/y			0.00%	0.00%	7.06%	7.41%	0.45%	0.45%	0.45%
Net Property Income	\$'000	0	0	0	2756	2844	2935	3029	3126
% y/y						3.2%	3.2%	3.2%	3.2%
Lease Type	Keppel lease/Colocation								
Ownership Interest	%	0	0	0	100	100	100	100	100
Attributable Lettable Area	sq ft	1	1	86000	86000	86000	86000	86000	86000
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	0.0	0.0	100.0	100.0	100.0	100.0	100.0
% y/y						0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	0	0	0	86000	86000	86000	86000	86000
% y/y						0.0%	0.0%	0.0%	0.0%
Number of Tenants		0	0	0	1	1	1	1	1
Valuation	\$ '000	0	0	31250	31250	31250	31250	31250	31250
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Assumptions									
Capitalization Rate		8.54%	8.68%	9.23%	8.82%				
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

Ireland Revenue Model

	Units	Historical			Projected				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross Revenue (Region total)	\$'000	10915	14117	22620	22918	23651	24408	25189	25995
Modelled Revenue		10915	22299	22620					
Difference		0	8182	0					
Balance Check		Yes	No	Yes	Regional Rent Escalation				
Capitalization Rate		22.12%	17.40%	14.32%	3.20%	3.20%	3.20%	3.20%	3.20%

1 Keppel DC Dublin 1									
Title	Leasehold (Expiring 11 April 2041, acquisition of the remainder of 999-year lease expected to complete in 1H 2020)								
Gross Revenue	\$'000	10,915	8,182	7,470	7,568	7,810	8,060	8,318	8,584
% of revenue		100%	58%	33%	33%	33%	33%	33%	33%
% y/y			-25.04%	-8.71%	1.32%	3.20%	3.20%	3.20%	3.20%
Net Property Income	\$'000	10,012	7,604	6,709	6,924	7,146	7,374	7,610	7,854
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Colocation								
Ownership Interest	%	100	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	68,118	68,118	68,118	68,118	68,118	68,118	68,118	68,118
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	55.8	56.6	61.1	61.1	61.1	61.1	61.1	61.1
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	38,010	38,555	41,620	41,620	41,620	41,620	41,620	41,620
% y/y			1.4%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		12	15	17	17	17	17	17	17
Valuation	\$ '000	81,100	77,200	76,700	76,700	76,700	76,700	76,700	76,700
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
<i>Assumptions</i>									
Capitalization Rate		22.12%	17.40%	14.32%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

2 Keppel DC Dublin 2									
Title	Freehold	Acquired in 2H 2017							
Gross Revenue	\$'000	0	5,934	15,151	15,350	15,841	16,348	16,871	17,411
% of revenue		0%	42%	67%	67%	67%	67%	67%	67%
% y/y			54.37%	112.64%	2.67%	6.49%	6.49%	6.49%	6.49%
Net Property Income	\$'000	0	16,545	13,609	14,044	14,494	14,958	15,436	15,930
% y/y					3.2%	3.2%	3.2%	3.2%	3.2%
Lease Type	Triple-net (Shell & core)								
Ownership Interest	%	0	100	100	100	100	100	100	100
Attributable Lettable Area	sq ft	1	25,200	25,127	25,127	25,127	25,127	25,127	25,127
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	%	0.0	87.3	90.7	90.7	90.7	90.7	90.7	90.7
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
Total Leased Area	sq ft	0	22,000	22,790	22,790	22,790	22,790	22,790	22,790
% y/y			#DIV/0!	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Tenants		1	4	4	4	4	4	4	4
Valuation	\$ '000	0	108,900	104,800	104,800	104,800	104,800	104,800	104,800
% y/y					0.00%	0.00%	0.00%	0.00%	0.00%
<i>Assumptions</i>									
Capitalization Rate		22.12%	17.40%	14.32%					
Net Property Income Margin		91.73%	92.94%	89.82%	91.50%	91.50%	91.50%	91.50%	91.50%
Rent Escalation					3.20%	3.20%	3.20%	3.20%	3.20%

