

maple^{tree}
logistics

2Q & 1H FY2017/18 Financial Results

23 October 2017



Disclaimer

This presentation shall be read in conjunction with Mapletree Logistics Trust's financial results for the Second Quarter FY2017/18 in the SGXNET announcement dated 23 October 2017.

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Agenda

- **Key Highlights**
- **Financial Review**
- **Capital Management**
- **Portfolio Review**
- **Investment Review**
- **Outlook**



The image features a 3D perspective of a corner. Two walls meet at a right angle, and a floor is visible at the bottom. The walls and floor are rendered in a gradient of orange, with the top surfaces being a lighter shade and the bottom surfaces being a darker shade. The text "Key Highlights" is centered on the right wall in a white, bold, sans-serif font.

Key Highlights

Key Highlights

- **2Q FY17/18 Amount Distributable to Unitholders of S\$48.2m (+3.5% y-o-y) and DPU of 1.887 cents (+1.5% y-o-y)**
 - Gross revenue grew 2.3% to S\$93.7m and NPI rose 2.5% to S\$78.7m
 - Stable performance in all markets, augmented by contributions from acquisitions, partly offset by the loss of contribution due to divestments and redevelopment
 - 1H FY17/18 DPU rose 1.7% y-o-y to 3.774 cents
- **Resilient Portfolio**
 - Stable portfolio occupancy rate of 95.8%
 - Successfully renewed / replaced 92% of leases due for expiry in 2Q FY17/18
 - Positive rental reversion of 1.4%, mainly due to Hong Kong and China
 - Well-staggered lease expiry profile with WALE (by NLA) of 3.8 years
- **Portfolio Rejuvenation: Divested 3 properties in 2Q FY17/18**
 - S\$5.4 million divestment gain will be distributed to Unitholders over 6 to 8 quarters from 2Q FY17/18
 - Capital released has been redeployed into investments of modern and higher yielding assets

Key Highlights

- **Portfolio Rejuvenation: Acquisition of Mapletree Logistics Hub Tsing Yi (MLH Tsing Yi) for HK\$4.8b (~S\$832m)**
 - Modern, high specifications warehouse in prime logistics location
 - Strong tenant base, attractive 5.7% NPI yield
 - Strengthens MLT's competitive positioning in Hong Kong
- **Proactive Capital Management**
 - Successfully raised ~S\$640m through equity fund raising (EFR) in Sep 2017
 - EFR proceeds deployed to partly fund MLH Tsing Yi acquisition and partly fund redemption of S\$350m perpetual securities
 - Aggregate leverage of 33.7% as at 30 Sep 2017. Post completion of MLH Tsing Yi acquisition on 12 Oct 2017, aggregate leverage increases to around 38%
 - Average debt duration extended to 4.7 years, from 4.0 years previously
 - Moody's credit rating: Baa1 with stable outlook





Financial Review

2Q FY17/18 vs. 2Q FY16/17 (Year-on-Year)

S\$'000	2Q FY17/18 ¹ 3 mths ended 30 Sep 2017	2Q FY16/17 ¹ 3 mths ended 30 Sep 2016	Y-o-Y % change
Gross Revenue	93,696	91,562	2.3%
Property Expenses	(14,978)	(14,750)	1.5%
Net Property Income ("NPI")	78,718	76,812	2.5%
Borrowing Costs	(12,530)	(11,631)	7.7%
Amount Distributable	55,034 ²	53,980 ³	2.0%
- To Perp Securities holders	6,812	7,376	(7.6%)
- To Unitholders	48,222	46,604	3.5%
Available DPU (cents)	1.887	1.860	1.5%
<i>Comprising:</i>			
- <i>Advanced distribution for the period 1 Jul 2017 to 21 Sep 2017 (payable on 27 Oct 2017)</i>	1.706		
- <i>Balance distribution for the period 22 Sep 2017 to 30 Sep 2017 (payable with 3Q FY17/18 distribution in Feb 2018)</i>	0.181		

- Revenue growth mainly due to:
 - existing properties in Hong Kong and China
 - contributions from acquisitions
 - higher translated revenue from stronger AUD

- Partly offset by:
 - non-contribution from 3 divested properties and one block in Ouluo Logistics Centre (redevelopment)
 - lower revenue from recently converted SUA in South Korea (MLHPT) undergoing conversion downtime
 - weaker JPY and MYR

- Borrowing costs increased due to incremental borrowings to fund FY16/17 acquisitions, partly offset by lower costs from JPY loans due to lower average interest rate and repayment of JPY loans with divestment proceeds

- 2Q FY17/18 started with 127 properties and ended with 124 properties. 2Q FY16/17 started with 118 properties and ended with 124 properties.
- This includes partial distribution of the gains from the divestments of 4 Toh Tuck Link of S\$322,000 per quarter (for 8 quarters from 2Q FY17/18), Zama Centre and Shiroishi Centre of S\$466,000 per quarter (for 6 quarters from 2Q FY17/18), 20 Old Toh Tuck Road of S\$472,000 per quarter (for 4 quarters from 1Q FY17/18) and 20 Tampines Street 92 of S\$1 million per quarter (for 8 quarters from 3Q FY15/16) respectively.
- This includes partial distribution of the gains from the divestments of 20 Tampines Street 92 of S\$1 million per quarter (for 8 quarters from 3Q FY15/16) and 134 Joo Seng Road of S\$505,000 per quarter (for 4 quarters from 3Q FY15/16) respectively.

1H FY17/18 vs. 1H FY16/17 (Year-on-Year)

S\$'000	1H FY17/18 ¹ 6 mths ended 30 Sep 2017	1H FY16/17 ¹ 6 mths ended 30 Sep 2016	Y-o-Y % change
Gross Revenue	189,497	181,124	4.6%
Property Expenses	(29,943)	(29,114)	2.8%
Net Property Income ("NPI")	159,554	152,010	5.0%
Borrowing Costs	(25,426)	(23,402)	8.6%
Amount Distributable	109,524 ²	105,766 ³	3.6%
- To Perp Securities holders	14,107	13,125	7.5%
- To Unitholders	95,417	92,641	3.0%
Available DPU (cents)	3.774	3.710	1.7%

- Revenue growth mainly due to:
 - existing properties in Hong Kong and China
 - contributions from acquisitions
 - stronger HKD, AUD and KRW

- Partly offset by:
 - non-contribution from 3 divested properties and one block in Ouluo Logistics Centre (redevelopment)
 - lower revenue from recently converted SUA in South Korea (MLHPT) undergoing conversion downtime
 - weaker JPY and MYR

- Borrowing costs increased due to incremental borrowings to fund FY16/17 acquisitions, partly offset by lower costs from JPY loans due to lower average interest rate and repayment of JPY loans with divestment proceeds

- 1) 1H FY17/18 started with 127 properties and ended with 124 properties. 1H FY16/17 started with 118 properties and ended with 124 properties.
- 2) This includes partial distribution of the gains from the divestments of 4 Toh Tuck Link of S\$322,000 per quarter (for 8 quarters from 2Q FY17/18), Zama Centre and Shiroishi Centre of S\$466,000 per quarter (for 6 quarters from 2Q FY17/18), 20 Old Toh Tuck Road of S\$472,000 per quarter (for 4 quarters from 1Q FY17/18) and 20 Tampines Street 92 of S\$1 million per quarter (for 8 quarters from 3Q FY15/16) respectively.
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2Q FY17/18 vs. 1Q FY17/18 (Quarter-on-Quarter)

S\$'000	2Q FY17/18 ¹ 3 mths ended 30 Sep 2017	1Q FY17/18 ¹ 3 mths ended 30 Jun 2017	Q-o-Q % change
Gross Revenue	93,696	95,801	(2.2%)
Property Expenses	(14,978)	(14,965)	0.1%
Net Property Income ("NPI")	78,718	80,836	(2.6%)
Borrowing Costs	(12,530)	(12,896)	(2.8%)
Amount Distributable	55,034 ²	54,490 ³	1.0%
- To Perp Securities holders	6,812	7,295	(6.6%)
- To Unitholders	48,222	47,195	2.2%
Available DPU (cents)	1.887	1.887	-
Comprising:			
- Advanced distribution for the period 1 Jul 2017 to 21 Sep 2017 (payable on 27 Oct 2017)	1.706		
- Balance distribution for the period 22 Sep 2017 to 30 Sep 2017 (payable with 3Q FY17/18 distribution in Feb 2018)	0.181		

- Revenue decrease mainly due to:
 - non-contribution from 3 properties divested during the period
 - weaker HKD and JPY
- Partly offset by:
 - higher revenue from existing properties in Hong Kong and South Korea
 - stronger AUD
- Borrowing costs decreased due to repayment of JPY loans from divestment proceeds during the period

1) 2Q FY17/18 started with 127 properties and ended with 124 properties. 1Q FY17/18 started and ended with 127 properties.

