



Mapletree Commercial Trust

1H FY21/22 Financial Results

27 October 2021

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Key Highlights



Financial Performance

- Sustained 1H FY21/22 performance with continued impact from prolonged COVID-19 restrictions
- Higher 1H FY21/22 gross revenue and net property income (“NPI”) mainly due to lower rental rebates and compensation from a lease pre-termination at mTower
- 1H FY21/22 DPU up 5.3% to 4.39 Singapore cents
- Total valuation of investment properties rose slightly to S\$8.8 billion

Portfolio Performance

- VivoCity’s 1H FY21/22 tenant sales stayed resilient at approximately 75% of pre-COVID levels despite protracted COVID-19 restrictions and close to eight weeks cessation of dining-in
- Completed substantial renewals and reletting of office and business park leases, lifting portfolio committed occupancy to 96.0%

Capital Management

- Capital management strategy continues to prioritise financial flexibility and liquidity
- Well-distributed debt maturity profile with no more than 24% of debt due for refinancing in any financial year

Financial Performance



1H FY21/22 Financial Performance

**1H FY21/22 revenue and NPI up 11.5% and 10.7% respectively
Mostly due to lower rental rebates and compensation from a lease termination at mTower**

S\$'000 unless otherwise stated	1H FY21/22	1H FY20/21	Variance
Gross revenue	243,722	218,671	▲ 11.5%
Property operating expenses	(53,867)	(47,212)	▲ 14.1%¹
Net property income	189,855	171,459	▲ 10.7%
Net finance costs	(36,643)	(39,733)	▼ 7.8%
Income available for distribution	146,456	123,422	▲ 18.7%
Amount available for distribution	146,456	138,422²	▲ 5.8%
Distribution per unit (cents)	4.39	4.17²	▲ 5.3%

1. The higher property operating expenses in 1H FY21/22 were mainly due to property tax rebates received from the Government in 1H FY20/21.
2. In 4Q FY19/20, MCT made capital allowance claims and retained capital distribution totalling S\$43.7 million to conserve liquidity in view of the uncertainty due to the COVID-19 pandemic. Of this, S\$15.0 million was released to Unitholders and included in the distribution for 1H FY20/21.

Portfolio Valuation

**Slight increase in portfolio valuation as compared to 31 March 2021
Mostly due to different valuers' views on capitalisation rates and market assumptions**

	Valuation as at 30 September 2021 ¹			Valuation as at 31 March 2021 ²	Valuation as at 30 September 2020 ²
	S\$ million	S\$ per sq ft NLA	Capitalisation Rate (%)	S\$ million	S\$ million
VivoCity	3,146.0	2,920 psf	4.60%	3,148.0	3,148.0
MBC I	2,249.0	1,317 psf	Office: 3.75% Business Park: 4.85%	2,226.0	2,189.0
MBC II	1,551.0	1,309 psf	Business Park: 4.80% Retail: 4.75%	1,535.0	1,534.0
mTower	748.0	1,422 psf	Office: 4.00% Retail: 4.75%	742.0	761.0
Mapletree Anson	750.0	2,278 psf	3.35%	747.0	747.0
MLHF	340.0	1,576 psf	3.75%	339.0	338.0
MCT Portfolio		8,784.0		8,737.0	8,717.0

1. The valuation for VivoCity was undertaken by CBRE Pte. Ltd., while the valuations for MBC I and II, mTower, Mapletree Anson and MLHF were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd.
2. The valuation for VivoCity was undertaken by Savills Valuation and Professional Services (S) Pte. Ltd., while the valuations for MBC I and II, mTower, Mapletree Anson and MLHF were undertaken by CBRE Pte. Ltd.

Balance Sheet

Largely stable balance sheet with NAV per Unit unchanged at S\$1.72

S\$'000 unless otherwise stated	As at 30 September 2021	As at 31 March 2021
Investment Properties	8,784,000	8,737,000
Other Assets	120,730	213,584
Total Assets	8,904,730	8,950,584
Net Borrowings	2,995,145	3,029,625
Other Liabilities	184,851	211,991
Net Assets	5,724,734	5,708,968
Units in Issue ('000)	3,321,268	3,316,204
Net Asset Value per Unit (S\$)	1.72	1.72

Key Financial Indicators

Maintained healthy set of financial indicators
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.06 cents p.a.

	As at 30 September 2021	As at 30 June 2021	As at 30 September 2020
Total Debt Outstanding	S\$2,997.0 mil	S\$3,007.0 mil	S\$2,998.9 mil
Gearing Ratio	33.7%¹	34.2%	33.8%
Interest Coverage Ratio (12-month trailing basis)	4.8 times	4.8 times	4.0 times
% Fixed Rate Debt	72.6%	75.7%	71.5%
Weighted Average All-In Cost of Debt (p.a.) ²	2.42%³	2.44%⁴	2.57%⁵
Average Term to Maturity of Debt	3.8 years	4.0 years	4.5 years
Unencumbered Assets as % of Total Assets	100%	100%	100%
MCT Corporate Rating (by Moody's)	Baa1(stable)	Baa1(stable)	Baa1(negative)

1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 52.4%.

