

## PRESS RELEASE

### Mapletree Industrial Trust Achieves 16.7% Year-on-Year Growth for 1QFY21/22 Distribution per Unit

- Growth underpinned by contributions from the North American data centres
- Scales up data centre presence with the completion of the US\$1.32 billion acquisition of 29 data centres (the “US Portfolio Acquisition”) in the United States of America (the “United States”)
- Inaugural issuance of S\$300 million of perpetual securities and successful completion of an S\$823.3 million equity fund raising exercise

27 July 2021 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that MIT’s distribution per Unit (“DPU”) for the First Quarter Financial Year 2021/2022 from 1 April 2021 to 30 June 2021 (“1QFY21/22”) increased by 16.7% to 3.35 cents from 2.87 cents in 1QFY20/21.

#### Financial Results of MIT for 1QFY21/22

	1QFY21/22	4QFY20/21	↑/(↓)%	1QFY20/21	↑/(↓)%
Gross revenue (S\$'000)	<b>128,059</b>	121,062	5.8	99,106	29.2
Property expenses (S\$'000)	<b>(23,340)</b>	(29,254)	(20.2)	(20,454)	14.1
Net property income (S\$'000)	<b>104,719</b>	91,808	14.1	78,652	33.1
Amount available for distribution to Unitholders (S\$'000)	<b>82,696</b>	70,748	16.9	70,558	17.2
No. of units in issue ('000)	<b>2,659,368</b>	2,351,158	13.1	2,201,500	20.8
DPU (cents)	<b>3.35</b>	3.30 <sup>1</sup>	1.5	2.87 <sup>1</sup>	16.7

Gross revenue and net property income for 1QFY21/22 increased by 29.2% and 33.1% year-on-year to S\$128.1 million and S\$104.7 million respectively. This was mainly due to the

<sup>1</sup> Tax-exempt income amounting to S\$7.1 million was previously withheld in 1QFY20/21 and was subsequently distributed in 4QFY20/21.

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consolidation of revenue and expenses from the 14 data centres in the United States, the contribution from the recent acquisition of 8011 Villa Park Drive, Richmond, Virginia as well as the absence of rental reliefs provided to tenants in 1QFY21/22.

Accordingly, the amount available for distribution to Unitholders for 1QFY21/22 grew 17.2% year-on-year to S\$82.7 million. DPU of 3.35 cents for 1QFY21/22 was 16.7% higher than 2.87 cents in 1QFY20/21<sup>2</sup>.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The strategic addition of the portfolio of 29 data centres in key data centre markets in the United States will help strengthen MIT’s resilience with the increased freehold land component and long leases with annual rental escalations. Our growth strategy is supported by the inaugural issuance of S\$300 million of perpetual securities and successful completion of an S\$823.3 million equity fund raising exercise. Our large and diversified tenant base as well as proactive portfolio rebalancing efforts will put MIT in a good stead to weather the uncertainties ahead.”

### **Portfolio Update for 1QFY21/22**

Average Overall Portfolio occupancy for 1QFY21/22 rose to 94.3% from 93.7% in the preceding quarter. This was attributed to the full quarter impact of the completion of the acquisition of 8011 Villa Park Drive, Richmond, Virginia in the United States and an improvement in average occupancy for the Singapore Portfolio. The average occupancy for the Singapore Portfolio for 1QFY21/22 increased to 93.4% from 92.9% in the preceding quarter as higher occupancies were registered for Hi-Tech Buildings, Flatted Factories and Stack-up/Ramp-up Buildings.

The average rental rate of the Singapore Portfolio also increased to S\$2.13 per square foot per month (“psf/mth”) in 1QFY21/22 from S\$2.05 psf/mth in 4QFY20/21. The improvement was partly due to the absence of rental reliefs provided to tenants in 1QFY21/22.

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<sup>2</sup> In view of the uncertainty from the COVID-19 pandemic, tax-exempt income of S\$7.1 million had been withheld in 1QFY20/21. Had the tax-exempt income distribution not been withheld, the DPU for 1QFY20/21 would have been 3.19 cents.

### **Completion of the US\$1.32 billion Acquisition of 29 Data Centres**

The portfolio acquisition of 29 data centres located in the United States was completed on 22 July 2021 at a purchase consideration of US\$1,320.0 million. With a total net lettable area of approximately 3.3 million square feet (“sq ft”), the 29 data centres are located across 18 states in the United States and are predominantly sited on freehold land. They are primarily leased on triple net basis with annual rental escalations from 1.5% to 3.0%.

