



# CapitaLand Investor Day 2018

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# Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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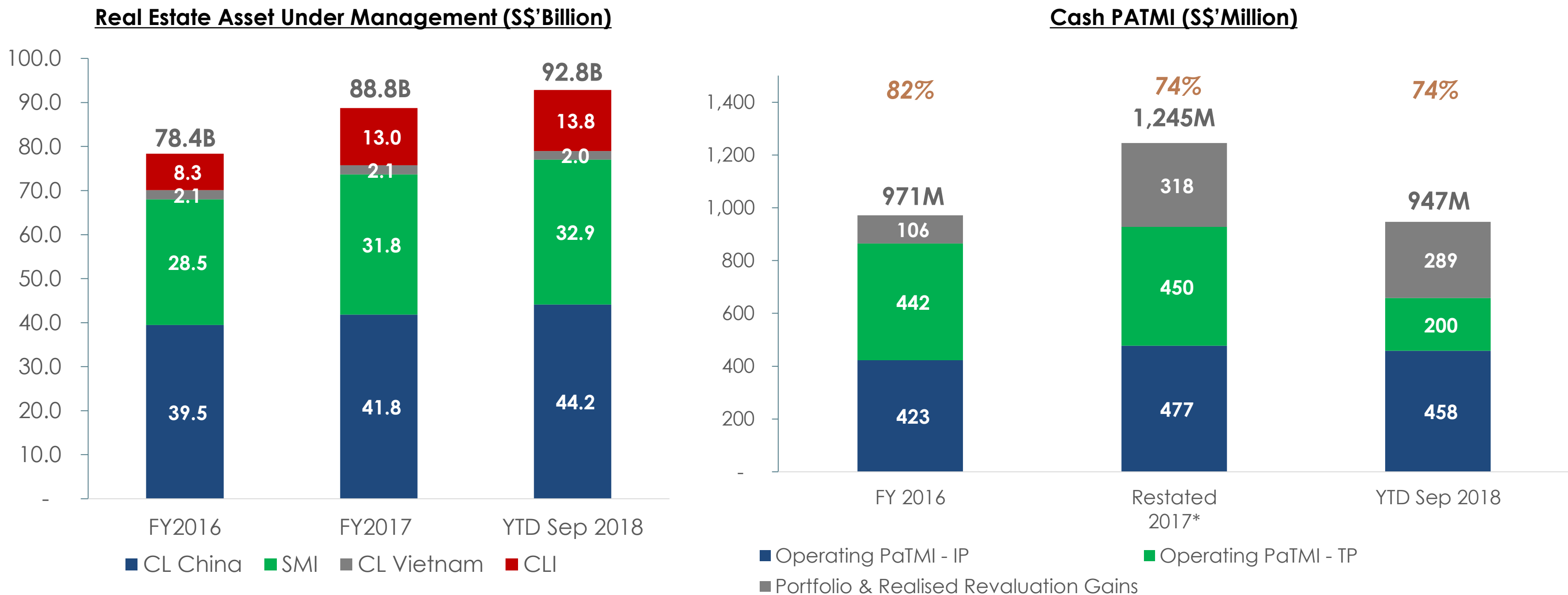
# Building Quality Earnings



