



AIMS AMP CAPITAL INDUSTRIAL REIT

Macquarie ASEAN Conference 2018, Singapore

28 August 2018



AMPCAPITAL 

Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2018 to 30 June 2018 (“1Q FY2019”) versus actual results year-on-year (“y-o-y”) and quarter-on-quarter (“q-o-q”). This Presentation shall be read in conjunction with AIMS AMP Capital Industrial REIT’s (“AA REIT” or the “Trust”) results for 1Q FY2019 as per the SGXNet Announcement.

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OVERVIEW OF AA REIT

Overview of AIMS AMP Capital Industrial REIT

> 1

Objective	AIMS AMP Capital Industrial REIT focuses on investing in a diversified portfolio of industrial real estate in Singapore & Asia Pacific
Listing date	19 April 2007
No. of properties	25 properties in Singapore and 1 property in Macquarie Park, New South Wales, Australia ⁽¹⁾ , with total NLA of 635,067sqm ⁽²⁾
Market cap ⁽³⁾	S\$952.9 million
Free float (%)	82.1% ⁽⁴⁾
Total assets ⁽⁵⁾	S\$1.47 billion
Gearing ⁽⁵⁾	33.6%
DPU yield ⁽⁶⁾	7.19%
NAV per unit ⁽⁵⁾	S\$1.37
Share price ⁽⁶⁾	S\$1.39
Premium to NAV ⁽⁶⁾	1.5%
Weighted debt maturity	1.6 years (3.1 years post refinancing on a pro forma basis) ⁽⁷⁾
Rating (S&P)	Investment Grade BBB-

¹ 49% interest in the property.

² Excludes redevelopment of 3 Tuas Avenue 2.

³ Based on the units outstanding and closing price per unit of S\$1.39 on 17 August 2018.

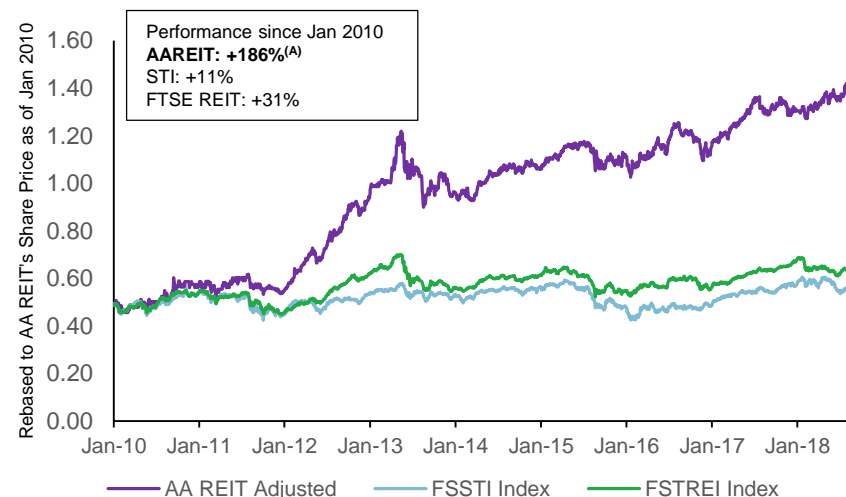
⁴ As at 31 July 2018.

⁵ As at 30 June 2018.

⁶ Based on closing price of S\$1.39 on 17 August 2018 and annualised DPU of 10.00 cents.

⁷ On 29 June 2018, AA REIT and its subsidiary executed a supplemental loan facility agreement with a syndicate of financial institutions for a four-year S\$125 million term loan and a five-year A\$110 million term loan. The new facilities were drawn down on 25 July 2018 to refinance the secured facilities due in November 2018 and February 2019 respectively.

Performance of AIMS AMP Capital Industrial REIT^(A)



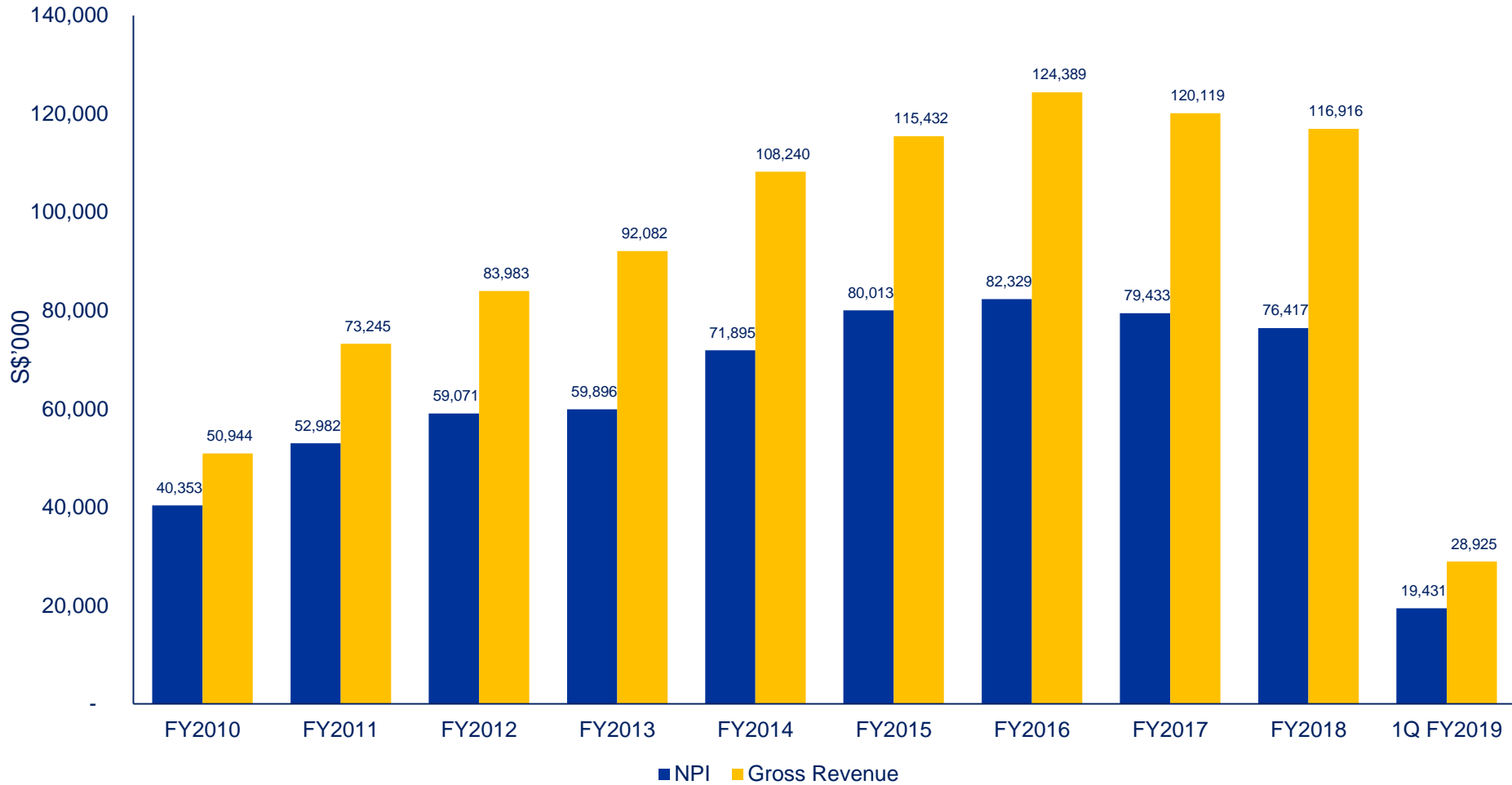
Source: Bloomberg data as of 17 August 2018

