

maple<sup>tree</sup>  
logistics

# 1Q FY13/14 Financial Results

18 July 2013



# Disclaimer

*This Presentation is focused on comparing results for the three months ended 30 Jun 2013 versus results achieved in the three months ended 30 Jun 2012 and versus results achieved in the previous quarter ended 31 Mar 2013. This shall be read in conjunction with Mapletree Logistics Trust's financial results for the three months ended 30 Jun 2013 in the SGXNET announcement.*

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# Agenda

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- **Key Highlights**
- **Financial Review**
- **Capital Management**
- **Business Review**
- **Outlook**





# Key Highlights

# 1Q FY13/14 Highlights

## ■ 1Q FY13/14 DPU up 6% y-o-y

- Amount distributable to Unitholders up 7% y-o-y
- Growth driven mainly by lower borrowing costs and gain from divestment of 30 Woodlands Loop
- Excluding divestment gain, both amount distributable to Unitholders & DPU would have grown 5% y-o-y

## ■ Investment highlights

- Completed divestment of 30 Woodlands Loop in Singapore for S\$15.5 m in Apr 2013
- Announced the acquisition of The Box Centre in South Korea for KRW28.75 b (~S\$32.0 m) <sup>1</sup>

## ■ Resilient portfolio

- Portfolio occupancy at 98.2%
- Positive rental reversion of 17%
- 27% of leases due for expiry in FY13/14 have been renewed / replaced to-date

## ■ Prudent capital management

- Weighted average borrowing cost declined to 1.9% from 2.4% in the previous FY
- Average debt duration increased slightly to 4.0 years; debt maturing in FY13/14 declined to 13%
- Aggregate leverage ratio maintained at 34%
- About 90% of amount distributable in FY13/14 is hedged into / derived in SGD

Footnote:

4 1) Acquisition was completed on 4 July 2013.





# Financial Review

# 1Q FY12/13 vs. 1Q FY13/14 (Year-on-Year)

S\$'000	1Q FY12/13 <sup>1</sup> (3 mths ended 30 Jun 2012)	1Q FY13/14 <sup>2</sup> (3 mths ended 30 Jun 2013)	y-o-y change (%)
Gross Revenue	77,099	75,410	(2%) ↓
Property Expenses	(9,560)	(10,109)	6% ↑
Net Property Income ("NPI")	67,539	65,301	(3%) ↓
Borrowing Costs	(10,023)	(7,172)	(28%) ↓
Amount Distributable	45,823	48,652	6% ↑
• To Perpetual Securities Holders	4,690	4,690	-
• To Unitholders	41,133	43,962 <sup>3</sup>	7% ↑
Available DPU (cents)	1.70	1.80	6% ↑
<b>Excluding Divestment Gains</b>			
Adjusted Amount Distributable to Unitholders	41,133	43,342	5% ↑
Adjusted DPU (cents)	1.70	1.78	5% ↑

- Gross revenue and NPI declined y-o-y due mainly to JPY depreciation. Excluding forex impact, gross revenue and NPI would have grown 3% and 2% respectively due to:
  - An enlarged portfolio
  - Positive rent reversions
- Impact of weaker JPY on distribution is mitigated by currency hedges – 1Q FY13/14 income is fully hedged / derived in SGD
- Borrowing costs down 28% due to lower average interest rates achieved & weaker JPY

## Footnotes:

1) 1Q FY12/13 started with 105 properties and ended with 109 properties.

2) 1Q FY13/14 started with 111 properties and ended with 110 properties.

3) This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S\$620,000 per quarter (for 8 quarters from 1Q FY13/14).

# 4Q FY12/13 vs. 1Q FY13/14 (Quarter-on-Quarter)

S\$'000	4Q FY12/13 <sup>1</sup> (3 mths ended 31 Mar 2013)	1Q FY13/14 <sup>2</sup> (3 mths ended 30 Jun 2013)	q-o-q change (%)
Gross Revenue	75,794	75,410	(0.5%) ↓
Property Expenses	(10,301)	(10,109)	(2%) ↓
Net Property Income ("NPI")	65,493	65,301	(0.3%) ↓
Borrowing Costs	(8,913)	(7,172)	(20%) ↓
Amount Distributable	46,699	48,652	4% ↑
• To Perpetual Securities Holders	4,639	4,690	1% ↑
• To Unitholders	42,060	43,962 <sup>3</sup>	5% ↑
Available DPU (cents)	1.73	1.80	4% ↑
<b>Excluding Divestment Gains</b>			
Adjusted Amount Distributable to Unitholders	42,060	43,342	3% ↑
Adjusted DPU (cents)	1.73	1.78	3% ↑

- Gross revenue and NPI declined q-o-q due mainly to weaker JPY, partially offset by positive rent reversions in Hong Kong & Singapore
- Excluding forex impact, gross revenue and NPI would be up 0.7% and 0.9% respectively
- Borrowing costs down 20% due to lower average interest rates achieved

## Footnotes:

1) 4Q FY12/13 started with 110 properties and ended with 111 properties.

2) 1Q FY13/14 started with 111 properties and ended with 110 properties.

3) This includes partial distribution of the gain from the divestment of 30 Woodlands Loop amounting to S\$620,000 per quarter (for 8 quarters from 1Q FY13/14).



# Healthy Balance Sheet

S\$'000	31 Mar 2013	30 Jun 2013
Investment Properties	4,065,867	4,098,431
Total Assets	4,236,886	4,271,850
Total Liabilities	1,654,633	1,673,903
Net Assets Attributable to Unitholders	2,232,029	2,242,961
NAV Per Unit	S\$0.92 <sup>1</sup>	S\$0.92 <sup>2</sup>

Footnotes:

- 1) Included net derivative financial instruments, at fair value, asset of S\$8.5 million. Excluding this, NAV per unit would be S\$0.91.
- 2) Included net derivative financial instruments, at fair value, asset of S\$11.1 million. Excluding this, NAV per unit would be S\$0.92.



# MLT Distribution Details

## Distribution Details

SGX Stock Code	M44U
Distribution Period	1 Apr 2013 - 30 Jun 2013
Distribution Amount	1.80 cents per unit

## Distribution Timetable

Last day of trading on "cum" basis	23 Jul 2013, 5:00 pm
Ex-Date	24 Jul 2013, 9:00 am
Books Closure Date	26 Jul 2013, 5:00 pm
Distribution Payment Date	29 Aug 2013
Credit of new Units to Unitholders' securities accounts	29 Aug 2013



# Capital Management

# Prudent Capital Management

	As at 31 Mar 2013	As at 30 Jun 2013
Aggregate Leverage Ratio	34.1%	34.0% <sup>1</sup>
Total Debt (S\$ million)	1,434	1,450
Weighted Average Annualised Interest Rate (%) <sup>2</sup>	2.4	1.9
Average Debt Duration (years)	3.9	4.0
Interest Cover Ratio (times) <sup>3</sup>	6.6	8.7
MLT Credit Rating by Moody's	Baa1 with stable outlook	Baa1 with stable outlook

- Lower average interest rates achieved on new interest rate swaps and fixed rate notes entered into in 1Q to replace expiring interest rate hedges
- Approximately 70% of total debt hedged into fixed rates
- All loans are unsecured with minimal financial covenants

Footnotes:

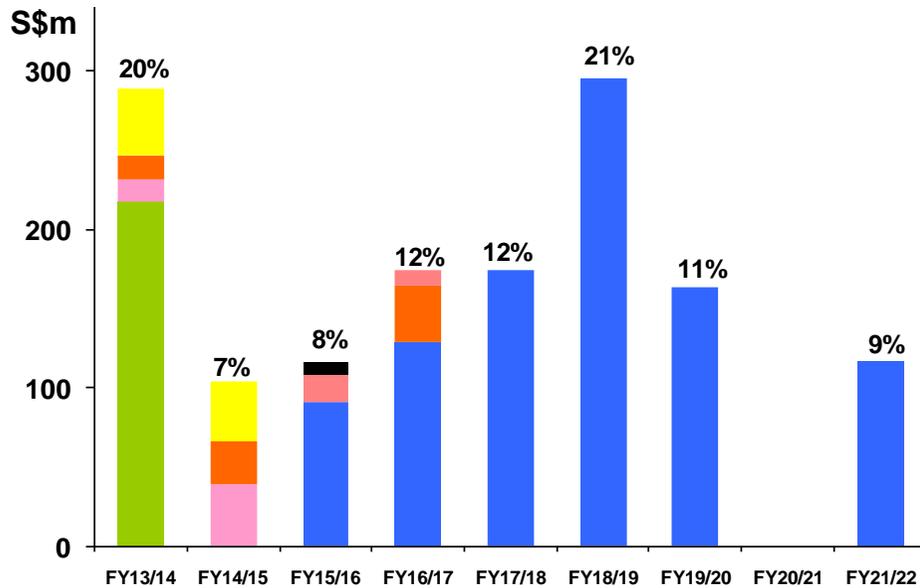
- 1) Post completion of The Box Centre acquisition on 4 Jul 2013, aggregate leverage has increased to 34.6%.
- 2) For the quarter ended.
- 3) Ratio of EBITDA over interest expense for period up to balance sheet date.



# Debt Maturity Profile (By Currency)

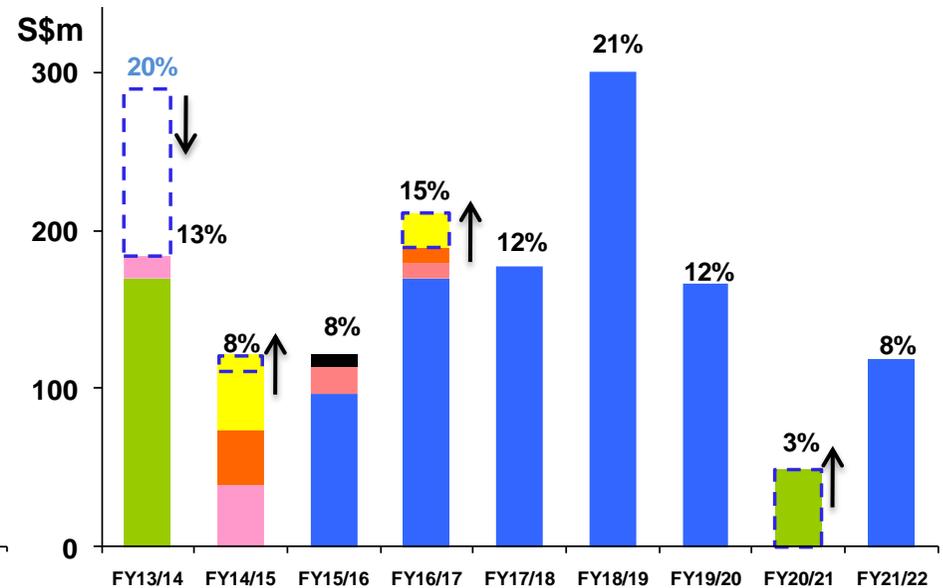
- Maintained healthy balance sheet with a well staggered debt maturity profile
- Issued 7-year HKD300 m medium term note to refinance part of the HKD term loan due in Mar 2014

Debt as at 31 Mar 2013



Debt amount: S\$1,434 million

Debt as at 30 Jun 2013



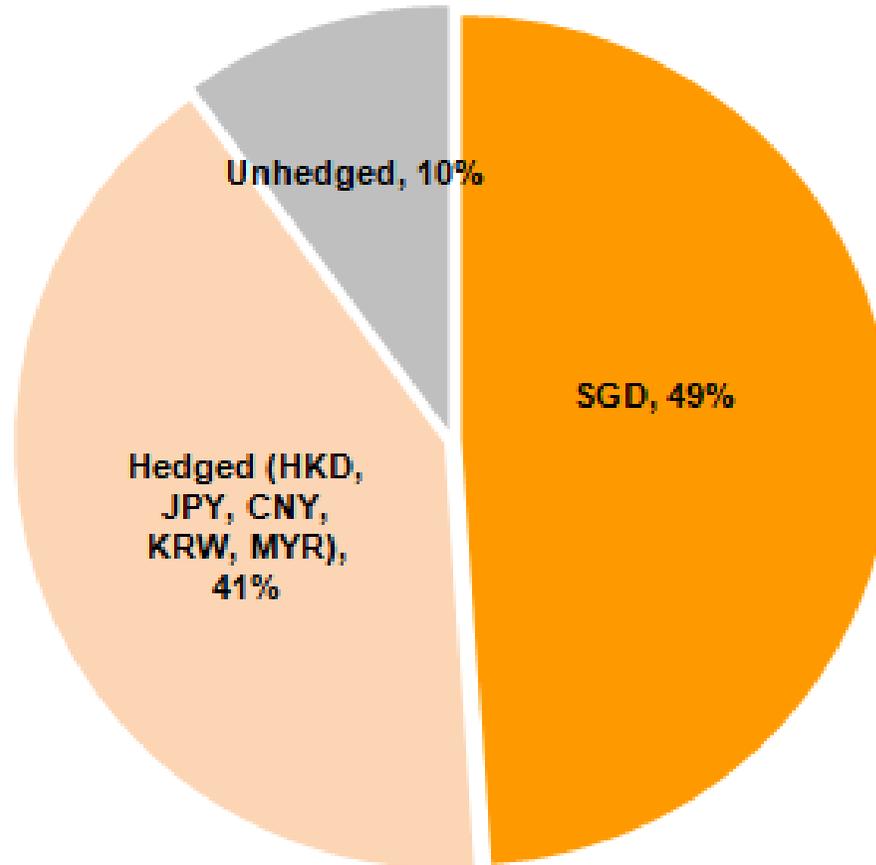
S\$1,450 million

■ CNY ■ SGD ■ HKD ■ JPY ■ MYR ■ KRW ■ USD



# Forex Risk Management

- About 90% of amount distributable in FY13/14 is hedged into / derived in SGD





# **Business Review**

# Stable Portfolio

## ■ Strategic investments

- Completed divestment of 30 Woodlands Loop in Singapore for S\$15.5 m in Apr 2013; gain of S\$4.96 m to be distributed over 8 quarters from 1Q FY13/14 (~0.025 cents DPU per quarter)
- Completed acquisition of The Box Centre in South Korea for KRW28.75 b (~S\$32.0 m) in Jul 2013 at an initial NPI yield of 8.4%

## ■ Active asset and lease management

- Stable operations with 98.2% occupancy rate
- Positive rental reversion of 17% for leases renewed / replaced in 1Q FY13/14, mainly due to leases in Hong Kong and Singapore

## ■ Stability from long leases

- Weighted average lease term to expiry (by net lettable area) at about 5.1 years
- Approximately 40% of MLT's leases are expiring in FY17/18 and beyond

## ■ Ample cushion from security deposits

- Equivalent to about six months coverage of gross revenue

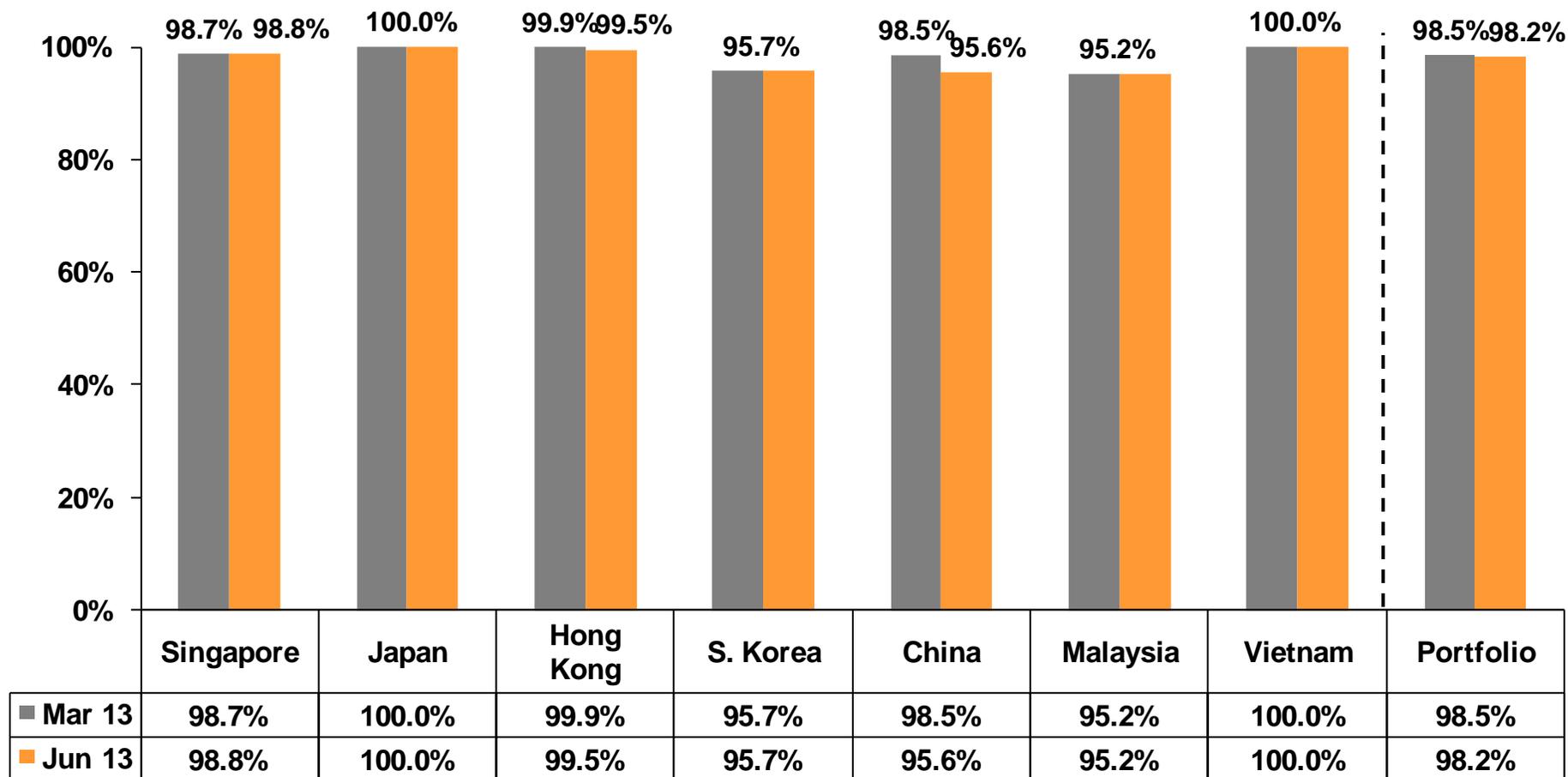
## ■ Arrears ratio remained low and stable

- Less than 1% of annualised gross revenue



# Healthy Occupancy Levels

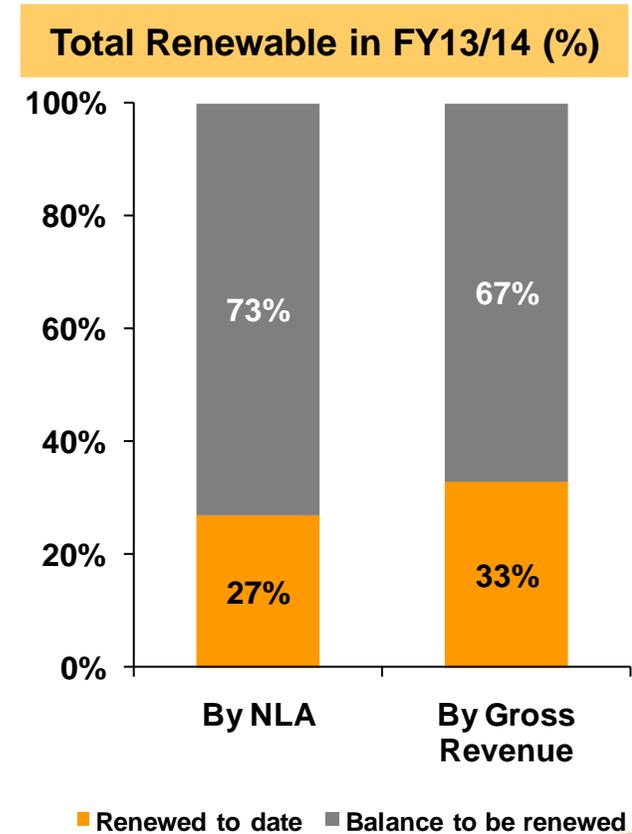
## Country Breakdown of Occupancy Levels



# Successful Lease Renewals in FY13/14

- 15% of MLT's leases (by NLA) are due for expiry in FY13/14
- Approximately 27% of these have been successfully renewed/ replaced to-date

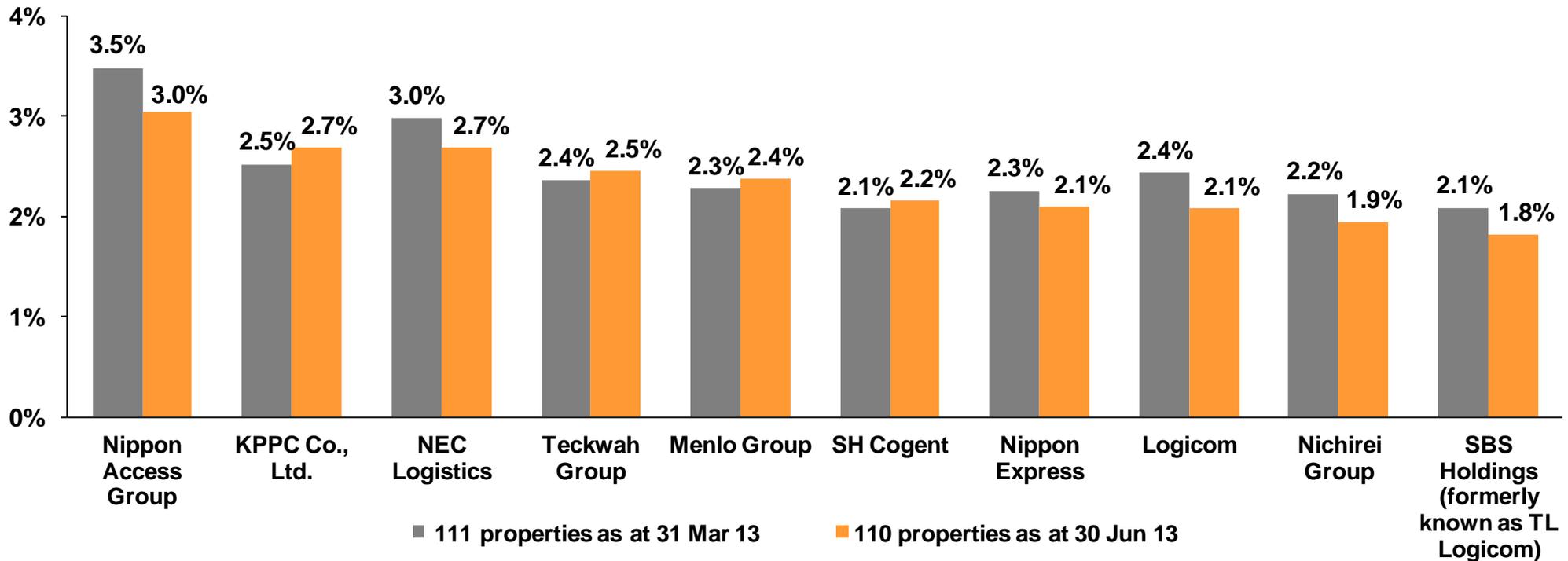
NLA renewed / replaced in FY13/14 ('000 sqm)	Total renewable	Spaces renewed / replaced to date	Balance spaces renewable
Singapore	222	64	158
Malaysia	73	5	68
Hong Kong	54	34	20
China	45	4	41
South Korea	24	3	21
Vietnam	10	5	5
<b>Total Area</b>	<b>428</b>	<b>115</b>	<b>313</b>



