



# 3QFY22/23

## Financial Results

26 January 2023



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This presentation shall be read in conjunction with Mapletree Industrial Trust's ("MIT") financial results for Third Quarter Financial Year 2022/2023 in the SGXNET announcement dated 26 January 2023.

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The past performance of the Units and MIT is not indicative of the future performance of MIT or Mapletree Industrial Trust Management Ltd. (the "Manager").

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- 01 Key Highlights – 1 Oct 2022 to 31 Dec 2022**
- 02 3QFY22/23 Financial Performance**
- 03 Portfolio Update**
- 04 Investment Update**
- 05 Outlook and Strategy**



***KEY HIGHLIGHTS  
1 OCT 2022 TO 31 DEC 2022***

*Data Centres, 13831 Katy Freeway, Houston*

# Key Highlights

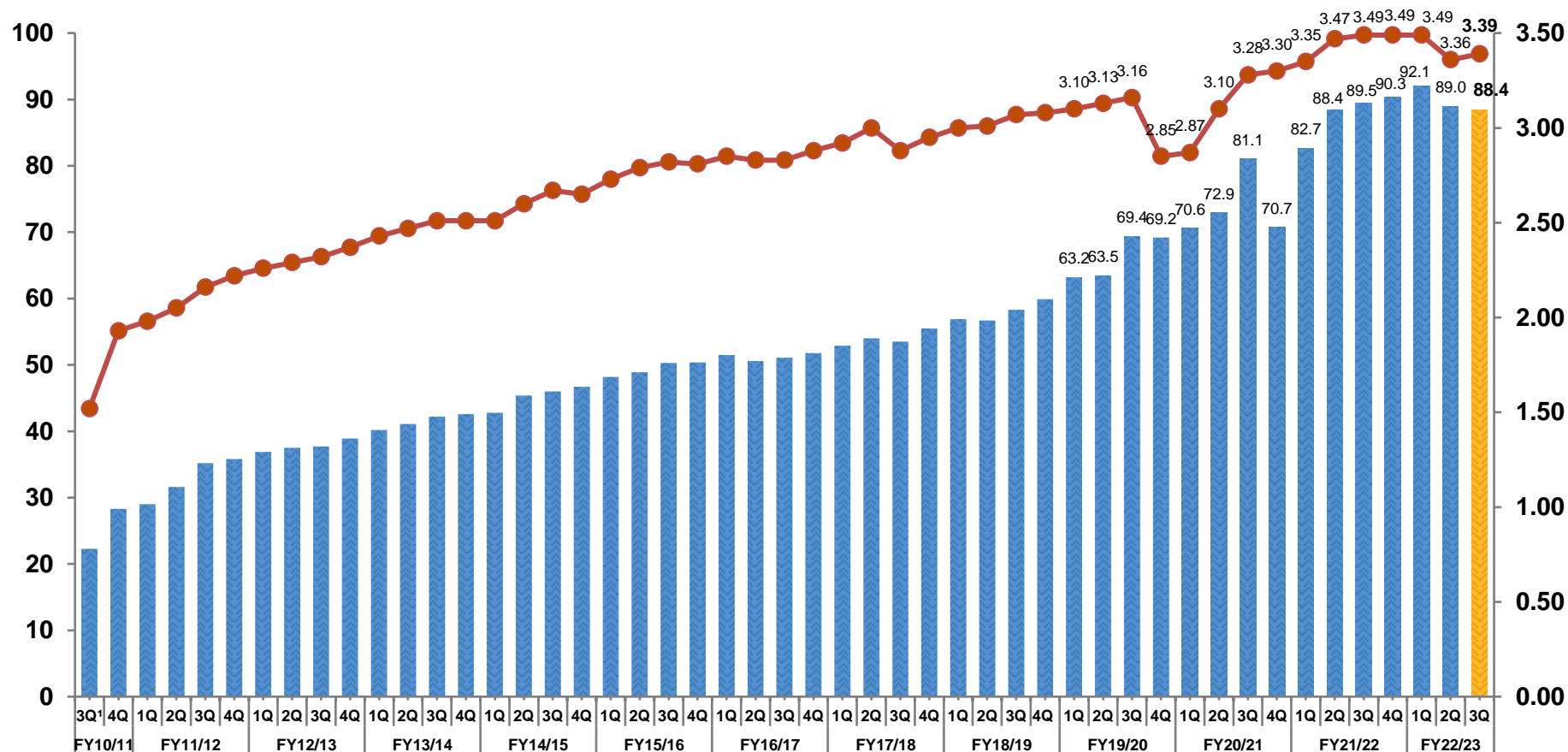
- ✦ **Performance driven by contributions from new leases in the Singapore Portfolio, offset by higher operating expenses and borrowing costs**
  - 3QFY22/23 Distribution to Unitholders: S\$92.3 million<sup>1</sup> ( ▼ 0.6% y-o-y)
  - 3QFY22/23 DPU: 3.39 cents<sup>1</sup> ( ▼ 2.9% y-o-y)
  
