




Mapletree Logistics Trust

1Q FY19/20 Financial Results

22 July 2019

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Agenda

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

Key Highlights

- **1Q FY19/20 Amount Distributable to Unitholders of S$73.6m (+20.8% y-o-y) and DPU of 2.025 cents (+3.5% y-o-y)**
  - Gross revenue rose 13.6% to S$119.8m and NPI grew 18.2% to S$106.1m
  - Performance underpinned by stable performance from existing properties and contributions from completed redevelopment in China and accretive acquisitions in FY18/19, partly offset by absence of contributions from divestments in FY18/19 and 1Q FY19/20
- **Stable Portfolio**
  - Healthy occupancy of 97.6%
  - WALE (by NLA) was extended to 4.8 years from 3.8 years in the prior quarter
  - Average rental reversion for leases renewed or replaced in 1Q FY19/20 was 1.8%, contributed by China, Hong Kong and Vietnam
  - Divested five older properties in Japan for JPY17,520m (S$213.3m) as part of portfolio rejuvenation
- **Proactive Capital Management**
  - Aggregate leverage of 36.8% as at 30 Jun 2019
  - Well-staggered debt maturity profile with an average debt duration of 3.8 years
  - Approximately 83% of total debt is hedged into fixed rates and about 83% of income stream for FY19/20 has been hedged

Financial Review

1Q FY19/20 vs. 1Q FY18/19 (Year-on-Year)

S$'000	1Q FY19/20[1] 3 mths ended 30 June 2019	1Q FY18/19[2] 3 mths ended 30 June 2018	Y-o-Y change
Gross Revenue	119,811	105,441	13.6%
Property Expenses	(13,683)	(15,643)	(12.5%)
Net Property Income ("NPI")	106,128	89,798	18.2%
Borrowing Costs	(21,629)	(15,564)	39.0%
Contribution from Joint Ventures[3]	1,840[4]	491[5]	>100%
Amount Distributable	77,845[6]	65,161[7]	19.5%
- To Perp Securities holders	4,243	4,243	-
- To Unitholders	73,602	60,918	20.8%
Available DPU (cents)	2.025	1.957	3.5%
Total issued units at end of period (million)	3,635	3,243	12.1%

- Revenue growth mainly due to:
  - contribution from completed redevelopment of Mapletree Ouluo Logistics Park Phase 1 in Shanghai
  - accretive acquisitions in FY18/19
  - partly offset by divestment of seven properties in FY18/19 and 1Q FY19/20
- Property expenses decreased due to recognition of lower land rent with the adoption of SFRS(I)16 (~S$2.8m)
- Borrowing costs increased due to:
  - incremental borrowings to fund FY18/19 acquisitions
  - recognition of interest expense on lease liabilities with the adoption of SFRS(I)16 (~S$1.5m)
  - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:
1. 1Q FY19/20 started with 141 properties and ended with 137 properties.
2. 1Q FY18/19 started with 124 properties and ended with 134 properties.
3. Share of results of joint ventures relate 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.
4. 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.
5. Included in interest income of the Group is S$660,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S$70,000 in other trust expenses, net for the quarter ended 30 June 2018.
6. 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.
7. This includes partial distribution of the gains from the divestments of 7 Tai Seng Drive, 4 Toh Tuck Link and Zama Centre and Shiroishi Centre.

1Q FY19/20 vs. 4Q FY18/19 (Quarter-on-Quarter)

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S$'000	1Q FY19/20[1] 3 mths ended 30 June 2019	4Q FY18/19[2] 3 mths ended 31 March 2019	Q-o-Q change
Gross Revenue	119,811	121,385	(1.3%)
Property Expenses	(13,683)	(16,394)	(16.5%)
Net Property Income ("NPI")	106,128	104,991	1.1%
Borrowing Costs	(21,629)	(20,326)	6.4%
Contribution from Joint Ventures[3]	1,840[4]	2,189[5]	(15.9%)
Amount Distributable	77,845[6]	77,513[7]	0.4%
- To Perp Securities holders	4,243	4,196	1.1%
- To Unitholders	73,602	73,317	0.4%
Available DPU (cents)	2.025	2.024	0.0%
Total issued units at end of period (million)	3,635	3,622	0.4%

- Revenue decreased due to absence of contribution from five properties divested in 1Q FY19/20
- Property expenses decreased due to recognition of lower land rent with the adoption of SFRS(I)16 (~S$2.8m)
- Borrowing costs increased due to:
  - recognition of interest expense on lease liabilities with the adoption of SFRS(I)16 (~S$1.5m)
  - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:
1. 1Q FY19/20 started with 141 properties and ended with 137 properties.
2. 4Q FY18/19 started with 140 properties and ended with 141 properties.
3. Share of results of joint ventures relate 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.
4. 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 expense, net for the quarter ended 30 June 2019.
5. Included in interest income of the Group is S$2,183,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S$253,000 in other trust income in the quarter ended 31 March 2019.
6. 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.
7. This includes partial distribution of the gains from the divestments of 531 Bukit Batok Street 23, 7 Tai Seng Drive and 4 Toh Tuck Link.

Healthy Balance Sheet

S$'000	As at 30 June 2019	As at 31 March 2019
Investment Properties	7,614,749	7,693,712
Total Assets	8,011,740	8,078,336
Total Liabilities	3,335,486	3,411,148
Net Assets Attributable to Unitholders	4,242,021	4,231,731
NAV / NTA Per Unit	$1.17[1]	$1.17[2]

Notes:
1. Includes net derivative financial instruments, at fair value, liability of S$16.5 million. Excluding this, the NAV per unit remains unchanged at S$1.17.
2. Includes net derivative financial instruments, at fair value, liability of S$7.4 million. Excluding this, the NAV per unit remains unchanged at S$1.17.

