



## 4Q & FY17/18 Financial Results

23 April 2018

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**1** Key Highlights – 1 Apr 2017 to 31 Mar 2018

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**2** 4Q & FY17/18 Financial Performance

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**3** Portfolio Update

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**4** Investment Update

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**5** Outlook and Strategy

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# ***KEY HIGHLIGHTS*** ***1 APR 2017 TO 31 MAR 2018***



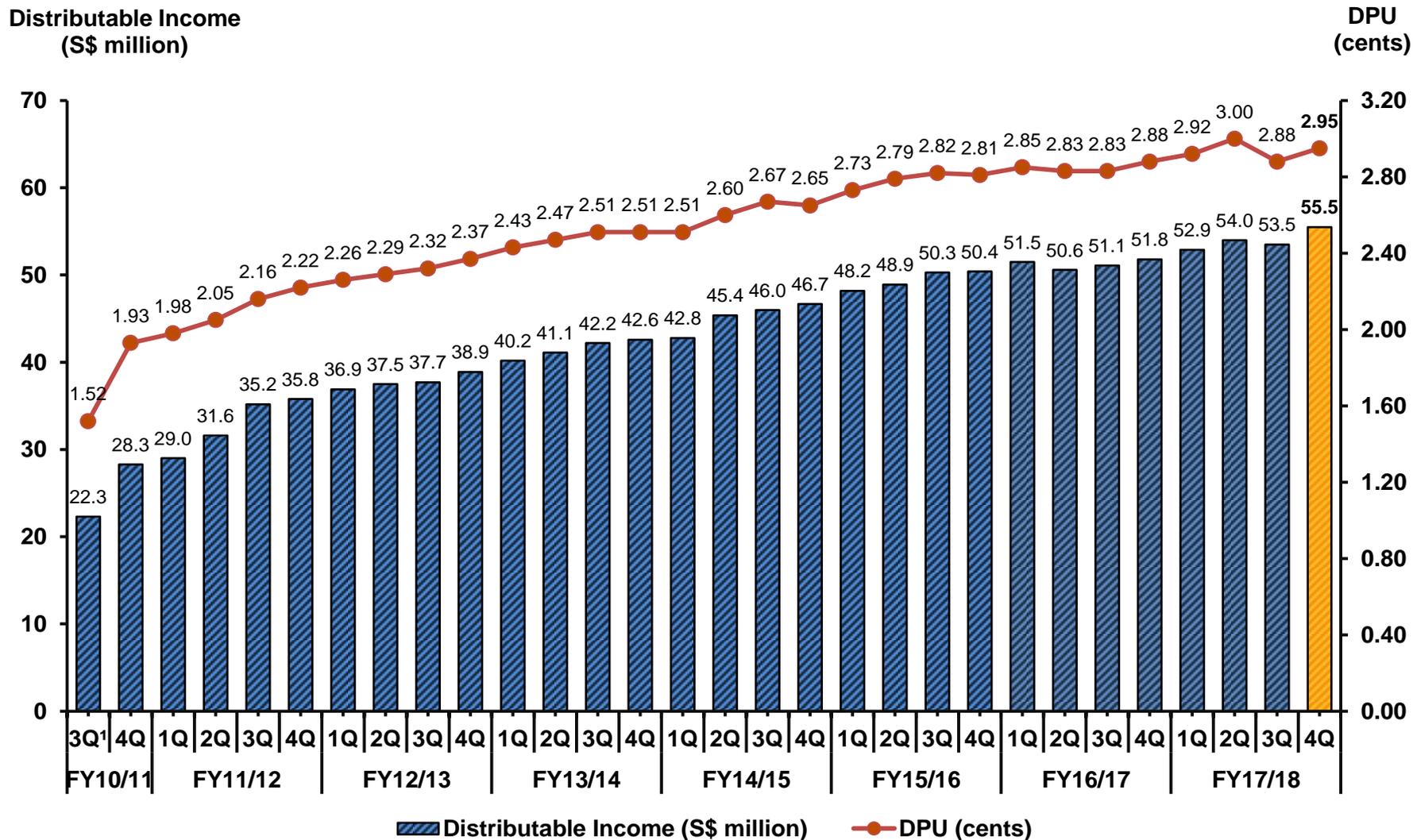
*Hi-Tech Buildings, build-to-suit project for HP*

- ✦ **Growth driven by contribution from build-to-suit (“BTS”) project for HP Singapore Private Limited (“HP”) and 40% interest in portfolio of 14 data centres in United States**
  - FY17/18 Distributable Income: S\$215.8 million ( ▲ 5.3% y-o-y)
  - FY17/18 DPU: 11.75 cents ( ▲ 3.2% y-o-y)
  - 4QFY17/18 Distributable Income and DPU were S\$55.5 million ( ▲ 7.2% y-o-y) and 2.95 cents ( ▲ 2.4% y-o-y)
  
- ✦ **Portfolio update in 4QFY17/18**
  - Overall Portfolio occupancy rate of 90.0%
  - Completed asset enhancement initiative (“AEI”) at 30A Kallang Place on 13 Feb 2018. Positive leasing interest with commitment secured for 40.2% of NLA
  
- ✦ **Assets under management up by 15.3% y-o-y to S\$4,321.4 million<sup>1</sup> as at 31 Mar 2018**
  - Due mainly to portfolio acquisition of 14 data centres in United States and increase of S\$159.7 million in portfolio value for Singapore Portfolio
  
- ✦ **Prudent capital management**
  - Hedged borrowings of 85.1%
  - Aggregate leverage of 33.1%<sup>2</sup>

<sup>1</sup> Included MIT's proportionate share of investment properties held by Mapletree Redwood Data Centre Trust, which is a 40:60 joint venture with Mapletree Investments Pte Ltd.

<sup>2</sup> In accordance with Property Funds Guidelines, the aggregate leverage ratio includes proportionate share of borrowings of the joint venture and deposited property values.

# Sustainable and Growing Returns



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

# ***4Q & FY17/18 FINANCIAL PERFORMANCE***



*Flatted Factory, Kolam Ayer 1*

# Statement of Total Returns (Year-on-Year)

	4QFY17/18 (S\$'000)	4QFY16/17 (S\$'000)	↑ / (↓)
Gross revenue	90,391	87,812	2.9%
Property operating expenses	(22,512)	(21,840)	3.1%
<b>Net property income</b>	<b>67,879</b>	<b>65,972</b>	<b>2.9%</b>
Borrowing costs	(9,269)	(7,263)	27.6%
Trust expenses	(6,736)	(7,374)	(8.7%)
<b>Net income</b>	<b>51,874</b>	<b>51,335</b>	<b>1.0%</b>
Net fair value gain on investment properties and investment properties under development	65,470	70,236	(6.8%)
Share of joint venture <sup>1</sup>	21,048	-	**
<i>Comprising:</i>			
- Net profit after tax	3,172	-	**
- Net fair value gain on investment properties	17,876	-	**
<b>Total return for the period before income tax</b>	<b>138,392</b>	<b>121,571</b>	<b>13.8%</b>
Income tax expense	(32)	(*)	**
<b>Total return for the period after income tax</b>	<b>138,360</b>	<b>121,571</b>	<b>13.8%</b>
Net non-tax deductible items	(86,112)	(69,821)	23.3%
Distribution declared by joint venture	3,234	-	**
<b>Amount available for distribution</b>	<b>55,482</b>	<b>51,750</b>	<b>7.2%</b>
<b>Distribution per Unit (cents)</b>	<b>2.95</b>	<b>2.88</b>	<b>2.4%</b>