2) This includes partial distribution of the gains from the divestments of 4 Toh Tuck Link of S\$322,000 per quarter (for 8 quarters from 2Q FY17/18), Zama Centre and Shiroishi Centre of S\$466,000 per quarter (for 6 quarters from 2Q FY17/18), 20 Old Toh Tuck Road of S\$472,000 per quarter (for 4 quarters from 1Q FY17/18) and 20 Tampines Street 92 of S\$1 million per quarter (for 8 quarters from 3Q FY15/16) respectively.

3) This includes partial distribution of the gains from the divestments of 20 Old Toh Tuck Road of S\$472,000 per quarter (for 4 quarters from 1Q FY17/18) and 20 Tampines Street 92 of S\$1 million per quarter (for 8 quarters from 3Q FY15/16) respectively.

Healthy Balance Sheet

S\$'000	As at 30 Sep 2017	As at 30 Jun 2017
Investment Properties	5,360,851	5,518,084
Total Assets	5,494,838	5,663,370
Total Liabilities	2,167,584	2,513,986
Net Assets Attributable to Unitholders	2,891,571	2,545,914
NAV / NTA Per Unit	S\$1.03 ¹	S\$1.02 ²

1) Includes net derivative financial instruments, at fair value, liability of S\$2.3 million. Excluding this, the NAV / NTA per unit remains unchanged at S\$1.03.

2) Includes net derivative financial instruments, at fair value, liability of S\$4.7 million. Excluding this, the NAV / NTA per unit remains unchanged at S\$1.02.



Distribution Details

Advanced Distribution

Distribution Period	1 Jul 2017 – 21 Sep 2017
Advanced Distribution Amount	1.706 cents per unit
Ex-Date	19 September 2017, 9am
Books Closure Date	21 September 2017, 5pm
Distribution Payment Date	27 October 2017

The Advanced Distribution of 1.706 cents per unit does not include the 0.181 cents for the period from 22 September 2017 to 30 September 2017 which will be paid with the 3Q FY17/18 distribution in February 2018. Quarterly distributions will resume thereafter.



Capital Management

Prudent Capital Management

	As at 30 Sep 2017	As at 30 Jun 2017
Total Debt (S\$ million)	1,846	2,202
Aggregate Leverage Ratio	33.7% ⁽¹⁾	39.0%
Weighted Average Annualised Interest Rate	2.3%	2.3%
Average Debt Duration (years)	4.7	4.0
Interest Cover Ratio (times) ⁽²⁾	5.6	5.7
MLT Credit Rating by Moody's	Baa1 with stable outlook	Baa1 with negative outlook

(1) Total debt to net assets is 68.6%. Total debt excluding cash and cash equivalents denominated in S\$ to net assets is 68.4%.

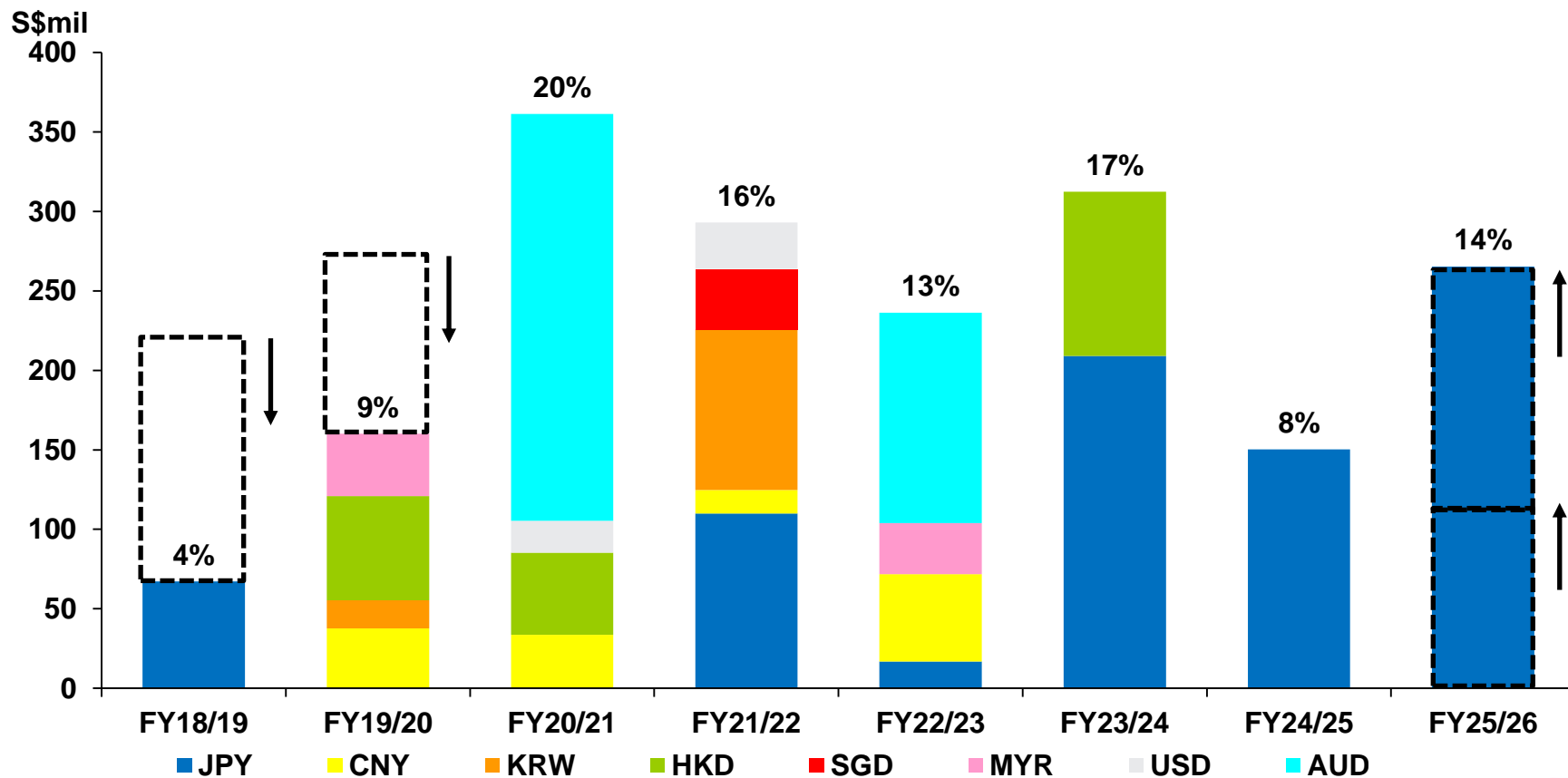
(2) Ratio of EBITDA over interest expense for period up to balance sheet date.