2. Including amortised transaction costs.

3. Annualised based on 1H ended 30 September 2021.

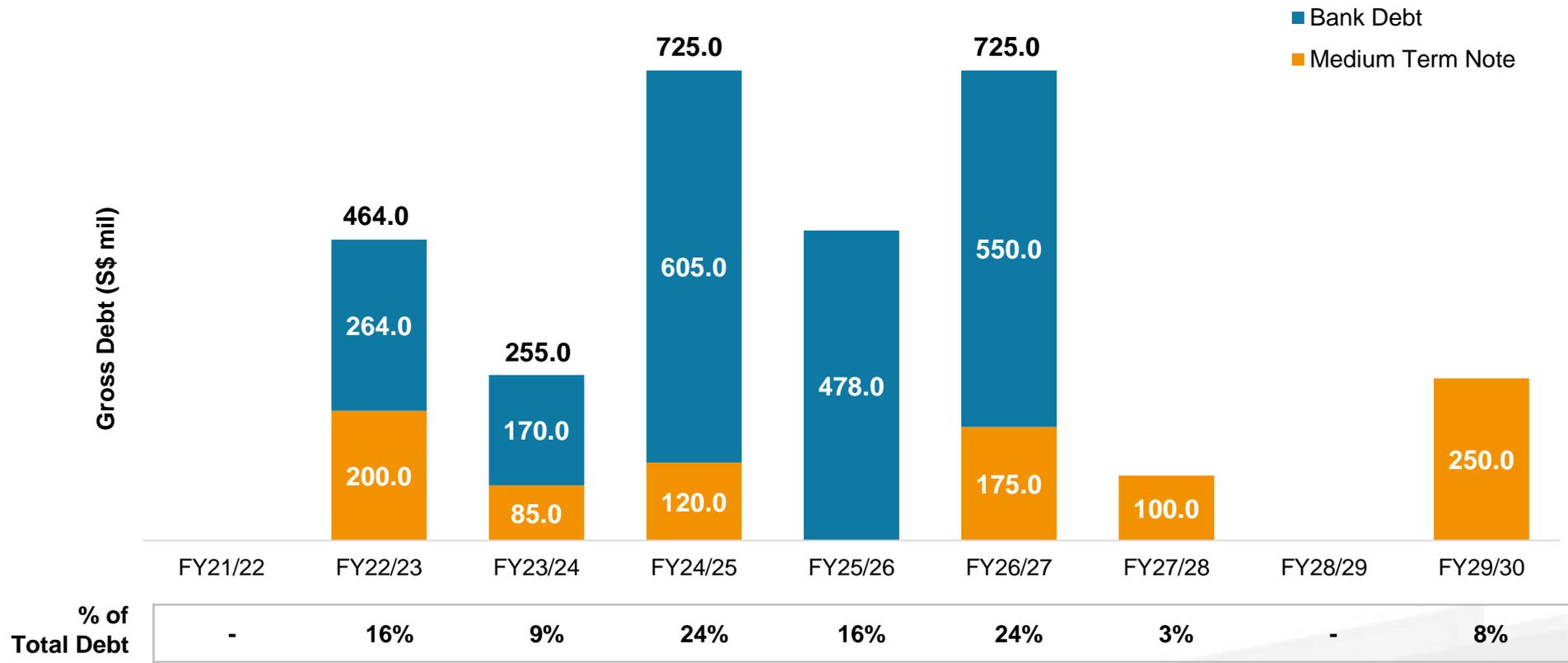
4. Annualised based on the quarter ended 30 June 2021.

5. Annualised based on 1H ended 30 September 2020.

Debt Maturity Profile (as at 30 September 2021)

Financial flexibility from close to S\$500 mil of cash and undrawn committed facilities
Well-distributed debt maturity profile with no more than 24% of debt due in any financial year

Total gross debt: S\$2,997.0 mil



Distribution Details

Distribution Period	1 April 2021 to 30 September 2021
Distribution Amount	4.39 Singapore cents per unit

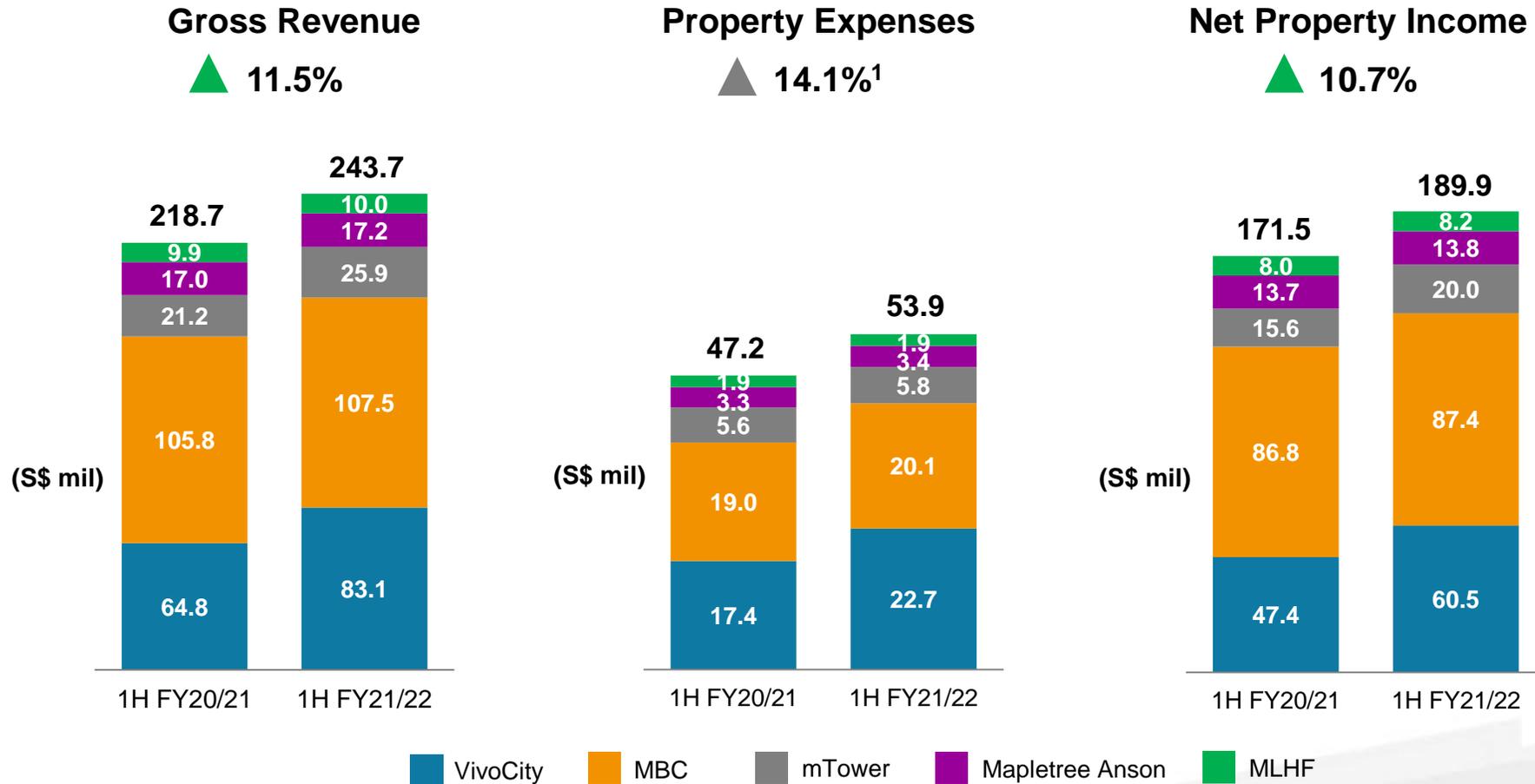
Distribution Timetable	
Notice of Record Date	Wednesday, 27 October 2021
Last Day of Trading on “cum” Basis	Tuesday, 2 November 2021
Ex-Date	Wednesday, 3 November 2021
Record Date	5.00 p.m., Friday, 5 November 2021
Distribution Payment Date	Tuesday, 30 November 2021

