ESR-LOGOS REIT

BUY

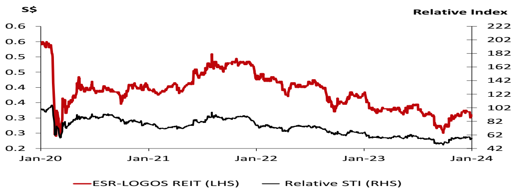
Last Traded Price (1 Feb 2024): S$0.310 (**STI :** 3,143.06)
Price Target 12-mth: S$0.34 (10% upside) (Prev S$0.34)

Analysts
Dale LAI +65 66823715 dalelai@dbs.com
Derek TAN +65 6682 3716 derektan@dbs.com

What's New

- FY23 DPU of 2.56Scts; makes up more than 99% of our estimates
- Short-term pressure on DPU is viewed as a trade-off for long-term gains as EREIT's portfolio "trades up"
- Latest acquisition of a stake in ESR Japan Income Fund will generate a c.1.8% accretion to DPU
- Maintain BUY with unchanged TP of S$0.34

Price Relative



Forecasts and Valuation

FY Dec (S$m)	2022A	2023A	2024F	2025F
Gross Revenue	343	386	364	372
Net Property Inc	244	273	264	270
Total Return	(290)	(85.6)	141	146
Distribution Inc	177	193	181	181
EPU (S cts)	2.71	1.08	1.83	1.90
EPU Gth (%)	(20)	(60)	69	4
DPU (S cts)	3.00	2.56	2.35	2.36
DPU Gth (%)	0	(15)	(8)	0
NAV per shr (S cts)	36.2	31.8	32.1	32.0
PE (X)	11.4	28.6	17.0	16.3
Distribution Yield (%)	9.7	8.3	7.6	7.6
P/NAV (x)	0.9	1.0	1.0	1.0
Aggregate Leverage (%)	46.2	42.1	43.0	43.3
ROAE (%)	7.9	3.3	5.7	5.9

Distn. Inc Chng (%):			(2)	(3)
Consensus DPU (S cts):			2.40	2.60
Other Broker Recs:		B: 8	S: 0	H: 0

Source of all data on this page: Company, DBS Bank Ltd, Bloomberg Finance L.P.

"Trading up" for better portfolio quality

Investment Thesis:

Rising large-cap industrial S-REIT. Following a successful merger in April 2022, EREIT is now the fifth largest industrial S-REIT with a total asset base of c.S$5.5bn, but its share price is yet to re-rate. With a dividend yield of more than 10% (c.400bps higher than its large-cap industrial S-REIT peers), it looks attractive. The manager is executing an asset recalibration strategy post-merger, which we believe should be value accretive and drive a share price re-rating.

Portfolio repositioning and rejuvenation underway. EREIT continues to carry out their portfolio repositioning exercise with more than S$440m in divestments of non-core assets in FY23. EREIT will continue to divest non-core assets and recycle the proceeds into higher yielding opportunities. The rejuvenation of its portfolio entails redevelopment projects and asset enhancement initiatives (AEIs) to drive organic growth in earnings and NAV.

Enviable sponsor pipeline. While its peers find it increasingly challenging to make accretive acquisitions, given the negative cap rate spreads in most major markets, EREIT can look to its sponsor's pipeline that is valued at c.US$2.0bn. It recently completed the acquisition of a modern logistics facility in Japan from its sponsor at a relatively attractive yield and is projected to generate a c.3% accretion to DPU.

Maintain BUY with unchanged TP of S$0.34. Despite the near-term challenges as interest rates continue to rise, as well as the recent S$300m equity fund raising (EFR) exercise leading to a dilution in DPU, we see EREIT's ongoing AEIs and redevelopment projects as key drivers to its earnings in the future.

Key Risks

Slower-than-anticipated deployment of debt headroom. As EREIT continues to divest its non-core assets and utilise the proceeds to recapitalise its balance sheet, there will be a void of earnings from these divestments. We understand that EREIT continues to actively look at redeploying the proceeds into better quality assets in the long term, but if this happens slower than anticipated, earnings will remain depressed.