Artist's Impression Of Raffles City Chongqing, China



# Strong Recurring Income In Line With AUM Growth

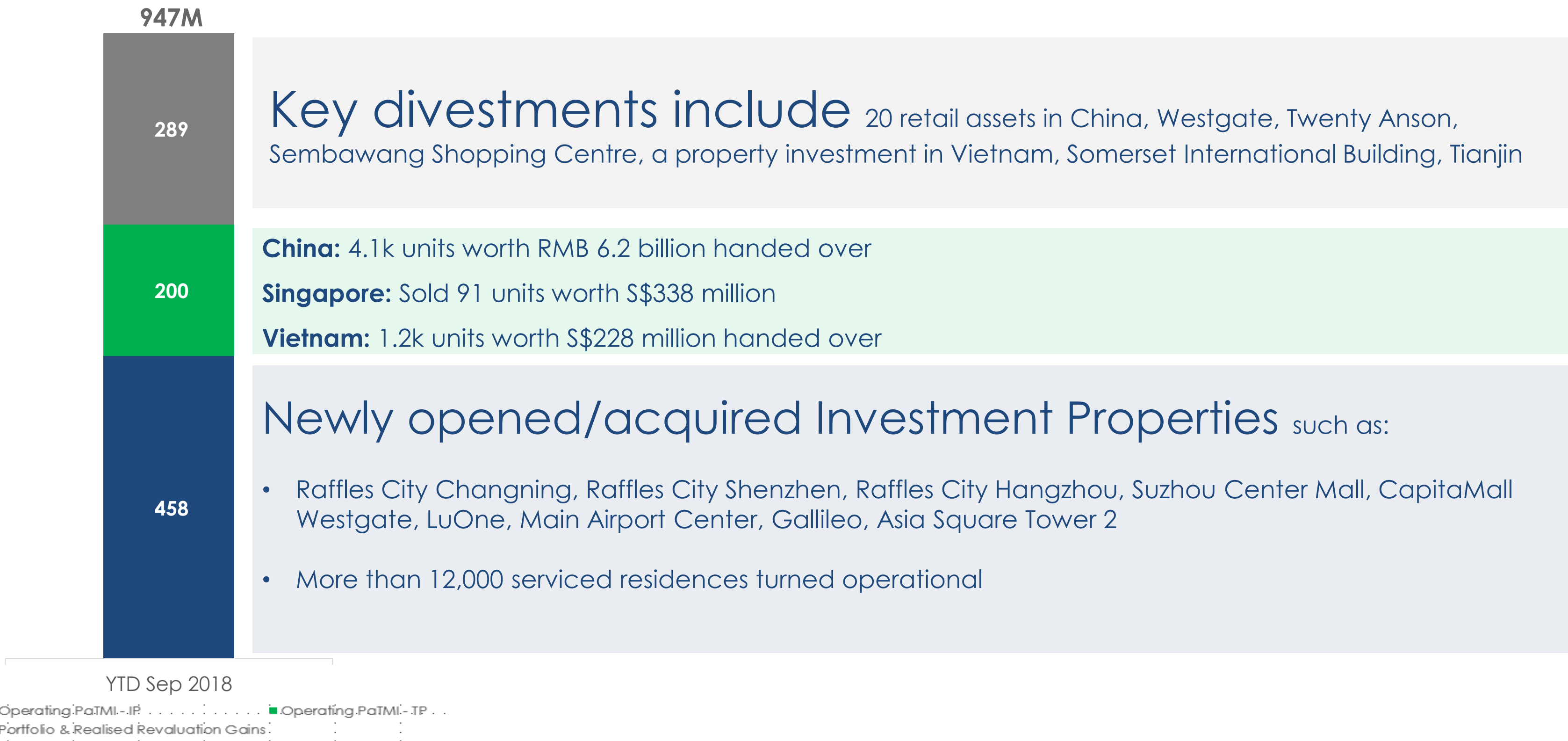


High Quality Cash PATMI. Average Cash PATMI Made Up 78% Of Total PATMI

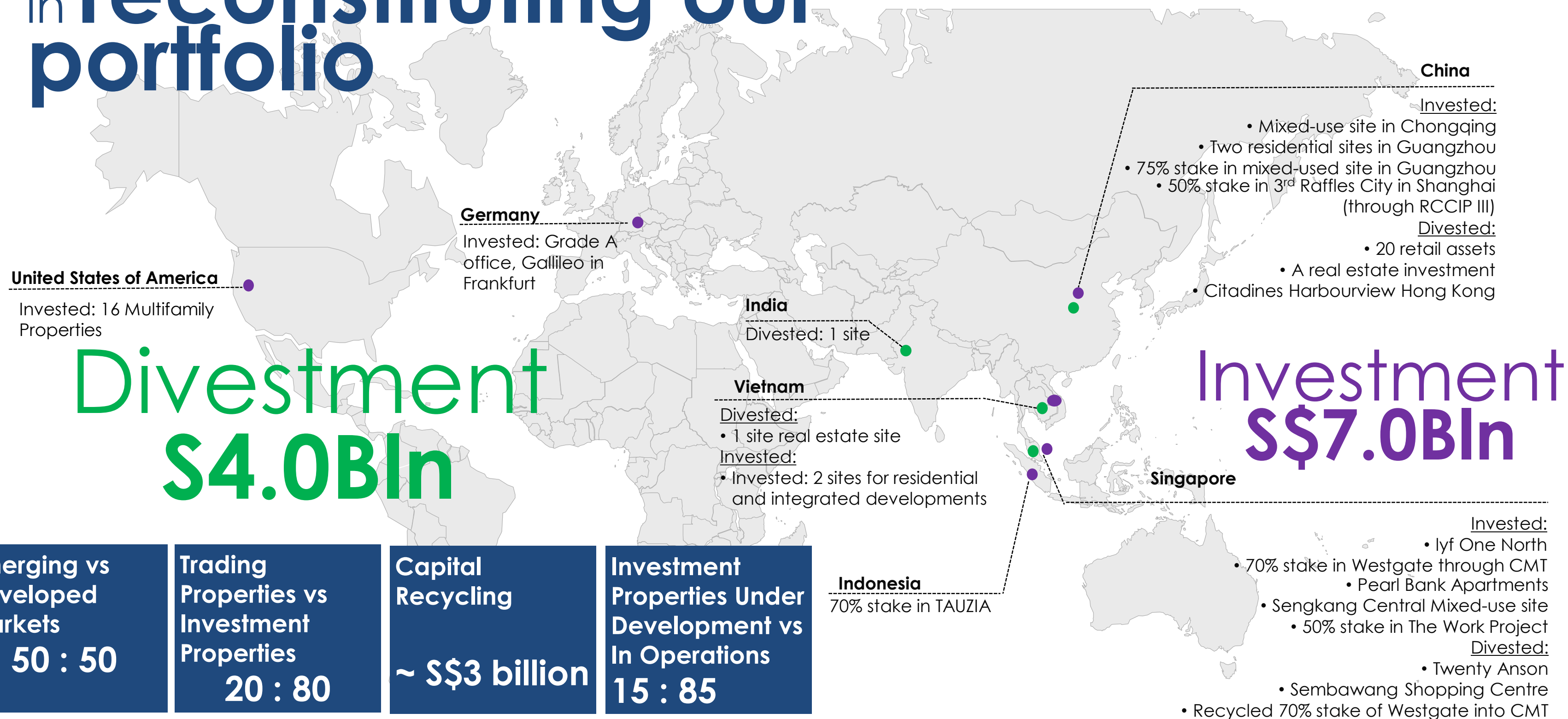
Note:  
• Restated for retrospective adjustments relating to SFRS(I)15 Revenue from Contracts with Customers

# Strong Recurring Income In Line With AUM Growth

Cash PATMI (\$\$'Million)



In 2018, we made significant inroads  
in **reconstituting our portfolio**



Note:

- Figures includes assets divested to unrelated parties and CapitaLand REITs/ Funds and acquired by CapitaLand/ CapitaLand REITs/ Funds from unrelated parties. Purchase consideration figures are on 100% basis. Gain on divestments are based on effective stakes.