Portfolio Updates



1H FY21/22 Segmental Results

1H FY21/22 gross revenue and NPI up 11.5% and 10.7% respectively
Mostly due to lower rental rebates and compensation from a lease pre-termination at mTower



1. Mainly due to property tax rebates received from the Government in 1H FY20/21.

Portfolio Occupancy

**Completed substantial renewals of office/business park leases
Lifting portfolio actual and committed occupancies to 93.3% and 96.0% respectively**

	September 2020	June 2021	September 2021	
			Actual	Committed ¹
VivoCity	96.0%	97.7%	98.6%	99.6%
MBC	98.8%	93.1%	94.0%	97.0%
mTower	69.7%	72.3% ²	75.5%	80.4%
Mapletree Anson	100%	99.2%	93.9%	97.0%
MLHF	100%	100%	100%	100%
MCT Portfolio	95.3%	92.6%	93.3%	96.0%

1. As at 30 September 2021.

2. Due to a negotiated pre-termination of lease, there was compensation that provided more than 1 year of lead time for backfilling.

1H FY21/22 Leasing Update

Achieved 2.3% portfolio rental reversion in spite of COVID-19 disruptions

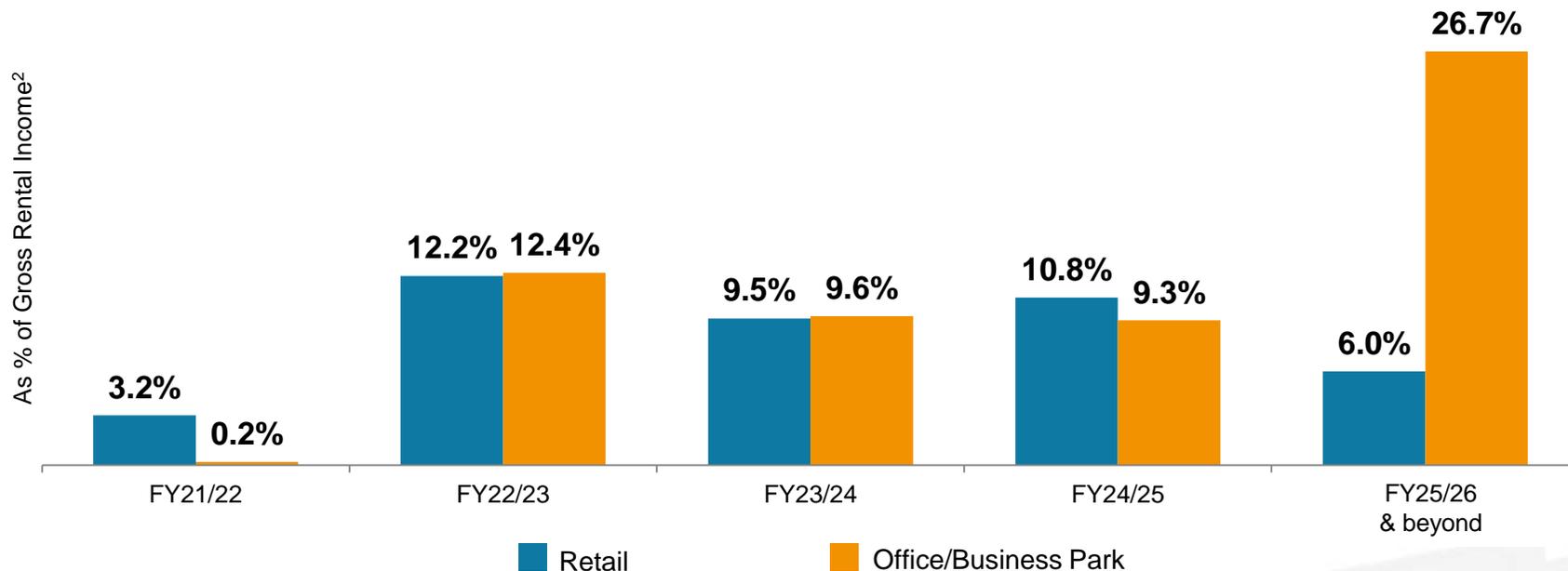
	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents ¹
Retail	128	82.2%	3.5% ²
Office/Business Park	29	88.6%	1.5%
MCT Portfolio	157	87.5%	2.3%

1. On committed basis and calculated based on the average fixed rents over the lease periods of the new committed leases divided by the preceding fixed rents of the expiring leases. Rent reviews are typically not included in such calculations.
2. Includes the effect from trade mix changes and units subdivided and/or amalgamated.

