



Mapletree Logistics Trust

2Q FY19/20 Financial Results

21 October 2019

Disclaimer

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Agenda

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

Key Highlights

- **2Q FY19/20 Amount Distributable to Unitholders of S\$73.7m (+15.4% y-o-y) and DPU of 2.025 cents (+3.4% y-o-y)**
 - Gross revenue rose 14.2% to S\$121.8m and NPI grew 21.0% to S\$109.1m
 - Improved results reflect stable portfolio performance, augmented by higher contribution from Hong Kong SAR as well as contributions from the completed redevelopment in China and accretive acquisitions in FY18/19, partly offset by absence of contributions from divestments in 1Q FY19/20
- **Resilient Portfolio**
 - Portfolio occupancy rate held steady at 97.5%, compared to 97.6% in 1Q FY19/20
 - Positive average rental reversion of 1.8% mainly due to Hong Kong SAR, Malaysia and Vietnam
 - Well-staggered lease expiry profile with WALE (by NLA) of 4.6 years
- **Active Portfolio Rejuvenation**
 - Entered into forward purchase agreement to acquire modern logistics property in Melbourne, Australia
- **Proactive Capital Management**
 - Well-staggered debt maturity profile with an average debt duration of 3.7 years at a weighted average borrowing cost of 2.6% per annum
 - Aggregate leverage of 37.0% as at 30 Sep 2019
 - Approximately 83% of total debt is hedged into fixed rates and about 80% of income stream for the next 12 months has been hedged

Financial Review

2Q FY19/20 vs. 2Q FY18/19 (Year-on-Year)

S\$'000	2Q FY19/20 ¹ 3 mths ended 30 Sep 2019	2Q FY18/19 ² 3 mths ended 30 Sep 2018	Y-o-Y change
Gross Revenue	121,750	106,648	14.2%
Property Expenses	(12,624)	(16,456)	(23.3%)
Net Property Income ("NPI")	109,126	90,192	21.0%
Borrowing Costs	(21,196)	(16,782)	26.3%
Contribution from Joint Ventures ³	2,270 ⁴	2,264 ⁵	0.3%
Amount Distributable	78,007 ⁶	68,188 ⁷	14.4%
- To Perp Securities holders	4,290	4,290	-
- To Unitholders	73,717	63,898	15.4%
Available DPU (cents)	2.025	1.958	3.4%
Total issued units at end of period (million)	3,640	3,564	2.1%

- Revenue growth mainly due to:
 - higher contribution from Hong Kong SAR
 - contribution from completed redevelopment of Mapletree Ouluo Logistics Park Phase 1 in Shanghai
 - accretive acquisitions in FY18/19
 - partly offset by divestment of five Japan properties in 1Q FY19/20
- Property expenses decreased mainly due to recognition of lower land rent with the adoption of SFRS(I)16 (~S\$2.7m) and divestments in 1Q FY19/20
- Borrowing costs increased due to:
 - incremental borrowings to fund FY18/19 acquisitions
 - recognition of interest expense on lease liabilities with the adoption of SFRS(I)16 (~S\$1.7m)
 - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:

1. 2Q FY19/20 started and ended with 137 properties.
2. 2Q FY18/19 started with 134 properties and ended with 139 properties.
3. Share of results of joint ventures relate to MLT's 50% interest in 11 joint venture properties which were acquired in June 2018. The results for the joint ventures were equity accounted for at the Group level.
4. Included in interest income of the Group was S\$1,978,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$191,000 in other trust expenses, net for the quarter ended 30 September 2019.
5. Included in interest income of the Group was S\$2,681,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$267,000 in other trust (expenses)/income, net for the quarter ended 30 September 2018.
6. This includes full distribution of written back provision of capital gain tax for 20 Old Toh Tuck Road, partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of 5 divested properties in Japan, 531 Bukit Batok Street 23 and 7 Tai Seng Drive.
7. This includes partial distribution of the gains from the divestments of 7 Tai Seng Drive, 4 Toh Tuck Link, Zama Centre and Shiroishi Centre.

1H FY19/20 vs. 1H FY18/19 (Year-on-Year)

\$'000	1H FY19/20 ¹ 6 mths ended 30 Sep 2019	1H FY18/19 ² 6 mths ended 30 Sep 2018	Y-o-Y change
Gross Revenue	241,561	212,089	13.9%
Property Expenses	(26,307)	(32,099)	(18.0%)
Net Property Income ("NPI")	215,254	179,990	19.6%
Borrowing Costs	(42,825)	(32,346)	32.4%
Contribution from Joint Ventures ³	4,110 ⁴	2,755 ⁵	49.2%
Amount Distributable	155,852 ⁶	133,349 ⁷	16.9%
- To Perp Securities holders	8,533	8,533	-
- To Unitholders	147,319	124,816	18.0%
Available DPU (cents)	4.050	3.915	3.4%
Total issued units at end of period (million)	3,640	3,564	2.1%

- Revenue growth mainly due to:
 - higher contribution from Hong Kong SAR
 - contribution from completed redevelopment of Mapletree Ouluo Logistics Park Phase 1 in Shanghai
 - accretive acquisitions in FY18/19
 - partly offset by divestment of five Japan properties in 1Q FY19/20 and two properties in FY18/19
- Property expenses decreased mainly due to recognition of lower land rent with the adoption of SFRS(I)16 (~\$5.5m) and divestments in 1Q FY19/20
- Borrowing costs increased due to:
 - incremental borrowings to fund FY18/19 acquisitions
 - recognition of interest expense on lease liabilities with the adoption of SFRS(I)16 (~\$3.2m)
 - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:

1. 1H FY19/20 started with 141 properties and ended with 137 properties.
2. 1H FY18/19 started with 124 properties and ended with 139 properties.
3. Share of results of joint ventures relate to MLT's 50% interest in 11 joint venture properties which were acquired in June 2018. The results for the joint ventures were equity accounted for at the Group level.
4. Included in interest income of the Group was S\$4,010,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$423,000 in other trust expenses, net for the period ended 30 September 2019.
5. Included in interest income of the Group was S\$3,341,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$337,000 in other trust (expenses)/income, net for the period ended 30 September 2018.
6. This includes full distribution of written back provision of capital gain tax for 20 Old Toh Tuck Road, partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of 5 divested properties in Japan, 531 Bukit Batok Street 23, 7 Tai Seng Drive and 4 Toh Tuck Link.
7. This includes partial distribution of the gains from the divestments of 7 Tai Seng Drive, 4 Toh Tuck Link, Zama Centre and Shiroishi Centre.