### **Completion of the Divestment of 26A Ayer Rajah Crescent, Singapore**

The divestment of 26A Ayer Rajah Crescent, Singapore was completed on 25 June 2021. The net divestment gains of S\$15.7 million will be distributed over eight quarters from 2QFY21/22.

### **Proactive Capital Management**

In May 2021, the Manager issued S\$300 million of perpetual securities to strengthen MIT’s balance sheet. The inaugural perpetual securities will bear an initial rate of distribution of 3.15% per annum for the first five years.

During the quarter, the Manager successfully raised gross proceeds of approximately S\$823.3 million to partially finance the US Portfolio Acquisition. This comprised approximately S\$512.9 million from the private placement and approximately S\$310.4 million from the preferential offering. MIT’s weighted average all-in funding cost for 1QFY21/22 was 2.7%, with a healthy interest coverage ratio of 6.1 times<sup>3</sup>.

### **Outlook**

The global economic outlook remains uncertain, with risks around the path of the pandemic and the possibility of financial stress amid large debt loads. Following a 3.5% contraction in 2020, the global economy is set to expand 5.6% in 2021. The recovery is expected to be uneven amid highly unequal vaccine access<sup>4</sup>.

The quarterly Singapore Commercial Credit Bureau’s Business Optimism Index<sup>5</sup> marked expansionary business sentiments for the second consecutive quarter in 3Q2021. However,

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<sup>3</sup> Refers to the adjusted interest coverage ratio for the trailing 12 months.

<sup>4</sup> Source: Global Economic Prospects, June 2021, World Bank, 2021.

<sup>5</sup> Source: Singapore Commercial Credit Bureau, 3Q2021.

the changes were limited to financial services, manufacturing and services sectors. The outlook for local businesses remains mixed and uneven across different sectors<sup>6</sup>.

According to 451 Research<sup>7</sup>, North America is the world's second largest data centre region, which accounted for about 30.5% of the global insourced and outsourced data centre space (by net operational sq ft). Leased data centre supply (by net operational sq ft) and demand (by net utilised sq ft) are expected to grow at a compound annual growth rate of 7% and 8% respectively between 2019 and 2025F. The pandemic has boosted data centre demand in the short and, potentially, long term. 451 Research also expected more demand for edge infrastructure and sustainable data centres as environmental concerns become more important to local governments and end users.

MIT's large and diversified tenant base with low dependence on any single tenant or trade sector will continue to underpin its portfolio resilience.

### **Distribution to Unitholders**

On 28 June 2021, an advanced distribution of 2.21 cents per Unit for the period from 1 April 2021 to 31 May 2021 was paid to Unitholders on MIT's Unitholders register as at 31 May 2021, which was the date immediately prior to the issuance of the new units pursuant to the private placement<sup>8</sup>.

Unitholders will receive a distribution of 1.14 cents per Unit for the period from 1 June 2021 to 30 June 2021. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 4 August 2021.

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<sup>6</sup> Source: The Business Times, Singapore Business Sentiment Remains Positive for Q3: SCCB Survey, 14 June 2021.

<sup>7</sup> Source: North American Data Centre Market Overview, 451 Research/S&P Global Market Intelligence, 2021.

<sup>8</sup> Details can be found in the announcement dated 1 June 2021 titled "Actual Advanced Distribution".

For further information, please contact:

**Mapletree Industrial Trust Management Ltd.**

Melissa TAN

Director, Investor Relations

Tel: +65 6377 6113

Email: [melissa.tanhl@mapletree.com.sg](mailto:melissa.tanhl@mapletree.com.sg)

CHENG Mui Lian

Manager, Investor Relations

Tel: +65 6377 4536

Email: [cheng.muilian@mapletree.com.sg](mailto:cheng.muilian@mapletree.com.sg)

Website: [www.mapletreeindustrialtrust.com](http://www.mapletreeindustrialtrust.com)

## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

As at 30 June 2021, MIT’s total assets under management was S\$6.7 billion, which comprised 86 properties in Singapore and 28 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd). MIT’s property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

## **About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

## **About Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd (“MIPL”) is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

MIPL currently manages four Singapore-listed REIT and five private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

As at 31 March 2021, MIPL owns and manages S\$66.3 billion of data centre, industrial, lodging, logistics, mixed-use, multifamily, office, residential and retail properties. MIPL’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.