



# 3QFY17/18 Financial Results

23 January 2018

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**1** Key Highlights – 1 Oct 2017 to 31 Dec 2017

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**2** 3Q & YTD FY17/18 Financial Performance

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**3** Portfolio Update

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**4** Investment Update

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**5** Outlook and Strategy

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# ***KEY HIGHLIGHTS***

## ***1 OCT 2017 TO 31 DEC 2017***

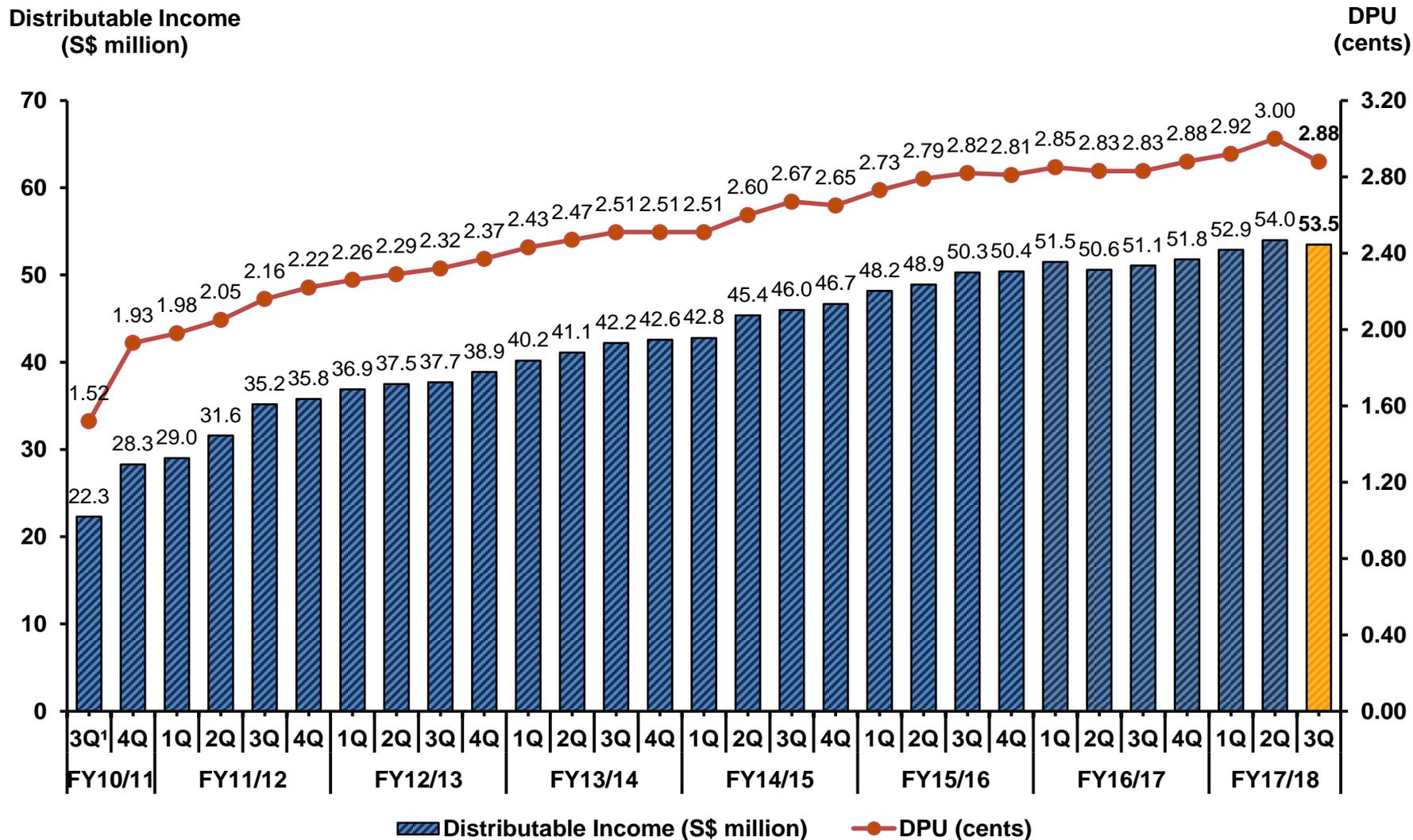


*Flatted Factory, Kolam Ayer 1*

- ✦ **Positive results due to revenue contribution from build-to-suit (“BTS”) project for HP Singapore Private Limited (“HP”), partially offset by lower portfolio occupancy**
  - 3QFY17/18 Distributable Income: S\$53.5 million (▲ 4.6% y-o-y)
  - 3QFY17/18 DPU: 2.88 cents (▲ 1.8% y-o-y)
  
- ✦ **Completed first overseas acquisition of 14 data centres in the United States of America (“US”) via a 40:60 joint venture with Mapletree Investments Pte Ltd (“MIPL”) on 20 Dec 2017**
  
- ✦ **Portfolio update in 3QFY17/18**
  - Overall Portfolio occupancy rate of 90.5%<sup>1</sup>
  - Overall Portfolio’s weighted average lease to expiry (“WALE”) increased q-o-q from 3.7 years to 3.9 years<sup>1</sup>, with 33.6% of leases expiring in FY21/22 and beyond
  
- ✦ **Prudent capital management**
  - Successfully raised gross proceeds of S\$155.7 million through a private placement on 25 Oct 2017 to part finance the US acquisition
  - Aggregate leverage of 33.8%
  - Stable weighted average all-in funding cost at 2.9%

<sup>1</sup> Based on MIT’s 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through Mapletree Redwood Data Centre Trust (“MRDCT”).

# Sustainable and Growing Returns



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

# ***3Q & YTD FY17/18 FINANCIAL PERFORMANCE***



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

# Statement of Total Returns (Year-on-Year)

	3QFY17/18 (S\$'000)	3QFY16/17 (S\$'000)	↑ / (↓)
Gross revenue	91,465	84,453	8.3%
Property operating expenses	(20,610)	(21,024)	(2.0%)
<b>Net property income</b>	<b>70,855</b>	<b>63,429</b>	<b>11.7%</b>
Borrowing costs	(8,407)	(6,948)	21.0%
Trust expenses	(7,850)	(7,319)	7.3%
<b>Net income</b>	<b>54,598</b>	<b>49,162</b>	<b>11.1%</b>
Share of profit of joint venture (net of taxes) <sup>1</sup>	728	-	*
<b>Total return for the period</b>	<b>55,326</b>	<b>49,162</b>	<b>12.5%</b>
Net non-tax deductible items	(1,875)	1,942	(196.5%)
<b>Amount available for distribution</b>	<b>53,451</b>	<b>51,104</b>	<b>4.6%</b>
<b>Distribution per Unit (cents)</b>	<b>2.88<sup>2</sup></b>	<b>2.83</b>	<b>1.8%</b>

\* Not meaningful

<sup>1</sup> Share of profit of joint venture (net of taxes) relates to MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT. The results for the joint venture are equity accounted for at the Group level. The distribution from the joint venture will be distributed by MIT upon receipt. For 3QFY17/18, there was no distribution declared by MRDCT.

<sup>2</sup> Distribution per Unit ("DPU") included an advanced distribution of 0.99 cent per unit for the period from 1 Oct 2017 to 1 Nov 2017, which was paid on 28 Nov 2017. The DPU for the enlarged units in issue for the remaining period from 2 Nov 2017 to 31 Dec 2017 was 1.89 cents per unit.