Note:

^(A) Total Return, assuming distributions reinvested, with adjustments to reflect for Historical Equity Transactions.

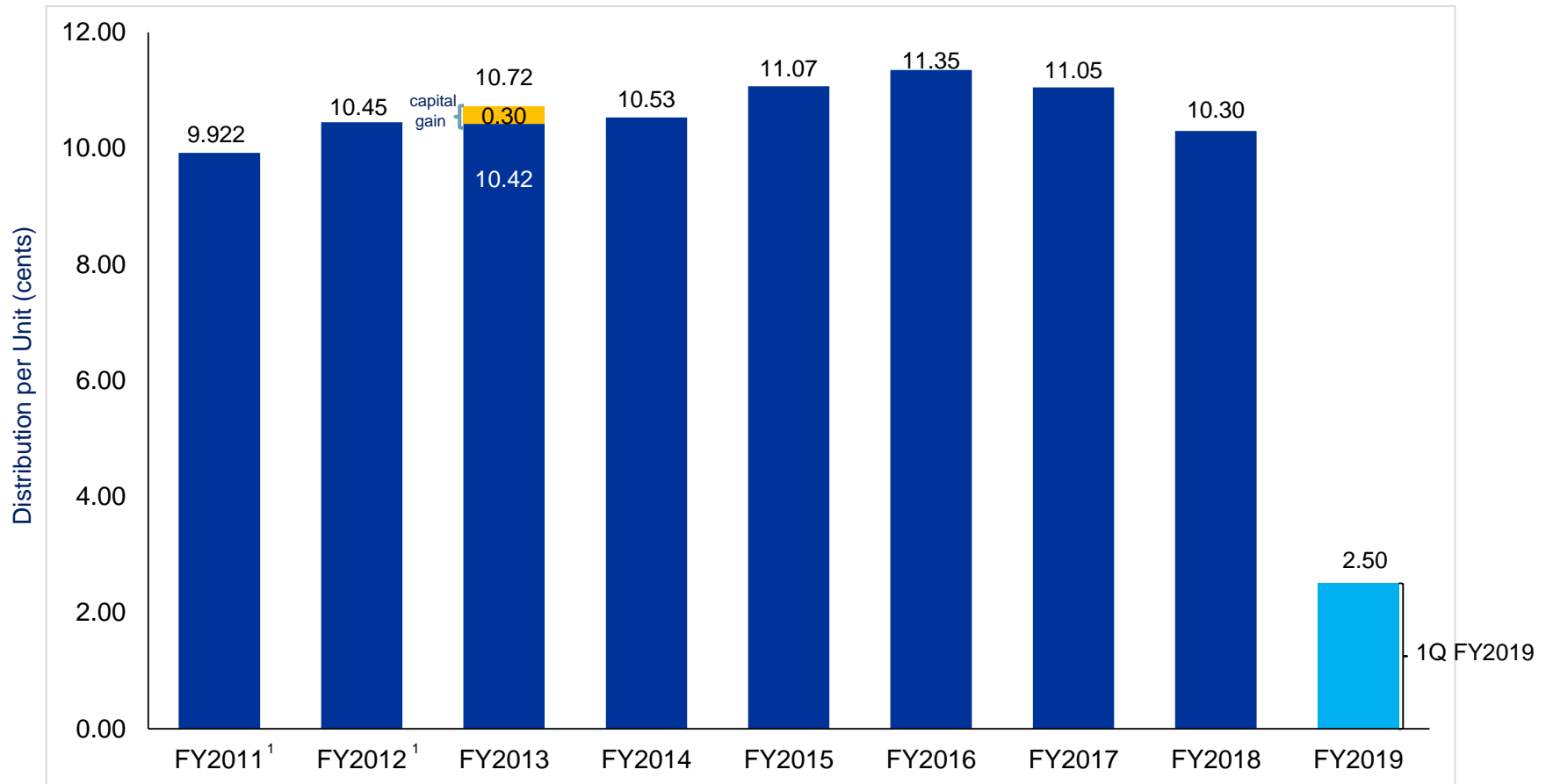
Revenue performance since FY2010

> 1



Stable and sustainable DPU

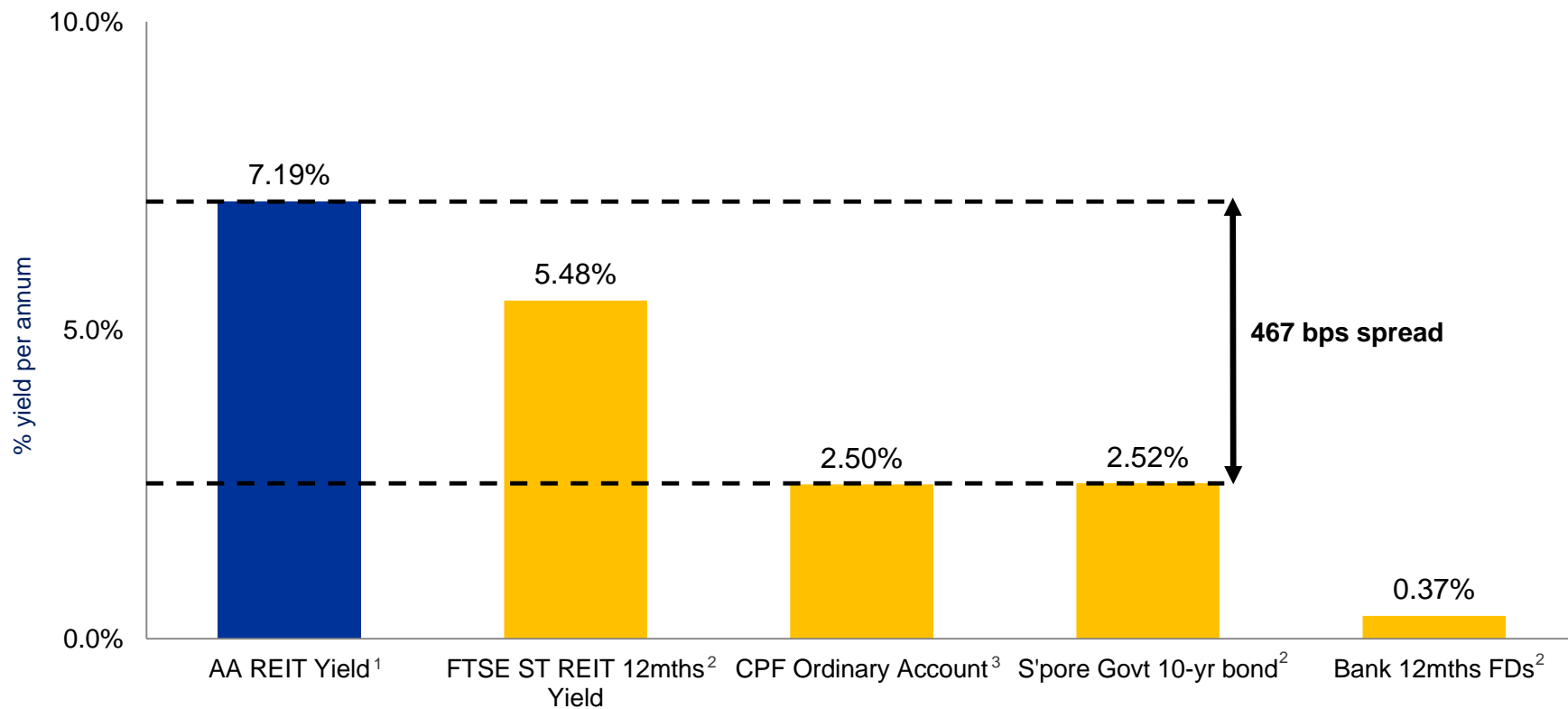
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¹ The number of Units used to calculate the distribution per Unit ("DPU") has been adjusted for the effect of the Unit Consolidation to allow for comparison.

Attractive return on investment

> 1



¹ Based on closing price of S\$1.39 on 17 August 2018 and annualised DPU of 10.0 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2019 and annualised to the full year.

² Source: Bloomberg data as at June 2018.

³ Prevailing CPF Ordinary Account interest rate.

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STRATEGY & MARKET OUTLOOK

Strategy

> 2

Portfolio growth

To pursue accretive investment opportunities in Singapore and Australia.

Pursue development and/or built-to-suit opportunities.

Active asset and leasing management

Continual focus on proactive asset and lease management.

Unlocking value of selected asset(s) within the portfolio through asset enhancement.

Prudent capital and risk management

Prudent capital management by substantially hedging interest rate exposure.

Diversified sources of capital and staggered debt maturities.

Development track record

> 2



AEI for NorthTech (announced on 9 July 2018)

> 2

Artist's Impression of AEI



Factsheet

Property	4-storey hi-tech industrial building
Gross Floor Area	45,481.3 sqm
Rental Income FY2018	S\$10.2 million
Valuation (31 Mar 18)	S\$102.0 million
Purchase Price (21 Feb 11)	S\$72.0 million
Occupancy	100%