Discounted Cash Flow Model

Keppel DC Real Estate Investment Trust Free Cash Flows

Date of review 6/11/2019
 Current fiscal year end 31/12/2019
 Portion of FY passed
 Portion of FY remaining 0.15

	Historical			Projected				
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<i>12 Months Ending 31/12</i>								
Gross revenue				197,470	261,999	272,453	283,352	294,716
Net property income				175,748	230,559	239,758	249,350	259,350
EBITDA				188,741	243,009	256,699	268,150	280,115
EBIT				148,767	193,976	200,898	208,085	215,546
Tax expense				-21,742	-28,651	-29,242	-29,864	-30,518
EBIAT				127,025	165,324	171,656	178,221	185,027
CAPEX				-39,973	-49,034	-55,801	-60,065	-64,570
Changes in NOWC				-507	18,647	-12,220	-15,976	-20,663
Free Cash Flow				86,544	134,937	103,635	102,179	99,795
Discount period				0.15	1.15	2.15	3.15	4.15
Discount factor				1.01	1.06	1.11	1.16	1.21
Free cash flow to be discounted				13,041	134,937	103,635	102,179	99,795
Present value of free cash flows				12,949	127,854	93,700	88,154	82,156

Weighted Average Cost of Capital (WACC)

Weighted Average Cost of Capital 4.80%

Cost of Debt

Cost of Debt 2.30%
 Tax Rate 17.00%
 After Tax Cost of Debt 1.91%

Cost of Equity

Risk Free Rate 2.00%
 Expected Market Return 7.96%
 Beta 0.70
 Cost of Equity 6.17%

D / (D + E) 32.24%

E / (D + E) 67.76%

Firm Value: Based on Perpetuity Growth Rate Method

Growth Rate in Perpetuity 2.00%
 Weighted Average Cost of Capital 4.80%

Present Value of Cash Flows 404,813
 Present Value of Terminal Value 2,995,402
 Cash (Most Recent Quarter) 346,525
 Firm Value 3,746,740

Shares Outstanding 1,629,000
 Price per share \$ 2.30

	Growth to Perpetuity					
	\$ 2.30	1.80%	1.90%	2.00%	2.10%	2.20%
6.40%	2.08	2.13	2.19	2.25	2.32	
6.30%	2.12	2.18	2.24	2.30	2.37	
6.20%	2.16	2.22	2.29	2.36	2.43	
6.10%	2.21	2.27	2.34	2.41	2.49	
6.00%	2.25	2.32	2.39	2.47	2.55	

Dividend Discount Model

KDCREIT

Dividend Discount Model

Valuation Date: 4-Nov-19
Last FY End: 31-Dec-19
Days per Year: 365
Next FY Start: 1-Jan-20

Cost of Equity Derivation

Cost of Equity	6.2%
Risk-Free Rate	2.5%
Beta	0.53
Market Risk Premium	9.5%

DDM Calculation

		Historicals		Forecast Period				
		2017	2018	2019	2020	2021	2022	2023
Dividend per share	S\$ (cents)	0.064	0.071	0.094	0.094	0.096	0.100	0.101
Discount Period				0.75	1.25	2.25	3.25	4.25
Discount Factor				1.05	1.09	1.17	1.25	1.34
PV	S\$ (cents)			0.087	0.084	0.080	0.079	0.074

DDM Valuation

Gordon Growth Model	
Total PV of projected dividends	0.404
Long-term growth rate	2.0%
Final year dividend	0.101
Terminal Value	2.44
PV of terminal value	1.84
Implied stock price	\$2.24

Region	Singapore	Australia	Ireland	Netherlands	Germany	United Kingdom	Italy	Malaysia
LT Growth Rate	2.0%	2.20%	2.70%	1.70%	1.40%	1.80%	0.60%	4.40%
Weightage by revenue	51.5%	14.0%	10.2%	7.0%	6.8%	6.2%	2.9%	1.4%
Blended LT Growth Rate	2.0%							

