


CapitaLand Malaysia Trust

# 3Q 2023 Results Presentation

**25 October 2023**

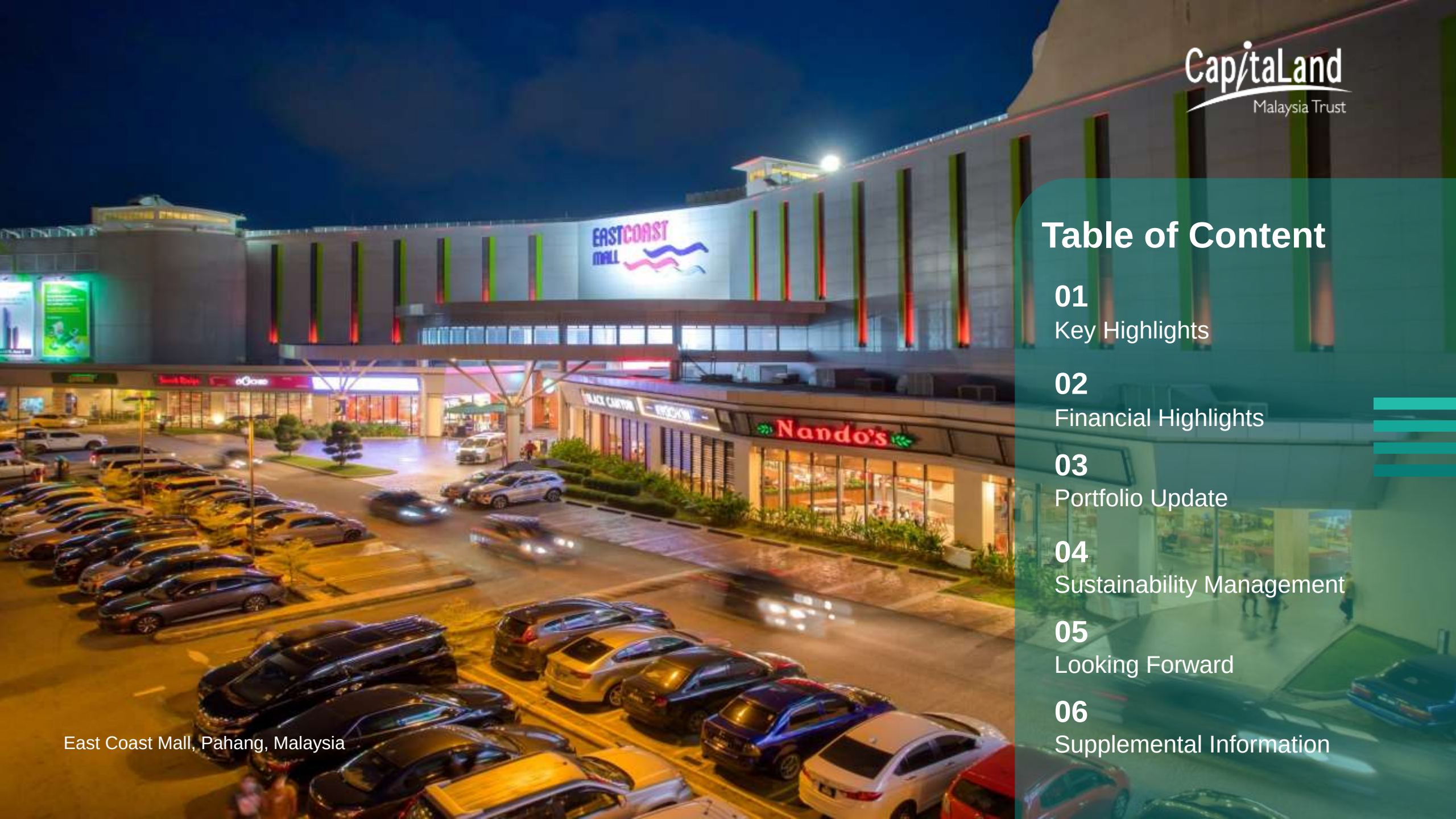
# Forward-Looking Statement

This presentation may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in the 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 developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and trainings, property operating expenses), 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 the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither CapitaLand Malaysia REIT Management Sdn. Bhd. (“Manager”) nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CapitaLand Malaysia Trust (“CLMT”) is not indicative of future performance. The listing of the unit in CLMT (“Units”) on the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the Bursa Malaysia. It is intended that holders of Units may only deal in their Units through trading on the Bursa Malaysia.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.




East Coast Mall, Pahang, Malaysia

CapitaLand Malaysia Trust

# Table of Content

**01**
Key Highlights

**02**
Financial Highlights

**03**
Portfolio Update

**04**
Sustainability Management

**05**
Looking Forward

**06**
Supplemental Information

CapitaLand Malaysia Trust

# Key Highlights




Queensbay Mall, Penang, Malaysia

# Financial and Operational Highlights

- Queensbay Mall and Valdor Logistics Hub continued to drive financial performance
- Operating metrics remained strong with higher occupancy rate and positive rental reversion

## Gross Revenue



3Q 2023

**RM103.6 mil**

*+46.0% year-on-year*

YTD 2023

**RM286.9 mil**

*+38.6% year-on-year*

## Net Property Income



3Q 2023

**RM58.3 mil**

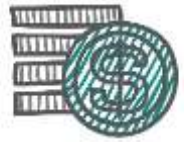
*+52.6% year-on-year*

YTD 2023

**RM154.4 mil**

*+38.2% year-on-year*

## Distribution Per Unit



*Distribution Yield: **7.2%**[1]*

3Q 2023

**1.05 sen**

*+4.0% year-on-year*

YTD 2023

**2.98 sen**

*+0.7% year-on-year*

## Portfolio Occupancy Rate

**89.6%**

*as at 30 Sep 2023*

## Retail Rental Reversion

**6.3%**

*from 1 January to 30 Sep 2023*

## 3Q 2023 Shopper Traffic

**+21.6%**

*year-on-year (same-store basis)*

## 3Q 2023 Tenant Sales psf

**+9.1%**

*year-on-year*

Note:
1. Based on annualised YTD 2023 DPU of 3.98 sen and closing unit price of RM0.550 as at 30 September 2023.

# 3Q 2023 Highlights

- Portfolio reconstitution efforts to strengthen income and portfolio resilience
- Embarking on renewable energy initiative through CGPP participation

## Completed acquisition of Glenmarie Distribution Centre

- Acquisition was completed on 29 August 2023 and commenced retrofitting process for exercise to convert into a temperature-controlled distribution centre
- Strengthen CLMT's presence in Malaysia's growing logistics sector

## Proposed divestment of 3 Damansara Office Tower

- For a sale consideration of **RM52 million** (represents **4.0% premium** to the latest independent valuation of RM50 mil[1])
- In line with ongoing portfolio reconstitution strategy to recycle capital into higher-yielding opportunities in industrial and logistics sectors

## Corporate Green Power Programme (CGPP)

- On behalf of CLMT, MTrustee entered into a Memorandum of Understanding to explore participation in CGPP on **renewable energy initiative** for Gurney Plaza, East Coast Mall, The Mines and 3 Damansara Property
- In alignment with CapitaLand 2030 Sustainability Master Plan Framework: 45% use of renewable energy by 2030

Note:
1. Based on latest independent valuation conducted by Henry Butcher Malaysia Sdn. Bhd. as at 31 July 2023.

# Progress of Diversification Journey

Strategic roadmap to enhance ability in delivering sustainable distributions and total returns

**Jun 2021**

**Expanded investment mandate to explore asset classes beyond retail**, and pivot into new sectors covering commercial, office and industrial asset classes[1]

**Jun 2022**

Announced the **proposed acquisition** of **Valdor Logistics Hub** located within Kawasan Perusahaan Valdor, Sungai Jawi, Pulau Pinang for RM80.0 million

**Nov 2022**

Announced the **proposed acquisition of 91.8%** of the total strata floor area of retail parcels in **Queensbay Mall**, Bayan Lepas, Penang for RM990.5 million

**Dec 2022**

**Maiden foray into logistics sector** with the completion of acquisition of **Valdor Logistics Hub**



**Mar 2023**



**Completed the acquisition** of **Queensbay Mall**

**May 2023**

Announced the **proposed acquisition** of **Glenmarie Distribution Centre** located at the Hicom Glenmarie Industrial Park in Shah Alam, Selangor for RM39.7 million

**Aug 2023**



Second logistics property following the **acquisition** of **Glenmarie Distribution Centre**

**Sep 2023**

Announced the **proposed divestment** of **3 Damansara Office Tower** for RM52.0 million

Note:
1. It shall include but shall not be limited to business parks, logistics facilities, warehouses, distribution centres, data centres and integrated developments.

