



Mapletree Commercial Trust

3Q FY18/19 Financial Results

23 January 2019

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Key Highlights



Financial Performance

- Gross revenue and net property income (“NPI”) for 3Q FY18/19 grew 2.6% and 2.2% respectively from 3Q FY17/18, largely driven by higher year-on-year contribution from VivoCity
- Distribution per unit (“DPU”) for 3Q FY18/19 grew 1.3% to 2.33 Singapore cents

Portfolio Performance

- Transitory impact on VivoCity’s tenant sales mainly due to asset enhancement initiative (“AEI”) and rigorous management of tenant mix. Momentum to pick up once the changes are completed
- Singapore’s largest shopping mall library, library@harbourfront in VivoCity, was officially opened on 12 January 2019, marking the successful completion of the major AEI that also extended Basement 1 by 24,000 square feet

Key Highlights

Capital Management







- No term loan due for refinancing in FY18/19 and FY19/20
- Maintained ample debt headroom and well-distributed debt maturity profile with no more than 20% of debt due for refinancing in any financial year

Financial Performance

The image shows a modern office building with a glass facade and a landscaped courtyard. The building is the central focus, with a glass facade that reflects the sky. The courtyard in the foreground features a pond, several trees, and a wooden deck. The sky is clear and blue. The text "Financial Performance" is overlaid on the left side of the image.







3Q FY18/19 Financial Scorecard

3Q FY18/19 DPU grew by 1.3% to 2.33 Singapore cents
Largely driven by higher year-on-year contribution from VivoCity

S\$'000 unless otherwise stated	3Q FY18/19	3Q FY17/18		Variance
Gross Revenue	112,543	109,669		2.6%
Property Operating Expenses	(24,675)	(23,714)		4.1%
Net Property Income	87,868	85,955		2.2%
Net Finance Costs	(17,581)	(16,313)		7.8%
Income Available for Distribution	66,992	66,454		0.8%
Distribution per Unit (cents)	2.33	2.30		1.3%

YTD FY18/19 Financial Scorecard

YTD FY18/19 gross revenue and NPI grew by 2.0% and 2.2% respectively
Income available for distribution up 0.8%

S\$'000 unless otherwise stated	YTD FY18/19	YTD FY17/18		Variance
Gross Revenue	330,994	324,645		2.0%
Property Operating Expenses	(70,927)	(70,085)		1.2%
Net Property Income	260,067	254,560		2.2%
Net Finance Costs	(51,883)	(47,693)		8.8%
Income Available for Distribution	197,166	195,520		0.8%
Distribution per Unit (cents)	6.83	6.77		0.9%

Balance Sheet

Proactive and risk-based capital management approach
Continues to maintain robust balance sheet in spite of rising interest rates

S\$'000 unless otherwise stated	As at 31 December 2018	As at 31 March 2018
Investment Properties	6,695,671	6,682,000
Other Assets	64,461	58,813
Total Assets	6,760,132	6,740,813
Net Borrowings	2,351,016	2,329,431
Other Liabilities	126,500	128,009
Net Assets	4,282,616	4,283,373
Units in Issue ('000)	2,888,425	2,880,156
Net Asset Value per Unit (S\$)	1.48	1.49

Key Financial Indicators

Debt headroom of ~\$1.2 bil based on 45% gearing limit
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.04 cents p.a.

	As at 31 December 2018	As at 30 September 2018	As at 31 December 2017
Total Debt Outstanding	S\$2,349.0 mil	S\$2,349.0 mil	S\$2,327.6 mil
% Fixed Rate Debt	79.7%	75.2%	78.0%
Gearing Ratio	34.8%¹	34.8%	36.3%
Interest Coverage Ratio (YTD)	4.5 times	4.5 times	4.8 times
Average Term to Maturity of Debt	3.9 years	4.1 years	3.6 years
Weighted Average All-In Cost of Debt (p.a.) ²	2.95%³	2.93%⁴	2.73%⁵
Unencumbered Assets as % of Total Assets	100%	100%	100%
MCT Corporate Rating (by Moody's)	Baa1	Baa1	Baa1