# Top 10 Customer Profile

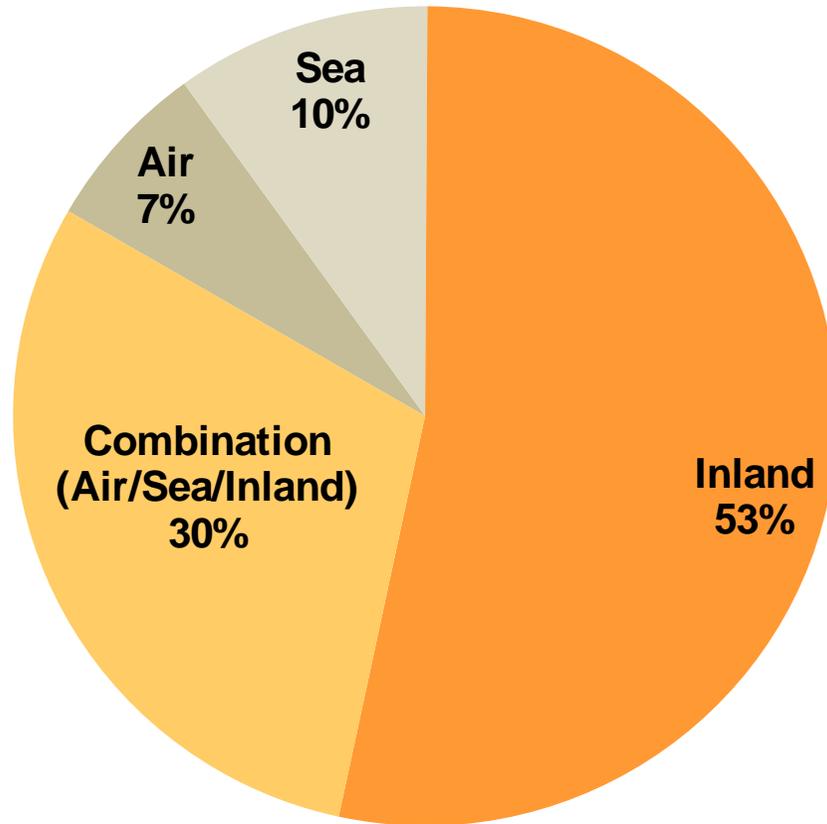
- 369 customers; none accounts for >4% of total revenue
- Top 10 customers ~ 23% of total gross revenue

Top 10 Customer Profile (by Gross Revenue)

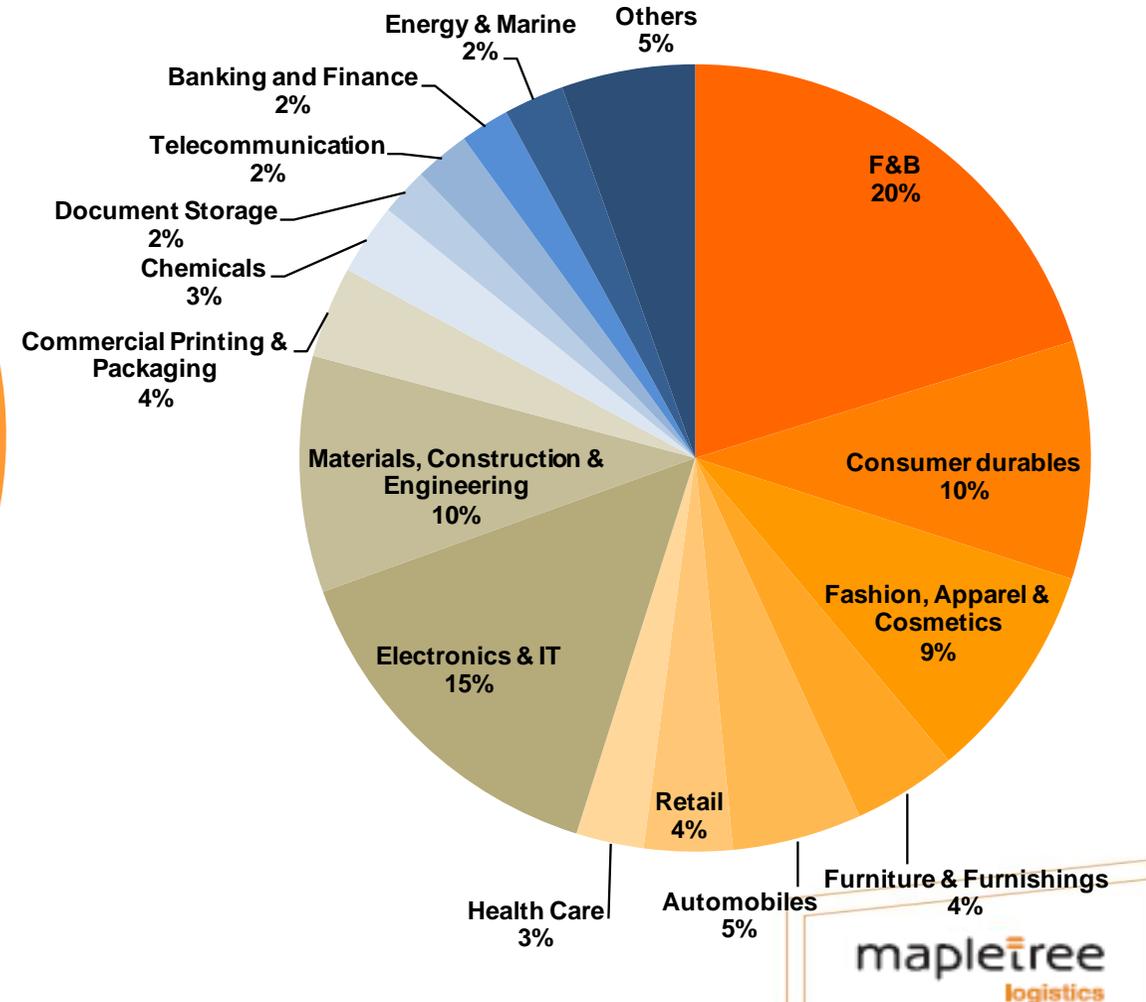


# Diversified Customer Mix Provides Portfolio Stability

Jun 2013 Revenue Contribution  
(By Distribution Channel)

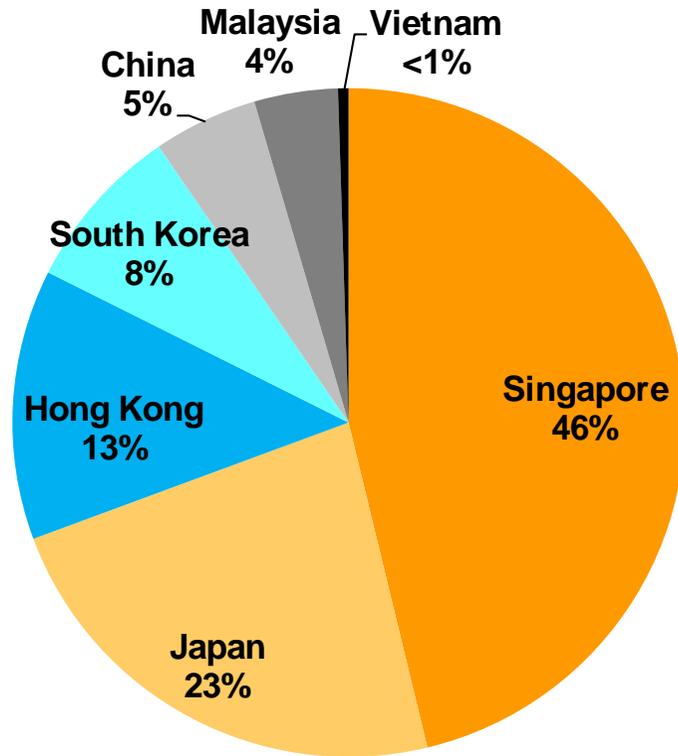


Jun 2013 Revenue Contribution  
(By Industry)



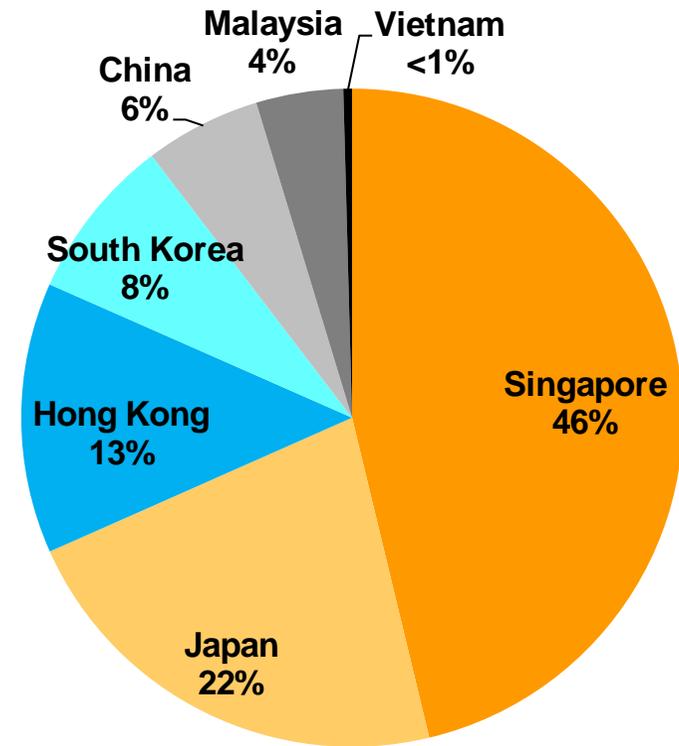
# Geographical Diversification

**4Q FY12/13 Revenue Contribution by Country  
(111 properties as at 31 Mar 2013) <sup>1</sup>**



**\$75.8 million**

**1Q FY13/14 Revenue Contribution by Country  
(110 properties as at 30 Jun 2013) <sup>2</sup>**



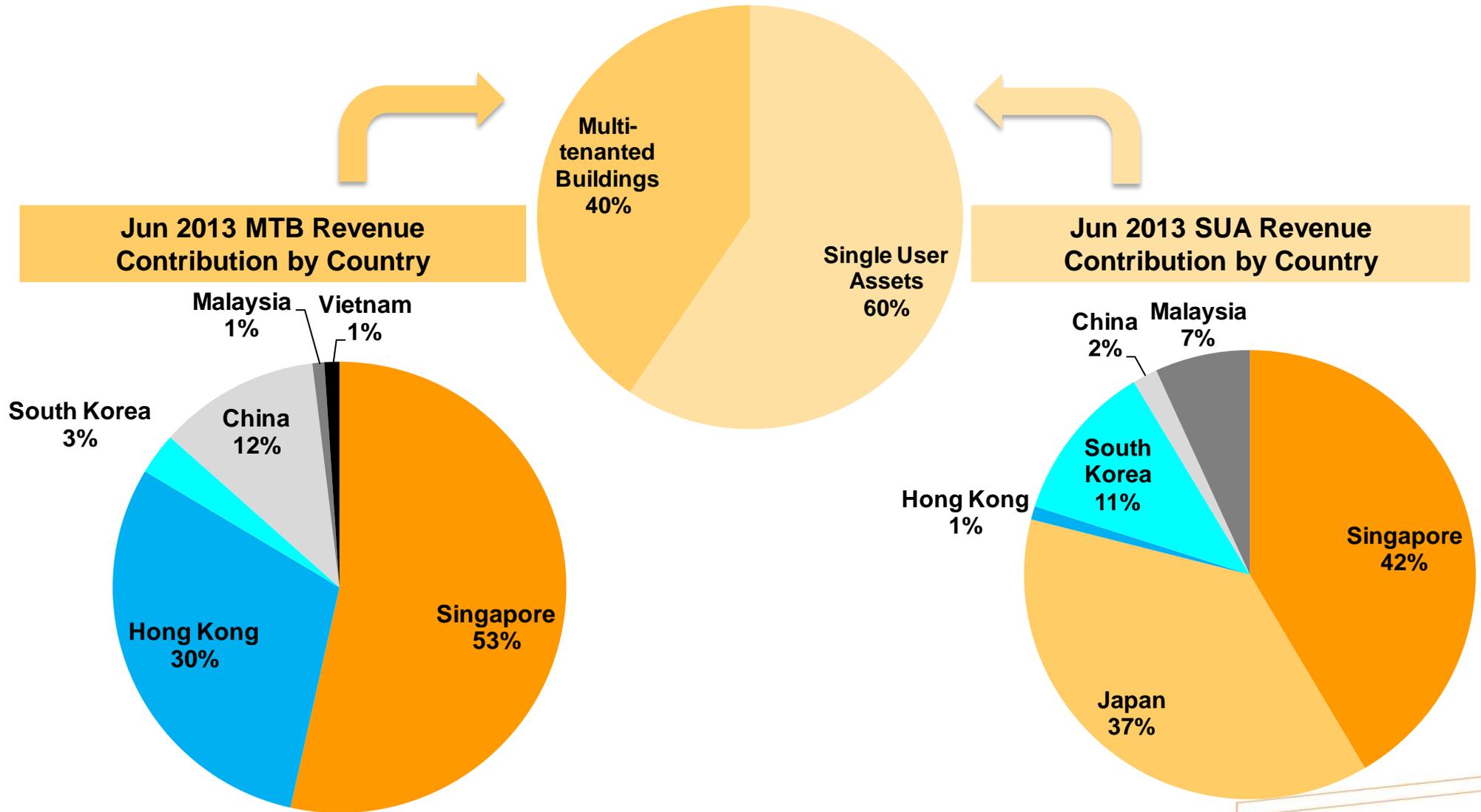
**\$75.4 million**

**Footnotes:**

- 1) 4Q FY12/13 started with 110 properties and ended with 111 properties.
- 2) 1Q FY13/14 started with 111 properties and ended with 110 properties.



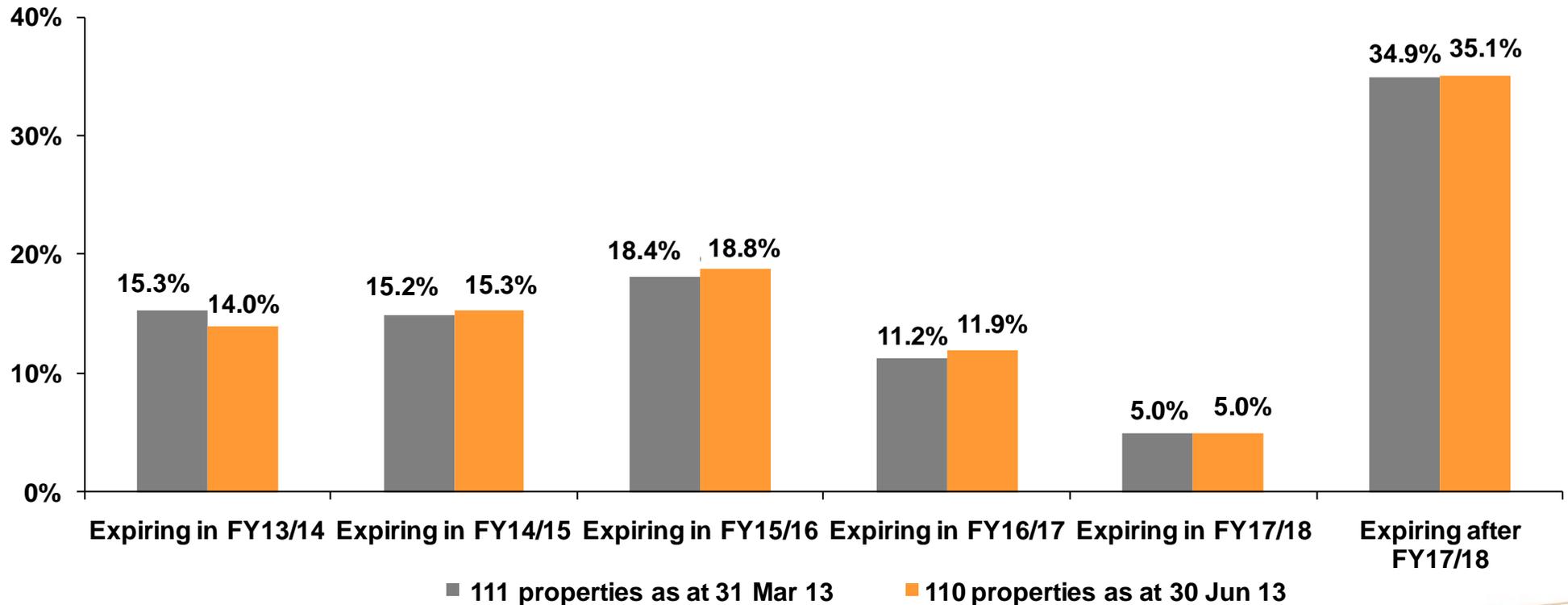
# Multi-tenanted Buildings vs. Single User Assets



# Long Leases Provide Portfolio Stability

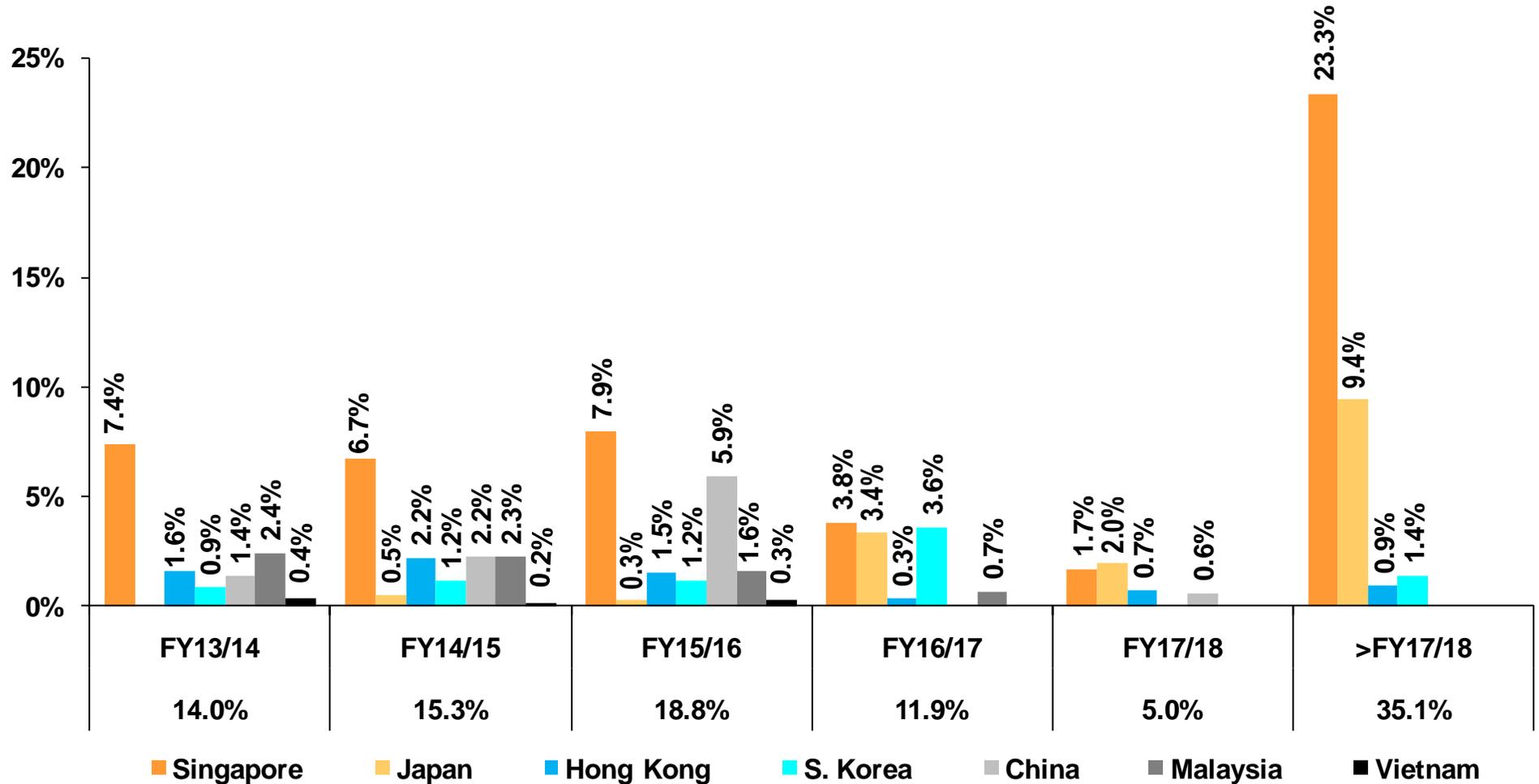
- Weighted average lease term to expiry: 5.1 years
- <20% of MLT's portfolio (by NLA) to expire in any single year

Lease Expiry Profile (By NLA)



# Long Leases Provide Portfolio Stability

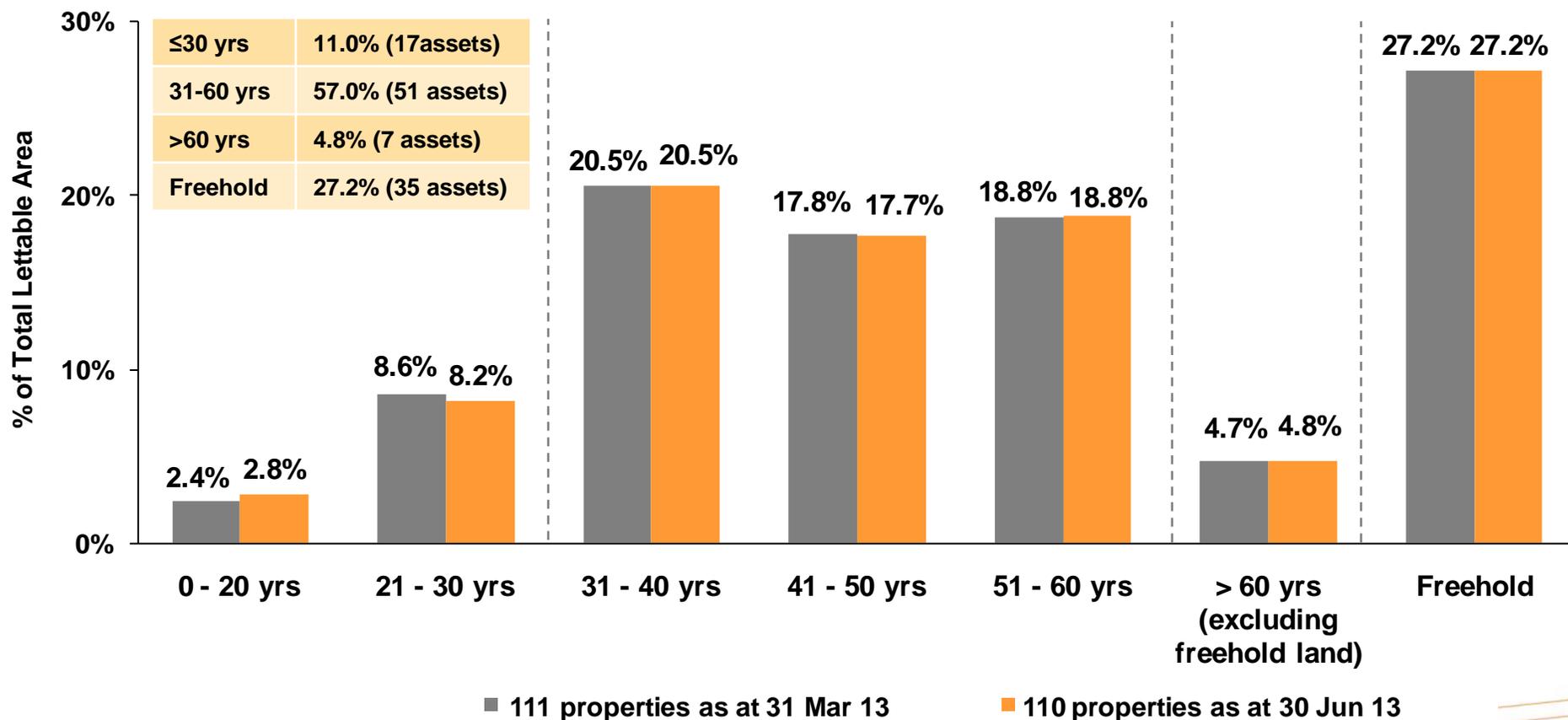
Country Breakdown of Lease Expiry Profile as at 30 Jun 2013 (By NLA)



# Long Leases Provide Portfolio Stability

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 45 years

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

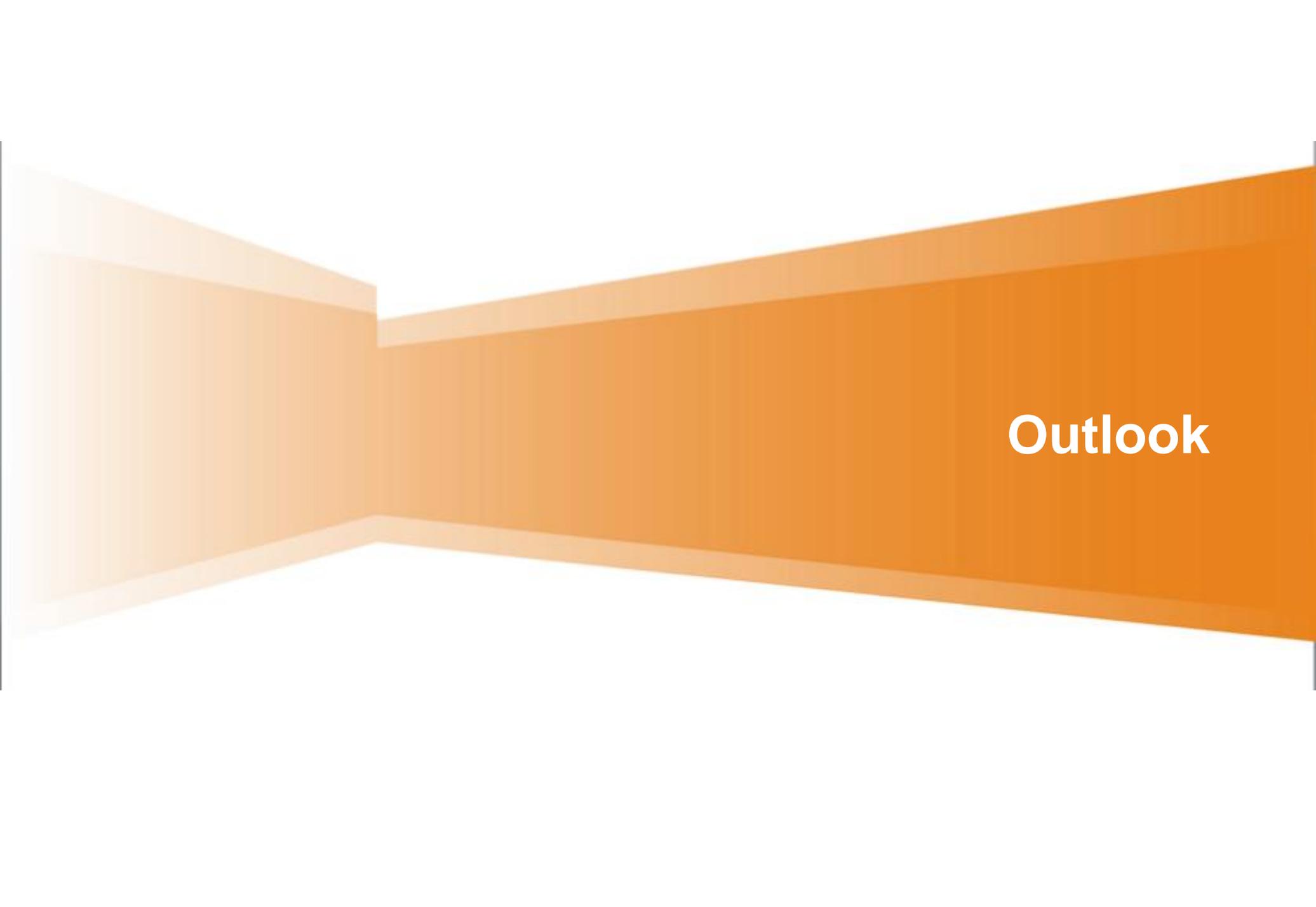


# Portfolio at a Glance

	As at 31 Mar 2013	As at 30 Jun 2013
Investment Properties (S\$ million)	4,066	4,098
WALE (by NLA) (years)	5.3	5.1
Net Lettable Area (million sqm)	2.9	2.9
Occupancy Rate (%)	98.5	98.2
No. of Tenants	371	369
<b>No. of Properties</b>	<b>111</b>	<b>110<sup>1</sup></b>
<b>No. of Properties – By Country</b>		
Singapore	53	52
Japan	22	22
Hong Kong	8	8
China	7	7
Malaysia	13	13
South Korea	7	7 <sup>1</sup>
Vietnam	1	1