Distribution Details

1Q FY19/20 Distribution	
Distribution Period	1 April 2019 – 30 June 2019
Distribution Amount	2.025 cents per unit
Ex-Date	29 July 2019, 9am
Books Closure Date	30 July 2019, 5pm
Distribution Payment Date	6 September 2019

- Suspension of distribution reinvestment plan ("DRP") from and including the 1Q FY19/20 distribution

Capital Management

Prudent Capital Management

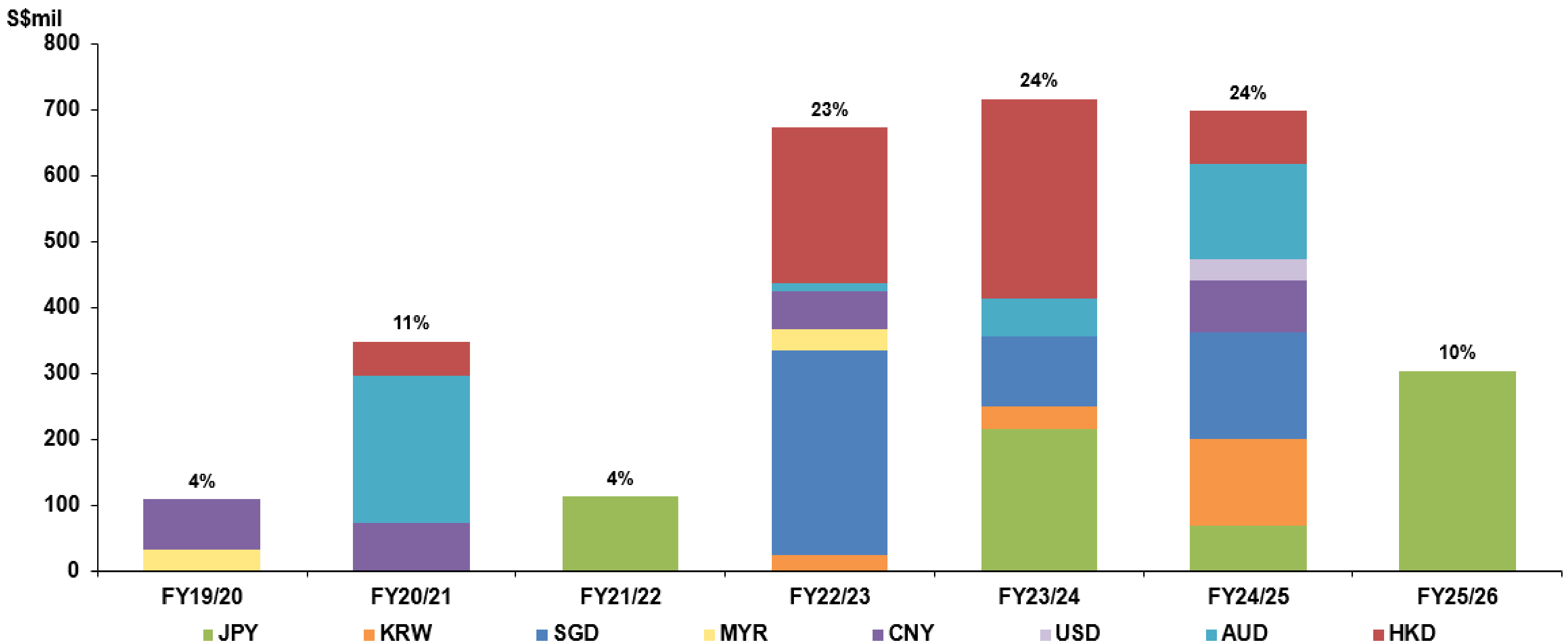
	As at 30 Jun 2019	As at 31 Mar 2019
Total Debt (S$ million)[1]	2,963	3,090
Aggregate Leverage Ratio[2,3]	36.8%[4]	37.7%
Weighted Average Annualised Interest Rate[5]	2.8%	2.7%
Average Debt Duration (years)[5]	3.8	4.1
Interest Cover Ratio (times)[6]	4.9	4.9
MLT Credit Rating by Moody's	Baa2 with stable outlook	Baa2 with stable outlook

- Total debt outstanding decreased by S$127m mainly due to:
  - repayment of S$188m loans using proceeds from divestment of the Japan assets;
  - offset by additional loans of S$37m drawn to fund capex; and
  - higher net translated loans of S$24m attributable to the appreciation of JPY and HKD (offset by depreciation of AUD against SGD)
- Gearing ratio decreased to 36.8%

Notes:
1. Total debt is inclusive of proportionate share of borrowings of joint ventures.
2. In accordance with Property Fund Guidelines, the aggregate leverage ratio includes proportionate share of borrowings and deposited property values of the joint ventures acquired in FY18/19.
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 June 2019 were 70.6% and 70.4% respectively.
4. In accordance with MAS Circular, the leverage ratio excludes the SFRS(I)16 impact.
5. Average debt duration and weighted average borrowing cost are inclusive of proportionate share of borrowings of joint ventures.
6. Ratio of EBITDA over interest expense for period up to balance sheet date. SFRS(I)16 is excluded in the ratio as at 30 June 2019.

Well-Staggered Debt Maturity Profile

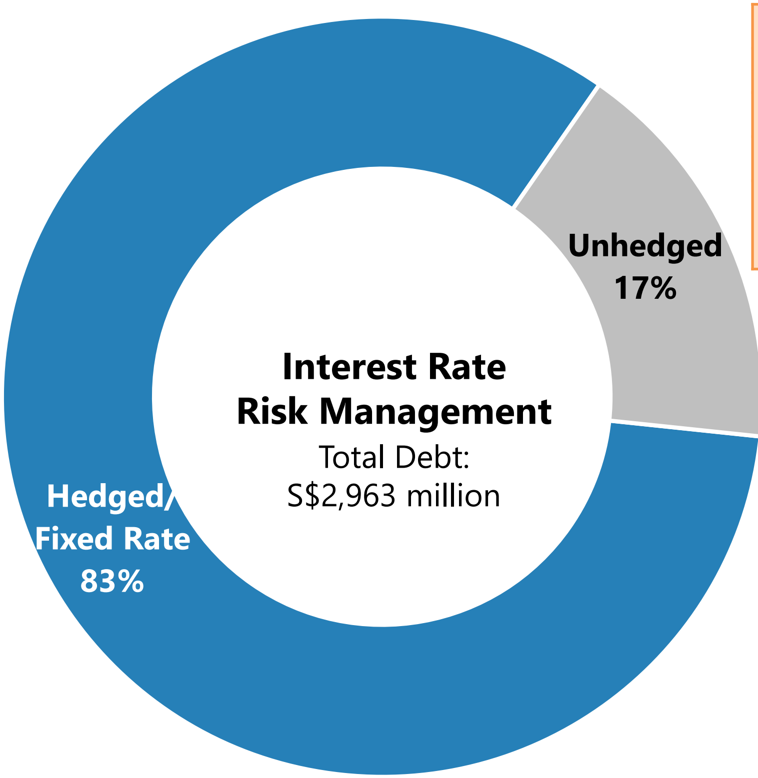
Total Debt: S$2,963 million[1]



