

# CORPORATE LIQUIDITY AND CAPITAL RESOURCES

## Key Financial Metrics and Indicators

	As at 31 March 2024	As at 31 March 2025
Total borrowings (in S\$ million)	2,984.4	3,171.9
Aggregate leverage ratio*	38.7%	40.1%
Weighted average tenor of debt	3.8 years	3.2 years
Interest rate hedge ratio	84.6%	78.1%
Weighted average hedge tenor	3.7 years	3.4 years
Bank facilities available for utilisation (in S\$ million)	1,617.8	965.4
	FY23/24	FY24/25
Average borrowing cost	3.2%	3.1%
Interest coverage ratio ("ICR")**	4.3 times	4.3 times
MIT Issuer Default Rating by Fitch Ratings	BBB+ Stable	BBB+ Stable

\* The aggregate leverage ratio included the proportionate share of the aggregate leverage and deposited property value of joint venture. As at 31 March 2025, the aggregate debt including MIT's proportionate share of joint venture was S\$3,721.7 million. The aggregate debt including MIT's proportionate share of joint venture as at 31 March 2024 was S\$3,533.4 million.

\*\* Calculated in accordance with MAS' revised CIS Code dated 28 November 2024. ICR: trailing 12 months earnings before interest, tax, depreciation, and amortisation ("EBITDA") divided by the trailing 12 months interest expenses, borrowing-related fees and distributions on perpetual securities.

MIT adopts a disciplined and prudent capital management strategy to ensure financial resilience in a dynamic economic landscape. In delivering sustainable returns to Unitholders, the Manager remains focused on maintaining a robust balance sheet and an efficient capital structure. MIT also employs a proactive approach to risk management, including a well-staggered debt maturity profile and hedging strategies designed to mitigate the impact of interest rate fluctuations and foreign exchange volatility on distributions.

## Strong Financial Position with Ample Debt Headroom for Growth

As at 31 March 2025, MIT's total debt of S\$3,171.9 million was S\$187.5 million higher than a year ago. This was largely due to additional Japanese Yen ("JPY") borrowings drawn for the Tokyo Acquisition and the funding for the third phase of fitting-out works in relation to the Osaka Data Centre.

Accordingly, the aggregate leverage ratio based on deposited property increased from 38.7% a year ago to 40.1% as at 31 March 2025. MIT's ICR for the trailing 12 months remained at 4.3 times as at 31 March 2025. Both ratios are well within the regulatory limits set by MAS and the Manager is of the view that the higher aggregate leverage ratio is not expected to have a material impact on MIT's risk profile. The Manager will review these ratios on a regular basis as part of its risk management process together with prudent capital management to balance the risks and costs in the uncertain macroeconomic environment.

The aggregate leverage ratio will be lowered to about 37.0% post completion of the Proposed Singapore Portfolio Divestment<sup>1</sup>. The aggregate leverage ratio of 37.0% will provide MIT with relatively large headroom to pursue new value-creating investment opportunities while maintaining prudent capital management and supporting long-term creation for Unitholders.

In accordance with the MAS' CIS Code dated 28 November 2024, the sensitivity test for ICR is computed in the table below:

ICR sensitivity	
FY24/25	4.3 times
Assuming a 10% decrease in EBITDA	3.9 times
Assuming a 100 bps increase in interest rate*	3.2 times

\* Assuming 100 basis points increase in the average interest rate of all hedged and unhedged debts and perpetual securities.

