



# Investor Presentation

## May 2019

# Important Notice

This presentation shall be read in conjunction with Mapletree Industrial Trust's ("MIT") financial results for Fourth Quarter Financial Year 2018/2019 in the SGXNET announcement dated 22 April 2019.

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The past performance of the Units and MIT is not indicative of the future performance of MIT or Mapletree Industrial Trust Management Ltd. (the "Manager").

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Nothing in this presentation should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors.

## 1 Overview of Mapletree Industrial Trust

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## 2 Portfolio Highlights

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## 3 4Q & FY18/19 Financial Performance

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## 4 Outlook and Strategy

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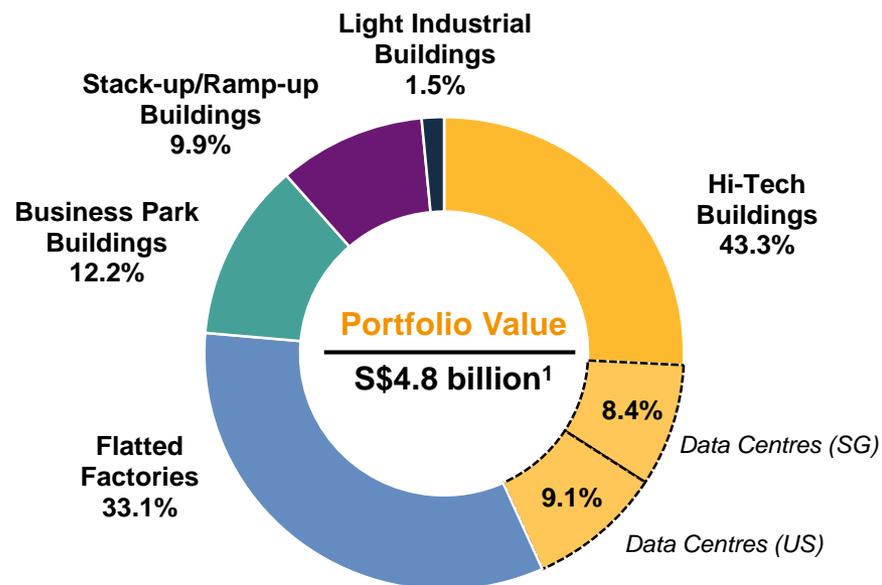
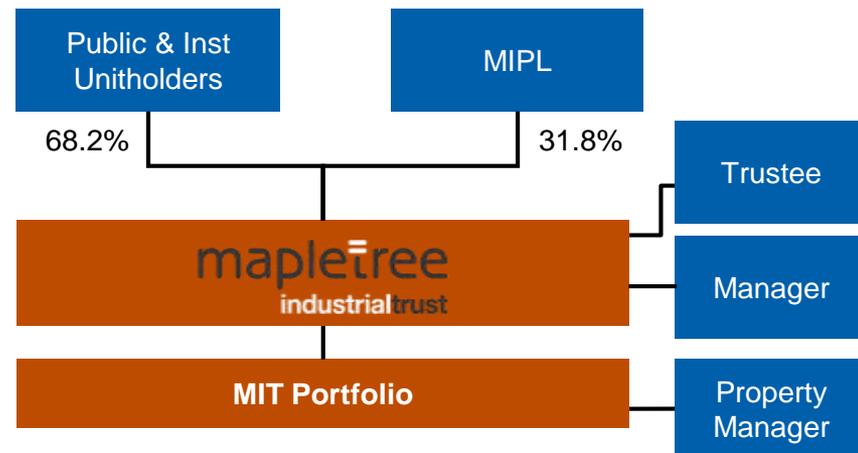
# ***OVERVIEW OF MAPLETREE INDUSTRIAL TRUST***



*Hi-Tech Building, 18 Tai Seng*

# Overview of Mapletree Industrial Trust

<b>Sponsor</b>	Mapletree Investments Pte Ltd (“MIPL”) Owns 31.8% of MIT
<b>Investment mandate</b>	Focused on (i) industrial real estate assets in Singapore, excluding properties primarily used for logistics purposes and (ii) data centres worldwide beyond Singapore
<b>Portfolio</b>	101 properties valued at S\$4.8 billion <sup>1</sup> 18.6 million <sup>2</sup> sq ft NLA
<b>Manager</b>	Mapletree Industrial Trust Management Ltd. 100% owned by the Sponsor
<b>Property Manager</b>	Mapletree Facilities Services Pte. Ltd. 100% owned by the Sponsor
<b>Trustee</b>	DBS Trustee Limited



## Portfolio value by geography

Geography	Percentage
Singapore	90.9%
United States	9.1%

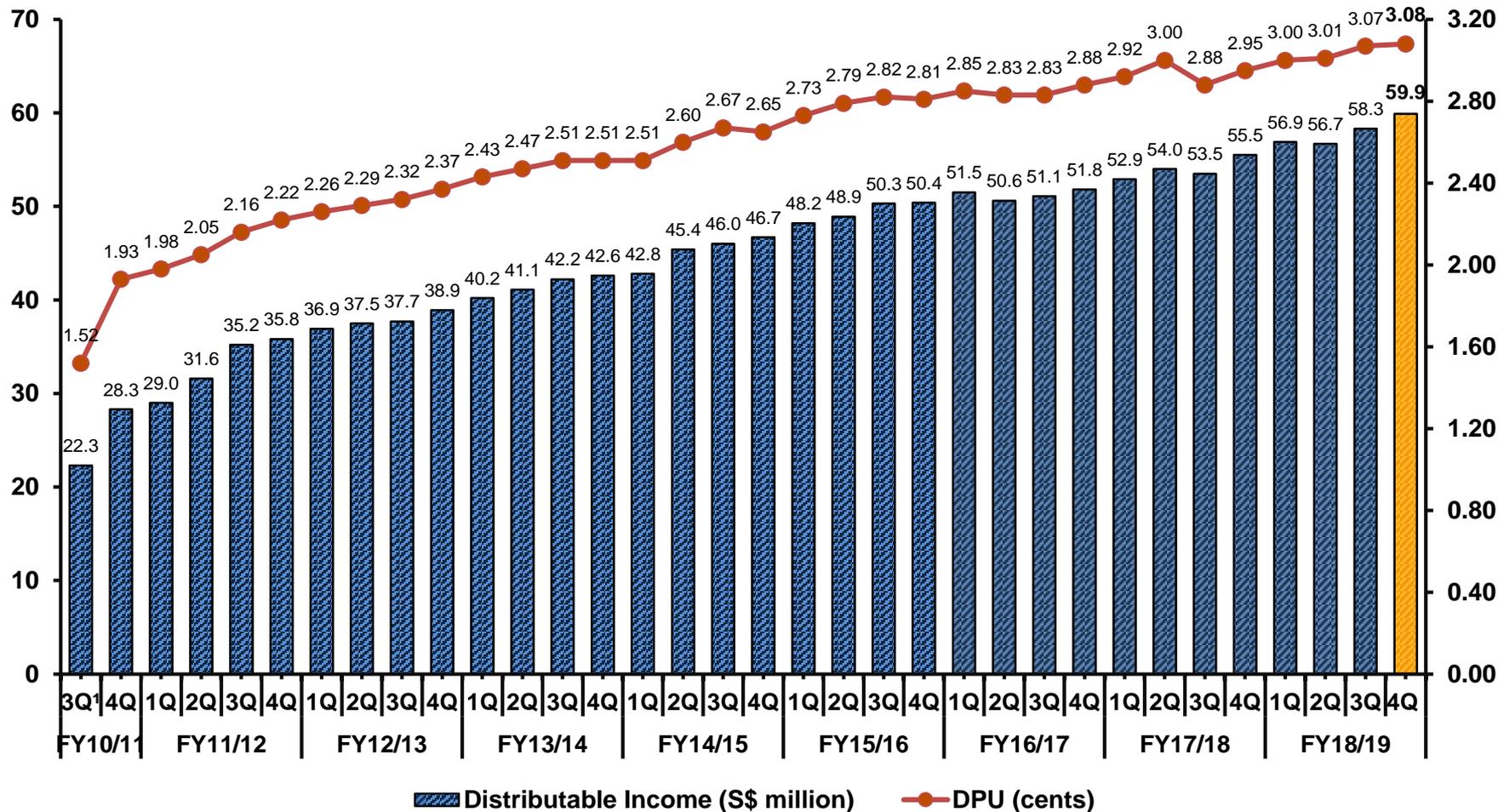
<sup>1</sup> Based on MIT's book value of investment properties and investment properties under development as well as MIT's 40% interest of the joint venture with MIPL in a portfolio of 14 data centres in the United States as at 31 Mar 2019.

<sup>2</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree, Atlanta.

# Sustainable and Growing Returns

Distributable Income  
(S\$ million)

DPU  
(cents)



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

# Healthy Returns since IPO

## COMPARATIVE TRADING PERFORMANCE SINCE IPO<sup>1</sup>



MIT's Return on Investment	Capital Appreciation	Distribution Yield	Total Return
Listing on 21 Oct 2010 to 17 May 2019	118.3% <sup>2</sup>	94.5% <sup>3</sup>	212.8% <sup>4</sup>

<sup>1</sup> Rebased MIT's issue price of S\$0.930 and opening unit prices of FTSE ST REITs Index and FTSE Straits Times Index on 21 Oct 2010 to 100. Source: Bloomberg.