2Q FY19/20 vs. 1Q FY19/20 (Quarter-on-Quarter)

S\$'000	2Q FY19/20 ¹ 3 mths ended 30 Sep 2019	1Q FY19/20 ² 3 mths ended 30 June 2019	Q-o-Q change
Gross Revenue	121,750	119,811	1.6%
Property Expenses	(12,624)	(13,683)	(7.7%)
Net Property Income ("NPI")	109,126	106,128	2.8%
Borrowing Costs	(21,196)	(21,629)	(2.0%)
Contribution from Joint Ventures ³	2,270 ⁴	1,840 ⁵	23.4%
Amount Distributable	78,007 ⁶	77,845 ⁷	0.2%
- To Perp Securities holders	4,290	4,243	1.1%
- To Unitholders	73,717	73,602	0.2%
Available DPU (cents)	2.025	2.025	-
Total issued units at end of period (million)	3,640	3,635	0.1%

- Revenue increased due to higher contribution from Hong Kong SAR
- Property expenses decreased due to lower operation and maintenance expenses in Singapore and Hong Kong SAR

Notes:

1. 2Q FY19/20 started and ended with 137 properties.
2. 1Q FY19/20 started with 141 properties and ended with 137 properties.
3. Share of results of joint ventures relate to MLT's 50% interest in 11 joint venture properties which were acquired in June 2018. The results for the joint ventures were equity accounted for at the Group level.
4. Included in interest income of the Group was S\$1,978,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$191,000 in other trust expenses, net for the quarter ended 30 September 2019.
5. Included in interest income of the Group was S\$2,032,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$232,000 in other trust expenses, net for the quarter ended 30 June 2019.
6. This includes full distribution of written back provision of capital gain tax for 20 Old Toh Tuck Road, partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of 5 divested properties in Japan, 531 Bukit Batok Street 23 and 7 Tai Seng Drive.
7. This includes partial distribution of written back provision of capital gain tax for 134 Joo Seng Road and 20 Tampines Street 92 and the gains from the divestments of 5 divested properties in Japan, 531 Bukit Batok Street 23, 7 Tai Seng Drive and 4 Toh Tuck Link.

Healthy Balance Sheet

S\$'000	As at 30 Sep 2019	As at 30 Jun 2019
Investment Properties	7,668,388	7,614,749
Total Assets	8,060,473	8,011,740
Total Liabilities	3,378,460	3,335,486
Net Assets Attributable to Unitholders	4,246,689	4,242,021
NAV / NTA Per Unit	\$1.17 ¹	\$1.17 ¹

Notes:

1. Includes net derivative financial instruments, at fair value, liability of S\$21.0 million. Excluding this, the NAV per unit remains unchanged at S\$1.17.
2. Includes net derivative financial instruments, at fair value, liability of S\$16.5 million. Excluding this, the NAV per unit remains unchanged at S\$1.17.

Capital Management

Prudent Capital Management

	As at 30 Sep 2019	As at 30 Jun 2019
Total Debt (S\$ million) ¹	2,989	2,963
Aggregate Leverage Ratio ^{2,3}	37.0%	36.8%
Weighted Average Annualised Interest Rate ⁴	2.6%	2.8%
Average Debt Duration (years) ⁴	3.7	3.8
Interest Cover Ratio (times) ⁵	5.0	4.9
MLT Credit Rating by Moody's	Baa2 with stable outlook	Baa2 with stable outlook

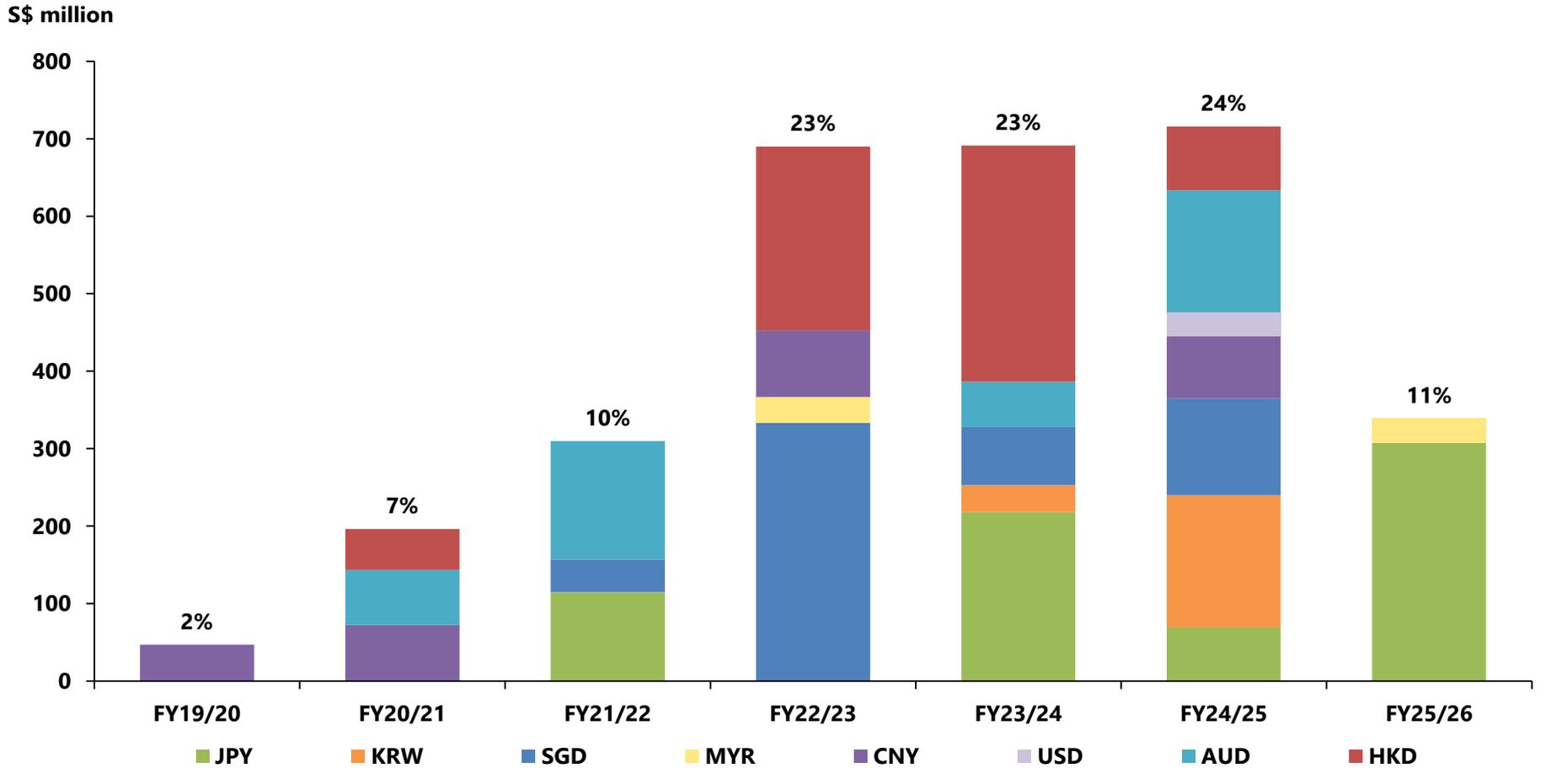
- Total debt outstanding increased by S\$26m mainly due to:
 - additional loans of S\$11m drawn to fund capex;
 - higher net translated loans of S\$15m attributable to the appreciation of JPY and HKD against SGD
- Gearing ratio increased to 37.0%
- Interest rate decreased to 2.6% per annum due to extension of interest rate swaps at lower rates

Notes:

1. Total debt is inclusive of proportionate share of borrowings of joint ventures.
2. In accordance with Property Fund Guidelines, the aggregate leverage ratio includes proportionate share of borrowings and deposited property values of the joint ventures acquired in FY18/19.
3. Total debt (including perpetual securities) to net asset value ratio and total debt (including perpetual securities) less cash and cash equivalent to net asset value ratio as at 30 Sep 2019 were 71.2% and 71.0% respectively.
4. Average debt duration and weighted average borrowing cost are inclusive of proportionate share of borrowings of joint ventures.
5. Ratio of EBITDA over interest expense for period up to balance sheet date.