Lease Type	Multi-tenanted
WALE (30 Jun 18)	3.3 years

- The AEI will further enhance NorthTech as a modern and energy efficient hi-tech industrial facility with improvements to the common areas as well as implementation of sustainable strategies.
- The anchor tenant has committed to lease additional space because of the AEI.
- The building will remain operational while the AEI is being carried out and the project is estimated to cost S\$13.0 million.

3 Tuas Ave 2 – Redevelopment (announced on 25 April 2018)

> 2

Artist's Impression of Redevelopment



Factsheet

	Prior to redevelopment	Post redevelopment
Property	Purpose-built production and warehouse facility with an under-utilised plot ratio	Four-storey ramp-up industrial facility suitable for both production and storage use
Valuation	S\$18.6 million ¹	S\$51.0 million ²
Plot ratio	0.92	1.4
Gross floor area	16,334 sqm	24,890 sqm ³

¹ Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018 on an "as-is" basis.

² Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018 on an "as-if-complete" basis.

³ Subject to relevant authorities' approvals.

Potential opportunities within AA REIT's portfolio

> 2

**A large proportion of current portfolio have under-utilised plot ratios;
with potential organic opportunities.**



2 Ang Mo Kio Street 65



8 Senoko South Road



11 Changi South Street 3



10 Changi South Lane



3 Toh Tuck Link



7 Clementi Loop



541 Yishun Industrial Park A



Potential untapped GFA \approx 502,707 sqft

Market Update and Outlook

> 2

Macro Environment

- Improved growth prospects for the global economy in 2018. However, uncertainties and risks remains, including escalating trade tensions between US and the PRC and expected rising of interest rates.