<sup>2</sup> Based on MIT's closing unit price of S\$2.030 on 17 May 2019.

<sup>3</sup> MIT's distribution yield is based on DPU of S\$0.879 over the issue price of S\$0.930.

<sup>4</sup> Sum of distributions and capital appreciation for the period over the issue price of S\$0.930.



## FLATTED FACTORIES

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



## 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 buildings with higher office content for tenants in technology and knowledge-intensive sectors, including data centres. Usually fitted with air-conditioned lift lobbies and common areas.



## LIGHT INDUSTRIAL BUILDINGS

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



## BUSINESS PARK BUILDINGS

High-rise multi-tenanted buildings in specially designated "Business Park zones". Serve as regional headquarters for MNCs as well as spaces for R&D and knowledge-intensive enterprises.

# 87 Properties in Singapore

Total  
NLA

**16.3m sq ft**

WALE  
(By GRI)<sup>1</sup>

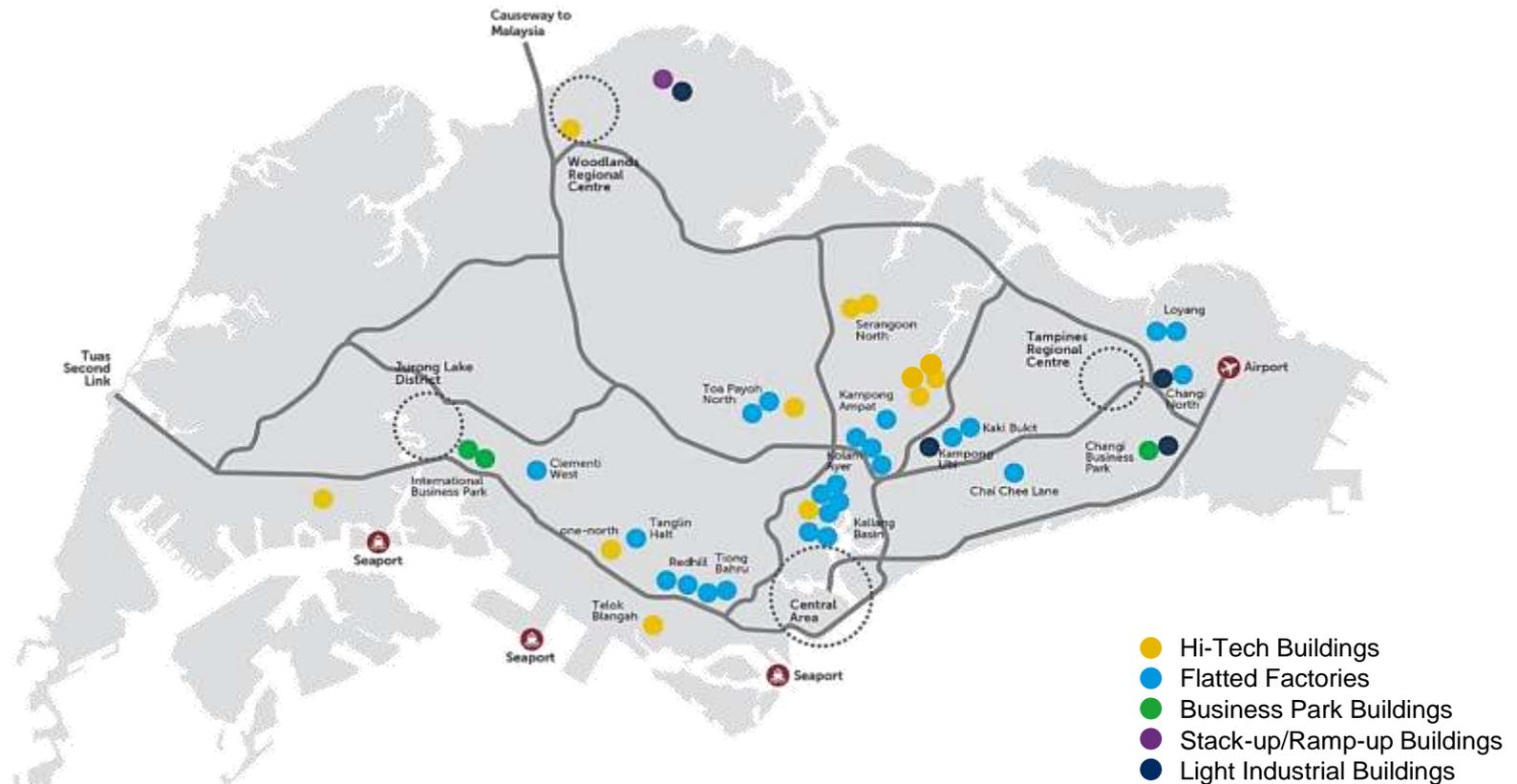
**3.5 years**

Weighted Average Unexpired  
Lease Term of Underlying Land<sup>1</sup>

**37.2 years**

Occupancy  
Rate<sup>2</sup>

**89.8%**



<sup>1</sup> As at 31 Mar 2019.

<sup>2</sup> For 4QFY18/19.

# 14 Data Centres Across 9 States in United States<sup>1</sup>

Total  
NLA<sup>2</sup>

**2.3m sq ft**

WALE  
(By GRI)<sup>3</sup>

**5.0 years**

Weighted Average Unexpired  
Lease Term of Underlying Land

**Freehold<sup>4</sup>**

Occupancy  
Rate<sup>5</sup>

**97.4%**



## TEXAS

- 11 1221 Coit Road, Plano
- 12 3300 Essex Drive, Richardson
- 13 5000 Bowen, Arlington

## WISCONSIN

- 14 N15W24250 Riverwood Drive, Pewaukee

## CALIFORNIA

- 1 7337 Trade Street, San Diego

## GEORGIA

- 2 180 Peachtree, Atlanta
- 3 1001 Windward Concourse, Alpharetta
- 4 2775 Northwoods Parkway, Atlanta

## MICHIGAN

- 5 19675 W Ten Mile Road, Southfield

## NEW JERSEY

- 6 2 Christie Heights, Leonia

## NORTH CAROLINA

- 7 1805 Center Park Drive, Charlotte
- 8 5150 McCrimmon Parkway, Morrisville

## PENNSYLVANIA

- 9 2000 Kubach Road, Philadelphia

## TENNESSEE

- 10 402 Franklin Road, Brentwood

<sup>1</sup> Acquired through a 40:60 joint venture with MIPL.

<sup>2</sup> Excluded the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree, Atlanta.

<sup>3</sup> Refer to the US Portfolio's WALE by GRI as at 31 Mar 2019.

<sup>4</sup> All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree, Atlanta. As at 31 Mar 2019, the parking deck has a remaining land lease tenure of approximately 36.7 years, with an option to renew for an additional 40 years.

<sup>5</sup> For 4QFY18/19.

# Portfolio Growth since IPO

## 3 Asset Enhancement Initiatives (“AEI”)

## 4 Build-to-Suit (“BTS”) Projects

## 5 Acquisitions

**industrial**  
S\$4.77 billion<sup>3</sup>

**FY18/19**

S\$4.32 billion  
**FY17/18**

S\$3.75 billion  
**FY16/17**

S\$3.56 billion  
**FY15/16**

S\$3.42 billion  
**FY14/15**

S\$3.17 billion  
**FY13/14**

S\$2.88 billion  
**FY12/13**

S\$2.70 billion  
**FY11/12**

S\$2.20<sup>1</sup> billion  
**FY10/11**



**Jul 2011**  
Acquired Flatted Factories from JTC  
S\$400 million



**Jul 2013**  
Completed AEI at Woodlands Central  
S\$30 million



**Oct 2013**  
Completed BTS project for Kulicke & Soffa  
S\$50 million



**Jan 2014**  
Completed AEI at Toa Payoh North 1  
S\$40 million



**May 2014**  
Acquired Light Industrial Building at Changi North  
S\$14 million



**Jan 2015**  
Completed BTS data centre for Equinix  
S\$108 million



**Jun 2017**  
Completed BTS project for HP  
S\$226 million



**Dec 2017**  
Acquired 14 data centres in United States<sup>2</sup>  
US\$750 million



**Feb 2018**  
Completed the AEI at 30A Kallang Place  
S\$77 million



**Jun 2018**  
Acquired 7 Tai Seng Drive for upgrading to a data centre for Equinix  
S\$95 million



**Jul 2018**  
Completed BTS data centre at Sunview Dr  
S\$76 million



**Feb 2019**  
Acquired 18 Tai Seng  
S\$268.3 million

<sup>1</sup> Valuation of investment properties on 31 Mar at end of each financial year.

<sup>2</sup> Acquired through a 40:60 joint venture with MIPL.

<sup>3</sup> Based on MIT's book value of investment properties and investment properties under development and MIT's 40% interest of the joint venture with MIPL in a portfolio of 14 data centres in the United States as at 31 Mar 2019.