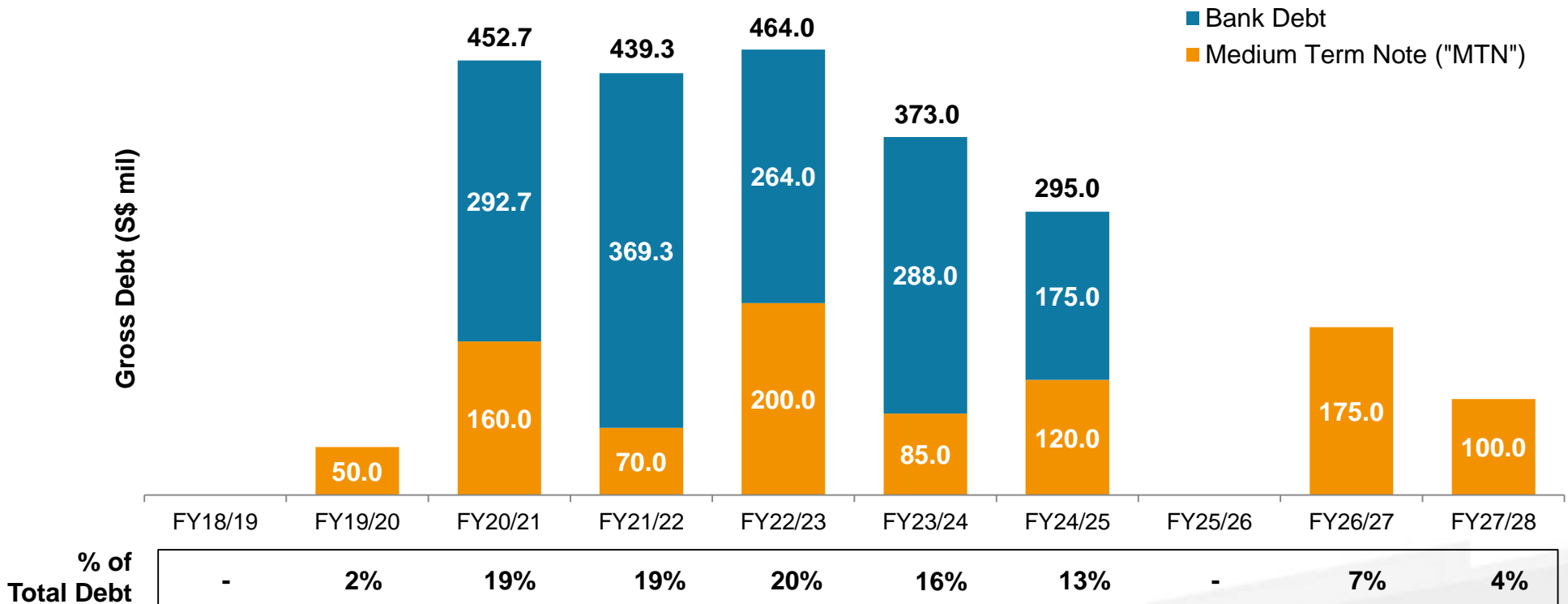
1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 54.8%
2. Including amortised transaction costs
3. Annualised based on YTD ended 31 December 2018
4. Annualised based on 1H ended 30 September 2018
5. Annualised based on YTD ended 31 December 2017

Debt Maturity Profile (as at 31 December 2018)

Well-distributed debt maturity profile with no more than 20% of debt due in any financial year

Total gross debt: S\$2,349.0 mil

- No term loan due for refinancing in FY18/19 and FY19/20



Distribution Details

Distribution Period	1 October 2018 – 31 December 2018
Distribution Amount	2.33 Singapore cents per unit

Distribution Timetable

Notice of Books Closure Date	Wednesday, 23 January 2019
Last Day of Trading on “cum” Basis	Tuesday, 29 January 2019
Ex-Date	Wednesday, 30 January 2019
Books Closure Date	5.00 pm, Thursday, 31 January 2019
Distribution Payment Date	Thursday, 28 February 2019

