



Mapletree Logistics Trust

1Q FY20/21 Financial Results

20 July 2020

Disclaimer

This presentation shall be read in conjunction with Mapletree Logistics Trust's financial results for the First Quarter FY2020/21 in the SGXNET announcement dated 20 July 2020.

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Agenda

- Key Highlights
- Financial Review
- Capital Management
- Portfolio Review
- Outlook

Key Highlights

- **1Q FY20/21 Amount Distributable to Unitholders of S\$77.8m (+5.7% y-o-y) and DPU of 2.045 cents (+1.0% y-o-y)**
 - Gross revenue rose 10.5% to S\$132.4m and NPI grew 12.0% to S\$118.8m
 - Higher revenue from existing properties as well as contributions from accretive acquisitions completed in FY19/20, partly offset by rental rebates granted to eligible tenants who were impacted by COVID-19 and absence of contributions from divestments in FY19/20
- **Resilient Portfolio**
 - Healthy portfolio occupancy of 97.2%
 - Well-staggered lease expiry profile with WALE (by NLA) of 4.3 years
 - Average rental reversion for leases renewed or replaced in 1Q FY20/21 was 1.9%, mainly due to China, Hong Kong SAR, Malaysia and Vietnam
- **Robust Balance Sheet**
 - Aggregate leverage of 39.6% as at 30 Jun 2020
 - Well-staggered debt maturity profile with an average debt duration of 4.0 years
 - Approximately 80% of total debt is hedged into fixed rates and about 78% of income stream over next 12 months has been hedged
 - Sufficient available committed credit facilities to refinance debt due in FY20/21 and FY21/22
- **Proposed acquisition of Grade A logistics facility in Brisbane, Australia for A\$21.3m (S\$20.2m)**

The background features a 3D perspective of an orange corner or architectural structure. The structure is composed of several flat, orange-colored planes that meet at sharp angles, creating a sense of depth and modern design. The lighting is soft, with subtle gradients and shadows that emphasize the geometric forms. The overall color palette is a range of orange tones, from light peach to deep burnt orange.

Financial Review

1Q FY20/21 vs. 1Q FY19/20 (Year-on-Year)

S\$'000	1Q FY20/21 ¹ 3 mths ended 30 Jun 2020	1Q FY19/20 ² 3 mths ended 30 Jun 2019	Y-o-Y change (%)
Gross Revenue	132,371	119,811	10.5
Property Expenses	(13,533)	(13,683)	(1.1)
Net Property Income ("NPI")	118,838	106,128	12.0
Borrowing Costs	(21,647)	(21,629)	0.1
Contribution from Joint Ventures	2,400 ³	1,840 ⁴	30.4
Amount Distributable	82,047 ⁵	77,845 ⁶	5.2
- To Perp Securities holders	4,243	4,243	-
- To Unitholders	77,804	73,602	5.7
Available DPU (cents)	2.045	2.025	1.0
Total issued units at end of period (million)	3,804	3,635	4.6

- Revenue growth mainly due to:
 - higher contribution from existing properties
 - accretive acquisitions in FY19/20
 - partly offset by rental rebates granted to eligible tenants impacted by COVID-19 and the divestment of six properties in FY19/20
- Property expenses decreased mainly due to lower utilities cost, maintenance expenses and FY19/20 divestments
- Borrowing costs remained stable:
 - increase due to incremental borrowings to fund acquisitions
 - partly offset by lower interest costs due to lower average interest rate

Notes:

- 1Q FY20/21 started and ended with 145 properties.
- 1Q FY19/20 started with 141 properties and ended with 137 properties.
- Relates to MLT's 50% interest in 15 joint venture properties which were acquired in November 2019 and June 2018. The results for the joint ventures were equity accounted for at the Group level. Included in interest income of the Group was S\$2,376,000 interest from shareholders' loans extended to 15 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$127,000 in other trust expenses.
- Relates to MLT's 50% interest in 11 joint venture properties which were acquired in June 2018. The results for the joint ventures were equity accounted for at the Group level. Included in interest income of the Group is S\$2,032,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$232,000 in other trust expenses, net for the quarter ended 30 June 2019.
- This includes partial distribution of the gains from the divestments of MapletreeLog Integrated (Shanghai) (HKSAR) Limited and its wholly-owned subsidiary, MapletreeLog Integrated (Shanghai) Co., Ltd., which owns Mapletree Waigaoqiao Logistics Park ("Mapletree Integrated"), Gyoda Centre, Iwatsuki B Centre, Atsugi Centre, Iruma Centre and Mokurenji Centre (collectively known as "5 divested properties in Japan") and 7 Tai Seng Drive.
- This includes partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of 5 divested properties in Japan, 531 Bukit Batok Street 23, 7 Tai Seng Drive and 4 Toh Tuck Link.

1Q FY20/21 vs. 4Q FY19/20 (Quarter-on-Quarter)

S\$'000	1Q FY20/21 ¹ 3 mths ended 30 Jun 2020	4Q FY19/20 ² 3 mths ended 31 Mar 2020	Y-o-Y change (%)
Gross Revenue	132,371	128,068	3.4
Property Expenses	(13,533)	(13,333)	1.5
Net Property Income ("NPI")	118,838	114,735	3.6
Borrowing Costs	(21,647)	(19,967)	8.4
Contribution from Joint Ventures	2,400 ³	8,635 ⁴	(72.2)
Amount Distributable	82,047 ⁵	82,080 ⁶	0.0
- To Perp Securities holders	4,243	4,244	0.0
- To Unitholders	77,804	77,836	(0.0)
Available DPU (cents)	2.045	2.048	(0.1)
Total issued units at end of period (million)	3,804	3,800	0.1

- Revenue growth mainly due to:
 - higher contribution from existing properties in Singapore and Hong Kong SAR
 - full quarter contribution from 4Q FY19/20 acquisitions in South Korea and Japan
 - partly offset by rental rebates granted to eligible tenants impacted by COVID-19
- Property expenses increased mainly due to 4Q FY19/20 acquisitions
- Borrowing costs increased due to:
 - full quarter impact of incremental borrowings to fund 4Q FY19/20 acquisitions
 - partly offset by lower average interest rate from SGD loans

Notes:

- 1Q FY20/21 started and ended with 145 properties.
- 4Q FY19/20 started with 143 properties and ended with 145 properties.
- Relates to MLT's 50% interest in 15 joint venture properties which were acquired in November 2019 and June 2018. The results for the joint ventures were equity accounted for at the Group level. Included in interest income of the Group was S\$2,376,000 interest from shareholders' loans extended to 15 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$127,000 in other trust expenses.
- Relates to MLT's 50% interest in 15 joint venture properties which were acquired in November 2019 and June 2018. The results for the joint ventures were equity accounted for at the Group level. Included in interest income of the Group was S\$2,810,000 interest from shareholders' loans extended to 15 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$191,000 in other trust income, net for the quarter ended 31 March 2020. Included fair value gain on investment properties (net of deferred tax).
- This includes partial distribution of the gains from the divestments of Mapletree Integrated, 5 divested properties in Japan and 7 Tai Seng Drive.
- This includes partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of Mapletree Integrated, 5 divested properties in Japan and 7 Tai Seng Drive.

Healthy Balance Sheet

S\$'000	As at 30 Jun 2020	As at 31 Mar 2020
Investment Properties	8,541,439	8,548,409
Total Assets	9,127,441	9,051,373
Total Liabilities	4,106,490	4,033,882
Net Assets Attributable to Unitholders	4,586,147	4,580,231
NAV / NTA Per Unit	\$1.21 ¹	\$1.21 ²

Notes:

1. Includes net derivative financial instruments, at fair value, liability of S\$67.2 million. Excluding this, the NAV per unit would be at S\$1.22.
2. Includes net derivative financial instruments, at fair value, liability of S\$65.0 million. Excluding this, the NAV per unit would be at S\$1.22.