- ✦ **Healthy Singapore Portfolio Performance**
  - Average Overall Portfolio occupancy increased q-o-q from 95.6% to 95.7%
  - Higher occupancies and positive rental revisions across most property segments in Singapore
  
- ✦ **New high-tech industrial precinct at 161, 163 and 165 Kallang Way**
  - Build-to-suit development, 165 Kallang Way, obtained temporary occupation permit on 10 Nov 2022
  - Secured committed occupancy of 39% (by NLA)
  - 161 and 163 Kallang Way attained the BCA Green Mark Platinum Award on 9 Dec 2022
  
- ✦ **Capital management update**
  - Hedged borrowings of 74.3% and weighted average hedge tenor of 3.8 years
  - Raised proceeds of S\$40.8 million from DRP for 2QFY22/23 Distribution, representing a take-up rate of 45.8%

<sup>1</sup> Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24 and the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

# Sustainable and Growing Returns

Distributable Income  
(S\$ million)

DPU  
(cents)



DPU  
(cents)

3.45	8.41	9.24	9.92	10.43	11.15	11.39	11.75	12.16	12.24	12.55	13.80
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<sup>1</sup> MIT was listed on 21 Oct 2010.



# **3QFY22/23 FINANCIAL PERFORMANCE**

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

# Statement of Profit or Loss (Year-on-Year)

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	↑ / (↓)
Gross revenue	170,449	162,352	5.0%
Property operating expenses	(41,642)	(39,617)	5.1%
<b>Net property income</b>	<b>128,807</b>	<b>122,735</b>	<b>4.9%</b>
Borrowing costs	(26,060)	(19,240)	35.4%
Trust expenses	(16,359)	(11,160)	46.6%
Share of joint venture's results	10,372	9,399	10.4%
<b>Profit for the period before tax</b>	<b>96,760</b>	<b>101,734</b>	<b>(4.9%)</b>
Income tax expense	(1,352)	(2,883)	(53.1%)
<b>Profit for the period</b>	<b>95,408</b>	<b>98,851</b>	<b>(3.5%)</b>
Profit attributable to perpetual securities holders	2,382	2,382	-
<b>Profit attributable to Unitholders</b>	<b>93,026</b>	<b>96,469</b>	<b>(3.6%)</b>
Net non-tax chargeable items <sup>1</sup>	(12,763)	(13,862)	(7.9%)
Distribution declared by joint venture	8,115	6,898	17.6%
<b>Amount available for distribution to Unitholders</b>	<b>88,378</b>	<b>89,505</b>	<b>(1.3%)</b>
<b>Distribution to Unitholders</b>	<b>92,332<sup>2,3</sup></b>	<b>92,845<sup>2</sup></b>	<b>(0.6%)</b>
<b>Distribution per Unit (cents)</b>	<b>3.39<sup>2,3</sup></b>	<b>3.49<sup>2</sup></b>	<b>(2.9%)</b>

<sup>1</sup> Non-tax chargeable items and other adjustments include share of joint venture's results, adjustments for rental incentives, income tax expense, management fees paid/payable in units, trustee's fees and financing related costs.