# Statement of Total Returns (Year-on-Year)

	YTD FY17/18 (S\$'000)	YTD FY16/17 (S\$'000)	↑ / (↓)
Gross revenue	272,839	252,753	7.9%
Property operating expenses	(63,115)	(61,895)	2.0%
<b>Net property income</b>	<b>209,724</b>	<b>190,858</b>	<b>9.9%</b>
Borrowing costs	(24,786)	(20,062)	23.5%
Trust expenses	(23,296)	(21,796)	6.9%
<b>Net income</b>	<b>161,642</b>	<b>149,000</b>	<b>8.5%</b>
Loss on divestment of investment property <sup>1</sup>	(200)	-	**
Share of profit of joint venture (net of taxes) <sup>2</sup>	728	-	**
<b>Total return for the period before income tax</b>	<b>162,170</b>	<b>149,000</b>	<b>8.8%</b>
Income tax credit	-	*	**
<b>Total return for the period after income tax</b>	<b>162,170</b>	<b>149,000</b>	<b>8.8%</b>
Net non-tax deductible items	(1,804)	4,210	(142.9)
<b>Amount available for distribution</b>	<b>160,366</b>	<b>153,210</b>	<b>4.7%</b>
<b>Distribution per Unit (cents)</b>	<b>8.80<sup>3</sup></b>	<b>8.51</b>	<b>3.4%</b>

\* Amount less than S\$1,000

\*\* Not meaningful

<sup>1</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.

<sup>2</sup> Share of profit of joint venture (net of taxes) relates to MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT. The results for the joint venture are equity accounted for at the Group level. The distribution from the joint venture will be distributed by MIT upon receipt. For 3QFY17/18, there was no distribution declared by MRDCT.

<sup>3</sup> DPU included an advanced distribution of 0.99 cent per unit for the period from 1 Oct 2017 to 1 Nov 2017, which was paid on 28 Nov 2017. The DPU for the enlarged units in issue for the remaining period from 2 Nov 2017 to 31 Dec 2017 was 1.89 cents per unit.

# Statement of Total Returns (Qtr-on-Qtr)

	3QFY17/18 (S\$'000)	2QFY17/18 (S\$'000)	↑ / (↓)
Gross revenue	91,465	92,562 <sup>1</sup>	(1.2%)
Property operating expenses	(20,610)	(21,885)	(5.8%)
<b>Net property income</b>	<b>70,855</b>	<b>70,677</b>	<b>0.3%</b>
Borrowing costs	(8,407)	(8,505)	(1.2%)
Trust expenses	(7,850)	(7,753)	1.3%
<b>Net income</b>	<b>54,598</b>	<b>54,419</b>	<b>0.3%</b>
Loss on divestment of investment property <sup>2</sup>	-	(200)	*
Share of profit of joint venture (net of taxes) <sup>3</sup>	728	-	*
<b>Total return for the period</b>	<b>55,326</b>	<b>54,219</b>	<b>2.0%</b>
Net non-tax deductible items	(1,875)	(209)	797.1%
<b>Amount available for distribution</b>	<b>53,451</b>	<b>54,010<sup>1</sup></b>	<b>(1.0%)</b>
<b>Distribution per Unit (cents)</b>	<b>2.88</b>	<b>3.00<sup>1</sup></b>	<b>(4.0%)</b>

\* Not meaningful

<sup>1</sup> Gross revenue and amount available for distribution included the pre-termination compensation of S\$3.1 million received from Johnson & Johnson Pte. Ltd. whose lease was terminated on 30 Sep 2017. Excluding the pre-termination compensation of S\$3.1 million, the DPU for 2QFY17/18 would have been 2.83 cents and DPU for 3QFY17/18 would be 1.8% higher than the DPU for 2QFY17/18.

<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.

<sup>3</sup> Share of profit of joint venture (net of taxes) relates to MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT. The results for the joint venture are equity accounted for at the Group level. The distribution from the joint venture will be distributed by MIT upon receipt. For 3QFY17/18, there was no distribution declared by MRDCT.

# Balance Sheet

	31 Dec 2017	30 Sep 2017	↑ / (↓)
Total assets (S\$'000)	4,289,101	3,832,575	11.9%
Total liabilities (S\$'000)	1,617,368	1,298,028	24.6%
<b>Net assets attributable to Unitholders (S\$'000)</b>	<b>2,671,733</b>	<b>2,534,547</b>	<b>5.4%</b>
<b>Net asset value per Unit (S\$)<sup>1</sup></b>	<b>1.42</b>	<b>1.41</b>	<b>0.7%</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 the statement of position dates.

# Strong Balance Sheet

	31 Dec 2017	30 Sep 2017
Total debt	<b>S\$1,449.1 million</b>	S\$1,147.9 million
Aggregate leverage ratio	<b>33.8%<sup>1</sup></b>	30.0%
Weighted average tenor of debt	<b>3.0 years</b>	3.2 years

## Strong balance sheet to pursue growth opportunities

- ✦ 'BBB+' rating with Stable Outlook by Fitch Ratings
- ✦ 100% of loans unsecured with minimal covenants

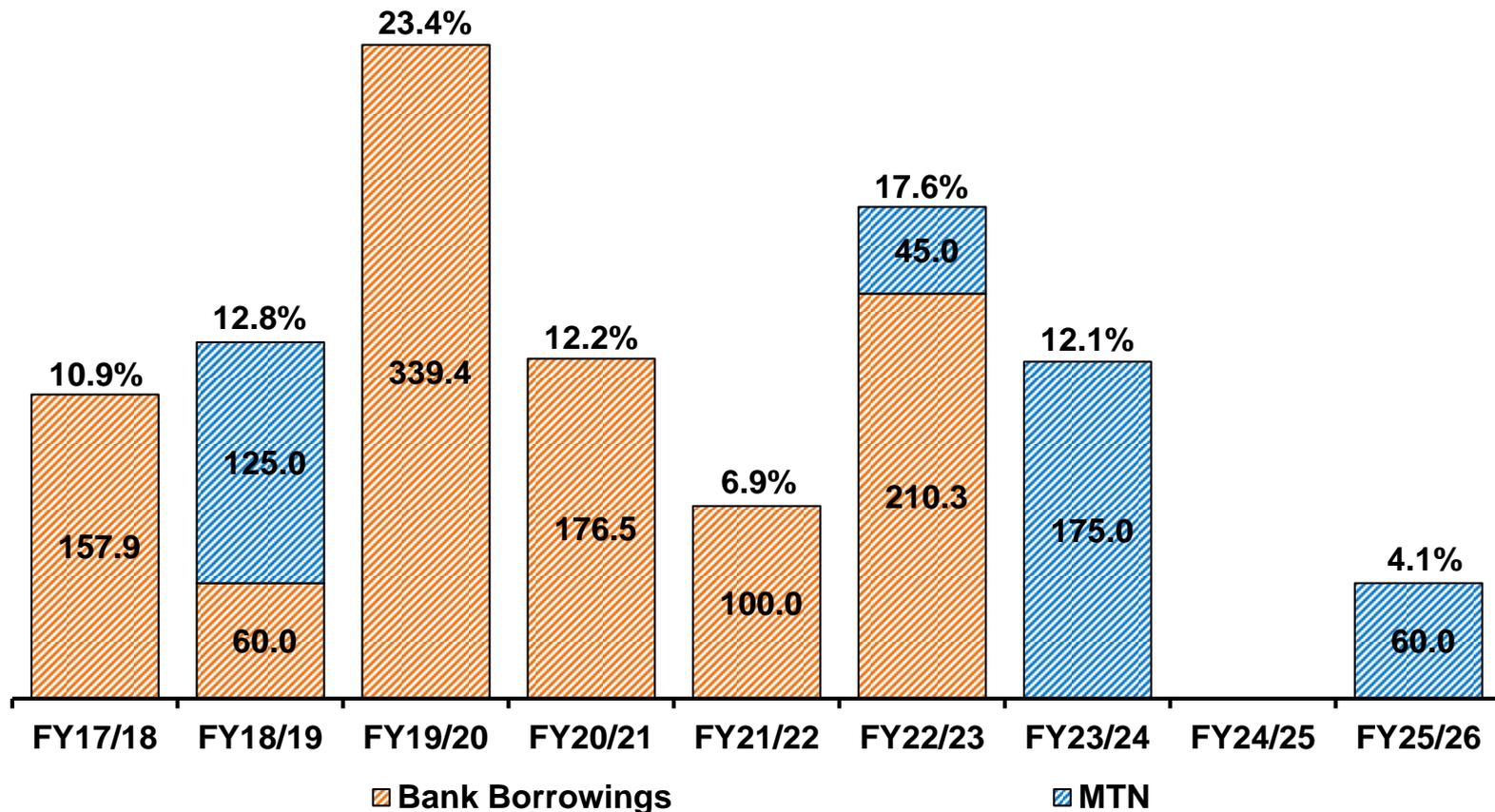
<sup>1</sup> In accordance with Property Fund Guidelines, the aggregate leverage ratio includes proportionate share of borrowings and deposited property values of the joint venture.