Distribution Details

1Q FY20/21 Distribution	
Distribution Period	1 Apr 2020 – 30 Jun 2020
Distribution Amount	2.045 cents per unit
Ex-Date	27 Jul 2020, 9am
Record Date	28 Jul 2020, 5pm
Distribution Payment Date	11 Sep 2020

The background features a 3D perspective of an orange corner or architectural structure. The structure is composed of several flat, orange-colored planes that meet at sharp angles, creating a sense of depth and modern design. The lighting is soft, casting subtle shadows and highlights on the surfaces.

Capital Management

Prudent Capital Management

	As at 30 Jun 2020	As at 31 Mar 2020
Total Debt (S\$ million) ¹	3,612	3,550
Aggregate Leverage Ratio ^{2,3}	39.6%	39.3%
Weighted Average Annualised Interest Rate ⁴	2.3%	2.5%
Average Debt Duration (years) ⁴	4.0	4.1
Interest Cover Ratio (times) ⁵	4.8	4.7
MLT Credit Rating by Moody's	Baa2 with stable outlook	Baa2 with stable outlook

- Total debt outstanding increased by S\$62m mainly for working capital purpose, including setting aside more operating cash in the various countries for financial flexibility
- Gearing ratio increased to 39.6% as at 30 Jun 2020, while interest rate decreased to 2.3% per annum

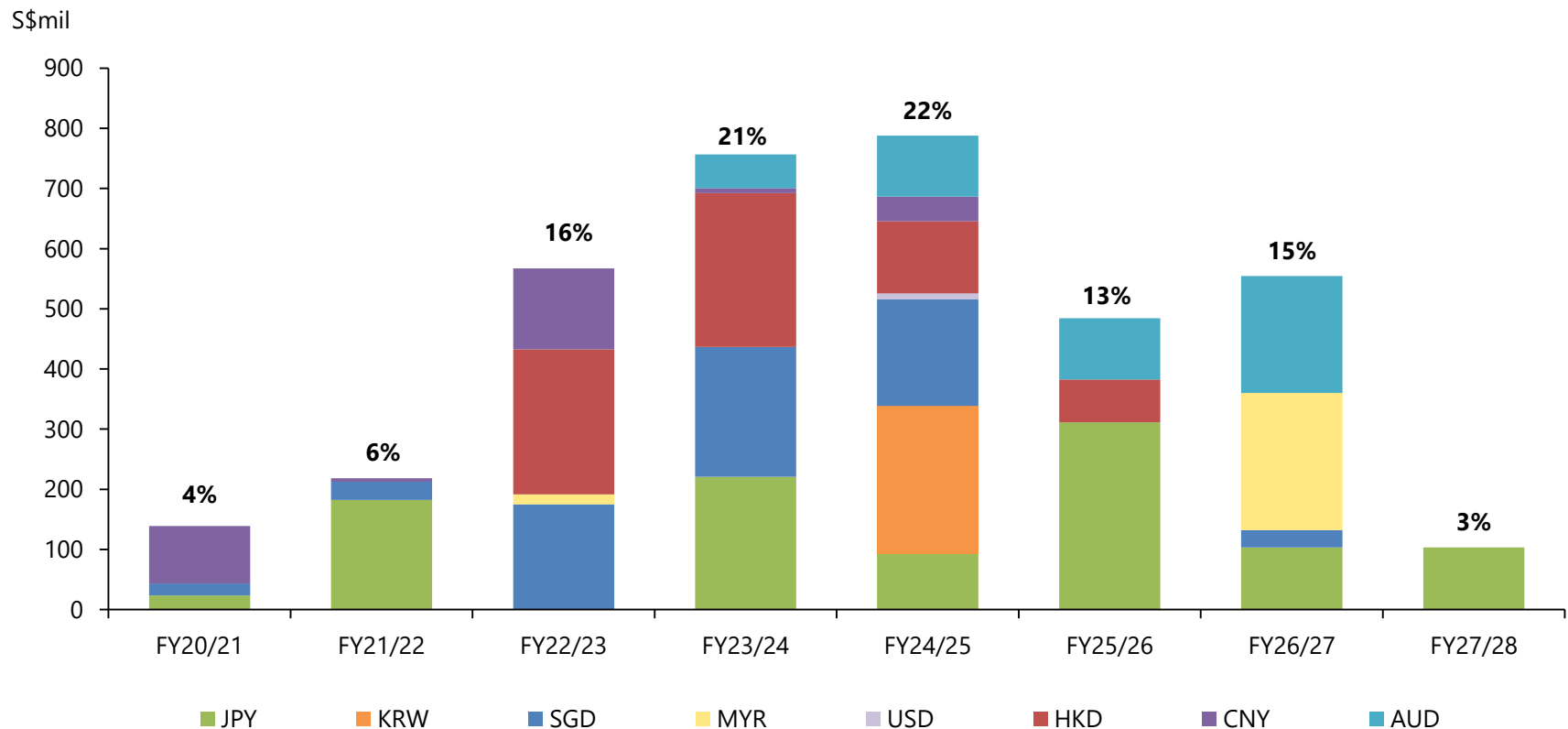
Notes:

1. Total debt is inclusive of proportionate share of borrowings of joint ventures.
2. As per Property Funds Guidelines, the aggregate leverage includes proportionate share of borrowings and deposited property values of joint ventures as well as lease liabilities that are entered into in the ordinary course of MLT's business on or after 1 April 2019 in accordance to the Monetary Authority of Singapore guidance.
3. Total debt (including perpetual securities) to net asset value ratio and total debt (including perpetual securities) less cash and cash equivalent to net asset value ratio as at 30 Jun 2020 were 78.2% and 77.1% respectively.
4. Weighted average annualised interest rate and average debt duration are inclusive of proportionate share of borrowings of joint ventures.
5. The interest cover ratio includes proportionate share of joint ventures and is based on a trailing 12 months financial results, in accordance with the definition from the Monetary Authority of Singapore with effect from 16 April 2020. The comparative is computed on the same basis.

Well-Staggered Debt Maturity Profile

- In 1Q FY20/21, MLT refinanced S\$127m equivalent of HKD and AUD loans with existing committed credit facilities
- Sufficient available committed credit facilities of over S\$530m to refinance S\$139m (4% of total debt) due in the current financial year and S\$217m (6% of total debt) due next year
- Debt maturity profile remains well staggered with an average debt duration of 4.0 years

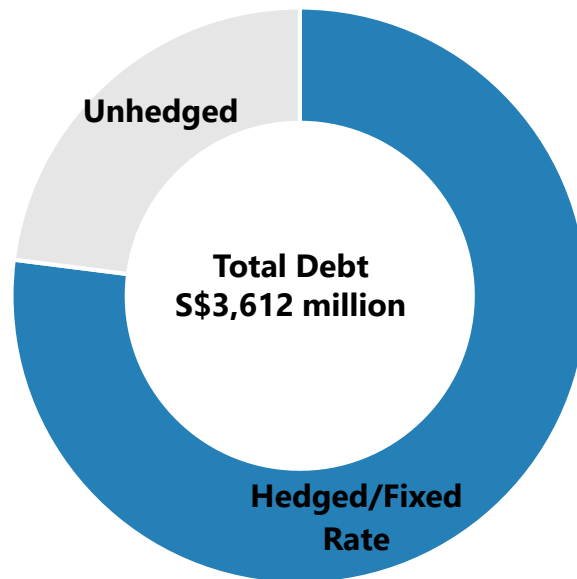
Total Debt: S\$3,612 million



Proactive Interest Rate and Forex Risk Management

Interest Rate Risk Management

- 80% of total debt is hedged or drawn in fixed rates
- Every potential 25 bps increase in base rates¹ may result in ~S\$0.46m decrease in distributable income or 0.01 cents in DPU² per quarter