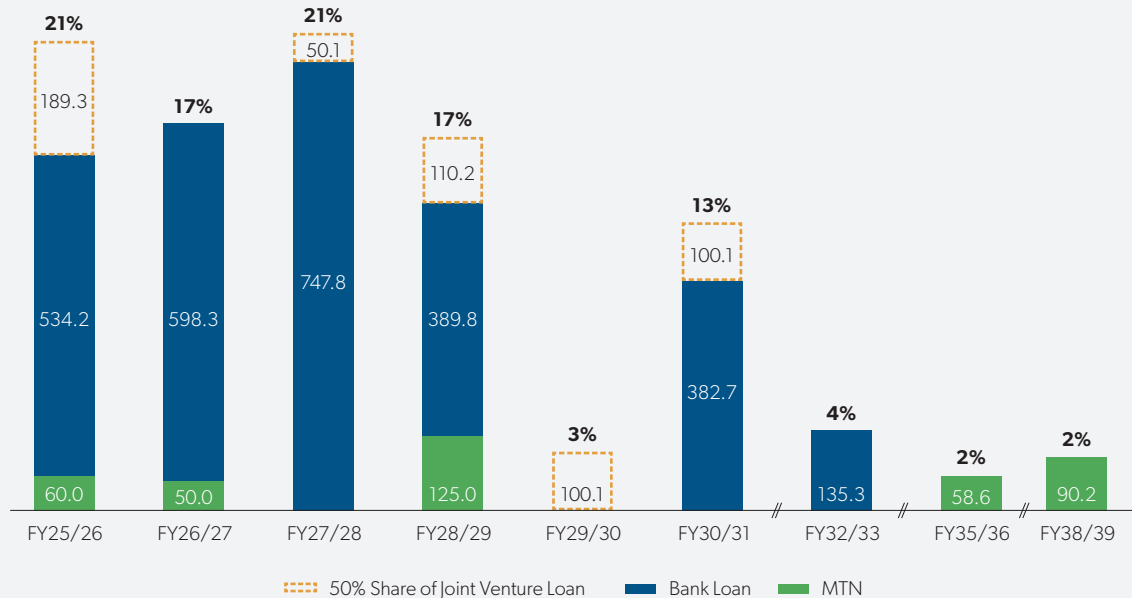
MIT continues to demonstrate strong funding capacity through its well-established relationship with a global network of over 15 banking partners. During the financial year, MIT secured approximately S\$569.1 million of new bank facilities (including its proportionate share of joint venture), with tenors ranging from five to eight years. This included two sustainability-linked facilities totalling approximately S\$233.5 million, which reflected MIT's commitment to sustainable financing. The new facilities have been strategically deployed to support acquisitions and refinancing needs, which further strengthened MIT's capital structure and provided a solid foundation for sustained growth. The third phase of fitting-out works for the Osaka Data Centre was funded by existing fixed rate loan facility, while the Tokyo Acquisition was financed through new fixed rate loan facilities. These funding arrangements provided effective protection against the rising JPY interest cost, which demonstrated MIT's proactive approach to managing interest rate risk and currency exposure. In addition, MIT resumed the DRP from 1QFY24/25 distribution, which allowed Unitholders to reinvest their distributions into additional units. As a result, MIT retained cash of about S\$29.8 million.

<sup>1</sup> Includes the effects from the completion of the final phase of fitting-out works for the Osaka Data Centre on 2 May 2025 and repayment of debt with about S\$516 million of net proceeds from Proposed Singapore Portfolio Divestment.

### Debt Maturity Profile

As at 31 March 2025

Total Borrowings Outstanding (S\$ million)



The DRP is suspended from and including 4QFY24/25 distribution. As at 31 March 2025, MIT maintained a strong financial position, with available bank facilities amounting to S\$965.4 million. This substantial liquidity base positions MIT well to capitalise on potential growth opportunities and to manage any unexpected liquidity crunch.

MIT has in place a S\$2.0 billion Euro Medium Term Notes Programme that can be tapped for the issuance of medium-term notes ("MTNs") and perpetual securities in various currencies. The programme's current capacity stands at S\$1.4 billion, which will offer MIT a strategic avenue to access capital markets as needed. Total debt (including perpetual securities) to net asset value ratio and total debt (including perpetual securities) less cash and cash equivalents to net asset value ratio as at 31 March 2025 was 70.4% and 68.2% respectively.

### Debt Maturity Profile

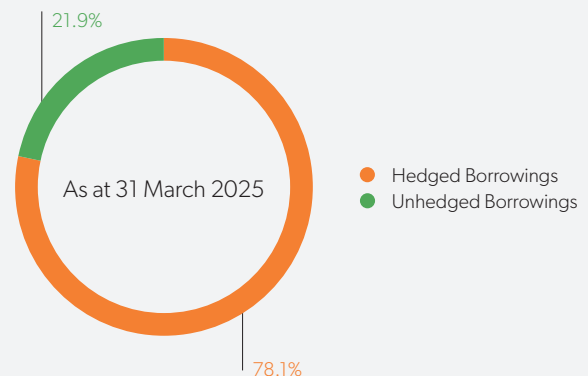
MIT maintains a well-staggered debt maturity profile to effectively mitigate refinancing risks. The Manager's proactive approach includes early refinancing discussions with both new and existing banking partners to extend debt tenors and optimise capital structure. No more than 21% of total debt will mature in any single year, with a healthy weighted average tenor of debt of approximately 3.2 years as at 31 March 2025. The weighted average tenor of debt (including MIT's proportionate share of joint venture) remained the same at 3.2 years. In addition, the borrowings were largely unsecured with minimal financial covenants, which enhanced financial flexibility.