CapitaLand Malaysia Trust

# Financial Highlights




Sungei Wang Plaza, Kuala Lumpur, Malaysia

# Distribution Statement

| RM'000 | 3Q 2023 Actual (Unaudited) | 3Q 2022 Actual (Unaudited) | Change % | YTD 2023 Actual (Unaudited) | YTD 2022 Actual (Unaudited) | Change % |
|---|---|---|---|---|---|---|
| **Gross revenue** | **103,636** | **71,003** | **46.0** | **286,880** | **206,918** | **38.6** |
| Less: Property operating expenses | (45,314) | (32,789) | 38.2 | (132,489) | (95,212) | 39.2 |
| **Net property income** | **58,322** | **38,214** | **52.6** | **154,391** | **111,706** | **38.2** |
| Profit for the quarter/period | 27,777 | 21,440 | 29.6 | 69,538 | 65,095 | 6.8 |
| **Distributable income** | **28,701** | **22,246** | **29.0** | **77,140** | **64,273** | **20.0** |
| Number of units in circulation ('000) | 2,733,434 | 2,202,573 | 24.1 | 2,733,434 | 2,202,573 | 24.1 |
| **Distribution Per Unit (sen)** | **1.05** | **1.01** | **4.0** | **2.98** | **2.96** | **0.7** |

# Key Financial Indicators (as at 30 September 2023)

**Gearing Ratio**

**44.0%**

(2Q 2023: 44.1%)

**Average Cost of Debt**

**3.98%**

(2Q 2023: 3.80%)

**Unencumbered Assets / Total Assets**

**21.8%**

(2Q 2023: 21.6%)

**Debt / EBITDA[1]**

**12.8x**

(2Q 2023: 14.2x)

**Interest Coverage[2]**

**2.4x**

(2Q 2023: 2.6x)

**Fixed Rate Debt**

**83%**

(2Q 2023: 86%)

**Average Term to Maturity**

**3.7 years**

(2Q 2023: 3.9 years)

**NAV per Unit (after income distribution)**

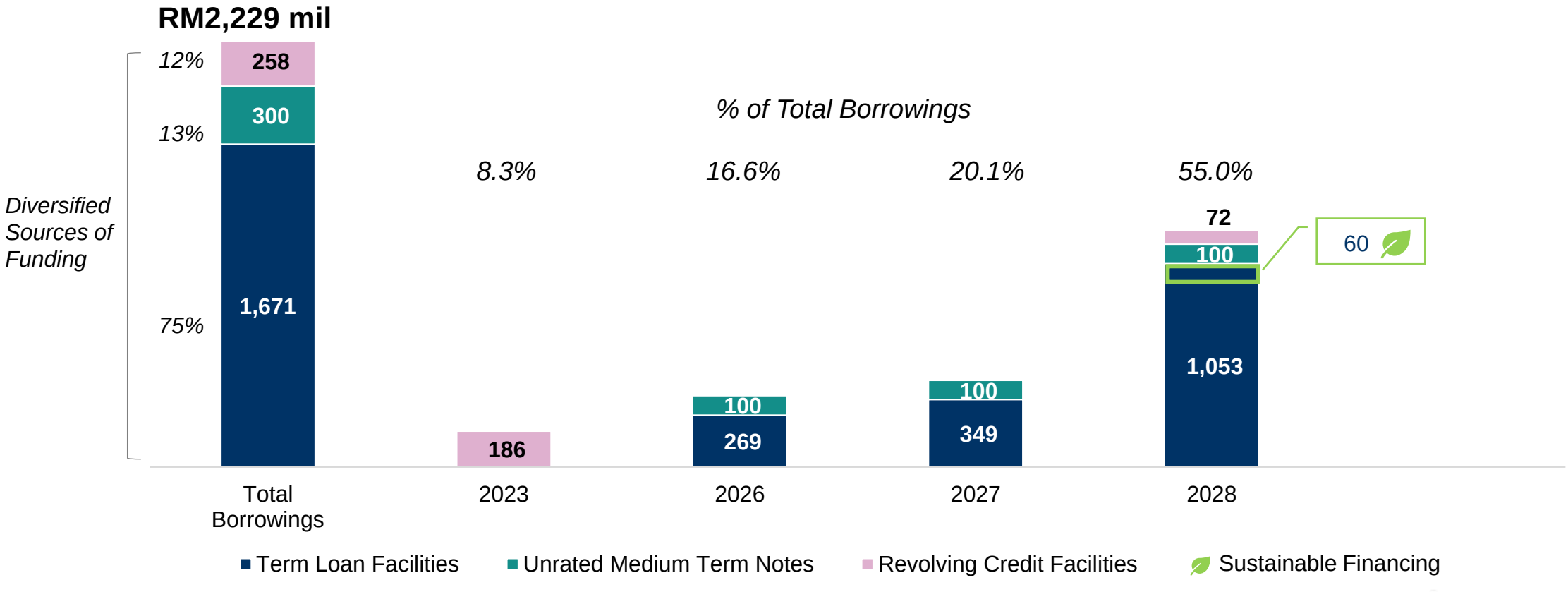
**RM0.9589**

(2Q 2023: RM0.9655)

Notes:
1. Debt refers to gross debt before amortisation and EBITDA refers to earnings before interest, tax, depreciation and amortisation (excluding effects of fair value changes on investment properties) on a trailing 12-month basis.
2. Ratio of EBITDA (as defined above) over interest expense, on a trailing 12-month basis.

# Well-spread Debt Maturity Profile

- No refinancing requirements in the near-term
- Average debt maturity healthy at 3.7 years