DDM Sensitivity Analysis

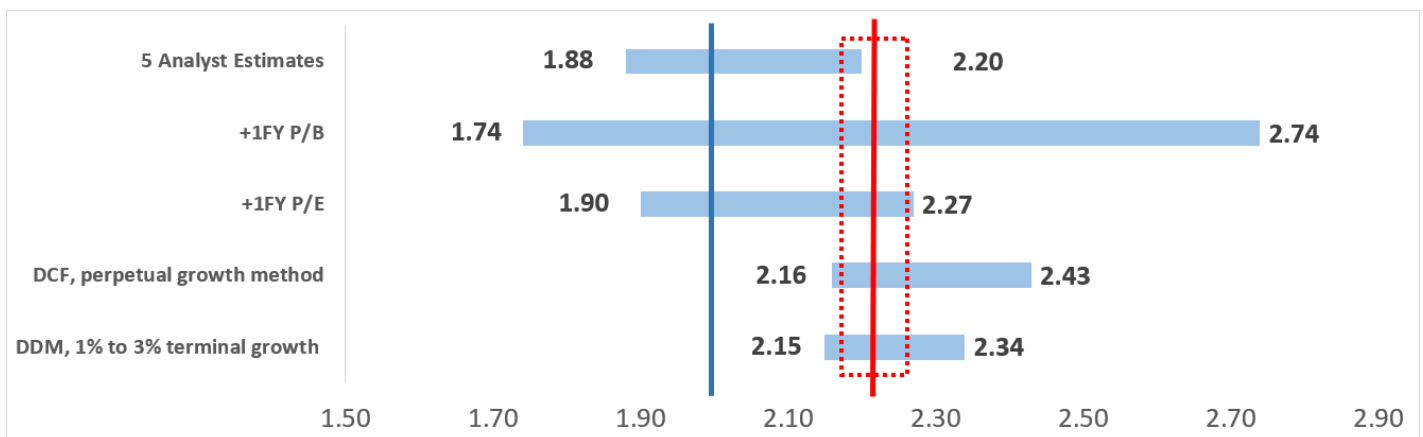
		Terminal Growth Rate					
		2.24	1.00%	1.50%	2.00%	2.50%	3.00%
Cost of Equity	6.40%	2.23	2.19	2.14	2.10	2.05	
	6.30%	2.29	2.24	2.19	2.15	2.10	
	6.20%	2.34	2.29	2.24	2.20	2.15	
	6.10%	2.40	2.35	2.30	2.25	2.21	
	6.00%	2.46	2.41	2.36	2.31	2.26	