● Hedged/Fixed Rate	80%
● Unhedged	20%
■ JPY	9%
■ SGD	7%
■ CNH	3%
■ MYR	1%

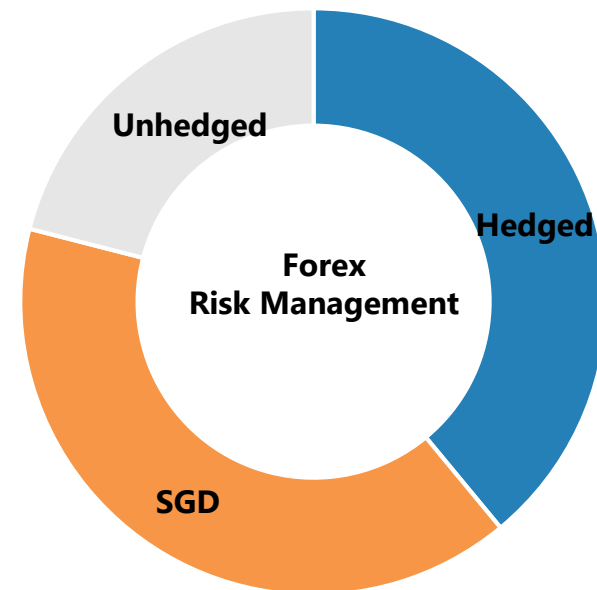
Notes:

1. Base rate denotes SOR, JPY LIBOR/DTIBOR, CNH HIBOR and KLIBOR.

2. Based on 3,804 million units as at 30 June 2020.

Forex Risk Management

- About 78% of amount distributable in the next 12 months is hedged into / derived in SGD



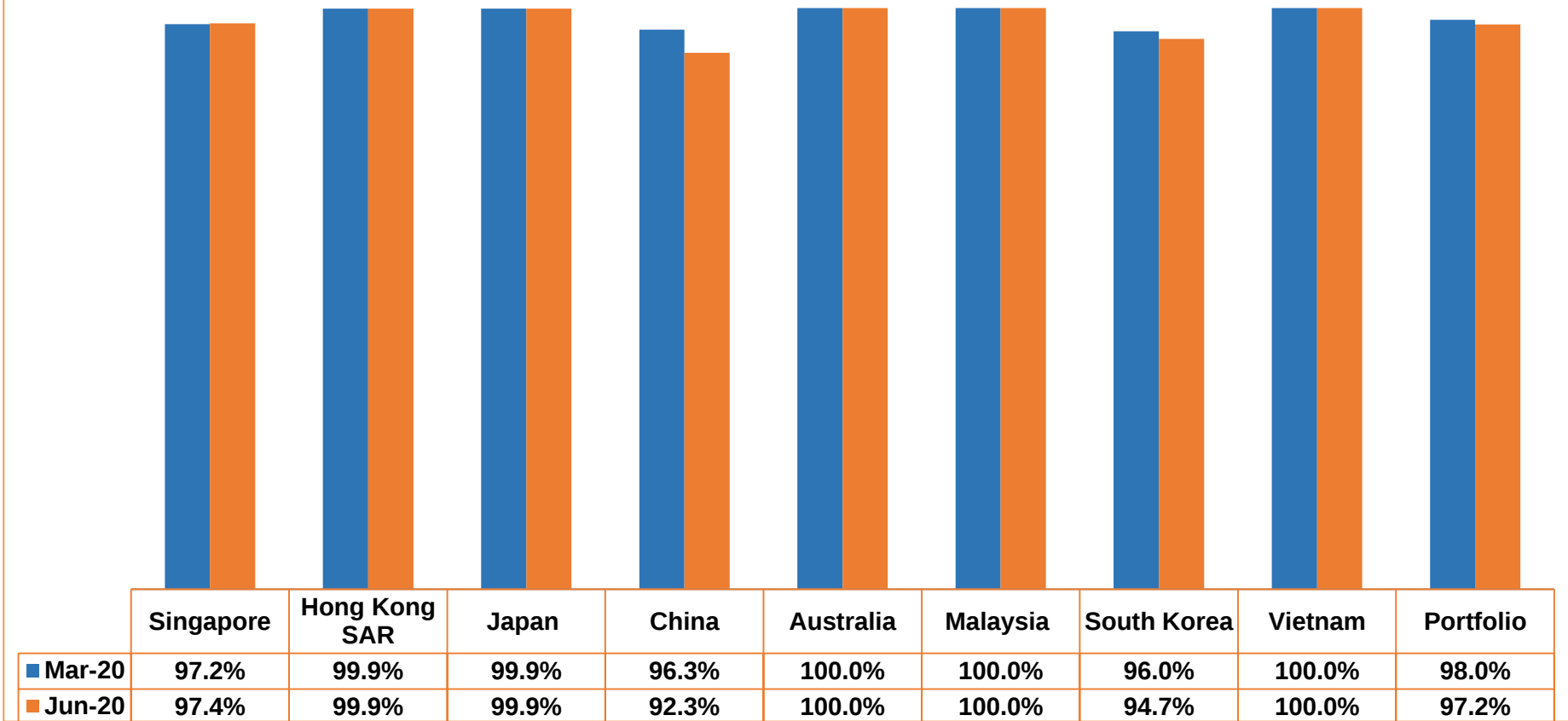
● Hedged (JPY, HKD, KRW, CNY, AUD, MYR)	39%
● SGD	39%
● Unhedged	22%

The background features a 3D perspective of an orange corner or architectural structure. The structure is composed of several flat, orange-colored planes that meet at sharp edges, creating a sense of depth and volume. The lighting is soft, with subtle gradients and shadows that emphasize the geometric forms. The overall color palette is a range of orange tones, from light peach to a deeper, more saturated orange.