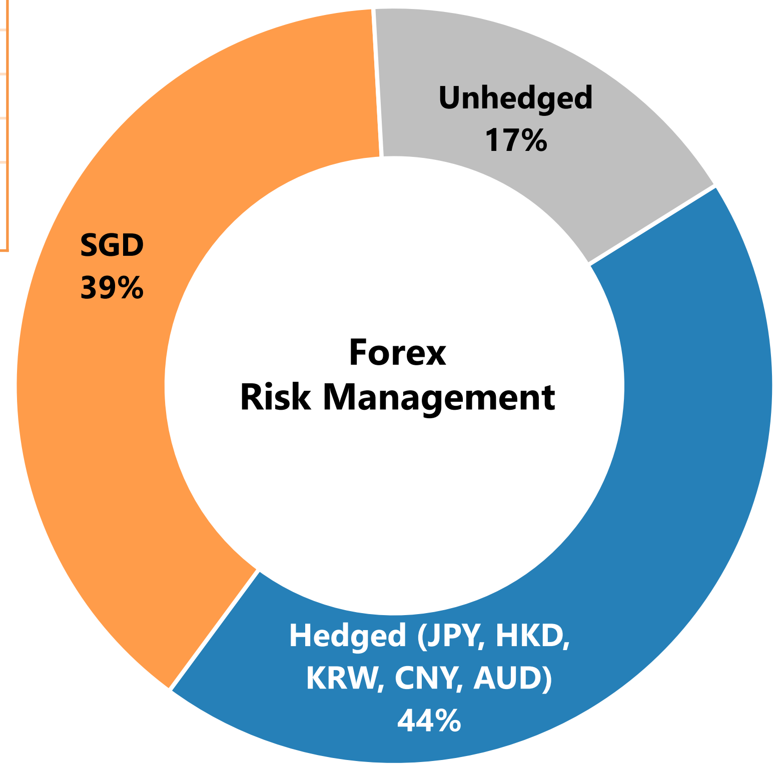
- Debt maturity profile remains well staggered with an average debt duration of 3.8 years
- MLT has more than sufficient liquidity to meet its maturing debt obligation

Notes:
1. Total debt is inclusive of proportionate share of borrowings of joint ventures.

Interest Rate & Forex Risk Management



SGD	7%
CNH	3%
HKD	2%
JPY	2%
Others (USD/ MYR)	3%



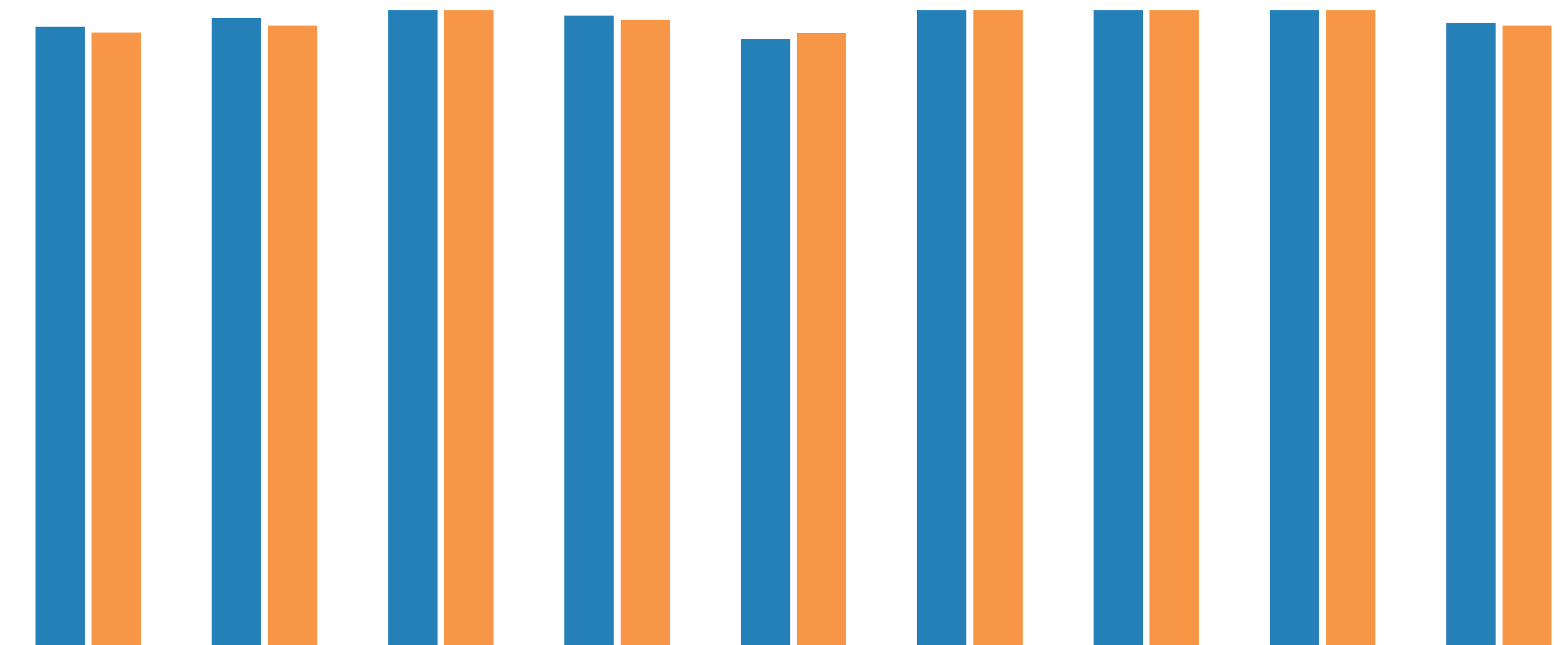
- About 83% of total debt is hedged or drawn in fixed rates
- Every potential 25 bps increase in base rates[1] may result in a ~S$0.31m decrease in distributable income or 0.01 cents in DPU[2] per quarter
- About 83% of amount distributable in the next 12 months is hedged into / derived in SGD

Notes:
1. Base rate denotes SOR, USD LIBOR, JPY LIBOR/DTIBOR, CNH HIBOR, HKD HIBOR, KLIBOR and BBSY/BBSW.
2. Based on 3,635 million units as at 30 June 2019.