- Total debt outstanding decreased by S\$356m quarter-on-quarter mainly due to loan repayments using private placement proceeds (in the interim pending completion of MLH Tsing Yi acquisition) and divestment proceeds
- Consequently, gearing ratio decreased to 33.7%
- Post completion of MLH Tsing Yi acquisition, gearing ratio is about 38%
- Moody's reinstated MLT's outlook to "stable"



Well-staggered Debt Maturity Profile

- Extended the maturity dates for JPY12.5b (~S\$153m) and JPY9.2b (~S\$112m) term loans due in FY18/19 and FY19/20 respectively in advance to FY25/26
- Weighted average debt maturity increased to 4.7 years from 4.0 years last quarter

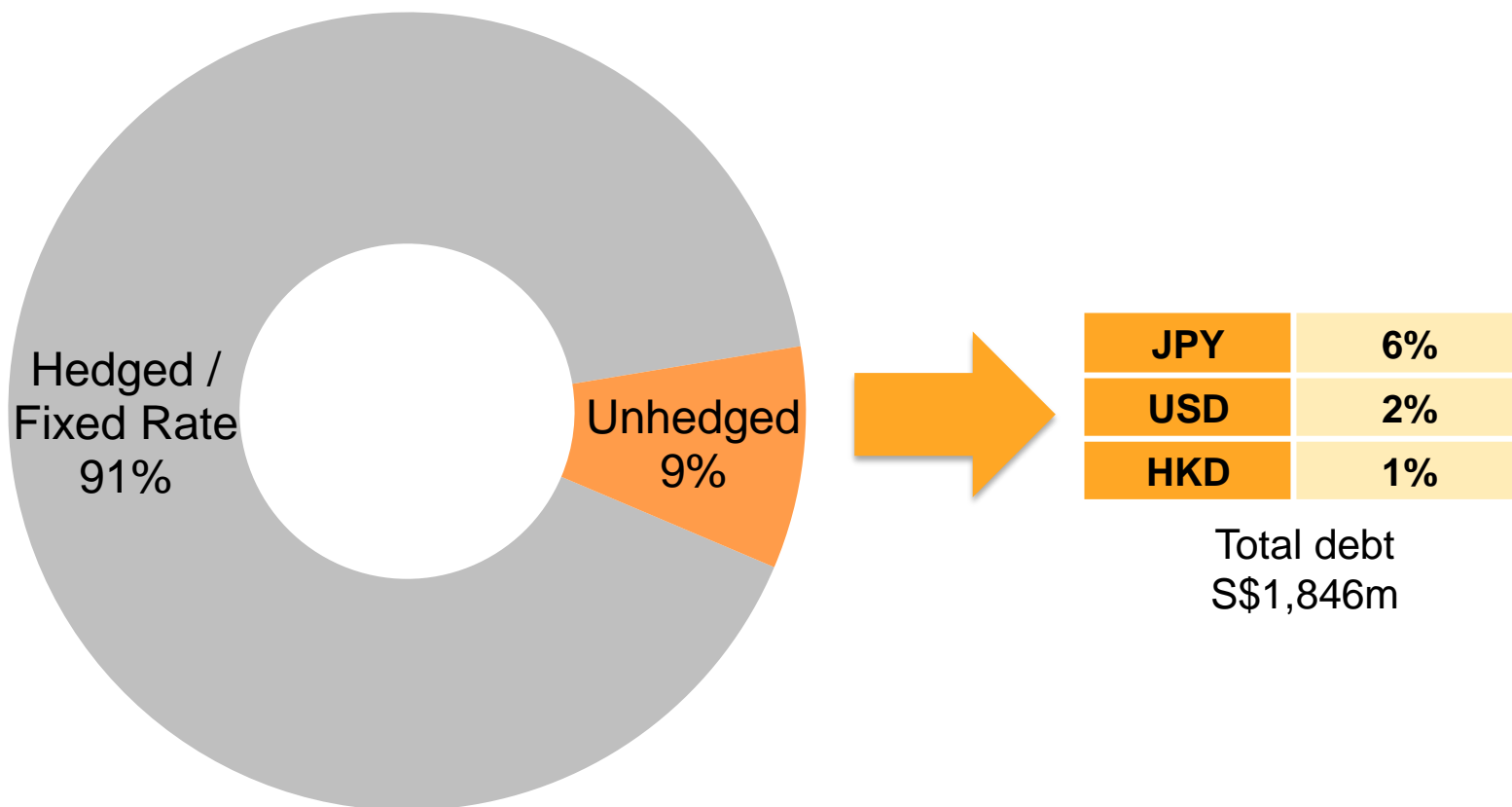


As at 30 Sep 2017



Interest Rate Risk Management

- Approximately 91% of total debt is hedged or drawn in fixed rates
- Every potential 25 bps increase in base rates¹ may result in a ~S\$0.1m decrease in distributable income or 0.01 cents in DPU² per quarter

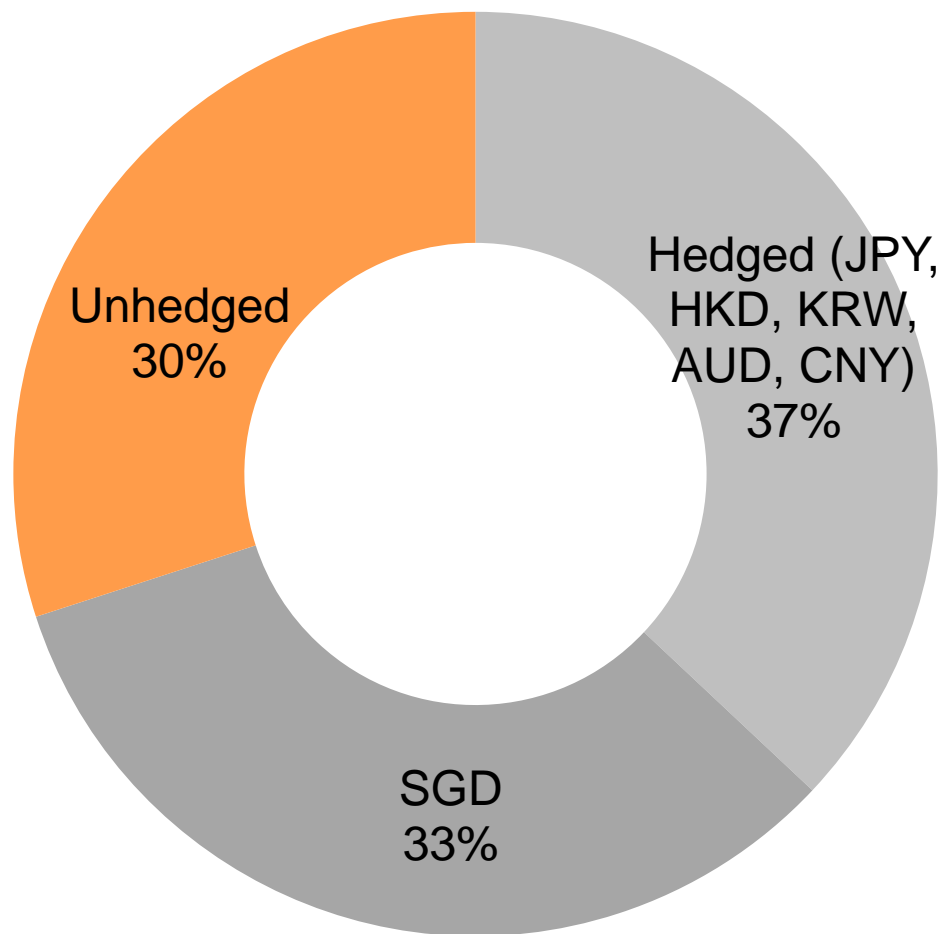


(1) Base rate denotes SOR, USD LIBOR, JPY LIBOR/D-TIBOR, CNH HIBOR, HKD HIBOR, KLIBOR and BBSY/BBSW