\* Amount less than S\$1,000

\*\* Not meaningful

<sup>1</sup> Share of joint venture relates to MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

# Statement of Total Returns (Year-on-Year)

	FY17/18 (S\$'000)	FY16/17 (S\$'000)	↑ / (↓)
Gross revenue	363,230	340,565	6.7%
Property operating expenses	(85,627)	(83,735)	2.3%
<b>Net property income</b>	<b>277,603</b>	<b>256,830</b>	<b>8.1%</b>
Borrowing costs	(34,055)	(27,325)	24.6%
Trust expenses	(30,032)	(29,170)	3.0%
<b>Net income</b>	<b>213,516</b>	<b>200,335</b>	<b>6.6%</b>
Net fair value gain on investment properties and investment properties under development	65,470	70,236	(6.8%)
Share of joint venture <sup>1</sup>	21,776	-	**
<i>Comprising:</i>			
- Net profit after tax	3,900	-	**
- Net fair value gain on investment properties	17,876	-	**
Loss on divestment of investment property <sup>2</sup>	(200)	-	**
<b>Total return for the period before income tax</b>	<b>300,562</b>	<b>270,571</b>	<b>11.1%</b>
Income tax expense	(32)	(*)	**
<b>Total return for the period after income tax</b>	<b>300,530</b>	<b>270,571</b>	<b>11.1%</b>
Net non-tax deductible items	(87,916)	(65,611)	34.0%
Distribution declared by joint venture	3,234	-	**
<b>Amount available for distribution</b>	<b>215,848</b>	<b>204,960</b>	<b>5.3%</b>
<b>Distribution per Unit (cents)</b>	<b>11.75</b>	<b>11.39</b>	<b>3.2%</b>

\* Amount less than S\$1,000

\*\* Not meaningful

<sup>1</sup> Share of joint venture relates to MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

<sup>2</sup> Includes transaction costs of S\$0.3 million incurred in relation to the divestment of 65 Tech Park Crescent at the sale price of S\$17.688 million, which was 34% higher than MIT's acquisition price of S\$13.2 million.

# Statement of Total Returns (Qtr-on-Qtr)

	4QFY17/18 (S\$'000)	3QFY17/18 (S\$'000)	↑ / (↓)
Gross revenue	90,391	91,465	(1.2%)
Property operating expenses	(22,512)	(20,610)	9.2%
<b>Net property income</b>	<b>67,879</b>	<b>70,855</b>	<b>(4.2%)</b>
Borrowing costs	(9,269)	(8,407)	10.3%
Trust expenses	(6,736)	(7,850)	(14.2%)
<b>Net income</b>	<b>51,874</b>	<b>54,598</b>	<b>(5.0%)</b>
Net fair value gain on investment properties and investment properties under development	65,470	-	*
Share of joint venture <sup>1</sup>	21,048	728	*
<i>Comprising:</i>			
- Net profit after tax	3,172	728	<b>335.7</b>
- Net fair value gain on investment properties	17,876	-	*
<b>Total return for the period before income tax</b>	<b>138,392</b>	<b>55,326</b>	<b>150.1%</b>
Income tax expense	(32)	-	*
<b>Total return for the period after income tax</b>	<b>138,360</b>	<b>55,326</b>	<b>150.1%</b>
Net non-tax deductible items	(86,112)	(1,875)	*
Distribution declared by joint venture	3,234	-	*
<b>Amount available for distribution</b>	<b>55,482</b>	<b>53,451</b>	<b>3.8%</b>
<b>Distribution per Unit (cents)</b>	<b>2.95</b>	<b>2.88<sup>2</sup></b>	<b>2.4%</b>

\* Not meaningful

- Share of joint venture relates to MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.
- Distribution per unit included an advanced distribution of 0.99 cent per unit for the period from 1 October 2017 to 1 November 2017, which was paid on 28 November 2017. The DPU for the enlarged units in issue for the remaining period from 2 November 2017 to 31 December 2017 was 1.89 cents per unit.

# Balance Sheet

	31 Mar 2018	31 Dec 2017	↑ / (↓)	31 Mar 2017	↑ / (↓)
Total assets (S\$'000)	4,154,320	4,289,101	(3.1%)	3,798,061	9.4%
Total liabilities (S\$'000)	1,374,248	1,617,368	(15.0%)	1,265,272	8.6%
<b>Net assets attributable to Unitholders (S\$'000)</b>	<b>2,780,072</b>	<b>2,671,733</b>	<b>4.1%</b>	<b>2,532,789</b>	<b>9.8%</b>
<b>Net asset value per Unit (S\$)<sup>1</sup></b>	<b>1.47</b>	<b>1.42</b>	<b>3.5%</b>	<b>1.41</b>	<b>4.3%</b>

<sup>1</sup> Net tangible asset per unit was the same as net asset value per unit as there were no intangible assets as at the statement of position dates.

# Higher Portfolio Value

Property segment	Valuation as at 31 Mar 2018		Valuation as at 31 Mar 2017 (S\$ mil)	Capitalisation rate
	Local currency (mil)	S\$ mil <sup>2</sup>		
Flatted Factories	<b>S\$1,580.2</b>	<b>1,580.2</b>	1,553.5	6.50% to 7.75%
Hi-Tech Buildings	<b>S\$1,215.6</b>	<b>1,215.6</b>	1,077.3	6.25% to 7.00%
Business Park Buildings	<b>S\$570.0</b>	<b>570.0</b>	566.8	6.00%
Stack-up/Ramp-up Buildings	<b>S\$467.0</b>	<b>467.0</b>	454.9	6.50%
Light Industrial Buildings <sup>1</sup>	<b>S\$75.5</b>	<b>75.5</b>	96.2	6.50% to 7.00%
<b>Singapore Portfolio</b>	<b>S\$3,908.3</b>	<b>3,908.3</b>	3,748.7	
US Portfolio (100%)	<b>US\$783.4</b>	<b>1,032.8</b>	-	6.00% to 8.50%
<b>US Portfolio (40%)</b>	<b>US\$313.4</b>	<b>413.1</b>	-	
<b>Total Portfolio</b>		<b>4,321.4</b>	3,748.7	

- ✦ Excluding the divestment of 65 Tech Park Crescent<sup>1</sup> on 20 Jul 2017, the increase in portfolio value for Singapore Portfolio comprised a portfolio revaluation gain of S\$65.5 million and capitalised cost of S\$111.8 million from development and improvement works.
- ✦ The US Portfolio was valued at US\$783.4 million (S\$1,032.8 million), which was US\$7.0 million (S\$9.2 million) over previous valuation of US\$776.4 million (S\$1,023.6 million) conducted in Aug and Sep 2017.
- ✦ Net asset value per Unit increased from S\$1.41 as at 31 Mar 2017 to S\$1.47 as at 31 Mar 2018.

<sup>1</sup> 65 Tech Park Crescent was valued at S\$17.6 million as at 31 Mar 2017.