<sup>2</sup> Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

<sup>3</sup> Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.



# Statement of Profit or Loss (Year-on-Year)

	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)	↑ / (↓)
Gross revenue	513,766	445,972	15.2%
Property operating expenses	(124,731)	(98,198)	27.0%
<b>Net property income</b>	<b>389,035</b>	<b>347,774</b>	<b>11.9%</b>
Borrowing costs	(69,777)	(51,878)	34.5%
Trust expenses	(49,415)	(36,955)	33.7%
Gain on divestment of investment properties <sup>1</sup>	3,759	2,637	42.5%
Share of joint venture's results	28,759	27,324	5.3%
<b>Profit for the year before tax</b>	<b>302,361</b>	<b>288,902</b>	<b>4.7%</b>
Income tax expense	(9,413)	(7,578)	24.2%
<b>Profit for the year</b>	<b>292,948</b>	<b>281,324</b>	<b>4.1%</b>
Profit attributable to perpetual securities holders	7,120	6,084	17.0%
<b>Profit attributable to Unitholders</b>	<b>285,828</b>	<b>275,240</b>	<b>3.8%</b>
Net non-tax chargeable items <sup>2</sup>	(37,333)	(34,463)	8.3%
Distribution declared by joint venture	20,998	19,799	6.1%
<b>Amount available for distribution to Unitholders</b>	<b>269,493</b>	<b>260,576</b>	<b>3.4%</b>
<b>Distribution to Unitholders</b>	<b>277,003<sup>3, 4</sup></b>	<b>267,442<sup>3</sup></b>	<b>3.6%</b>
<b>Distribution per Unit (cents)</b>	<b>10.24<sup>3, 4</sup></b>	<b>10.31<sup>3</sup></b>	<b>(0.7%)</b>

<sup>1</sup> Gain on divestment of investment properties arose from the divestments of 19 Changi South Street 1 and 19675 West Ten Mile Road, Southfield for YTD FY22/23. Divestment gain in YTD FY21/22 arose from the divestment of 26A Ayer Rajah Crescent and compensation received for the compulsory acquisition of part of the land at 2 and 4 Loyang Lane for public use.

<sup>2</sup> Non-tax chargeable items and other adjustments include share of joint venture's results, adjustments for rental incentives, income tax expense, management fees paid/payable in units, trustee's fees and financing related costs.

<sup>3</sup> Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

<sup>4</sup> Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

# Statement of Profit or Loss (Qtr-on-Qtr)

	3QFY22/23 (S\$'000)	2QFY22/23 (S\$'000)	↑ / (↓)
Gross revenue	170,449	175,512	(2.9%)
Property operating expenses	(41,642)	(45,187)	(7.8%)
<b>Net property income</b>	<b>128,807</b>	<b>130,325</b>	<b>(1.2%)</b>
Borrowing costs	(26,060)	(23,770)	9.6%
Trust expenses	(16,359)	(16,498)	(0.8%)
Share of joint venture's results	10,372	9,054	14.6%
<b>Profit for the period before tax</b>	<b>96,760</b>	<b>99,111</b>	<b>(2.4%)</b>
Income tax expense	(1,352)	(2,643)	(48.8%)
<b>Profit for the period</b>	<b>95,408</b>	<b>96,468</b>	<b>(1.1%)</b>
Profit attributable to perpetual securities holders	2,382	2,382	-
<b>Profit attributable to Unitholders</b>	<b>93,026</b>	<b>94,086</b>	<b>(1.1%)</b>
Net non-tax chargeable items <sup>1</sup>	(12,763)	(11,958)	6.7%
Distribution declared by joint venture	8,115	6,849	18.5%
<b>Amount available for distribution to Unitholders</b>	<b>88,378</b>	<b>88,977</b>	<b>(0.7%)</b>
<b>Distribution to Unitholders</b>	<b>92,332<sup>2,3</sup></b>	<b>90,857<sup>2</sup></b>	<b>1.6%</b>
<b>Distribution per Unit (cents)</b>	<b>3.39<sup>2,3</sup></b>	<b>3.36<sup>2</sup></b>	<b>0.9%</b>

<sup>1</sup> Non-tax chargeable items and other adjustments include share of joint venture's results, adjustments for rental incentives, income tax expense, management fees paid/payable in units, trustee's fees and financing related costs.