(2) Based on 2,802,753,921 units as at 30 Sep 2017

Forex Risk Management

- About 70% of amount distributable in FY17/18 is hedged into / derived in SGD

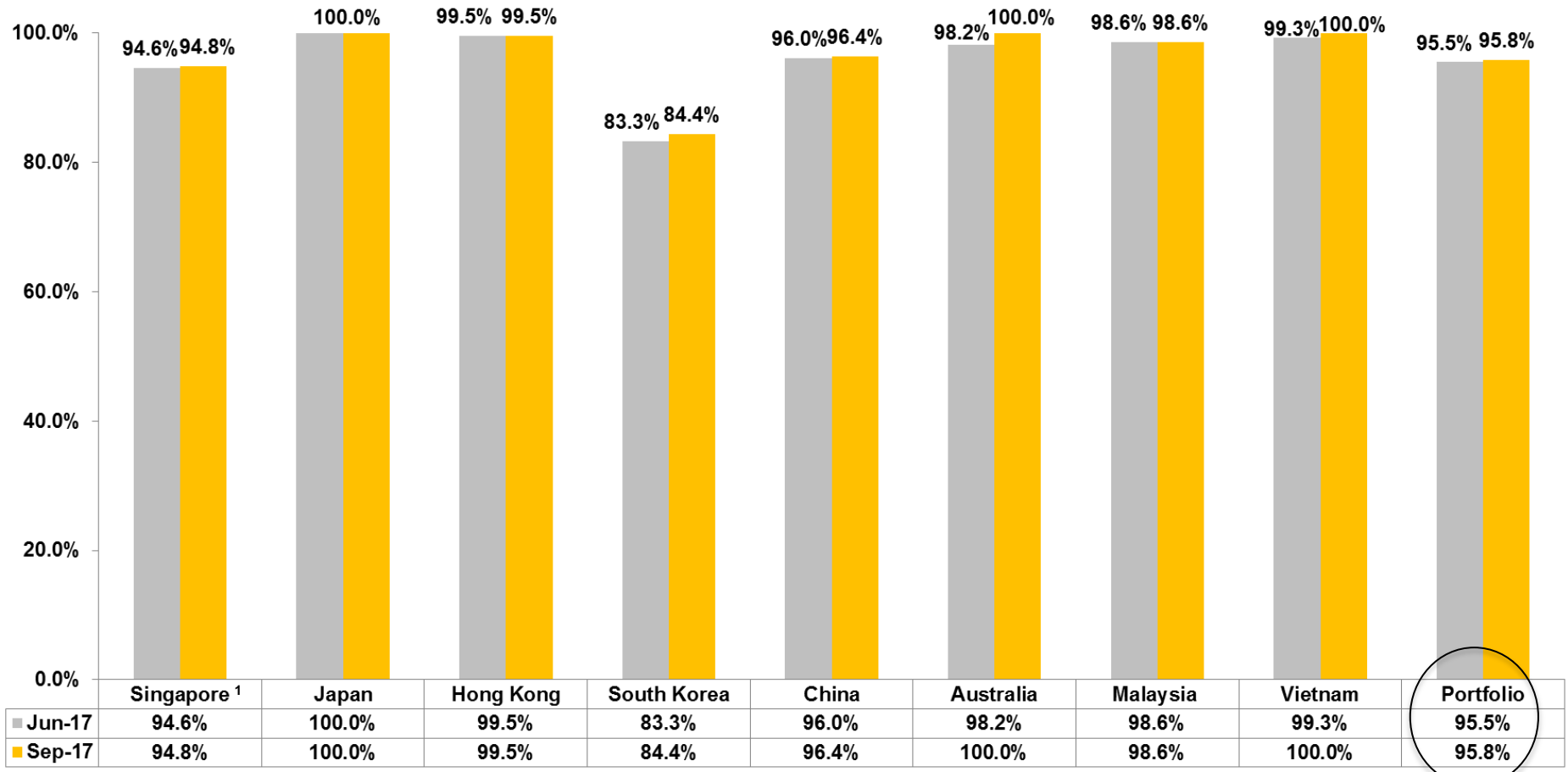




Portfolio Review

Geographic Breakdown of Occupancy Levels

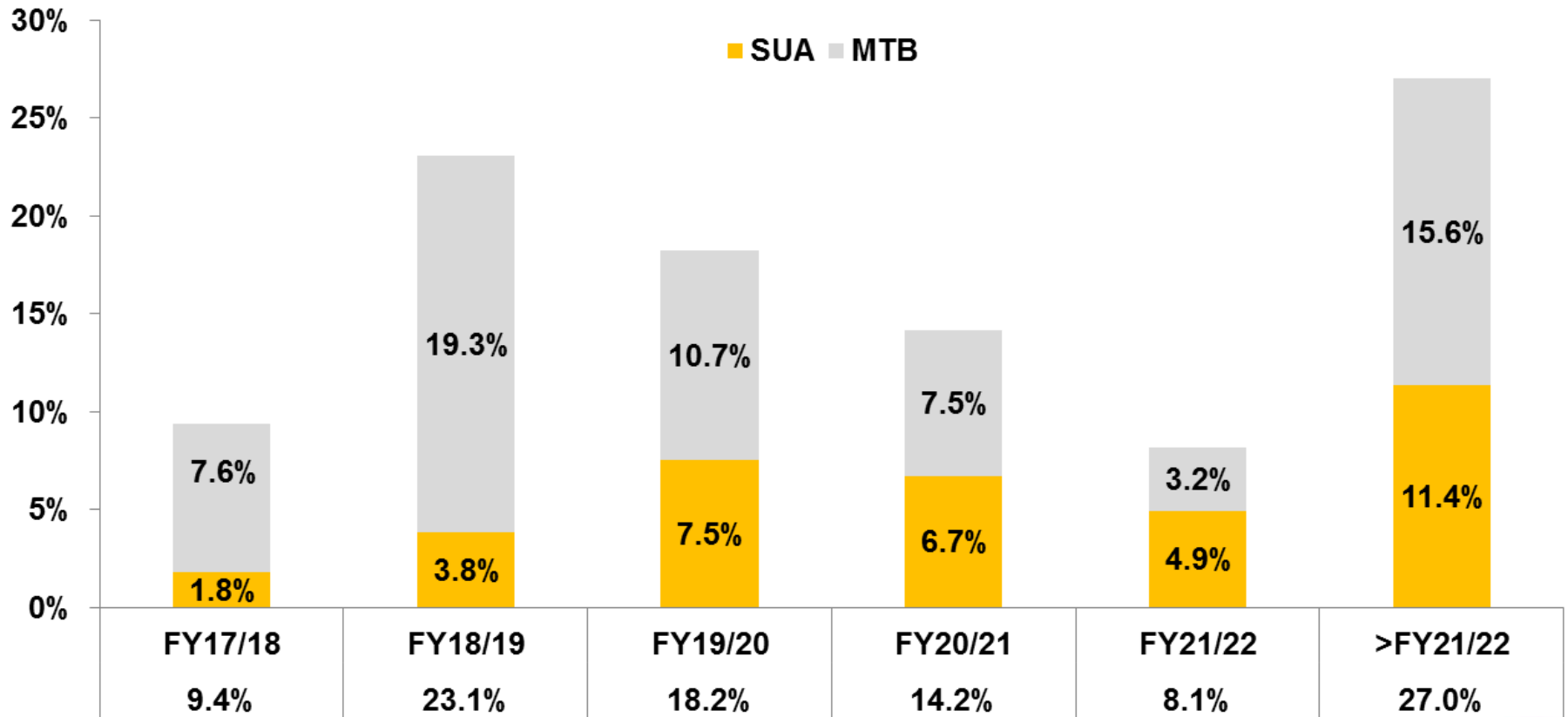
- All countries maintained or improved their occupancy rates Q-o-Q
- 100% occupancy in Japan, Australia and Vietnam



1) Excludes 76 Pioneer Road (undergoing redevelopment).