Footnote:

1) Following the acquisition of The Box Centre on 4 Jul 2013, MLT's portfolio has increased to 8 assets in South Korea and 111 assets in total



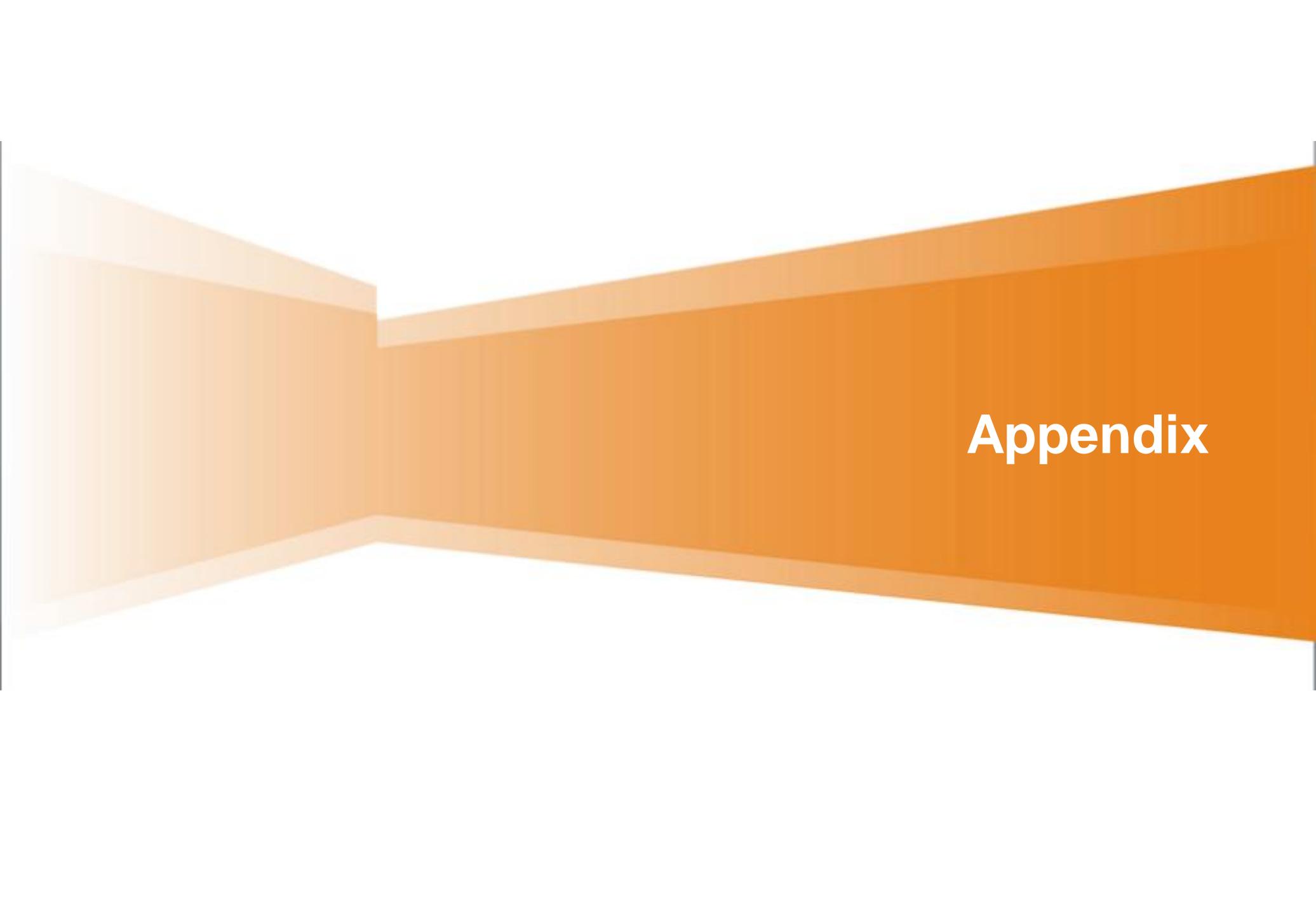
# Outlook

# Outlook

- **Demand for warehouses in Asia remains stable**
- **Update on redevelopment project at 21 Benoi Sector, Singapore**
  - Currently 94% pre-leased
  - On track for completion in 3Q FY13/14
  - Contribution to DPU in FY13/14 will not be material
- **Active asset management efforts to optimise Unitholder returns**
  - About 11% of MLT's leases (by NLA) are due for expiry for the balance of FY13/14, a decrease from 15% at the start of the financial year
  - Upward trend in MLT's property expenses (higher term contract rates, costs associated with conversion of SUAs to MTBs)
  - Continue efforts to manage operational efficiency and costs
- **Value creation for Unitholders**
  - Continue to pursue strategic acquisition opportunities
  - Prudent capital management to maintain strong balance sheet with diversified funding sources

A 3D-rendered scene of a hallway with orange walls and a white floor. The hallway is composed of several rectangular sections. On the right wall of the main section, there is a white rectangular sign with the text "Thank You" in black. The lighting is soft, creating subtle shadows and highlights on the walls and floor.

**Thank You**

A 3D architectural graphic consisting of several orange, semi-transparent rectangular planes. The planes are arranged to form a corner or a series of connected walls, creating a sense of depth and perspective. The lighting is soft, casting subtle shadows and highlights on the surfaces. The overall composition is clean and modern.

# Appendix

# MIPL's Logistics Development Projects in Asia

No.	Project	GFA (sqm)	Status
1	Mapletree Yangshan Bonded Logistics Park (Shanghai)	45,900	Completed with leasing underway
2	Mapletree Beijing FTZ Park	35,900	Completed with leasing underway
3	Mapletree Tianjin Airport Logistics Park	66,500	Completed with leasing underway
4	Mapletree Tianjin Port HaiFeng Bonded Logistics Park	194,100	Completed with leasing underway
5	Mapletree Zhengzhou International Logistics Park	79,300	Completed in Jul 2013; 57% pre-leased
<b>China Subtotal</b>		<b>421,700</b>	
6	Mapletree Shah Alam Logistics Park	60,000	Completed with active renewal of leases
<b>Malaysia Subtotal</b>		<b>60,000</b>	
7	Mapletree Logistics Park (Binh Duong)	440,000	Phases 1 & 2 completed with leasing underway
8	Mapletree Bac Ninh Logistics Park	310,000	Phase 1 completed with leasing underway
<b>Vietnam Subtotal</b>		<b>750,000</b>	
9	Odawara Centre (Kanagawa)	205,100	Phase 1 completed and handed over to BTS customer in Mar 2013; Phase 2 almost completed
10	Joso Centre (Ibaraki)	27,200	Completed and handed over to BTS customer in Mar 2012
<b>Japan Subtotal</b>		<b>232,300</b>	
11	Tsing Yi Development	85,000	In design stage
<b>Hong Kong Subtotal</b>		<b>85,000</b>	
<b>Total</b>		<b>1,549,000</b>	