Lease Expiry Profile (as at 30 September 2021)

**Substantially reduced exposure from leases expiring in FY21/22
Continued portfolio resilience underpinned by extended lease expiry profile**

Weighted Average Lease Expiry (“WALE”)	Committed Basis
Portfolio	2.8 years ¹
Retail	2.2 years
Office/Business Park	3.3 years



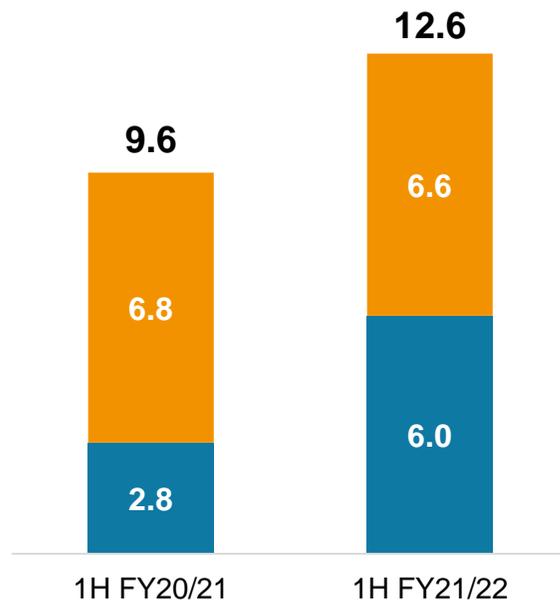
1. Portfolio WALE was 2.1 years based on the date of commencement of leases.
2. Total does not add up to 100% due to rounding differences

VivoCity – Shopper Traffic and Tenant Sales

2Q FY21/22 impacted by prolonged social gathering limits and dining in restrictions
Year-on-year growth mostly due to ten-week closure of non-essential businesses in 1Q FY20/21¹

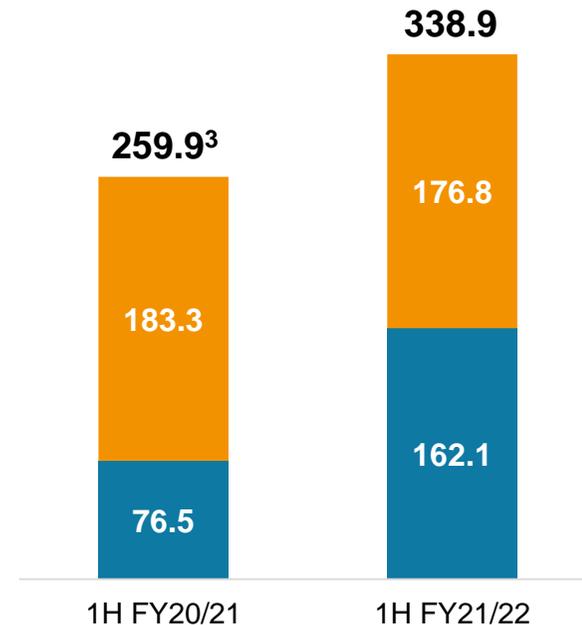
Shopper Traffic (mil)