# Well Diversified Debt Maturity Profile

## DEBT MATURITY PROFILE

As at 31 December 2017

Weighted Average Tenor of Debt = 3.0 years



\* Amounts in S\$ million

# Interest Rate Risk Management

	31 Dec 2017	30 Sep 2017
Fixed as a % of total debt	60.7%	76.7%
Weighted average hedge tenor	3.2 years	3.4 years
	3QFY17/18	2QFY17/18
Weighted average all-in funding cost	2.9%	2.9%
Interest coverage ratio	7.2 times	7.2 times

- ✦ No hedges are due to expire in 4QFY17/18

# Distribution Details

Distribution Period	Distribution per Unit (cents)
3QFY17/18 Distribution <sup>1</sup>	2.88
<i>Advanced Distribution<sup>1</sup> (1 Oct 2017 – 1 Nov 2017)</i>	<i>0.99</i>
<i>2 Nov 2017 to 31 Dec 2017</i>	<i>1.89</i>

Distribution Timetable	Dates
Last day of trading on “cum” basis	26 Jan 2018 (Fri), 5:00pm
Ex-date	29 Jan 2018 (Mon), 9:00am
Book closure date	31 Jan 2018 (Wed), 5:00pm
Distribution payment date	By 28 Feb 2018 (Wed)

<sup>1</sup> Included an advanced distribution of 0.99 cent per unit for the period from 1 Oct 2017 to 1 Nov 2017, which was paid on 28 Nov 2017.

# PORTFOLIO UPDATE



*Business Park Buildings, The Strategy and The Synergy*

# 99 Properties Across 5 Property Segments

Portfolio Value

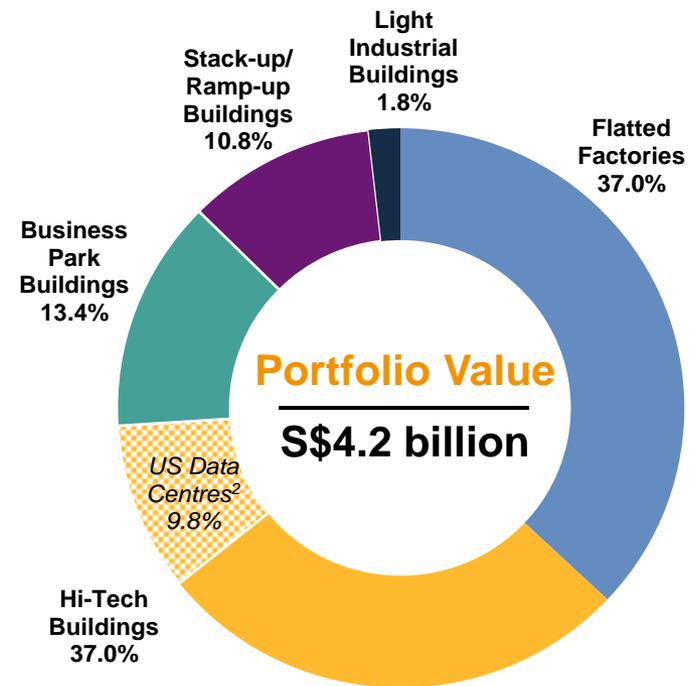
**S\$4.2 billion**

Total NLA (sq ft)

**17.7 million<sup>1</sup>**

Tenant Base

**>2,000 tenants**



Portfolio value by geography (as at 31 Dec 2017)

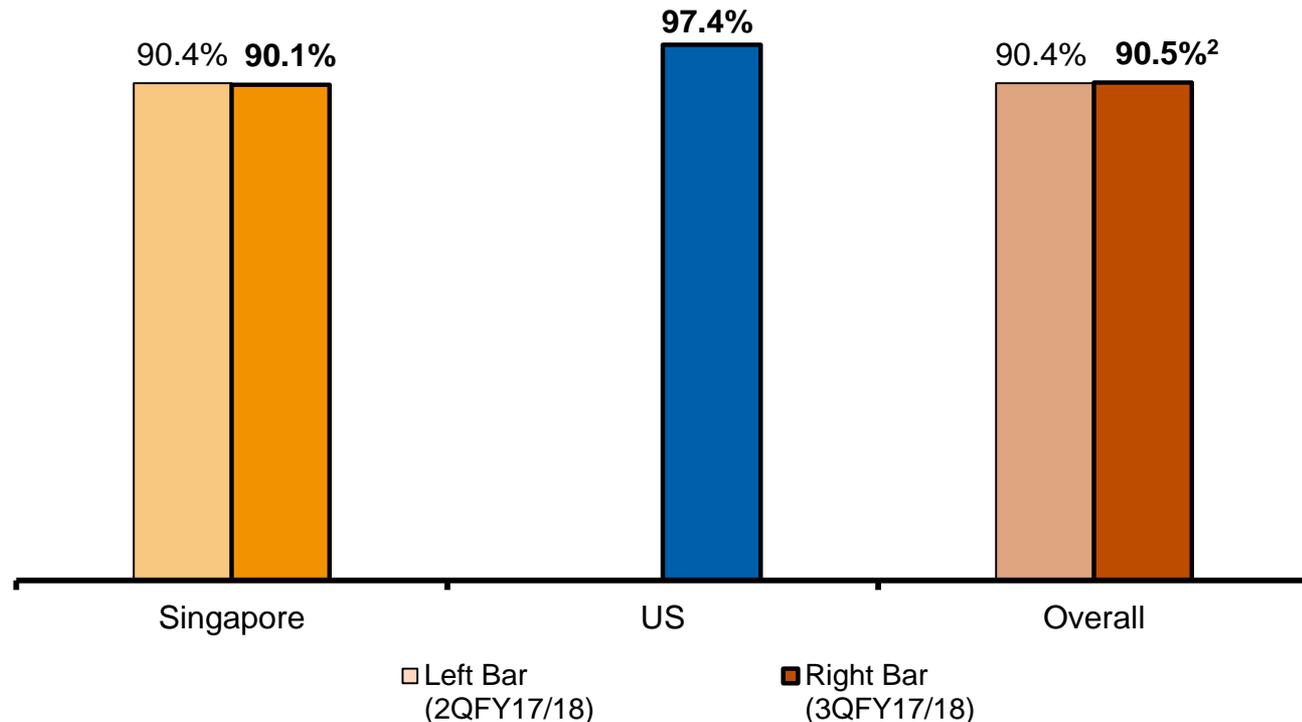
Singapore	90.2%
US	9.8%

<sup>1</sup> Excluded the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>2</sup> Relates to MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US.