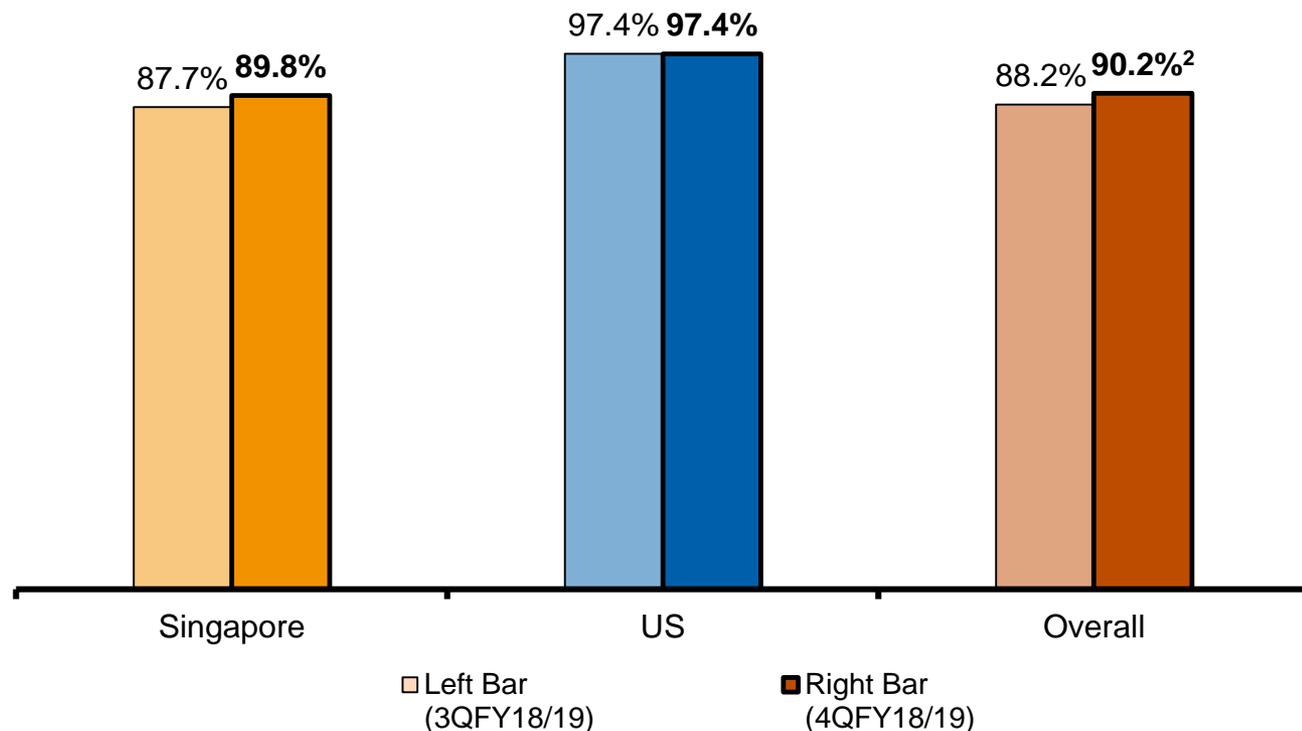
# ***PORTFOLIO HIGHLIGHTS***



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

# Portfolio Overview

	Singapore Portfolio	US Portfolio	Overall
Number of properties	87	14	101
NLA (million sq ft)	16.3	2.3 <sup>1</sup>	18.6 <sup>1</sup>
Average passing rental rate (\$ psf/mth)	S\$2.07	US\$2.06	



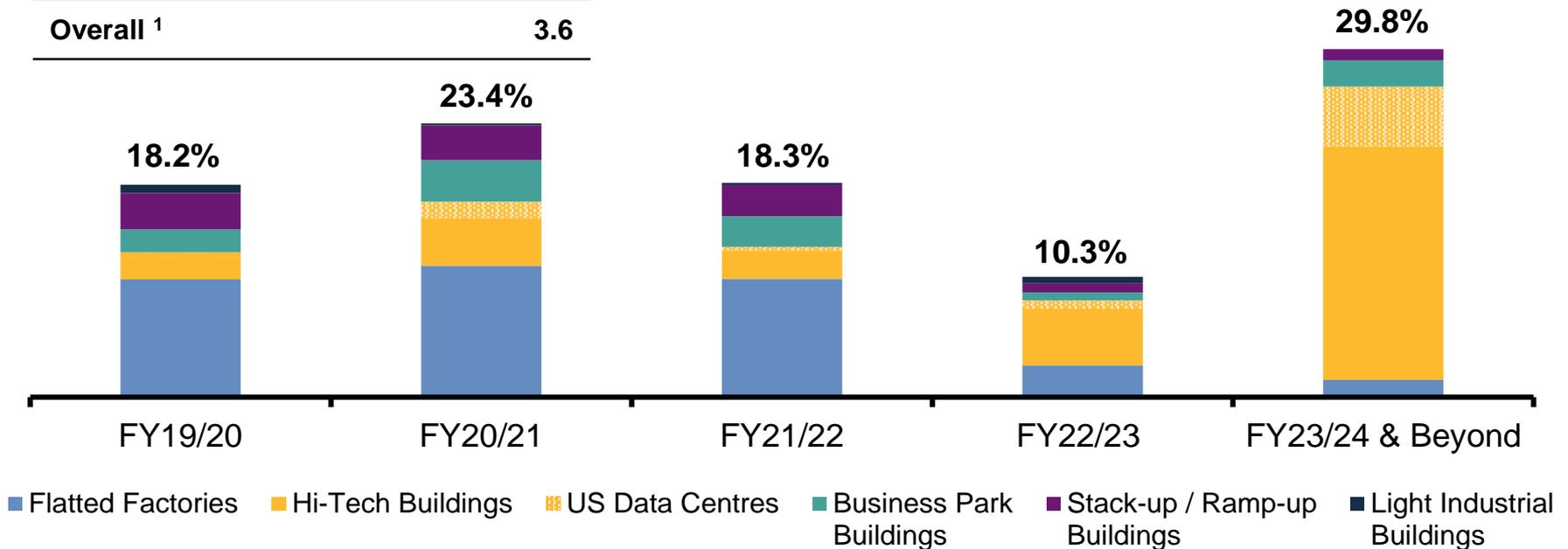
<sup>1</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.  
<sup>2</sup> Based on MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

## EXPIRING LEASES BY GROSS RENTAL INCOME

As at 31 March 2019

### WALE by Gross Rental Income (years)

Singapore Portfolio	3.5
US Portfolio	5.0
<b>Overall <sup>1</sup></b>	<b>3.6</b>



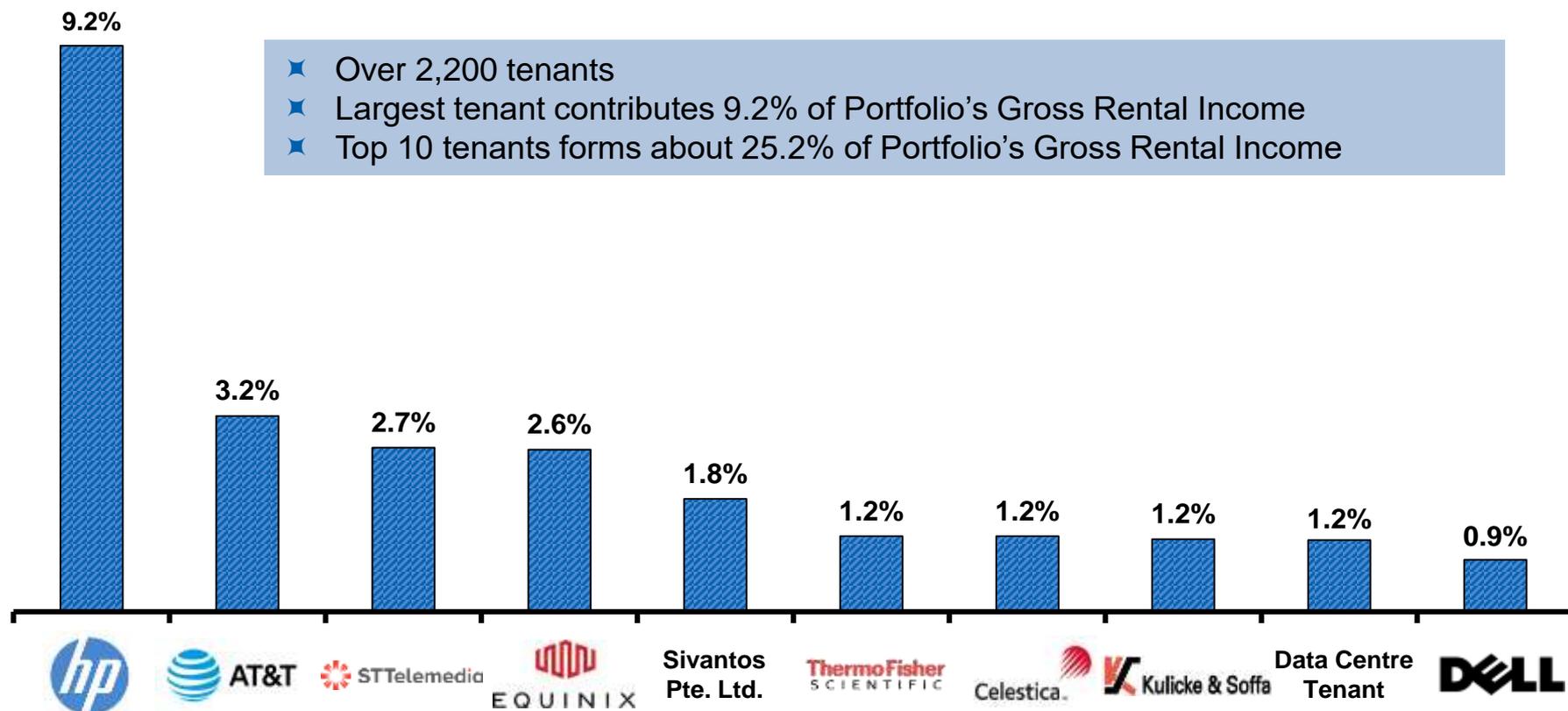
**Portfolio WALE by Gross Rental Income = 3.6 years**