▲ 31.6%³



Tenant Sales (\$ mil)²

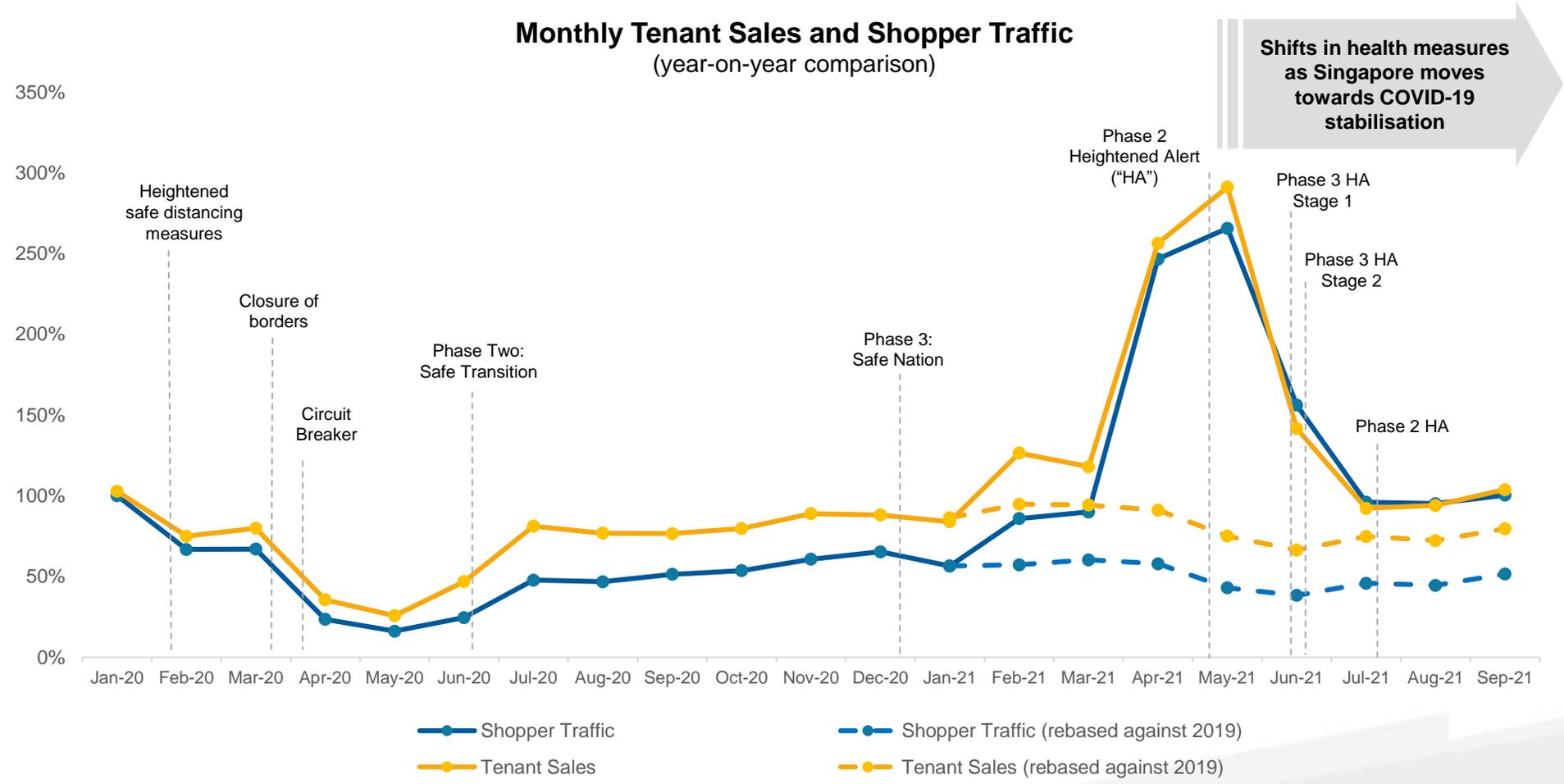
▲ 30.4%



■ 1Q ■ 2Q

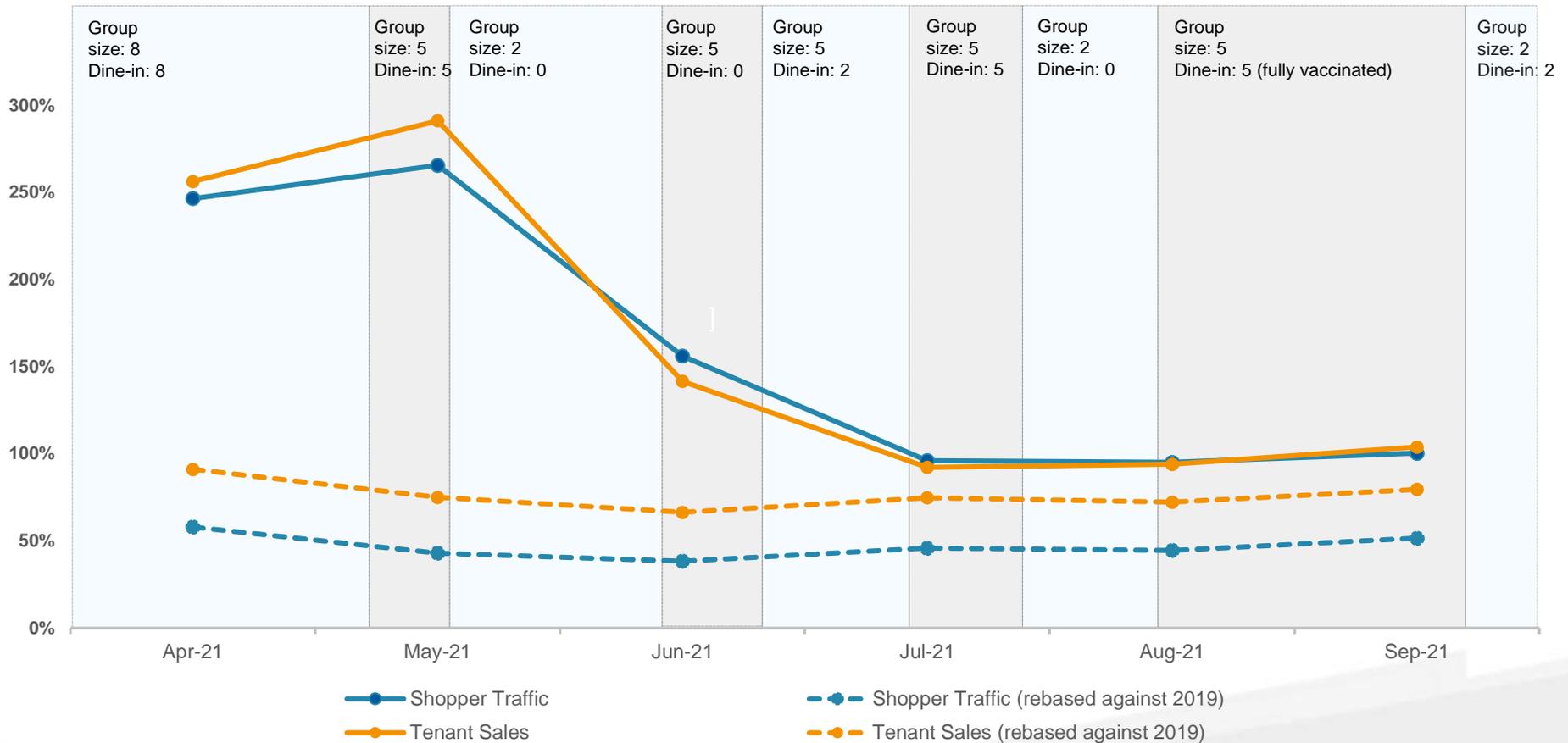
1. Refers to the circuit breaker from 7 April to 1 June 2020 and Phase One easing of circuit breaker from 2 to 18 June 2020 during which the majority of businesses were closed
2. Includes estimates of tenant sales for a small portion of tenants
3. Does not add up due to rounding differences

