



# Mapletree Industrial Trust

## SGX-REITAS Education Series

30 March 2015

maple<sup>tree</sup>  
industrial

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# Agenda

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1 Overview of Industrial SREIT Market

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2 About Mapletree Industrial Trust

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3 Outlook and Strategy

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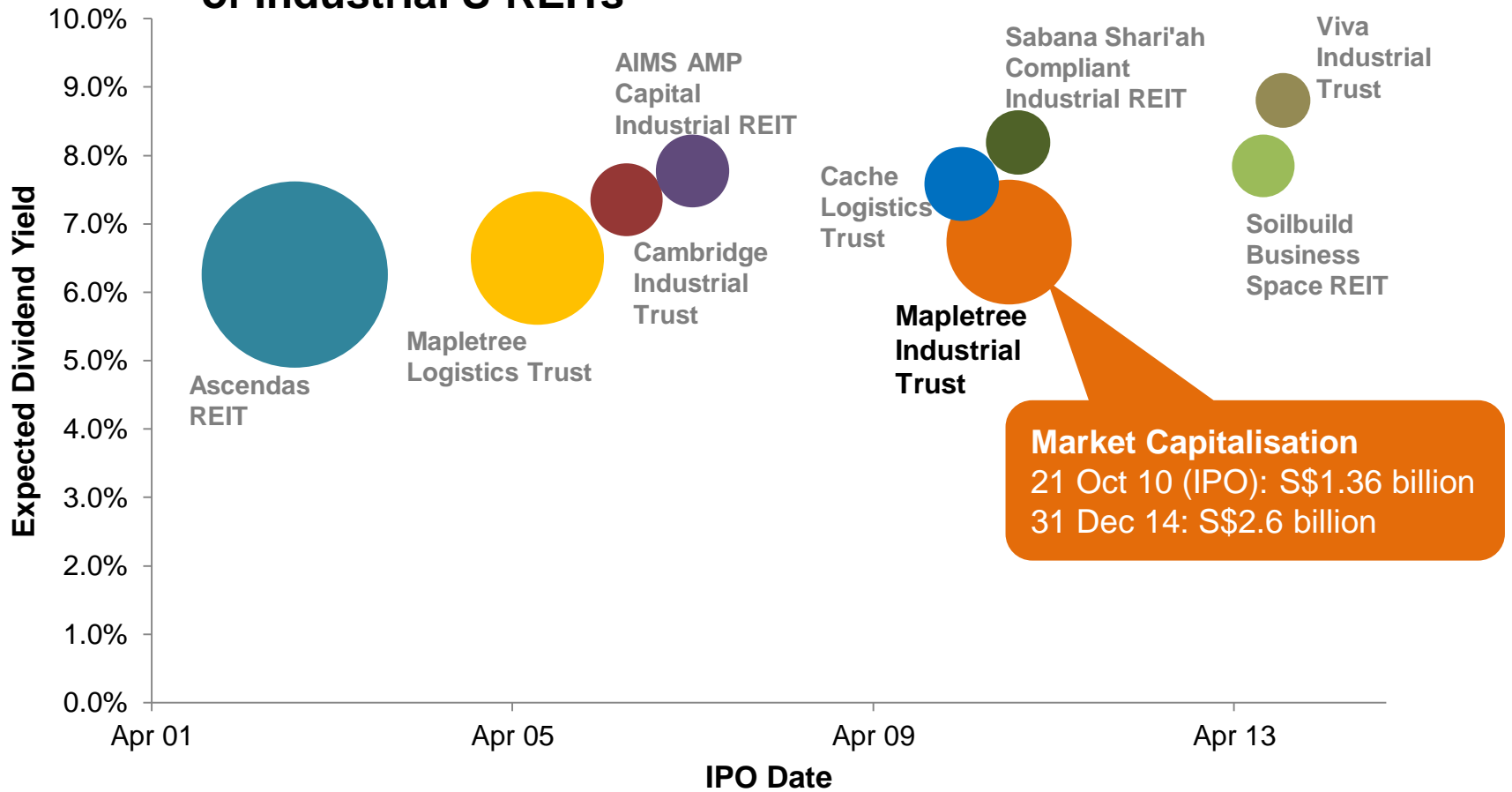
# OVERVIEW OF INDUSTRIAL S-REIT MARKET



Hi-Tech Building,  
K&S Corporate Headquarters

# 9 Industrial S-REITs

**S\$15.7 billion**  
**Total Market Capitalisation**  
**of Industrial S-REITs**



<sup>1</sup> Size of bubble denotes market capitalisation  
<sup>2</sup> Source: Bloomberg (as at 31 Dec 2014)