CapitaLand Malaysia Trust

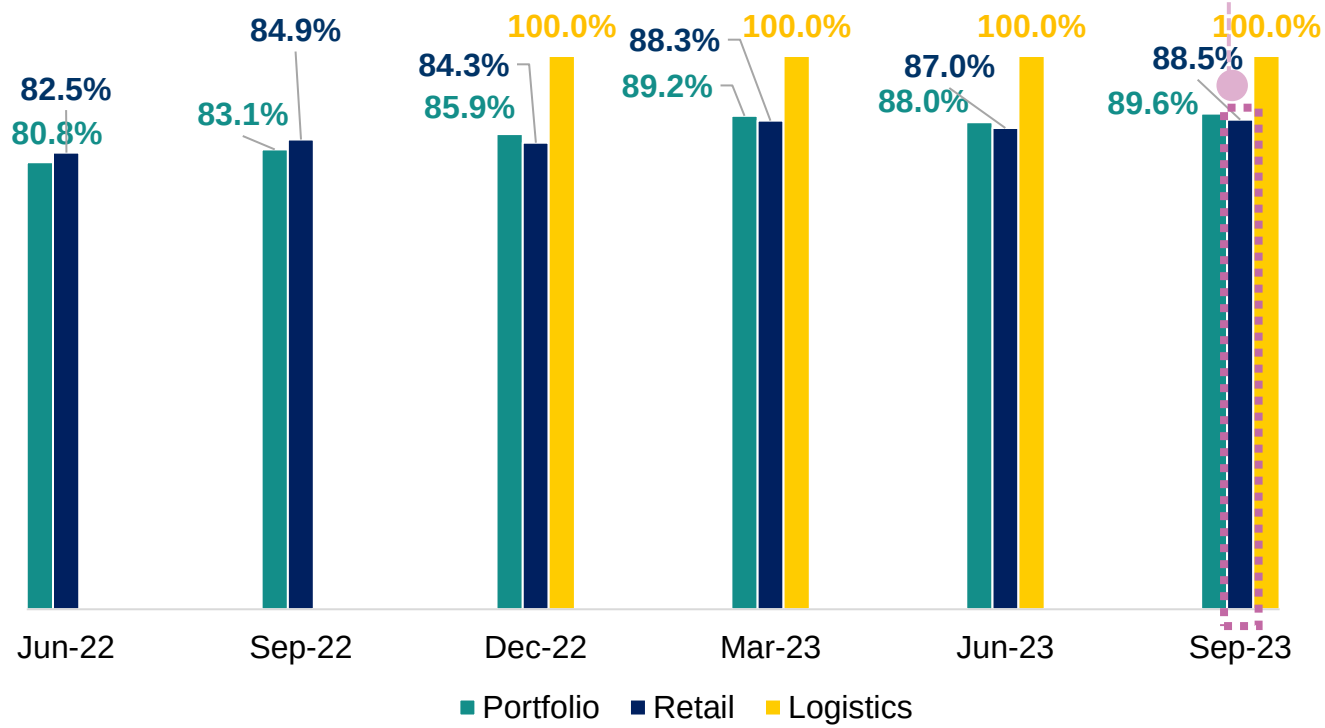
# Portfolio Update

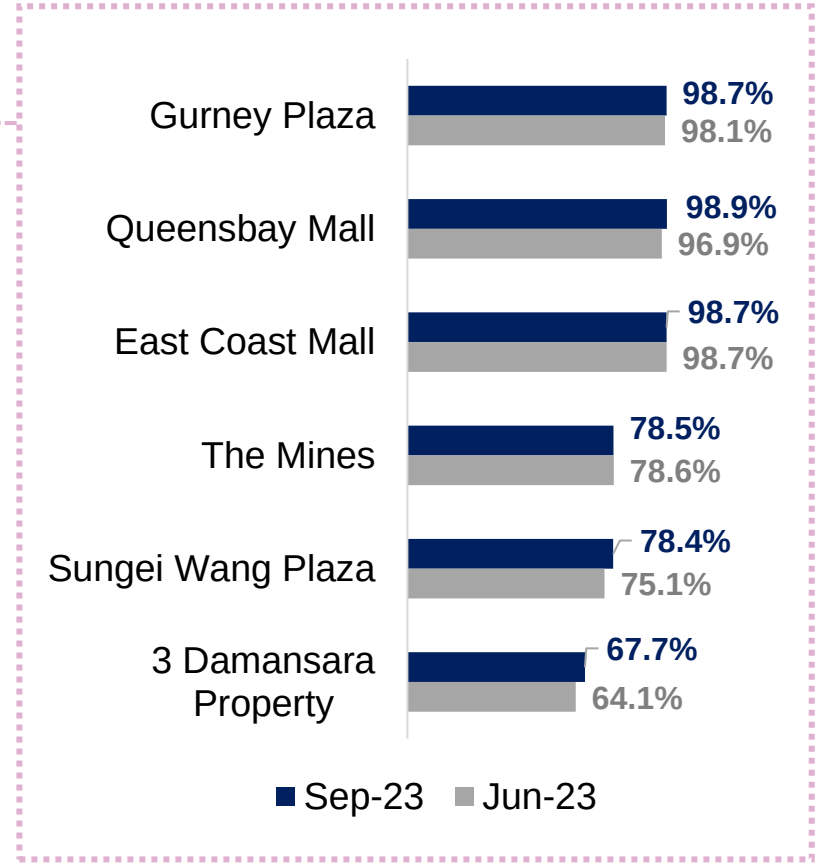



3 Damansara Property, Selangor, Malaysia

# Portfolio Occupancy Rate

- Stronger occupancies across the malls with ex-Klang Valley malls high at above 98%
- Logistics properties fully occupied

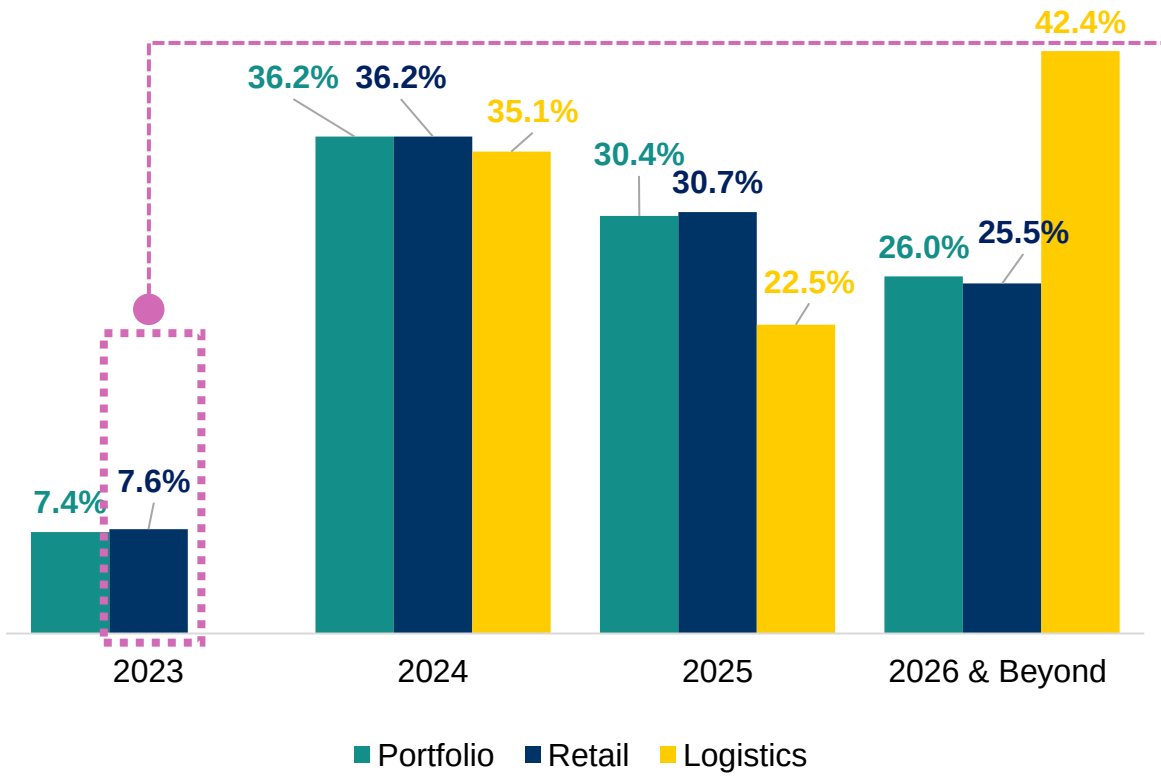


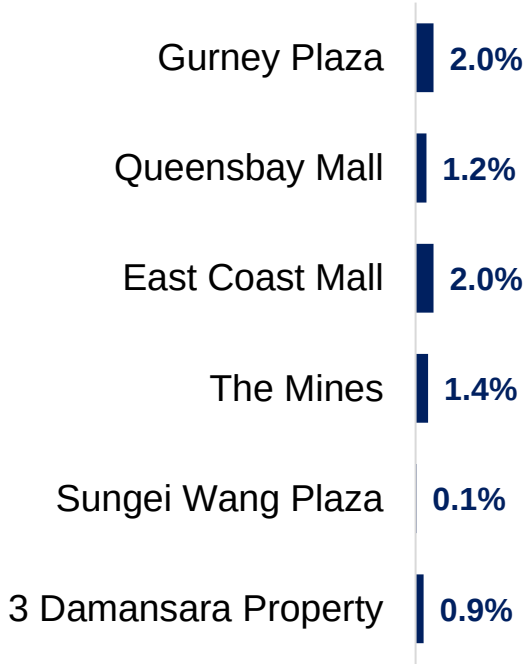
# Portfolio Lease Expiry Profile (Year)

As at 30 September 2023, about 86.0% of leases expiring in 2023 have been renewed and/or under advanced stage of negotiations

**Portfolio Lease Expiry Profile (% of Gross Rental Income)**




**Lease Expiry Profile for 2023 (Retail)**




Notes:
1. Based on committed leases as at 30 September 2023.
2. No leases due for expiry in year 2023 for Valdor Logistics Hub and Glenmarie Distribution Centre.