1H FY21/22 tenant sales stayed at approximately 75% of pre-COVID levels despite protracted COVID-19 restrictions and close to eight weeks cessation of dining-in



Shifts in health measures as Singapore moves towards COVID-19 stabilisation
Recovery momentum expected to pick up when Government eases restrictions on social activities

Monthly Tenant Sales and Shopper Traffic
(year-on-year comparison)



Supporting tenants to protect the sector's long-term sustainability Provided rental rebates to eligible retail tenants totalling ~1.1 month¹ of fixed rents in 1H FY21/22

COVID-19 Timeline	
7 Feb 2020	Government raised DORSCON ² level from yellow to orange
23 Mar 2020	No entry or transit through Singapore for all short-term visitors
7 Apr 2020	Circuit breaker period <ul style="list-style-type: none"> All non-essential industries and retail shall be closed The public is required to stay at home unless for essential services
2 Jun 2020	Easing of circuit breaker <i>Phase One: Safe Re-opening</i> – majority of business remained closed
19 Jun 2020	Further easing of circuit breaker <i>Phase Two: Safe Transition</i> – most businesses allowed to resume operations; social gatherings allowed in groups of five
28 Sep 2020	Up to 50% of workforce allowed to return to their workplaces
28 Dec 2020	<i>Phase Three: Safe Nation</i> – increased capacity limits for events and activities; social gathering sizes raised from five to eight
5 Apr 2021	More employees (up to 75% of workforce) allowed to return to their workplaces
8 May 2021	<i>Phase Two (Heightened Alert) ("HA")</i> – Tightened circuit breaker measures. Workplace capacity reverted to 50% and social gathering limits reduced to from eight to five
16 May 2021	Cessation of dining-in at all F&B establishments, reduced social gathering limit to two and resumption of work-from-home as default arrangement
14 Jun 2021	<i>Phase Three (HA) Stage 1</i> – Increased limits on social groups to five
21 Jun 2021	<i>Phase Three (HA) Stage 2</i> – Resumed dining-in for up to two individuals
12 Jul 2021	Dine-in limit raised to five
19 Jul 2021	Dine-in limit reduced to two, except for fully-vaccinated individuals
22 Jul 2021	<i>Phase Two (HA)</i> – Dine-in halted for all, social group sizes reduced to two
10 Aug 2021	<i>Preparing for Transition Towards COVID Resilience</i> – Dine-in limit raised to five for fully vaccinated; up to 50% of workforce can return to work
27 Sep 2021	Dine-in and social gathering limits cut to two for all
13 Oct 2021	Only groups of up to two vaccinated persons allowed to dine-in and to enter shopping malls

Period	Average quantum of rental rebate/waiver for eligible tenants
March 2020 – March 2021	~4.4 months ³
1H FY21/22	~1.1 months
Total to date	~5.5 months



1. Assistance for each tenant is calibrated based on their respective actual sales performance and subject to tenant's acceptance.
2. The DORSCON is a colour-coded framework administered by the Government that shows the current disease situation and provides general guidelines on what needs to be done to prevent and reduce the impact of infections. DORSCON orange signifies an outbreak with moderate to high public health impact and the public has to comply with control measures.
3. Includes the passing on of property tax rebates, cash grants from the Government and other mandated grants to qualifying tenants.

VivoCity – Continuous Effort to Inject Novelty

Introducing long-awaited and widely popular offerings to invigorate tenant mix



We are
open in
VivoCity!

Come visit our newest location:

Unit O1-131
1 Harbourfront Walk
Singapore 098585

10am-10pm daily



2,326 likes

lululemonsg We know you've been waiting for this! Our store at VivoCity is finally open. Thank you for celebrating our community with Try-athlon.

We're here from 10am to 10pm every day — ready to host you in our spacious fit rooms, kit you out in our newest gear and celebrate your sweaty endeavours.

Looking forward to seeing you!

Source: Lululemon



Lululemon Athletica's 3,300 square foot outlet will cater to the growing demand for chic and high-performance sportswear



Mr. Coconut – a wildly popular Singapore brand best known for its refreshing coconut-based beverages

Note: The above only represents a portion of tenants that were introduced in 1H FY21/22.

VivoCity – Successful Partnerships with Tenants

Revamps and expansions by existing tenants to better cater to shoppers' needs



Marks & Spencer widened its F&B section to capture growing demand for premium food