<sup>2</sup> Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

<sup>3</sup> Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

# Statement of Financial Position

	31 Dec 2022	30 Sep 2022	↑ / (↓)	31 Mar 2022	↑ / (↓)
Total assets (S\$'000)	8,619,961	8,769,985	(1.7%)	8,479,971	1.7%
Total liabilities (S\$'000)	3,148,673	3,256,332	(3.3%)	3,201,113	(1.6%)
<b>Net assets attributable to Unitholders (S\$'000)</b>	<b>5,171,816</b>	<b>5,211,899</b>	<b>(0.8%)</b>	<b>4,977,056</b>	<b>3.9%</b>
<b>Net asset value per Unit (S\$)<sup>1</sup></b>	<b>1.90</b>	<b>1.93</b>	<b>(1.6%)</b>	<b>1.86</b>	<b>2.2%</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 reporting dates.

# Strong Balance Sheet

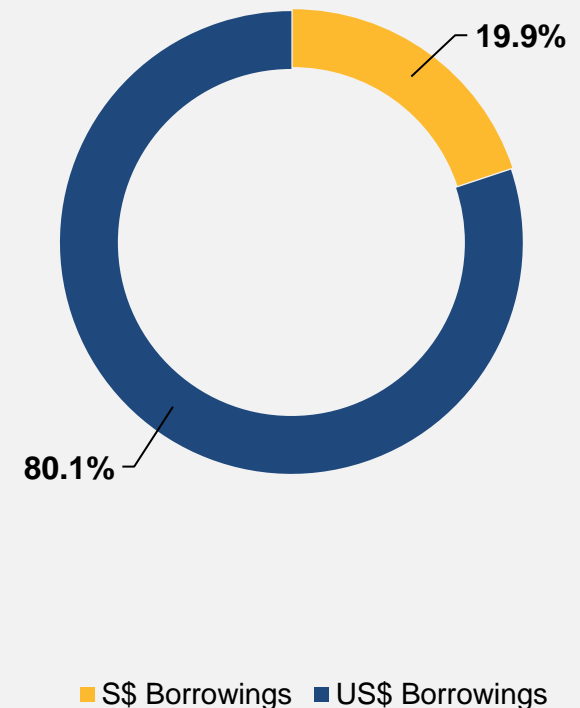
	31 Dec 2022	30 Sep 2022
Total debt	<b>S\$2,854.6 million</b>	S\$2,947.1 million
Weighted average tenor of debt	<b>3.1 years</b>	3.5 years
Aggregate leverage ratio <sup>1</sup>	<b>37.2%</b>	37.8%

## Strong balance sheet to pursue growth opportunities

- ✦ 'BBB+' rating with Stable Outlook by Fitch Ratings
- ✦ 100% of loans unsecured with minimal covenants
- ✦ DRP take-up rate of 45.8% for 2QFY22/23 Distribution. DRP will be applied for 3QFY22/23 Distribution and suspended thereafter

## DEBT CURRENCY PROFILE

As at 31 December 2022

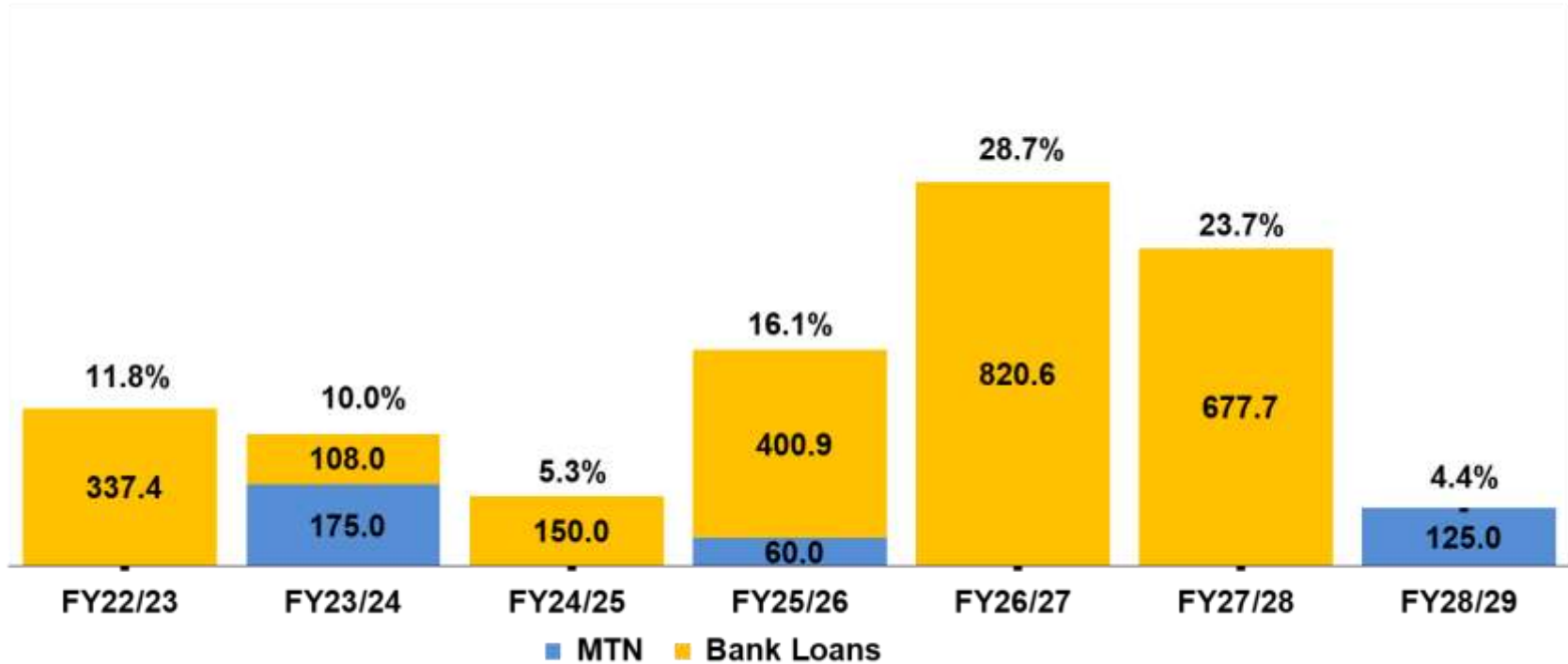


<sup>1</sup> In accordance with Property Funds Guidelines, the aggregate leverage ratio includes proportionate share of aggregate leverage as well as deposited property values of joint venture. As at 31 Dec 2022, aggregate leverage including MIT's proportionate share of joint venture is S\$3,411.0 million.

# Well Diversified Debt Maturity Profile

## DEBT MATURITY PROFILE

As at 31 December 2022



Amounts in S\$ million

Weighted Average Tenor of Debt = 3.1 years

# Risk Management

	31 Dec 2022	30 Sep 2022
Fixed as a % of total debt	<b>74.3%</b>	74.2%
Weighted average hedge tenor	<b>3.8 years</b>	4.0 years
Weighted average all-in funding cost for the quarter	<b>3.3%</b>	2.9%
Interest coverage ratio (“ICR”) for the quarter	<b>4.8 times</b>	5.2 times
ICR for the trailing 12 months <sup>1</sup>	<b>5.3 times</b>	5.8 times
Adjusted ICR for the trailing 12 months <sup>1</sup>	<b>4.8 times</b>	5.2 times

Change in base rates <sup>2</sup>	Impact on amount available for distribution per quarter (\$ million)	Impact on DPU <sup>3</sup> (cent)	Impact on DPU <sup>4</sup> (%)
+ 50 bps	-0.7	-0.02	-0.7%
+ 100 bps	-1.3	-0.05	-1.5%
+ 150 bps	-2.0	-0.07	-2.2%
+ 200 bps	-2.7	-0.10	-2.9%

<sup>1</sup> Calculated in accordance with Property Funds Guidelines dated 16 Apr 2020.