<sup>1</sup> Based on MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

# Large and Diversified Tenant Base

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

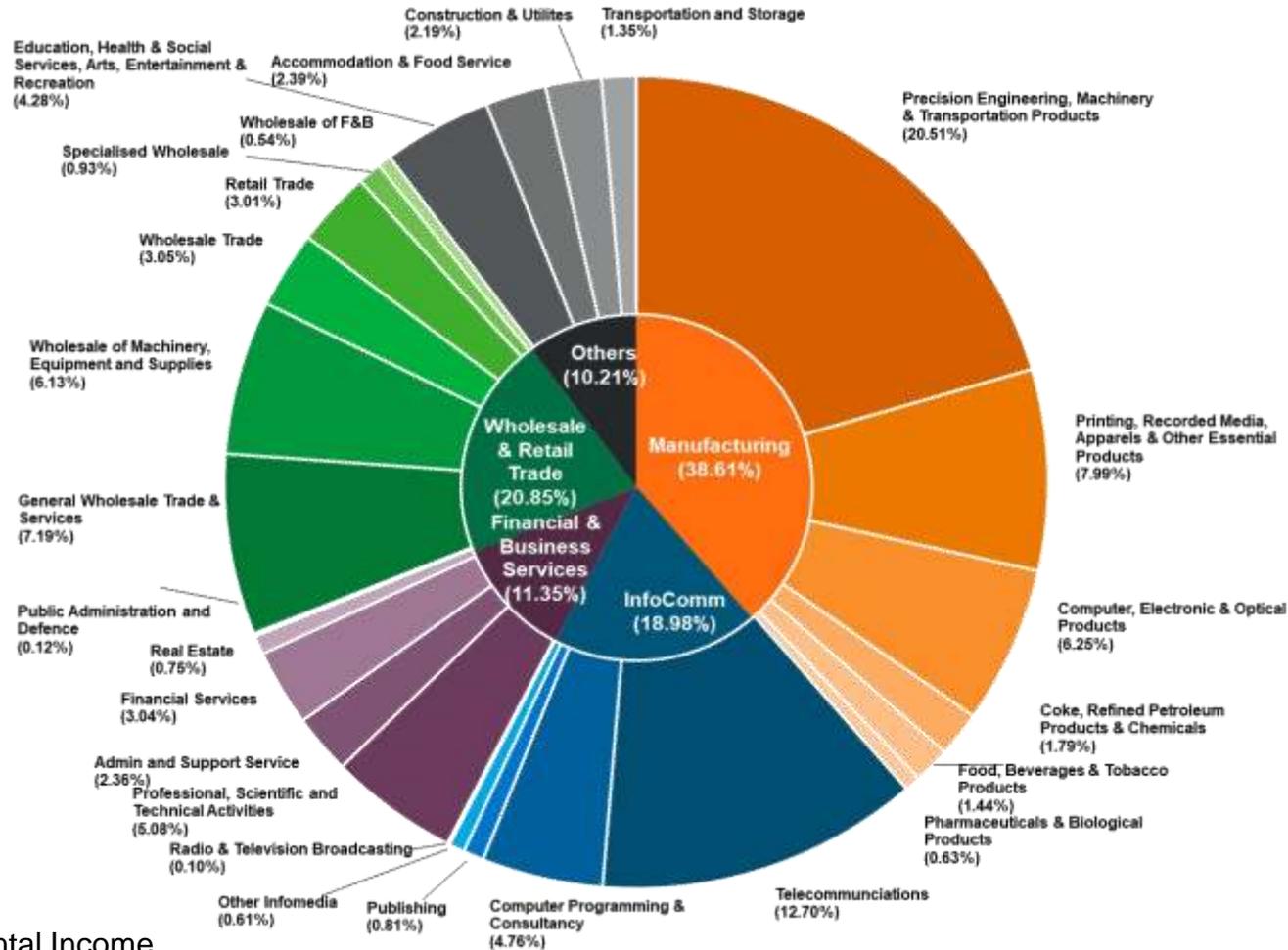
As at 31 March 2019



<sup>1</sup> Based on MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

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

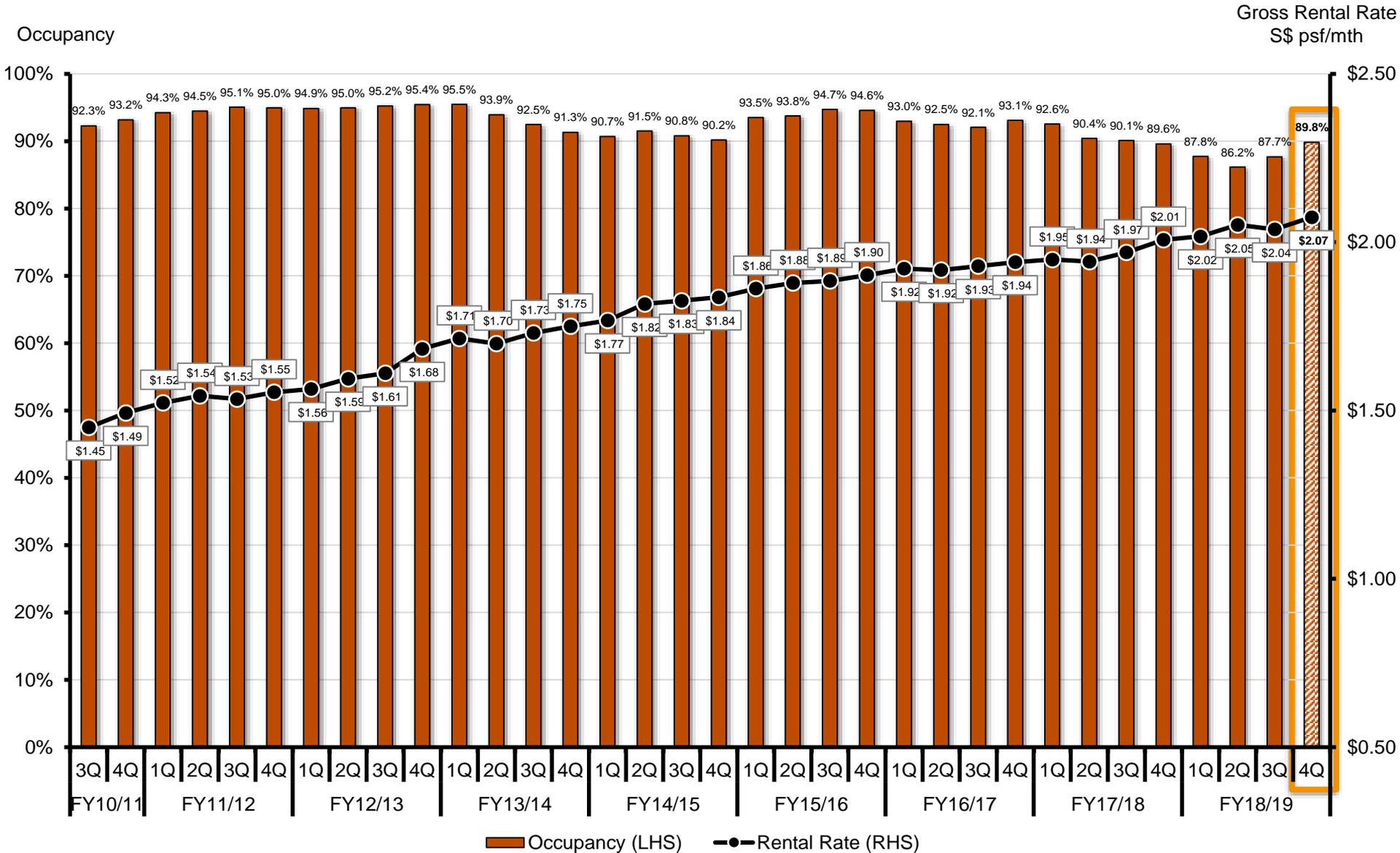
No single trade sector accounted >21% of Portfolio's Gross Rental Income