### Prudent Hedging Strategy

MIT's geographically diversified portfolio subjects its operations to a variety of market risks, including interest rate and foreign exchange risks, among others. Derivative financial instruments are used to mitigate the impact of higher interest rates

and foreign exchange rate volatilities on distributable income. MIT proactively manages its exposure to interest rate volatilities through interest rate swaps by issuing fixed rate MTNs or by drawing fixed rate loans. This strategic approach enabled MIT to maintain a stable average cost of debt at 3.1% per annum.

### Interest Rate Risk Management



About 78.1% of the gross borrowings had been hedged as at 31 March 2025, which helped to contain the impact of interest rate fluctuations on distributions while the unhedged portion offered flexibility to repay debt with divestment proceeds or available cash as well as to rebalance the debt composition as necessary. The weighted average tenor of interest rate hedges as at 31 March 2025 was 3.4 years (31 March 2024: 3.7 years). As at 31 March 2025, the aggregate notional amount of interest rate hedges due to expire in FY25/26 was S\$620.1 million (including MIT's proportionate share of joint venture). The Manager remains committed to disciplined capital management to safeguard distributable income and deliver long-term value to Unitholders.

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### DPU Sensitivity Analysis

Based on unhedged borrowings as at 31 March 2025 and with all other variables being held constant, a 50 basis points change in base rates<sup>2</sup> would have an estimated impact of S\$3.1 million or

0.11 Singapore cent per annum on amount available for distribution or DPU respectively.

Change in base rates <sup>2</sup>	Impact on amount available for distribution per annum (S\$ million)	Impact on DPU (Singapore cent) <sup>3</sup>
+ 50 basis points	- 3.1	- 0.11
- 50 basis points	3.1	0.11

### Managing Foreign Exchange Rate Risk

To mitigate the impact of foreign exchange rate fluctuations, the Manager adopts a disciplined and strategic approach to currency risk management. Key hedging strategies include:

- **Natural Hedging through Foreign Currency Borrowings:**

Where feasible and after considering cost-efficiency, tax implications and other factors, foreign currency-denominated borrowings are used to match the currency exposure of the underlying assets.

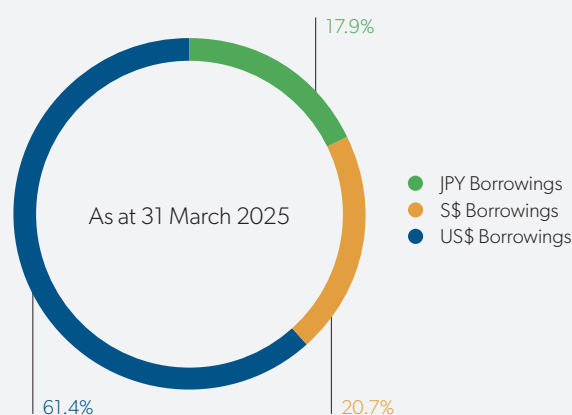
- **Currency Forward Contracts:**

These are utilised to hedge foreign currency-denominated income, either received or expected, into Singapore Dollars, thereby protecting distributable income from adverse exchange movements.

MIT's borrowings denominated in US\$ and JPY provided a natural capital hedge to the foreign exchange rate exposure of its investments in the United States and Japan respectively. The proportion of total borrowings denominated in US\$ decreased to 61.4% as at 31 March 2025 from 65.7% a year ago largely due to higher JPY borrowings. The capital hedge percentage of US\$ loans over US\$ assets under management (including MIT's proportionate share of joint venture) decreased slightly to 58.0% as at 31 March 2025 from 58.3% a year ago.

As MIT received income denominated in US\$ and JPY from its investments in the United States and Japan, respectively, foreign exchange forward contracts were entered into to hedge against foreign exchange rate volatility on distributable income.

#### Debt Currency Profile



Looking ahead, about 58% of MIT's FY25/26 foreign currency-denominated net income was hedged into S\$ through such forward contracts, which will provide stability in returns to Unitholders.

The Manager continues to manage MIT's interest rate profile and foreign currency exposures with prudence, taking into account macroeconomic conditions, projected operational cash flows as well as any acquisition and divestment plans.

### Net Fair Value of Financial Derivatives

MIT's net derivative financial assets (including its proportionate share of joint venture) of S\$59.9 million represented 1.05% of its net assets as at 31 March 2025.

<sup>2</sup> Base rates denote S\$ Singapore Overnight Rate Average and US\$ Secured Overnight Financing Rate.

<sup>3</sup> Based on 2,851 million units as at 31 March 2025.