Singapore Economy

- MTI expects the Singapore economy to grow by 2.5% to 3.5% in 2018, taking into account the improved external demand outlook for Singapore.

Industrial Sector

- Based on JTC 2Q 2018 statistics, occupancy rate of Singapore's overall industrial property market fell marginally by 0.3 percentage points from the preceding quarter to 88.7%.
- Compared to a year ago, the price and rental indices fell by 2.1% and 1.4%, respectively.

Looking Ahead

- AA REIT continues to remain focused on active asset and lease management and to optimise its portfolio through sector and tenant diversification.
- Supported by prudent capital management approach.

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PORTFOLIO PERFORMANCE

Results for 1Q FY2019

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	1Q FY2019 S\$'000	4Q FY2018 S\$'000	Q-o-Q %	1Q FY2018 S\$'000	Y-o-Y %
Gross Revenue¹	28,925	28,032	3.2	30,503	(5.2)
Net Property Income¹	19,431	17,669	10.0	20,119	(3.4)
Share of results of joint venture (net of tax)²	3,339	6,363	(47.5)	3,661	(8.8)
Distributions to Unitholders³	17,139	17,975	(4.7)	15,999	7.1
DPU (cents)	2.50	2.63	(4.9)	2.50	-
DPU yield⁴ (%)	7.09				

¹ Please refer to section 8 of the unaudited financial statement for explanation of the variances.

² The share of results of joint venture (net of tax) comprised contribution from AA REIT's 49.0% interest in Optus Centre which is located in Macquarie Park, NSW, Australia. The share of results of joint venture (net of tax) in 4Q FY2018 included the share of revaluation surplus from the valuation of Optus Centre.

³ The Manager resolved to distribute S\$17.1 million for 1Q FY2019, comprising (i) taxable income of S\$15.7 million from Singapore operations; and (ii) tax-exempt income distribution of S\$0.69 million and capital distribution of S\$0.75 million from distributions remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia.

AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 1Q FY2019, the Manager has resolved to distribute 99.7% of the Singapore taxable income available for distribution to the Unitholders.

⁴ Based on closing price of S\$1.41 on 25 July 2018 and annualised DPU of 10.00 cents. Annualised DPU is computed based on actual DPU payout for 1Q FY2019 and annualised to the full year.

Key financial metrics

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	1Q FY2019	4Q FY2018
Appraised Value of Property Portfolio	S\$1,451.9 million ¹	S\$1,450.7 million ²
Market Capitalisation ³	S\$966.6 million	S\$950.0 million
NAV per Unit	S\$1.37	S\$1.37
Share Price ³	S\$1.41	S\$1.39
Premium / (Discount) to NAV ³	2.9%	1.5%
Aggregate Leverage ⁴	33.6%	33.5%
Interest Cover Ratio ⁵	4.8 times	4.7 times
Weighted Average Debt Maturity	1.6 years (3.1 years pro forma basis) ⁶	1.8 years

¹ Singapore portfolio included (i) investment properties and investment property under development based on valuation as at 31 March 2018 appraised by Jones Lang LaSalle Property Consultants Pte. Ltd. or Colliers International Consultancy & Valuation (Singapore) Pte Ltd and (ii) capitalised capital expenditure. Optus Centre, Macquarie Park, NSW, Australia is based on 49.0% interest in the property appraised by Jones Lang LaSalle Property Consultants Pty Ltd as at 31 March 2018.

² Singapore portfolio was based on valuation as at 31 March 2018 appraised by Jones Lang LaSalle Property Consultants Pte. Ltd. or Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Optus Centre, Macquarie Park, NSW, Australia is based on 49.0% interest in the property appraised by Jones Lang LaSalle Advisory Services Pty Ltd as at 31 March 2018.

³ Based on the units outstanding and closing price per unit of S\$1.41 on 25 July 2018 and S\$1.39 on 24 April 2018.

⁴ Total debt as a % of total assets.

⁵ Bank covenant of at least 2.0 times.

⁶ On 29 June 2018, AA REIT and its subsidiary executed a supplemental loan facility agreement with a syndicate of financial institutions for a four-year S\$125 million term loan and a five-year A\$110 million term loan. The new facilities were drawn down on 25 July 2018 to refinance the secured facilities due in November 2018 and February 2019 respectively.

Debt facilities as at 30 June 2018

> 3

Secured SGD borrowings

- Total secured facility of **S\$320.3 million** comprising:
 - 4-year term loan facility of S\$100.3 million, maturing in November 2018. On 25 July 2018, AA REIT drew down on a new 4-year term loan facility to extend the debt to July 2022
 - 4-year term loan facility of S\$100.0 million, maturing in August 2020
 - 4-year revolving credit facility of S\$120.0 million, maturing in November 2021

Secured AUD borrowings (as natural hedge for the investment in Optus Centre, Australia)

- Total secured facility of **A\$175.7 million** comprising:
 - 5-year onshore term loan facility of A\$110.7 million, maturing in February 2019. On 25 July 2018, AA REIT's subsidiary drew down on a new 5-year term loan facility to extend the debt to July 2023
 - 3-year offshore term loan facility of A\$65.0 million, maturing in November 2020

Unsecured borrowings

- Aggregate of S\$130.0 million 5-year to 7-year fixed rate notes at 3.60% to 4.35%