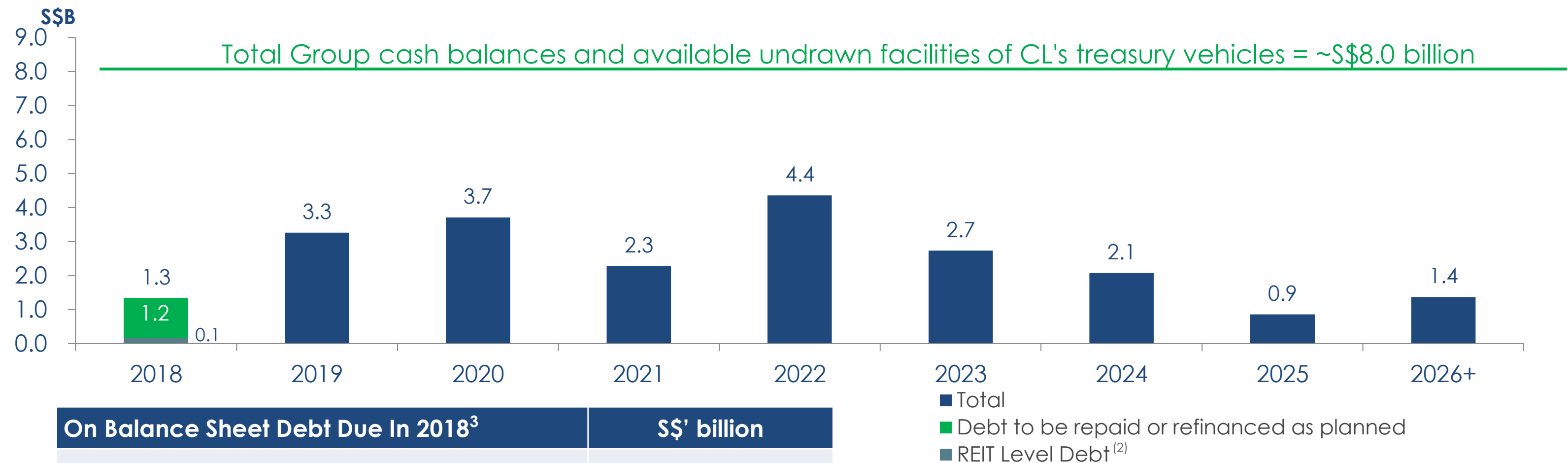
# Balance Sheet Resilience



Suzhou Mall, China



# Well Managed Debt Maturity



On Balance Sheet Debt Due In 2018 <sup>3</sup>	\$B' billion
To be refinanced	0.6
To be repaid	0.7
Total	1.3
As a % of Total On Balance Sheet Debt	6.1%

As of 31 Oct 2018, \$600m has been repaid and refinancing of \$500m has been secured

Well Managed Average Debt Maturity of 3.4 years  
Maintain Relatively High Proportion Of Fixed Rate Borrowings (74% / 26% Fixed/Floating Ratio)

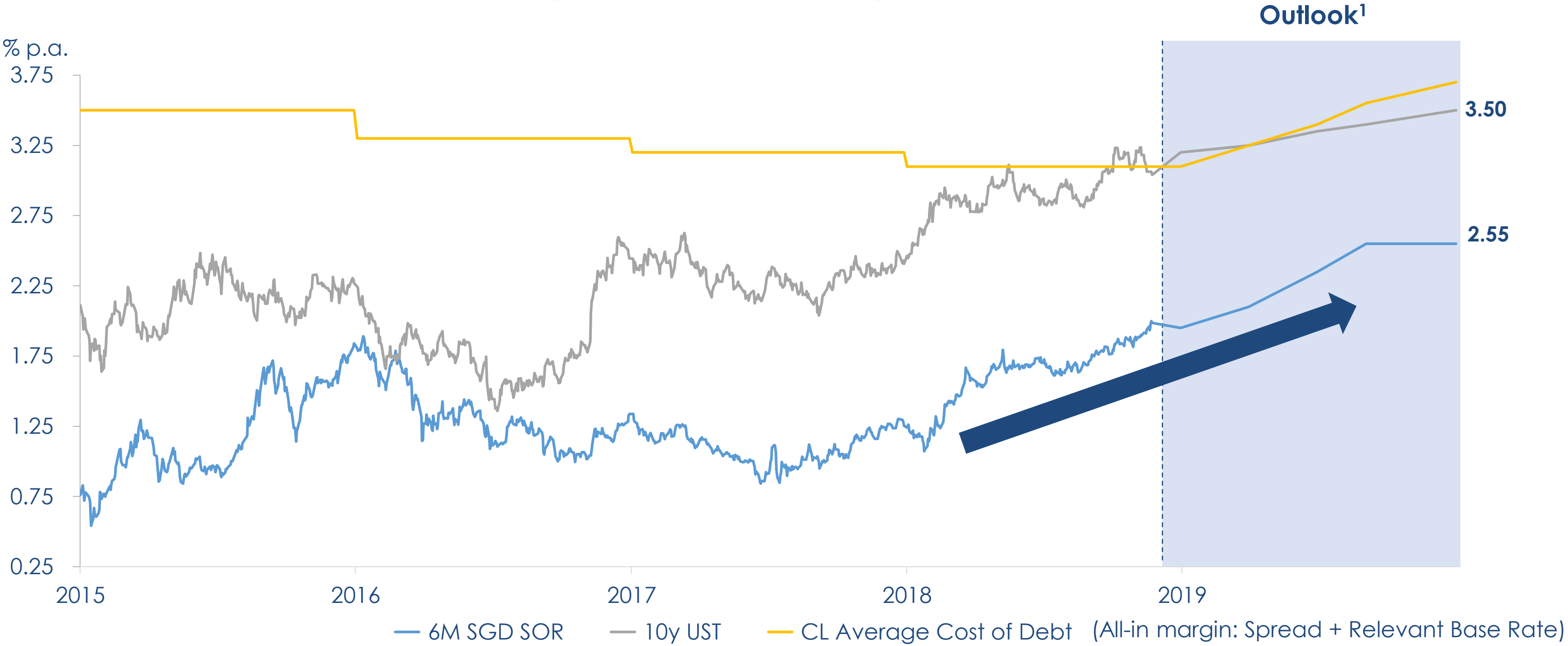
Notes:

(1) Based on the put dates of the convertible bonds.