Lease Expiry Profile (by NLA)

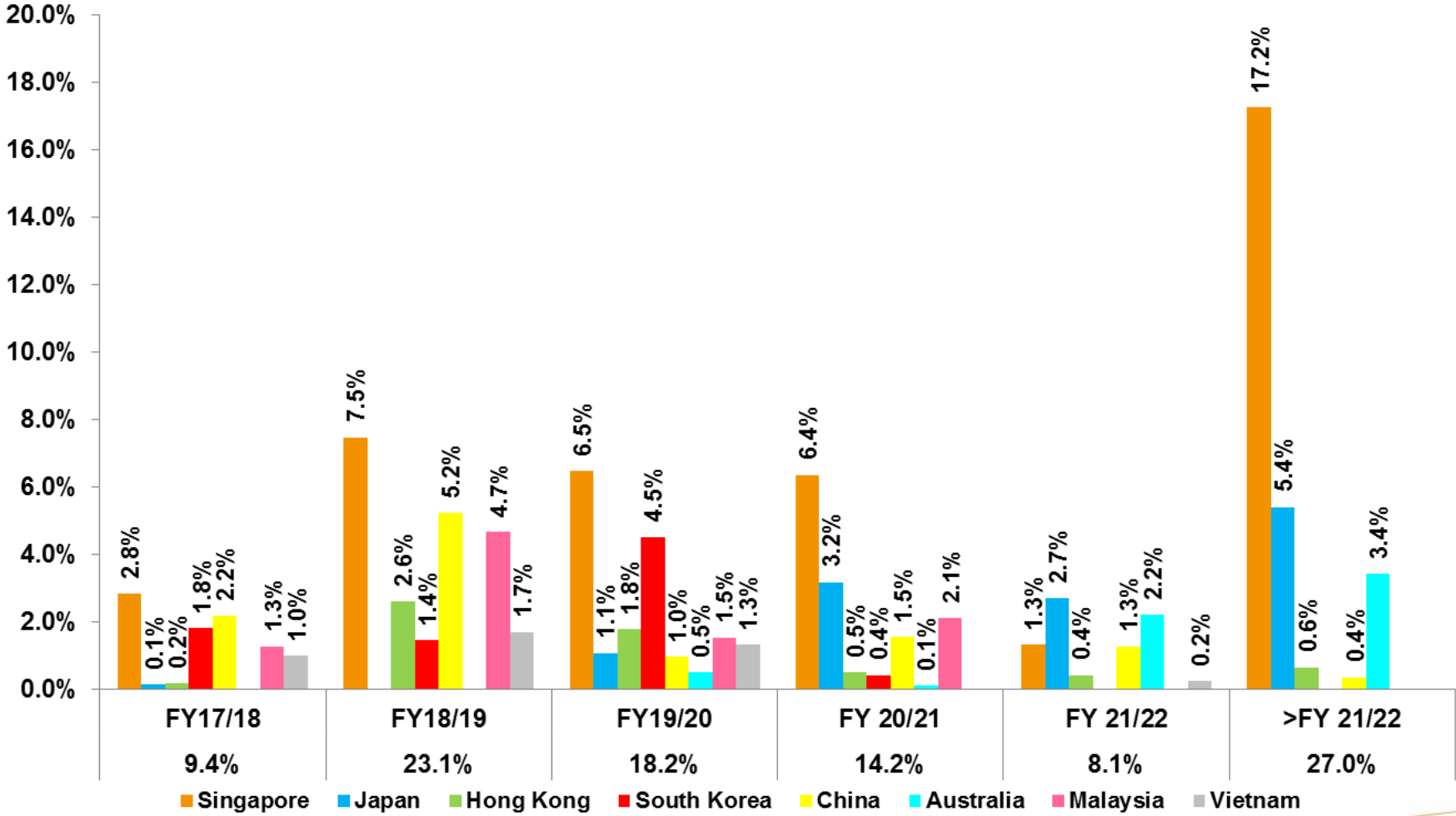
- Well-staggered lease expiry profile with weighted average lease expiry (by NLA) at 3.8 years



As at 30 Sep 2017



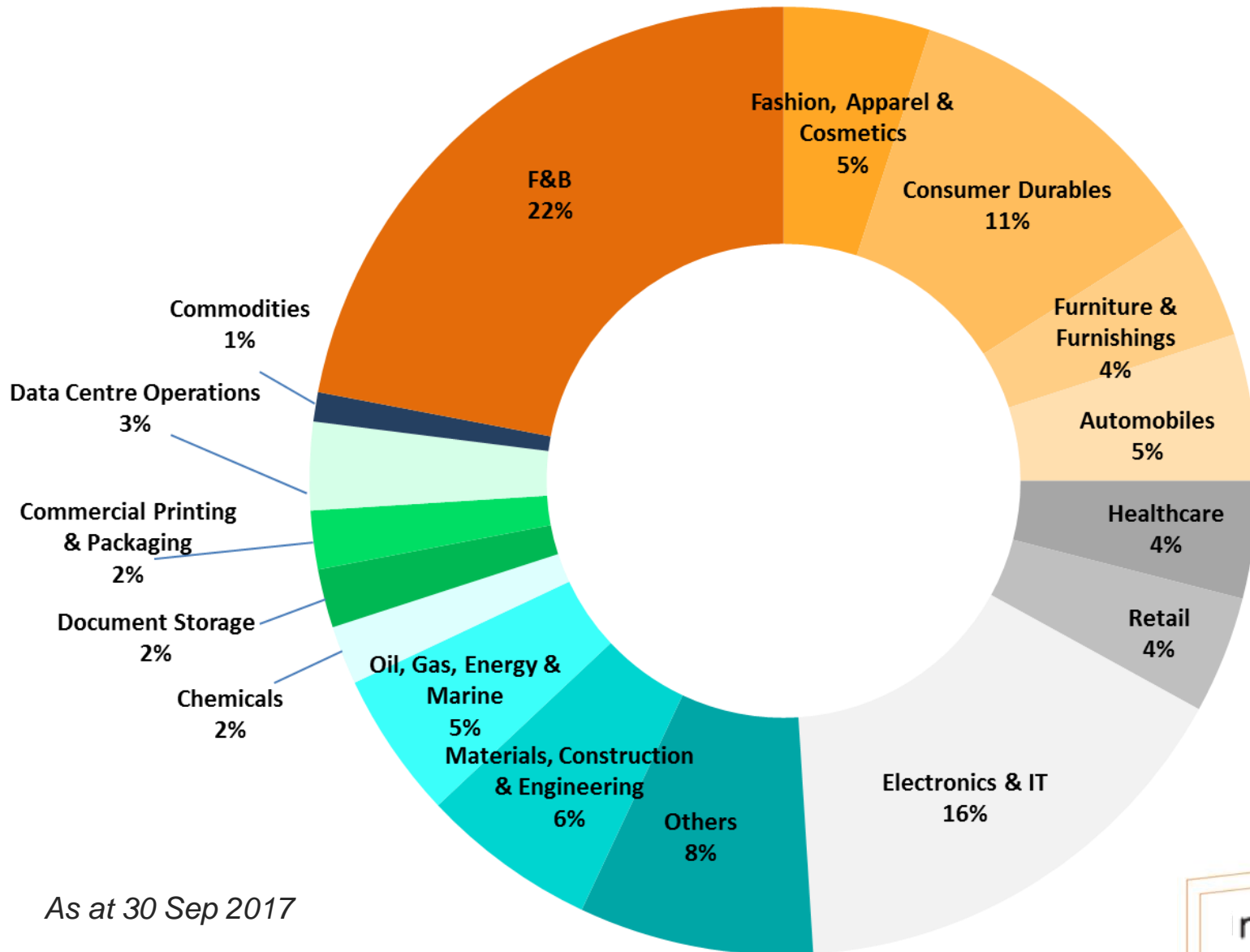
Geographic Breakdown of Lease Expiry Profile (by NLA)