Portfolio Updates

VIVO
maple tree
commercial
city

Portfolio Revenue and Net Property Income

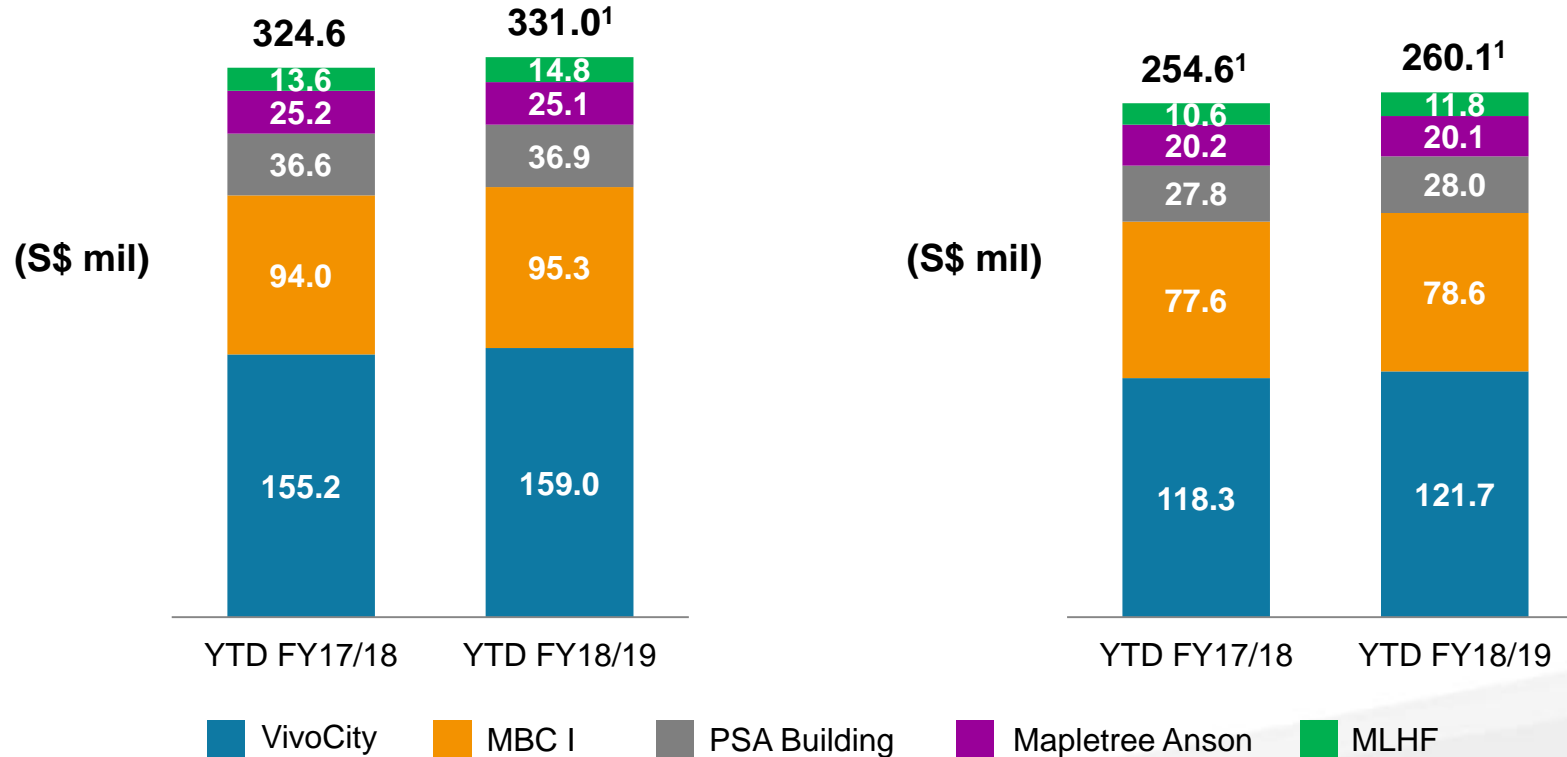
Continued growth in YTD FY18/19 portfolio gross revenue and NPI
Led by higher contribution from VivoCity, MBC I, MLHF and PSA Building