Portfolio Review

Geographic Breakdown of Occupancy Levels

As at 30 June 2019



	Singapore	Hong Kong	Japan	South Korea	China	Australia	Malaysia	Vietnam	Portfolio
Mar-19	97.4%	98.8%	100.0%	99.1%	95.5%	100.0%	100.0%	100.0%	98.0%
Jun-19	96.5%	97.6%	100.0%	98.5%	96.4%	100.0%	100.0%	100.0%	97.6%

- Portfolio occupancy stood at 97.6%, reflecting lower occupancies in Singapore, Hong Kong and South Korea which were partly offset by improved occupancy in China
- Japan, Australia, Malaysia and Vietnam maintained 100% occupancy

Note: Inclusive of MLT's 50.0% interest in 11 properties in China.

Lease Expiry Profile (by NLA)

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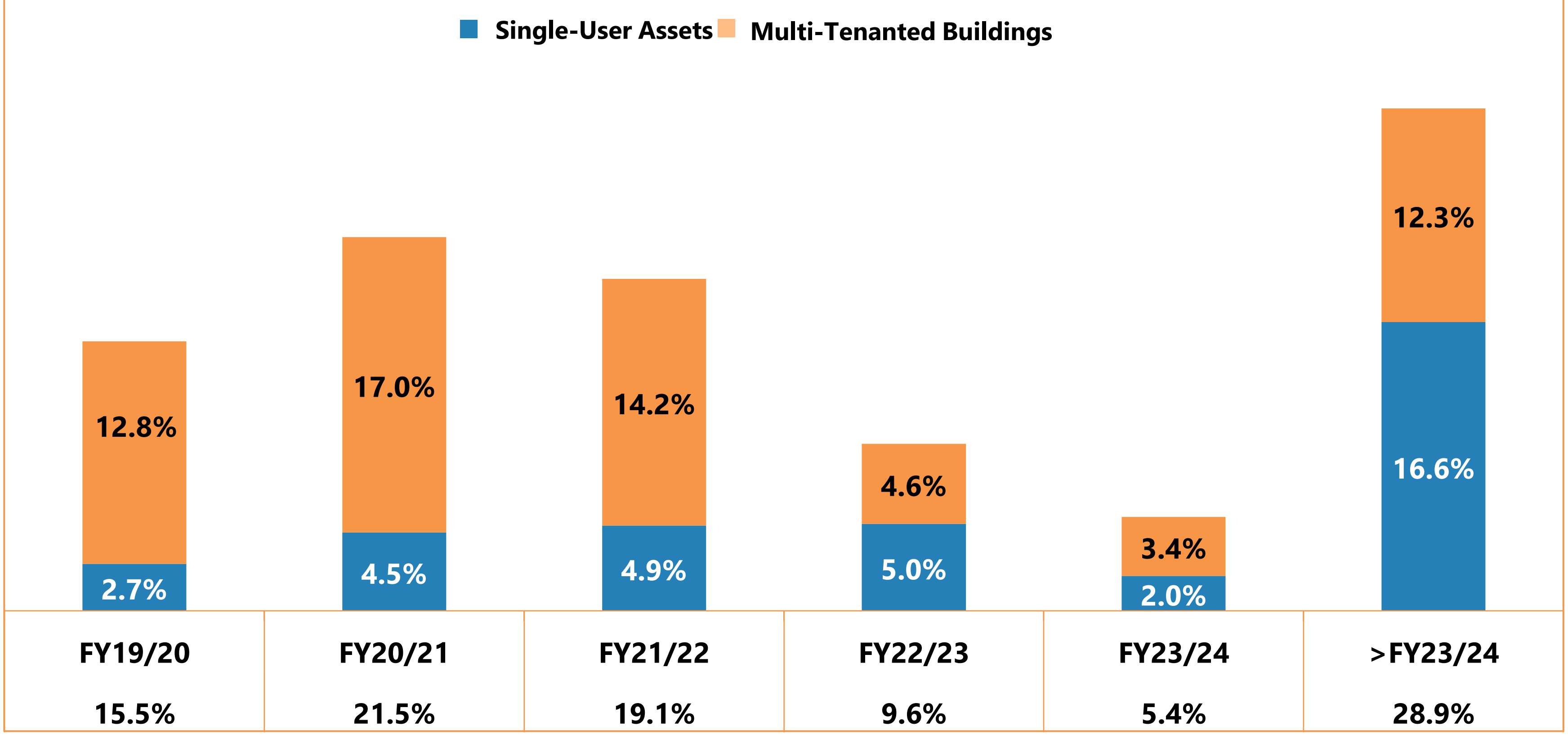
- Well-staggered lease expiry profile with weighted average lease expiry (by NLA) at 4.8 years