At A Glance

Issued Capital (m shrs)	7,199
Mkt. Cap (Sm/USm)	2,232 / 1,670
Major Shareholders (%)	
E-Shang Infinity Cayman Ltd	9.4
Free Float (%)	90.6
3m Avg. Daily Val (US$m)	2.7

GIC Industry : Real Estate / Equity Real Estate Investment (REITs)

WHAT'S NEW

"Trading up" for better portfolio quality

Revenues and NPI increased 12.6% and 11.8% y-o-y. FY23 revenues reached S$386.4m, indicating a robust 12.6% increase year-on-year. FY23 NPI amounted to S$273.2m, marking a substantial 11.8% growth compared to the previous year. This impressive financial performance can be attributed to the full-year contribution from ALOG Trust (acquired in April 2022) and the acquisition of ESR Sakura DC in October 2022. However, it's important to note that these gains were partially offset by divestments carried out during FY23.

FY23 DPU of 2.564Scts was slightly below our estimates. DPU for FY23, of 2.564Scts, declined c.14.5% y-o-y. While it came in slightly – i.e., c.0.7% – below our estimates, there are several factors contributing to this performance. Although NPI was higher y-o-y, distribution income was diluted due to higher financing costs and an enlarged unit base resulting from the EFR conducted in February and April 2023. Included in the DI is a total of S$27.7m in capital gains that was distributed in FY23. Following this, approximately S$18m remains, and management has indicated that they plan to continue tapping into capital gains distribution in FY24 to support overall income distribution, as earnings are expected to be disrupted by the ongoing AEIs.

Healthy portfolio occupancy rates and continued positive rental reversions. Portfolio occupancy rate experienced a notable improvement, increasing by 2.5ppt to reach 92.8% in 4Q23. This improvement was primarily driven by higher occupancy rates in Singapore. Additionally, Australia and Japan maintained full occupancy, both at 100%. Positive rental reversions were strong, achieving a notable +11.1% for the entirety of FY23. The positive momentum in rental reversions was mainly driven by leases in Australia and Singapore. Importantly, positive rental reversions were recorded across all four asset types, with particularly notable increases observed in the high-spec industrial, logistics, and general industrial categories.

Looking ahead, while rental reversions are anticipated to remain positive, achieving double-digit growth may become challenging. This cautious outlook is due to the expectation of increased supply entering the market in the next few years, which could potentially impact demand dynamics. Approximately 18.3% of EREIT's portfolio leases are due to expire in FY24.

Gearing has improved to 35.7% following EREIT's active portfolio rejuvenation exercise. Approximately S$440.6m in divestments were carried out during FY23, and these were executed at a c.1% premium to valuations. The majority of the proceeds from divestments were utilised to redeem S$100m in perpetual securities, with the remaining funds used to repay loans. This divestment strategy has led to an improvement in gearing to 35.7% in 4Q23. Similarly, EREIT's debt ratio (D+P)/A saw a stark improvement y-o-y, improving by 54bps to 48.0% in 4Q23.

With the improved balance sheet, EREIT has just announced the acquisition of a stake in ESR Japan Income Fund that will bring gearing back up to c.37%. In addition, EREIT also has additional capital commitments in the near term for AEIs and redevelopment projects that will lead to gearing inching up further. For FY24, there are no further refinancing requirements. The S$163m in loans expiring this year will be refinanced using a two-year sustainability-linked loan facility. Borrowing costs remained relatively stable at 3.91%. With interest rates appearing to have stabilised, it is anticipated that financing costs will remain close to the current levels in FY24.

On portfolio valuations, EREIT's Singapore portfolio saw a c.2% decline while its Australian portfolio's valuations remained relatively stable. The decline in valuations for the Singapore portfolio was mainly due to shortening land tenures. In Australia, although cap rates expanded by 75-100bps, the higher underlying rents were able to offset the valuation declines, and, in fact, reported some gains in AUD. However, due to FX translation losses, the Australian portfolio valuations saw a very marginal decline in SGD y-o-y.

S$440.6m in divestments carried out in FY23

Asset	Sale price (S$'m)	Premium/(discount) to valuation	Expected completion
70 Seletar Aerospace View	*7.1*	4.8%	01-Nov-23
49 Pandan Road	*43.5*	15.1%	21-Feb-23
3 Pioneer Sector 3	*95.0*	-5.1%	23-Aug-23
4 & 6 Clementi Loop	*37.6*		16-Oct-23
6 Chin Bee Avenue	*93.0*		16-Oct-23
21 Changi North Way	*30.1*		23-Aug-23
30 Toh Guan Road	*57.8*		23-Aug-23
22 Chin Bee Drive	*13.8*	6.2%	15-Sep-23
51 Musgrave Road (Australia)	*9.7*	2.4%	26-Jul-23
2 Tuas South Avenue 2	*53.0*	35.2%	01-Nov-23
Total	*440.6*	*0.9%*	-