Timezone revamped to introduce its Timezone Flagship Plus+ outlet



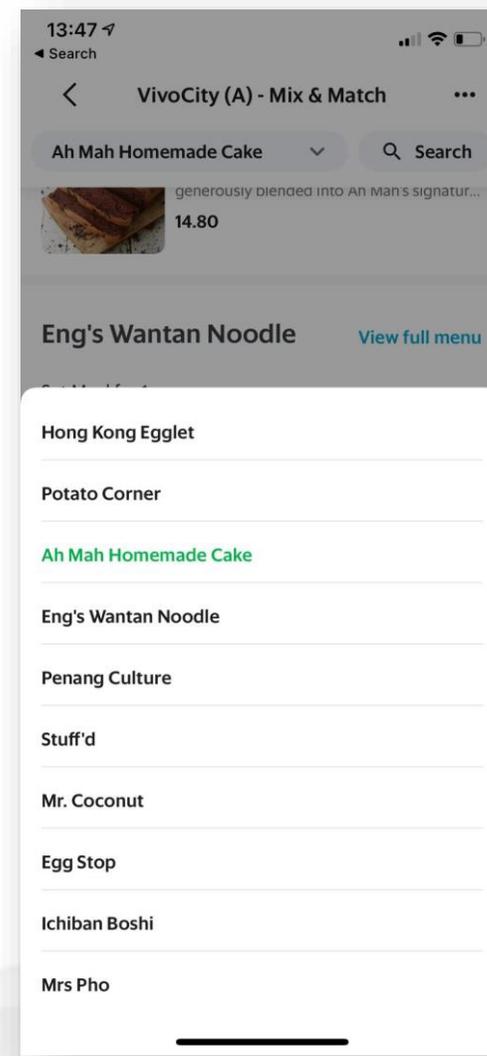
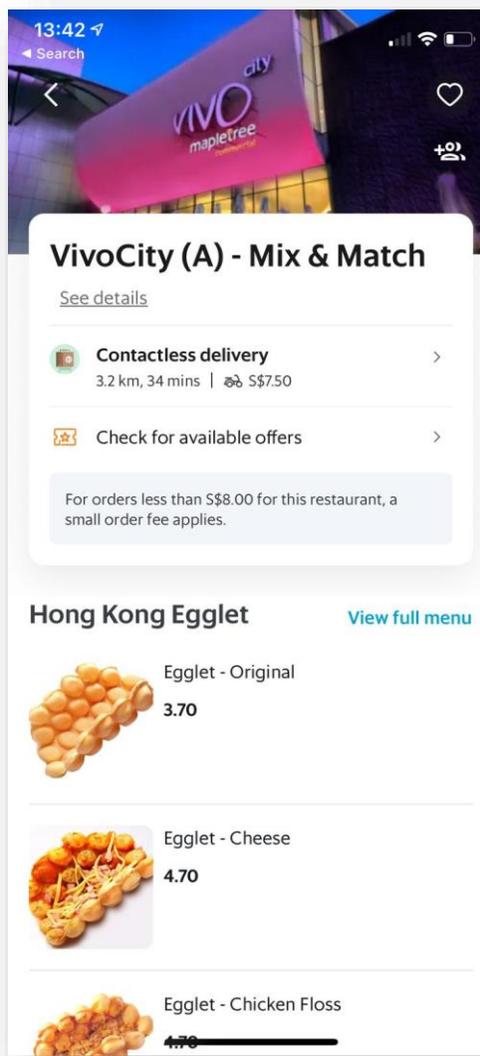
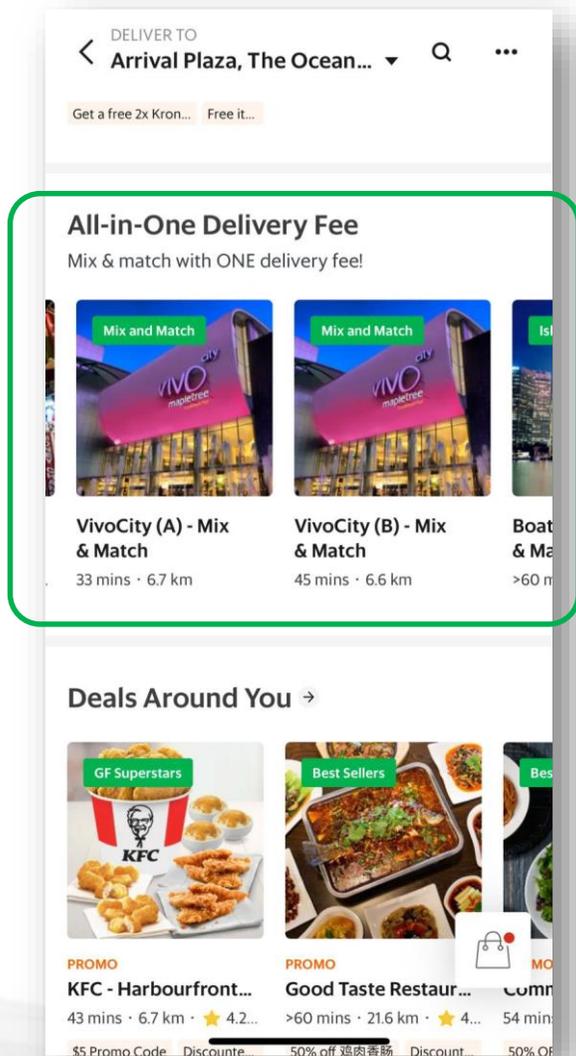
Paradise Dynasty launched its 5th concept with VivoCity



Expansion by Gram Café & Pancakes in response to popular demand

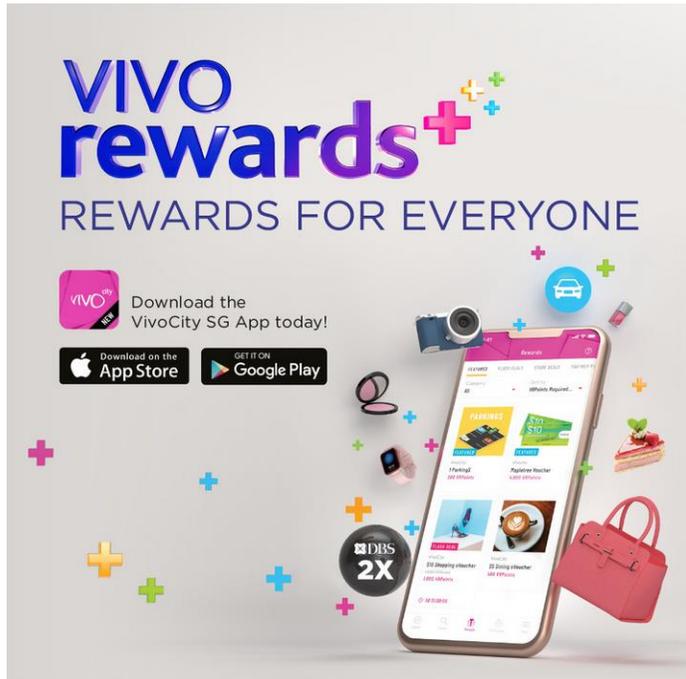
Note: The above only represents a portion of tenants that underwent expansion and/or renovations in 1H FY21/22.