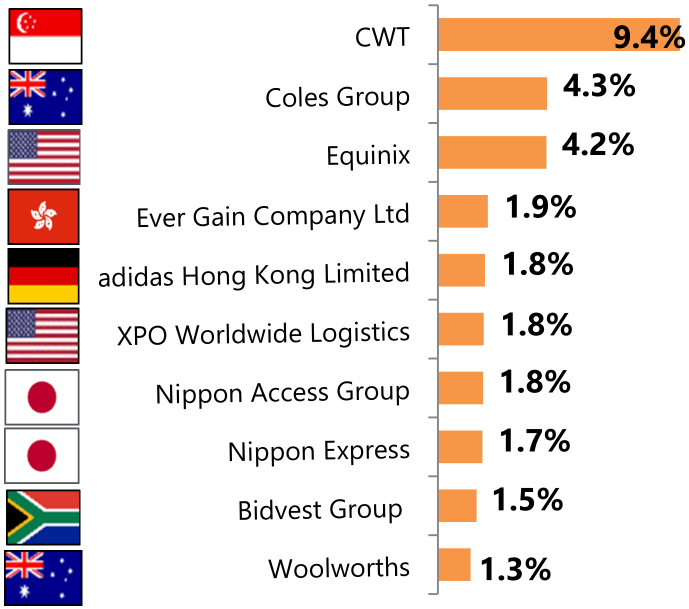
As at 30 June 2019



Note: Inclusive of MLT's 50.0% interest in 11 properties in China

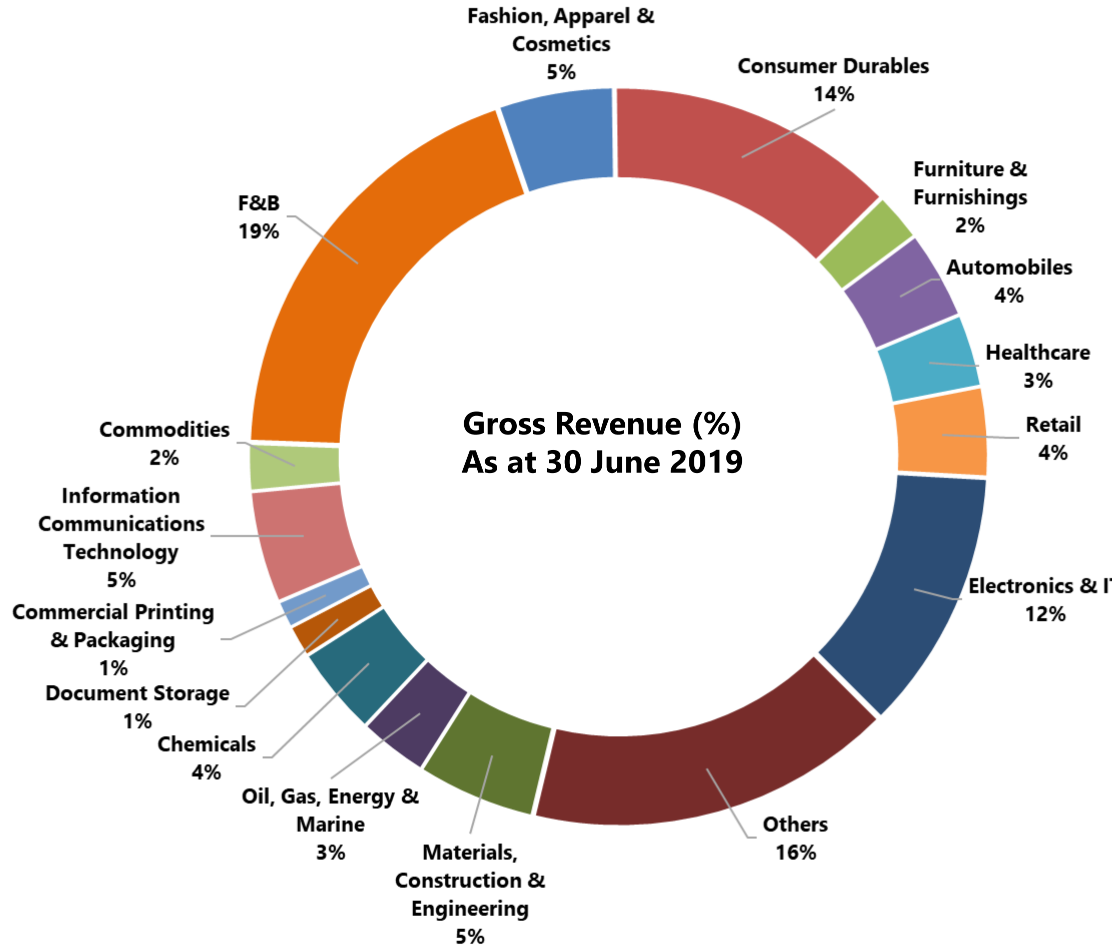
Diversified Portfolio Mix and Tenant Base

Top 10 Tenants by Gross Revenue



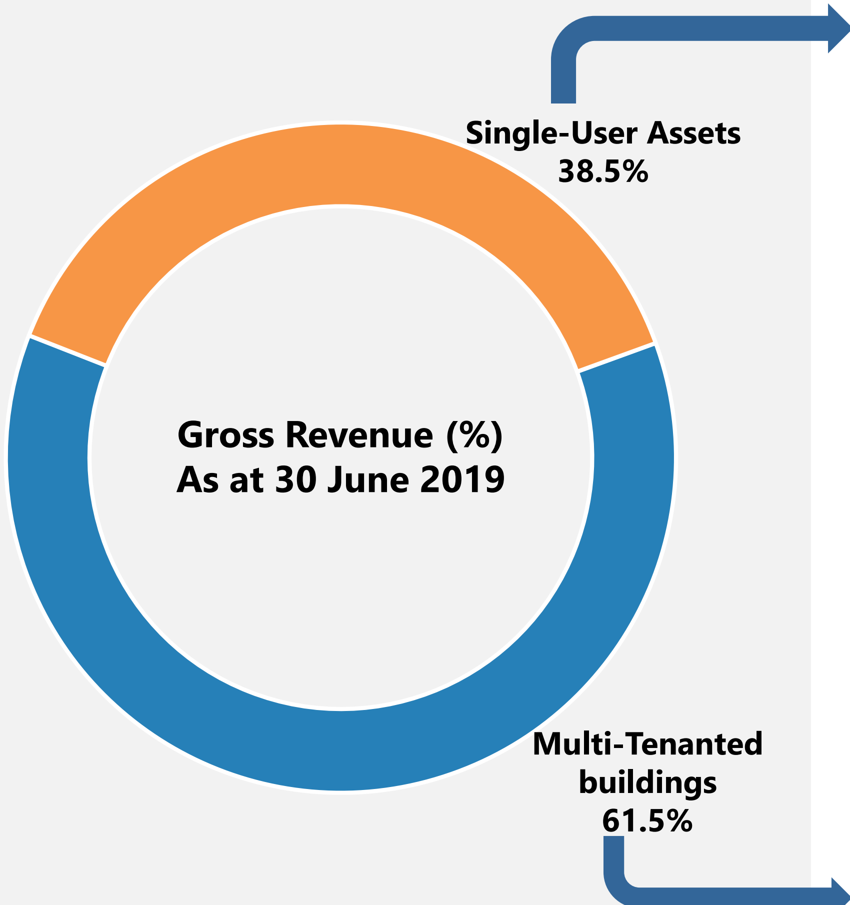
TOTAL: 29.7%

- Diversified tenant base of 628 customers
- Almost three-quarters of our portfolio is serving consumer-related sectors
- Top 10 customers account for ~30% of total gross revenue