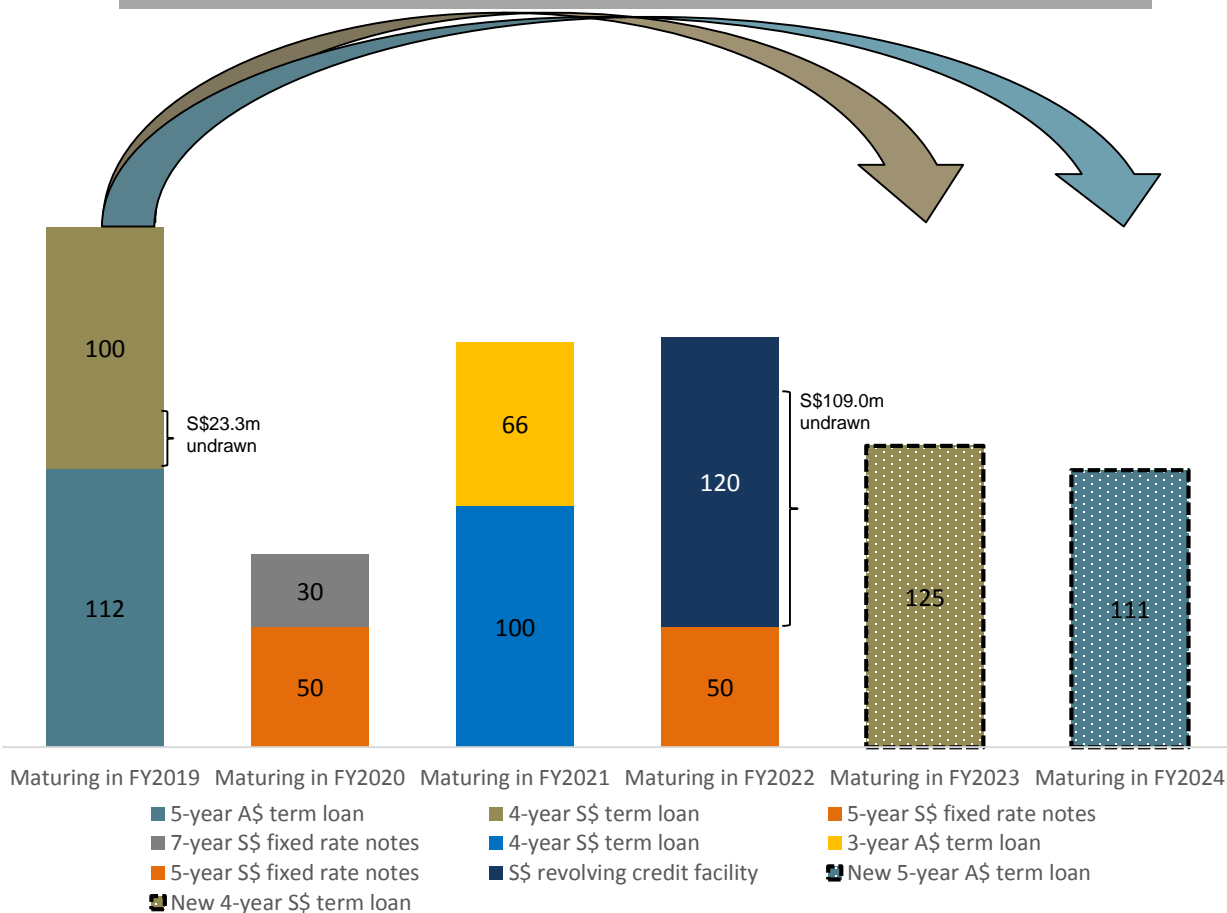
Summary

- Increased weighted average debt maturity to 3.1 years (on a pro forma basis) after taking into account the refinancing in July 2018, with interest savings of approximately S\$0.7 million per annum
- 88.1% of the portfolio's interest rate is fixed taking into account interest rate swaps and fixed rate notes
- Overall blended funding cost of 3.8%
- No debt due for refinancing until May 2019

Debt facilities as at 30 June 2018 (cont'd)

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Effect of refinancing of existing secured facilities due in November 2018 and February 2019



Maturity date	S\$'million
Due in November 2018 (FY2019) <i>Post-refinancing: July 2022 (FY2023)</i>	77.0
Due in February 2019 (FY2019) <i>Post-refinancing: July 2023 (FY2024)</i>	111.6
Due in May 2019 (FY2020)	50.0
Due in December 2019 (FY2020)	30.0
Due in August 2020 (FY2021)	100.0
Due in November 2020 (FY2021)	65.6
Due in November 2021 (FY2022)	11.0
Due in March 2022 (FY2022)	50.0
Total debt drawn down	495.2
Undrawn available facilities	132.3
Total committed facilities	627.5

Portfolio Summary

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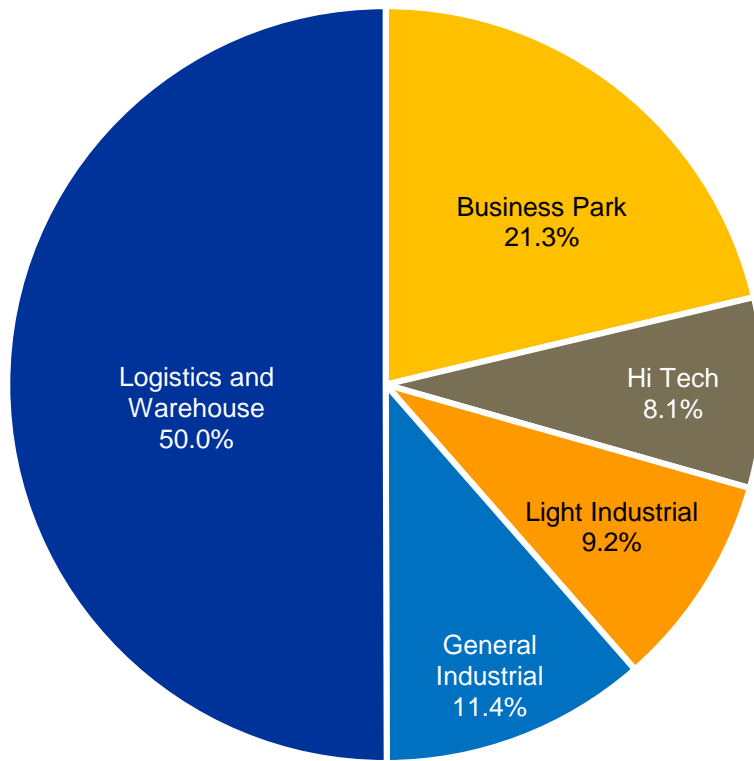


¹ Above Singapore's overall industrial property average of 88.7%.