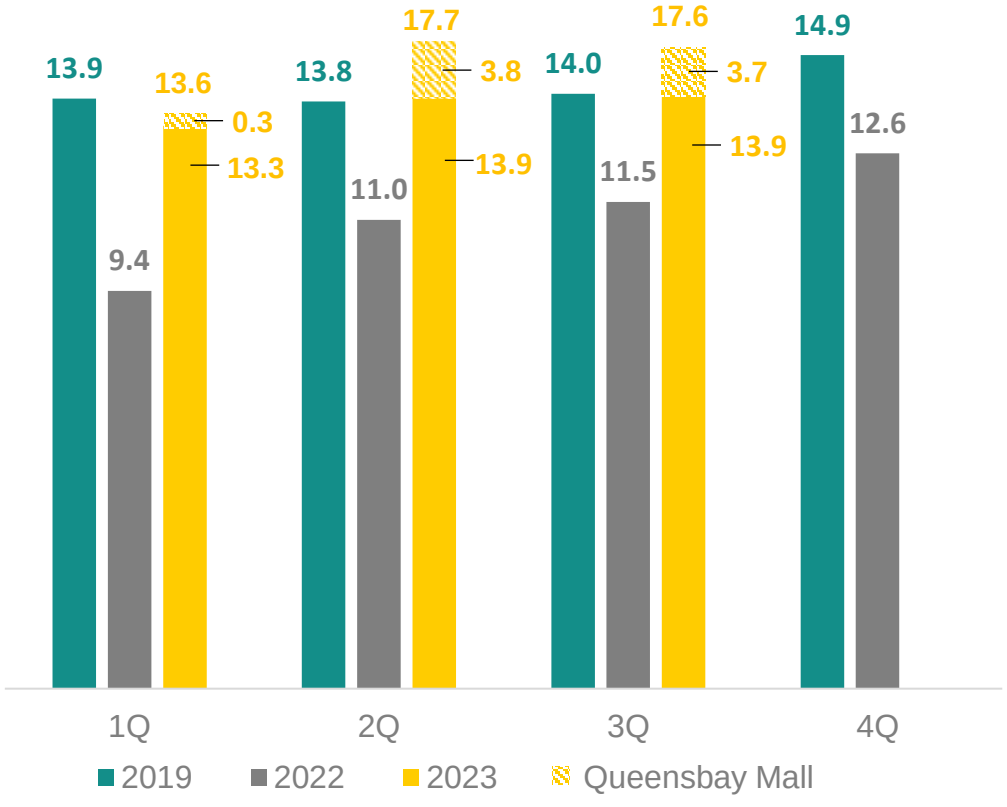
# Retail Performance

Stronger retail indicators driven by exciting activation programmes

**Same-store Shopper Traffic (million)**

**3Q 2023**

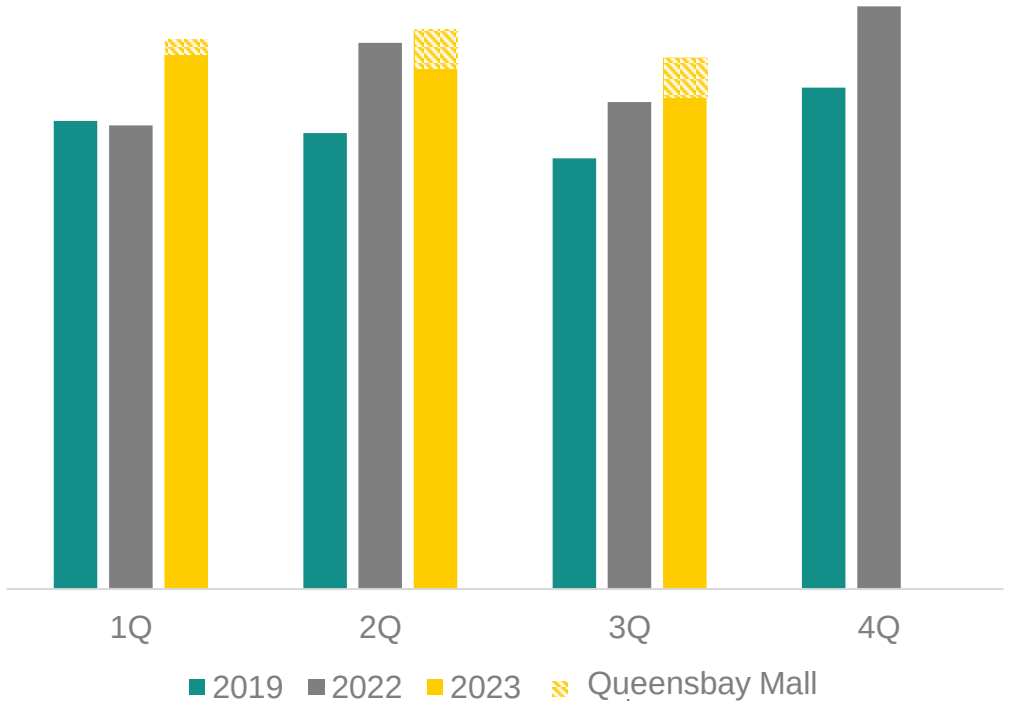
- **-0.5% against 3Q 2019**
- **+21.6% against 3Q 2022**




**Tenant Sales Per Square Foot (RM)**

**3Q 2023**

- **+23.4% against 3Q 2019**
- **+9.1% against 3Q 2022**




Note:
Shopper traffic and tenant sales per square foot in 1Q 2023 includes Queensbay Mall's contribution for the period from 21 March 2023 to 31 March 2023.

# Retail Rental Reversion

From 1 January to 30 September 2023[1]

**345**
New Leases / Renewals

**635,102**
Area (sq ft)

**16.1%**
of Total Net Lettable Area

**6.3%**
Variance over preceding average rental[2,3,4]

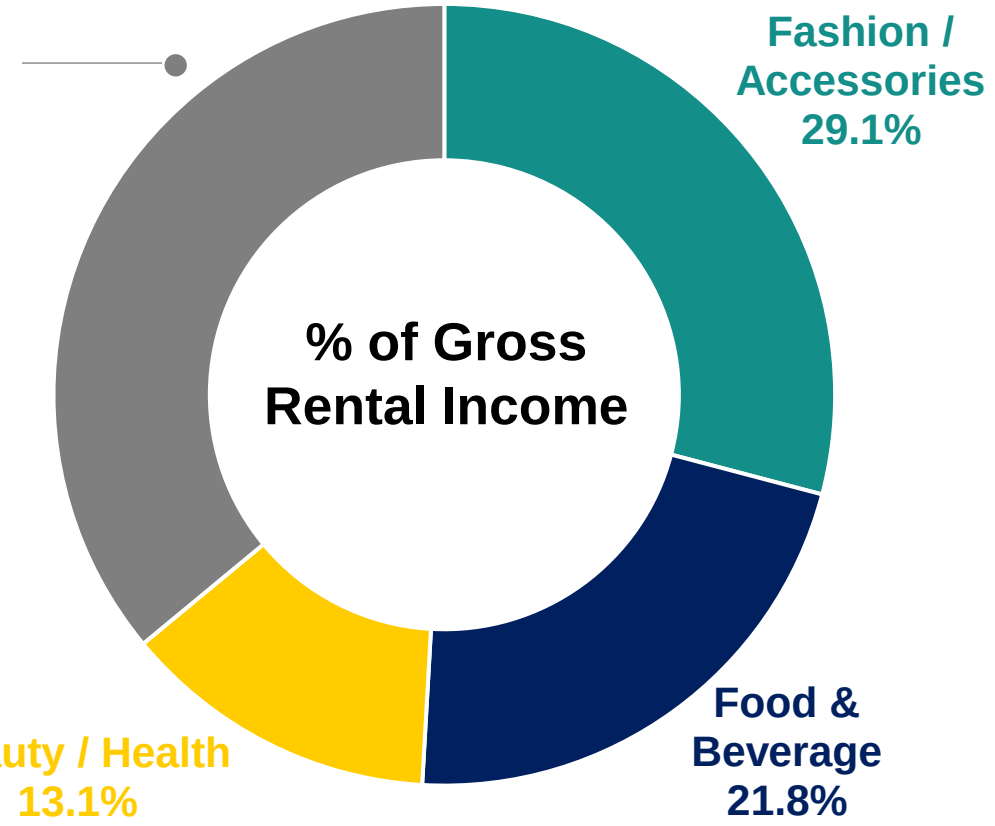
| Property | No. of New Leases/ Renewals | Area (sq ft) | % of Total Net Lettable Area | Variance over preceding average rental[2, 3, 4] (%) | Contribution % against Total New Rent (%) |
|---|---|---|---|---|---|
| Gurney Plaza | 122 | 160,649 | 18.1 | 10.6 | 43.5 |
| Queensbay Mall | 58 | 77,510 | 8.8 | 6.1 | 18.9 |
| East Coast Mall | 50 | 124,109 | 26.6 | 10.6 | 18.3 |
| The Mines | 64 | 146,350 | 19.9 | 1.0 | 10.6 |
| Sungei Wang Plaza | 29 | 41,556 | 10.0 | 2.5 | 3.5 |
| 3 Damansara | 20 | 63,172 | 13.8 | -27.0 | 3.5 |
| 3 Damansara Office Tower | 2 | 21,756 | 21.5 | 0.0 | 1.7 |

Notes:
1. Excluding newly created and reconfigured units.
2. Excluding gross turnover rent component.
3. Majority of leases have rental escalation clause.
4. The % is computed based on the increase of the average rental of the renewed term over average rental of the preceding term.