# ABOUT MAPLETREE INDUSTRIAL TRUST



Hi-Tech Building, Data Centre for Equinix

# 85 Properties Across 5 Property Types



Flatted Factories



Hi-Tech Buildings



Business Park Buildings

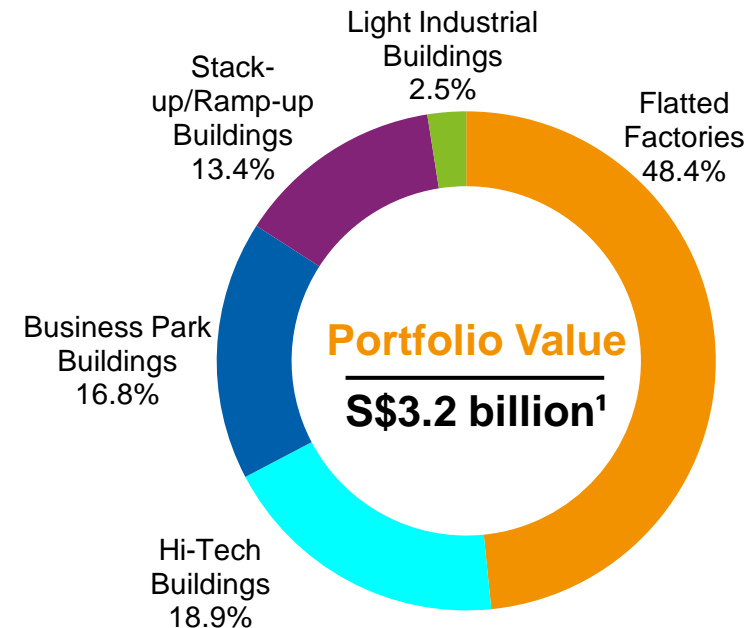


Stack-up/Ramp-up Buildings



Light Industrial Buildings

- Total property assets of approx. **S\$3.2 billion<sup>1</sup>**
- Total GFA of approx. **19.7 million sq ft**
- Total NLA of approx. **14.6 million sq ft**
- Largest tenant base among industrial SREITs with over **2,000** MNCs, listed companies & local enterprises



<sup>1</sup> Includes valuation of portfolio as at 31 Mar 2014 and total acquisition cost of 2A Changi North Street 2, which was acquired on 28 May 2014.

# Broad Spectrum of Industrial Facilities



## BUSINESS PARK BUILDINGS

Multi-storey suburban office buildings in specially designated "Business Park zones". Serve as regional headquarters for MNCs as well as space for R&D and knowledge-intensive enterprises.



## STACK-UP/RAMP-UP BUILDINGS

Stacked-up factory space with vehicular access to upper floors. Multi-tenanted space suitable for manufacturing and assembly activities.



## HI-TECH BUILDINGS

High specification industrial space with higher office content for tenants in technology and knowledge-intensive sectors. Usually fitted with air-conditioned lift lobbies and common areas.



## FLATTED FACTORIES

High-rise multi-tenanted industrial buildings with basic common facilities used for light manufacturing activities.



## LIGHT INDUSTRIAL BUILDINGS

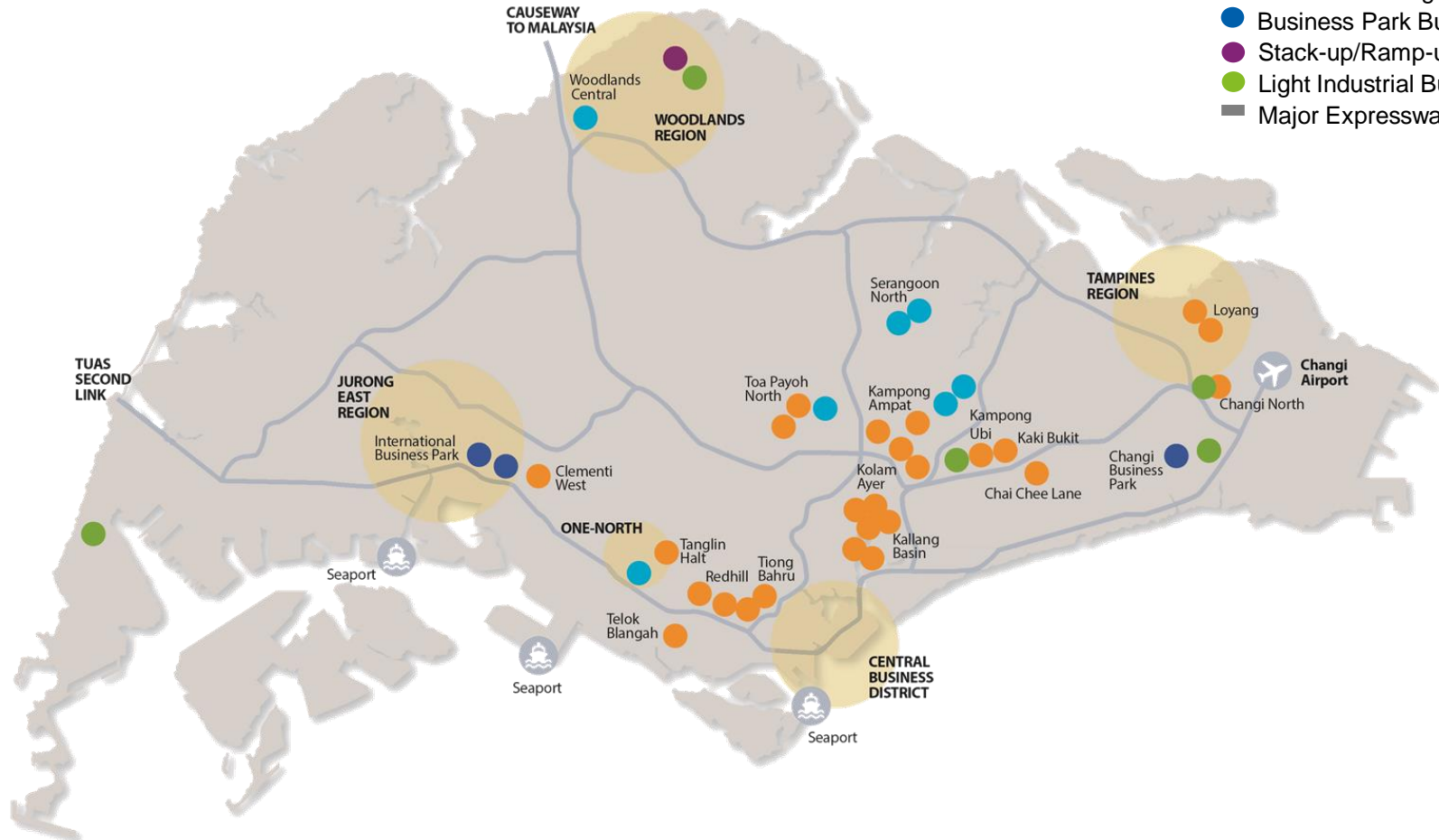
Multi-storey developments usually occupied by an anchor tenant for light manufacturing activities.