Gross Revenue

▲ 2.0%

Net Property Income

▲ 2.2%



1. Total may not add up due to rounding differences

Portfolio Occupancy

Overall portfolio committed occupancy at 98.7%

	As at 31 December 2017	As at 30 September 2018	Occupancy as at 31 December 2018	
			Actual	Committed
VivoCity	98.2%	94.7% ¹	99.9% ¹	99.9% ¹
MBC I	93.3%	97.8%	97.5%	98.4%
PSA Building	94.0%	93.5%	96.1%	96.1%
Mapletree Anson	92.9%	90.4%	96.9%	99.0%
MLHF	91.6%	100.0%	100.0%	100.0%
MCT Portfolio	94.6%	95.9%	98.1%	98.7%

1. Based on VivoCity's enlarged NLA mainly resulting from the added public library on Level 3 and bonus GFA (from the Community/Sports Facilities Scheme) deployed to extend Basement 1. The Basement 1 extension was opened in June 2018, while the public library was opened in January 2019

YTD FY18/19 Leasing Update

Achieved 5.8% portfolio rental reversion¹

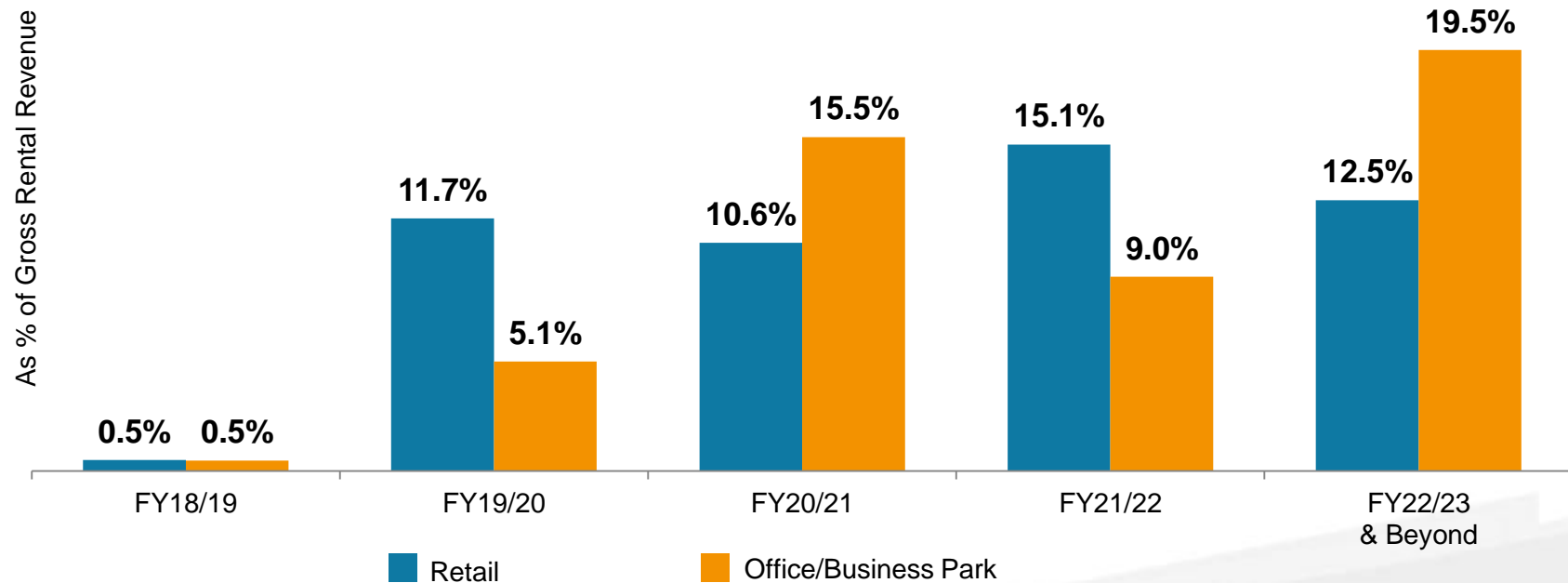
	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents ²
Retail	167	60.4%	4.0% ³
Office/Business Park	23	77.8%	10.3%
▪ Including rent review ¹	-	-	8.7%
MCT Portfolio	190	69.5%	5.9%
MCT Portfolio (including rent review¹)	-	-	5.8%