# Well-balanced Retail Tenancy Mix (as at 30 September 2023)

Top 3 trade categories contributed 64.0% to gross rental income

| | |
|---|---|
| Leisure & Entertainment / Sports & Fitness | 7.9% |
| Electronics / I.T. | 7.4% |
| Departmental Store | 6.3% |
| Services | 4.8% |
| Houseware / Furnishings | 3.1% |
| Gifts / Specialty / Books / Hobbies / Toys / Lifestyle | 2.9% |
| Supermarket / Hypermarket | 2.3% |
| Others | 1.3% |



# Continuous asset enhancements at ex-Klang Valley malls to elevate appeal

## Widened fashion and F&B offerings to improve shopper experience



Skechers @ Gurney Plaza



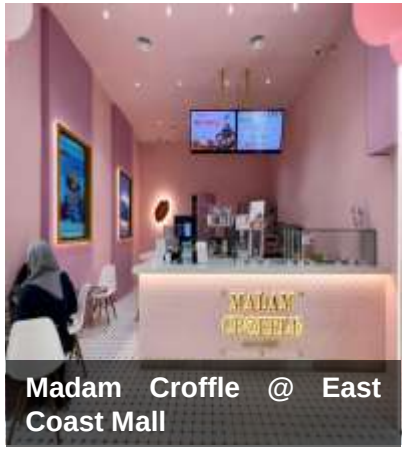
Clarks @ Gurney Plaza



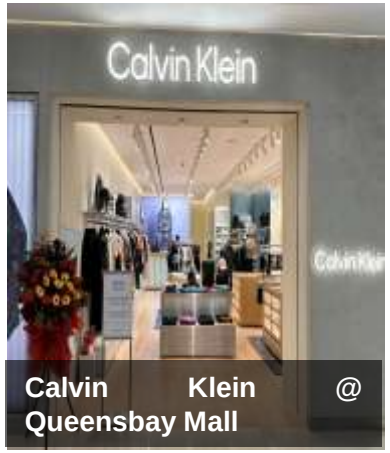
Aveda @ Gurney Plaza



Dolly Dimsum @ East Coast Mall



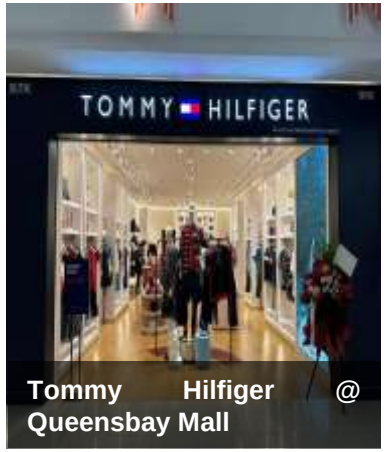
Madam Croffle @ East Coast Mall



Calvin Klein @ Queensbay Mall



Tissot @ Queensbay Mall



Tommy Hilfiger @ Queensbay Mall

## More than 4,000 sq ft of net lettable area created at Gurney Plaza to expand sportswear offering



Sports Direct & USC – latest concept offering








# New dining options to refresh tenant mix at Klang Valley malls


Gelato Cabana @ Sungei Wang Plaza

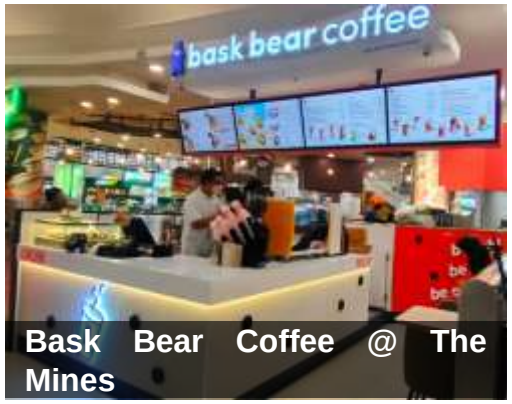


Zus Coffee @ Sungei Wang Plaza


Cookies Hut @ Sungei Wang Plaza



Richeese Factory @ The Mines



Bask Bear Coffee @ The Mines


Sushihan @ 3 Damansara



Kafe Ruuma @ 3 Damansara offering popular local fare


is NSK Grocer's casual dining


CapitaLand
Malaysia Trust
Sustainability
Management
CapitaFrog

# Making sustainable efforts toward ESG excellence

## Set up of Art Safari Corner @ Gurney Plaza

Gurney Plaza teamed up with gifted painter and well-known wildlife conservation artist, Christine Das, for the SoWIld Arts Meet Conservation workshops where children learnt about wildlife at the approximately 800 sq ft Art Safari play area on Level 3 which features a reading nook, indoor play zone, doodling corner and educational toys.






## Raising fabric recycling awareness among the community

In collaboration with Kloth Cares, CapitaLand has embarked on a fabric recycling initiative with the installation of fabric recycling bins at 3 Damansara and The Mines. With the aim to collect 12,000 kg of fabric items, a series of redemption campaigns will be organised until 31 December 2023 to cultivate recycling awareness among the malls' communities.








## Bursa Bull Charge 2023 – Race to Net Zero

In support of Bursa Malaysia's charity run with the objective of raising awareness on the consequences of climate change, CLMT participated in the 7th edition of the Bursa Bull Charge 2023. The funds raised are primarily supporting charitable organisations that advocate climate action and environmental protection.









# Looking Forward

CapitaLand Malaysia Trust

# Business Outlook

## Retail

- Market is expected to see increased competition with the opening of new shopping malls in the Klang Valley in 4Q 2023
- Higher service tax, introduction of luxury goods tax and continuation of cash aid announced under Malaysia Budget 2024

## Industrial

- Industrial sector continues to remain resilient and growing stronger mainly leveraging on the e-commerce boom and increase in warehousing demand
- Government launched 7-year New Industrial Master Plan 2030 (NIMP 2030) to spearhead the industrial sector to greater heights by 2030
- Tiered reinvestment incentive to be introduced to attract investments under Malaysia Budget 2024

## Logistics

- Outlook for logistics sector remains bullish with third-party logistics and e-commerce being key players expanding their operations
- Growing importance as regional logistics hub under NIMP 2030 aimed to make Malaysia a global service centre