<sup>2</sup> Based on the exchange rate of US\$1 to S\$1.31839.



mapletree  
industrial



**CAPITAL MANAGEMENT  
UPDATE**

Flatted Factory, Toa Payoh North 2

# Strong Balance Sheet

	31 Mar 2018	31 Dec 2017
Total debt (MIT Group)	<b>S\$1,219.8 million</b>	S\$1,449.1 million
Weighted average tenor of debt	<b>3.3 years</b>	3.0 years
Aggregate leverage ratio <sup>1</sup>	<b>33.1%</b>	33.8%

## Strong balance sheet to pursue growth opportunities

- ✦ 'BBB+' rating with Stable Outlook by Fitch Ratings
- ✦ 100% of loans unsecured with minimal covenants

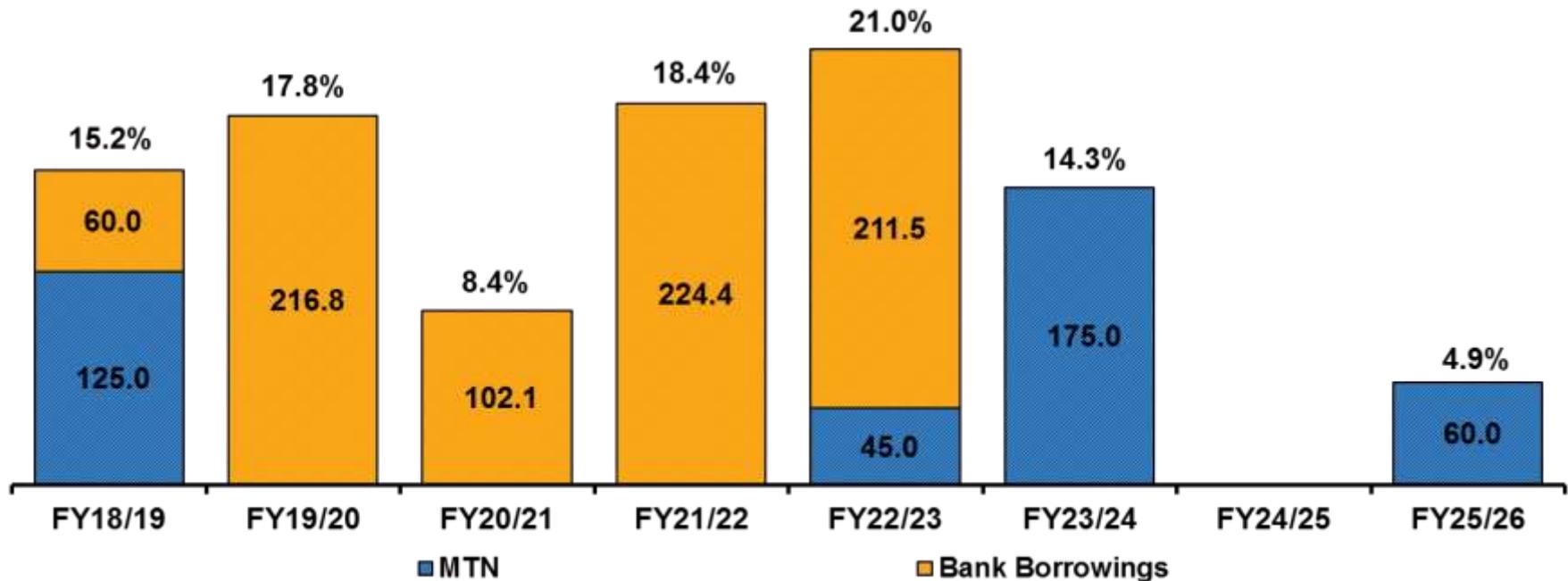
<sup>1</sup> In accordance with Property Funds Guidelines, the aggregate leverage ratio includes proportionate share of borrowings of the joint venture and deposited property values. As at 31 Mar 2018, total debt including MIT's proportionate share of joint venture debt is S\$1,457.1 million.

# Well Diversified Debt Maturity Profile

## DEBT MATURITY PROFILE

As at 31 March 2018

Weighted Average Tenor of Debt = 3.3 years



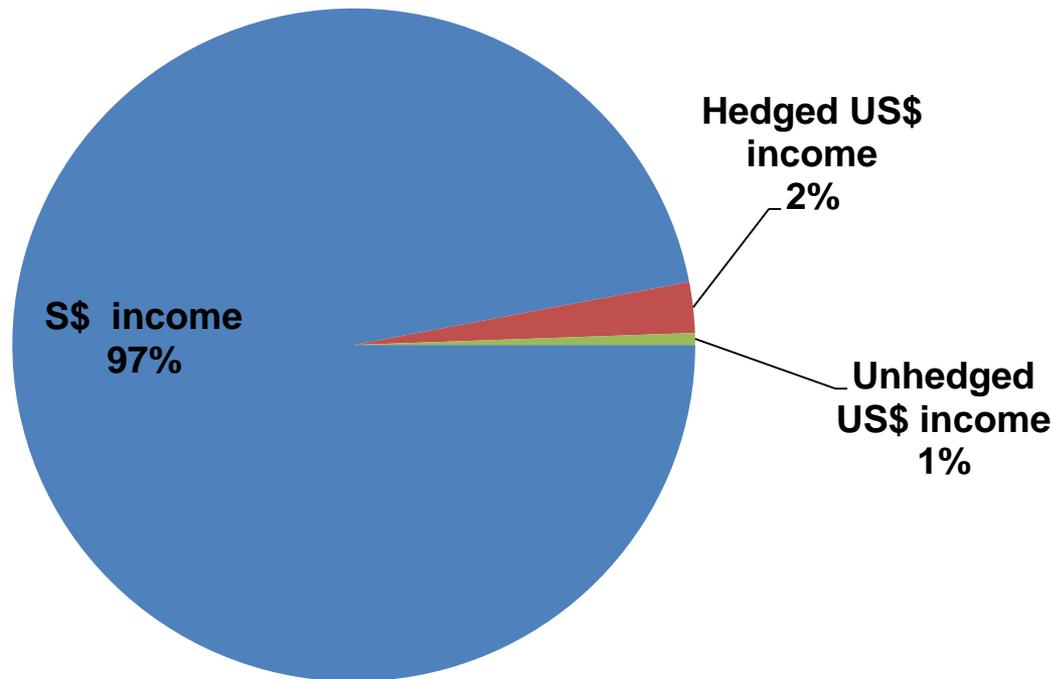
Amounts in S\$ million

# Interest Rate Risk Management

	31 Mar 2018	31 Dec 2017
Fixed as a % of total debt	85.1%	60.7%
Weighted average hedge tenor	2.9 years	3.2 years
	4QFY17/18	3QFY17/18
Weighted average all-in funding cost	2.9%	2.9%
Interest coverage ratio	6.7 times	7.2 times

- ✦ About S\$225 mil of interest rate hedges are due to expire in 2HFY18/19

# Currency Risk Management



- ✦ 100% capital hedge: US\$ investment in joint venture matched with US\$ borrowings
- ✦ About 99% of FY17/18 net income stream are derived in / hedged into S\$