Source: ESR LOGOS REIT, DBS Bank Ltd

Successfully carried out various portfolio rejuvenation initiatives, with several more underway. Some of the recently completed initiatives include:

- 7002 Ang Mo Kio Avenue 5
  - TOP in 3Q23
  - Occupancy improved to 62% in 4Q23
  - Estimated yield on cost is c.7.1%
- 21B Senoko Loop
  - TOP January 2024
  - Secured a 15-year master lease to NTS with annual rental escalations, tripled net lease

- 3 Tuas South Avenue 4
  - Signed a 20-year master Lease with PharmaGend Global Medical Services in January 2024
  - Includes built-in rental escalations
  - Rents under the new lease are more than 35% higher than the previous lease
- 16 Tai Seng Street
  - Slight delay for the c.S$32.0m AEI, with the expected completion now in 1Q25
  - Estimated yield on cost is c.6.0%
- 2 Fishery Port:
  - Redevelopment of 2 Fishery Port into a modern ramp-up cold storage facility is expected to commence in late 2H24
  - Estimated redevelopment cost is S$240.0m
  - Expected to be completed in FY27
  - Estimated yield on cost ranges between 6.5%-6.75%
  - Asset will likely be leased out as a multi-tenanted property, considering negotiations with the previous master tenant did not materialise
  - There is a possibility of undertaking the redevelopment together with the sponsor, given the size and scale of the project

Lower portfolio valuations mainly due to divestments. Portfolio valuations were c.S$521m lower y-o-y. A substantial portion of this decrease, around S$442m, was attributable to divestments. Excluding the impact from divestments, the rest of the portfolio valuations declined by c.S$79m, and this was primarily attributed to two main factors: The shortening land tenures for the Singapore portfolio as well as FX translation losses. Cap rates in Australia expanded by between 75-100 bps. However, higher underlying rents were able to offset the valuation declines resulting from the expansion of cap rates.

DPU and NAV-accretive share buyback programme. EREIT has acquired and subsequently cancelled a total of c.9.7m units to date. The total amount spent on these share buybacks is c.S$2.7m, with an average acquisition price per unit of S$0.2805. Share buybacks continue to be considered an option, especially if units are trading at a significant discount to NAV. However, management highlighted that the likelihood of further share buybacks in the near term is low. This is attributed to the recovery of the unit price and the availability of debt headroom that can be utilised for other revenue growth initiatives, such as acquisitions or AEIs.

Recycling of capital has begun with the acquisition of a stake in ESR Japan Income Fund. EREIT is acquiring an 8.4% stake in the fund for US$70m (c.S$93.0m). The fund currently consists of five freehold logistics assets with an average age that is relatively young, standing at just 3.9 years. The properties are fully occupied with a WALE of 4.2 years on average. The investment is expected to have a cash-on-cash yield of c.5.0%, implying an accretion of c.1.8% to DPU. As the investment is set to be fully funded by new JPY loans with an all-in cost of c.1.5%, the gearing of EREIT is expected to increase slightly to around c.37%. The acquisition is scheduled to be completed in June 2024.

Our views.

The overall sentiment remains optimistic regarding EREIT's ongoing portfolio rejuvenation efforts, which has led to a **significant improvement in its balance sheet metrics**, with gearing now at only 35.7%. However, the improvement in gearing has come at the cost of divestments. The divestments, combined with an enlarged unit base, may exert pressure on DPU in the near term. Despite this, the **expectation is for DPU to gradually improve in the medium term**. This improvement is anticipated to materialise as proceeds from divestments are gradually redeployed into acquisitions, AEIs, and redevelopment projects.

Our projections have not assumed any acquisitions, presenting an avenue for a potential upside to our estimates. The expectation is that **EREIT will leverage its debt headroom to pursue accretive acquisitions** as part of its ongoing portfolio rejuvenation exercise.

In summary, the positive outlook is supported by the improvement in its balance sheet metrics and the strategic approach to portfolio management. The **short-term pressure on DPU is viewed as a trade-off for long-term gains**, especially as funds are strategically redeployed into growth initiatives. The potential for acquisitions further underscores the proactive stance taken by EREIT in maximising value for its unitholders. As such, we will be maintaining our **BUY** recommendation with TP unchanged at **S$0.34**.

Areas to watch: i) How quickly debt headroom would be redeployed to drive earnings growth, ii) rental reversions in FY24 as the Zc.18.1% of leases are renewed, and iii) interest rate movements, as borrowing costs are widely expected to remain relatively stable.