Onboarded tenants onto GrabFood's Mix & Match platform
Orders can be placed from multiple F&B outlets at VivoCity with a single delivery fee



VivoCity – Unveiled VivoRewards+: The Shopping Rewards Programme for Everyone

An upgraded and all-inclusive programme
Offers comprehensive range of benefits to reward every shopper



Shop and be rewarded



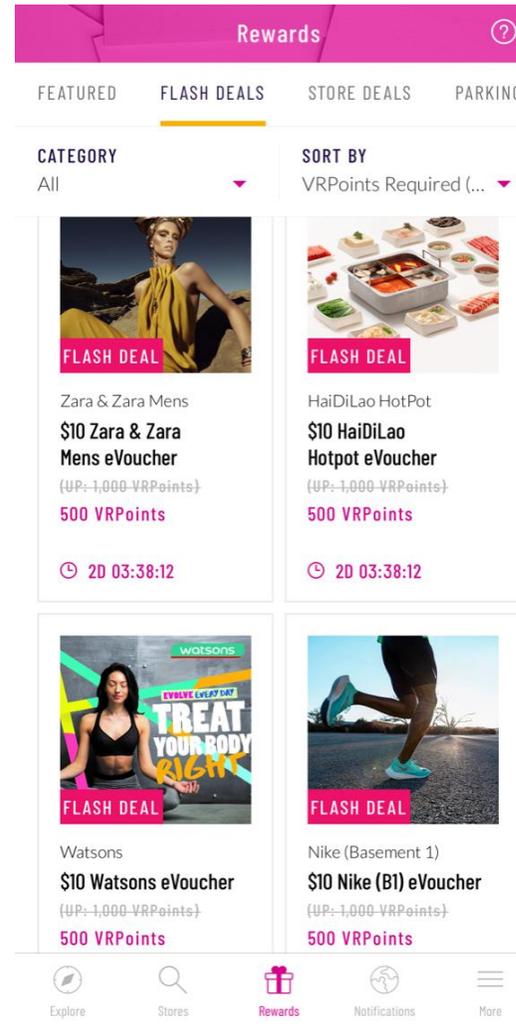
DBS makes it twice as rewarding



Exchange VRPoints into rewards you love



Shop more with less



Key features

- Builds on the popular Parking Credit redemption programme that has been the cornerstone of VivoRewards' success
- Full-fledged loyalty programme to reward every shopper
- Simple and fuss-free points collection and redemption process
- Upgraded app is a one-stop information platform to provide convenience to shoppers

Outlook



Singapore Economy

- Based on Ministry of Trade and Industry's ("MTI") advanced estimates, the Singapore economy grew by 6.5% on a year-on-year basis in the third quarter of 2021, moderating from the 15.2% growth recorded in the previous quarter. On a quarter-on-quarter seasonally adjusted annualised basis, the economy expanded by 0.8% in the third quarter of 2021, a reversal from the 1.4% contraction in the preceding quarter.

Retail

- According to CBRE, recovery momentum continued to be stalled by re-tightening measures throughout the quarter. There was recurring pressure on the submarkets that were affected by work-from-home measures and weak travel demand.
- Rents are likely to remain soft for the rest of 2021 with protracted tight measures and slow return of visitor arrivals. However, with the progressive easing of border restrictions in 2022 and higher vaccination rates, the retail market is poised to benefit with the improvement in economic activity and consumer sentiment, barring any unforeseen setbacks.

Sources: The Singapore Ministry of Trade and Industry Press Release, 14 October 2021 and CBRE MarketView Singapore Q3 2021.

Office

- The re-tightening measures throughout the quarter had led to work-from-home as the default working arrangement. As the pandemic evolves into an endemic, this paved the way for firms to adopt a hybrid-working model while assessing their space requirements. This may eventually result in space being returned to the market. Nonetheless, CBRE noted that technology and non-banking financial services firms have continued to spur leasing activities on the back of tight vacancy particularly within the Grade A (Core CBD) market.
- Underpinned by tight vacancy, the outlook for the office market looks positive. Coupled with the limited number of options over the next three years and growth in demand from the technology sector, CBRE expects further rental improvement in the mid-term.

Business Park

- Consolidation and downsizing efforts were observed as firms started to adopt the hybrid-working model. However, the technology, pharmaceutical, e-commerce and gaming industries were actively seeking space in the business park market.
- Going forward, most of the supply pipeline is concentrated within the Rest of Island submarket. This could potentially exert more downward pressure on rents in this submarket. On the flip side, the limited availability of options within the City Fringe submarket, coupled with the strong demand for space, are likely to drive rental expectations upwards in this submarket.

Overall

- There are continued uncertainties posed by COVID-19, including economic uncertainties, continued border closures, work-from-home directives and social distancing measures, as well as lower prospective demand for commercial space. Potential challenges could also arise when the COVID-19 impact hits in full force after the end of Government support.
- MCT's focus remains to maintain a healthy portfolio occupancy and sustainable rental income. As Singapore makes further progress in inoculating the population and transits to an endemic new normal, we will continue to monitor the situation carefully and work closely with tenants and stakeholders. We remain proactive and nimble in implementing suitable measures to mitigate further impact and in supporting the authorities' transition efforts, while keeping in mind long-term value creation to our properties.
- Anchored by a well-diversified portfolio with key best-in-class assets, MCT is expected to derive stable cashflows from high quality tenants. MCT's overall resilience will keep the vehicle well-placed to ride through the current challenges.



Thank You

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