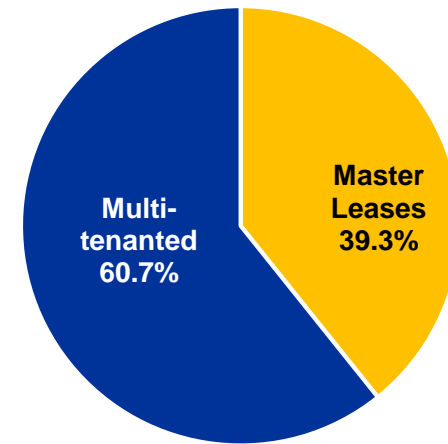
Portfolio breakdown

By 1Q FY2019 gross rental income

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Note: The industrial sub-sectors have been reclassified from 1 April 2018 to better reflect the asset type.



Occupancy (%)

Total Portfolio ¹ (25 properties)	91.5
Master Leases ² (9 properties)	100.0
Multi-tenanted ^{1,2} (17 properties)	88.5

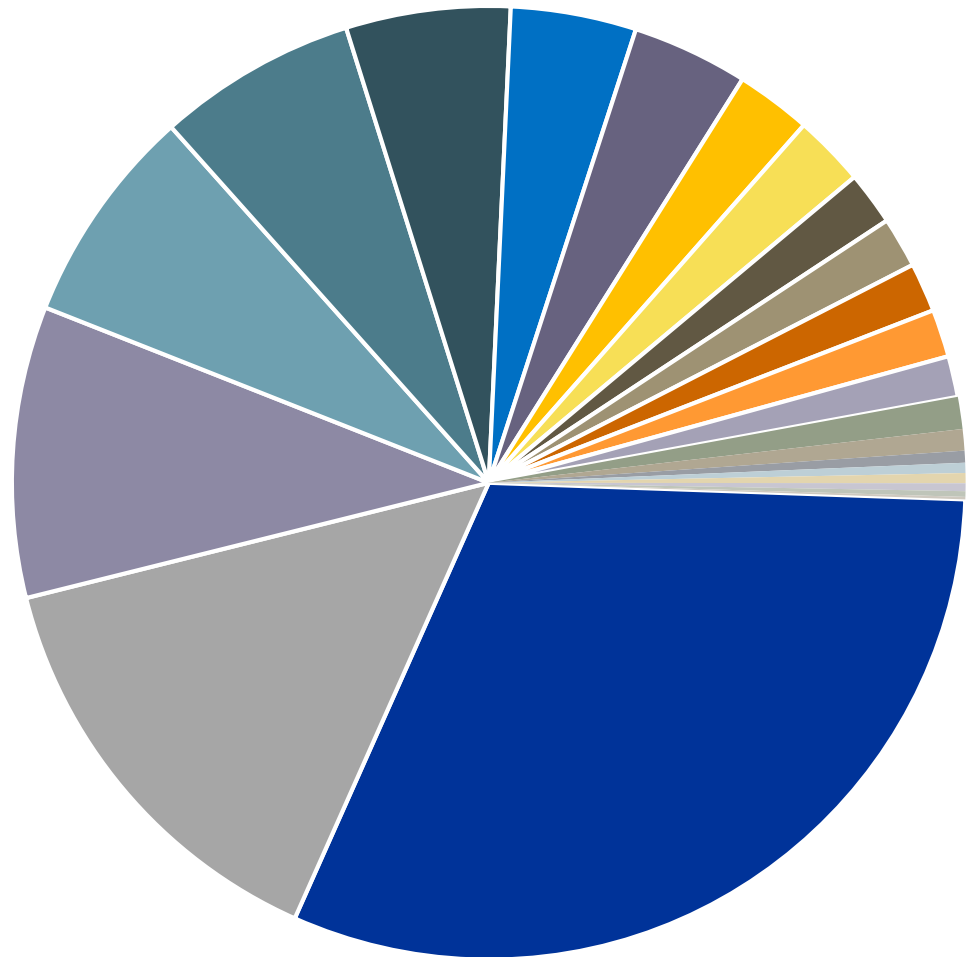
¹ Excludes 3 Tuas Avenue 2 which is undergoing redevelopment.

² 20 Gul Way is partially under master lease and partially multi-tenanted.

Diversified tenant / industry base

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- Logistics, 31.1%
- Telecommunication, 14.4%
- Engineering, 9.9%
- Infrastructure, 7.4%
- Biotech / Life Sciences, 6.8%
- Consumer products, 5.6%
- FMCG, 4.3%
- IT & Electronics, 3.9%
- Pharmaceutical/Healthcare/Cosmetics, 2.6%
- Furniture, 2.4%
- Data Centre, 1.8%
- Self-storage, 1.7%
- Plastic Products and Distribution, 1.7%
- Fashion and Apparels, 1.6%
- Testing and certification, 1.4%
- Semiconductor, 1.1%
- F&B, 0.7%
- Paper & Printing, 0.4%
- Others / Services, 0.3%
- Metal Recycling, 0.3%
- Education, 0.3%
- Energy, 0.2%
- Design & Marketing, 0.1%



Active lease management

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Lease Expiry Profile as at 30 June 2018
(By 1Q FY2019 gross rental income)



	1Q FY2019	Sqm	% of total NLA
Total new leases signed	12	30,636	4.8
Total renewal leases signed ¹	3	1,250	0.2

¹ Weighted average rental decrease for renewals (taking into account only renewal leases with the same tenant of the same lease area) was 8.0%.