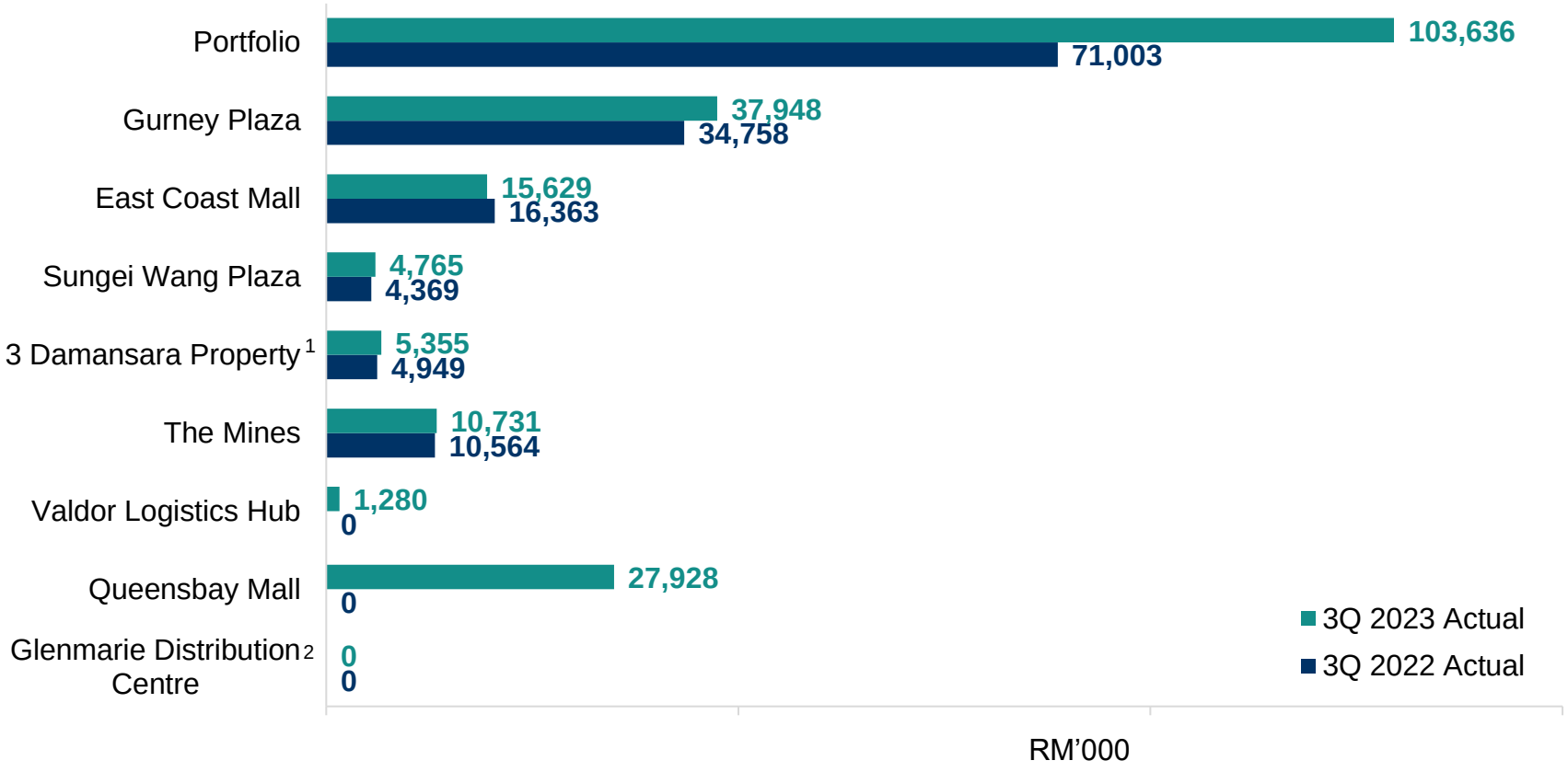
## CLMT's Key Focuses

- **Organic growth via proactive asset management** to strike balance between healthy occupancy rate and improving rents; optimising tenant mix and retail space usage to increase productivity and income and forging close ties with tenants to improve tenant retention
- Portfolio reconstitution efforts via (1) inorganic growth through exploration of **yield-accretive investment opportunities** in new asset classes particularly **industrial and logistics assets** in key urban centres (2) **divestment opportunities** for non-core assets
- **Proactively manage and strengthen balance sheet** by ensuring robust liquidity and a diversified funding base

# Supplemental Information

CapitaLand Malaysia Trust

# 3Q 2023 Gross Revenue

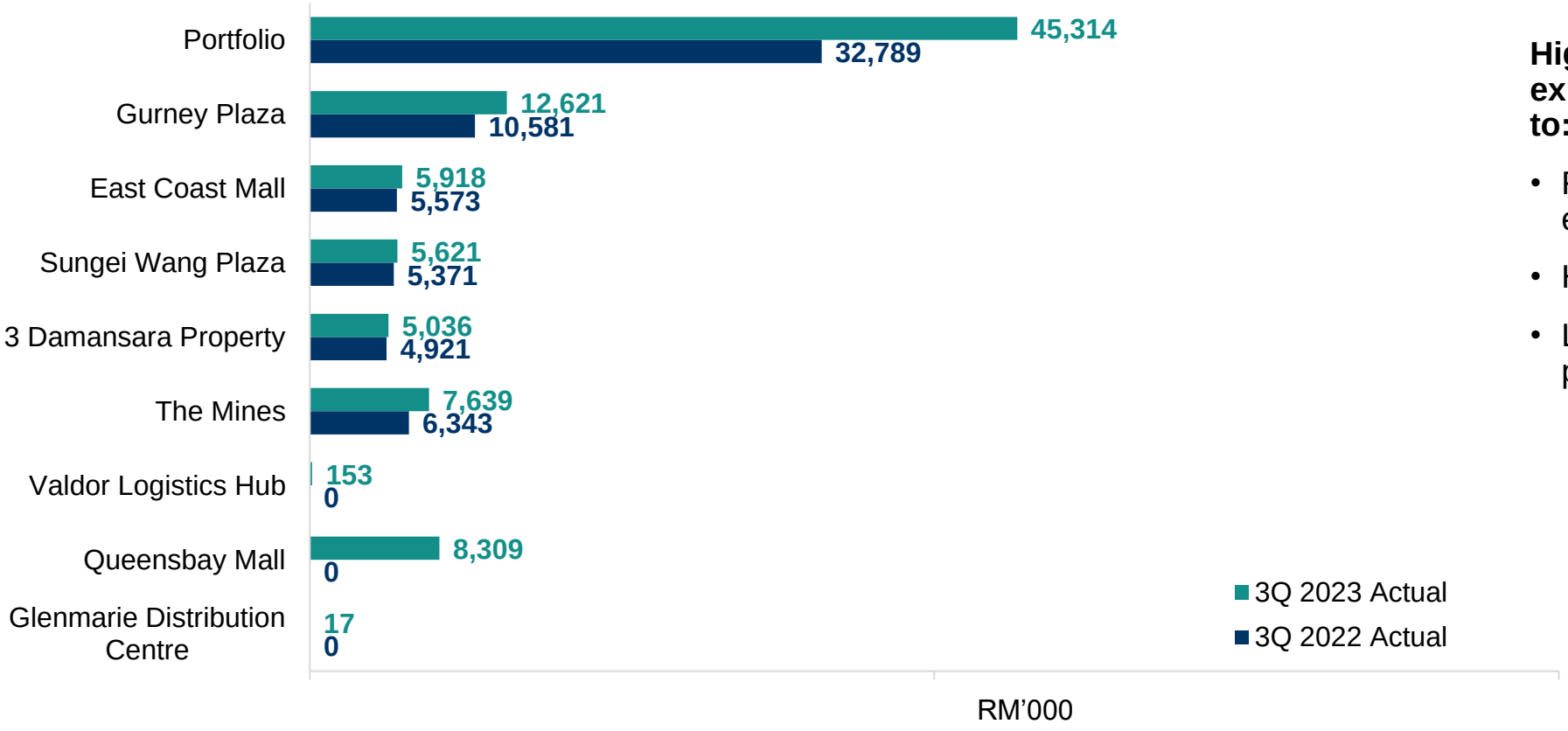



**Higher gross revenue y-o-y mainly due to:**

- Contribution from the newly acquired Queensbay Mall (QBM) and Valdor Logistics Hub (VLH); and
- Most retail properties recorded improvements as a result of higher occupancies and positive rental reversions.

Notes:
1. 3 Damansara Property comprises 3 Damansara and 3 Damansara Office Tower.
2. The acquisition of Glenmarie Distribution Centre was completed on 29 August 2023 but it has yet to contribute income due to retrofitting exercise in progress.