# Strategically Located across Singapore

## Close to Public Transportation Networks and Established Industrial Estates

- Flatted Factories
- Hi-Tech Buildings
- Business Park Buildings
- Stack-up/Ramp-up Buildings
- Light Industrial Buildings
- Major Expressways



# Scorecard since IPO



<sup>1</sup> MIT was listed on 21 Oct 2010.

# Trading Performance since IPO<sup>1</sup>

## RETURN ON INVESTMENT (21 OCT 2010 TO 31 DEC 2014)

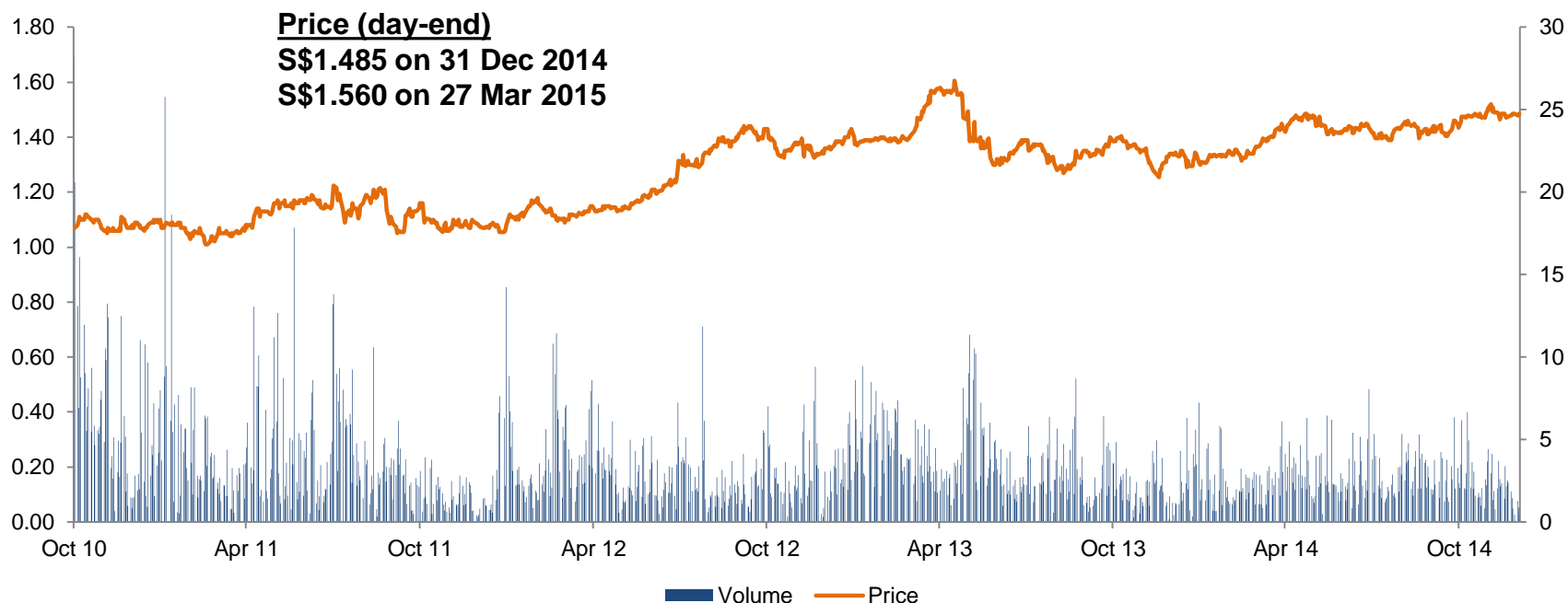
Total Return	101.4% <sup>2</sup>
Capital Appreciation	59.7%
Distribution Yield	41.7%

## RETURN ON INVESTMENT (1 APR 2014 TO 31 DEC 2014)

Total Return	14.1% <sup>3</sup>
Capital Appreciation	8.4%
Distribution Yield	5.7%

Closing Unit Price (S\$)

Volume (million units)