Company Background

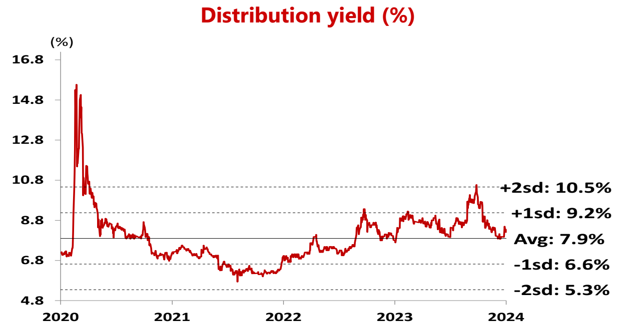
Following the successful merger with ARA LOGOS Logistics Trust (ALOG) on 28 April 2022, ESR REIT was renamed ESR-LOGOS REIT (EREIT). Including the c.S$2.0bn ALOG portfolio, EREIT's total assets are valued at c.S$5.5bn. Its portfolio consists of 81 properties in Singapore, Japan, and Australia, as well as investments in three property funds which make up c.7.8% of EREIT's AUM (EREIT's stake in the funds is valued at c.A$377.8m).

Interim Income Statement (S$m)

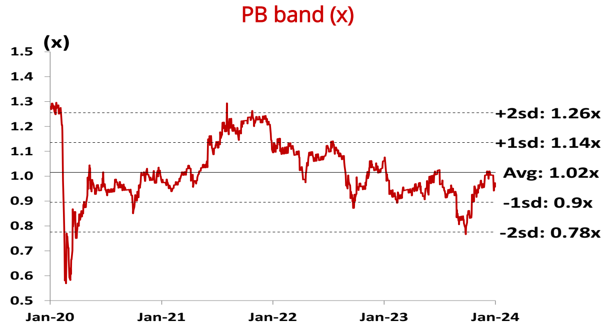
FY Dec	2H2022	1H2023	2H2023	% chg yoy	% chg hoh
Gross revenue	196	197	190	(3.1)	(3.7)
Property expenses	(54.1)	(56.0)	(57.2)	5.7	2.1
Net Property Income	141	141	132	(6.5)	(6.0)
Other Operating expenses	(14.3)	(15.0)	(13.3)	(7.1)	(11.2)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	2.22	1.96	1.92	(13.4)	(1.8)
Net Interest (Exp)/Inc	(52.1)	(40.3)	(53.6)	(2.9)	(33.1)
Exceptional Gain/(Loss)	43.2	(1.8)	(7.1)	nm	294.4
Net Income	126	76.4	180	42.8	136.3
Tax	2.37	(0.2)	2.31	(2.4)	nm
Minority Interest	(4.3)	(2.4)	(1.3)	68.6	(44.7)
Net Income after Tax	124	73.7	181	45.8	146.1
Total Return	67.9	(22.3)	70.7	4.3	(417.9)
Non-tax deductible Items	26.8	110	134	399.1	21.0
Net Inc available for Dist.	103	97.1	213	107.7	119.8
Ratio (%)					
Net Prop Inc Margin	72.3	71.5	69.8		
Dist. Payout Ratio	300.0	300.0	300.0		