# Portfolio Overview

	Singapore Portfolio	US Portfolio	Overall
Number of properties	85	14	99
NLA (million sq ft)	15.4	2.3 <sup>1</sup>	17.7 <sup>1</sup>
Average passing rental rate (\$ psf/mth)	S\$1.97	US\$1.99	



<sup>1</sup> Excluded the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>2</sup> Based on MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT.

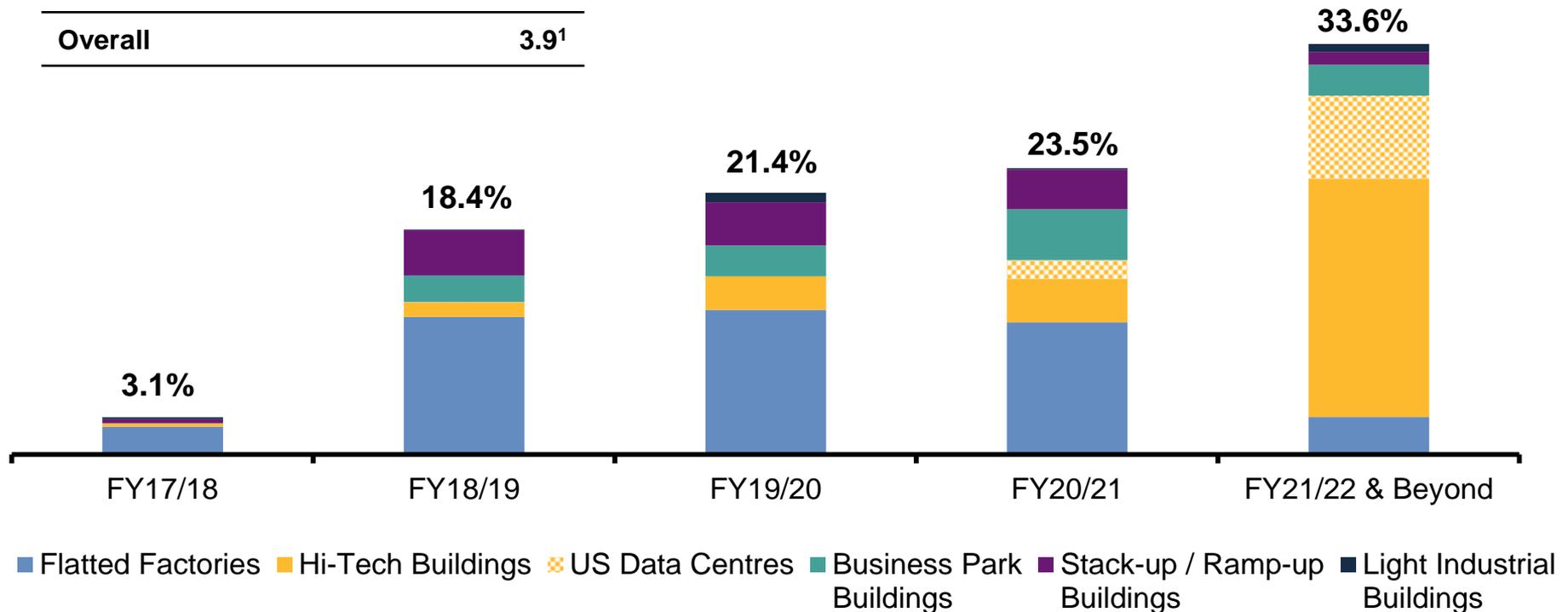
# Lease Expiry Profile

## EXPIRING LEASES BY GROSS RENTAL INCOME<sup>1</sup>

As at 31 December 2017

### WALE by Gross Rental Income (years)

Singapore Portfolio	3.7
US Portfolio	6.3
<b>Overall</b>	<b>3.9<sup>1</sup></b>

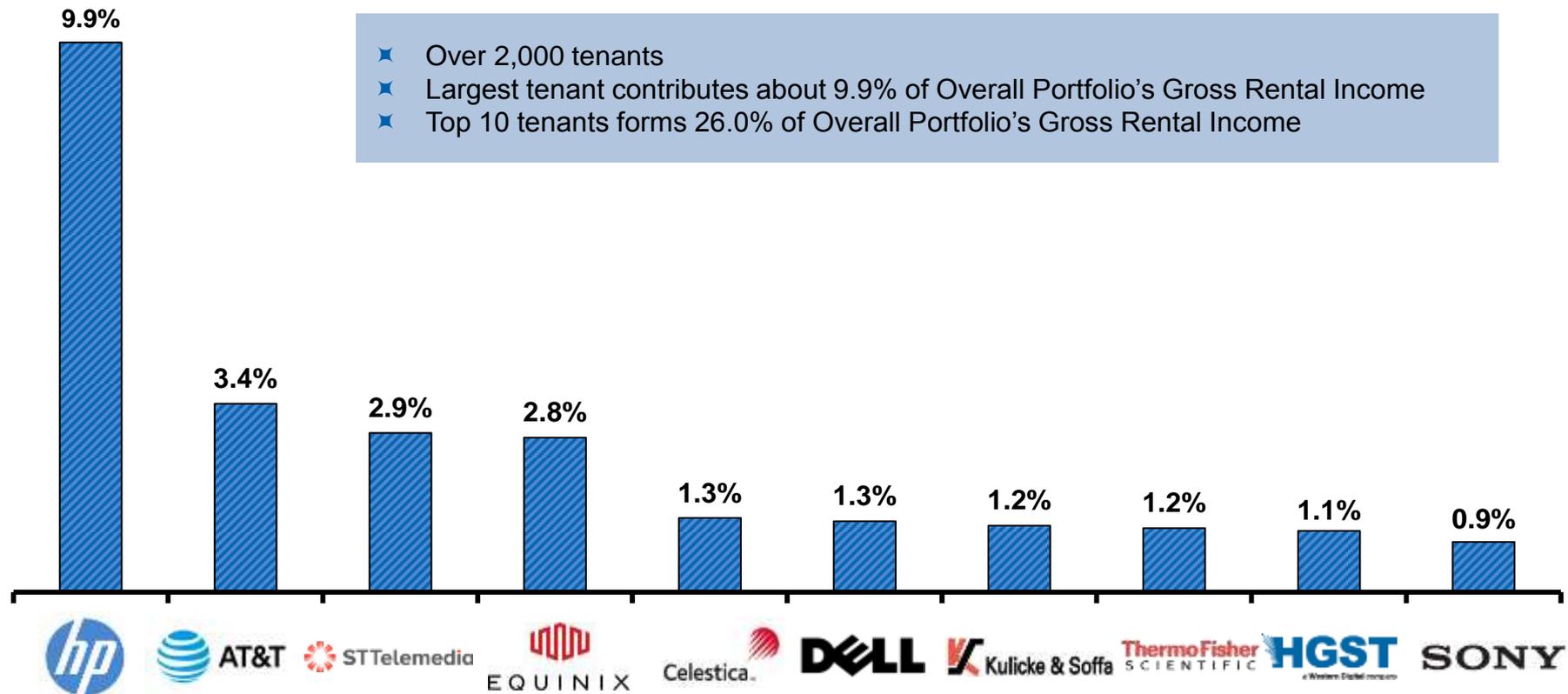


<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT.