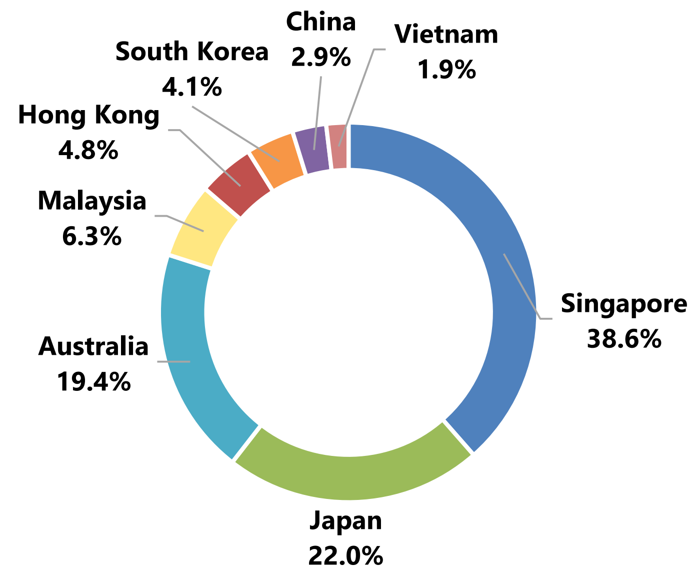


Note: Inclusive of MLT's 50.0% interest in 11 properties in China

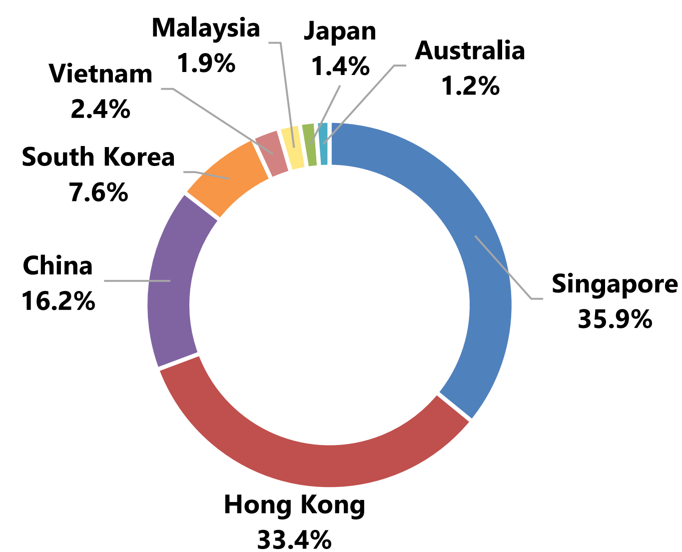
Single-User Assets vs. Multi-Tenanted Buildings