# PORTFOLIO UPDATE



*Business Park Buildings, The Strategy and The Synergy*

# 99 Properties Across 5 Property Segments

Portfolio Value

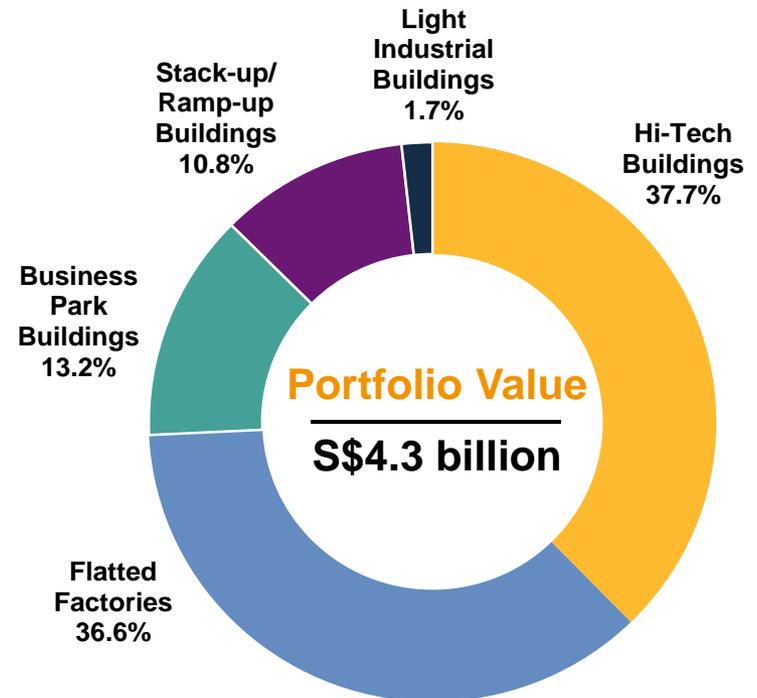
**S\$4.3 billion**

Total NLA (sq ft)

**18.0 million<sup>1</sup>**

Tenant Base

**>2,000 tenants**



## Portfolio value by geography

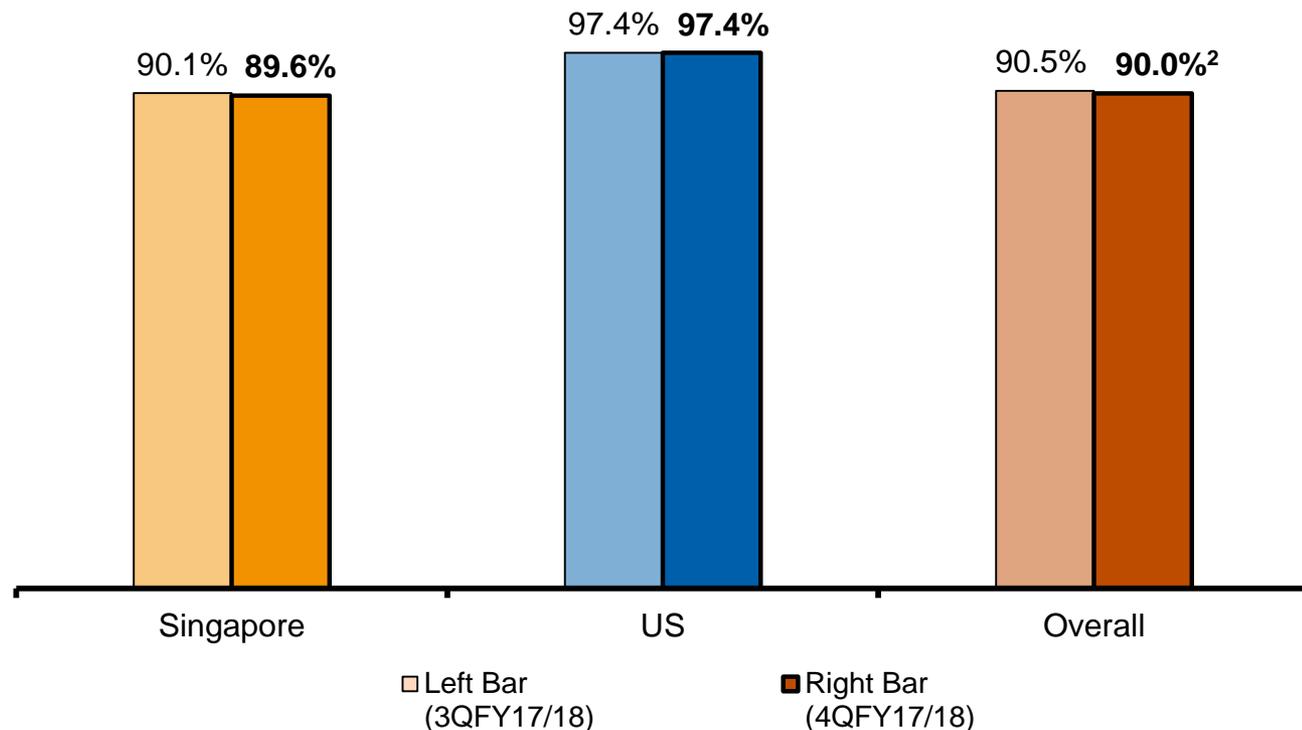
Singapore	90.4%
US	9.6% <sup>2</sup>

<sup>1</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>2</sup> Relates to MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US.

# Portfolio Overview

	Singapore Portfolio	US Portfolio	Overall
Number of properties	85	14	99
NLA (million sq ft)	15.7	2.3 <sup>1</sup>	18.0 <sup>1</sup>
Average passing rental rate (\$ psf/mth)	S\$2.01	US\$2.01	



<sup>1</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>2</sup> Based on MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