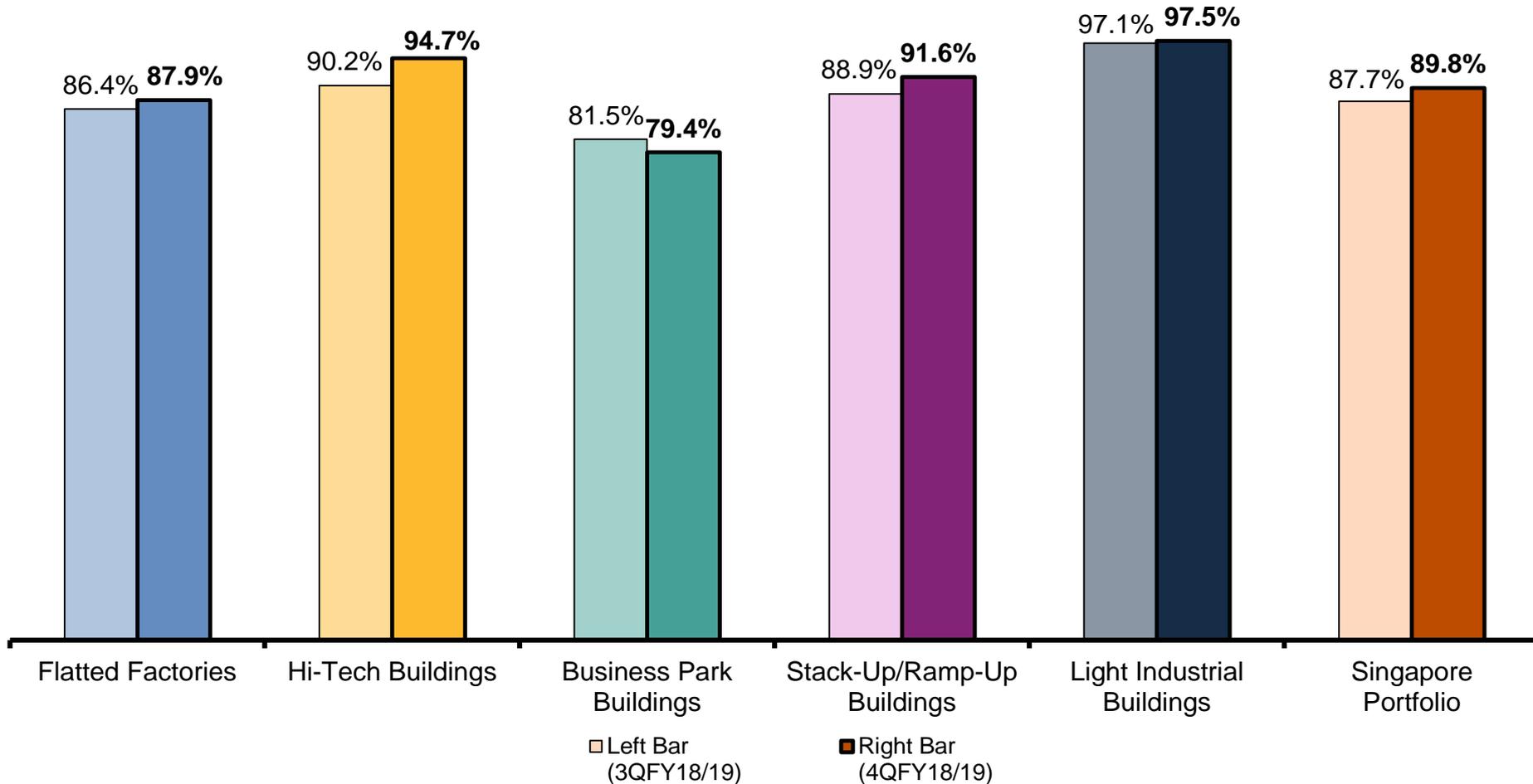
By Gross Rental Income  
As at 31 Mar 2019

<sup>1</sup> Based on MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

# Singapore Portfolio Performance



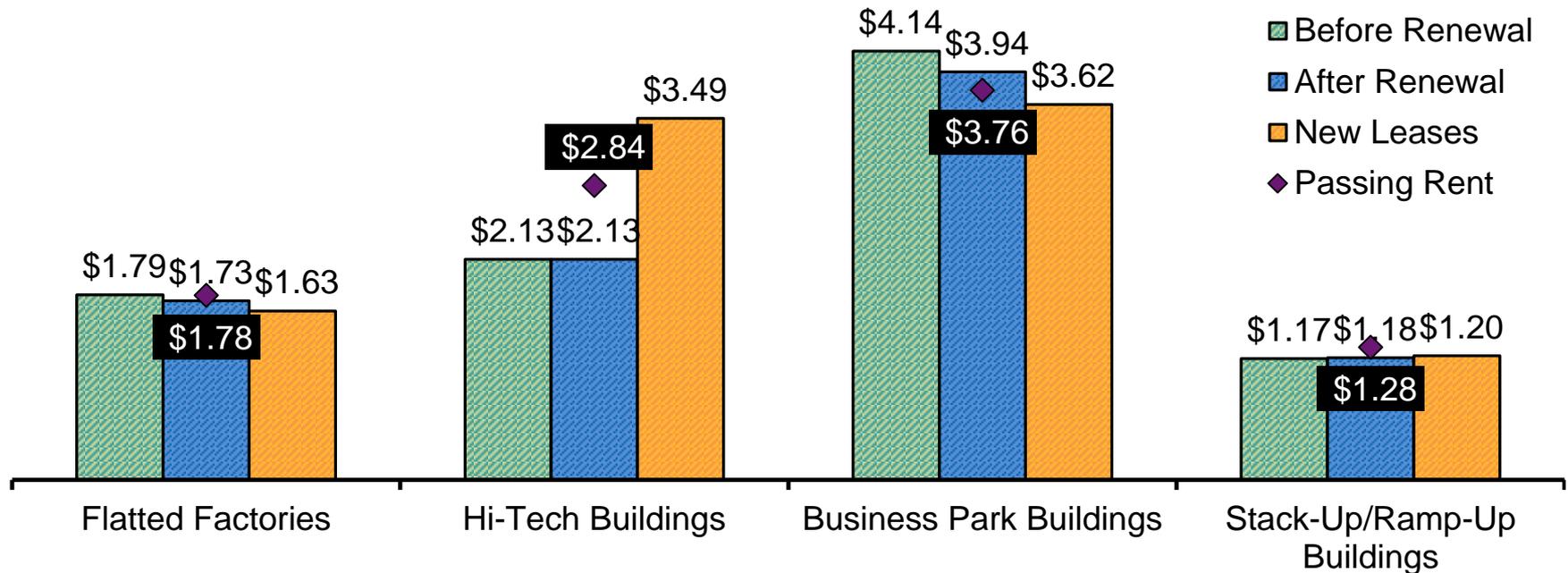
# Segmental Occupancy Levels (Singapore)



# Rental Revisions (Singapore)

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

For Period 4QFY18/19

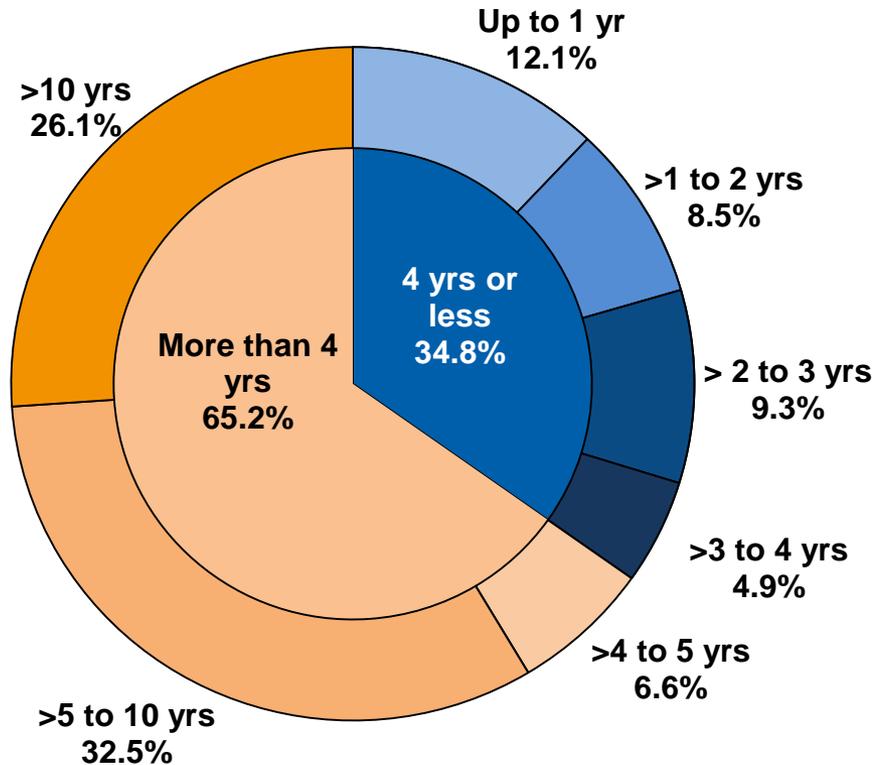


<b>Renewal Leases</b>	77 Leases (306,874 sq ft)	9 Leases (26,581 sq ft)	4 Leases (15,342 sq ft)	4 Leases (61,032 sq ft)
<b>New Leases</b>	64 Leases (199,414 sq ft)	14 Leases (149,228 sq ft)	11 Leases (34,659 sq ft)	14 Leases (197,702 sq ft)