(2) Ascott Residence Trust (ART), CapitaLand Commercial Trust (CCT), CapitaLand Mall Trust (CMT), CapitaLand Malaysia Mall Trust (CMMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (Raffles City Singapore – directly held by CCT and CMT)



# Interest Rate Movement (Historical and Outlook)



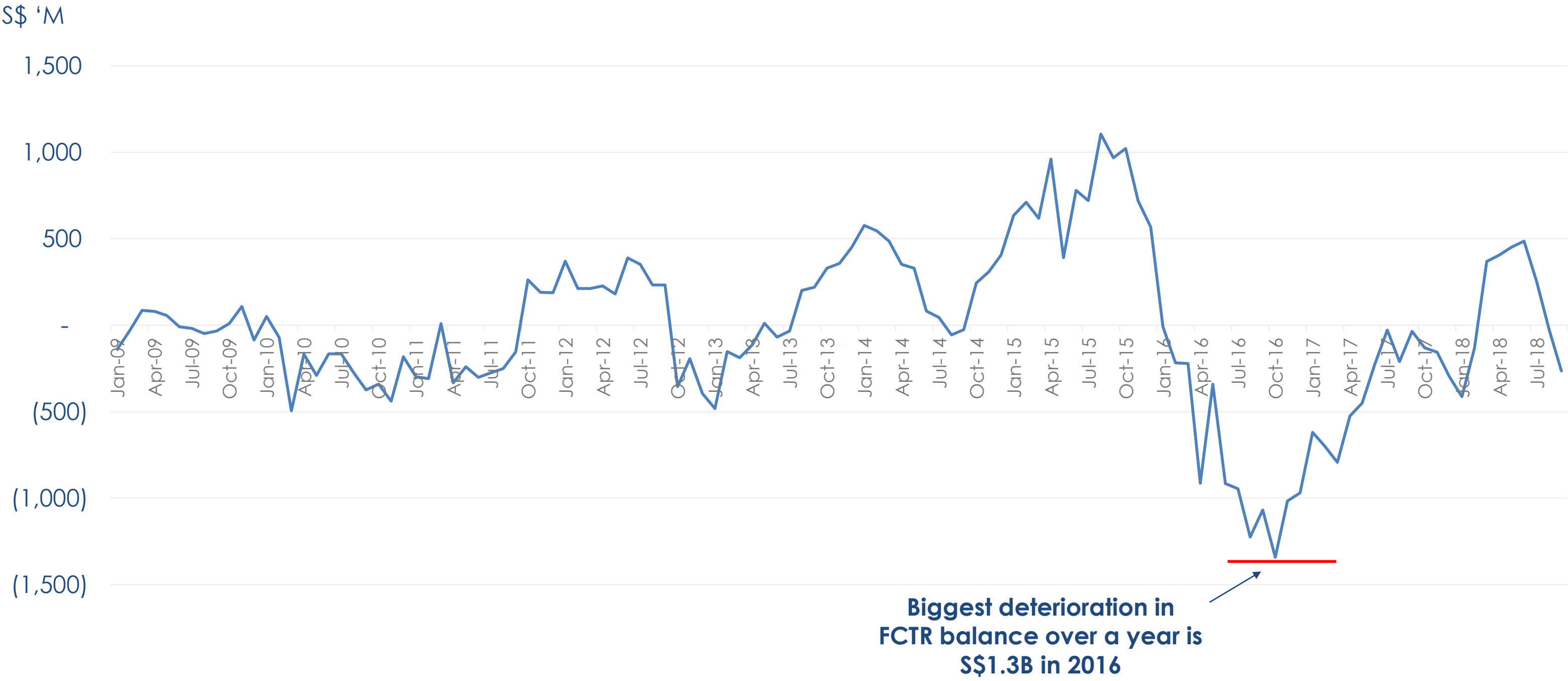
**Interest Rates Have Moved Upwards over the Past Two Years And Rates Are Expected to Continue This Upward Trend**

Notes:  
(1) Outlook obtained from various bank sources.



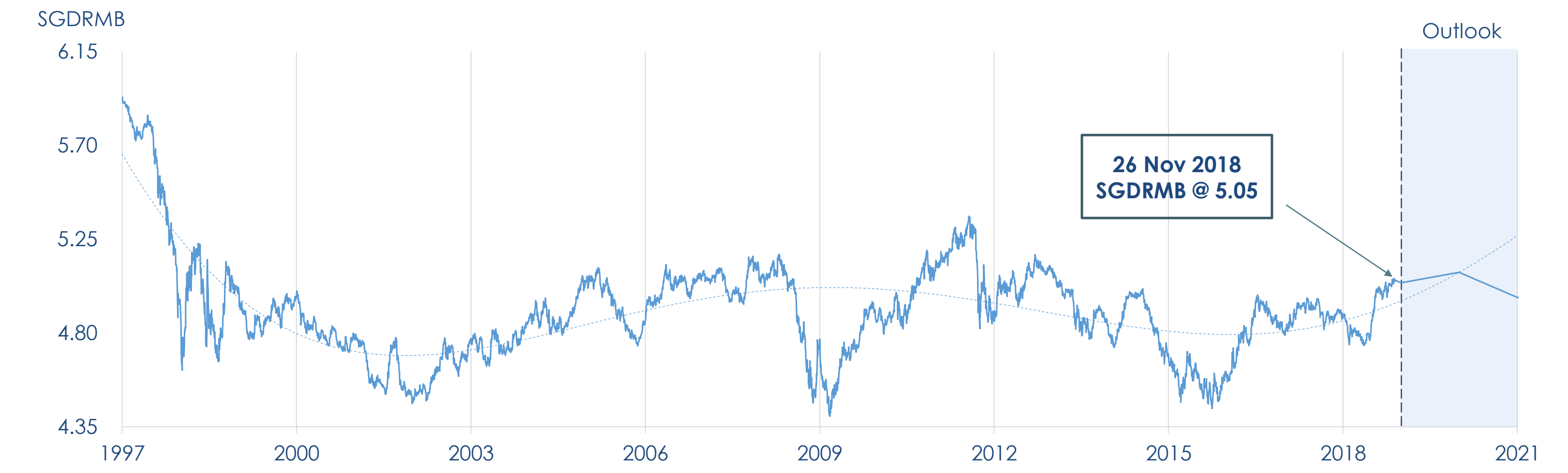
# “We Have Been Here Before” – CL Group FCTR Y-o-Y Movement