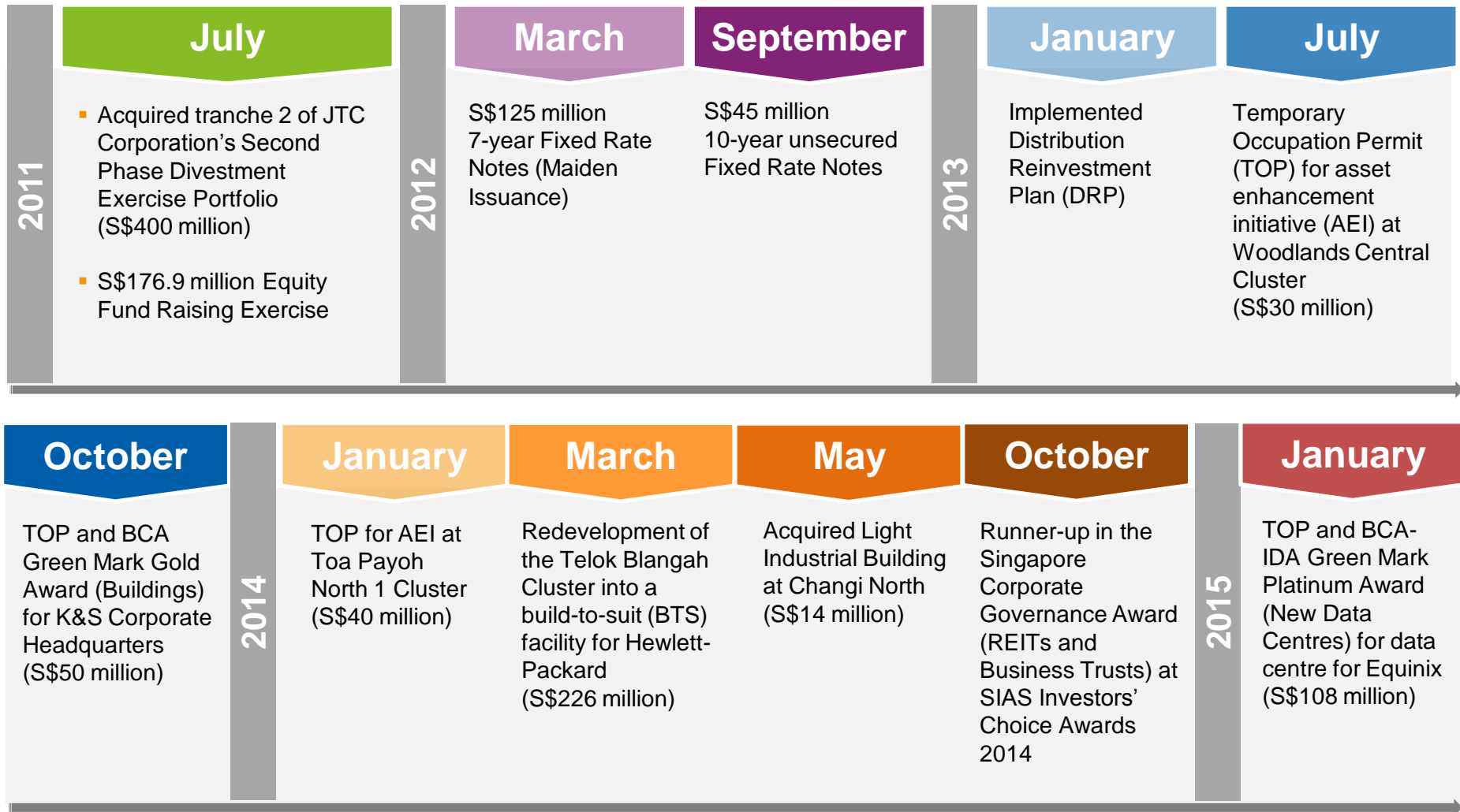
<sup>1</sup> Excludes first 5 days of trading to remove IPO effect

<sup>2</sup> Sum of distributions and capital appreciation for the period over the IPO issue price of S\$0.93

<sup>3</sup> Sum of distributions and capital appreciation for 1 Apr 2014 to 31 Dec 2014 over the period opening price of S\$1.370