Quality tenant base

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Top 10 tenants by 1Q FY2019 gross rental income

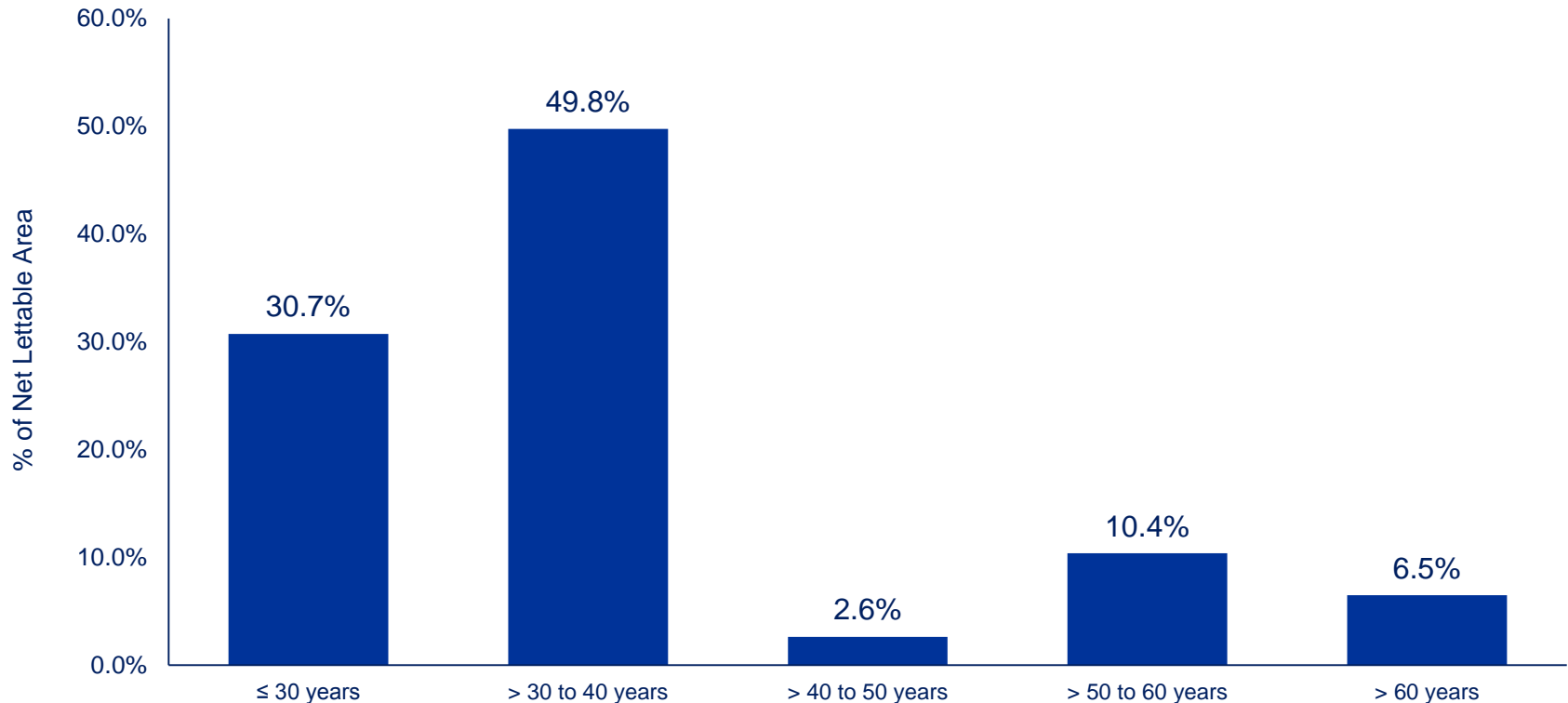
Tenant	%
Optus Administration Pty Limited	13.9%
CWT Pte. Limited	12.6%
Eurochem Corporation Pte Ltd	7.4%
Illumina Singapore Pte Ltd	6.8%
Schenker Singapore (Pte) Ltd	5.6%
Focus Network Agencies (Singapore) Pte Ltd	2.7%
Beyonics International Pte Ltd	2.7%
CIT Cosmeceutical Pte Ltd	2.2%
King Plastic Pte Ltd	1.6%
Element 14 Pte Ltd	1.4%
Top 10 tenants	56.9%



Long land lease expiry – 37.1 years

> 4

The weighted average unexpired land lease was 37.1 years as at 30 June 2018



Note: For the calculation of the weighted average land lease of AA REIT, AA REIT's interest in the freehold property, Optus Centre, has been assumed as a 99-year leasehold interest.

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Appendix A – Completed Developments

BTS industrial facility for Beyonics – Achieved TOP on 27 October 2017

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51 Marsiling Road



Factsheet

Post Development

Property	AA REIT's first third-party greenfield development project outside its existing portfolio Five-storey purpose-built industrial facility with cargo lift access
Valuation	S\$43.0 million ¹
Lease term	Fully leased for a term of ten years with rent escalations
Annual rental income (Year 1)	S\$3.5 million (after fitting out period)
Plot ratio	2.5
Gross floor area	231,738 sqft

¹ Based on CBRE Pte. Ltd.'s valuation dated 27 October 2017.

Summary financials update: 51 Marsiling Road

> A

	4 Aug 2016 Announcement (S\$ million)	Actual Achieved (S\$ million)
Gross development value upon completion	42.9 ¹	43.0 ²
Project development cost (including land cost)	(39.4)	(34.9)
Profit	3.5	8.1
Net property income yield (based on development cost)	8.9%	10.0%

¹ Based on CBRE Pte. Ltd.'s valuation dated 3 August 2016 on an "as-if-complete" basis.

² Based on CBRE Pte. Ltd.'s valuation dated 27 October 2017.

8 Tuas Ave 20 – Achieved TOP on 29 August 2017

> A

8 Tuas Ave 20



Factsheet

	Prior to redevelopment	Post redevelopment
Property	Customised two adjoining two-storey industrial detached buildings with an under-utilised plot ratio	Three-storey versatile industrial facility with ramp and cargo lift access
Valuation	S\$8.7 million ¹	S\$28.0 million ²
Annual gross rental income	S\$0.92 million (FY2016)	S\$1.62 million (Year 1, after fitting out periods)
Plot ratio	1.03	1.4
Gross floor area	117,521 sqft	158,853 sqft
Occupancy	83.2% (as at 30 June 2018)	

¹ Based on Savills Valuation and Professional Services (S) Pte Ltd's valuation dated 31 March 2016 on an "as-is" basis.

² Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018.