Portfolio Review

Geographic Breakdown of Occupancy Levels

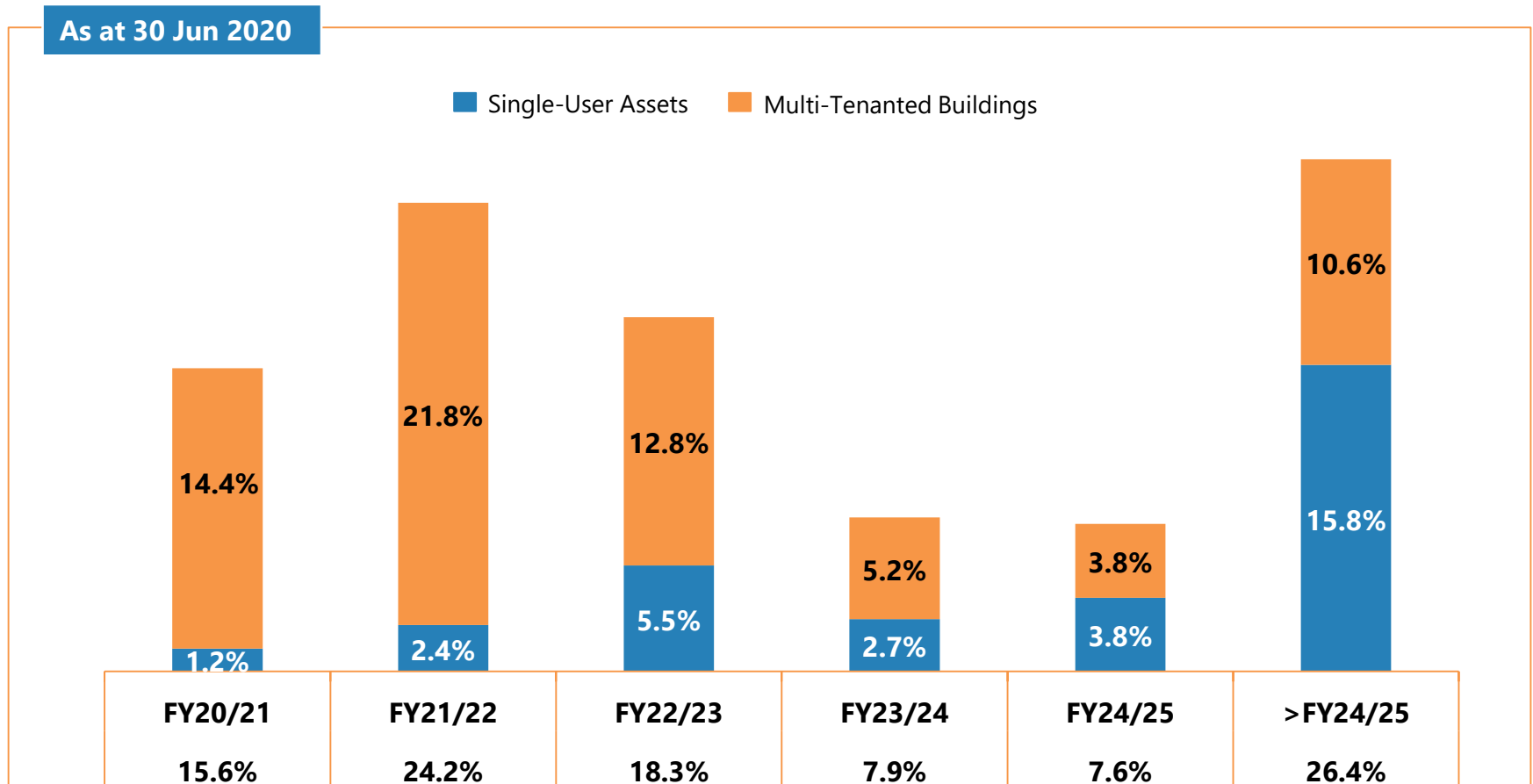
As at 30 Jun 2020



- Portfolio occupancy stood at 97.2%, reflecting lower occupancies in China and South Korea, which were partly offset by improved occupancy in Singapore
- Occupancy remained stable in Hong Kong SAR, Japan, Australia, Malaysia and Vietnam

Lease Expiry Profile (by NLA)

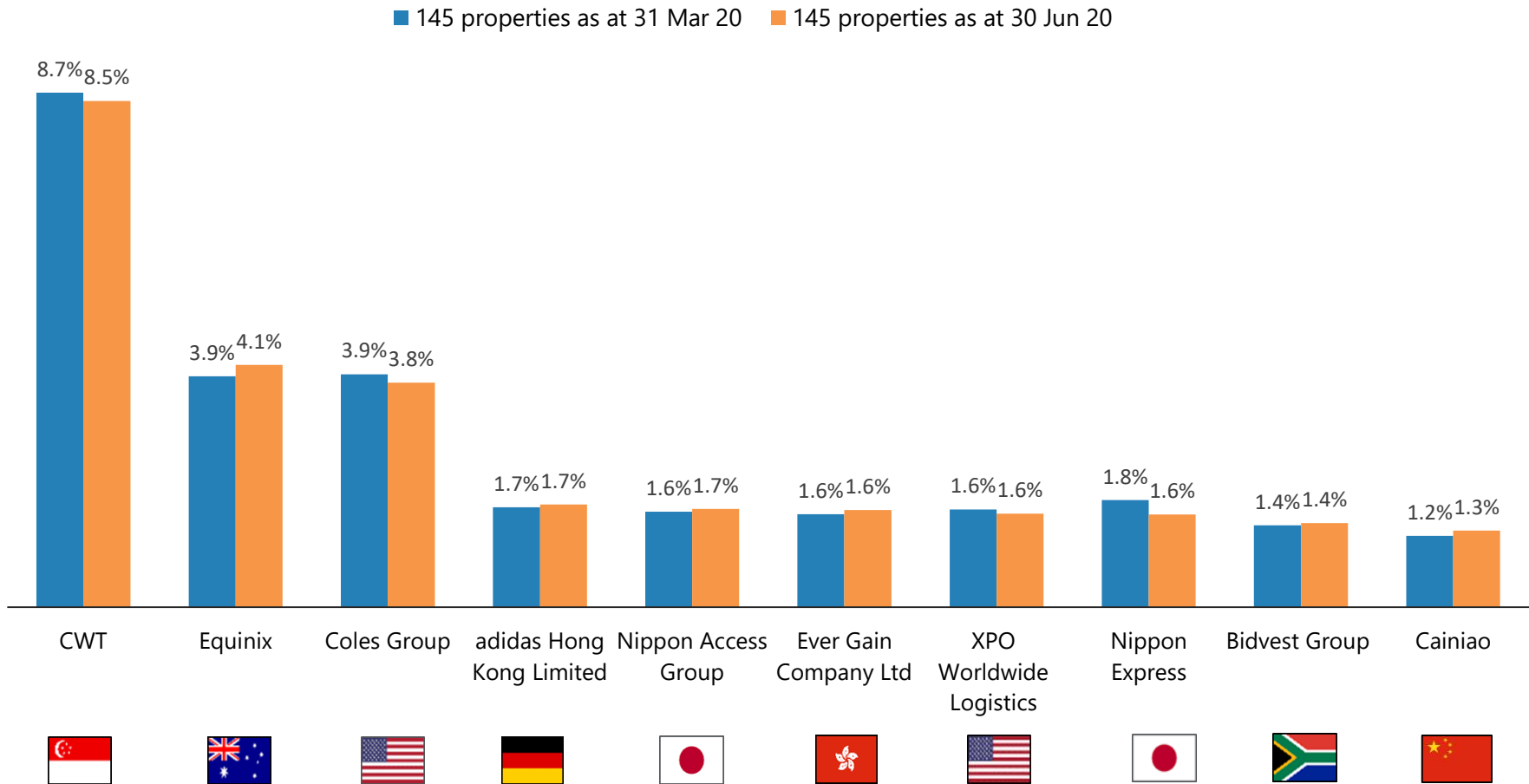
- Well-staggered lease expiry profile with weighted average lease expiry (by NLA) at 4.3 years



Top 10 Tenants by Gross Revenue

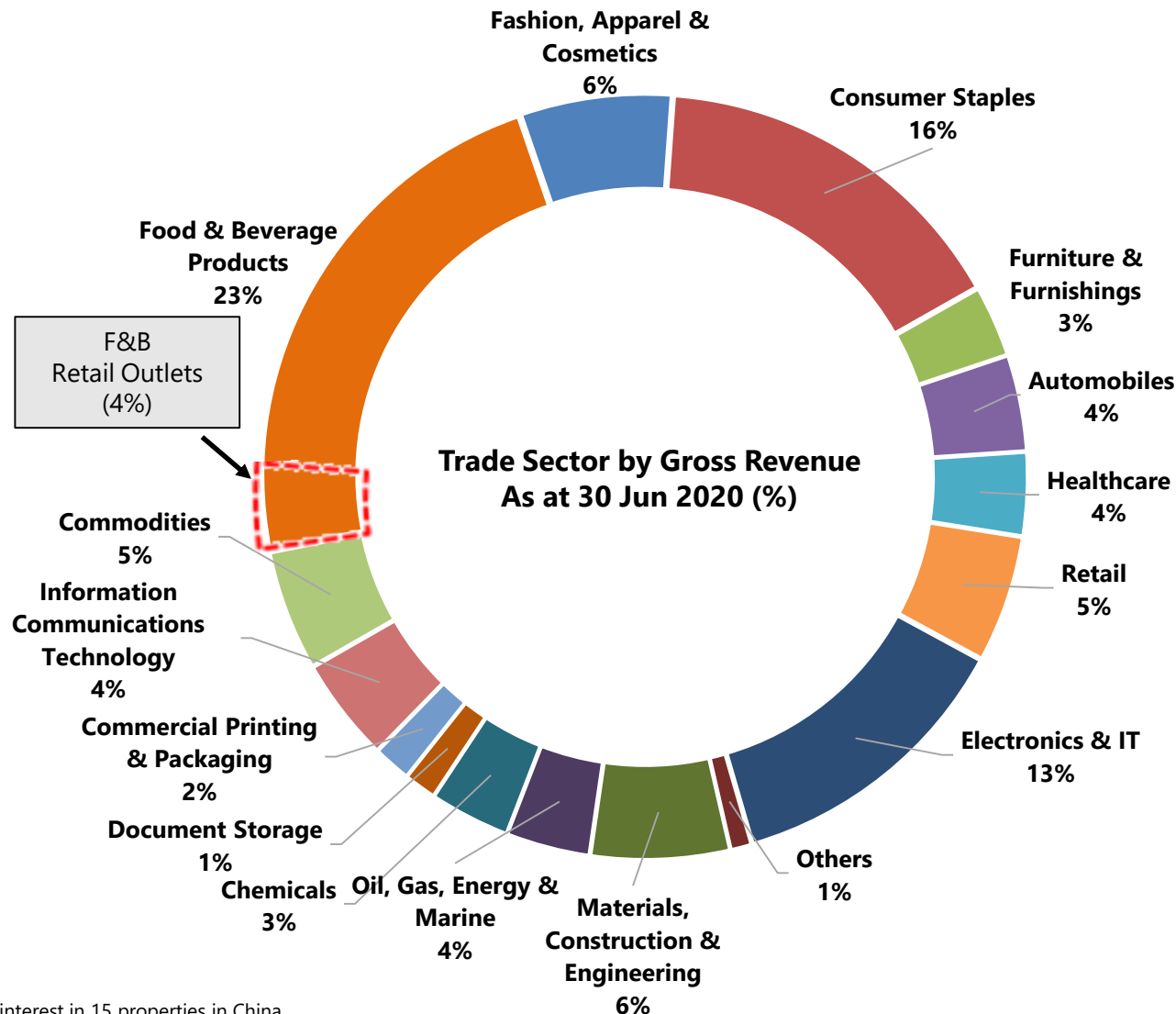
- Top 10 customers account for ~27% of total gross revenue

As at 30 Jun 2020



Diversified Tenant Trade Sectors

- Diversified tenant base of 696 customers
- Approximately three-quarters of portfolio is serving consumer-related sectors



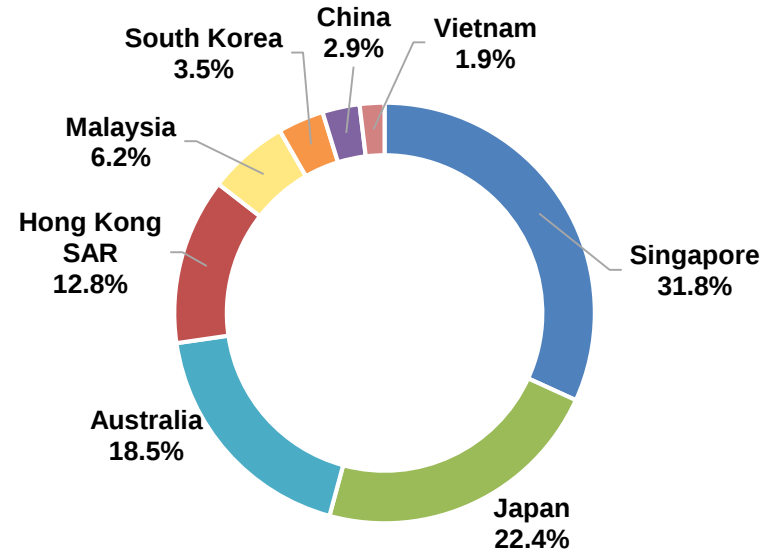
Single-User Assets vs. Multi-Tenanted Buildings

**Gross Revenue (%)
As at 30 Jun 2020**

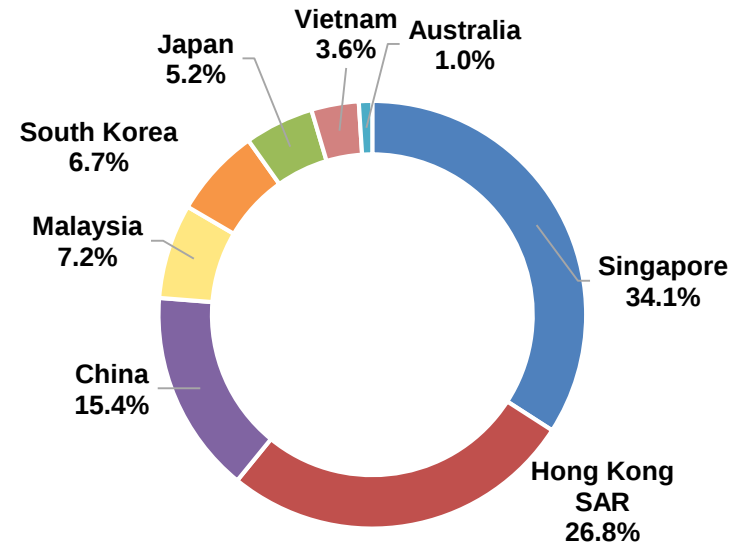
**Single-User Assets
35.8%**

**Multi-Tenanted
buildings
64.2%**

SUA Revenue Contribution by Geography

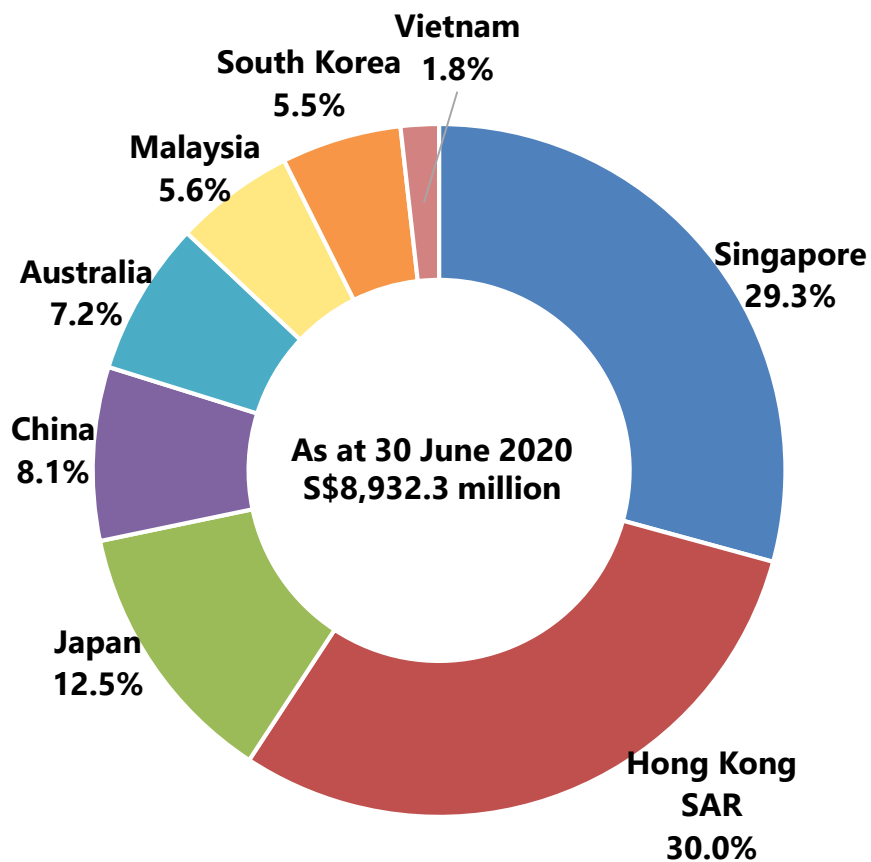


MTB Revenue Contribution by Geography

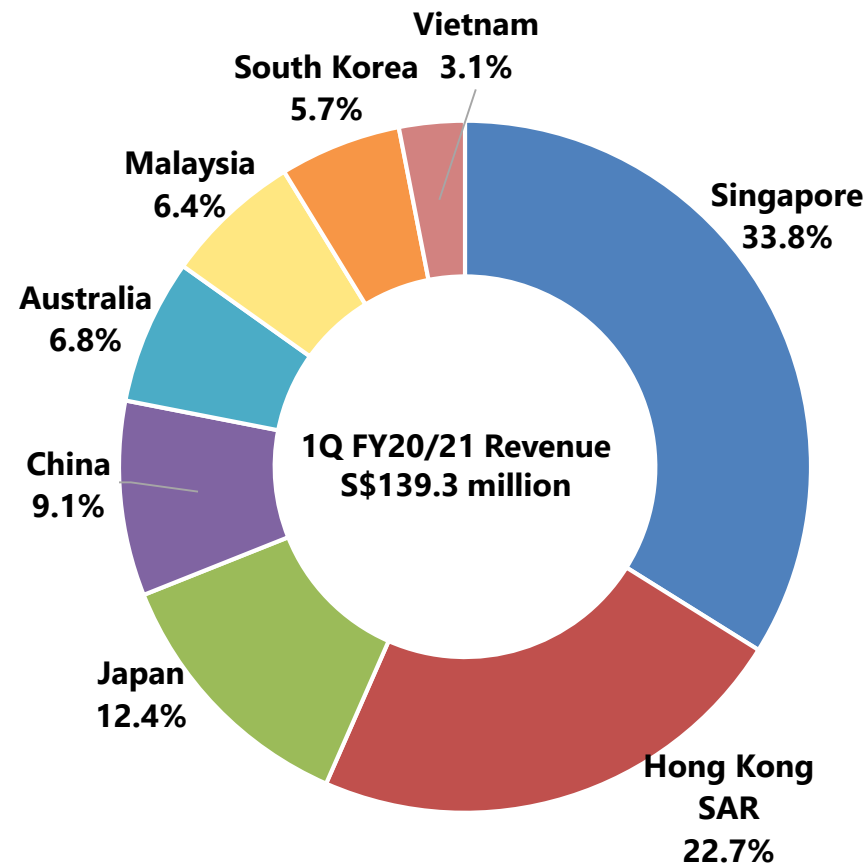


Geographical Diversification

ASSETS UNDER MANAGEMENT



GROSS REVENUE





Investment Review

Active Portfolio Rejuvenation

Redevelopment Mapletree Ouluo Logistics Park Shanghai, China

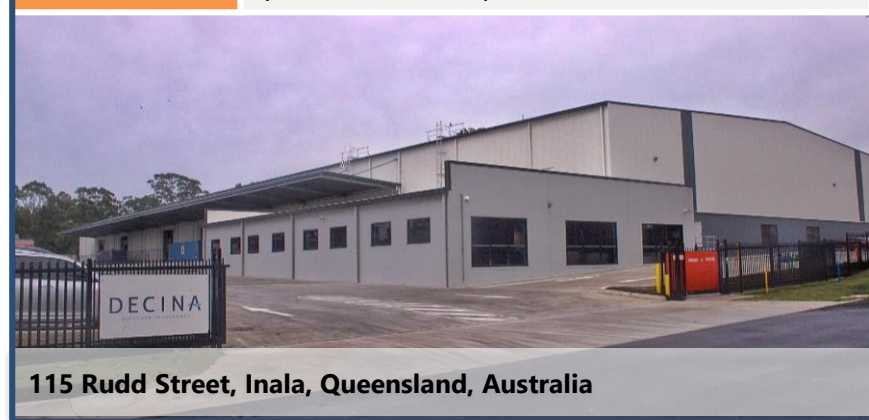
Description	Redevelopment into 4 blocks of 2-storey modern ramp-up logistics facility in 2 phases
GFA	Increase 2.4x to 80,700 sqm
Status	- Phase 1 completed in Sep 2018 - Phase 2 completed in May 2020
Estimated Cost	~S\$70 million



Mapletree Ouluo Logistics Park, China

Acquisition Grade A Logistics Property Brisbane, Australia

Description	Newly built freehold warehouse strategically located in Inala, an established industrial location
GFA	9,050 sqm
Tenant	10-year lease to Decina Bathroomware with annual rent escalations
Initial NPI yield	5.4%
Completion	Expected to be completed by 3Q FY20/21
Purchase Price¹	AUD21.25 million (S\$20.22 million)



115 Rudd Street, Inala, Queensland, Australia

Note:

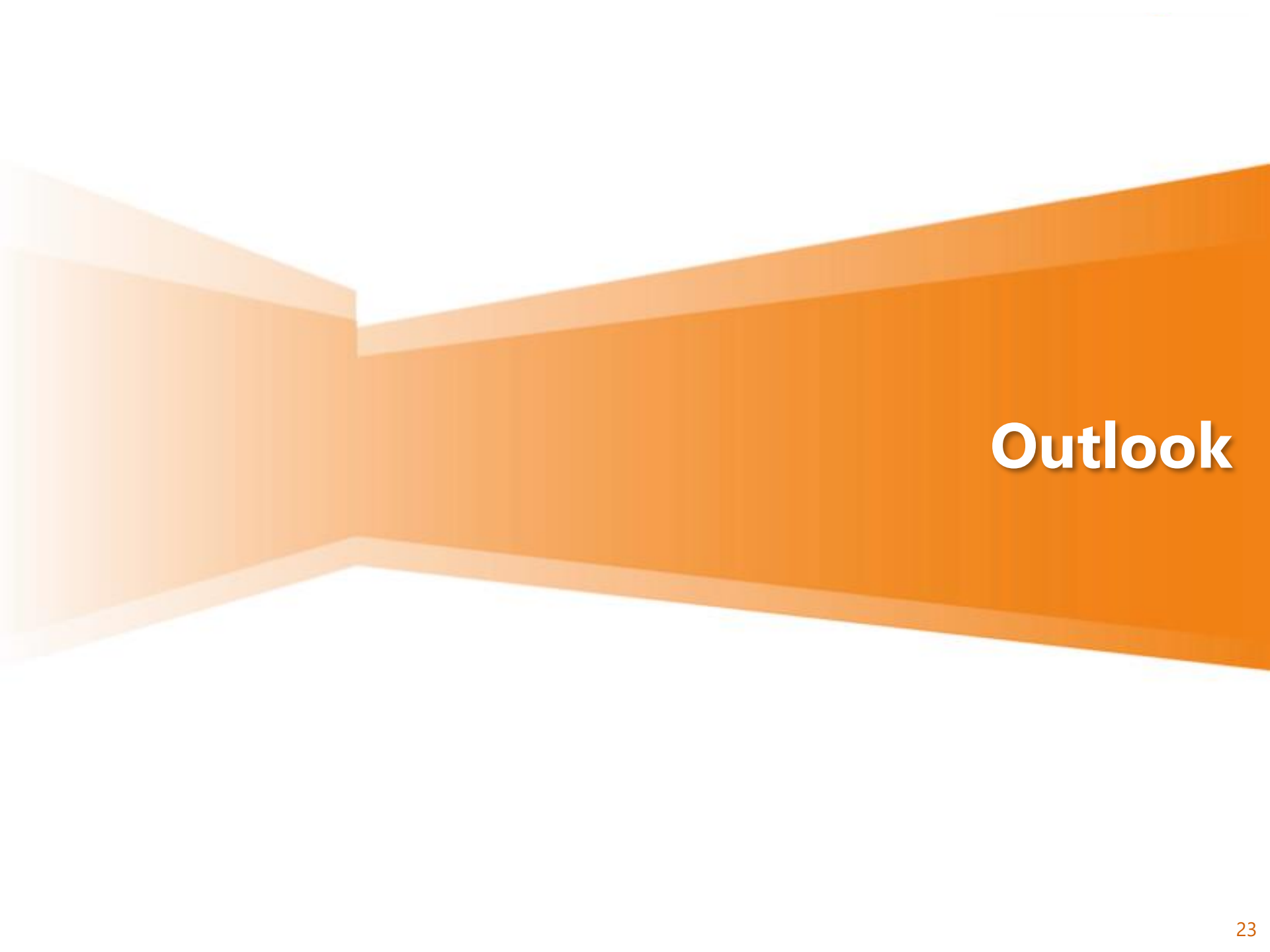
1. Based on exchange rate of S\$1=A\$1.051.

MLT's Portfolio at a Glance

	As at 30 Jun 2020 ¹	As at 31 Mar 2020 ¹
Assets Under Management (S\$ million)	8,932	8,946
WALE (by NLA) (years)	4.3	4.3
Net Lettable Area (million sqm)	5.0	5.0
Occupancy Rate (%)	97.2	98.0
No. of Tenants	696	693
No. of Properties	145	145
No. of Properties – By Country		
Singapore	52	52
Hong Kong SAR	9	9
Japan	17	17
China	23	23
Australia	10	10
Malaysia	15	15
South Korea	13	13
Vietnam	6	6

Notes:

1. Inclusive of MLT's 50.0% interest in 15 properties in China.

The background features a 3D perspective of two orange rectangular blocks meeting at a corner. The block on the right is larger and more prominent, while the one on the left is partially visible behind it. The surfaces are smooth with subtle gradients, and the overall color is a warm, vibrant orange.

Outlook

COVID-19 IMPACT TO-DATE

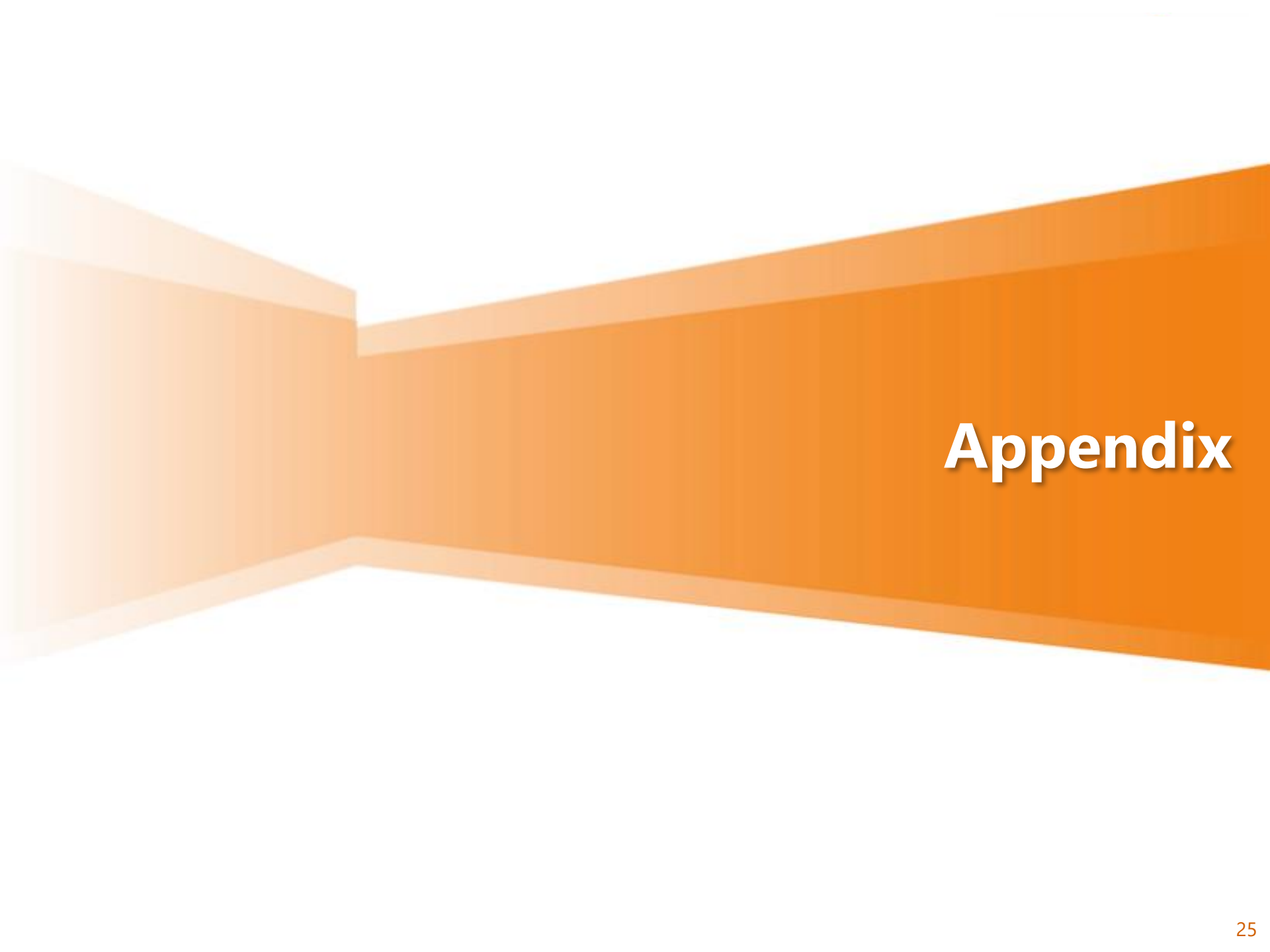


- All of MLT's tenants have resumed operations except for ~1.3% of MLT's revenue base
- Occupancy and rental rates remained resilient
- The Manager is working with affected tenants to provide targeted support and relief measures:
 - In Singapore and Australia, where local authorities have mandated specific relief measures for eligible SMEs, the Manager will be fully complying with these guidelines

LOOKING AHEAD



- A prolonged COVID-19 situation and economic downturn may negatively impact demand for warehouse space
- MLT's diversified geographic presence and tenant trade sector mix provide portfolio resilience
- COVID-19 is accelerating several pre-existing structural trends that benefit the logistics market e.g. e-commerce and supply chain diversification
- Focus on proactive lease management to sustain stable occupancies
- Maintain a strong balance sheet and prudent cash flow management

The background features a 3D perspective of an orange corner or architectural structure. It consists of two main planes meeting at a corner, with a third plane extending from the corner towards the viewer. The planes are rendered with a slight gradient and soft shadows, giving them a three-dimensional appearance against a plain white background.