Source of all data: Company, DBS Bank Ltd

Historical Distribution Yield and PB band



Source: Bloomberg Finance L.P., DBS Bank Ltd estimates



Source: Bloomberg Finance L.P., DBS Bank Ltd estimates

Income Statement (S$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Gross revenue	241	343	386	364	372
Property expenses	(68.0)	(99.0)	(113)	(99.9)	(102)
Net Property Income	173	244	273	264	270
Other Operating expenses	(16.1)	(15.2)	(19.1)	(14.4)	(11.9)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	7.70	5.34	3.88	5.58	5.61
Net Interest (Exp)/Inc	(55.7)	(86.0)	(108)	(94.1)	(96.7)
Exceptional Gain/(Loss)	39.0	39.2	(48.7)	0.0	0.0
Net Income	148	188	101	161	167
Tax	(2.2)	(9.5)	2.10	0.0	0.0
Minority Interest	(4.1)	(6.8)	(3.8)	(2.6)	(2.6)
Preference Dividend	(6.9)	(12.0)	(18.2)	(18.2)	(18.2)
Net Income After Tax	135	159	81.2	141	146
Total Return	94.6	(290)	(85.6)	141	146
Non-tax deductible Items	18.9	438	244	40.2	35.3
Net Inc available for Dist.	114	177	193	181	181
Growth & Ratio					
Revenue Gth (%)	4.9	42.3	12.6	(5.7)	2.0
N Property Inc Gth (%)	5.5	41.0	11.8	(3.2)	2.1
Net Inc Gth (%)	116.1	17.9	(49.0)	73.3	3.8
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Prop Inc Margins (%)	71.8	71.2	70.7	72.6	72.6
Net Income Margins (%)	56.0	46.4	21.0	38.6	39.3
Dist to revenue (%)	47.4	51.6	49.9	49.7	48.8
Managers & Trustee's fees	6.7	4.4	4.9	4.0	3.2
ROAE (%)	8.9	7.9	3.3	5.7	5.9
ROA (%)	4.1	3.5	1.5	2.7	2.8
ROCE (%)	5.0	5.0	4.9	5.0	5.1
Int. Cover (x)	2.8	2.7	2.3	2.7	2.7

Dip in revenues as a result of the S$440.6m in asset divestments in FY23

Source: Company, DBS Bank Ltd

Interim Income Statement (S$m)

FY Dec	2H2021	1H2022	2H2022	1H2023	2H2023
Gross revenue	121	148	196	197	190
Property expenses	(35.2)	(44.9)	(54.1)	(56.0)	(57.2)
Net Property Income	86.3	103	141	141	132
Other Operating	(9.0)	(12.1)	(14.3)	(15.0)	(13.3)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	4.48	3.13	2.22	1.96	1.92
Net Interest (Exp)/Inc	(28.2)	(33.9)	(52.1)	(40.3)	(53.6)
Exceptional Gain/(Loss)	15.0	(439)	43.2	(1.8)	(7.1)
Net Income	70.1	(374)	126	76.4	180
Tax	(2.2)	(11.9)	2.37	(0.2)	2.31
Minority Interest	(2.1)	(2.5)	(4.3)	(2.4)	(1.3)
Net Income after Tax	65.7	(389)	124	73.7	181
Total Return	39.5	(346)	67.9	(22.3)	70.7
Non-tax deductible Items	20.8	411	26.8	110	134
Net Inc available for Dist.	63.7	68.9	103	97.1	213
Growth & Ratio					
Revenue Gth (%)	1	22	32	1	(4)
N Property Inc Gth (%)	(1)	19	38	0	(6)
Net Inc Gth (%)	(2)	(691)	(132)	(41)	146
Net Prop Inc Margin (%)	71.1	69.6	72.3	71.5	69.8
Dist. Payout Ratio (%)	300.0	300.0	300.0	300.0	300.0

Lower financing costs, as divestment proceeds have been utilised to repay loans

Balance Sheet (S$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Investment Properties	3,146	5,103	4,687	4,692	4,698
Other LT Assets	107	404	347	440	440
Cash & ST Invts	24.2	50.0	42.0	68.8	97.8
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	23.1	40.7	27.3	27.8	28.4
Other Current Assets	29.3	56.6	3.43	3.43	3.43
Total Assets	3,330	5,654	5,106	5,232	5,267
ST Debt	209	245	180	180	180
Creditor	64.3	91.6	77.9	98.8	101
Other Current Liab	74.8	69.6	71.1	71.1	71.1
LT Debt	981	2,368	1,968	2,070	2,100
Other LT Liabilities	251	30.2	44.1	44.1	44.1
Unit holders' funds	1,749	2,849	2,765	2,765	2,765
Minority Interests	0.0	0.0	0.0	2.58	5.20
Total Funds & Liabilities	3,330	5,654	5,106	5,232	5,267
Non-Cash Wkg. Capital	(86.8)	(63.9)	(118)	(139)	(140)
Net Cash/(Debt)	(1,167)	(2,564)	(2,106)	(2,181)	(2,183)
Ratio					
Current Ratio (x)	0.2	0.4	0.2	0.3	0.4
Quick Ratio (x)	0.1	0.2	0.2	0.3	0.4
Aggregate Leverage (%)	42.3	46.2	42.1	43.0	43.3