As at 30 Sep 2017



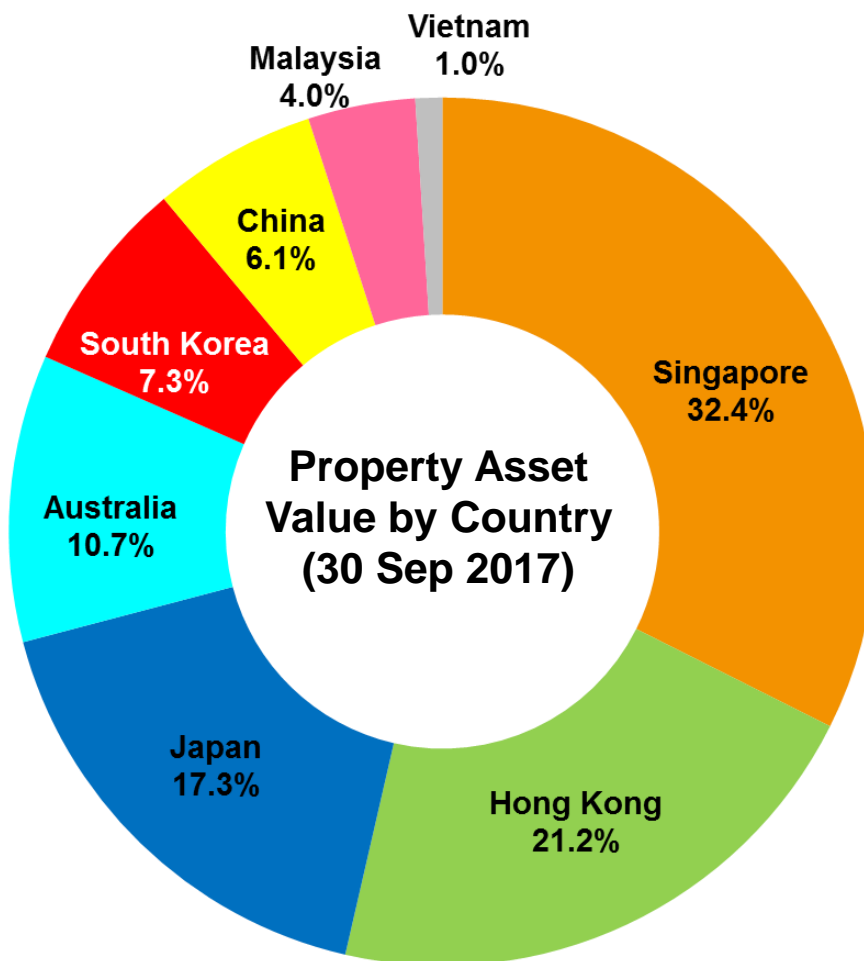
Tenant Trade Sector Diversification



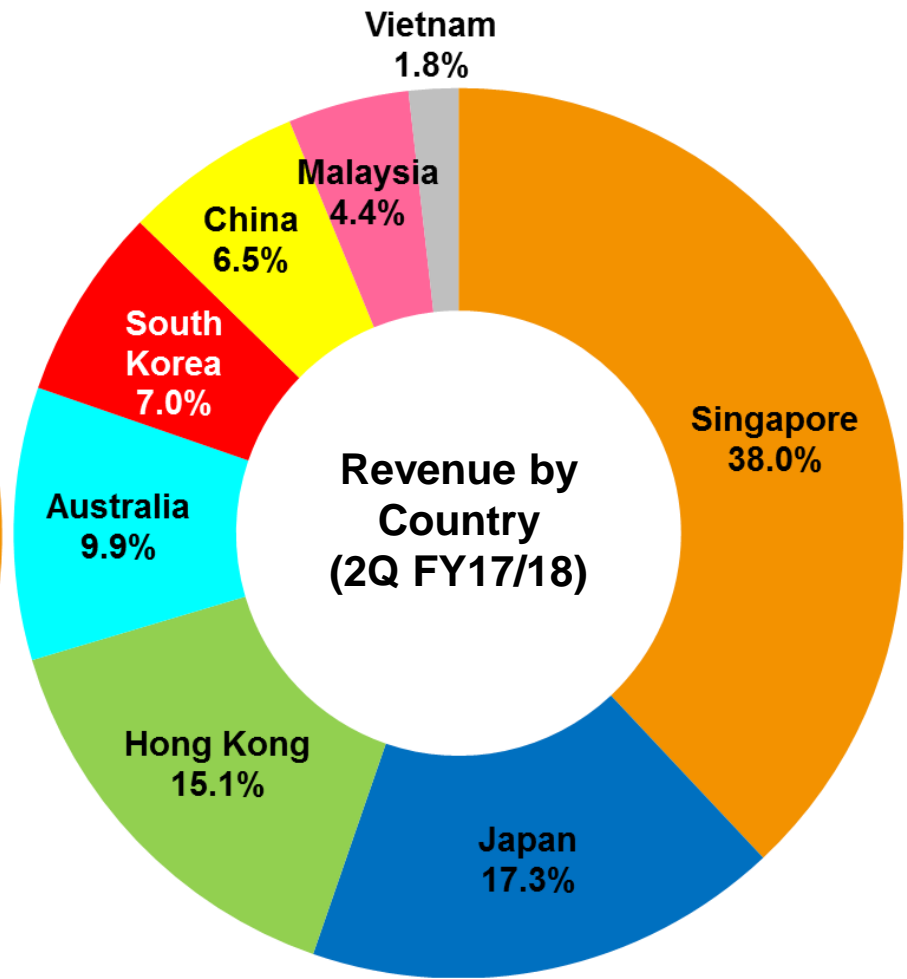
As at 30 Sep 2017



Geographical Diversification



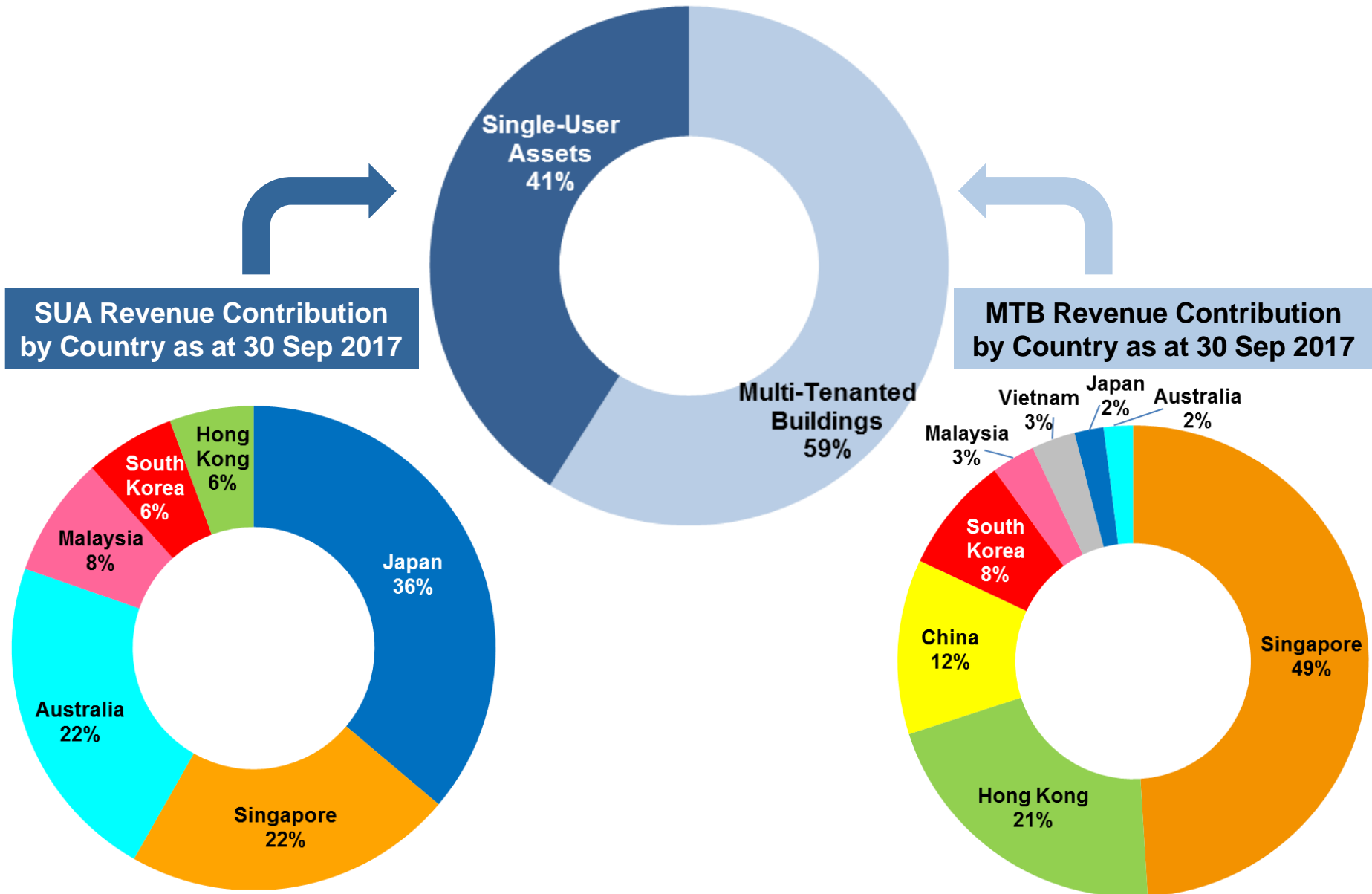
Property Value: S\$5,360.9 million



Revenue: S\$93.7 million

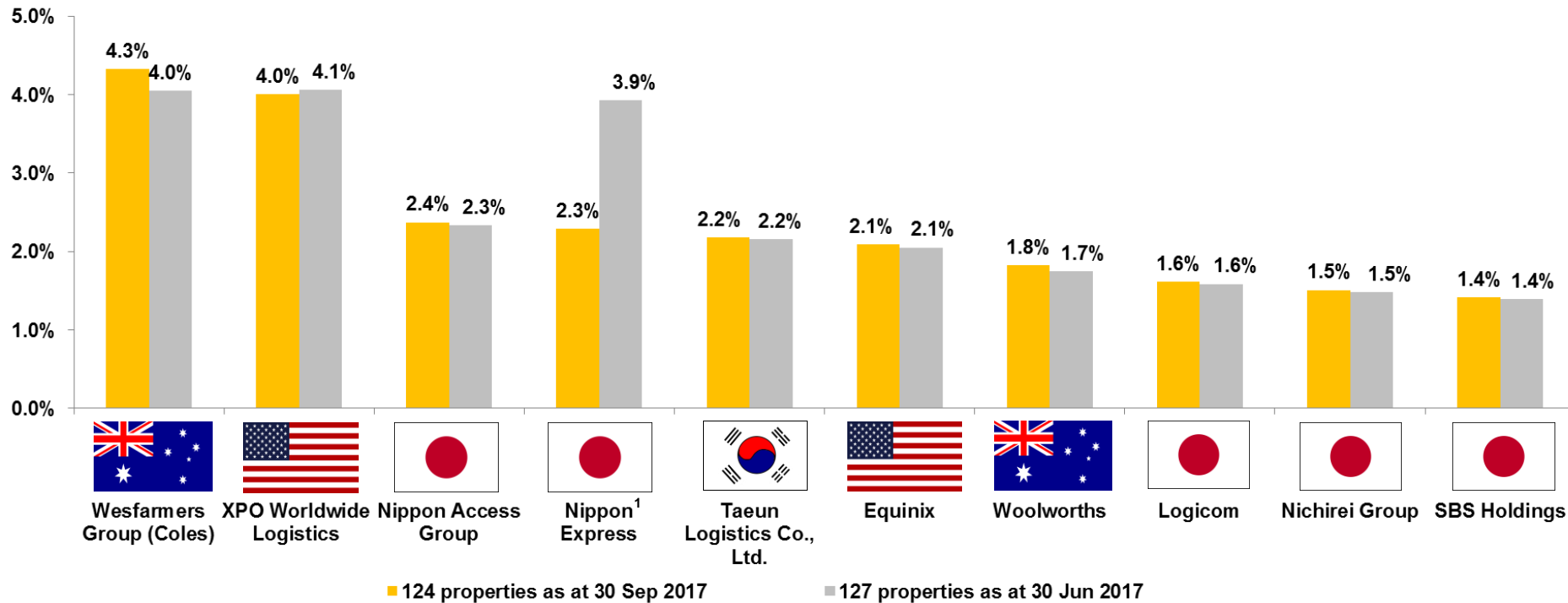


Single-User Assets vs. Multi-Tenanted Buildings



Top 10 Customer Profile (by Gross Revenue)

- 538 customers; none accounts for >5% of total gross revenue
- Top 10 customers account for <25% of total gross revenue

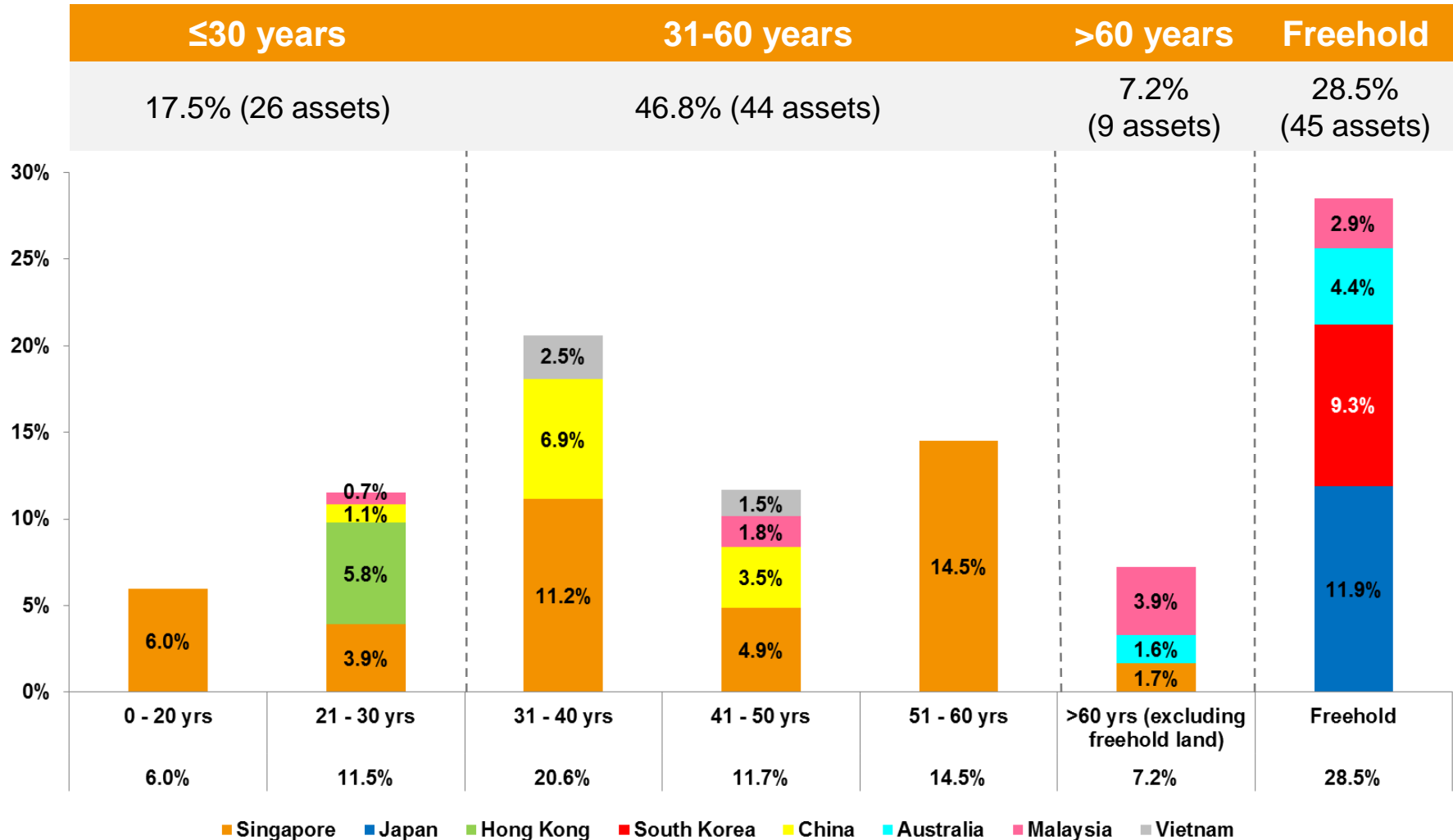


1) Quarter-on-quarter change in Nippon Express' share of MLT's total gross revenue was due to the divestment of Zama Centre.