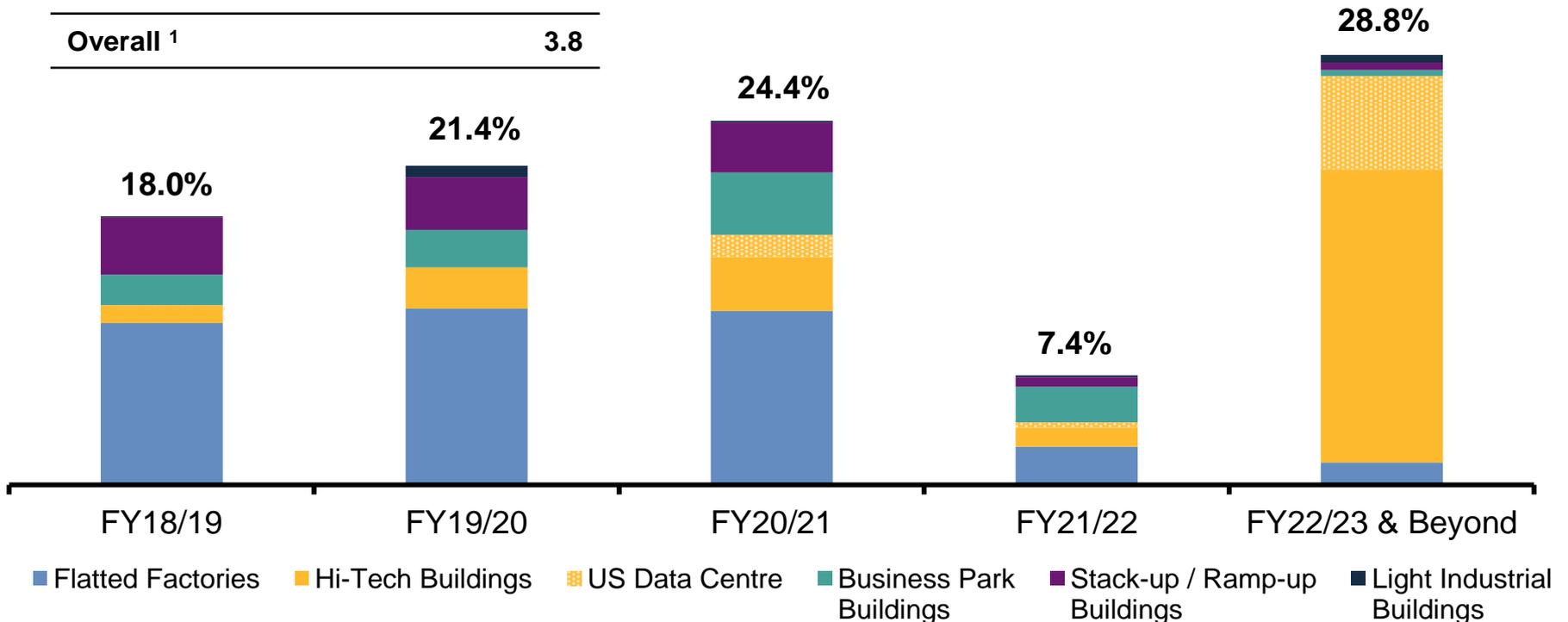
# Lease Expiry Profile

## EXPIRING LEASES BY GROSS RENTAL INCOME<sup>1</sup>

As at 31 March 2018

### WALE by Gross Rental Income (years)

Singapore Portfolio	3.6
US Portfolio	6.0
<b>Overall <sup>1</sup></b>	<b>3.8</b>

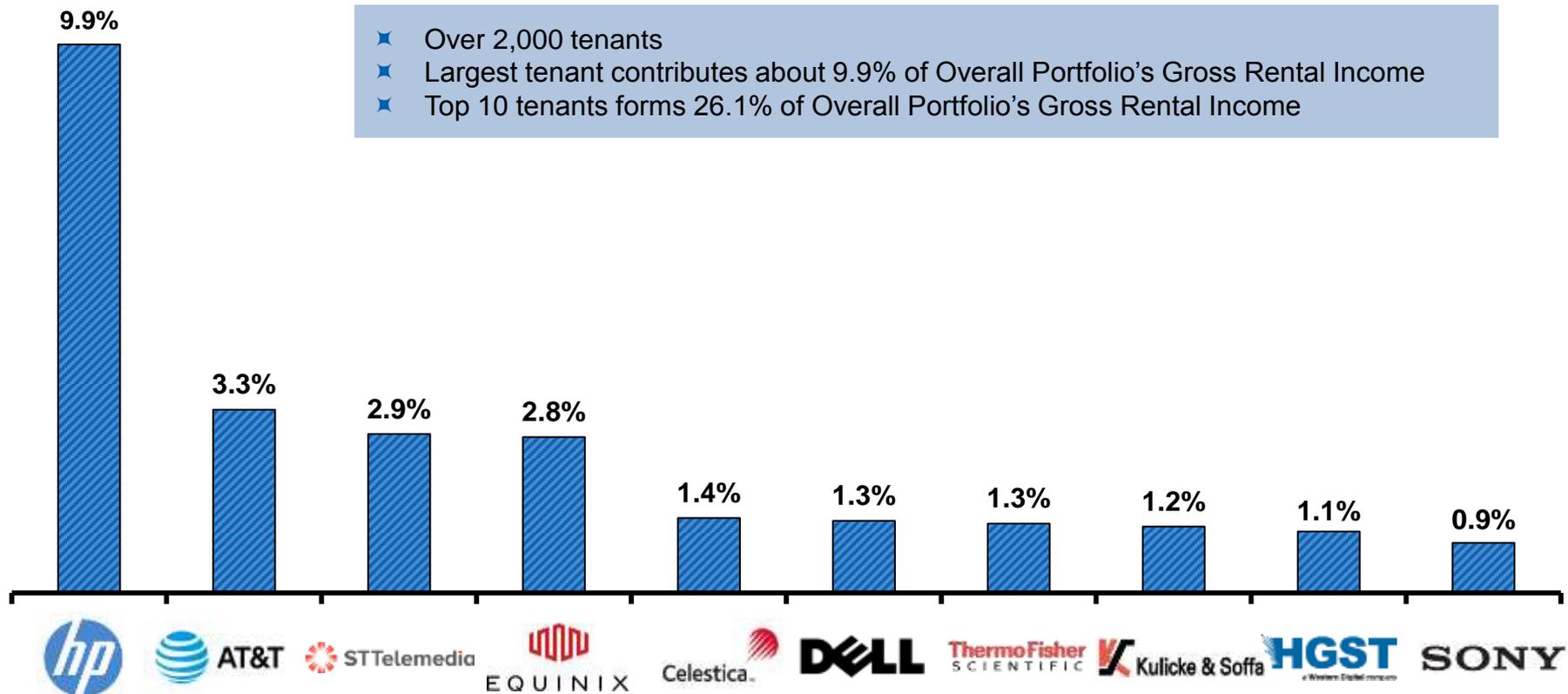


<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