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

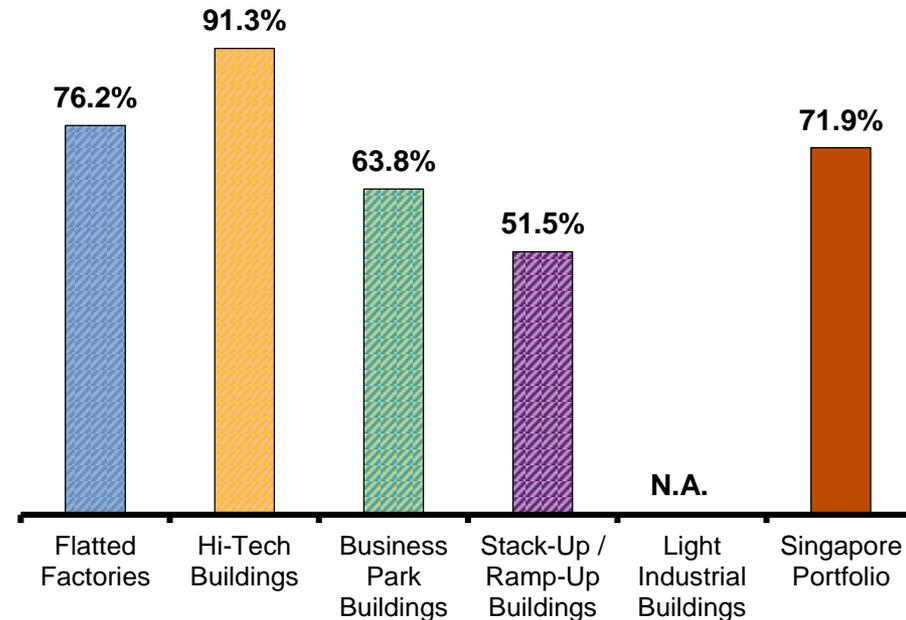
# Tenant Retention (Singapore)

## LONG STAYING TENANTS



As at 31 Mar 2019  
By number of tenants.

## RETENTION RATE FOR 4QFY18/19



Based on NLA.  
N.A. as no leases were due for renewal.

- ✦ 65.2% of the tenants have leased the properties for more than 4 years
- ✦ Tenant retention rate of 71.9% in 4QFY18/19

# Acquisition – 18 Tai Seng



Total Acquisition Outlay  
**S\$271.0 million**

GFA  
**443,810 sq ft**

Completion of Acquisition  
**1 Feb 2019**

- ✦ Successfully obtained Unitholders' approval for the acquisition at a purchase consideration of S\$268.3 million
- ✦ A unique nine-storey mixed-use industrial development with Business 2 industrial, office and retail spaces
- ✦ Centrally located in Paya Lebar iPark with an underground pedestrian link to Tai Seng MRT station
- ✦ Leased to 44 high quality tenants
- ✦ Committed occupancy rate of 95.1%

# Upgrading – 7 Tai Seng Drive



*Artist's impression (after upgrading works)*



*Façade cladding in progress*

- ✦ Total GFA: 256,600 sq ft
- ✦ Total project cost of S\$95 million<sup>1</sup>
- ✦ 100% committed by Equinix Singapore for an initial term of 25 years<sup>2</sup> with annual rental escalations
- ✦ Upgrading works include increasing power and floor loading capacities and installing additional telecommunication infrastructure
- ✦ On track for completion in 2H 2019

<sup>1</sup> Includes the purchase consideration of 7 Tai Seng Drive for S\$68.0 million.

<sup>2</sup> Subject to MIT exercising the option to extend the land lease for the additional 30 years.

# Reputable Sponsor with Aligned Interest

## About the Sponsor, Mapletree Investments

- ✦ Leading real estate development, investment and capital and property management company
- ✦ Able to support growth of MIT by providing development capabilities
- ✦ Right of first refusal to MIT over future sale of (i) industrial or business park properties in Singapore<sup>1</sup> and (ii) 60% interest in the portfolio of 14 data centres in US

Assets Under Management<sup>2</sup>

**S\$46.3b**

Manages

**4** Singapore-listed REITs

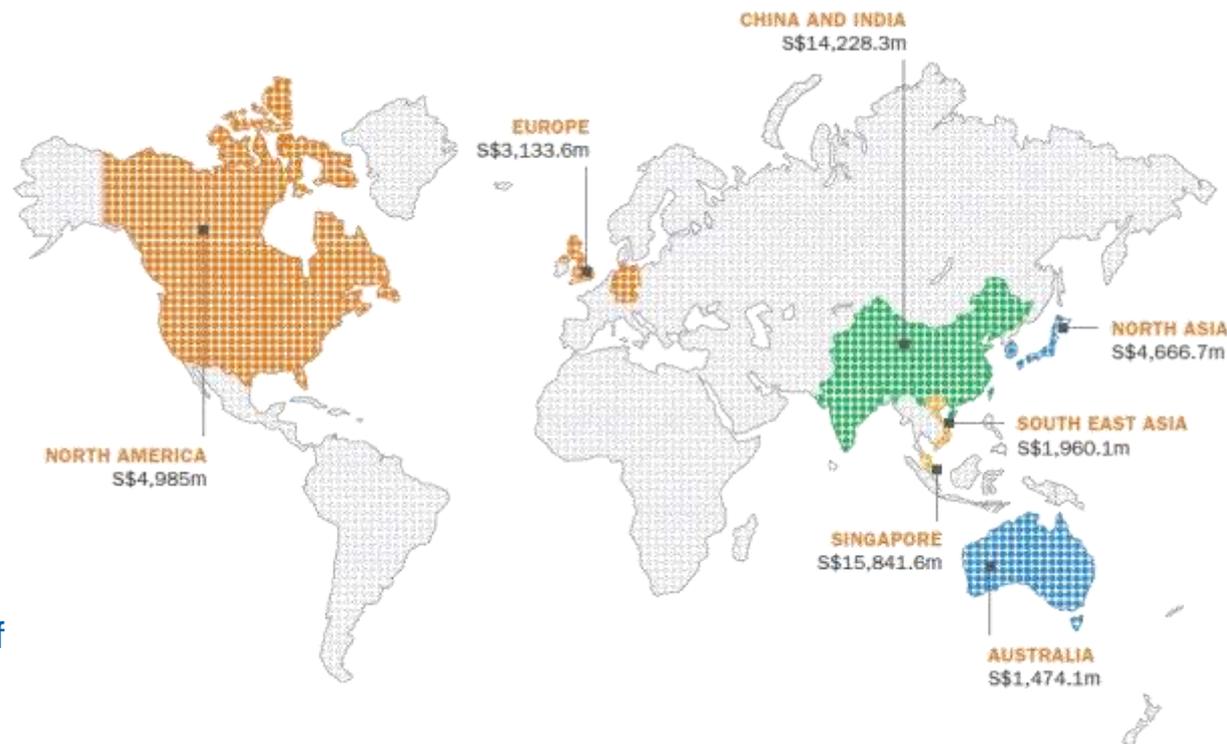
**6** Private Funds

Owned by Sponsor

**31.8%**

Strong Operating Portfolio of Diversified Assets Across

**12** economies globally, with offices in Asia Pacific, UK and US



<sup>1</sup> Excluding Mapletree Business City.

<sup>2</sup> As at 31 Mar 2018.

# **4Q & FY18/19 FINANCIAL PERFORMANCE**



*Business Park Buildings, The Strategy and The Synergy*

# 4Q & FY18/19 Results Highlights

- ✦ **Growth driven by higher contributions from development projects and acquisitions**
  - FY18/19 Distributable Income: S\$231.8 million ( ▲ 7.4% y-o-y)
  - FY18/19 DPU: 12.16 cents ( ▲ 3.5% y-o-y)
  - 4QFY18/19 Distributable Income and DPU were S\$59.9 million ( ▲ 8.0% y-o-y) and 3.08 cents ( ▲ 4.4% y-o-y)
  
- ✦ **Higher q-o-q Overall Portfolio occupancy of 90.2% in 4QFY18/19**
  - Due mainly to higher occupancy of the Hi-Tech Buildings segment
  
- ✦ **Assets under management up by 10.4% y-o-y to S\$4,771.0 million<sup>1</sup> as at 31 Mar 2019**
  
- ✦ **Capital management update**
  - Successfully raised gross proceeds of about S\$201.0 million through a private placement on 11 Feb 2019 to partly finance the acquisition of 18 Tai Seng
  - Issued S\$125.0 million 10-year 3.58% fixed rate notes on 26 Mar 2019
  - Aggregate leverage of 33.8% allows sufficient headroom for growth opportunities
  
- ✦ **Suspension of distribution reinvestment plan (“DRP”) after 4QFY18/19 Distribution**

<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.