SUA Revenue Contribution by Country



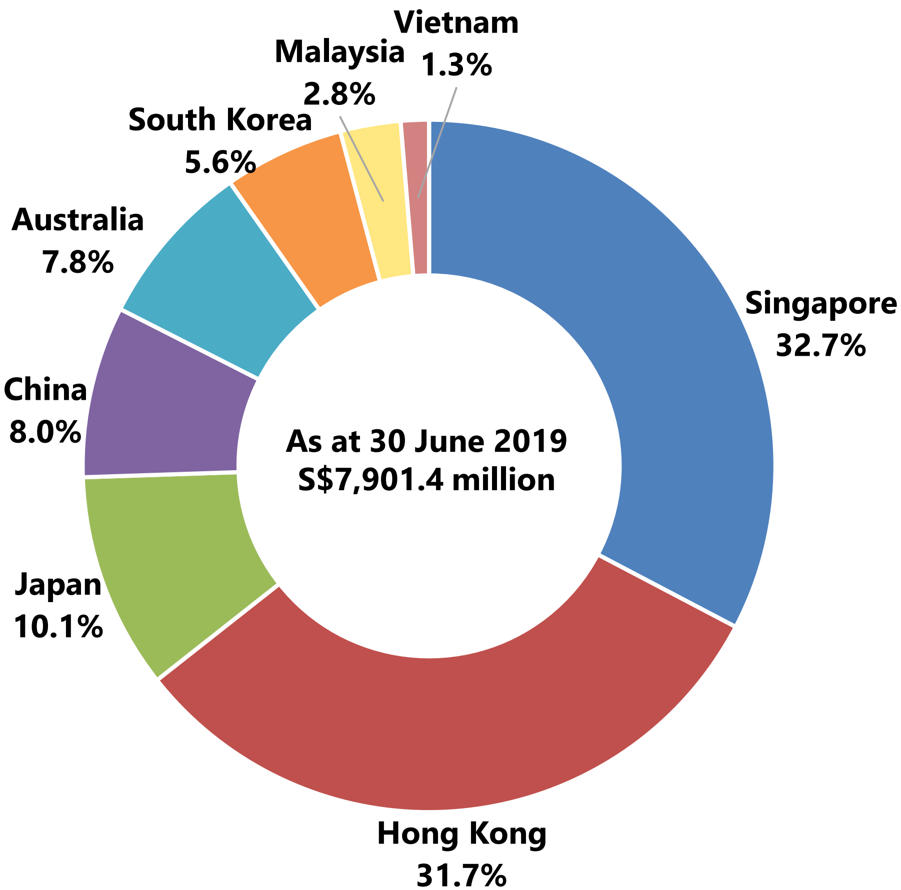
MTB Revenue Contribution by Country



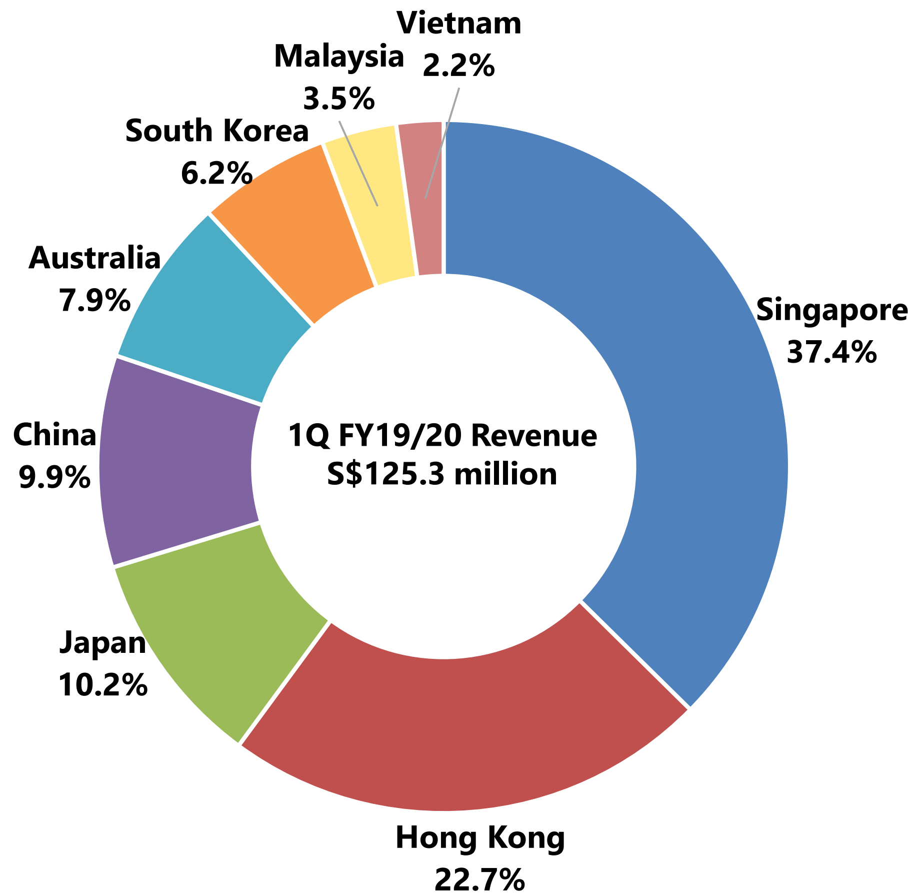
Note: Inclusive of MLT's 50.0% interest in 11 properties in China

Geographical Diversification

ASSETS UNDER MANAGEMENT



GROSS REVENUE



Note: Inclusive of MLT's 50.0% interest in 11 properties in China and the right-of-use assets with the adoption of SFRS(I)16.

Active Portfolio Rejuvenation

Redevelopment of Ouluo Logistics Centre, 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 September 2018 with 100% occupancy • Phase 2 commenced in October 2018. Target completion by March 2020
Estimated Cost	~S$70 million

Divestments of low-yielding assets with older specifications

Properties	Gyoda Centre, Iwatsuki B Centre, Atsugi Centre, Iruma Centre, Mokurenji Centre
Country	Japan
Total Sale Consideration	JPY17,520 million (~S$213.3 million)
Completion Date	10 April 2019

Ouluo Logistics Centre before redevelopment

Mapletree Ouluo Logistics Park, Phase 1

MLT's Portfolio at a Glance

	As at 30 Jun 2019	As at 31 Mar 2019
Assets Under Management (S$ million)	7,901	7,987
WALE (by NLA) (years)	4.8	3.8
Net Lettable Area (million sqm)	4.5	4.6
Occupancy Rate (%)	97.6	98.0
No. of Tenants	628	634
No. of Properties	137	141
No. of Properties – By Country		
Singapore	52	52
Hong Kong	9	9
Japan	16	20
Australia	10	10
South Korea	12	12
China	20	20
Malaysia	14	14
Vietnam	4	4

Outlook

Outlook

MACRO ENVIRONMENT

- Global economic growth softened further in the first half of the year as trade and manufacturing decelerated

