



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 11 February 2010 as amended and restated)

Press Release

ARA LOGOS Logistics Trust Announces Higher DPU of 1.326 Cents in 2Q FY20

Performance Highlights:

- Robust performance augmented by high portfolio occupancy levels and commencement of new leases at several properties
- Excluding capital and one-off distribution items, 2Q FY20 and 1H FY20 DPU would have increased 23.9% and 1.8% respectively as compared to 2Q FY19 and 1H FY19
- Inked 1.45 million square feet of leases year-to-date despite COVID-19 outbreak with only 5.2% lease expiries by GRI remaining for the rest of the year
- No further distribution income retained and S\$0.5 million of the S\$2.5 million previously retained distributable income released as part of 2Q FY20's distributable income to Unitholders

Financial Performance

In S\$'000 unless otherwise noted

	2Q FY20	2Q FY19	Change (%)	1Q FY20	Change (%)	1H FY20	1H FY19	Change (%)
Gross Revenue	29,004	27,804	4.3	28,781	0.8	57,785	58,632	(1.4)
Net Property Income ("NPI")	21,891	20,456	7.0	22,030	(0.6)	43,921	44,222	(0.7)
Distributable Income Declared to Unitholders	14,465	14,283	1.3	10,854	33.3	25,319	30,616	(17.3)
Distribution per Unit ("DPU") (cents)	1.326 ⁽¹⁾	1.321	0.4	0.997	33.0	2.323 ⁽¹⁾	2.834	(18.0)
Adjusted DPU ⁽²⁾	1.280 ⁽¹⁾⁽³⁾	1.033 ⁽⁴⁾	23.9	1.226 ⁽⁵⁾	4.4	2.506 ⁽⁶⁾	2.461 ⁽⁷⁾	1.8
No. of Units in Issue and to be issued (mil)	1,090.8	1,081.1	0.9	1,088.7	0.2	1,090.8	1,081.1	0.9

¹ Based on 1,090,825,691 units issued and to be issued as at 30 June 2020.

² For purpose for like-for-like comparisons to exclude capital and one-off distribution items only.

³ Excluded the S\$0.5 million of the S\$2.5 million previously retained distributable income released as part of 2Q FY20's distributable income.

⁴ Excluded the S\$2.7 million distribution from 51 Alps Avenue and S\$0.4 million capital distribution in 2Q FY19 for purpose of like-for-like comparison.

⁵ Included the S\$2.5 million retained distributable income in 1Q FY20 for purpose of like-for-like comparison.

⁶ Included the S\$2.0 million retained distributable income in 1H FY20 for purpose of like-for-like comparison.

⁷ Excluded the S\$0.7 million tax-exempt distribution from the divestment of Jinshan Chemical Warehouse, S\$2.5 million distribution from 51 Alps Avenue and S\$0.6 million capital distribution in 1H FY19 for purpose of like-for-like comparison.



Singapore, 28 July 2020 – ARA LOGOS Logistics Trust Management Limited, the manager (the “**Manager**”) of ARA LOGOS Logistics Trust (“**ALOG**” and formerly known as Cache Logistics Trust (“**Cache**”)), announced today a Distributable Income of S\$25.3 million for the period 1 January 2020 to 30 June 2020 (“**1H FY20**”). The distribution per unit (“**DPU**”) for 1H FY20 was 2.323 cents, of which DPU of 1.326 cents for the period 1 April 2020 to 30 June 2020 (“**2Q FY20**”) will be paid to Unitholders on 28 August 2020.

In 2Q FY20, ALOG registered a higher Gross Revenue and NPI of S\$29.0 million and S\$21.9 million, rising 4.3% and 7.0% respectively compared to 2Q FY19. The improved performance was underpinned by higher revenue generated from the commencement of new leases for certain properties during the quarter. Similarly, as compared to 1Q FY20, 2Q FY20 Gross Revenue was 0.8% marginally higher mainly due to commencement of new leases for certain properties during the quarter. 2Q FY20 NPI was however 0.6% lower marginally at S\$21.9 million from S\$22.0 million in 1Q FY20 mainly due to higher property expenses incurred during the period.

No further distributable income was retained in the second quarter of FY20. The Manager has also released S\$0.5 million out of the S\$2.5 million retained distributable income in 1Q FY20 as part of 1H FY20’s distributable income to Unitholders. The Manager will continue to review the release of the remaining S\$2.0 million retained distribution income while remaining mindful of the current conditions. The Manager will also prudently manage ALOG’s cash flow to balance between distribution to Unitholders and provisioning for future events.