# Large and Diversified Tenant Base

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

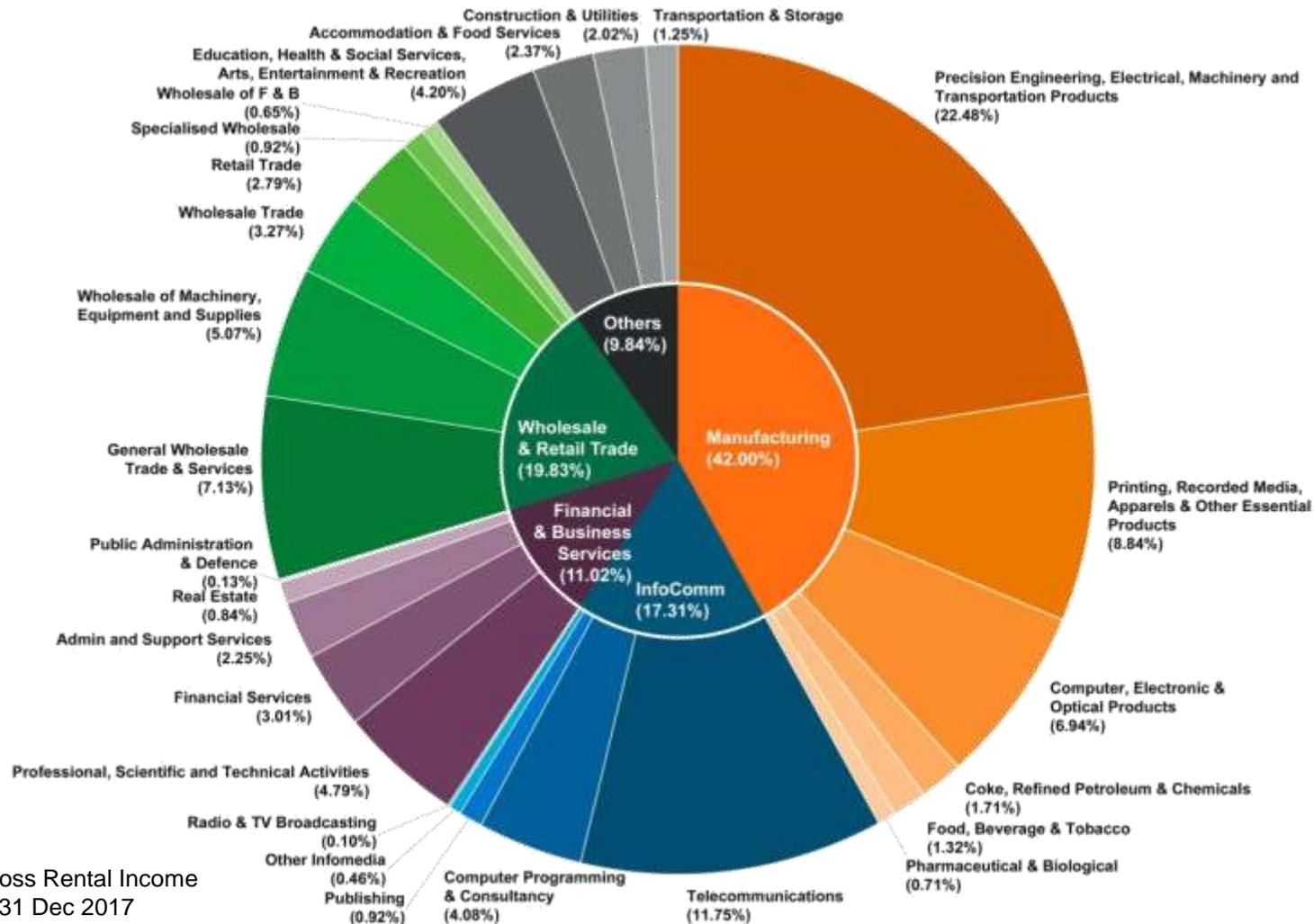
As at 31 December 2017



<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT.

# Tenant Diversification Across Trade Sectors

No single trade sector accounted >23% of Overall Portfolio's Gross Rental Income<sup>1</sup>

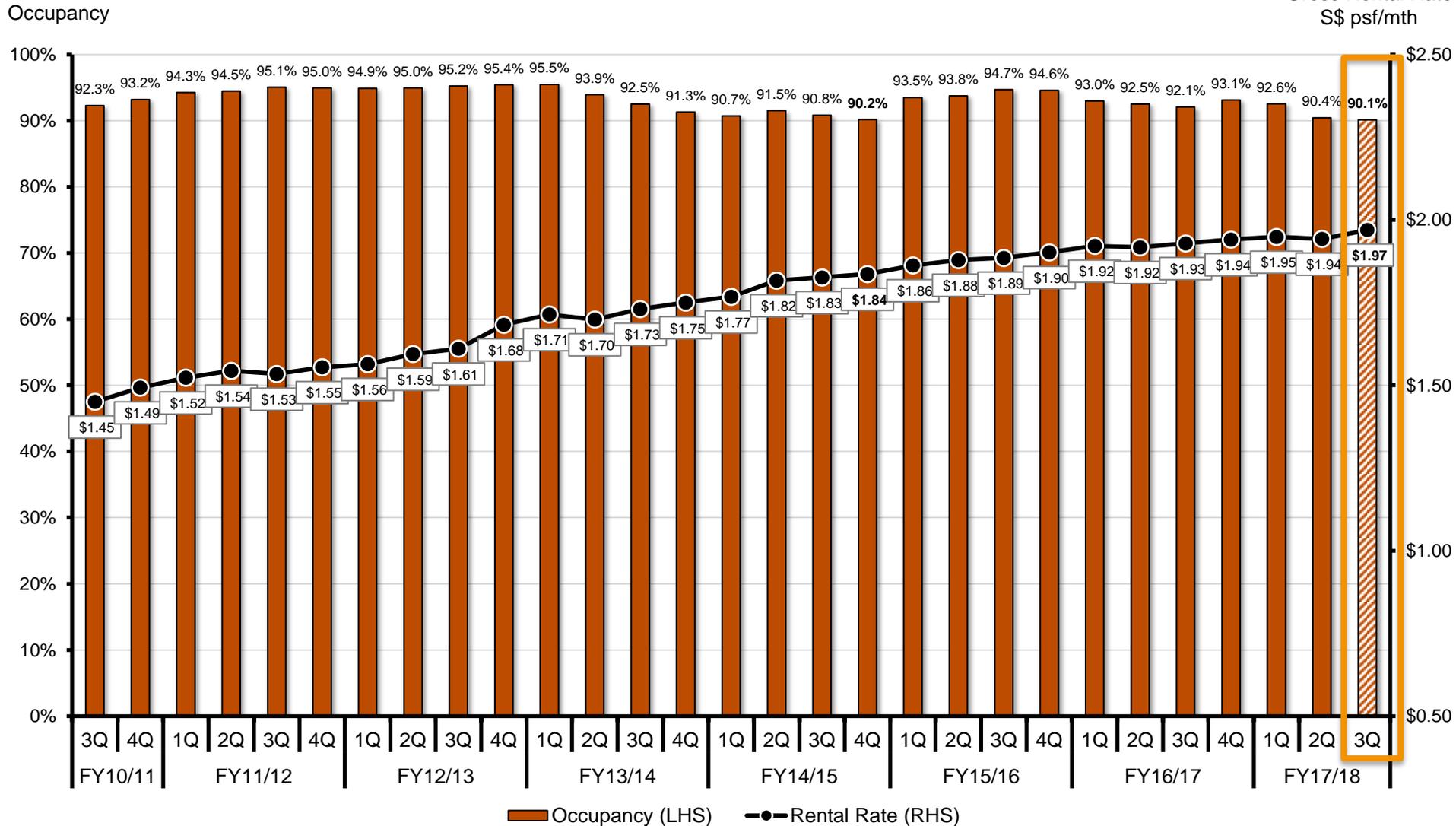


By Gross Rental Income  
As at 31 Dec 2017

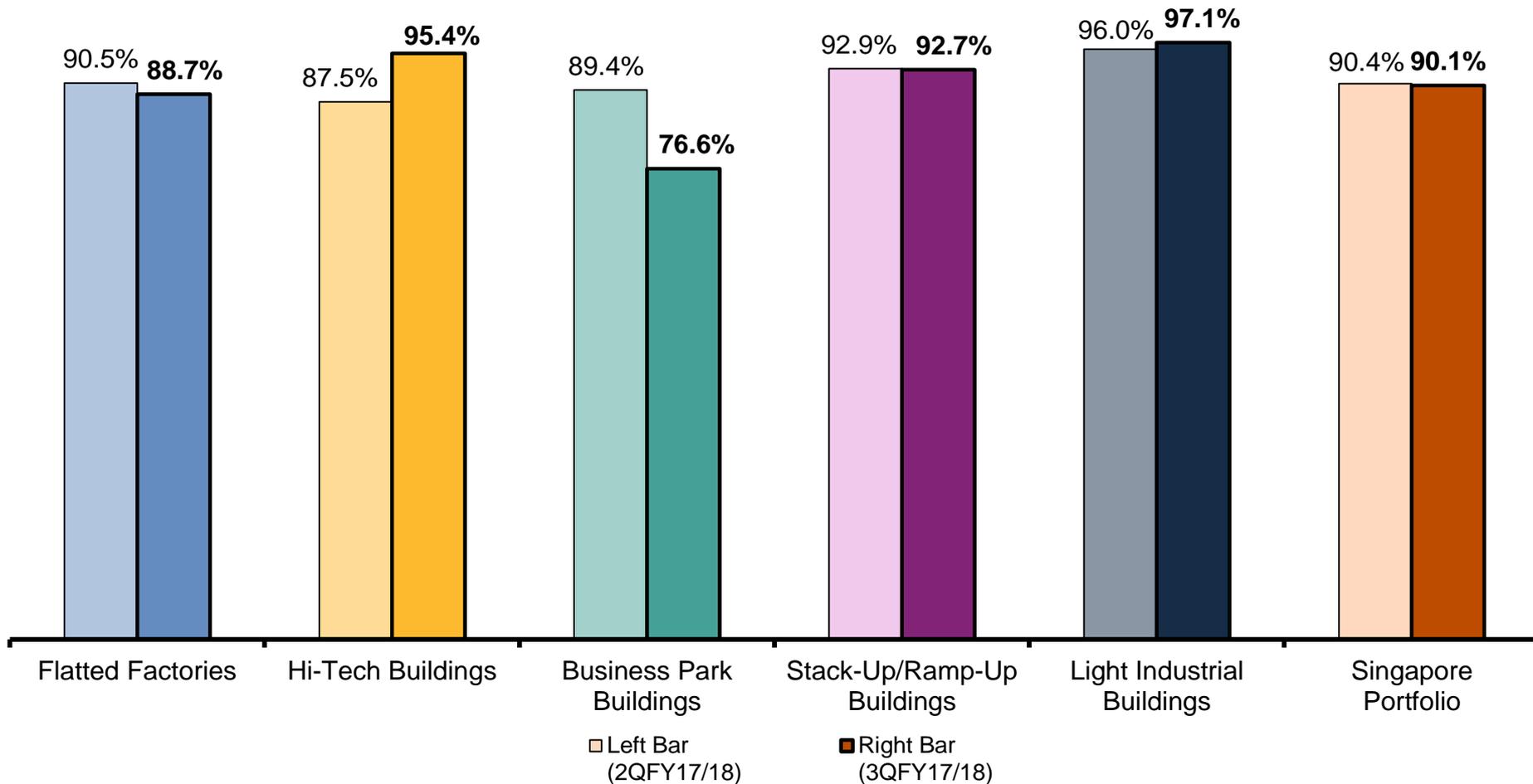
<sup>1</sup> Based on MIT's 40.0% interest of the joint venture with MIPL in a portfolio of 14 data centres in US through MRDCT.

# Singapore Portfolio Performance

Gross Rental Rate  
S\$ psf/mth



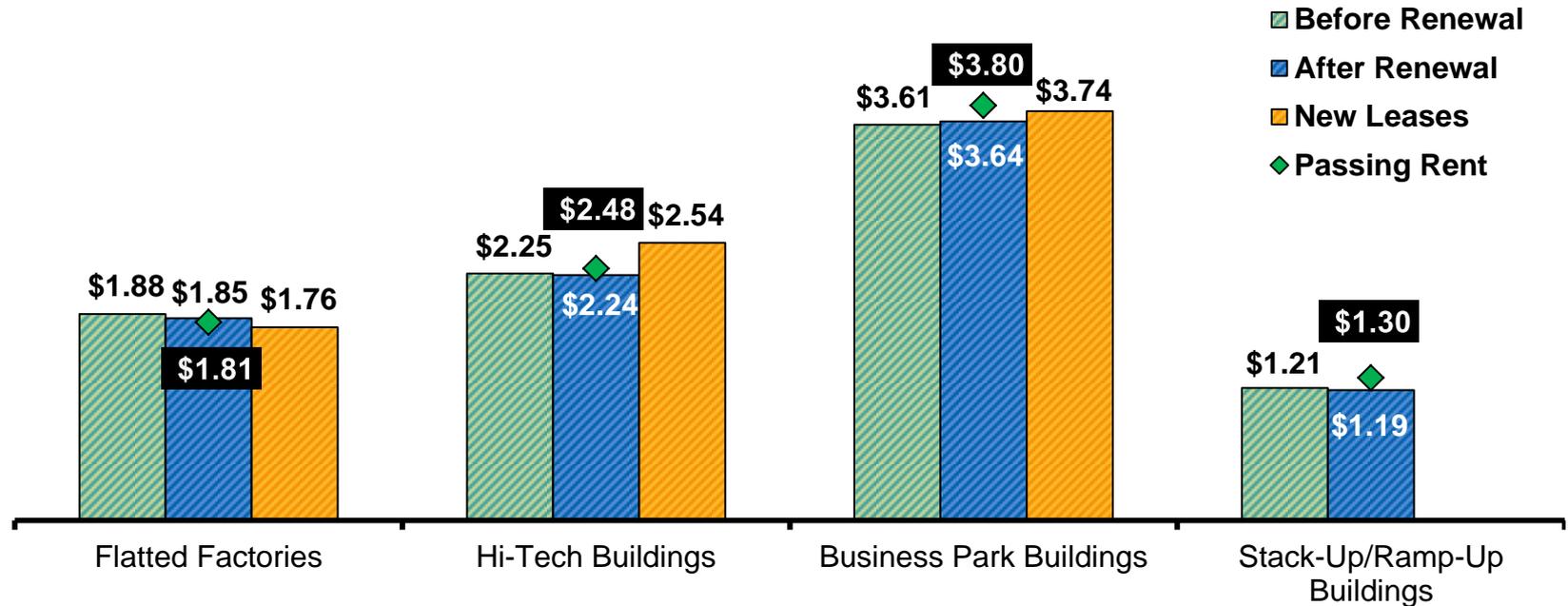
# Segmental Occupancy Levels (Singapore Portfolio)