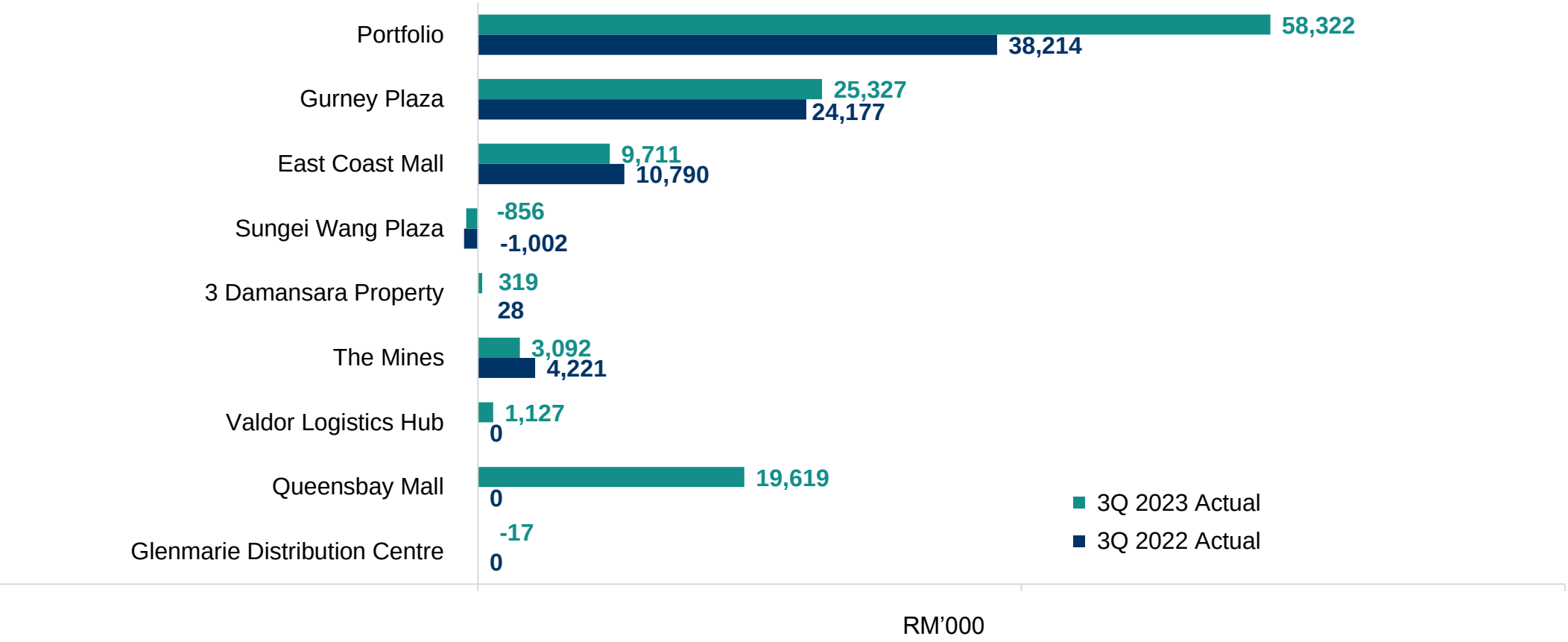
# 3Q 2023 Property Operating Expenses



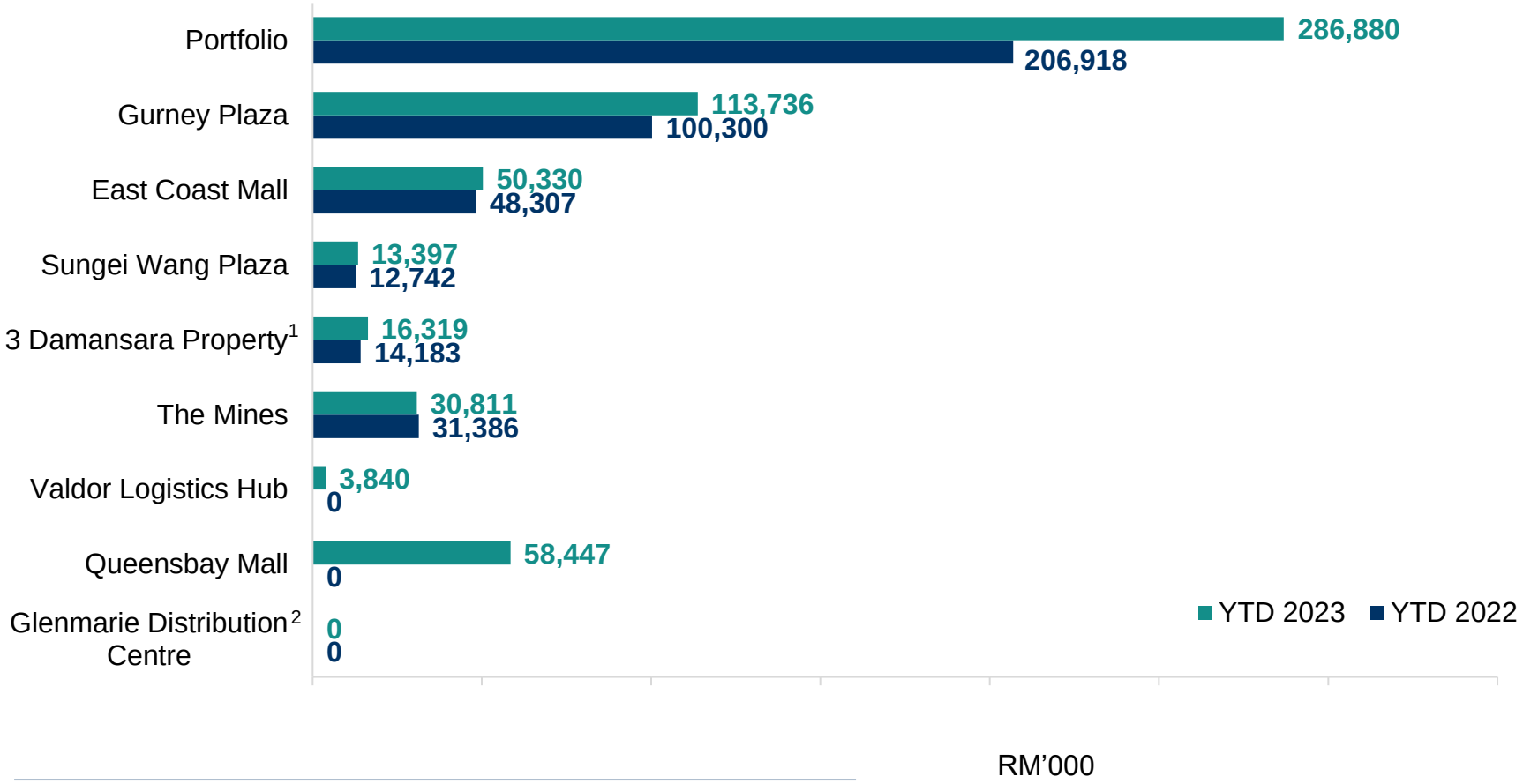

**Higher property operating expenses y-o-y mainly due to:**

- Full quarter operating expenses of QBM and VLH;
- Higher utilities costs; and
- Lower write-back of provision for doubtful debts.

# 3Q 2023 Net Property Income



# YTD 2023 Gross Revenue

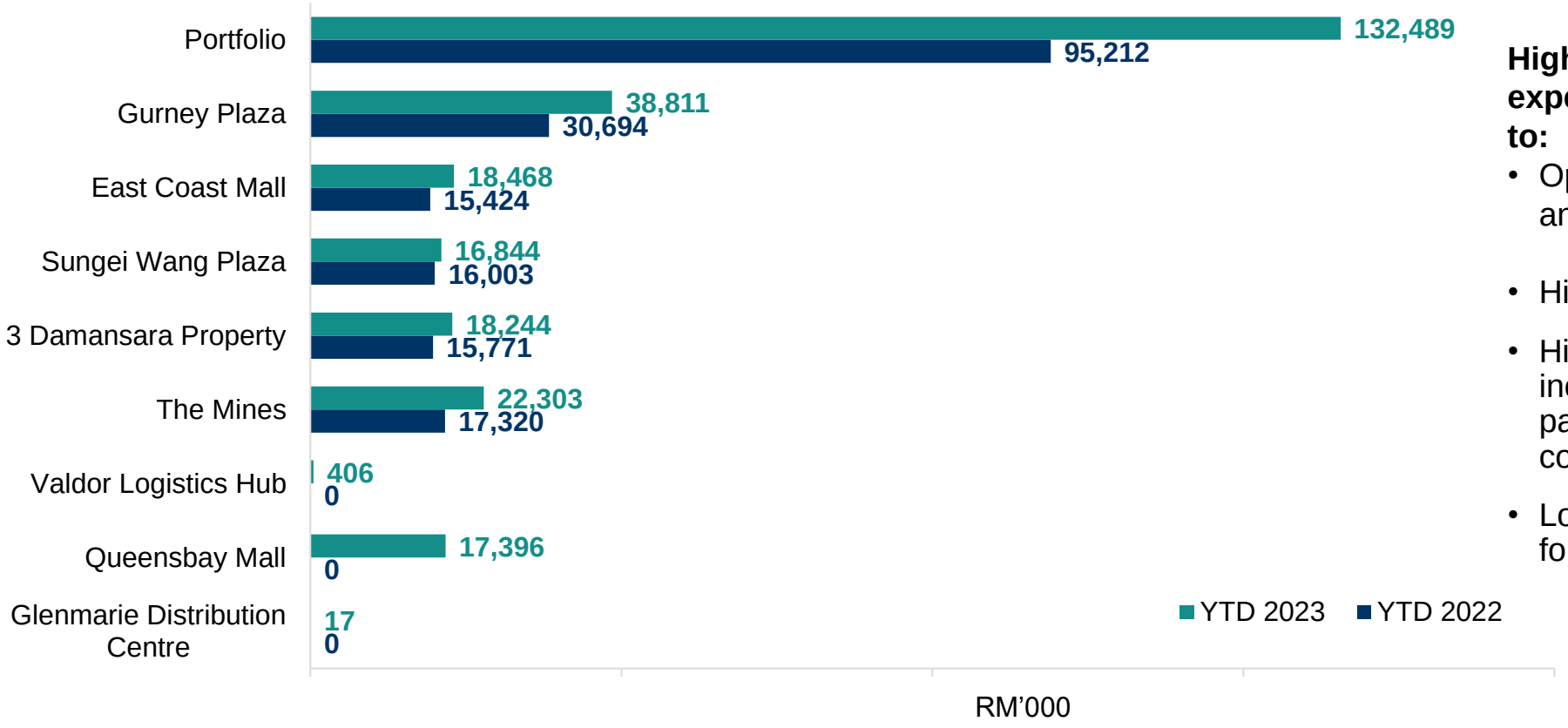



**Higher gross revenue y-o-y mainly due to:**

- Contributions from QBM and VLH; and
- Improvement in most of the other malls due to higher occupancy and positive rental reversions.