Remaining years to expiry of underlying land lease (by NLA)

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 47 years





Investment Review

FY17/18 Divestments

Japan



Zama Centre

Properties

Zama Centre,
Shiroishi Centre

Total Sale Consideration

JPY13,500m (~S\$165.4m)

Completion Date

31 July 2017



Shiroishi Centre

Singapore



4 Toh Tuck Link

Property

4 Toh Tuck Link

Total Sale Consideration

S\$14.5m

Completion Date

14 September 2017



7 Tai Seng Drive

Property

7 Tai Seng Drive

Total Sale Consideration

S\$68.0m

Announcement Date

11 August 2017

Acquisition of Mapletree Logistics Hub Tsing Yi

Hong Kong



Property	Mapletree Logistics Hub Tsing Yi
Acquisition Price	HK\$4.8 billion (~S\$832 million)
GFA ¹	84,951 sqm
NLA	148,065 sqm
Initial NPI Yield	5.7%
Occupancy	100% committed occupancy
Acquisition Completion Date	12 October 2017

1) In Hong Kong, GFA is computed as excluding certain common areas such as driveways and carparks. However, the common area is included in the computation of NLA. Hence, the NLA is higher than GFA.

Redevelopment Projects

Before



After



Property

76 Pioneer Road

Description

Redevelopment into a modern 5-storey ramp-up logistics facility

GFA

Increase 1.8x to 72,000 sqm

Target Completion Date

3Q FY17/18

Estimated Cost

~S\$100 million

Redevelopment Projects

Before



After



Property

Ouluo Logistics Centre

Description

Redevelopment into 4 blocks of 2-storey modern ramp-up logistics facility in 2 phases:
Phase 1 commenced in May 2017; Phase 2 commencement in October 2018

GFA

Increase 2.4x to 80,700 sqm

Target Completion Date

Phase 1: 2Q FY18/19
Phase 2: 4Q FY19/20

Estimated Cost

~S\$70 million



Outlook

Outlook

- As a portfolio, the Manager continues to see sustained leasing activities across its diversified markets
 - Singapore's market recovery is still slow due to supply-side pressure
 - Hong Kong is expected to remain a strong market for MLT
 - Japan and Australia provide stable income streams underpinned by 100% occupancy rates and long weighted average lease expiries
- The Manager is focused on:
 - Proactive asset and lease management to maintain high occupancy rates
 - Pursuing opportunities for strategic acquisitions and asset enhancements to improve the quality and specifications of MLT's portfolio
 - Maintaining a disciplined and prudent capital management approach



A 3D architectural rendering of a hallway corner. The walls and ceiling are a solid, vibrant orange color. The perspective is from a low angle, looking down the length of the hallway. The lighting is soft and even, creating a clean, modern aesthetic. The floor is a light, neutral color, possibly white or light grey, which contrasts with the orange walls.

Appendix

MLT's Portfolio at a Glance

	As at 30 Sep 2017	As at 30 Jun 2017
Investment Properties (S\$ million)	5,361	5,518
WALE (by NLA) (years)	3.8	3.9
Net Lettable Area (million sqm)	3.5	3.5
Occupancy Rate (%)	95.8	95.5
No. of Tenants	538	537
No. of Properties	124	127
No. of Properties – By Country		
Singapore	49	50
Japan	20	22
Hong Kong	8	8
China	9	9
Australia	9	9
Malaysia	15	15
South Korea	11	11
Vietnam	3	3

MIPL's Logistics Development Projects in Asia

No	Country	Project name	GFA (sqm)	Status
1	China	Mapletree Tianjin Airport Logistics Park	66,470	Completed with leasing underway
2	China	Mapletree Tianjin Port HaiFeng Bonded Logistics Park	194,072	Completed with leasing underway
3	China	Mapletree Chongqing Jiangjin Industrial Park	47,436	Completed with leasing underway
4	China	Mapletree Wuxi New District Logistics Park	119,599	Completed with leasing underway
5	China	Mapletree Fengdong (Xi'an) Logistics Park Phase 2	64,147	Completed with leasing underway
6	China	Mapletree Hangzhou Xiaoshan Logistics Park	95,890	Completed with leasing underway
7	China	Mapletree Changshu Hi-Tech Logistics Park	59,538	Completed with leasing underway
8	China	Mapletree Nantong NCEDZ Logistics Park	78,846	Completed with leasing underway
9	China	Mapletree Changsha Hi-Tech Logistics Park	79,860	Completed with leasing underway
10	China	Mapletree Tianjin Wuqing Logistics Park	30,050	Completed with leasing underway
11	China	Mapletree Jinan International Logistics Park	81,913	Completed with leasing underway
12	China	Mapletree Yuyao Simeng Logistics Park	48,914	Completed with leasing underway
13	China	Mapletree Nantong EDZ Logistics Park	67,502	Completed with leasing underway
14	China	Mapletree Chongqing Liangjiang Logistics Park	93,380	Completed with leasing underway
15	China	Mapletree Dalian Logistics Park	58,617	Completed with leasing underway
16	China	Mapletree Ningbo Cidong Logistics Park	132,820	Completed with leasing underway
17	China	Mapletree Jiaxing Modern Logistics Park	36,154	Completed with leasing underway
18	China	Mapletree Nanchang EDZ Logistics Park	74,991	Completed with leasing underway
19	China	Mapletree Changsha Hi-Tech II Logistics Park	98,724	Construction underway
20	China	Mapletree Wuhan Xiaogan Logistics Park Phase 1	78,756	Construction underway
21	China	Mapletree Wuhan Yangluo Logistics Park	70,772	Construction underway
22	China	Mapletree Chongqing Airport Logistics Park	88,856	Construction underway
23	China	Mapletree Jurong Logistics Park	104,047	Construction underway
24	China	Mapletree Liuhe Logistics Park	65,832	Construction underway
25	China	Mapletree Shenyang Tiexi Logistics Park	42,677	Construction underway

MIPL's Logistics Development Projects in Asia

No	Country	Project name	GFA (sqm)	Status
26	China	Mapletree Chengdu DC Logistics Park	20,819	Construction underway
27	China	Mapletree Xixian Airport New City Logistics Park	80,221	Awarded land tender
28	China	Mapletree Tianjin Xiqing Logistics Park	33,170	Awarded land tender
29	China	Mapletree Chongqing Western Logistics Park	120,887	Awarded land tender
30	China	Mapletree Quanzhou Logistics Park	126,754	Awarded land tender
31	China	Mapletree Huangdao Logistics Park	77,455	Awarded land tender
32	China	Mapletree Fengdong (Xi'an) Logistics Park Phase 1	44,318	Awarded land tender
33	China	Mapletree Chengdu Qingbaijiang Logistics Park	111,888	Awarded land tender
34	China	Mapletree Guizhou Longli Logistics Park	50,459	Awarded land tender
35	China	Mapletree Zhengzhou Airport Logistics Park	100,020	Awarded land tender
36	China	Mapletree Dalian EDZ Logistics Park	72,967	Awarded land tender
37	China	Mapletree Harbin Nangang Logistics Park	59,000	Awarded land tender
38	China	Mapletree Xuzhou Logistics Park	70,000	Awarded land tender
39	China	Mapletree Changsha Fengchuang Logistics Park	34,700	Awarded land tender
China subtotal			2,987,815	
40	Japan	Odawara Centre (Kanagawa) – 2 phases	205,454	Completed and handed over to BTS customer
41	Japan	Joso Centre (Ibaraki)	27,152	Completed and handed over to BTS customer
Japan subtotal			232,606	
42	Malaysia	Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	133,698	Completed with leasing underway
43	Malaysia	Mapletree Logistics Hub – Shah Alam	211,520	Construction underway
Malaysia subtotal			345,218	
44	Vietnam	Mapletree Logistics Park (Binh Duong) - 6 phases	440,000	<ul style="list-style-type: none"> ▪ P1 & 2 completed with P2 divested to MLT in Sep 2016 ▪ Commenced construction of P3
45	Vietnam	Mapletree Bac Ninh Logistics Park – 5 phases	256,000	<ul style="list-style-type: none"> ▪ P1 divested to MLT in Jul 2015 ▪ P2 completed in Sep 2016
Vietnam subtotal			696,000	
Total as at 30 Sep 2017			4,261,639	