Source: Bloomberg

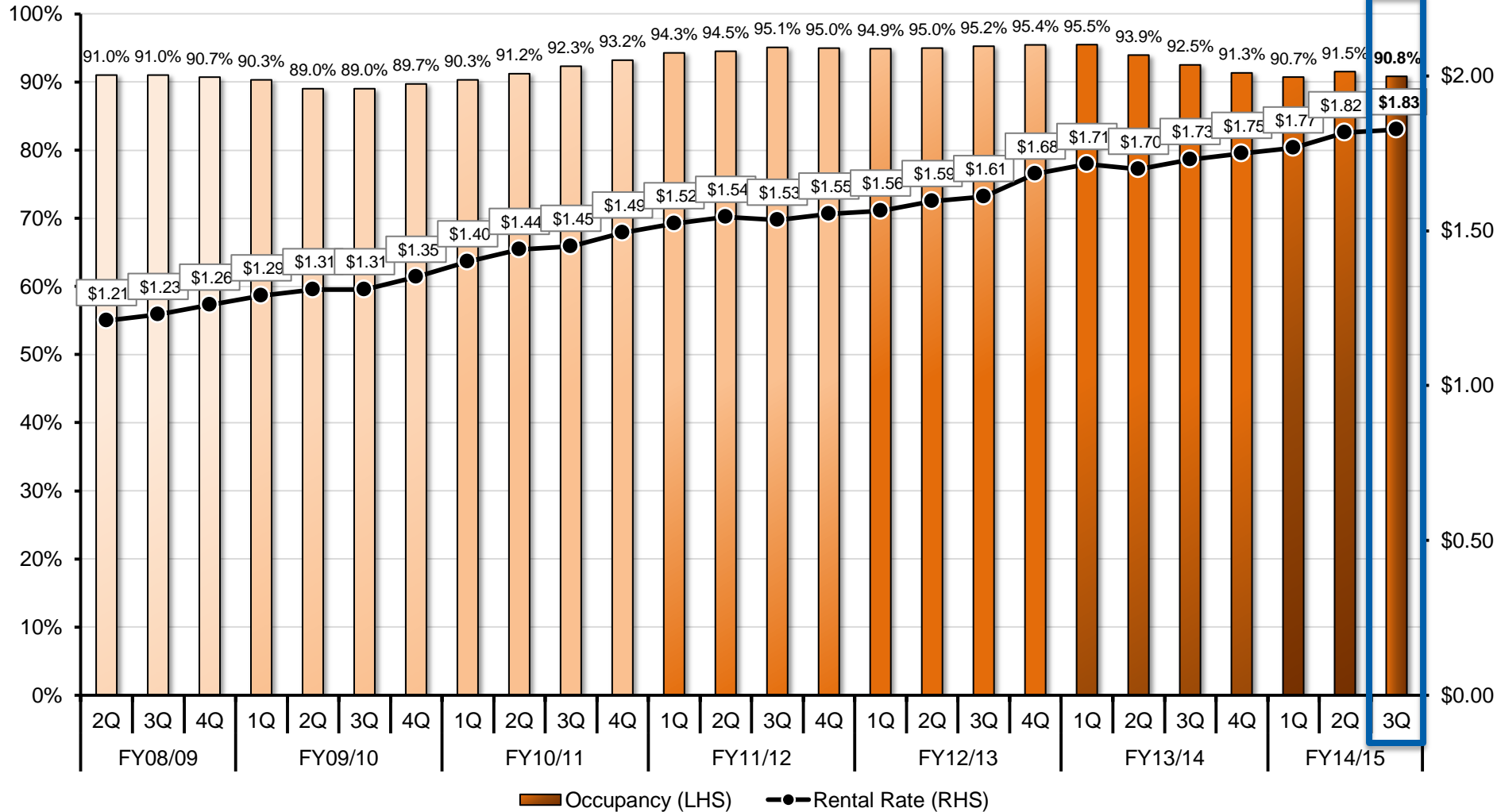
# Significant Events



# Resilient Portfolio Performance

Occupancy

Gross Rental Rate  
S\$ psf/mth

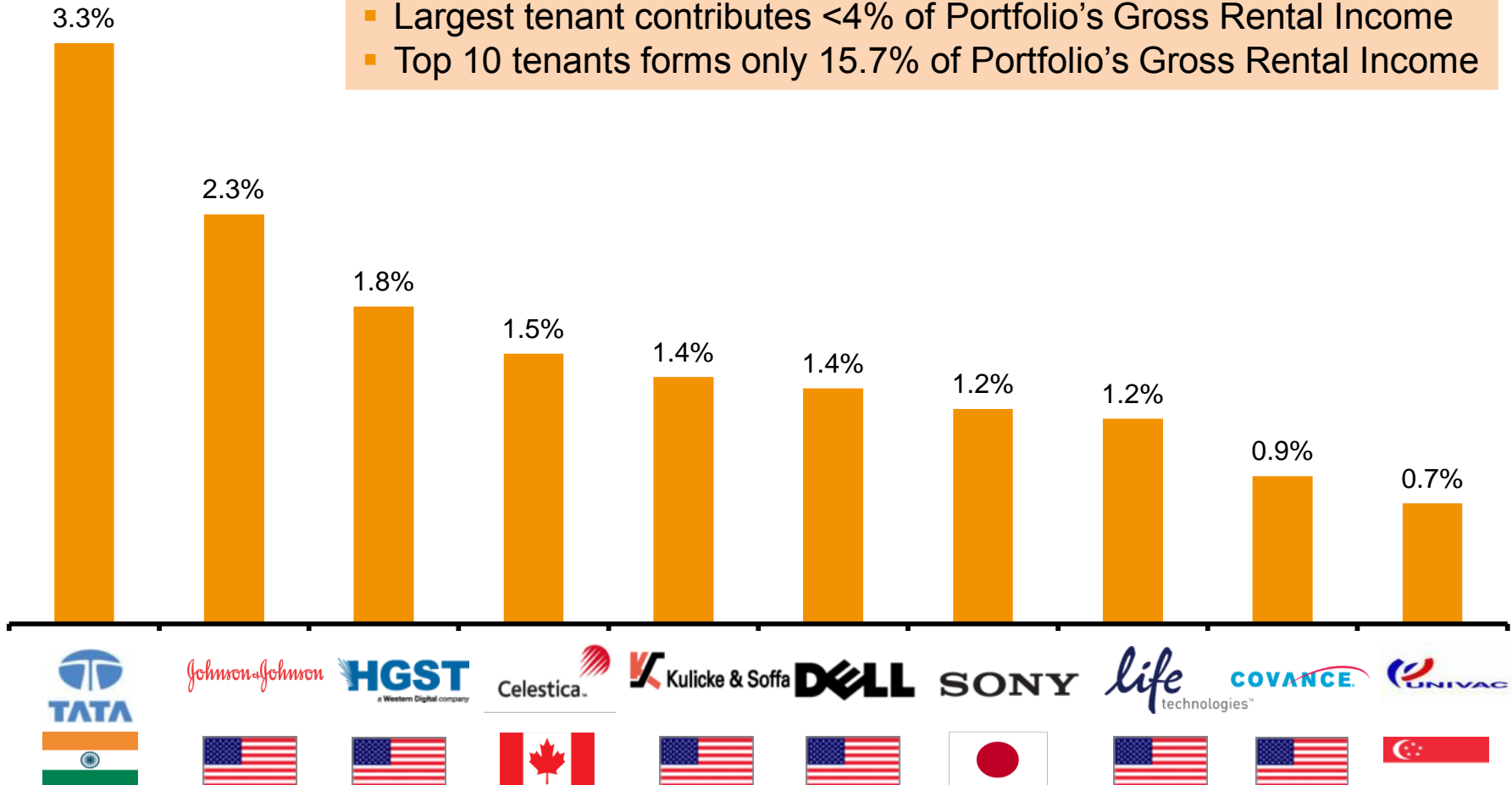


Occupancy (LHS)    Rental Rate (RHS)