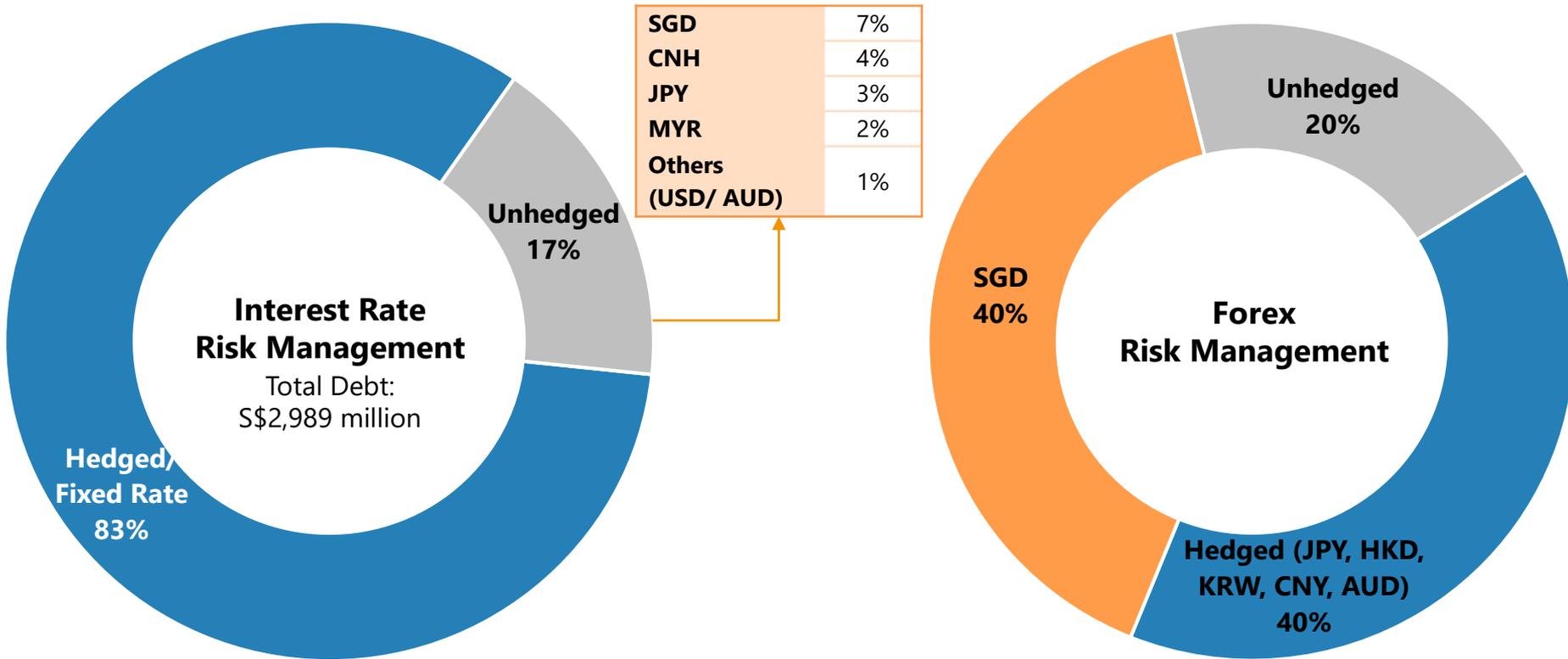
Well-Staggered Debt Maturity Profile

Total Debt: S\$2,989 million



- Debt maturity profile remains well staggered with an average debt duration of 3.7 years

Interest Rate & Forex Risk Management



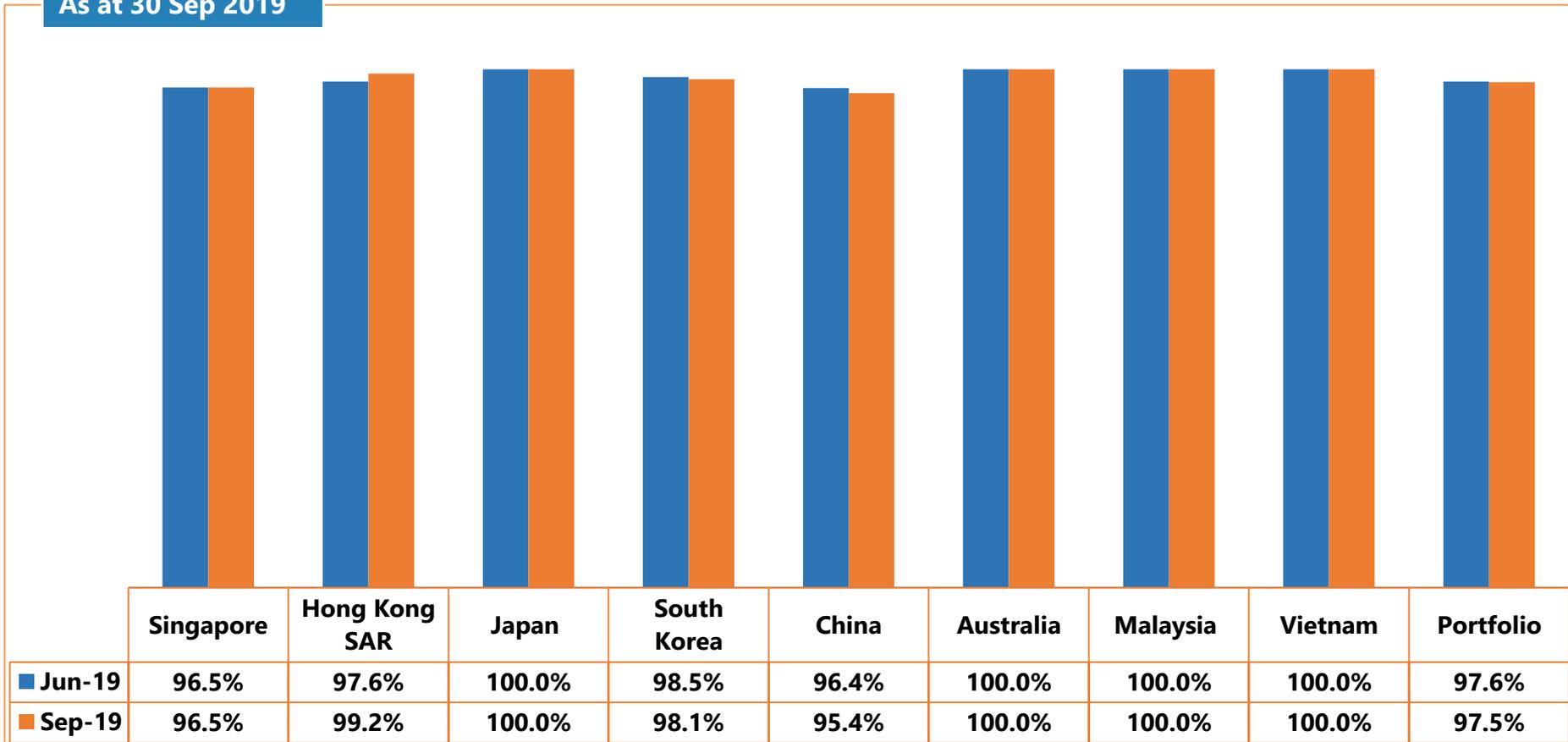
- About 83% of total debt is hedged or drawn in fixed rates
- Every potential 25 bps increase in base rates¹ may result in a ~S\$0.32 million decrease in distributable income or 0.01 cents in DPU² per quarter
- About 80% of amount distributable in the next 12 months is hedged into / derived in SGD

Notes:
 1. Base rate denotes SOR, USD LIBOR, JPY LIBOR/DTIBOR, CNH HIBOR, HKD HIBOR, KLIBOR and BBSY/BBSW.
 2. Based on 3,640 million units as at 30 September 2019.