# Rental Revisions (Singapore Portfolio)

## Gross Rental Rate (S\$ psf/mth)<sup>1, 2</sup>

For period 3QFY17/18



<b>Renewal Leases</b>	117 Leases (311,528 sq ft)	20 Leases (65,716 sq ft)	13 Leases (50,980 sq ft)	10 Leases (198,004 sq ft)
<b>New Leases</b>	48 Leases (97,984 sq ft)	14 Leases (42,303 sq ft)	3 Leases (23,003 sq ft)	1 Lease (52,539 sq ft)

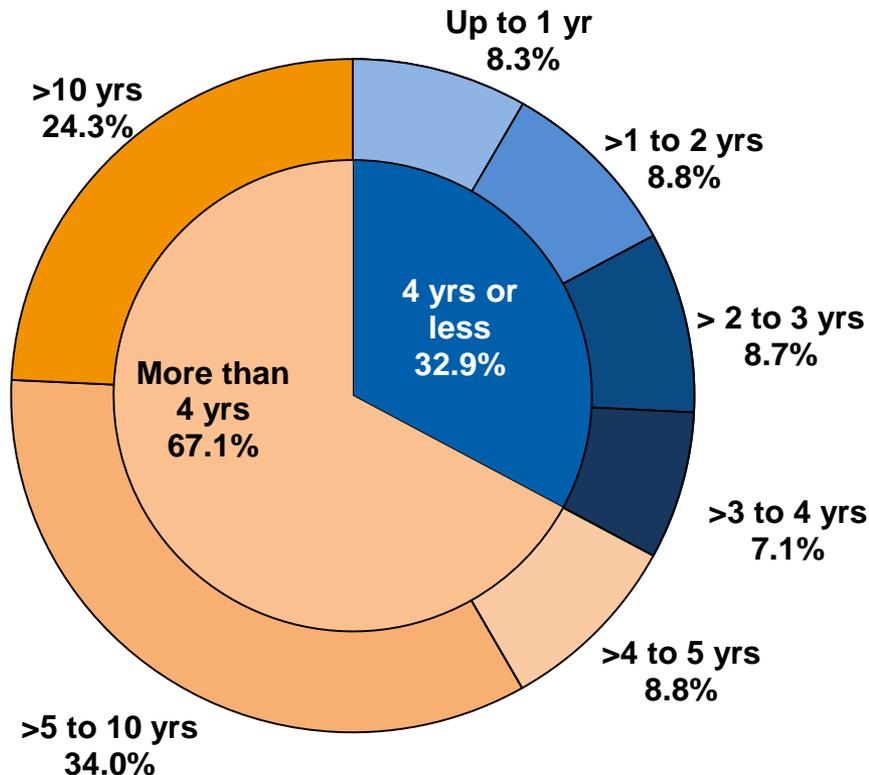
<sup>1</sup> Gross Rental Rate figures exclude short term leases; except Passing Rent figures which include all leases.

<sup>2</sup> Excluded rental rate for the sole new lease at Stack-Up/Ramp-Up Buildings and information on the sole new lease at Light Industrial Buildings for confidentiality.

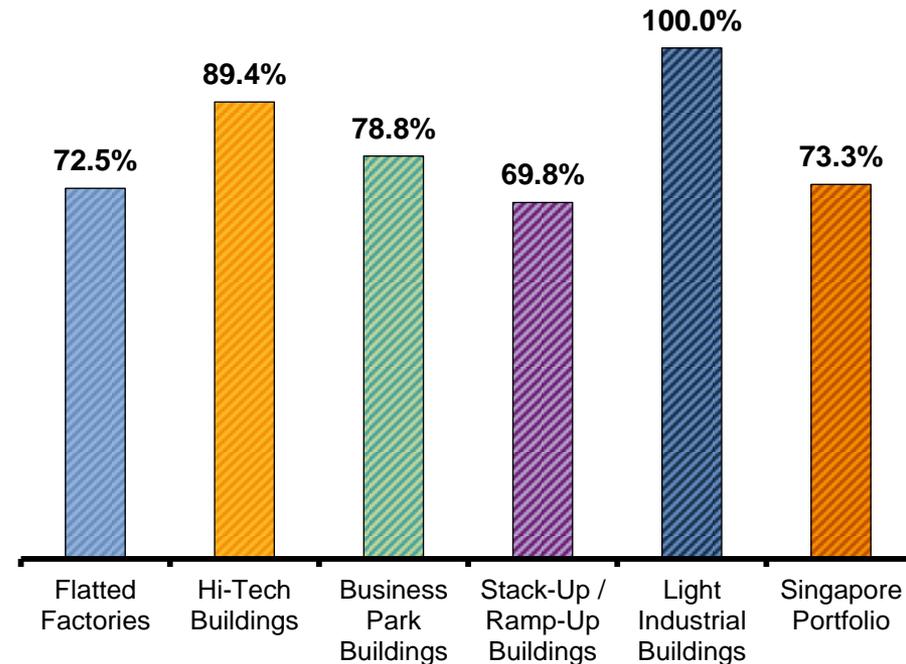
# Tenant Retention (Singapore Portfolio)

## LONG STAYING TENANTS

## RETENTION RATE FOR 3QFY17/18



As at 31 Dec 2017  
By number of tenants.



Based on NLA.

- ✦ 67.1% of the tenants have leased the properties for more than 4 years
- ✦ Tenant retention rate of 73.3% in 3QFY17/18



***INVESTMENT  
UPDATE***

*Stack-up/Ramp-up Buildings, Woodlands Spectrum*

- ✦ Completed first overseas acquisition of 14 data centres in US on 20 Dec 2017
- ✦ Co-investment with its Sponsor, MIPL, with MIT taking 40% interest in Mapletree Redwood Data Centre Trust (“MRDCT”)
- ✦ Sponsor granted MIT the right of first refusal to acquire remaining 60% interest in MRDCT

<b>Description</b>	Portfolio of 14 data centres in US
<b>Purchase consideration</b>	US\$750.0 million (S\$1,020.0 million) <sup>1</sup>
<b>Total valuation<sup>2</sup></b>	US\$776.4 million (S\$1,055.9 million) <sup>1</sup>
<b>Total acquisition cost</b>	US\$753.8 million (S\$1,025.2 million) <sup>1</sup>
<b>Vendor</b>	Carter Validus Mission Critical REIT, Inc.
<b>Land area</b>	8.2 million sq ft
<b>Land tenure</b>	Freehold <sup>3</sup>
<b>Total net lettable area (“NLA”)<sup>4</sup></b>	2.3 million sq ft
<b>Weighted average lease to expiry (“WALE”)<sup>5</sup></b>	6.3 years (by gross rental income)
<b>Occupancy rate<sup>5</sup></b>	97.4%
<b>Completion date</b>	20 Dec 2017

<sup>1</sup> Based on the exchange rate of US\$1.00 to S\$1.36 used in the announcement dated 20 Dec 2017.

<sup>2</sup> Independent valuation by Cushman & Wakefield Western, Inc (“C&W”) conducted in Aug and Sep 2017, using the sales comparison and income capitalisation approach.

<sup>3</sup> All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree. As at 31 Dec 2017, the parking deck has a remaining land lease tenure of approximately 38 years, with an option to renew for an additional 40 years.

<sup>4</sup> Excluded the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>5</sup> As at 31 Dec 2017.