# Statement of Profit or Loss (Year-on-Year)

	4QFY18/19 (S\$'000)	4QFY17/18 (S\$'000)	↑ / (↓)
Gross revenue	98,822	90,391	9.3%
Property operating expenses	(22,972)	(22,512)	2.0%
<b>Net property income</b>	<b>75,850</b>	<b>67,879</b>	<b>11.7%</b>
Borrowing costs	(10,379)	(9,269)	12.0%
Trust expenses	(8,623)	(6,736)	28.0%
Net fair value gain on investment properties and investment property under development	30,757	65,470	(53.0%)
Share of joint venture <sup>1</sup>	13,186	21,048	(37.4%)
<i>Comprising:</i>			
- Net profit after tax	3,739	3,172	17.9%
- Net fair value gain on investment properties	9,447	17,876	(47.2%)
<b>Profit before income tax</b>	<b>100,791</b>	<b>138,392</b>	<b>(27.2%)</b>
Income tax expense	*	(32)	(99.5%)
<b>Profit for the period</b>	<b>100,791</b>	<b>138,360</b>	<b>(27.2%)</b>
Net non-tax deductible items	(44,659)	(86,112)	(48.1%)
Distribution declared by joint venture	3,804	3,234	17.6%
<b>Amount available for distribution</b>	<b>59,936</b>	<b>55,482</b>	<b>8.0%</b>
<b>Distribution per Unit (cents)</b>	<b>3.08</b>	<b>2.95</b>	<b>4.4%</b>

\* Amount less than S\$1,000

<sup>1</sup> Share of profit of joint venture relates to MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States through Mapletree Redwood Data Centre Trust.

# Statement of Profit or Loss (Year-on-Year)

	FY18/19 (S\$'000)	FY17/18 (S\$'000)	↑ / (↓)
Gross revenue	376,101	363,230	3.5%
Property operating expenses	(88,331)	(85,627)	3.2%
<b>Net property income</b>	<b>287,770</b>	<b>277,603</b>	<b>3.7%</b>
Borrowing costs	(40,108)	(34,055)	17.8%
Trust expenses	(33,431)	(30,032)	11.3%
Net fair value gain on investment properties and investment property under development	30,757	65,470	(53.0%)
Share of joint venture <sup>1</sup>	26,138	21,776	20.0%
<i>Comprising:</i>			
- Net profit after tax	16,691	3,900	328.0%
- Net fair value gain on investment properties	9,447	17,876	(47.2%)
Loss on divestment of investment property <sup>2</sup>	-	(200)	**
<b>Profit before income tax</b>	<b>271,126</b>	<b>300,562</b>	<b>(9.8%)</b>
Income tax expense	*	(32)	(99.5)
<b>Profit for the period</b>	<b>271,126</b>	<b>300,530</b>	<b>(9.8%)</b>
Net non-tax deductible items	(54,559)	(87,916)	(37.9%)
Distribution declared by joint venture	15,192	3,234	369.8%
<b>Amount available for distribution</b>	<b>231,759</b>	<b>215,848</b>	<b>7.4%</b>
<b>Distribution per Unit (cents)</b>	<b>12.16</b>	<b>11.75</b>	<b>3.5%</b>

\* Amount less than S\$1,000

\*\* Not meaningful

<sup>1</sup> Share of profit of joint venture relates to MIT's 40% interest of the joint venture with Mapletree Investments Pte Ltd in a portfolio of 14 data centres in the United States 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 Profit or Loss (Qtr-on-Qtr)

	4QFY18/19 (S\$'000)	3QFY18/19 (S\$'000)	↑ / (↓)
Gross revenue	98,822	93,571	5.6%
Property operating expenses	(22,972)	(21,696)	5.9%
<b>Net property income</b>	<b>75,850</b>	<b>71,875</b>	<b>5.5%</b>
Borrowing costs	(10,379)	(10,058)	3.2%
Trust expenses	(8,623)	(8,383)	2.9%
Net fair value gain on investment properties and investment property under development	30,757	-	**
Share of joint venture <sup>1</sup>	13,186	4,021	227.9%
<i>Comprising:</i>			
- Net profit after tax	3,739	4,021	(7.0%)
- Net fair value gain on investment properties	9,447	-	**
<b>Profit before income tax</b>	<b>100,791</b>	<b>57,455</b>	<b>75.4%</b>
Income tax expense	*	-	**
<b>Profit for the period</b>	<b>100,791</b>	<b>57,455</b>	<b>75.4%</b>
Net non-tax deductible items	(44,659)	(3,400)	1,213.5%
Distribution declared by joint venture	3,804	4,198	(9.4%)
<b>Amount available for distribution</b>	<b>59,936</b>	<b>58,253</b>	<b>2.9%</b>
<b>Distribution per Unit (cents)</b>	<b>3.08</b>	<b>3.07</b>	<b>0.3%</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 the United States through Mapletree Redwood Data Centre Trust.

# Balance Sheet

	31 Mar 2019	31 Dec 2018	↑ / (↓)	31 Mar 2018	↑ / (↓)
Total assets (S\$'000)	4,607,064	4,266,058	8.0%	4,154,320	10.9%
Total liabilities (S\$'000)	1,559,538	1,456,205	7.1%	1,374,248	13.5%
<b>Net assets attributable to Unitholders (S\$'000)</b>	<b>3,047,526</b>	<b>2,809,853</b>	<b>8.5%</b>	<b>2,780,072</b>	<b>9.6%</b>
<b>Net asset value per Unit (S\$)<sup>1</sup></b>	<b>1.51</b>	<b>1.48</b>	<b>2.0%</b>	<b>1.47</b>	<b>2.7%</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 reporting dates.

# Higher Portfolio Value

Property segment	Valuation as at 31 Mar 2019		Valuation as at 31 Mar 2018 (S\$ million)	Capitalisation rate
	Local currency (million)	S\$ million <sup>1</sup>		
Flatted Factories	<b>S\$1,578.0</b>	<b>1,578.0</b>	1,580.2	6.50% to 7.75%
Hi-Tech Buildings	<b>S\$1,628.8</b>	<b>1,628.8</b>	1,215.6	5.70% to 7.05%
Business Park Buildings	<b>S\$581.0</b>	<b>581.0</b>	570.0	5.90%
Stack-up/Ramp-up Buildings	<b>S\$473.0</b>	<b>473.0</b>	467.0	6.50%
Light Industrial Buildings	<b>S\$75.5</b>	<b>75.5</b>	75.5	6.50% to 7.00%
<b>Singapore Portfolio</b>	<b>S\$4,336.3</b>	<b>4,336.3</b>	3,908.3	
US Portfolio (100%)	<b>US\$801.3</b>	<b>1,086.7</b>	1,032.8	6.00% to 8.50%
<b>US Portfolio (40%)</b>	<b>US\$320.5</b>	<b>434.7</b>	413.1	
<b>Total Portfolio</b>		<b>4,771.0</b>	4,321.4	

- ✦ The increase in portfolio value for Singapore Portfolio comprised a portfolio revaluation gain of S\$30.8 million and capitalised cost of S\$397.2 million mainly from the acquisitions of 18 Tai Seng and 7 Tai Seng Drive
- ✦ The US Portfolio was valued at US\$801.3 million (S\$1,086.7 million), which was US\$17.9 million (S\$24.3 million) over previous valuation of US\$783.4 million (S\$1,032.8 million<sup>2</sup>) as at 31 Mar 2018
- ✦ Net asset value per Unit increased from S\$1.47 as at 31 Mar 2018 to S\$1.51 as at 31 Mar 2019

<sup>1</sup> Based on applicable Mar 2019 month end exchange rate of US\$1 to S\$1.35612.

<sup>2</sup> Based on applicable Mar 2018 month end exchange rate of US\$1 to S\$1.31839.