# Large and Diversified Tenant Base

## TOP 10 TENANTS BY GROSS RENTAL INCOME<sup>1</sup>

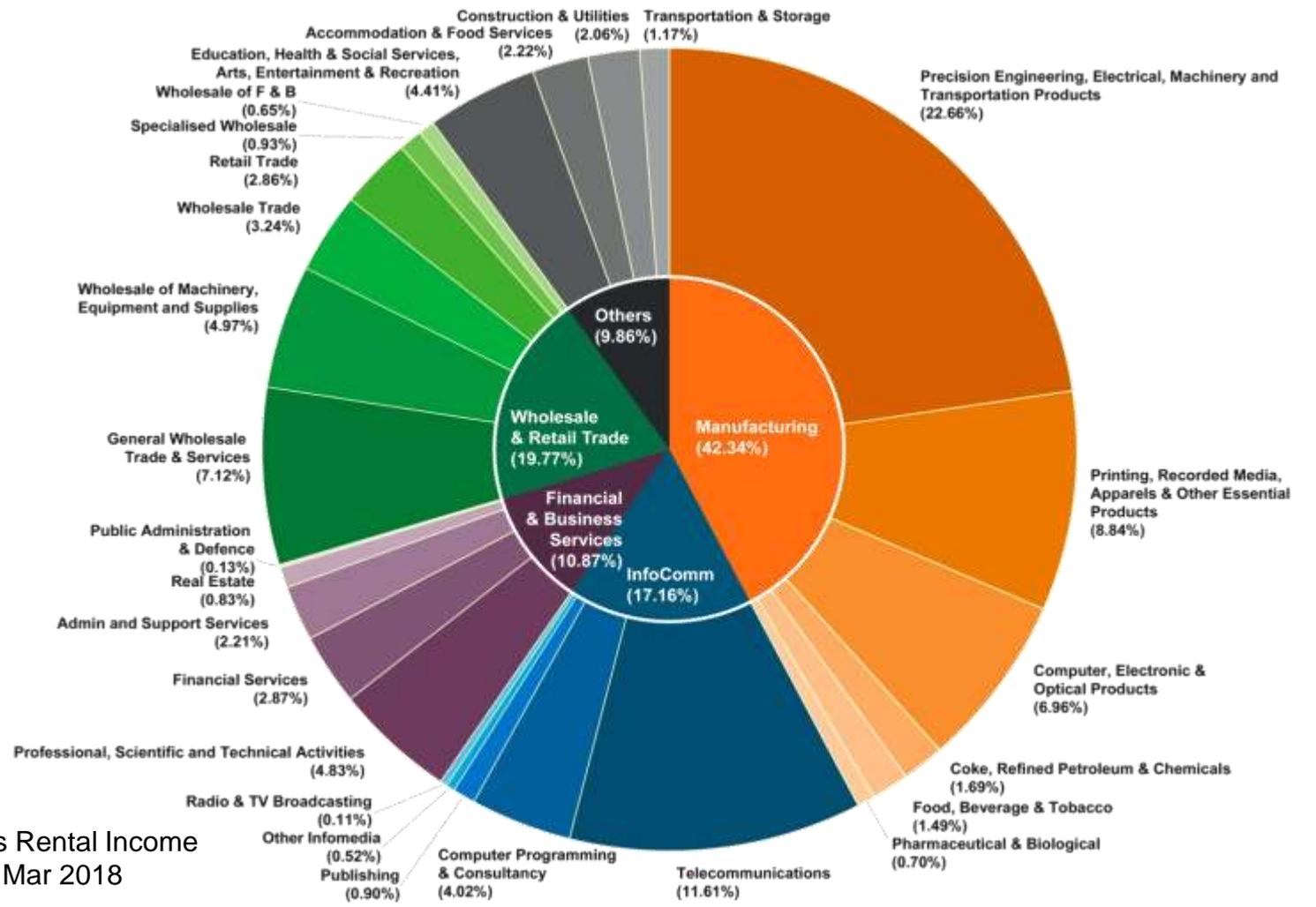
As at 31 March 2018



<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

# Tenant Diversification Across Trade Sectors<sup>1</sup>

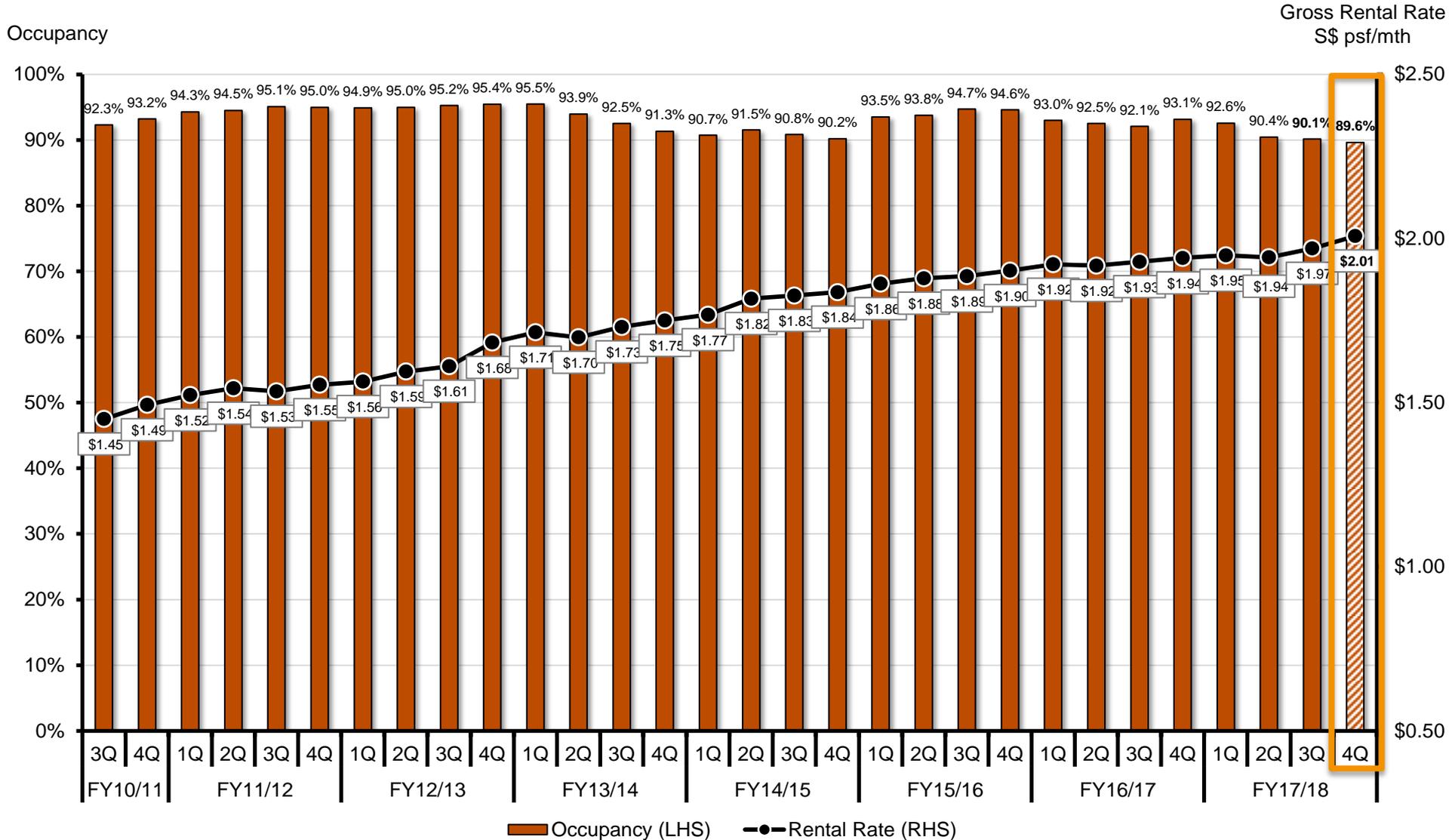
No single trade sector accounted >23% of Overall Portfolio's Gross Rental Income