# Large and Diversified Tenant Base

## TOP 10 TENANTS (BY GROSS RENTAL INCOME)

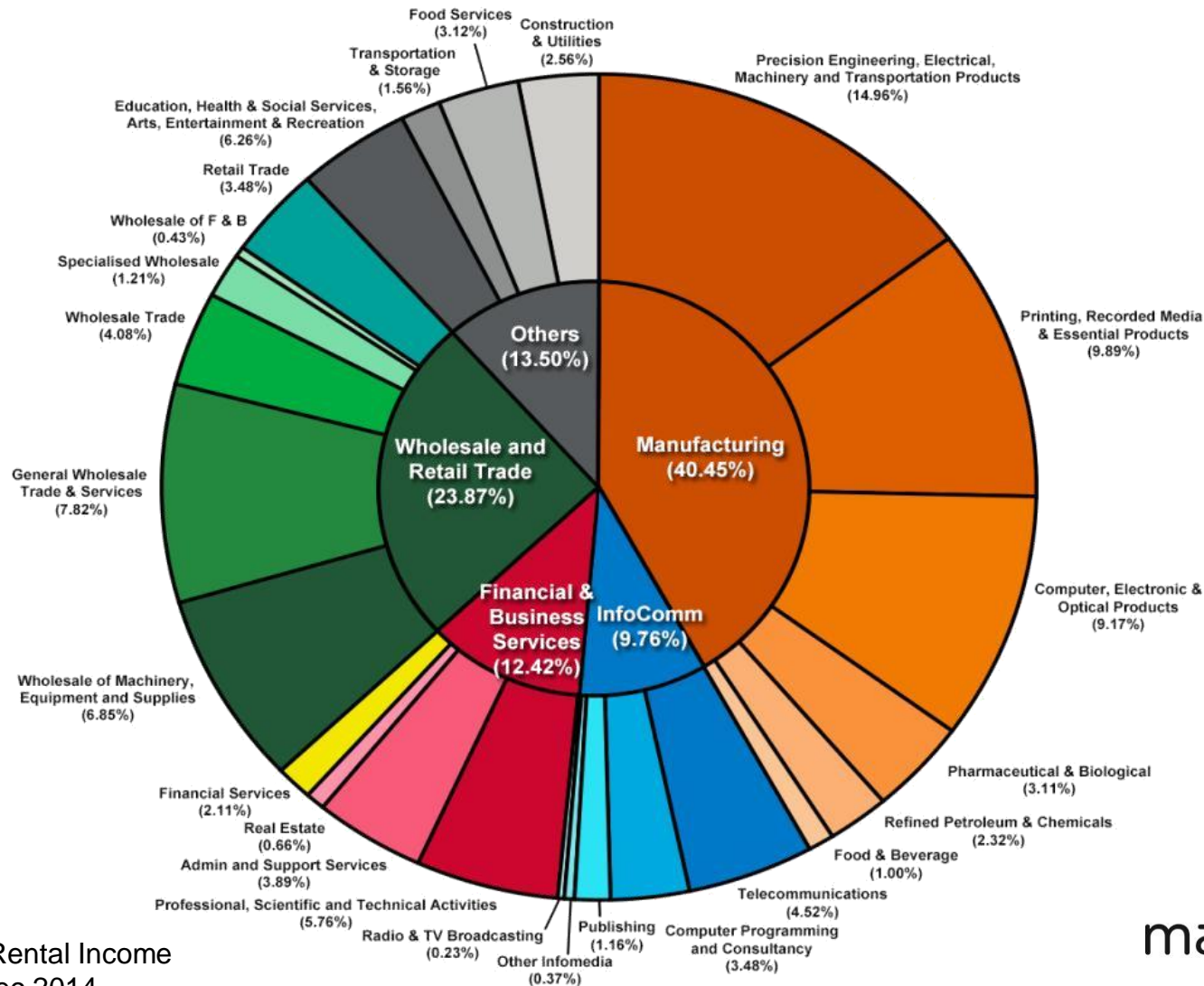
- Over 2,000 tenants
- Largest tenant contributes <4% of Portfolio's Gross Rental Income
- Top 10 tenants forms only 15.7% of Portfolio's Gross Rental Income