# 14 Data Centres Across 9 States in United States mapletree industrial

Purchase Consideration

**US\$750m**

Total NLA<sup>1</sup>

**2.3m sq ft**

WALE (By GRI)<sup>2</sup>

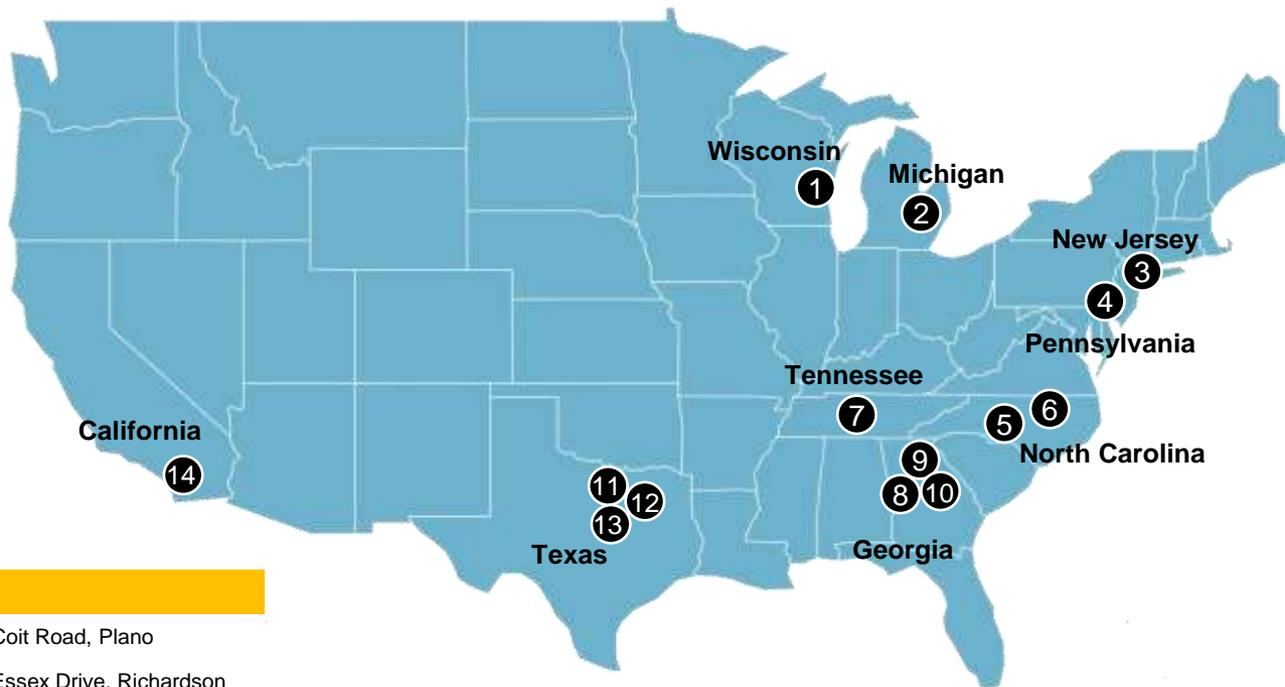
**6.3 years**

Weighted Average Unexpired Lease Term of Underlying Land

**Freehold<sup>3</sup>**

Occupancy Rate<sup>4</sup>

**97.4%**



## Wisconsin

- ① N15W24250 Riverwood Drive, Pewaukee

## Michigan

- ② 19675 W Ten Mile Road, Southfield

## New Jersey

- ③ 2 Christie Heights, Leonia

## Pennsylvania

- ④ 2000 Kubach Road, Philadelphia

## North Carolina

- ⑤ 1805 Center Park Drive, Charlotte
- ⑥ 5150 McCrimmon Parkway, Morrisville

## Tennessee

- ⑦ 402 Franklin Road, Brentwood

## Georgia

- ⑧ 180 Peachtree, Atlanta
- ⑨ 1001 Windward Concourse, Alpharetta
- ⑩ 2775 Northwoods Parkway, Atlanta

## Texas

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

## California

- ⑭ 7337 Trade Street, San Diego

<sup>1</sup> Excluded the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.

<sup>2</sup> Refer to the Acquisition Portfolio's WALE by gross rental income ("GRI") as at 31 Dec 2017.

<sup>3</sup> All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree. As at 31 Dec 2017, the parking deck has a remaining land lease tenure of approximately 38 years, with an option to renew for an additional 40 years.

<sup>4</sup> As at 31 Dec 2017.



Estimated Cost  
**S\$77 million**

Additional GFA  
**336,000 sq ft**

Completion  
**1Q2018**

- ✦ Development of 14-storey Hi-Tech Building (at existing car park) and improvement works at existing buildings
- ✦ Located at Kallang iPark, an upcoming industrial hub for high value and knowledge-based businesses
- ✦ Good leasing enquiries pre-completion
- ✦ Final inspection works in progress

# BTS Project – New Data Centre



*Artist's impression of the BTS data centre in the West Region of Singapore*

Estimated Cost  
**S\$76 million**

GFA  
**242,000 sq ft**

Completion  
**2H2018**

- ✦ Development of a six-storey BTS data centre
- ✦ 100% committed by an established data centre operator
- ✦ Initial lease term of >10 years with staggered rental escalations and renewal options
- ✦ Situated on land area of about 96,800 sq ft
- ✦ Site allocated by JTC with zoning for Business 2 use and land tenure of 30 years
- ✦ Located in a specialised industrial park for data centres with ready-built infrastructure
- ✦ Completed construction of fourth storey structure slab and commenced installation of external facade



# **OUTLOOK AND STRATEGY**

*Flatted Factory, Tiong Bahru 2*

## Singapore

- ✦ Singapore economy grew by 3.1% y-o-y in the quarter ended 31 Dec 2017, easing from 5.4% growth in preceding quarter<sup>1</sup>
- ✦ Median rents for industrial real estate for 3QFY17/18<sup>2</sup>
  - Multi-user Factory Space: S\$1.80 psf/mth (0.6% q-o-q)
  - Business Park Space: S\$4.09 psf/mth (3.5% q-o-q)
- ✦ Geopolitical risks and policy uncertainty could negatively affect improvement in business environment  
Continued supply of competing industrial space is expected to exert pressure on both occupancy and rental rates.
- ✦ The Manager will continue to focus on tenant retention to maintain a stable portfolio occupancy.

## US

- ✦ Economic expansion in US is projected to continue in 2018, with continued support from private consumption and investment<sup>3</sup>
- ✦ According to 451 Research, the supply for US multi-tenant data centres (in net operational square feet) will grow by 9.0% while the demand will grow by 10.1% in 2018<sup>4</sup>. This will underpin the stability of revenue contribution from the US portfolio.

<sup>1</sup> Ministry of Trade and Industry (Advance Estimates), 2 Jan 2018

<sup>2</sup> URA/JTC Realis, 22 Jan 2018

<sup>3</sup> OECD (2017), "General assessment of the macroeconomic situation", in OECD Economic Outlook, Volume 2017 Issue 2

## Stable and Resilient Portfolio

- ✦ Only 3.1% of leases (by gross rental income) due for renewal in FY17/18
- ✦ Portfolio's WALE increased q-o-q from 3.7 years to 3.9 years as at 31 Dec 2017

## Enhanced Financial Flexibility

- ✦ Aggregate leverage of 33.8% allows sufficient headroom for growth opportunities
- ✦ Hedged borrowings of 60.7%

## Growth by Acquisitions and Developments

- ✦ Completed first overseas acquisition of 14 data centres in US
- ✦ AEI at 30A Kallang Place and Kallang Basin 4 Cluster on track for completion in 1Q2018
- ✦ BTS data centre development on track for completion in 2H2018



## End of Presentation

For enquiries, please contact Ms Melissa Tan, Vice President, Investor Relations,  
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