Relative Valuation

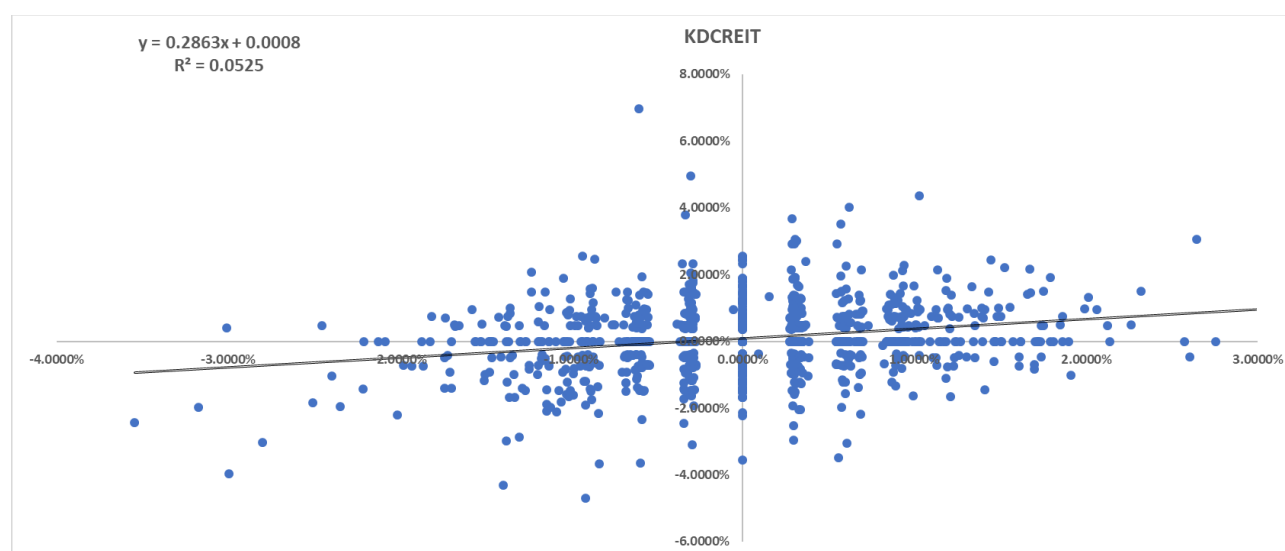
Relative Valuation

	+1FY P/E	+1FY P/B	+1FY P/E	Min	25th Percentile	50th Percentile	75th Percentile	Max
Median	61.78	3.08	10.6	24.39	34.30	61.78	93.92	98.52
Average	63.64	3.29		1.90	2.08	2.15	2.20	2.27
Keppel DC REIT	24.39	1.81						
QTS Realty Trust Inc	44.21	2.80		1.81	2.31	3.08	4.38	5.46
Digital Realty Trust Inc	98.52	3.08	2.02	1.74	1.99	2.24	2.49	2.74
CyrusOne Inc	61.78	3.29						
Equinix Inc	89.32	5.46						
Min	24.39	1.81						
25th Percentile	34.30	2.31						
50th Percentile	61.78	3.08						
5 Analyst Estimates				1.88	2.06	2.08	2.12	2.20
Football Field Inputs				Min	25th Percentile	50th Percentile	75th Percentile	Max
+1FY P/E				1.90	0.18	0.07	0.05	0.07
+1FY P/B				1.74	0.25	0.25	0.25	0.25
5 Analyst Estimates				1.88				0.32

Football Field



Beta Regression



Financial Ratios

Financial Ratios	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E
Profitability								
Net Income Margin	51.38%	46.91%	80.83%	83.80%	72.80%	75.60%	78.90%	81.20%
EBITDA Margin	82.60%	72.58%	80.01%	78.01%	74.04%	75.06%	77.30%	79.40%
EBIT Margin	82.09%	70.80%	76.14%	77.20%	73.80%	74.05%	77.01%	78.70%
Return on Equity	5.40%	6.03%	11.20%	11.70%	12.43%	12.85%	13.11%	14.27%
Return on Assets	3.65%	3.90%	7.05%	7.19%	9.22%	9.63%	10.24%	10.78%
Return on Invested Capital	5.22%	5.43%	6.57%	6.78%	7.53%	7.96%	8.28%	8.56%
Liquidity								
Current Ratio	9.63	3.35	1.17	1.37	1.56	1.89	3.58	4.57
Quick Ratio	8.86	2.81	0.95	1.25	1.18	1.64	2.37	2.96
Cash Ratio	8.48	2.22	0.67	0.76	0.97	1.54	2.38	3.25
Activity								
Total Asset Turnover	0.07	0.08	0.09	0.11	0.25	0.26	0.28	0.29
Receivables Turnover	10.45	11.70	7.43	7.29	8.23	8.15	7.98	7.42
Payables Period	77.25	61.51	73.46	71.89	78.16	77.47	75.69	70.14
Financial Leverage								
LT Debt to Assets	29.31%	32.65%	25.37%	24.69%	23.41%	28.73%	29.12%	32.13%
LT Debt to Equity	43.21%	51.56%	38.83%	37.91%	36.49%	42.16%	40.83%	41.85%
Debt to Assets	29.73%	32.85%	31.28%	29.18%	30.74%	29.46%	30.39%	32.83%
Debt to Equity	43.83%	51.89%	47.88%	39.45%	38.58%	43.14%	41.35%	42.89%
Interest Coverage	8.12	9.09	13.83	12.89	12.91	11.41	10.58	9.17
Shareholder Returns								
Earnings per Share (cents)	0.05	0.06	0.11	0.08	0.10	0.11	0.12	0.12
Dividend per Share (cents)	0.06	0.07	0.07	0.08	0.09	0.10	0.10	0.11
Dividend Payout Ratio	53.71%	127.33%	109.72%	82.06%	90.0%	90.0%	90.0%	90.0%