1. Includes the effect of rent review of a key tenant at MBC I for ~195,000 square feet of space
2. Based on the average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases. Rent reviews are typically not included in the calculation of rental reversions
3. Includes the effect from trade mix changes and units subdivided and/or amalgamated

Lease Expiry Profile (as at 31 December 2018)

Portfolio resilience supported by manageable lease expiries

WALE	Committed Basis
Portfolio	2.8 years¹
Retail	2.5 years
Office/Business Park	3.2 years



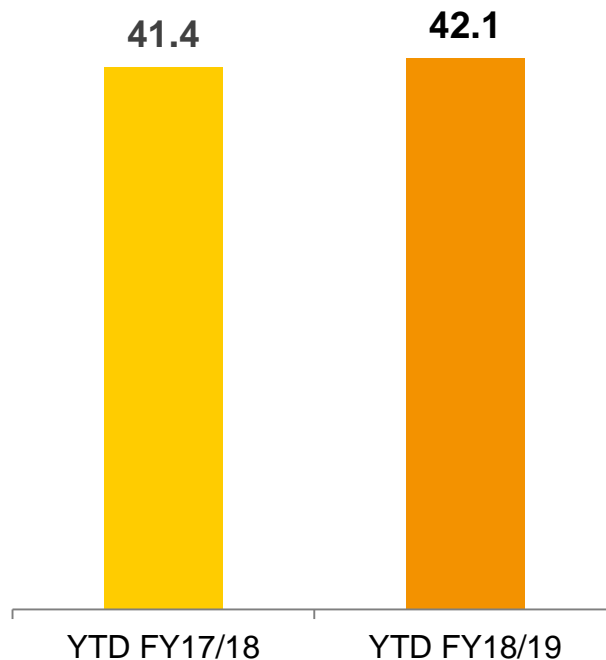
1. Portfolio WALE was 2.2 years based on the date of commencement of leases

VivoCity – Shopper Traffic and Tenant Sales

Transitory impact on tenant sales mainly due to AEI and rigorous management of tenant mix
Momentum to pick up once the changes are completed

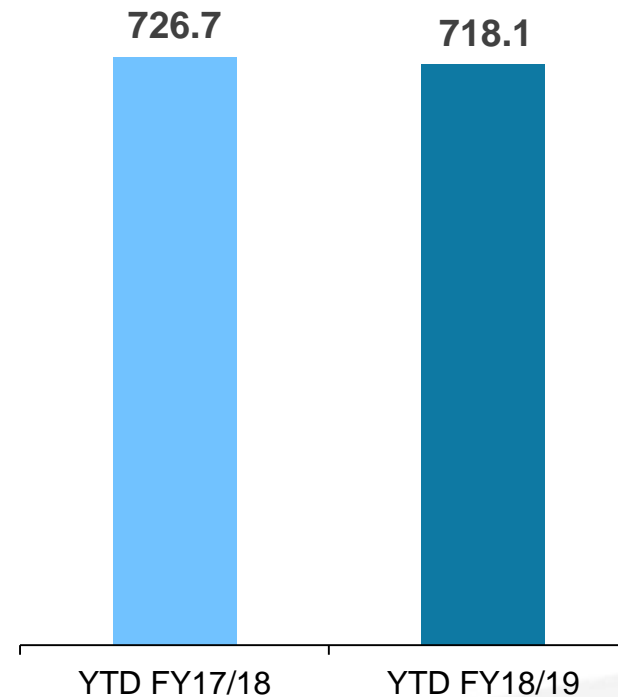
Shopper Traffic (mil)

▲ 1.8%



Tenant Sales (\$ mil)¹

▼ 1.2%



1. Includes estimates of tenant sales for a small portion of tenants

VivoCity – Active Tenant Remixing

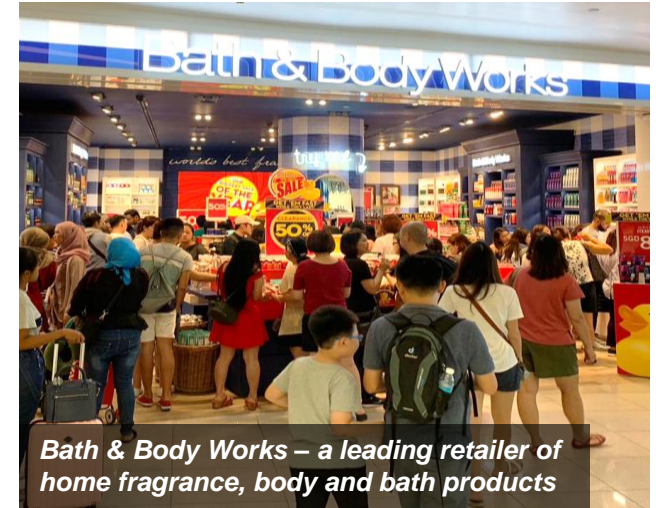
Introduced new and refreshing concepts in 3Q FY18/19



Aburi-En – a cosy Japanese restaurant offering Buta-don



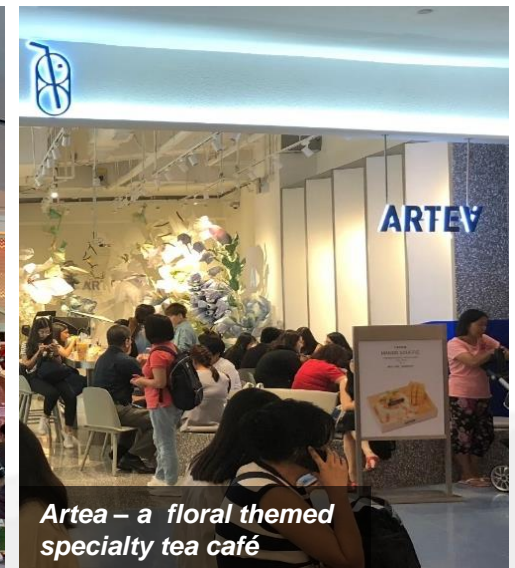
Da Paolo Gastronomia – a gourmet concept combining café and retail for fine foods



Bath & Body Works – a leading retailer of home fragrance, body and bath products



Beauty In The Pot – a new concept by Paradise Dynasty



Artea – a floral themed specialty tea café

Note: The above only represents a portion of tenants that were introduced in 3Q FY18/19

VivoCity – Active Tenant Remixing (cont'd)

Introduced new and refreshing concepts in 3Q FY18/19



Henri Charpentier – a well-known Japanese patisserie



Nayuki – a popular tea and euro-bread concept in a trendy café



Hans Im Glück – a tasty beef, vegan and vegetarian burger bar from Munich



Marks & Spencer introduced its full-scale concept store that includes its food hall and coffee-to-go café



Paradise Teochew – authentic and delicious Chinese cuisine

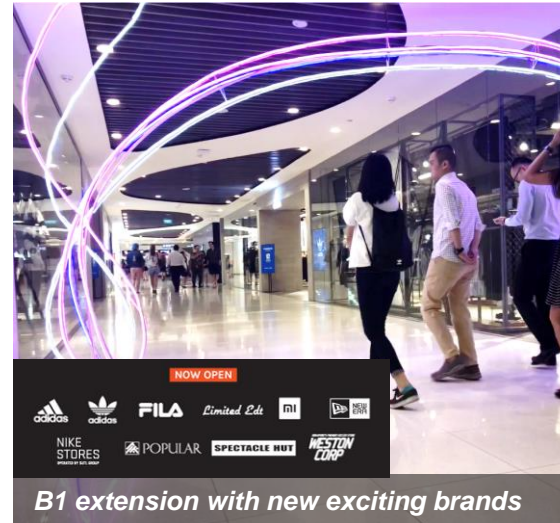
Note: The above only represents a portion of tenants that were introduced in 3Q FY18/19

VivoCity – Latest AEI: B1 Extension and L3 Library

Successfully completed within a year and strengthens VivoCity's long-term positioning
AEI to deliver a collective ROI of over 10% on a stabilised basis¹

B1 Extension

- Bonus GFA² added 24,000 sq ft of contiguous retail space on Basement 1
- Opened in June 2018 and houses ten exciting lifestyle and athleisure brands
- Improved vertical connectivity and mobility within the mall with new escalator