Source: Company, DBS Bank Ltd

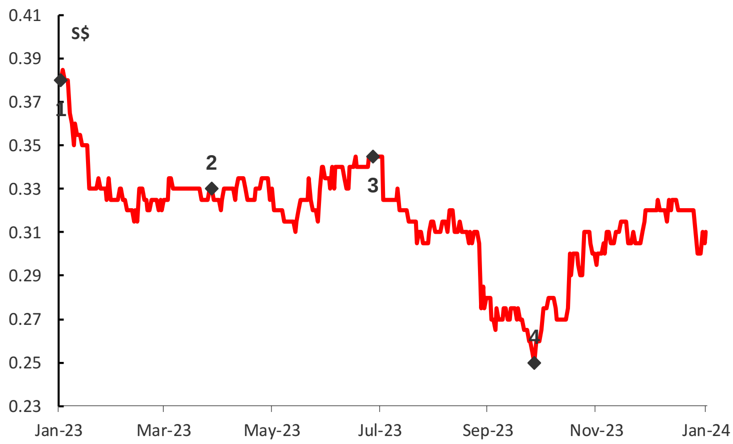
Divestment proceeds have been utilised to repay loans.

Cash Flow Statement (S$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Pre-Tax Income	141	176	82.9	143	149
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	0.0	(1.0)	(3.4)	0.0	0.0
Associates &JV Inc/(Loss)	(7.7)	(5.3)	(3.9)	(5.6)	(5.6)
Chg in Wkg.Cap.	6.80	(33.2)	2.87	20.3	1.42
Other Operating CF	23.3	52.3	178	40.2	35.3
Net Operating CF	164	188	256	198	180
Net Invt in Properties	(28.5)	(56.6)	441	(5.3)	(5.4)
Other Invts (net)	(71.3)	(98.6)	(93.5)	0.0	0.0
Invts in Assoc. & JV	0.0	(107)	0.0	(93.0)	0.0
Div from Assoc. & JVs	5.00	4.82	3.88	5.58	5.61
Other Investing CF	(54.6)	(9.9)	10.8	0.0	0.0
Net Investing CF	(149)	(267)	362	(92.7)	0.21
Distribution Paid	(118)	(87.6)	(202)	(181)	(181)
Chg in Gross Debt	16.6	141	(506)	102	30.4
New units issued	146	(0.9)	295	0.0	0.0
Other Financing CF	(60.2)	40.2	(212)	0.0	0.0
Net Financing CF	(16.0)	93.1	(626)	(78.7)	(151)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(1.6)	14.4	(7.5)	26.8	29.0
Operating CFPS (S cts)	3.95	3.77	3.38	2.31	2.32
Free CFPS (S cts)	3.41	2.24	9.30	2.51	2.27

Source: Company, DBS Bank Ltd

Target Price & Ratings 12-mth History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	01 Feb 23	0.38	0.44	BUY
2:	27 Apr 23	0.33	0.40	BUY
3:	27 Jul 23	0.35	0.38	BUY
4:	26 Oct 23	0.25	0.34	BUY

***Note** : Share price and Target price are adjusted for corporate actions.*

Source: DBS Bank Ltd

Analysts: Dale LAI

Derek TAN

DBS Group Research recommendations are based on an Absolute Total Return* Rating system, defined as follows:
STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 2 Feb 2024 07:18:09 (SGT)
Dissemination Date: 2 Feb 2024 07:52:08 (SGT)

Sources for all charts and tables are DBS Bank Ltd unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

(a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
(b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate[1] does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests[2] in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in ESR-LOGOS REIT recommended in this report as of 31 Dec 2023.

2. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in ESR-LOGOS REIT recommended in this report as of 31 Dec 2023.

3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates beneficially own a total of 1% or more of any class of common equity securities of ESR-LOGOS REIT as of 31 Dec 2023.

Compensation for investment banking services:

4. DBS Bank Ltd, DBS HK, DBSVS their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from ESR-LOGOS REIT as of 31 Dec 2023.

5. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for ESR-LOGOS REIT in the past 12 months, as of 31 Dec 2023.

[1] An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

6. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

Disclosure of previous investment recommendation produced:

7. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946. DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws. Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.
Hong Kong	This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore. For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies. Wong Ming Tek, Executive Director, ADBSR
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd. For any query regarding the materials herein, please contact Chanpen Sirithanarattanakul at research@th.dbs.com

United Kingdom	This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore. This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch (“DBS UK”). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules. This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates. DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our--network/default.page. Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC. Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010). The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way. Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG
DBS Bank (Hong Kong) Ltd
Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE
DBS Bank Ltd
Contact: Andy Sim
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA
PT DBS Vickers Sekuritas (Indonesia)
Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaresearch@dbs.com

THAILAND
DBS Vickers Securities (Thailand) Co Ltd
Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand