CACHE LOGISTICS TRUST

ENDURING. EVOLVING. GROWING.

# ANNUAL GENERAL MEETING
# 13 April 2016

MANAGED BY:

ARA CWT

ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED









# Agenda

1. Significant Milestones since IPO
2. FY2015 Financial Performance and Achievements
3. Cache Logistics Trust Today[1]
4. Market Outlook for Singapore and Australia
5. Looking Ahead: Our Strategy



Note:
(1) As at 31 December 2015.

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# Significant Milestones since IPO

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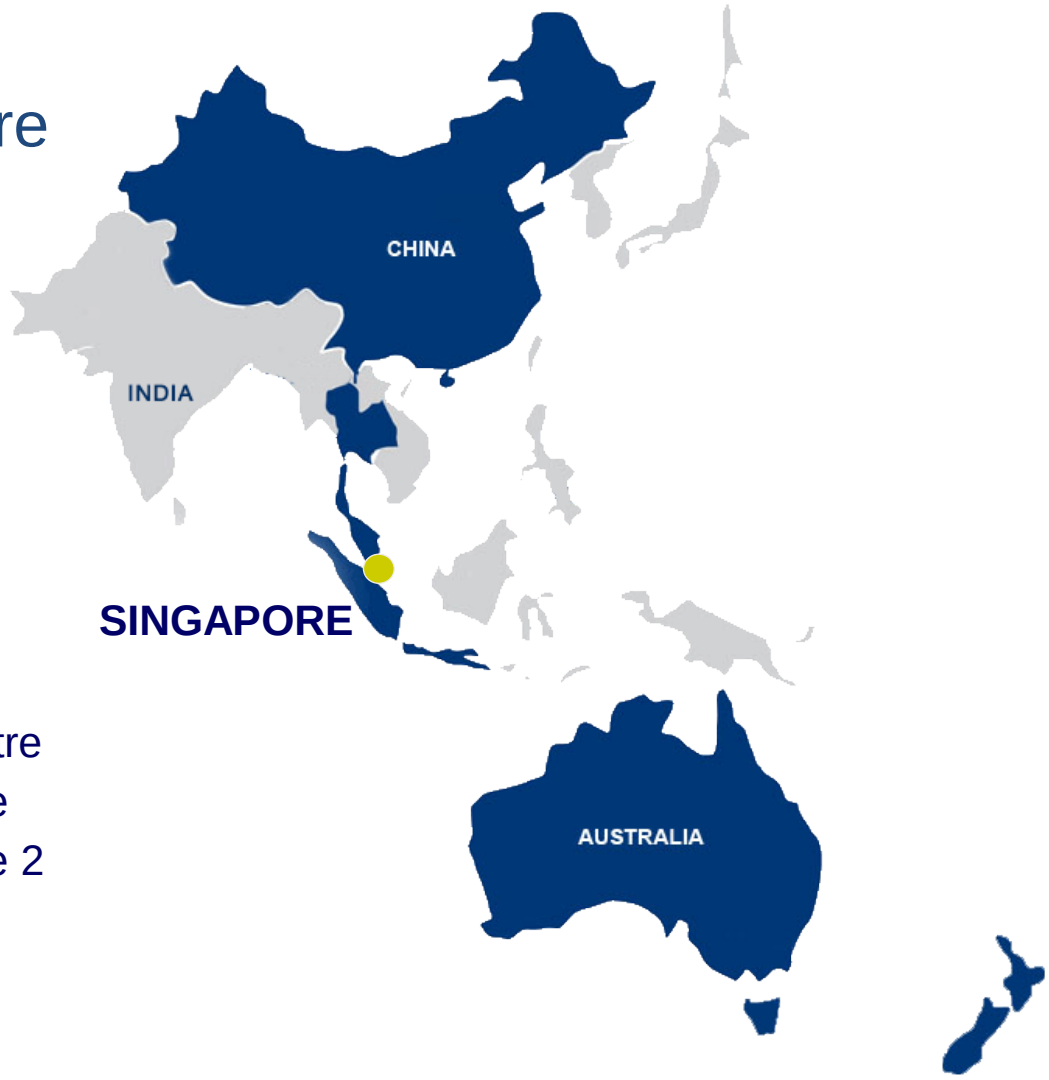




# 1 Significant Milestones since IPO

**At IPO….**

- **6** warehouses in Singapore
- **3.9 million** square feet
- **S$730 million** in value




1. CWT Commodity Hub
2. CWT Cold Hub
3. Schenker Megahub
4. Hi-Speed Logistics Centre
5. C&P Changi Districentre
6. C&P Changi Districentre 2

# 1 Significant Milestones since IPO



1 CWT Commodity Hub


2 CWT Cold Hub


3 Schenker Megahub


4 Hi-Speed Logistics Centre



5 C&P Changi Districentre



6 C&P Changi Districentre 2

# 1 Significant Milestones since IPO

**As at 31 December 2015**

- **19** warehouses in Singapore, Australia and China
- **7.5 million** square feet
- **S$1.3 billion** in value




**SINGAPORE**

1. CWT Commodity Hub
2. Cache Cold Centre
3. Pandan Logistics Hub
4. Precise Two
5. Schenker Megahub
6. Hi-Speed Logistics Centre
7. Cache Changi Districentre 1
8. Cache Changi Districentre 2
9. Cache Changi Districentre 3
10. Pan Asia Logistics Centre
11. Air Market Logistics Centre
12. DHL Supply Chain Advanced Regional Centre

**CHINA**

13. Jinshan Chemical Warehouse, Shanghai

**AUSTRALIA**

14. 127 Orchard Road, Chester Hill, NSW
15. 16 – 28 Transport Drive, Somerton, VIC
16. 51 Musgrave Road, Coopers Plains, QLD
17. 203 Viking Drive, Wacol, QLD
18. 223 Viking Drive, Wacol, QLD
19. 404-450 Findon Road, Kidman Park, SA

# 1 Significant Milestones since IPO

CACHE LOGISTICS TRUST














2011


7 APC Districentre



8 Jinshan Chemical Warehouse



9 Air Market Logistics Centre

2012


10 Pan Asia Logistics Centre


11 Pandan Logistics Centre

2013



12 Precise Two

# 1 Significant Milestones since IPO

CACHE LOGISTICS TRUST

**2014-2015**

## Acquired 6 warehouses in Australia



13 Chesterhill, Sydney



14 Somerton, Melbourne



15 Coopers Plains, Brisbane


16 Wacol, Brisbane


17 Wacol, Brisbane



18 Kidman Park, Adelaide

## Completed First Build-to-Suit Warehouse



19 DHL Supply Chain Advanced Regional Centre

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# FY2015 Financial Performance And Achievements

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## Steady Financial Performance
## Achieved Distribution per Unit (DPU) of 8.50 cents

- FY2015 Gross Revenue increased 8.3% y-o-y due to incremental revenue from Australian acquisitions, built-in rental escalations and gross rent from multi-tenanted properties.
- FY2015 Net Property Income fell 2.4% y-o-y due to higher property expenses incurred in multi-tenanted properties.
- Overall DPU fell marginally by 0.9% due to a lower NPI and an increased units base.

| In S$'000 unless otherwise noted | FY2015 | FY2014 | Change (%) |
|---|---|---|---|
| **Gross Revenue** | 89,721 | 82,852 | 8.3 |
| **Net Property Income** | 76,156 | 78,000 | (2.4) |
| **Income Available for Distribution**(1) | 67,960 | 66,880 | 1.6 |
| **Units in Issue** (million) | 893.5 | 781.8 | 14.3 |
| **Distribution per unit** (cents)(1) | 8.500 | 8.573 | (0.9) |

Note:
(1) Includes a partial capital distribution of S$5.08 million from the proceeds received from the divestment of Kim Heng Warehouse.

## Robust Balance Sheet with 16.6% increase in Total Assets

| In S$'000 unless otherwise noted | as at | 31 December 2015 |
|---|---|---|
| Investment Properties | | 1,307,959 |
| Other Non-Current Assets | | 4,885 |
| Current Assets | | 13,446 |
| **Total Assets** | | **1,326,290** |
| Debt, at amortised cost | | (523,448) |
| Other Liabilities | | (16,332) |
| **Total Liabilities** | | **(539,780)** |
| Net Assets Attributable to Unitholders | | 786,510 |
| Total units in issue (units) | | 893,472,054 |
| **NAV per Unit (S$)** | | **0.88** |

## Prudent Capital Management – the Foundation of our Growth

| For the financial year ended | 31 December 2015 |
|---|---|
| Total Financing Facilities Available (1) | S$608.4 million |
| Total Financing Facilities Drawn (1) | S$528.4 million |
| Undrawn Financing Facilities | S$80.0 million |
| **Aggregate Leverage Ratio (2)** | **39.8%** |
| **Weighted Average Debt Maturity (3)** | **3.1 years** |
| **Average All-in Financing Cost (4)** | **3.25%** |
| Interest Cover Ratio (ICR) (5) | 4.8 times |

Notes:

(1) Includes AUD loan facilities based on exchange rate of S$1.00 = A$0.968.

(2) Total Debt as a % of Total Deposited Properties.

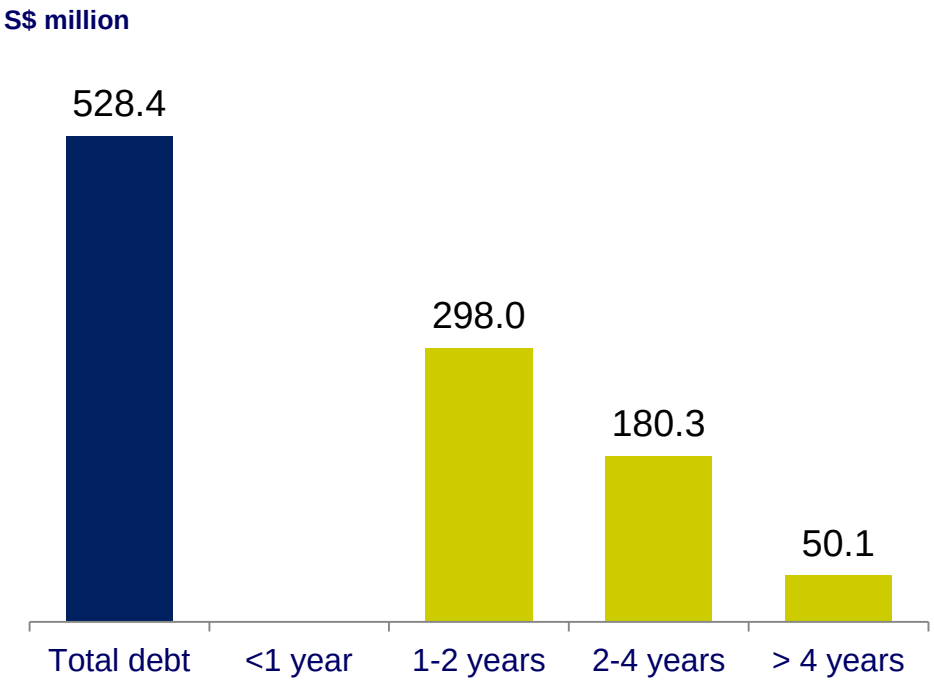
(3) Excludes undrawn loan facilities.

(4) Inclusive of margin and amortisation of capitalized upfront fee.

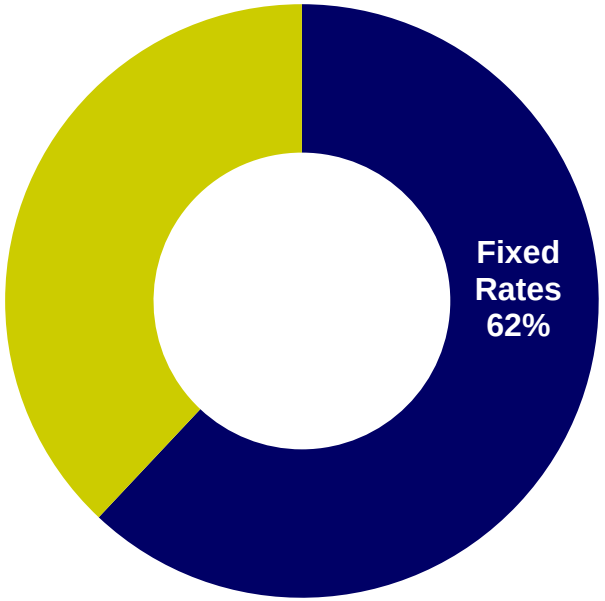
(5) Ratio of EBITDA over interest expense.

# Prudent Capital Management – the Foundation of our Growth

## No debt expiring till October 2017




## 62% of total debt is hedged

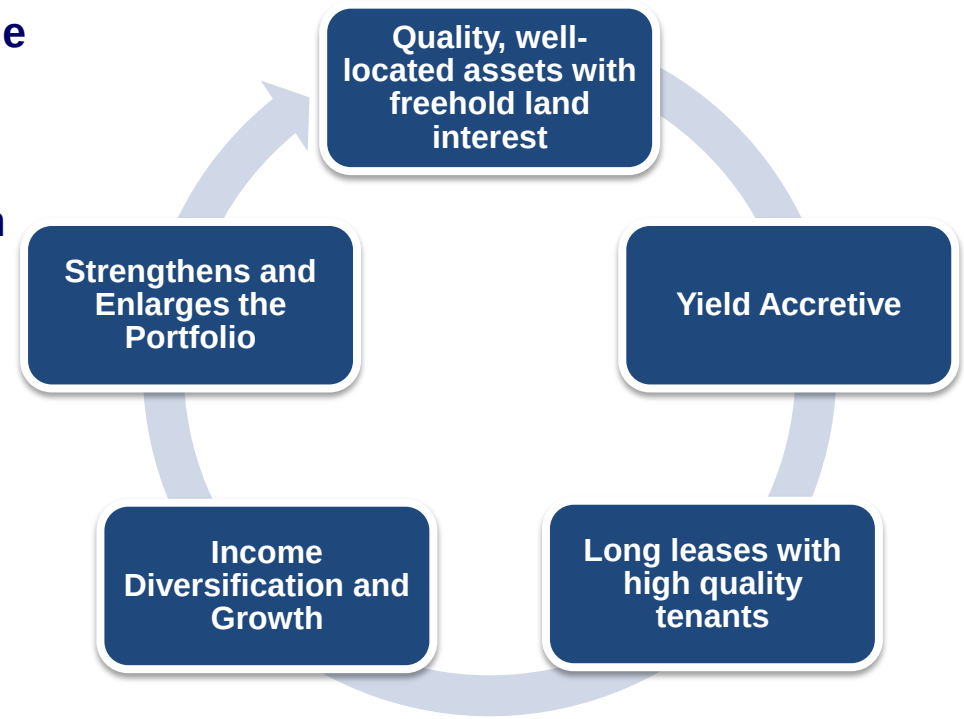



- 73% of SGD borrowings
- 50% of onshore AUD borrowings

## 1 Spreading our Wings

- Acquired **6 warehouses in Australia**:
  - ✓ Located in major trade/distribution cities: **Sydney, Melbourne, Brisbane and Adelaide**
  - ✓ **1.45 million sf** GFA
  - ✓ **A$164 million** in purchase consideration
- **Freehold land tenure** provides good balance against leasehold land in Singapore
- **Long WALE** of 6.8 years[1]
- **High quality tenants** such as McPhee Distribution, Linfox, Western Star Trucks and Metcash
- **Rental escalations** of 3.0% - 4.0% p.a. or at least CPI

### Investment Merits




Note:
(1) As at 31 December 2015.

2

## Completed our First Build-to-Suit Warehouse for DHL




| | |
|---|---|
| **Address** | **1 Greenwich Drive, Tampines LogisPark, Singapore** |
| Gross Floor Area | 989,260 sf |
| **Valuation** | **S$147.2 million** |
| Lease commitment | 10-yr lease term with options to renew until end of 30-yr land lease with progressive occupation |

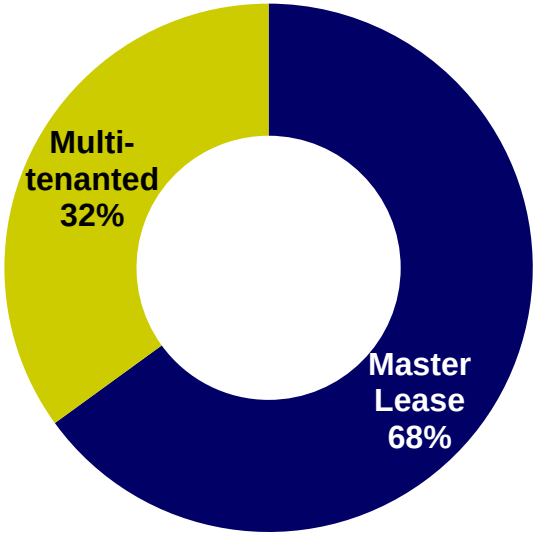
## 3 Greater Balance of Master-leased and Multi-tenanted Properties










- **4** master-leased properties were converted to multi-tenanted properties in FY2015
- Multi-tenanted properties contributed **32%** of FY2015 Gross Rental Income

**High Portfolio Occupancy of close to 95%**

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# Cache Logistics Trust Today

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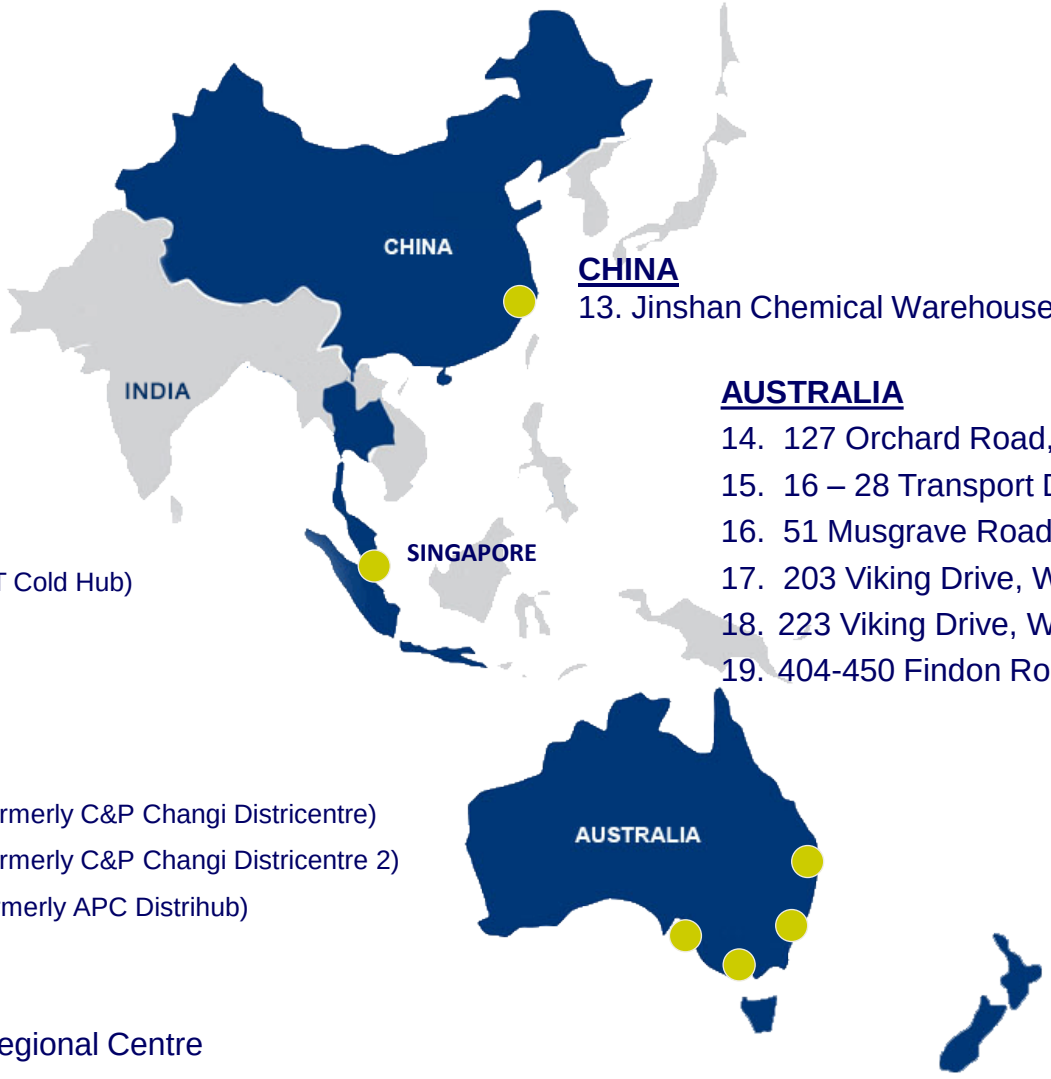








# 3 Cache Logistics Trust Today




**SINGAPORE**

1. CWT Commodity Hub
2. Cache Cold Centre (formerly CWT Cold Hub)
3. Pandan Logistics Hub
4. Precise Two
5. Schenker Megahub
6. Hi-Speed Logistics Centre
7. Cache Changi Districentre 1 (formerly C&P Changi Districentre)
8. Cache Changi Districentre 2 (formerly C&P Changi Districentre 2)
9. Cache Changi Districentre 3 (formerly APC Distrihub)
10. Pan Asia Logistics Centre
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**CHINA**

13. Jinshan Chemical Warehouse, Shanghai

**AUSTRALIA**

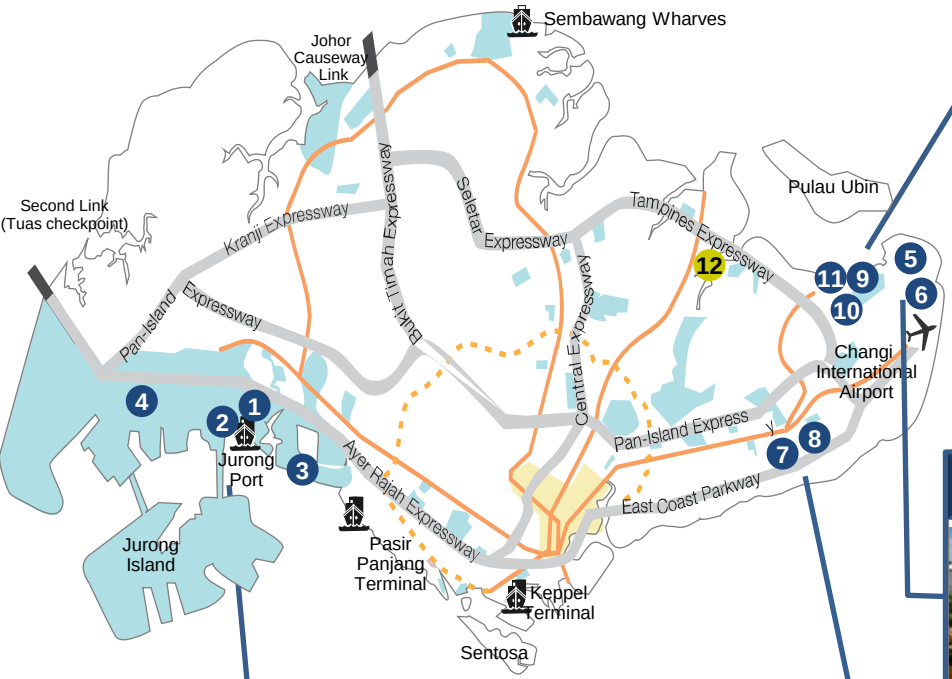
14. 127 Orchard Road, Chester Hill, NSW
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16. 51 Musgrave Road, Coopers Plains, QLD
17. 203 Viking Drive, Wacol, QLD
18. 223 Viking Drive, Wacol, QLD
19. 404-450 Findon Road, Kidman Park, SA

# 3 Cache Logistics Trust Today

| as at | 31 December 2015 |
|---|---|
| 19 Logistics Warehouse Properties | 12 – Singapore<br>6 – Australia<br>1 – China |
| Total Valuation | S$1.308 billion |
| Gross Floor Area | 7.51 million sf |
| Portfolio Occupancy | 94.9% |
| Average Building Age | 10 years |
| Weighted Average Lease to Expiry (“WALE”) | 4.4 years |
| Weighted Average Land Lease Expiry | 43.6 years (1) |
| Property Features | 10 – Ramp-up<br>2 – Cargo Lift<br>7 – Single Storey |
| Rental Escalations built into Master Leases | ~1% to 4% p.a. |
| Number of Tenants | 35 |

Note:
(1) For the purpose of presentation, freehold properties are computed using a 99-year leasehold tenure.

# 3 Cache Logistics Trust Today




## Changi North



9 Cache Changi Districentre 3
6 Changi North Way



10 Pan Asia Logistics Centre
21 Changi North Way

## Loyang



11 Air Market Logistics Centre
22 Loyang Lane

## Tampines LogisPark



12 DHL Supply Chain ARC
1 Greenwich Drive

## Airport Logistics Park ("ALPS")



5 Schenker Megahub
51 ALPS Avenue



6 Hi-Speed Logistics Centre
40 ALPS Avenue

## Changi South



7 Cache Changi Districentre 1
5 Changi South Lane



8 Cache Changi Districentre 2
3 Changi South Street 3

## Pandan/Penjuru/ Gul Way



1 CWT Commodity Hub
24 Penjuru Road



2 Cache Cold Centre
2 Fishery Port Road

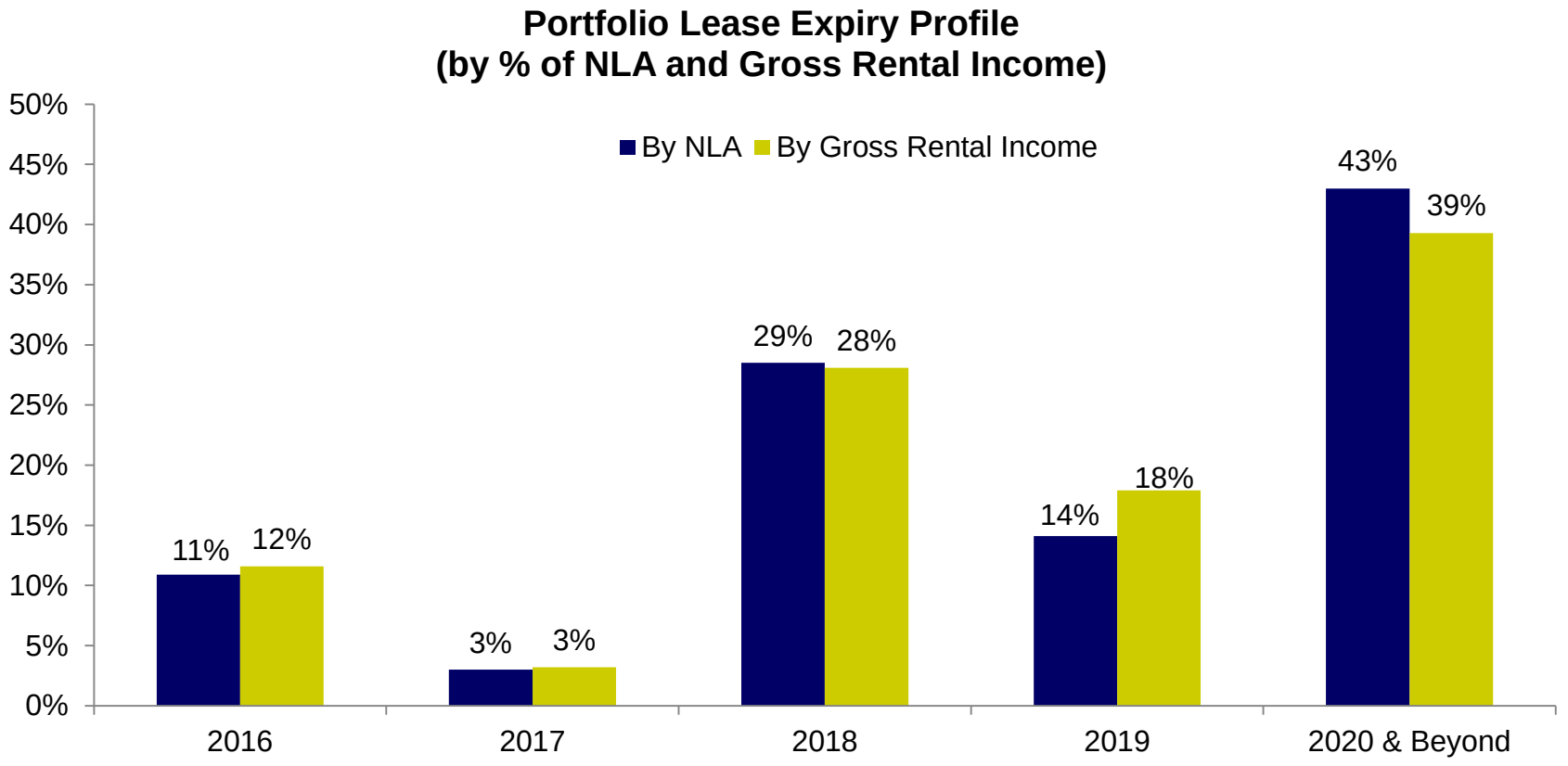


3 Pandan Logistics Hub
49 Pandan Road



4 Precise Two
15 Gul Way

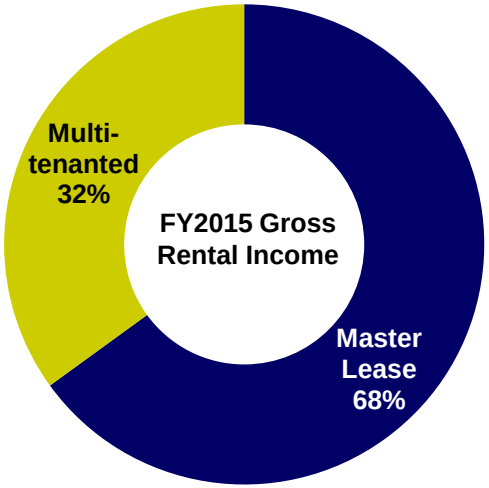
## WALE by NLA : 4.4 years
## WALE by Gross Rental Income : 4.2 years



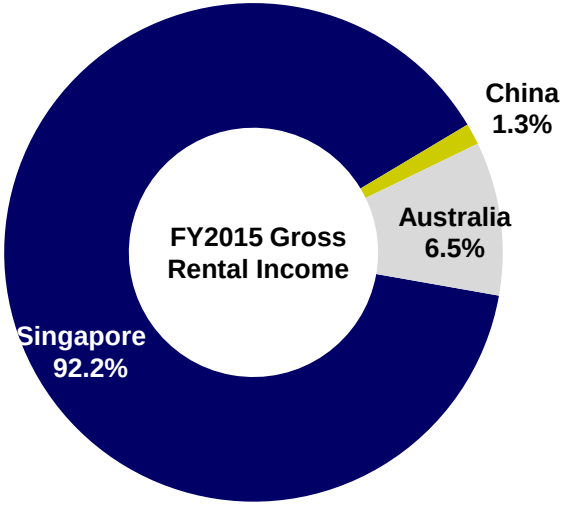

About 40% of all leases are committed from 2020 and beyond

# Cache Logistics Trust Today

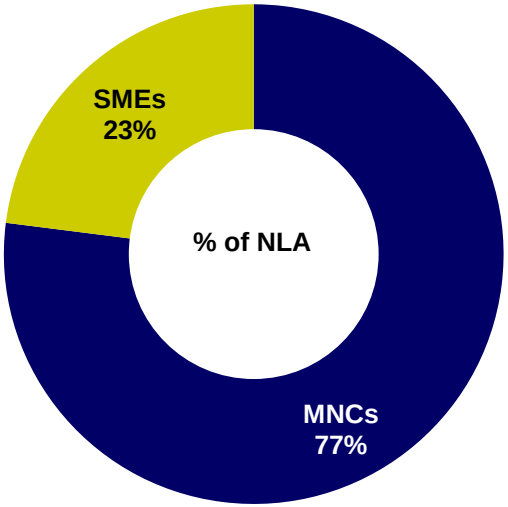
## 1. Greater Balance between Multi-tenanted and Master Lease Structures