Level 3 Public Library

- 32,000 sq ft library@harbourfront opened in January 2019 and is expected to encourage repeated visitorship to VivoCity
- Official opening marks the successful completion of this major set of AEI



1. Based on currently estimated capital expenditure of approximately S\$16 mil. This includes expenditure for related works such as addition of escalator and carpark deck, installation of solar panels on new carpark shelter and various M&E upgrading works
2. The bonus GFA was granted under the Community/Sports Facilities Scheme resulting from the conversion of some Level 3 space into the public library

Singapore's Largest Shopping Mall Library - library@harbourfront

Designed to suit all ages and integrated with interactive technology
Relevant and well-placed addition to complement VivoCity's offerings



Modern design with a sweeping view of Sentosa



First-ever makerspace for children in a public library



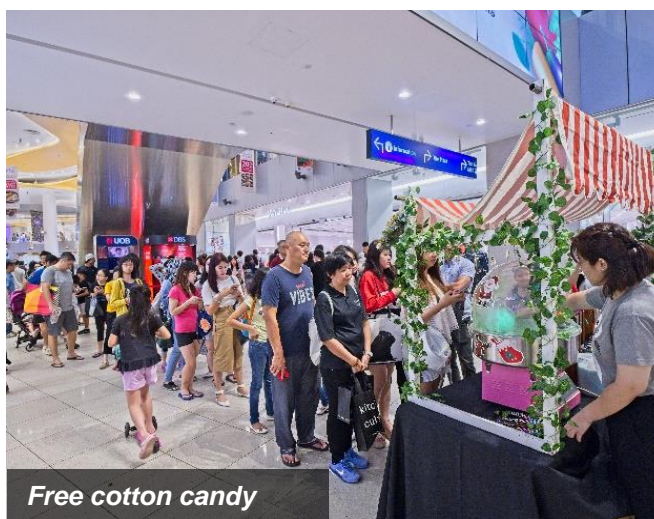
Immersive storytelling space



Extensive collection of books and electronic resources

One-of-a-kind Christmas Experience at VivoCity

Packed with endless fun and engaging entertainment
Widely supported by over 100 retailers who extended their operating hours till 2 am



Outlook



Outlook

Singapore Economy

- The Singapore economy grew 2.2% year-on-year in the fourth quarter of 2018, easing from the 2.3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.6% compared to the 3.5% growth in the third quarter.

Retail

- According to CBRE, the retail market showed signs of stabilisation with rents maintaining in Q4 2018. Demand is likely to remain solid as Singapore remains the key gateway to Southeast Asia and prime retail space continues to be globally sought after by international retailers.
- CBRE expects prime rents to increase at a stable and sustainable pace in the next few years. However, pressures remain from the tight domestic labour market and competition from e-commerce. Tourist spending and retail sales in Singapore could also be dented by concerns over China, its trade war-hit economy, government crackdown on overseas purchases and alignment of luxury goods prices with global standards.

Office

- The office market outperformed expectations for the whole of 2018. Rents have risen in tandem with improving occupancy, particularly for prime office space.

Outlook

Office (cont'd)

- Office rents are projected to maintain an upward trajectory albeit at a more measured pace as compared to the early part of the rental recovery cycle. Nonetheless, office demand remains susceptible to a slowdown should external economic concerns escalate and dampen business expansion and investment plans.

Business Park

- The business park market recorded a relatively patchy performance in Q4 2018, as illustrated by the contrasting performances between the two business park tiers.
- Technology firms were the primary demand driver of business parks as they seek space to house expansions. A historically low development pipeline, which offers very little supply-side pressure on future occupancy, has continued to be a key theme. On the demand end, occupiers have consistently shown preference for business parks with higher specifications, particularly those in the City Fringe, where MBC I is located.
- As such, significant improvements in islandwide occupancy is not expected, and the performance gap between the two business park tiers is likely to persist.

Overall

- MCT's portfolio is expected to remain resilient given VivoCity's strong positioning and consistent performance, as well as the manageable lease expiries in MCT's office/business park properties.



Thank You

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