Portfolio Review

Geographic Breakdown of Occupancy Levels

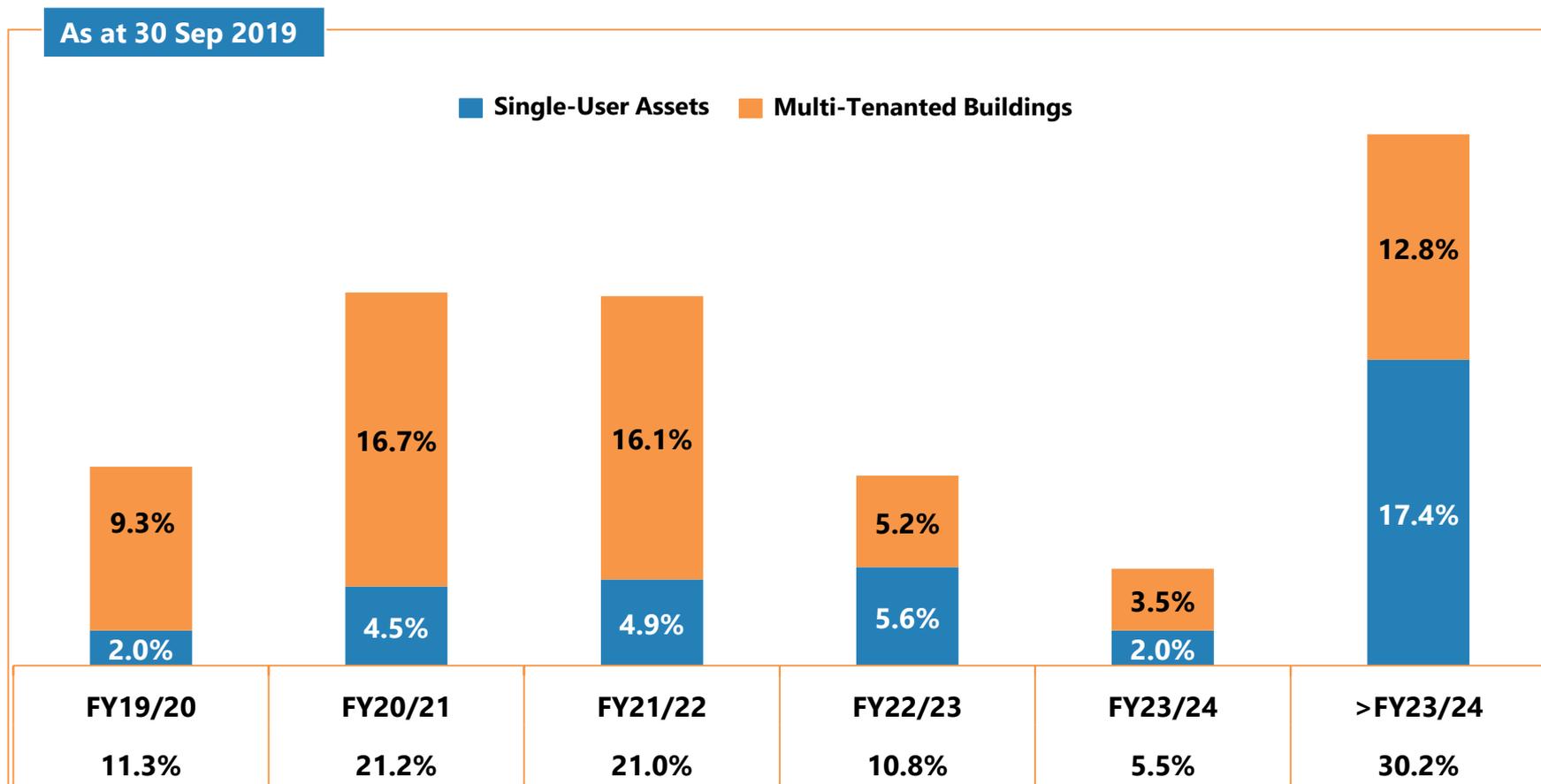
As at 30 Sep 2019



- Portfolio occupancy stood at 97.5%, reflecting lower occupancies in South Korea and China which were partly offset by improved occupancy in Hong Kong SAR
- Japan, Australia, Malaysia and Vietnam maintained 100% occupancy

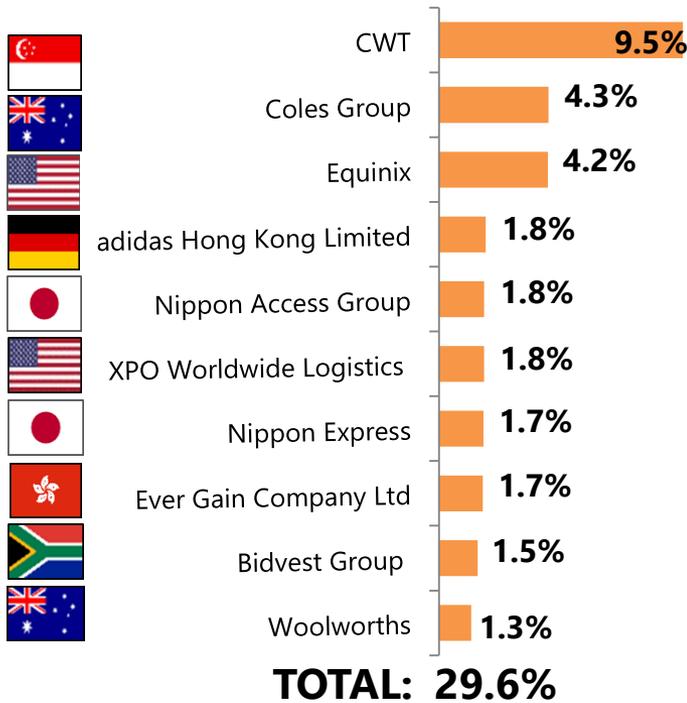
Lease Expiry Profile (by NLA)

- Well-staggered lease expiry profile with weighted average lease expiry (by NLA) at 4.6 years