As at 31 Dec 2014

# Tenant Diversification Across Trade Sectors

No single trade sector accounted >15% of Portfolio's Gross Rental Income



By Gross Rental Income  
As at 31 Dec 2014

# Acquisition and Development Track Record

July 2011

**\$S\$400 million**  
**Portfolio Acquisition**  
of Flatted Factories



January 2014

**\$S\$40 million**  
**Asset Enhancement**  
**Initiative**  
at Toa Payoh North 1



July 2013

**\$S\$30 million**  
**Asset Enhancement**  
**Initiative**  
at Woodlands Central



January 2015

**\$S\$108 million**  
**Build-to-Suit**  
**Data Centre**  
for Equinix

October 2013

**\$S\$50 million**  
**Build-to-Suit**  
**Corporate HQ**  
for Kulicke & Soffa



2016/2017

**\$S\$226 million**  
**Build-to-Suit**  
**Development**  
for Hewlett-Packard (u/c)





# Sustainable Capital Structure

As at 31 Dec 2014

Total Assets **S\$3,302 million**

Total Debt **S\$1,086 million**

Aggregate Leverage Ratio **32.8%**

Fixed as a % of Total Debt **86%**

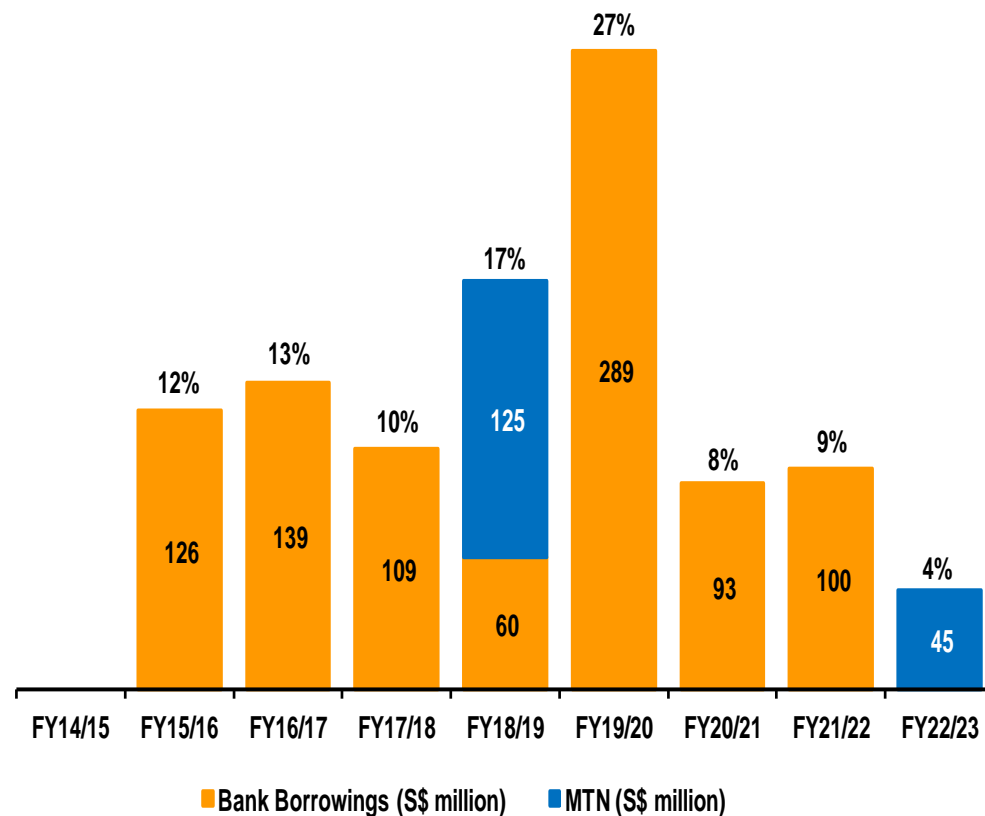
Weighted Average Tenor of Debt **4.0 years**

3QFY14/15

Weighted Average All-in Funding Cost **2.2%**

Interest Coverage Ratio\* **8.1 times**

## DEBT MATURITY PROFILE



As at 31 Dec 2014

\* - Includes capitalised interest

# Committed Sponsor with Aligned Interest

## REPUTABLE SPONSOR



- Leading Asia-focused real estate and capital management company
- Owns and manages S\$24.6 billion<sup>1</sup> of office, logistics, industrial, residential and retail/lifestyle properties
- Manages 4 Singapore-listed real estate investment trusts and 6 private equity real estate funds with assets in Singapore and across Asia
- Extensive regional network in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam

## BENEFITS TO MIT

- 1. Leverage on Sponsor's network**
  - Leverage on Mapletree's financial strength, market reach and network
- 2. Alignment of Sponsor's interest with Unitholders**
  - Mapletree's stake of 32.6%<sup>2</sup> demonstrates support in MIT
- 3. In-house development capabilities**
  - Able to support growth of MIT by providing development capabilities
- 4. Right of First Refusal to MIT**
  - Sponsor has granted right of first refusal to MIT over future sale or acquisition of industrial or business park properties in Singapore<sup>3</sup>
  - Sponsor won the government tender for a 126,700 sq ft industrial site located next to Tai Seng MRT Station

<sup>1</sup> As at 31 Mar 2014

<sup>2</sup> As at 31 Dec 2014

<sup>3</sup> Excluding Mapletree Business City

# OUTLOOK AND STRATEGY

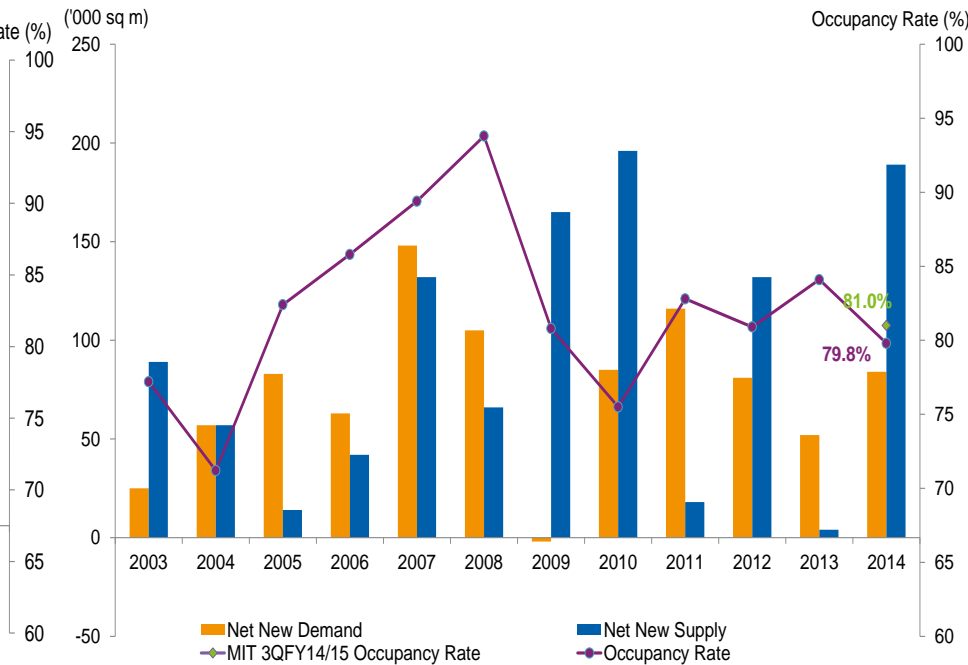
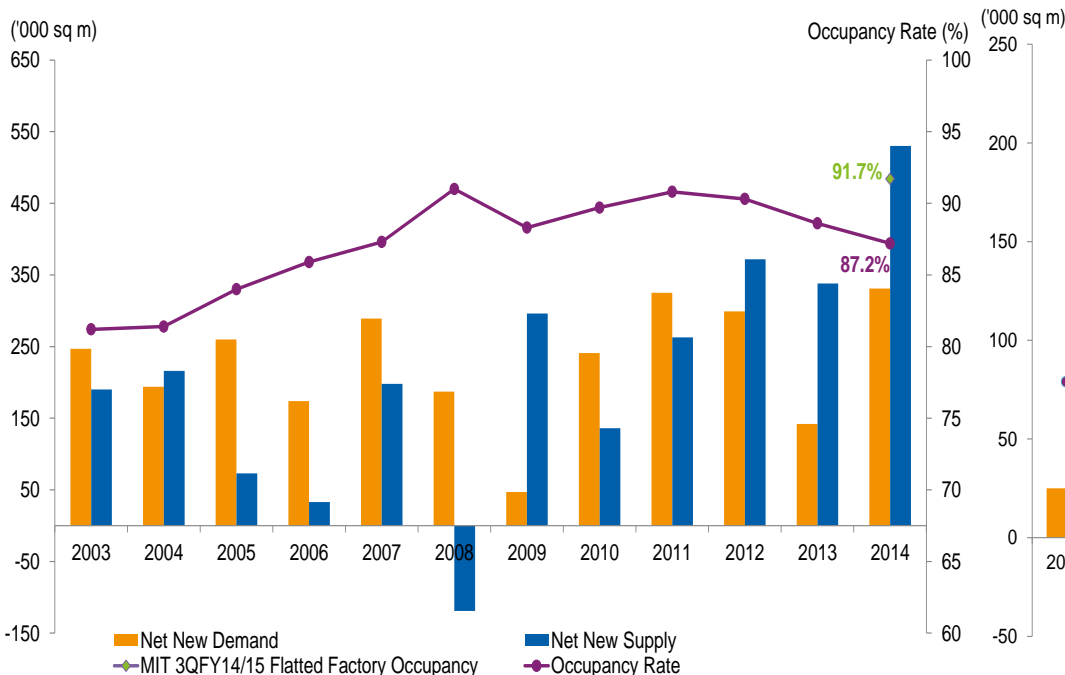