# Strong Balance Sheet

	31 Mar 2019	31 Dec 2018
Total debt (MIT Group)	<b>S\$1,398.2 million</b>	S\$1,320.1 million
Weighted average tenor of debt	<b>4.4 years</b>	3.1 years
Aggregate leverage ratio <sup>1</sup>	<b>33.8%</b>	34.7%

## Strong balance sheet to pursue growth opportunities

- ✦ 'BBB+' rating with Stable Outlook by Fitch Ratings
- ✦ 100% of loans unsecured with minimal covenants
- ✦ Continuation of DRP for balance 4QFY18/19 Distribution and suspension of DRP thereafter
- ✦ Longer debt tenor mainly due to issuance of S\$125 million 10-year fixed rate notes to refinance existing debt

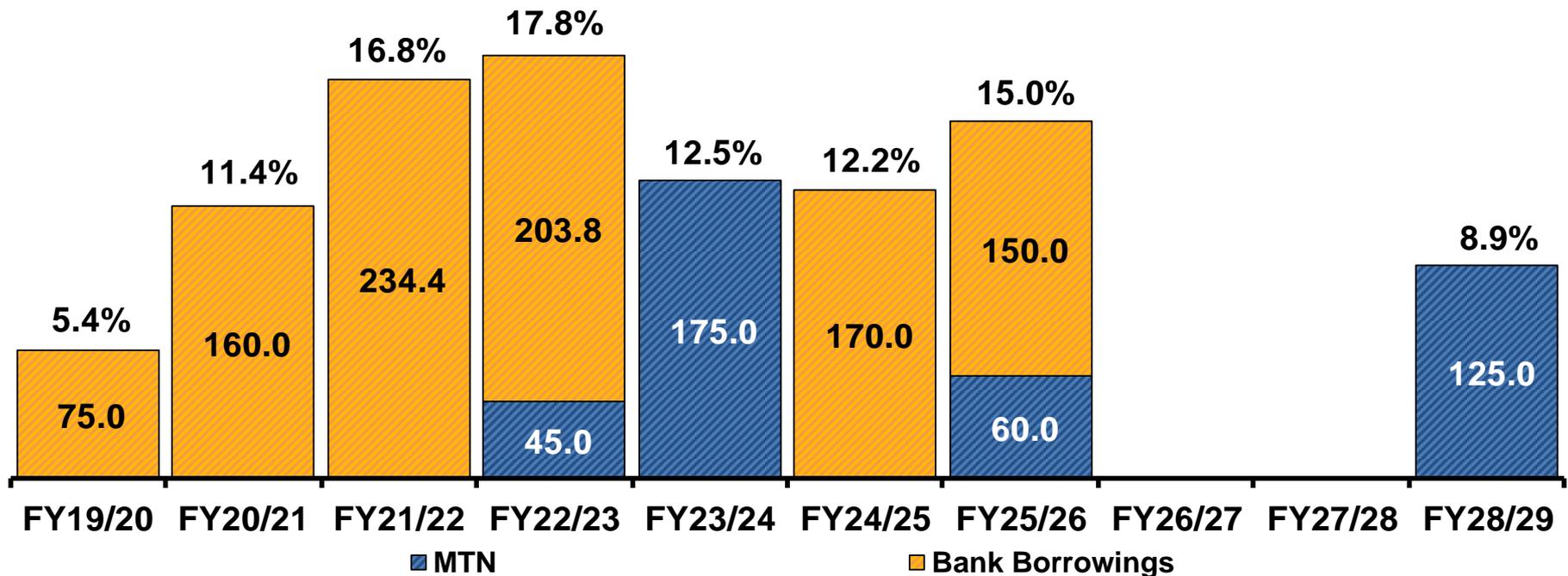
<sup>1</sup> In accordance with Property Funds Guidelines, the aggregate leverage ratio includes proportionate share of borrowings of the joint venture and deposited property values. As at 31 Mar 2019, total debt including MIT's proportionate share of joint venture debts is S\$1,642.3 million.

# Well Diversified Debt Maturity Profile

## DEBT MATURITY PROFILE

As at 31 March 2019

Weighted Average Tenor of Debt = 4.4 years



Amounts in S\$ million

	31 Mar 2019	31 Dec 2018
Fixed as a % of total debt	<b>78.6%</b>	75.3%
Weighted average hedge tenor	<b>4.0 years</b>	2.3 years
	4QFY18/19	3QFY18/19
Weighted average all-in funding cost	<b>3.0%</b>	2.9%
Interest coverage ratio	<b>6.5 times</b>	6.5 times

- ✦ Longer hedge tenor mainly due to issuance of S\$125 million 10-year fixed rate notes
- ✦ S\$150 million of interest rate hedges expiring in FY19/20
- ✦ 100% capital hedge: US\$ investment in joint venture matched with US\$ borrowings
- ✦ About 78% of 1QFY19/20 net US\$ income stream are hedged into S\$

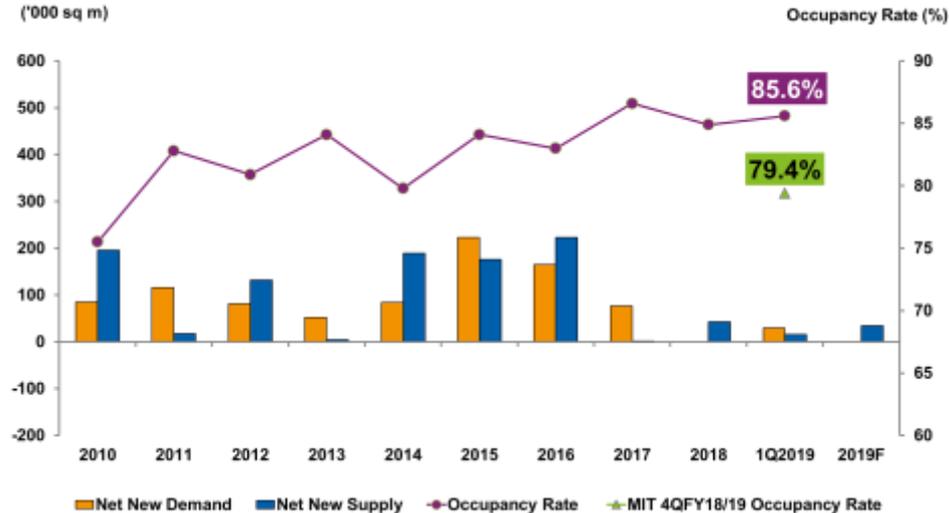
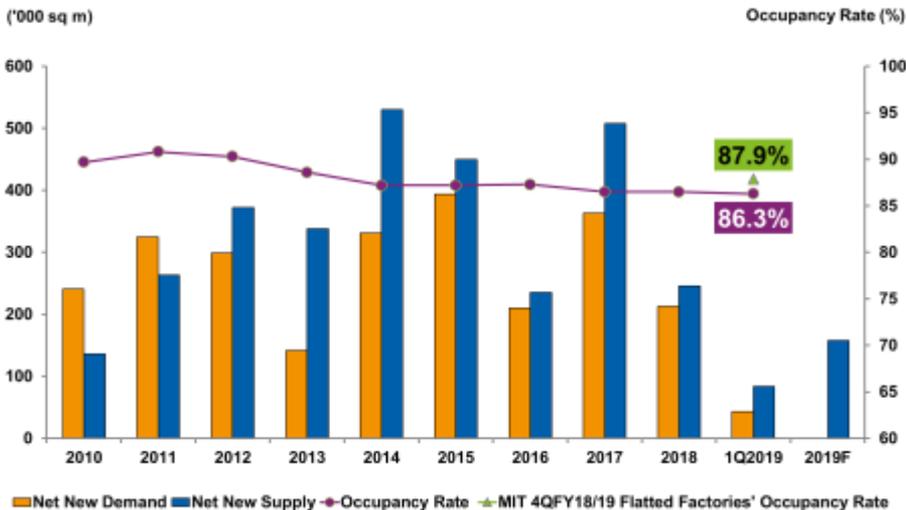
# ***OUTLOOK AND STRATEGY***



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

## DEMAND AND SUPPLY FOR MULTI-USER FACTORIES

## DEMAND AND SUPPLY FOR BUSINESS PARKS



- ✦ Total stock for factory space: 38.3 million sq m
- ✦ Potential net new supply of 1.3 million sq m in 2019, of which
  - Multi-user factory space accounts for 0.2 million sq m
  - Business park space accounts for 0.03 million sq m
  - Moderation in quantum of industrial land released through Industrial Government Land Sales Programme since 2013
- ✦ Median rents for industrial real estate for 1Q2019
  - Multi-user Factory Space: S\$1.80 psf/mth (+1.1% q-o-q)
  - Business Park Space: S\$4.37 psf/mth (+5.8% q-o-q)

## Singapore

- ✦ Challenging operating environment
  - Singapore economy grew by 1.2% y-o-y in the quarter ended 31 Mar 2019, slightly lower than the 1.3% growth in preceding quarter<sup>1</sup>
  - Weaker external demand affecting the wholesale trade and manufacturing sectors, as well as the chain effects of a slowdown in China have weighed on outlook within the region
  - Continued supply of competing industrial space
- ✦ The Manager remains focused on tenant retention to maintain a stable portfolio occupancy

## United States

- ✦ Strong demand for data centre space
  - According to CBRE, the data centre market in the United States absorbed 303MW in 2018, 16% higher than the total absorption in 2017<sup>2</sup>
  - Fuelled by demand from large hyperscale cloud providers and enterprise deployments

<sup>1</sup> Ministry of Trade and Industry, 21 May 2019

<sup>2</sup> Source: CBRE North American Data Center Trends H2 2018

## Stable and Resilient Portfolio

- ✦ Higher Overall Portfolio occupancy rate of 90.2%
- ✦ US Portfolio's WALE of 5.0 years offers high income stability

## Enhanced Financial Flexibility

- ✦ Aggregate leverage of 33.8% provides financial flexibility to pursue investment opportunities
- ✦ Long weighted average tenor of debt at 4.4 years

## Growth by Acquisitions and Developments

- ✦ Completed the acquisition of 18 Tai Seng
- ✦ Upgrading of 7 Tai Seng Drive to a data centre for Equinix on track for completion in 2H2019



## End of Presentation

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