Excluding the S\$2.7 million distribution from 51 Alps Avenue and S\$0.4 million capital distribution in 2Q FY19, 2Q FY20 DPU would have been 23.9% higher at 1.280 cents on a like-for-like basis as compared to the same quarter last year. Similarly, excluding the S\$0.7 million tax-exempt distribution from the divestment of Jinshan Chemical Warehouse, S\$2.5 million from the distribution of 51 Alps Avenue and S\$0.6 million capital distribution in 1H FY19, and including the S\$2.0 million retained distributable income in 1H FY20, DPU would have rose 1.8% to 2.506 cents in 1H FY20 as compared to 2.461 cents in 1H FY19.

1H FY20 Gross Revenue and NPI saw a slight decrease of 1.4% and 0.7% as compared to 1H FY19 mainly due to lower revenue from transitory downtime between replacement tenants at ALOG Cold Centre and Pandan Logistics Hub, rental waivers to be given to qualifying SME tenants as part of the rental relief framework under the COVID-19 (Temporary Measures) (Amendment) Bill and weaker Australian dollar. This was partially offset by higher revenue at ALOG Commodity Hub with the commencement of new leases in 2Q FY20 and additional rental contribution from the property in Altona, Victoria, Australia acquired in April 2019.

Strong Portfolio Performance

ALOG’s portfolio continued to achieve a stable and consistent performance. As at end-June 2020, committed occupancy was at a high 97.0% with approximately 1.45 million square feet of leases successfully executed

in 1H FY20⁸). The Manager continues to see strong demand for warehouse space on the back of factors such as higher demand for essential goods storage, national stockpiling and growth in e-commerce activities. The portfolio WALE by net lettable area stood at 2.8 years as at end-June 2020.

Chief Executive Officer of the Manager, Mr Daniel Cerf commented: “We are pleased to report that ALOG continues to see a high rental collection rate across the portfolio, while delivering an improved operating and bottom-line performance despite the global uncertainties during this period. This is underscored by a high-quality portfolio and resilience of the logistics sector, which is well-supported by structural demand drivers such as extraordinary growth in e-commerce and the distinct shifts in global supply chain management resulting from the pandemic conditions.”

Prudent Capital Management

As at 30 June 2020, aggregate leverage ratio stood at 40.4%. All-in financing cost was lower at 3.45% as compared to 1H FY19 on the back of lower floating rates and borrowing costs secured during the period. There are no further refinancing requirements until December 2021.

On foreign exchange exposure, approximately 89.4% of ALOG’s distributable income is either hedged or derived in Singapore dollars - representing minimal foreign currency risk.

ALOG’s balance sheet remains resilient and well-positioned to meet any financial obligations as and when they fall due. The Manager will continue to monitor and adapt our business where necessary as well as proactively manage the portfolio and capital structure to safeguard the long-term sustainability of Unitholders’ interests.

COVID-19 Update

ALOG’s tenants across the portfolio have remained operational throughout the pandemic. For the Singapore portfolio, the Manager has commenced passing on the property tax rebates of approximately S\$2.2 million from the Singapore Government’s Resilience Budget to its tenants. The Manager will also be granting rental waivers to the qualifying SMEs in accordance with the COVID-19 (Temporary Measures) (Amendment) Bill. The Manager is currently working with our tenants to determine the tenants that qualify for the 35% threshold decrease in revenue while awaiting more clarification from the Singapore Government end-July.

As for the Australia portfolio, there has been only two leases under ALOG’s portfolio that qualifies for waivers under the Australian Government’s Code of Conduct.

The focus of the Manager will be to continue to provide the necessary support in a targeted manner to its tenants and staff during this period.

⁸ Excluding short-term leases executed.

New CEO Appointment

On 7 July 2020, ALOG announced the appointment of Ms Karen Lee Kiah Ling, as CEO of the Manager with effect from 15 August 2020, following the announcement of the retirement of Mr Cerf. The appointment of the CEO has been approved by the relevant authorities and an announcement will be made in due course.

Mr Cerf, said: “It has been an incredible journey with ALOG. I am honored and privileged to have worked with a great team and I am thankful for their commitment and their dedication to ALOG. ALOG has embarked on a transformational journey, from LOGOS coming on board as a Sponsor to the rebranding of the REIT to signify the strong commitment from ARA and LOGOS to bring ALOG to the next chapter of growth. I am confident that ALOG is in capable hands and will continue to grow exponentially under the direction of Karen and the rest of the management team.”