Business Park Buildings,  
The Strategy and The Synergy

# Market Outlook

## DEMAND AND SUPPLY FOR MULTI-USER FACTORIES

## DEMAND AND SUPPLY FOR BUSINESS PARKS



- The economy grew by 2.1% year-on-year in the quarter ended 31 Dec 2014, compared to 2.8% in the preceding quarter<sup>1</sup>
- Average rents for industrial real estate for 4Q2014<sup>2</sup>
  - ▲ Multi-user Factory Space: S\$1.98 psf/mth (+3.7% q-o-q)
  - ▲ Business Park Space: S\$4.09 psf/mth (+2.3% q-o-q)
- Overall rents for multi-tenanted developments may ease due to increases in industrial space supply, while rents for properties with higher building specifications could see some upside<sup>3</sup>

<sup>1</sup> Ministry of Trade and Industry

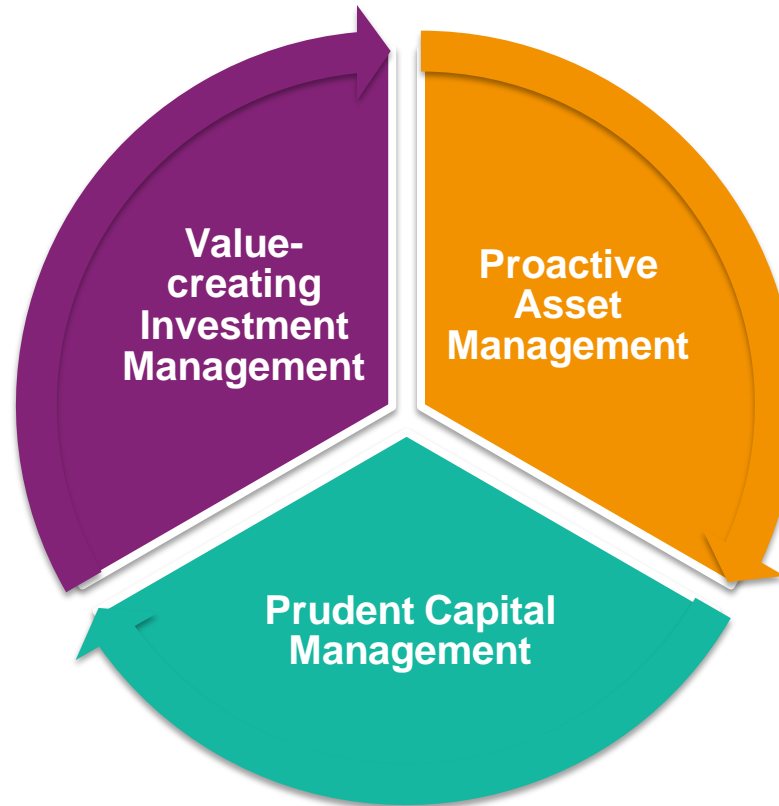
<sup>2</sup> JTC Corporation

<sup>3</sup> Singapore industrial property market 4Q2014 report by Colliers International Research

# Deliver Growing and Sustainable Returns

## Secure investments to deliver growth and diversification

- Pursue accretive acquisitions and development projects
- Secure BTS projects with pre-commitments from high quality tenants
- Consider opportunistic divestments



## Maximise organic growth potential of properties

- Implement proactive marketing and leasing initiatives
- Deliver quality service and customised solutions
- Improve cost effectiveness to mitigate rising operating costs
- Unlock value through AEs

## Optimise capital structure to provide financial flexibility

- Maintain a strong balance sheet
- Diversify sources of funding
- Employ appropriate interest rate management strategies



## End of Presentation

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