(2008 - 2018)





# SGDRMB Rate – Historical and 3 Years Bloomberg Forecast



SGDRMB	1997 – 2001	2002 - 2006	2007 - 2012	2013 - 2017	Bloomberg Outlook			
					2018	2019	2020	2021
Average	4.97	4.84	4.97	4.81	5.04	5.09	4.97	4.94
Period Δ RMB App/ (Dep)	24.4%	(13.6%)	(0.1%)	4.7%	(3.2%)	(1.0%)	2.4%	0.6%

RMB Is Forecasted To Appreciate Against SGD BY 2.6% (0.86% p.a.) From Current - 2021

# Managing Foreign Exchange Movement

## Sensitivity Test

<b>Income Statement</b>	<ul style="list-style-type: none"><li>• Mainly from translation of results from China operations</li><li>• Estimated impact: 1% RMB depreciation against SGD will impact net profit<sup>1</sup> by 0.2%</li></ul>
<b>Balance Sheet</b>	<ul style="list-style-type: none"><li>• Mainly from translation of net investments in China</li><li>• Estimated impact: 1% RMB depreciation against SGD will impact shareholders' funds<sup>1</sup> by 0.6%</li></ul>

## Mitigants to RMB Exposure

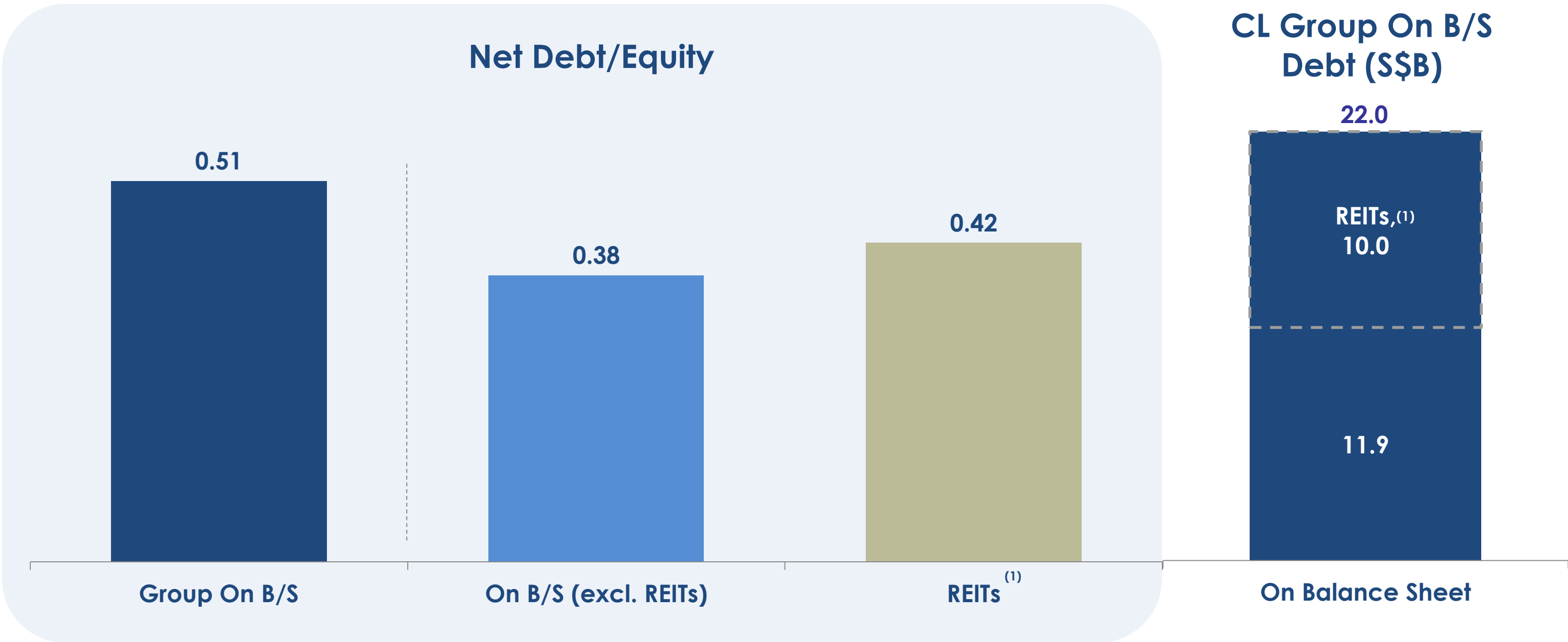
- Natural hedge where possible
- Derivatives hedge only when clear divestment & repatriation timing – e.g. core/ascertained dividends, divestment proceeds that will be repatriated
- Explore RMB denominated capital markets products

Note:

1. Based on YTD Sept 2018 figures.



# CL Group On Balance Sheet Debt (As At 30 September 2018)



**Majority Of On Balance Sheet Debt Are Held Under 5 CL REITs Backed By Core Assets  
(Gearing Is Regulated By MAS Property Fund Appendix / Securities Commission Malaysia Guidelines)**

Notes:  
(1) The Group consolidated Ascott Residence Trust (ART), CapitaLand Commercial Trust (CCT), CapitaLand Mall Trust (CMT), CapitaLand Malaysia Mall Trust (CMMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (Raffles City Singapore – directly held by CCT and CMT) under FRS110.