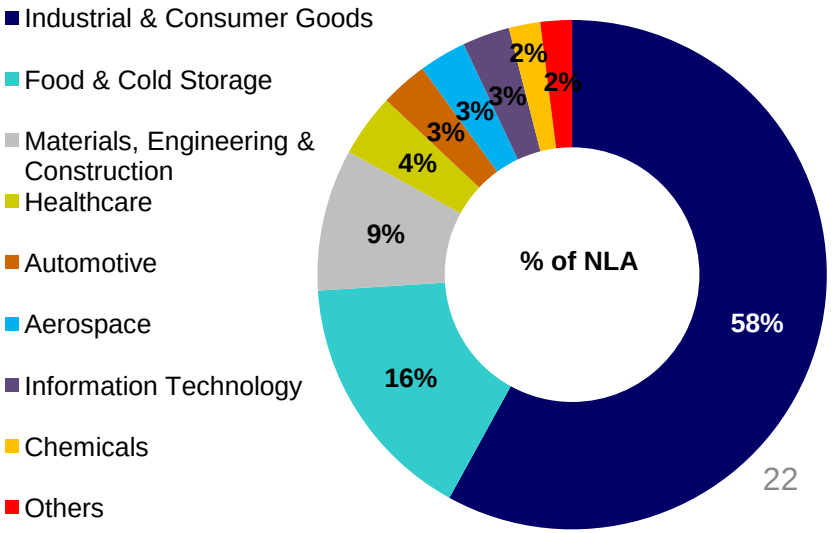

## 2. Geographical Diversification beyond Singapore




## 3. Majority of End-Users and Tenants are Multi-national Companies (MNCs)




## 4. End-Users come from Diverse Industry Sectors



FinanceAsia

**2012 Finance Asia –**
**Most Committed to a Strong Dividend Policy**




**League of American Communications Professionals (LACP) Vision Awards 2013, 2014**




Singapore Corporate Awards

**2013**
**Best Investor Relations, Silver (REITs & Business Trusts)**

**2014, 2015**
**Best Investor Relations, Bronze (REITs & Business Trusts)**

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# Market Outlook

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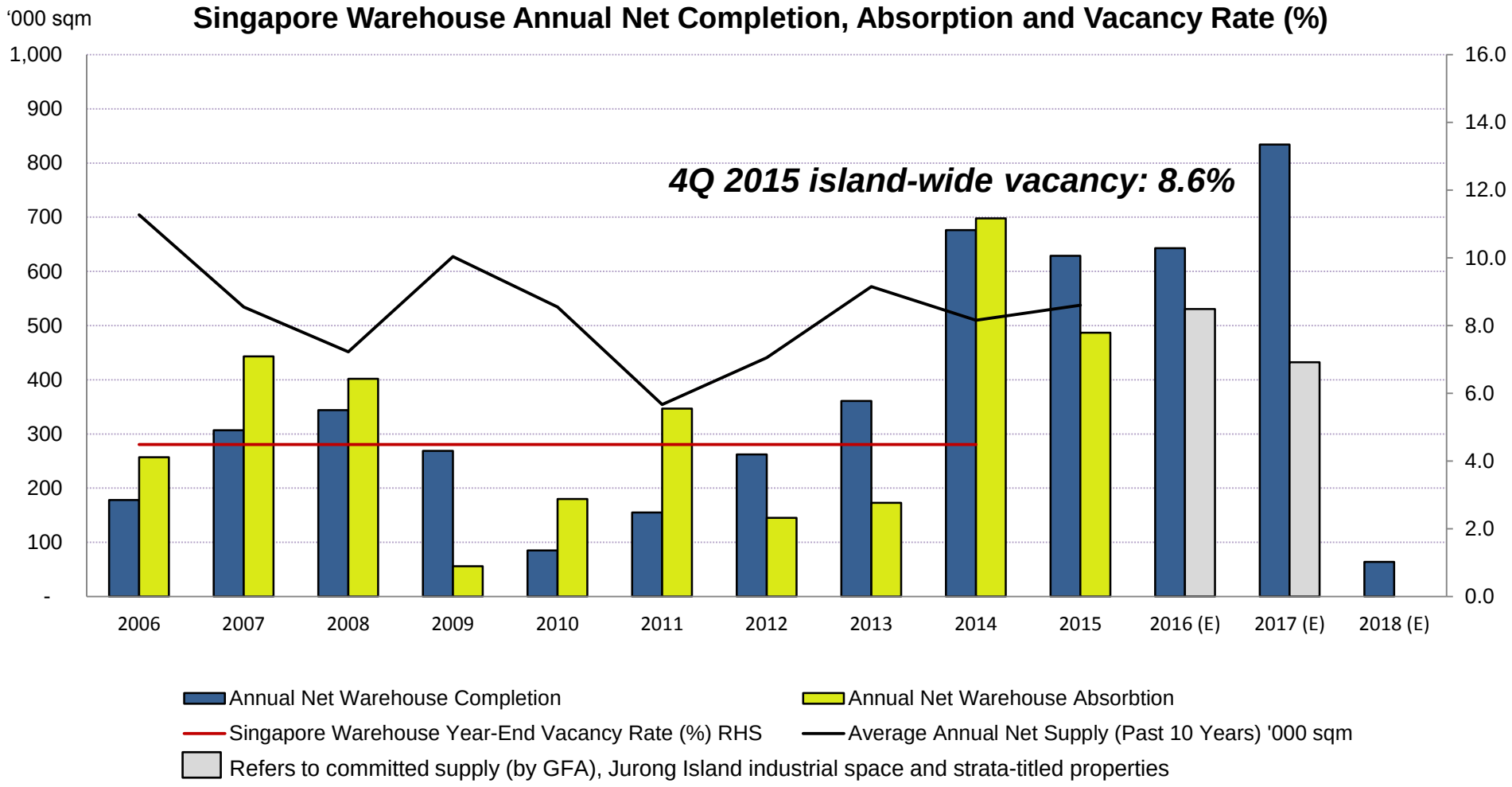








# Challenging Operating Environment

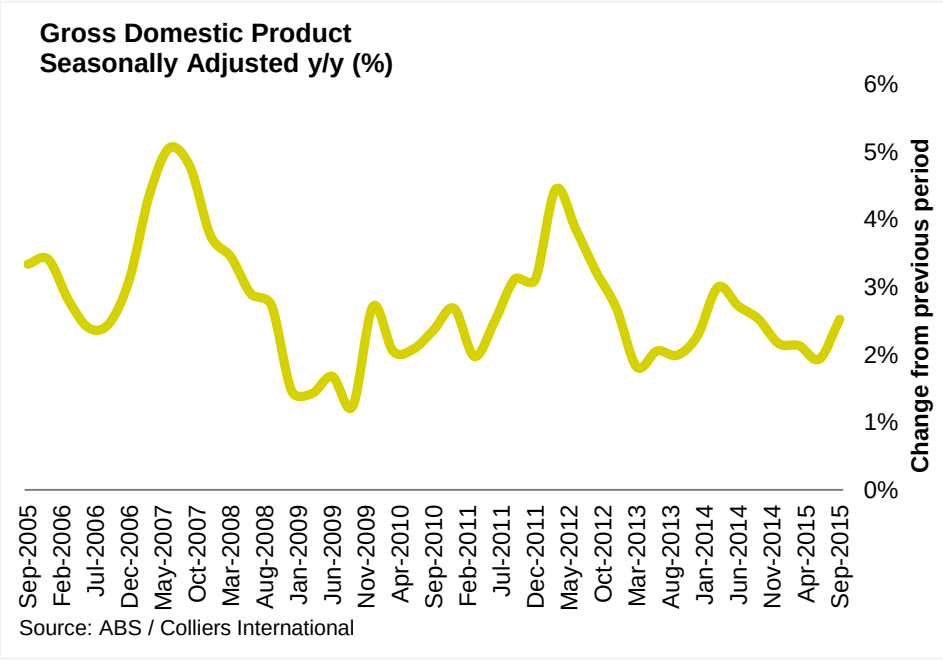



Source: URA REALIS for historical data, REIT websites, ARA-CWT Trust Management (Cache) Limited internal estimates, Colliers International.