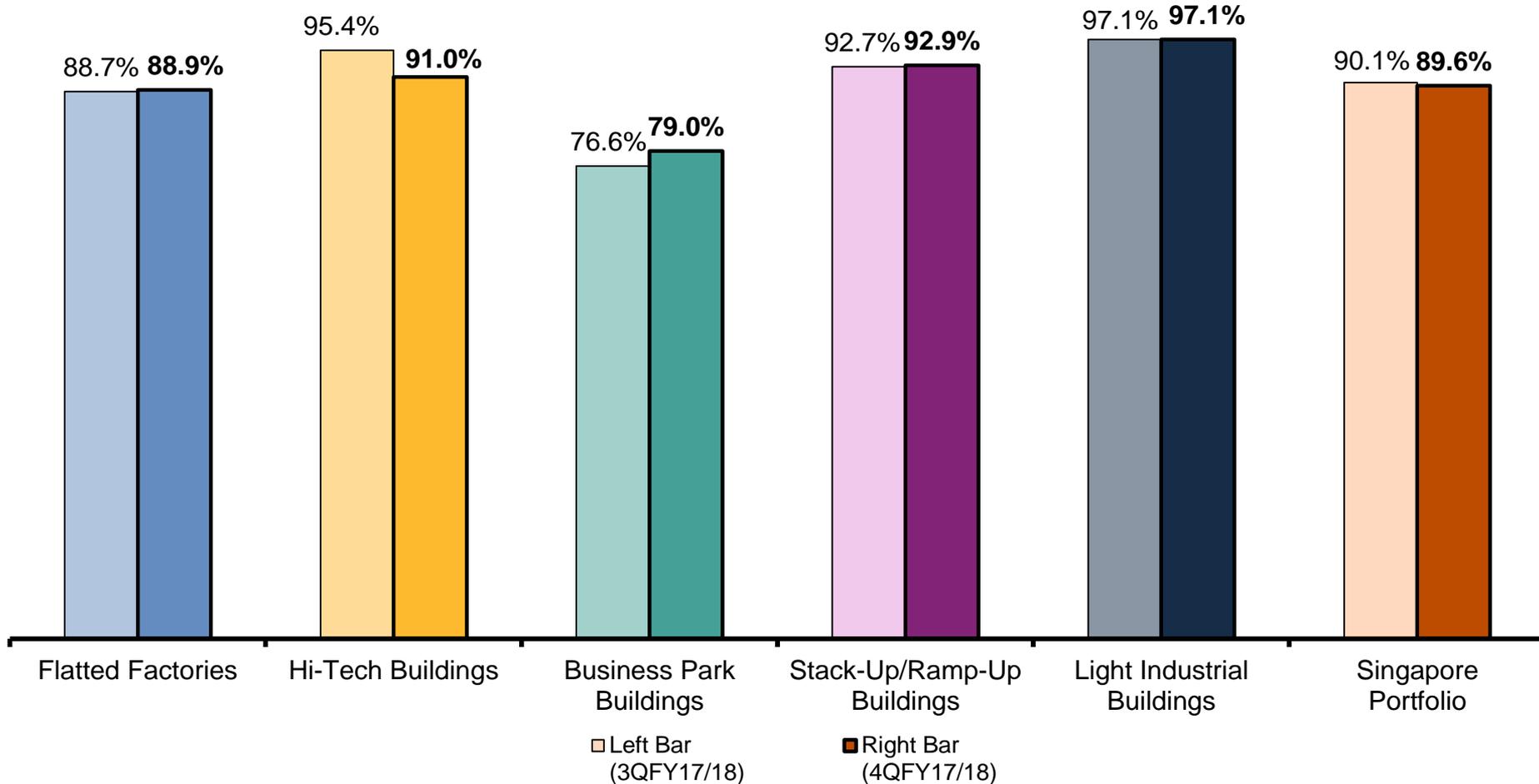
By Gross Rental Income  
As at 31 Mar 2018

<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust.

# Singapore Portfolio Performance



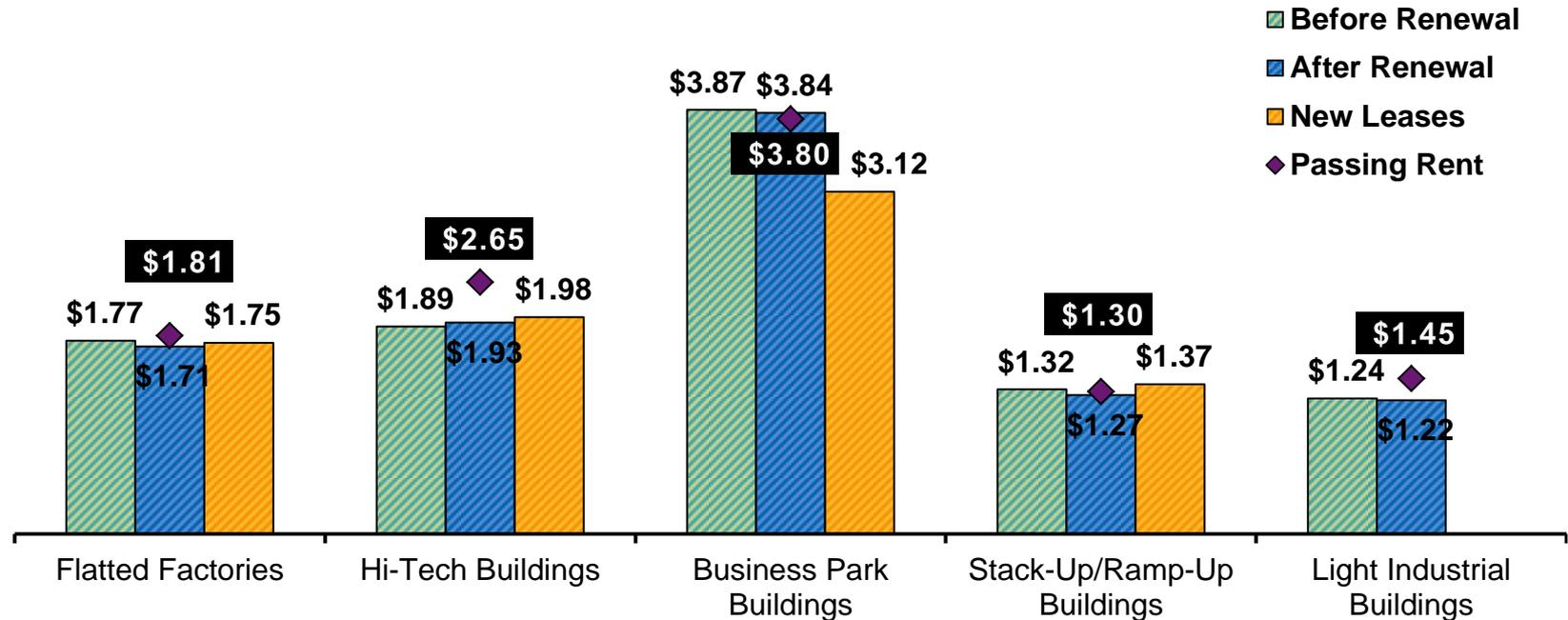
# Segmental Occupancy Levels (Singapore)