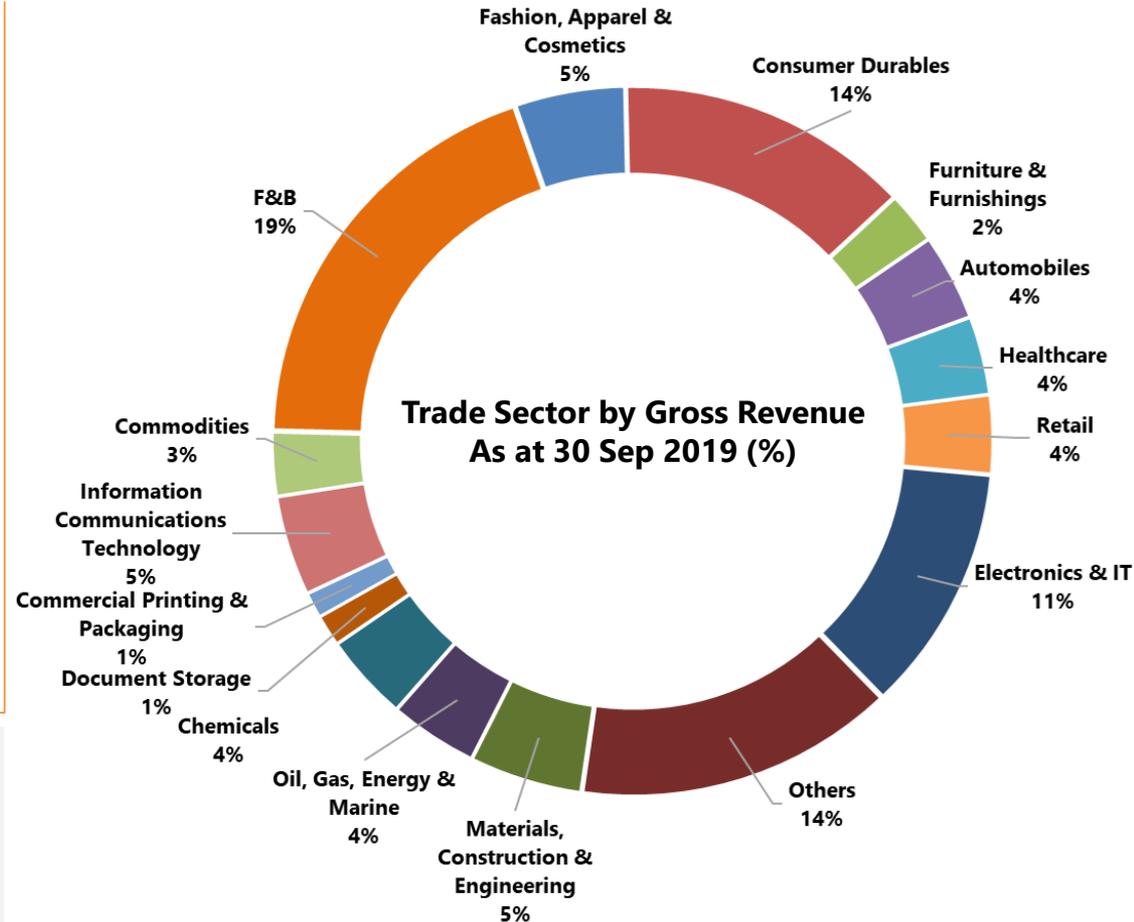


Diversified Portfolio Mix and Tenant Base

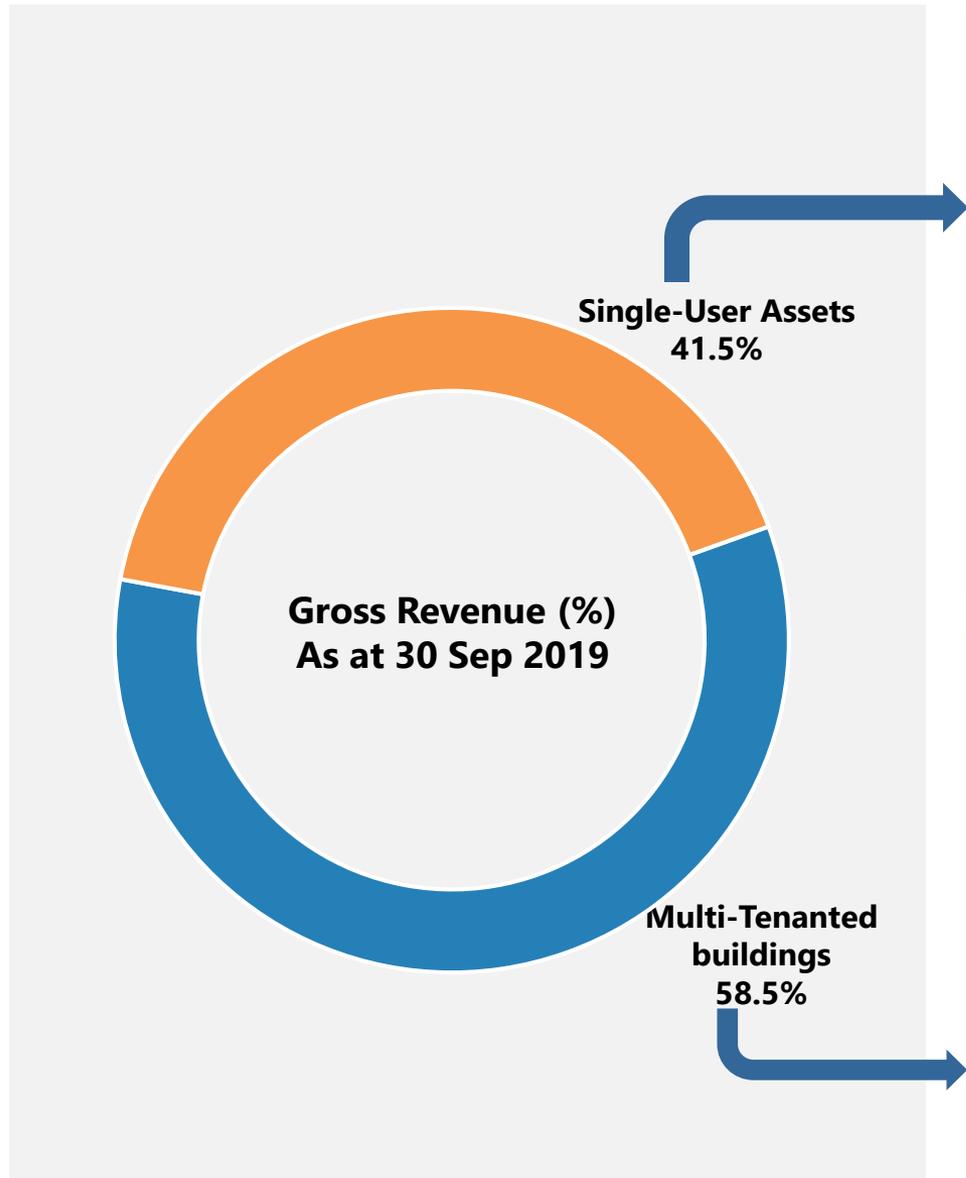
Top 10 Tenants by Gross Revenue



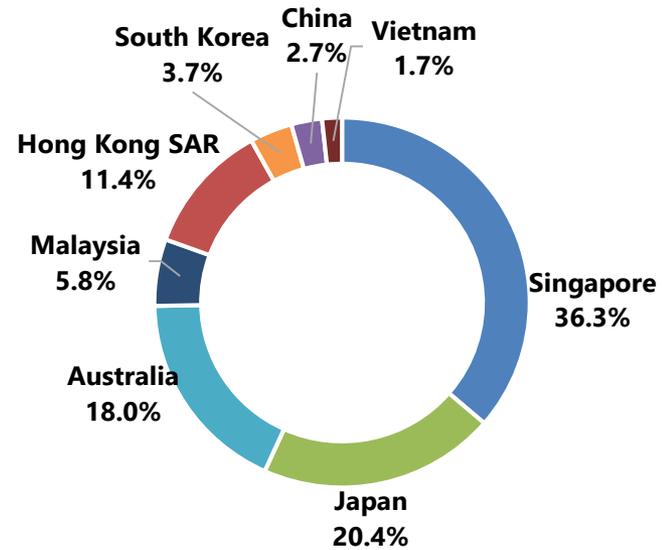
- Diversified tenant base of 617 customers
- Approximately three-quarters of portfolio is serving consumer-related sectors
- Top 10 customers account for ~30% of total gross revenue



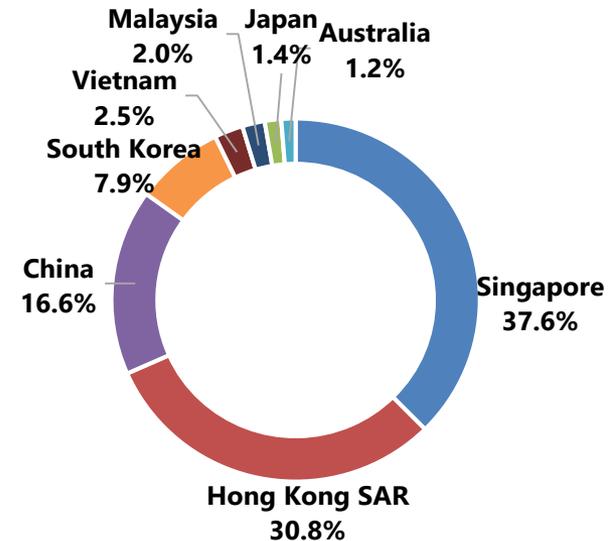
Single-User Assets vs. Multi-Tenanted Buildings



SUA Revenue Contribution by Country



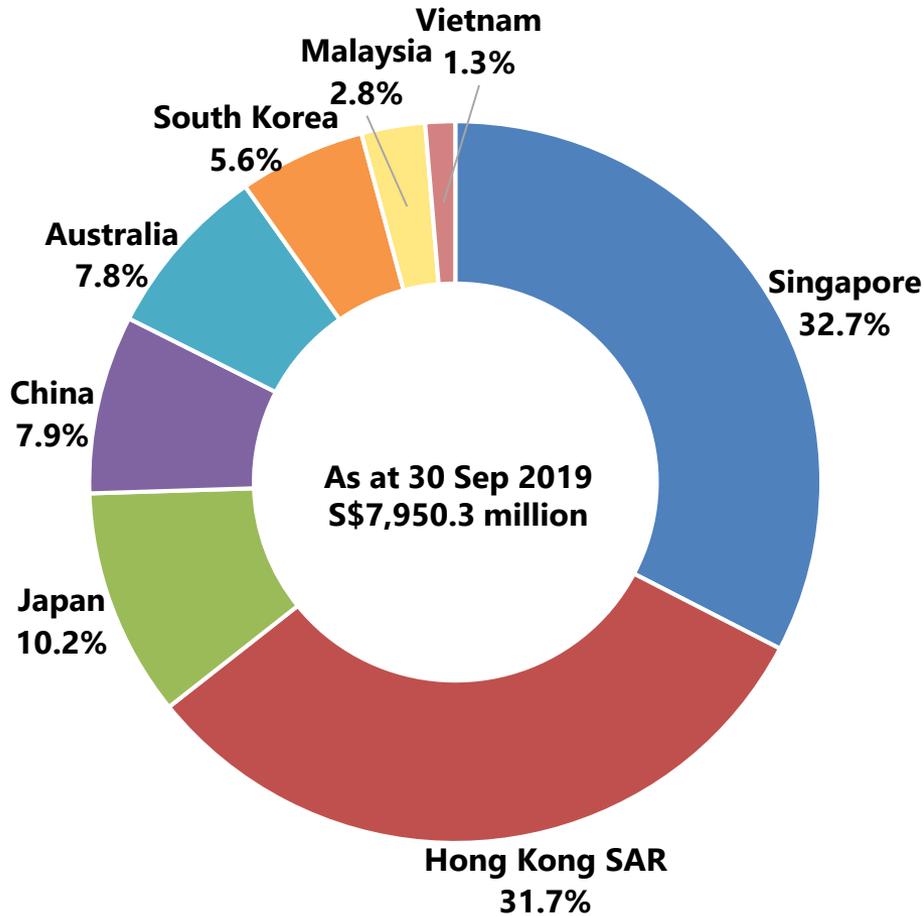
MTB Revenue Contribution by Country



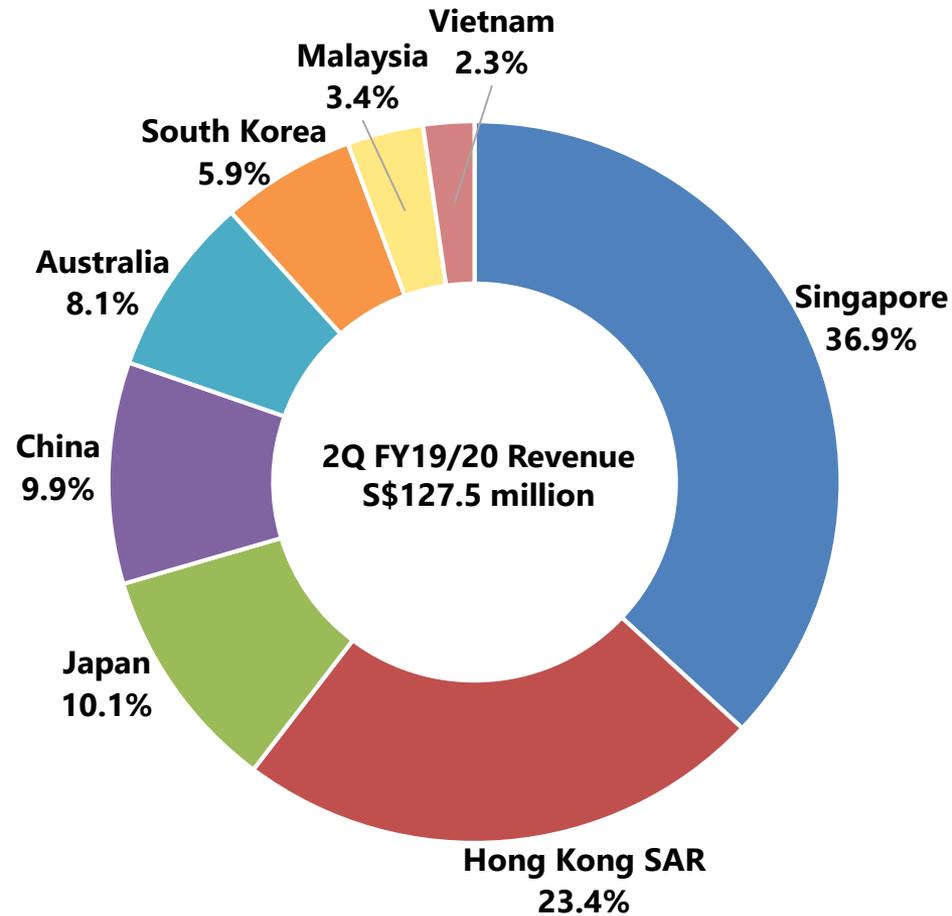
Note: Inclusive of MLT's 50.0% interest in 11 properties in China