# Balance Sheet Remains Strong

0.51

NET DEBT / EQUITY

0.29

NET DEBT / TOTAL ASSETS<sup>1</sup>

7.4

INTEREST COVERAGE RATIO<sup>2</sup>

4.3

INTEREST SERVICE RATIO<sup>2</sup>

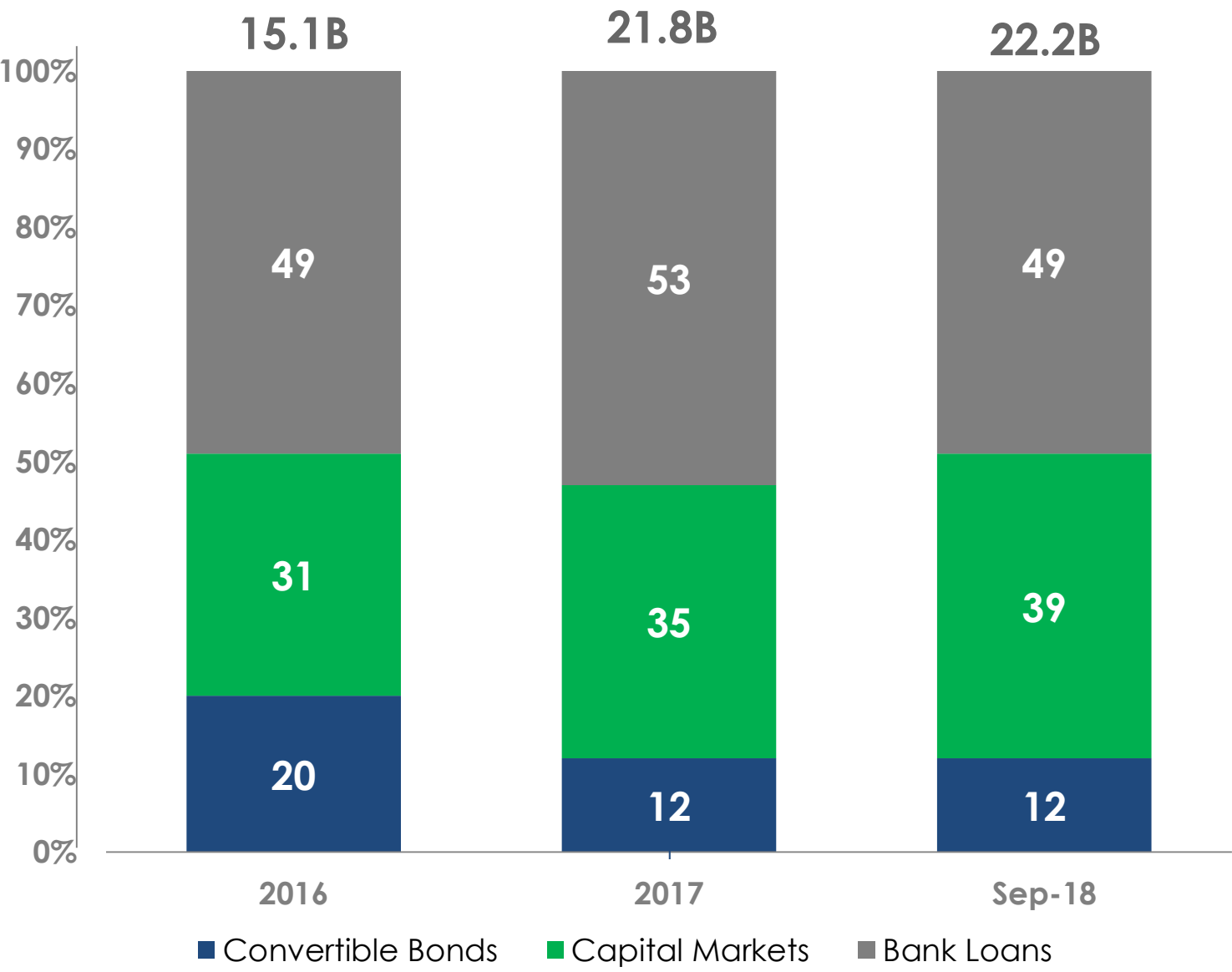
74%

% FIXED RATE DEBT

3.4

AVG DEBT MATURITY<sup>3</sup> (YR)

% of Total Debt



We Retain Diversified Funding Sources

Note:  
1. Total assets excludes cash  
2. On a run rate basis. Interest Coverage Ratio = EBITDA/ Net Interest Expenses; Interest Service Ratio = Operating Cashflow/ Net Interest Paid. EBITDA includes revaluation gain  
3. Based on put dates of Convertible Bond holders