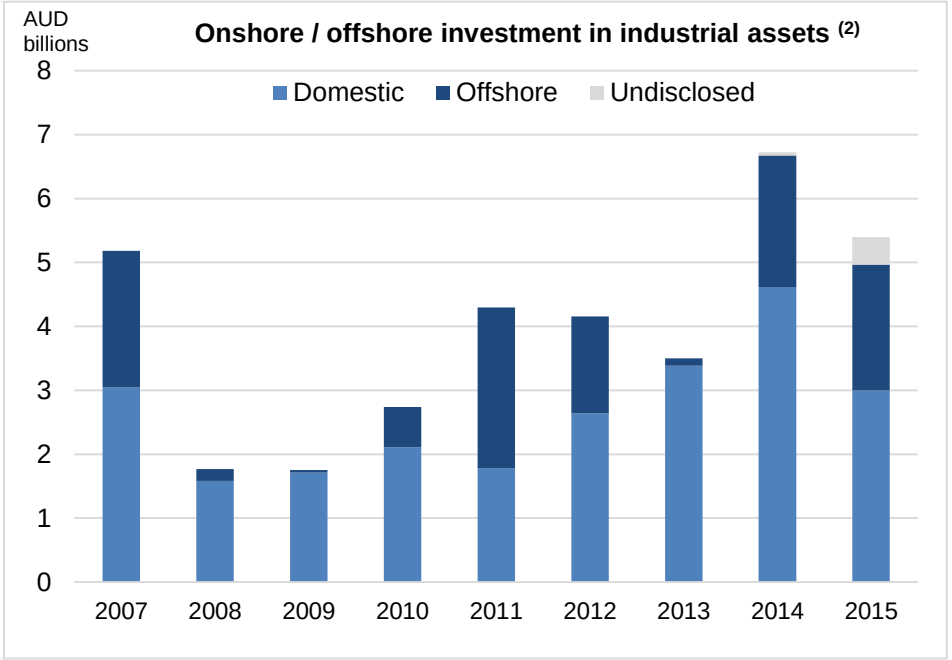
# 4 Market Outlook: Australia

## 1H 2016: GDP growth 2 – 3%
## Long-term Range: 2.75 – 3.75%(1)

## Strong Demand for Industrial Assets in Australia



Source: ABS / Colliers International




- Lower economic growth due to soft commodities market; medium to long term outlook remains positive
- Australian industrial properties continue to draw strong interest from offshore and onshore investors

Sources:
(1) Reserve Bank of Australia
(2) Colliers Edge/ RCA

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# Looking Ahead: The Strategy









MANAGED BY:

ARA CWT

ARA-CWT TRUST MANAGEMENT (CACHE) LIMITED

## VISION: To provide our customers with high quality logistics real estate solutions in Asia Pacific

### Investment Pursuits

- Pursue yield accretive acquisitions conducive to the portfolio
- Leverage on broad Asia-Pacific mandate
- Be ready for Right Of First Refusal properties from CWT and C&P
- Maintain prudent capital and risk management




### Proactive Portfolio Management

- Work closely with the master lessees and end-users to manage lease renewals
- Maintain high portfolio occupancy
- Secure longer-term tenure with strong credit-worthy end-users

### Focused Build-to-Suit Development

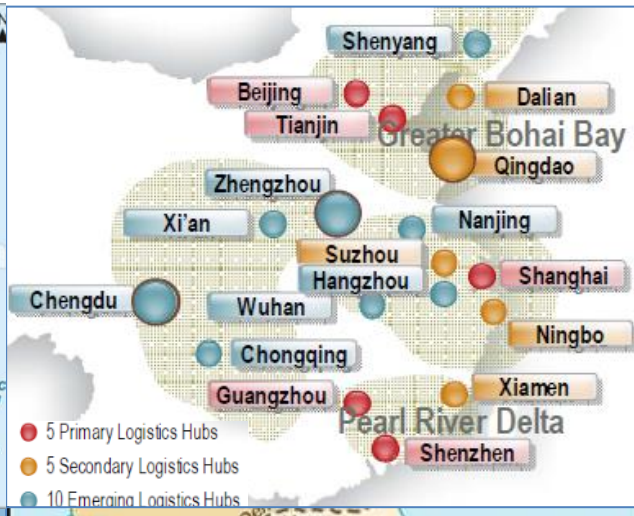
- Leverage on strengths of the Sponsor and relationships with end-users to develop growth opportunities

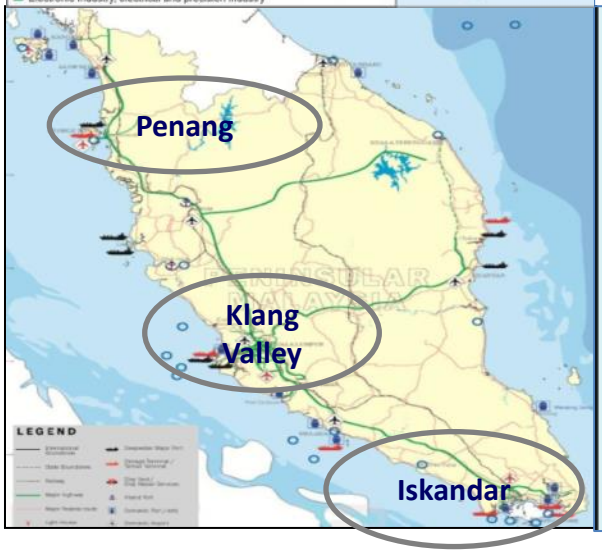
CACHE LOGISTICS TRUST

## Key Markets: Singapore, China, Australia, Malaysia and Korea

- **Australia:** Institutional-grade warehouses with good credit tenants. Predominately freehold title.
- **China:** Good demand for quality warehouses alongside e-commerce growth and strong domestic consumption; however cap rates have tightened.
- **Malaysia:** Demand has increased in select areas. Deal flow is however limited and size of assets is relatively small.
- **Korea:** Potential opportunity given the increase in 2-way trade with China and Japan.






## Right Of First Refusal ("ROFR") Properties from our Sponsor

- Granted by Sponsor (CWT) and C&P on properties in Asia Pacific

### Properties Covered by ROFR

- 16 properties with approximately 5.8 million sq ft in GFA
- Located in Singapore and Malaysia

Selected properties covered by the ROFR

| No. | Name | Description | Year of Completion | Location | GFA (sq ft) |
|---|---|---|---|---|---|
| 1 | CWT Logistics Hub 3 | 5-storey ramp-up warehouse | 2011 | Singapore | 846,303 |
| 2 | CWT Cold Hub 2 | Multi-Storey Warehouse | 2014 | Singapore | 747,178 |
| 3 | 5A Toh Guan Road East | 6-storey ramp-up warehouse | 2014 | Singapore | 600,282 |
| 4 | 4 Pandan Ave | 5-storey ramp-up warehouse | 2015 | Singapore | 640,000 |
| 5 | Tampines Distrihub | 4-storey ramp-up warehouse | 2013 | Singapore | 454,475 |
| 6 | CWT Logistics Hub 1 | 2-storey ramp-up warehouse | 2007 | Singapore | 375,233 |
| 7 | PKFZ Warehouse | Single storey warehouse | 2012 | Malaysia | 112,768 |

## Competitive Strengths




- ☑ **Stable, Resilient Cash Flows**
- ☑ **Diversified Earnings from Singapore, Australia and China**
- ☑ **Sustainable Growth**

# Contact Us

For any questions on Cache Logistics Trust,
please contact:

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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.

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