IMPACT ON MLT

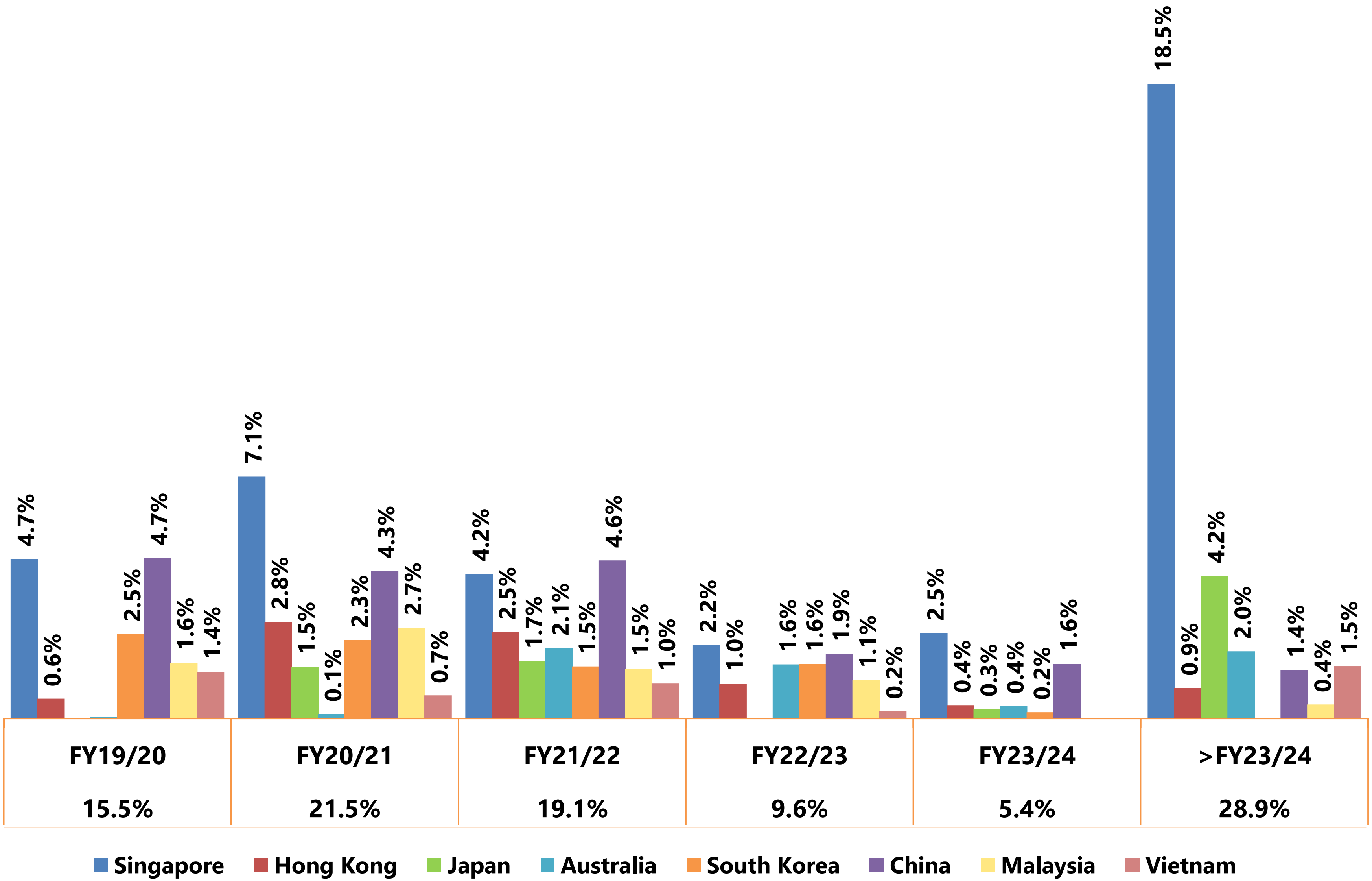
- Overall leasing demand for warehouse space has been relatively resilient to-date
- However customers have become more cautious on renewals and capacity expansion

OUR STRATEGY

- The Manager remains watchful of the evolving environment
- Remain focused on proactive lease management to maintain stable occupancies
- Pursue acquisitions and asset enhancements to enhance portfolio quality and competitiveness

Appendix

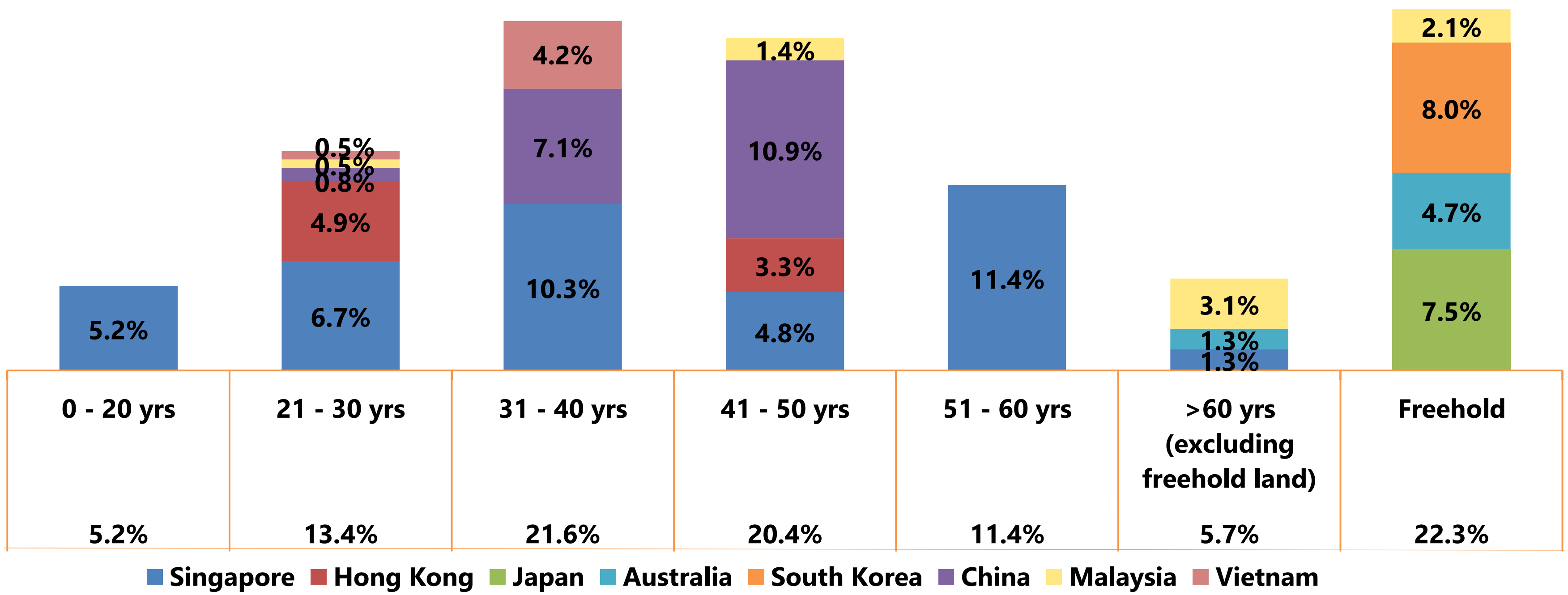
Lease Expiry Profile (by NLA) by Geography



Note: All information is as at 30 June 2019 and inclusive of MLT's 50.0% interest in 11 properties in China.

Remaining Years to Expiry of Underlying Land Lease

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 43.6 years



Remaining Land Lease	≤30 years	31-60 years	>60 years	Freehold
% of Portfolio	18.6% (31 assets)	53.4% (55 assets)	5.7% (9 assets)	22.3% (42 assets)

Note: All information is as at 30 June 2019 and inclusive of MLT's 50.0% interest in 11 properties in China.