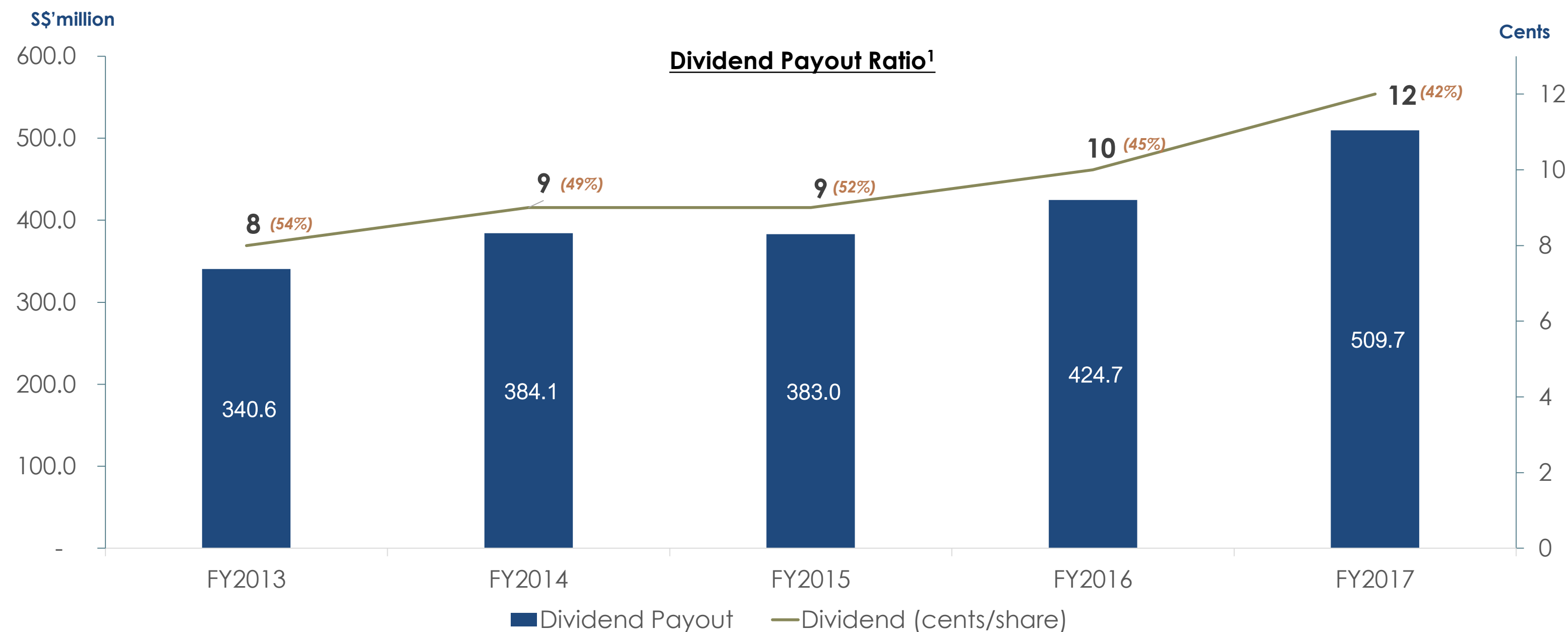
# Delivering Sustainable Shareholders Value



Raffles City Singapore



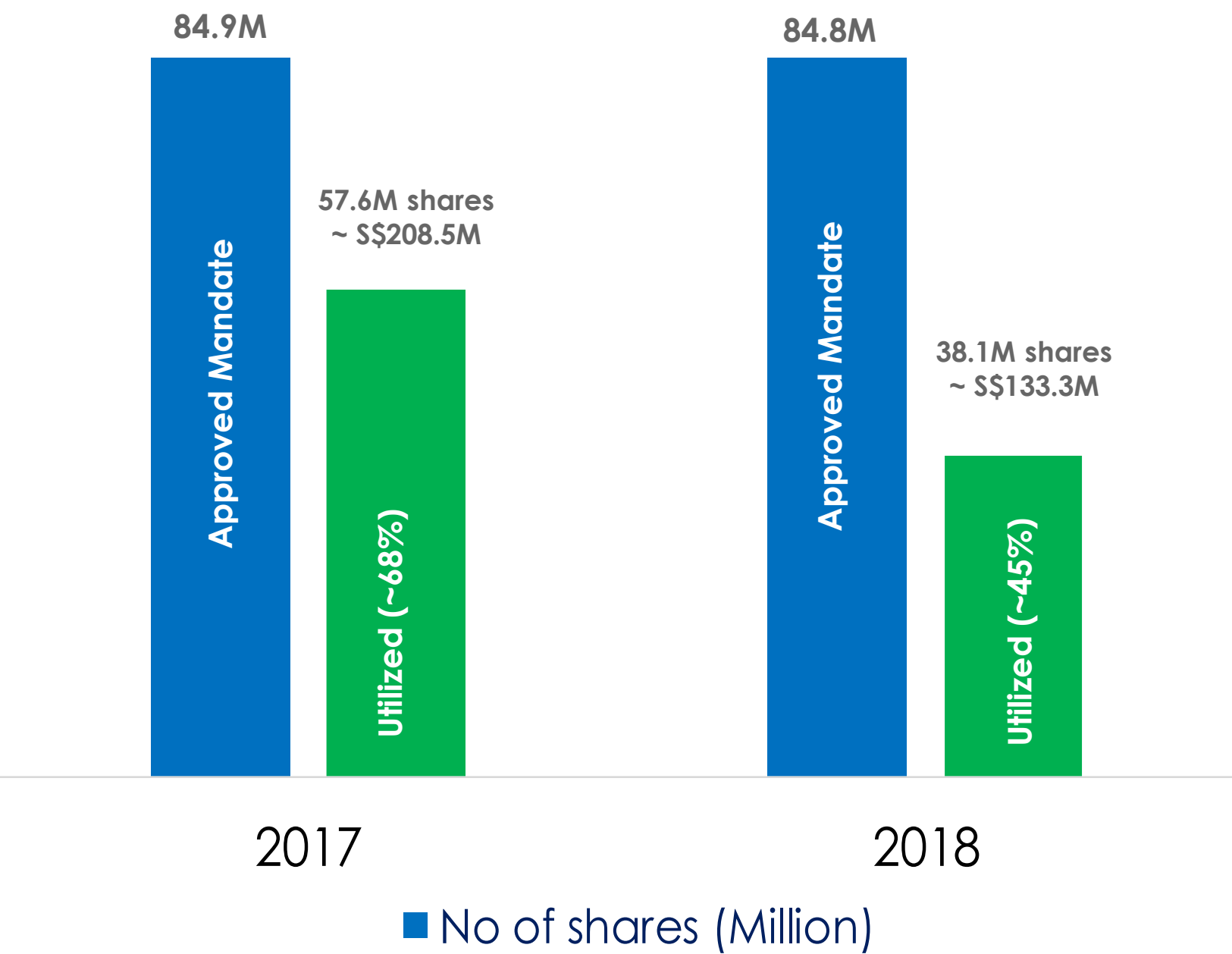
# Growing Dividends On A Sustainable Basis