Notes:
1. 3 Damansara Property comprises 3 Damansara and 3 Damansara Office Tower.
2. The acquisition of Glenmarie Distribution Centre was completed on 29 August 2023 but it has yet to contribute income due to retrofitting exercise in progress.

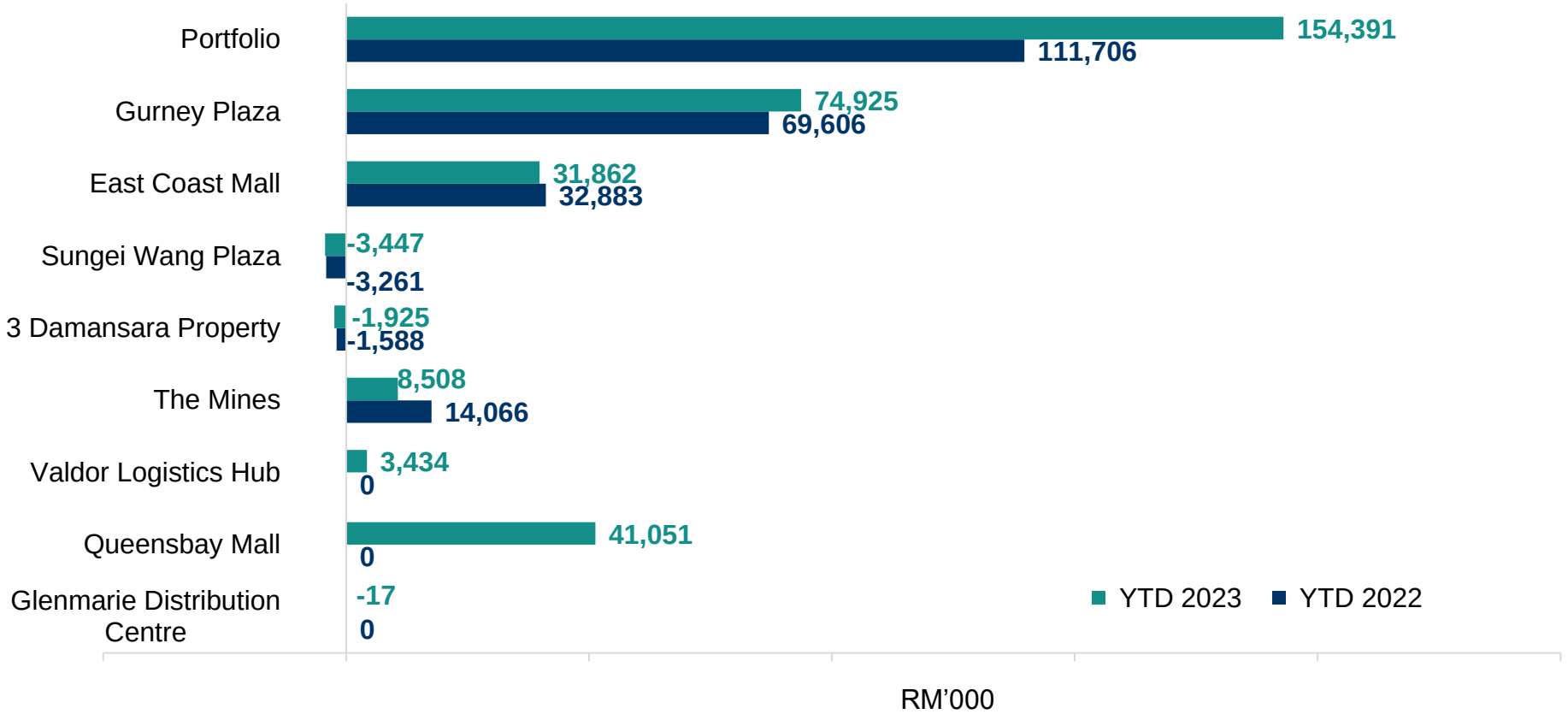
# YTD 2023 Property Operating Expenses




**Higher property operating expenses y-o-y mainly due to:**

- Operating expenses of QBM and VLH;
- Higher utilities costs;
- Higher maintenance due to increase in service charges payable to management corporations; and
- Lower write-back of provision for doubtful debts.

# YTD 2023 Net Property Income



# Balance Sheet

| As at 30 September 2023 | RM'mil |
|---|---|
| Non-current Assets | 4,905 |
| Current Assets | 160 |
| **Total Assets** | **5,065** |
| Current Liabilities | 312 |
| Non-current Liabilities | 2,103 |
| **Total Liabilities** | **2,415** |
| **Net Assets** | **2,650** |
| **Total Unitholders' Funds** | **2,650** |
| **No of Units in Circulation (mil)** | **2,733** |

| | |
|---|---|
| **Net Asset Value (RM'mil)** | |
| - before income distribution | 2,650 |
| **- after income distribution** | **2,621** |
| | |
| **Net Asset Value per Unit (RM)** | |
| - before income distribution | 0.9694 |
| **- after income distribution** | **0.9589** |

# New retail offerings to refresh shoppers' experience

## Ex-Klang Valley Malls


Delivic Premium @ Gurney Plaza


Zus Coffee @ Gurney Plaza



Prism+ @ Queensbay Mall



Tonic Soup @ Queensbay Mall

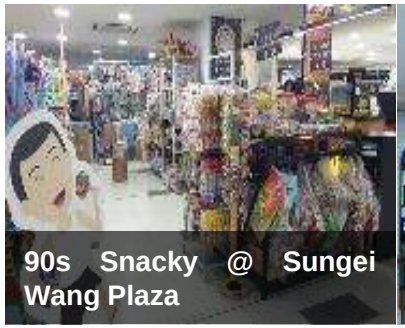


Bread @ Queensbay Mall



SK @ East Coast Mall

## Klang Valley Malls


90s Snacky @ Sungei Wang Plaza


Milky Way @ Sungei Wang Plaza



G-Lab @ Sungei Wang Plaza


Toys Spot Fantasia @ Sungei Wang Plaza


CAP Malaya @ Sungei Wang Plaza



Heroes Wellness @ Sungei Wang Plaza


VRESIANA @ The Mines



Orlando @ The Mines


Good2u Concept Store @ The Mines


Beaudelicious @ 3 Damansara

# Shopper Engagement Initiatives

## Gurney Plaza


George Town Fashion Week





Chocolate Festival



## The Mines


Jajan Viral Chocolate Fair



Joyous Mid-Autumn


An Artistic & Melodious Celebration of Malaysiaku

## Sungei Wang Plaza



Akiba Fest



Thrifted events

## East Coast Mall


Merdeka and Malaysia Day Celebration

## 3 Damansara


Roland V-Drums Championship


Open Chess Championship


Mid-Autumn Festival Campaign

# Awards














- Queensbay Mall won **Malaysia Shopping Malls Association PPK Malaysia Best Experiential Marketing 2022 – 2023 Awards (Category C) – Silver Award** for Hari Raya campaign: Senandung Aidilfitri

- CapitaLand clinched the **Company of the Year Award** for community care under the shopping mall category at the **Sustainability and CSR Malaysia Awards 2023** for its #GivingBersama 2.0 initiative.




# Thank You

**For enquiries, please contact:**
**Ms Jasmine Loo, Investor Relations**
**Email: jasmine.loo@capitaland.com**
**CapitaLand Malaysia REIT Management Sdn. Bhd.**
**Unit No. 1-27, Level 27 Naza Tower**
**No: 10, Persiaran KLCC, 50088 Kuala Lumpur**
**Tel: (603) 2279 9888 | Fax: (603) 2279 9889**
**(https://www.clmt.com.my)**