Appendix

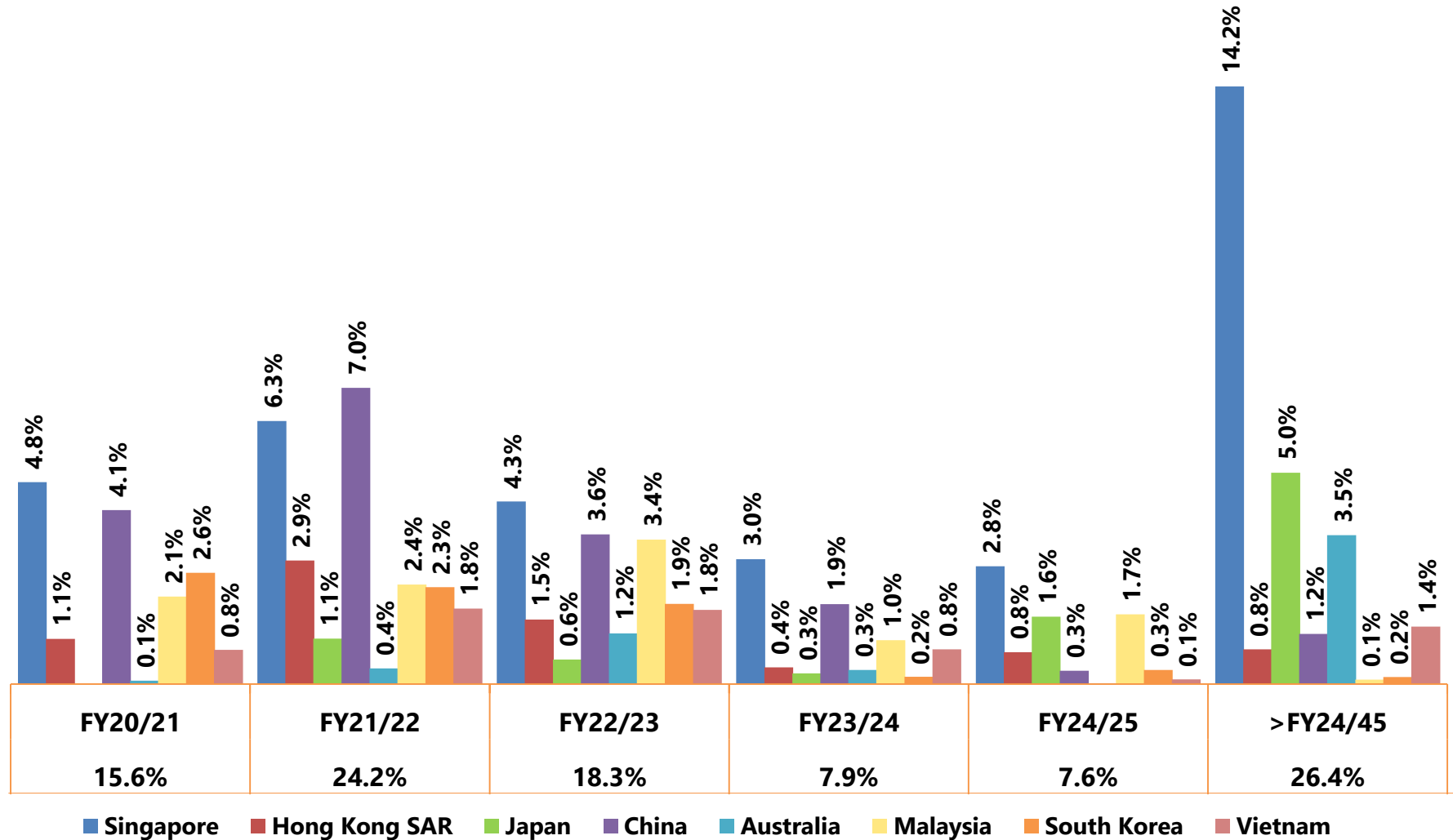
MIPL's Logistics Development Projects in Asia Pacific

Completed Projects			
No	Country	Location	GFA (sqm)
China			
1	China	Jiangsu - 3 projects	221,005
2	China	Zhejiang - 3 projects	254,217
3	China	Fujian - 1 project	105,332
4	China	Chongqing - 3 projects	230,978
5	China	Sichuan - 1 project	109,069
6	China	Hubei- 1 project	75,867
7	China	Shaanxi - 1 project	72,047
8	China	Tianjin - 2 projects	231,187
9	China	Shandong -1 project	75,856
10	China	Liaoning -2 projects	130,052
11	China	Heilongjiang - 1 project	60,595
12	China	Guizhou - 1 project	52,563
13	China	Hunan - 1 project	35,926
Malaysia			
14	Malaysia	Tanjung Pelepas -1 project	134,000
Vietnam			
15	Vietnam	Bac Ninh - 1 project	47,732
16	Vietnam	Binh Duong - 1 project	61,700
Total			1,898,128

MIPL's Logistics Development Projects in Asia Pacific

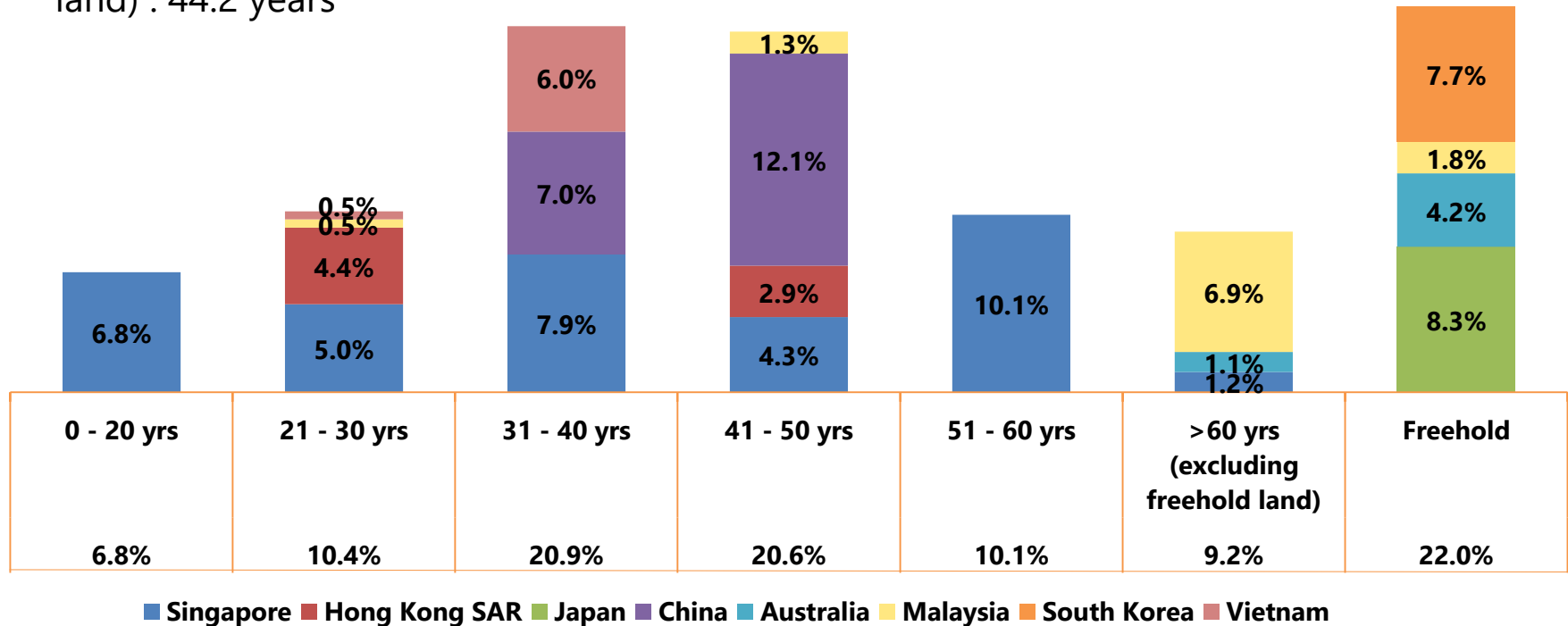
Projects Underway			
No	Country	Location	GFA (sqm)
China			
1	China	Jiangsu -6 projects	553,064
2	China	Zhejiang - 4 projects	433,174
3	China	Guangdong - 1 project	24,265
4	China	Fujian - 1 project	81,226
5	China	Chongqing - 2 projects	162,039
6	China	Henan - 1 project	95,951
7	China	Shandong - 1 project	67,365
8	China	Jilin - 1 project	60,295
9	China	Ningxia - 1 project	75,635
10	China	Yunnan- 1 project	66,501
11	China	Hubei - 1 project	75,504
12	China	Anhui - 1 project	101,593
13	China	Liaoning -1 project	36,542
14	China	Tianjin - 1 project	34,779
Malaysia			
15	Malaysia	Shah Alam - 2 projects	473,805
Vietnam			
16	Vietnam	Binh Duong - 3 projects	212,240
17	Vietnam	Bac Ninh - 2 projects	157,986
18	Vietnam	Hung Yen - 3 projects	175,370
Australia			
19	Australia	Crestmead, Brisbane - 1 project	191,890
Total			3,281,490

Lease Expiry Profile (by NLA) by Geography



Remaining Years to Expiry of Underlying Land Lease (by NLA)

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land) : 44.2 years



Remaining Land Lease	≤30 years	31-60 years	>60 years	Freehold
% of Portfolio (by NLA)	17.2% (34 assets)	51.6% (57 assets)	9.2% (10 assets)	22.0% (44 assets)