Geographical Diversification

ASSETS UNDER MANAGEMENT



GROSS REVENUE



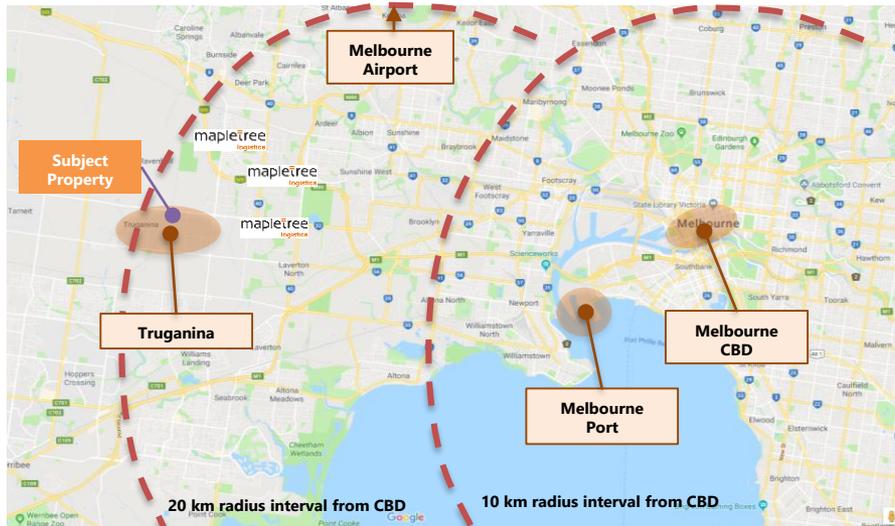
2Q FY19/20 Investment Highlight

Forward Purchase of Modern Logistics Property in Truganina, Melbourne, Australia

- Property purchase price of A\$18.4 million (S\$17.4 million¹)
- Estimated stabilised NPI Yield ~ 6.3%²
- Net lettable area of 15,100 sqm
- Easy connectivity via highways to Port of Melbourne (17km), Melbourne Airport (20km), CBD (20km) and interstate regions
- Will be acquired with vacant possession
- Settlement expected to take place by 3Q 2020



Artist Impression



Grade A Specifications

- Minimum ceiling height: 10 metres
- Floor loading capacity: 30kN/sqm
- Superflat floors: FF40 and FL35
- Equipped with ESFR sprinkler system and 2,000 sqm super canopy (allows users to operate 24/7 under any weather conditions)

Note:

1. Based on exchange rate of S\$1= A\$1.055.
2. Based on property purchase price.

MLT's Portfolio at a Glance

	As at 30 Sep 2019	As at 30 Jun 2019
Assets Under Management (S\$ million)	7,950	7,901
WALE (by NLA) (years)	4.6	4.8
Net Lettable Area (million sqm)	4.5	4.5
Occupancy Rate (%)	97.5	97.6
No. of Tenants	617	628
No. of Properties	137	137
No. of Properties – By Country		
Singapore	52	52
Hong Kong SAR	9	9
Japan	16	16
Australia	10	10
South Korea	12	12
China	20	20
Malaysia	14	14
Vietnam	4	4

A 3D architectural rendering of a hallway corner. The walls and ceiling are a vibrant orange color, while the floor is white. 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.

Outlook

Outlook

MACRO ENVIRONMENT



- Global economic outlook continues to weaken, amidst trade tensions and a slowdown in most major economies

IMPACT ON MLT



- In our core markets, Singapore and Hong Kong SAR, customers are cautious and slower to commit, with shorter lease signings and lower positive rental reversions
- Overall occupancies for MLT's logistics facilities have been relatively resilient at 97.5%

OUR STRATEGY



- Continue to focus on proactive asset management and strategic acquisition opportunities

Appendix

MIPL's Logistics Development Projects in Asia

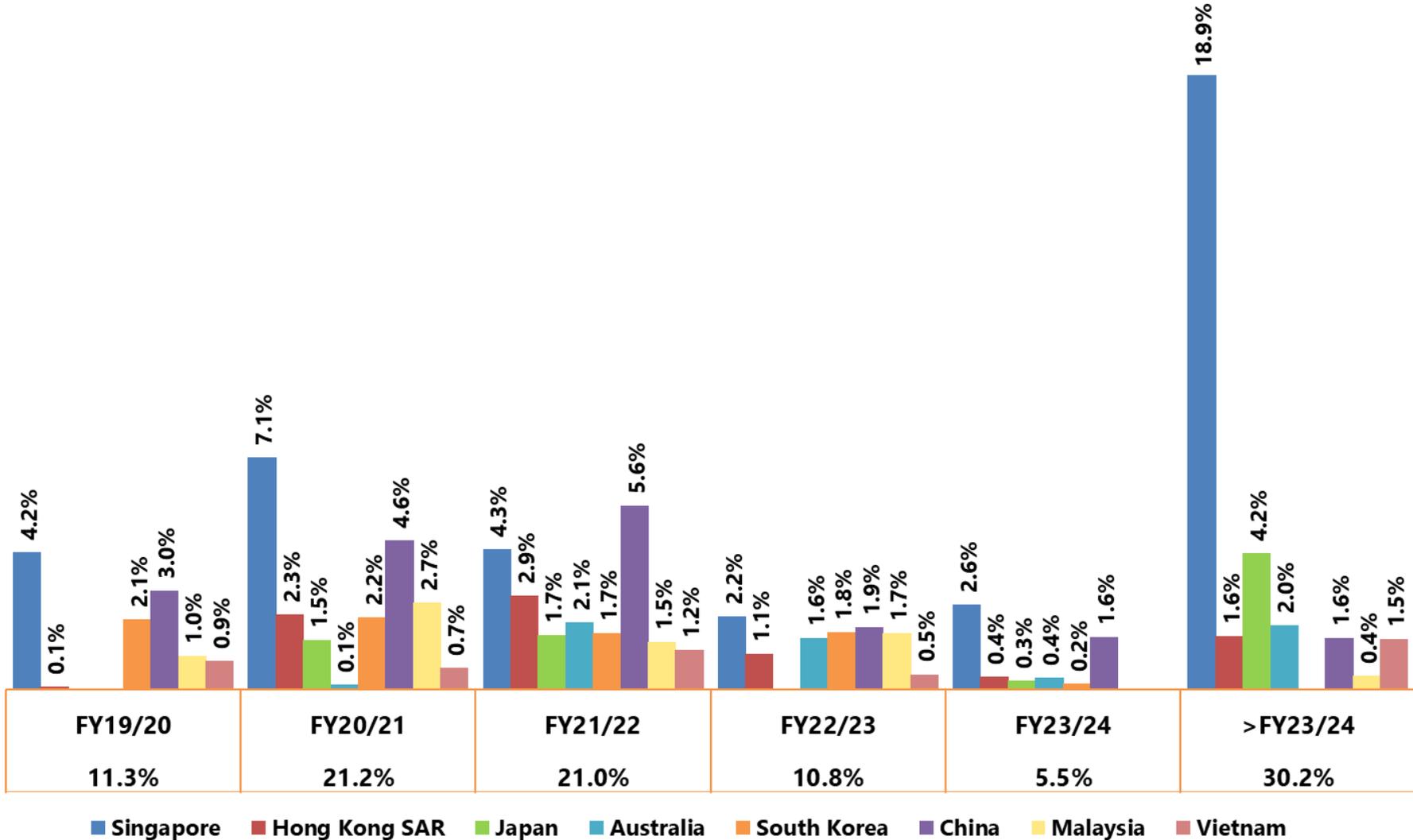
Completed Projects			
No	Country	Project name	GFA (sqm)
1	China	Mapletree Tianjin Port HaiFeng Bonded Logistics Park	194,072
2	China	Mapletree Chongqing Jiangjin Industrial Park	47,436
3	China	Mapletree Jinan International Logistics Park*	78,921
4	China	Mapletree Yuyao Simeng Logistics Park	46,811
5	China	Mapletree Nantong EDZ Logistics Park	67,895
6	China	Mapletree Chongqing Liangjiang Logistics Park	101,108
7	China	Mapletree Dalian Logistics Park	56,642
8	China	Mapletree Ningbo Cidong Logistics Park	131,085
9	China	Mapletree Changsha Industrial Park (Phase 2)*	99,842
10	China	Mapletree Wuhan Xiaogan Logistics Park Phase 1	78,756
11	China	Mapletree Liuhe Logistics Park	72,133
12	China	Mapletree Chengdu DC Logistics Park*	20,769
13	China	Mapletree Shenyang Logistics Park*	43,927
14	China	Mapletree Xixian Airport New City Logistics Park	72,047
15	China	Mapletree Quanzhou Logistics Park	108,312
16	China	Mapletree Chongqing Bonded Port Logistics Park	82,539
17	China	Mapletree Tianjin Xiqing Logistics Park	39,046
18	China	Mapletree Harbin Nangang Logistics Park	60,595
19	China	Mapletree Huangdao Logistics Park	75,856
20	China	Mapletree Chengdu Qingbaijiang Logistics Park	109,053
21	China	Mapletree Dalian EDZ Logistics Park	74,204
22	China	Mapletree Yangzhou Industrial Park	84,847
23	China	Mapletree Yuyao Simeng Industrial Park	69,820
24	Malaysia	Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	134,000
25	Malaysia	Mapletree Logistics Hub – Shah Alam 2*	237,810
26	Vietnam	Mapletree Logistics Park Bac Ninh Phase 2*	50,155
27	Vietnam	Mapletree Logistics Park Bac Ninh Phase 3	47,732
28	Vietnam	Mapletree Logistics Park Binh Duong Phase 1 ("MLPP1")*	69,565
29	Vietnam	Mapletree Logistics Park Binh Duong Phase 3 ("MLPP3")	61,700
Total as at 30 Sep 2019			2,416,678