Outlook

According to JTC’s report, warehouse vacancy for 2Q 2020 stood at 11.7%.⁽⁹⁾ In a report by Savills Research, logistics and warehouse properties’ rents in Singapore are expected to see an improved outlook with a marginal decline of 5.0% Y-o-Y this year, due to higher food and cold storage demand, including logistics warehouses. Amongst the various real estate sectors in Singapore, Savills Research believes that the industrial and warehousing markets has the highest potential for a recovery after 2020.⁽¹⁰⁾

According to the Reserve Bank of Australia (“RBA”), the Australian economy is experiencing a challenging period, including facing the biggest economic contraction since the 1930s. Substantial, coordinated and unprecedented easing of fiscal and monetary policy may be required for some time to tide through this difficult period. RBA will continue to maintain the current cash rate until full employment and inflation is sustainably maintained within the 2–3 per cent target band.⁽¹¹⁾

Based on a report by Savills Research Australia, e-commerce growth has translated into heightened tenant demand in the industrial and logistics sector. Estimates from National Australia Bank showed that online retail trade grew 5.6% month on month in March, and 21.8% Y-o-Y, exceeding the annual total retail trade growth of 4.6%. Higher spending on food and consumer goods during the COVID-19 outbreak has resulted in more demand for additional warehouse space on either a temporary or permanent basis. As businesses in the industrial and logistics sector are considered essential services, landlords have also reported that rental reliefs are not required to be provided to as many of their tenants so far, helping to keep cash flows stable.⁽¹²⁾

⁹ JTC Quarterly Report, Industrial Market, 2Q 2020.

¹⁰ Savills Research, Market in Minutes, Industrial, May 2020.

¹¹ Statement by Philip Lowe, Governor: Monetary Policy Decision, 7 July 2020.

¹² Savills Research, Australian Industrial & Logistics, 2Q 2020 Update.



Distribution to Unitholders

For 2Q FY20, ALOG will pay a distribution of 1.326 cents per unit on 28 August 2020 for the period from 1 April 2020 to 30 June 2020. The books closure date is on 6 August 2020.

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By Order of the Board
ARA LOGOS Logistics Trust Management Limited (as manager of ARA LOGOS Logistics Trust)
(Company registration no. 200919331H)

Daniel Cerf
Chief Executive Officer
28 July 2020

For enquiries, please contact:
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ABOUT ARA LOGOS LOGISTICS TRUST (“ALOG”)

Listed on the Singapore Exchange on 12 April 2010, ARA LOGOS Logistics Trust (“**ALOG**” and formerly known as Cache Logistics Trust) is a real estate investment trust (“REIT”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. ALOG is managed by ARA LOGOS Logistics Trust Management Limited.

As at 30 June 2020, ALOG’s portfolio comprises 27 high quality logistics properties strategically located in established logistics clusters in Singapore and Australia. The portfolio has a total gross floor area of approximately 9.0 million square feet valued at approximately S\$1.26 billion.

For more information, please visit www.aralogos-reit.com.

ABOUT ARA LOGOS LOGISTICS TRUST MANAGEMENT LIMITED

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the “**Manager**” and formerly known as ARA Trust Management (Cache) Limited), a wholly-owned subsidiary of LOGOS. ARA Asset Management Limited (“**ARA**” or the “**Group**”) is a majority shareholder of LOGOS, which operates as ARA’s global logistics real estate platform.

LOGOS is one of Asia Pacific’s leading logistics property groups with over 6 million sqm of property owned and under development, and a completed value of S\$9.4 billion across 20 ventures. As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from sourcing land or facilities, to undertaking development and asset management, on behalf of some of the world’s leading global real estate investors.

ARA is a leading APAC real assets fund manager with a global reach. With S\$88 billion⁽¹³⁾ in gross assets under management as at 31 December 2019, ARA manages listed and unlisted real estate investment trusts (REITs) and private real estate equity and credit funds, and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA’s multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge and expertise, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world’s largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information on LOGOS and ARA, please visit <https://www.logosproperty.com> and <http://www.ara-group.com>.

IMPORTANT NOTICE

The value of units in ALOG (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA LOGOS Logistics Trust Management Limited (as the manager of ALOG) (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of ALOG is not necessarily indicative of the future performance of ALOG.

¹³ Includes assets under management by ARA Asset Management Limited and the Group of companies and its Associates as at 31 December 2019.