# Rental Revisions (Singapore)

## Gross Rental Rate (S\$ psf/mth)<sup>1</sup>

For period 4QFY17/18

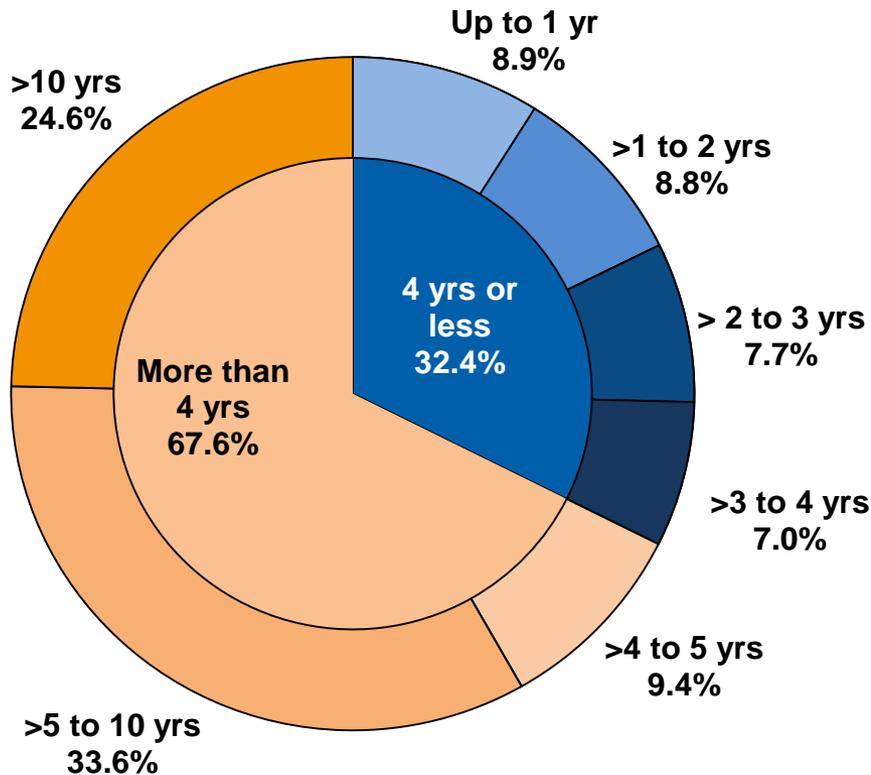


<b>Renewal Leases</b>	117 Leases (383,624 sq ft)	16 Leases (87,103 sq ft)	2 Leases (4,467 sq ft)	3 Leases (35,553 sq ft)	3 Leases (149,096 sq ft)
<b>New Leases</b>	53 Leases (151,922 sq ft)	5 Leases (17,479 sq ft)	6 Leases (28,137 sq ft)	3 Leases (22,895 sq ft)	-

<sup>1</sup> Gross Rental Rate figures exclude short term leases; except Passing Rent figures which include all leases.

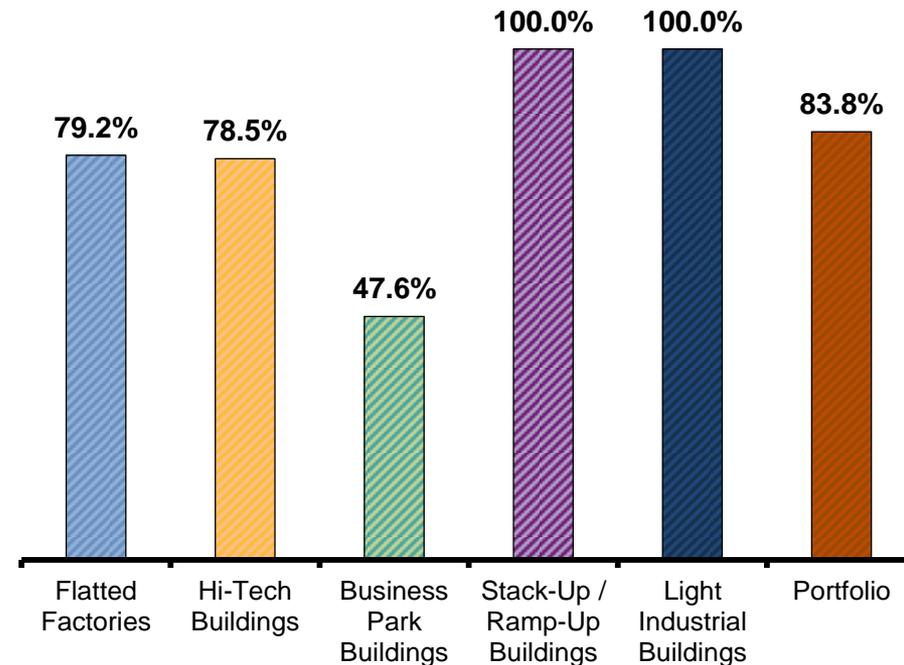
# Healthy Tenant Retention (Singapore)

## LONG STAYING TENANTS



As at 31 Mar 2018  
By number of tenants.

## RETENTION RATE FOR 4QFY17/18



Based on NLA.

- ✦ 67.6% of the tenants have leased the properties for more than 4 years
- ✦ Tenant retention rate of 83.8% in 4QFY17/18



***INVESTMENT  
UPDATE***

*Stack-up/Ramp-up Buildings, Woodlands Spectrum*



Estimated Cost  
**S\$77 million**

Additional GFA  
**336,000 sq ft**

Completion  
**13 Feb 2018**

- ✦ Completed 14-storey Hi-Tech Building, 30A Kallang Place and improvement works at existing buildings in Kallang Basin 4 Cluster
- ✦ Committed leases for 40.2% of NLA or about 112,100 sq ft
- ✦ Strong leasing interest from companies looking for good quality industrial space in city fringe location

# BTS Project – 12 Sunview Drive



Estimated Cost  
**\$76 million**

GFA  
**242,000 sq ft**

Completion  
**2H2018**

- ✦ Development of a six-storey BTS data centre
- ✦ 100% committed by an established data centre operator
- ✦ Initial lease term of >10 years with staggered rental escalations and renewal options
- ✦ Situated on land area of about 96,800 sq ft
- ✦ Site allocated by JTC with zoning for Business 2 use and land tenure of 30 years
- ✦ Located in a specialised industrial park for data centres with ready-built infrastructure
- ✦ Completed structural works and external façade



# ***OUTLOOK AND STRATEGY***

*Hi-Tech Buildings, 7337 Trade Street, San Diego*

## Singapore

- ✦ Singapore economy grew by 4.3% y-o-y in the quarter ended 31 Mar 2018, higher than 3.6% growth in preceding quarter<sup>1</sup>.
- ✦ Median rents for industrial real estate for 4QFY17/18<sup>2</sup>
  - Multi-user Factory Space: S\$1.76 psf/mth (-2.2% q-o-q)
  - Business Park Space: S\$4.30 psf/mth (+5.1% q-o-q)
- ✦ The wider economy and business sentiments of the small and medium enterprises in Singapore have been improving. Despite the positive outlook, threats to free trade and geopolitical tensions continue to threaten the growth momentum. Impending large supply of competing industrial space will exert pressure on both occupancy and rental rates.
- ✦ The Manager will continue to focus on tenant retention to maintain a stable portfolio occupancy.

## United States

- ✦ According to 451 Research, LLC, growth of data and content as well as mobile services and the adoption of cloud services will continue to drive the demand for data centre space. The demand for edge data centres is also rising to meet the growing need for data to be stored close to its end users due to latency requirements. The supply for multi-tenant data centres in the United States (in net operational square feet) will grow by 8.8% while the demand will grow by 13.4% in 2018<sup>3</sup>. This will underpin the stability of revenue contribution from the US Portfolio.

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates), 13 Apr 2018

<sup>2</sup> URA/JTC Realis, 22 Apr 2018

<sup>3</sup> Source: 451 Research, LLC, Mar 2018.

## Stable and Resilient Portfolio

- ✦ Healthy tenant retention rate of 83.8% for Singapore Portfolio
- ✦ US Portfolio's WALE of 6.0 years offers high income stability

## Enhanced Financial Flexibility

- ✦ Hedged borrowings of 85.1%
- ✦ Aggregate leverage of 33.1% allows sufficient headroom for future investment opportunities

## Growth by Acquisitions and Developments

- ✦ Completed AEI at 30A Kallang Place on 13 Feb 2018, with commitment secured for 40.2% of the total NLA
- ✦ BTS data centre development on track for completion in 2H2018



## End of Presentation

For enquiries, please contact Ms Melissa Tan, Vice President, Investor Relations,  
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