Note:  
1. Total Dividend Payout as a % of Cash PATMI  
2. The Company's policy is to declare a dividend of at least 30% of the annual profit after tax and non-controlling interests.



# Focused On Delivering Sustainable Shareholders Value

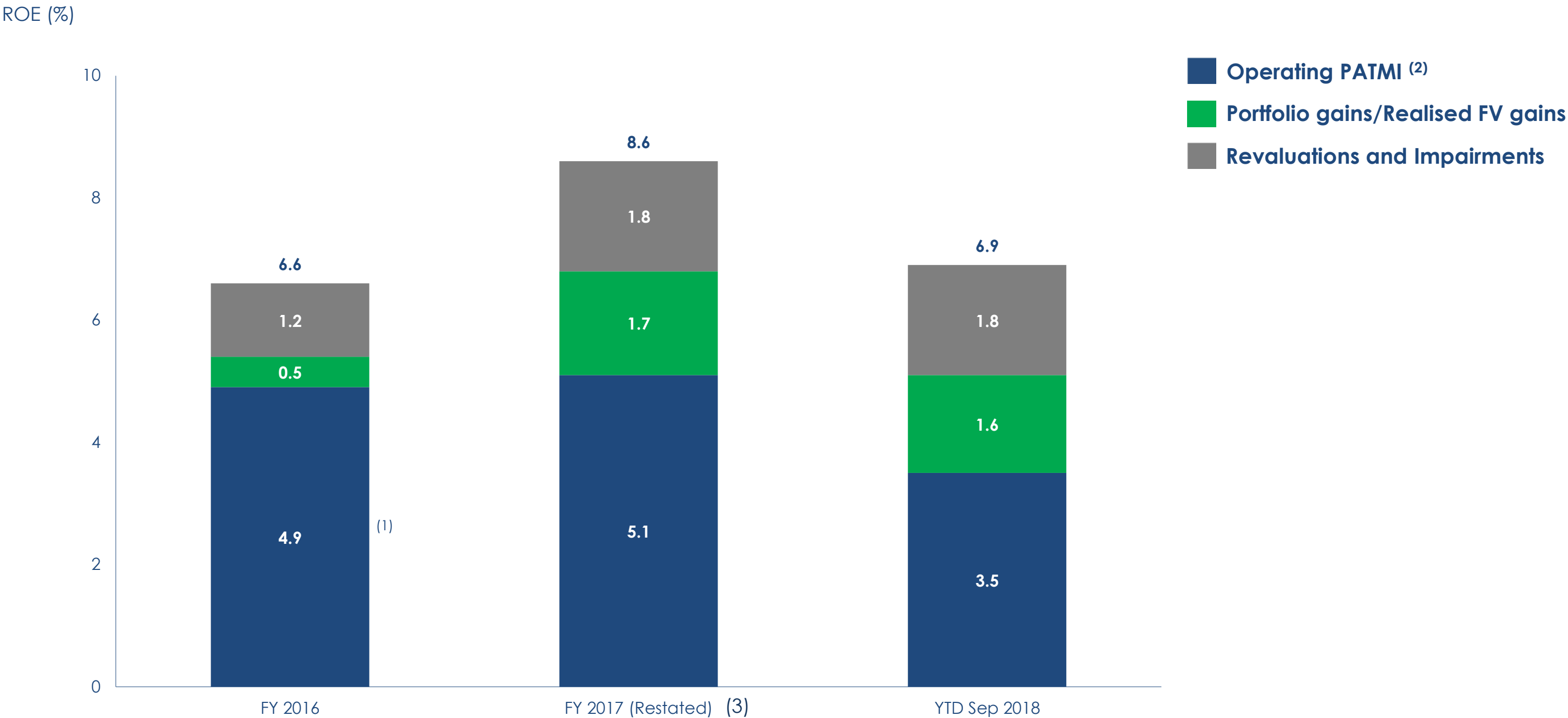


**S\$341.8 Million**  
Repurchased shares in value  
(95.7 million shares)

**S\$3.57 / share**  
Price-to-Book ratio of ~0.8  
times

Effective Deployment Of Capital

# Target To Consistently Achieve Return Of Equity In Excess Of Cost Of Equity



Note:  
1. Include fair value arising from change in use of development projects of \$30.5 million in FY 2016  
2. Include corporate and unallocated cost  
3. Comparatives have been restated due to adoption of SFRS (I) 15 Revenue from Contracts with Customers



# Conclusion



Artist's Impression Of 3rd Raffles City Integrated Development in Shanghai, China



# We Want To Leave You With 3 Important Points

- 1 Well-balanced portfolio with stable recurring income**
- 2 Positioning our Balance Sheet for future growth**
- 3 On track to deliver sustainable return above cost of equity**





CapitaLand

Thank You