20 Gul Way – Largest property in the portfolio

> A



	Prior to redevelopment	Redevelopment Phases 1 & 2	Further development Phases 2E & 3
Property	10 single storey buildings	Five storey ramp up warehouse (completed in two phases)	Extension to Phase 2 (Phase 2E) and new warehouse connected to the existing ramp (Phase 3)
Valuation	S\$41.8 million ¹		S\$250.4 million ²
Annual gross rental income	S\$5.4 million (FY2011)		S\$20.9 million (FY2018)
Plot ratio	0.46		2.0 ³
Gross floor area	378,064 sqft	1,159,547 sqft	Additional 496,949 sqft

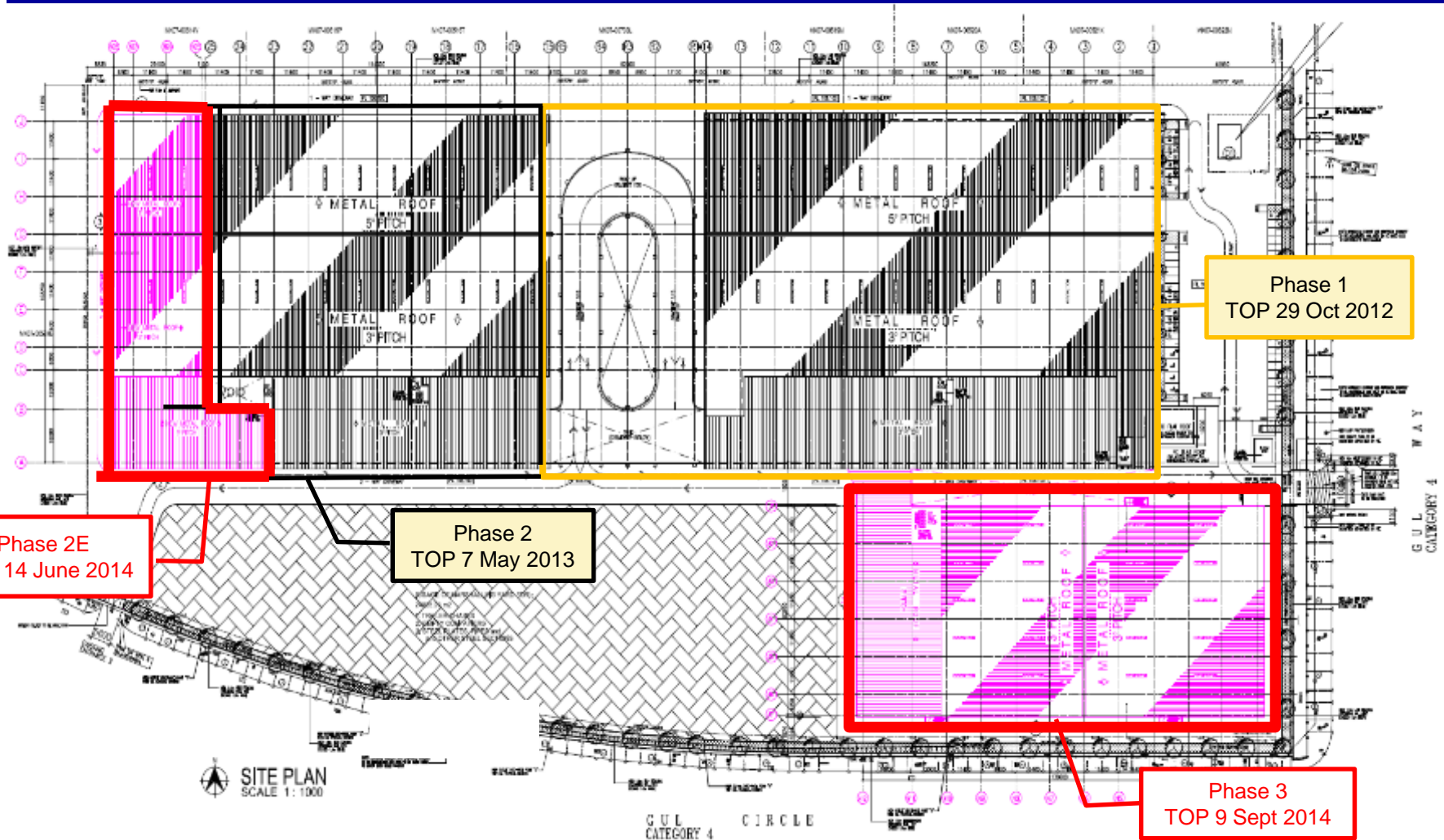
1. Based on Colliers International Consultancy & Valuation (Singapore) Pte Ltd's valuation dated 31 March 2011.

2. Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018.

3. The plot ratio at 20 Gul Way was increased from the existing 1.4 to 2.0.

20 Gul Way redevelopment in phases (cont'd)

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30 Tuas West Road – Achieved TOP on 27 December 2016

> A

30 Tuas West Road



Factsheet

	Prior to redevelopment	Post redevelopment
Property	Two three-storey detached industrial buildings	Five-storey ramp-up warehouse facility
Valuation	S\$14.1 million ¹	S\$59.1 million ²
Annual gross rental income	S\$0.94 million (FY2015)	S\$5.30 million (FY2018)
Plot ratio	1.15	2.08
Gross floor area	159,717 sqft	288,663 sqft

¹ Based on Knight Frank Pte Ltd's valuation dated 31 March 2015.

² Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018.

103 Defu Lane 10 – Achieved TOP on 28 May 2014

> A

103 Defu Lane 10



Factsheet

	Prior to redevelopment	Post redevelopment
Property	Two storey warehouse with an adjoining three storey office building	Six storey industrial facility with sheltered car parking
Valuation	S\$12.0 million ¹	S\$35.0 million ²
Annual gross rental income	S\$1.61 million (FY2012)	S\$3.46 million (FY2018)
Plot ratio	1.2	2.5
Gross floor area	97,367 sqft	202,928 sqft

¹ Based on Cushman & Wakefield VHS Pte Ltd's valuation dated 30 September 2012.

² Based on Jones Lang LaSalle Property Consultants Pte Ltd's valuation dated 31 March 2018.



Awarded Gold Award for Excellence in Governance, CSR, ESG and Investor Relations at The Asset Corporate Awards 2017



Awarded Shareholder Communications Excellence Award at the 18th Investors' Choice Awards 2017



Awarded Best Investor Relations Company and Asia's Best CEO in Singapore at the 6th Asian Excellence Awards 2016



Awarded the Honours Award in Traditional Annual Report at the 2017 ARC Awards

Thank you

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