*On 21 October 2019, MLT announced the proposed acquisitions of 7 properties in Malaysia, Vietnam and China.

MIPL's Logistics Development Projects in Asia

Projects Underway			
No	Country	Project name	GFA (sqm)
1	China	Mapletree Cross-Border (Chongqing) Logistics Park	106,769
2	China	Mapletree Guizhou Longli Logistics Park	52,563
3	China	Mapletree Zhangzhou Modern Logistics Park	81,226
4	China	Mapletree Changsha Fengchuang Logistics Park	35,843
5	China	Mapletree Wenzhou ETDZ Industrial Park	138,385
6	China	Mapletree Zhengzhou Airport Logistics Park	95,951
7	China	Mapletree Chongqing Bishan Logistics Park	55,270
8	China	Mapletree Yiwu Logistics Warehouse	128,393
9	China	Singapore Mapletree Xixia modern logistics park	75,635
10	China	Mapletree Changchun Kuancheng Logistics Park	60,295
11	China	Mapletree Huaian Logistics Park	90,110
12	Malaysia	Mapletree Logistics Hub – Shah Alam 3	130,064
13	Malaysia	Mapletree Logistics Hub – Shah Alam 4	343,741
14	Vietnam	Mapletree Logistics Park (Binh Duong) – 3 phases	212,240
15	Vietnam	Mapletree Bac Ninh Logistics Park – 2 phases	157,986
16	Vietnam	Hung Yen Logistics Park – 3 phases	175,370
17	Australia	Mapletree Logistics Park - Crestmead, Brisbane	191,890
Total as at 30 Sep 2019			2,131,731

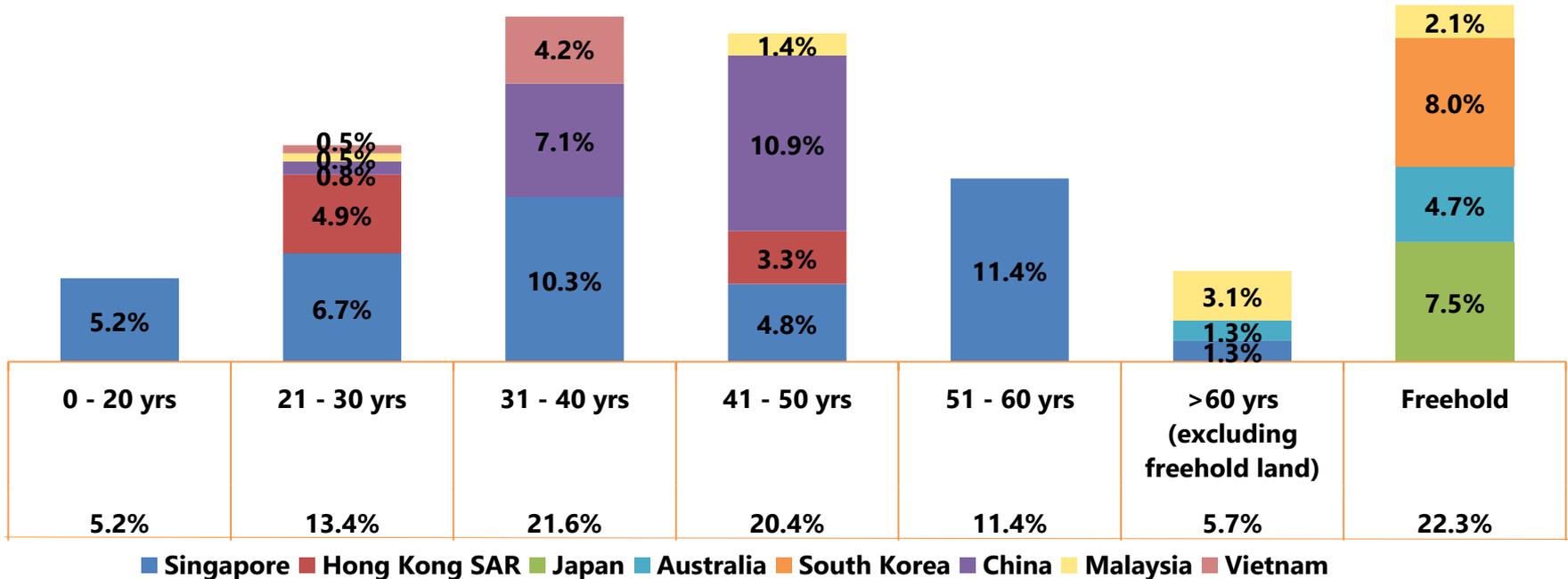
Lease Expiry Profile (by NLA) by Geography



Note: All information is as at 30 Sep2019 and inclusive of MLT's 50.0% interest in 11 properties in China.

Remaining Years to Expiry of Underlying Land Lease

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 43.3 years



Remaining Land Lease	≤30 years	31-60 years	> 60 years	Freehold
% of Portfolio	18.6% (31 assets)	53.4% (55 assets)	5.7% (9 assets)	22.3% (42 assets)

Active Portfolio Rejuvenation

Redevelopment of Ouluo Logistics Centre, China

Description	Redevelopment into 4 blocks of 2-storey modern ramp-up logistics facility in 2 phases
GFA	Increase 2.4x to 80,700 sqm
Status	<ul style="list-style-type: none"> Phase 1 completed in Sep2018 with 100% occupancy Phase 2 commenced in October 2018. Target completion by March 2020
Estimated Cost	~S\$70 million

Divestments of low-yielding assets with older specifications in 1Q FY19/20

Properties	Gyoda Centre, Iwatsuki B Centre, Atsugi Centre, Iruma Centre, Mokurenji Centre
Country	Japan
Total Sale Consideration	JPY17,520 million (~S\$213.3 million)
Completion Date	10 April 2019



Ouluo Logistics Centre before redevelopment



Mapletree Ouluo Logistics Park, Phase 1