<sup>2</sup> Based on unhedged borrowings as at 31 Dec 2022. Base rate denotes SGD SOR and USD SOFR.

<sup>3</sup> Based on 2,724 million units as at 31 Dec 2022.

<sup>4</sup> Based on 3QFY22/23 DPU of 3.39 cents.

# PORTFOLIO UPDATE



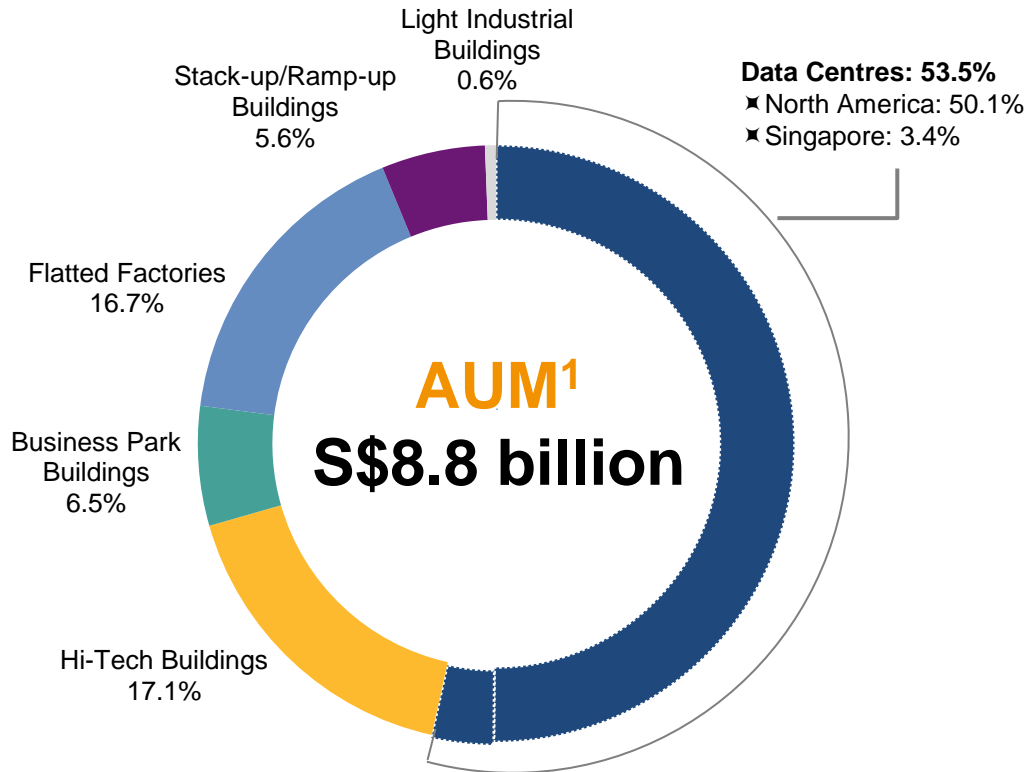
*Business Park Buildings, The Strategy and The Synergy*

# 141 Properties Across 6 Property Segments

**\$8.8 billion<sup>1</sup>**  
AUM

**24.1 million<sup>2</sup>**  
NLA (sq ft)

**>2,000 tenants**  
Tenant Base



## AUM by geography

North America	50.1%
Singapore	49.9%

<sup>1</sup> Based on MIT's book value of investment properties as well as MIT's interest of the joint venture with MIPL in three fully fitted hyperscale data centres and 10 powered shell data centres in North America and included MIT's right-of-use assets as at 31 Dec 2022.

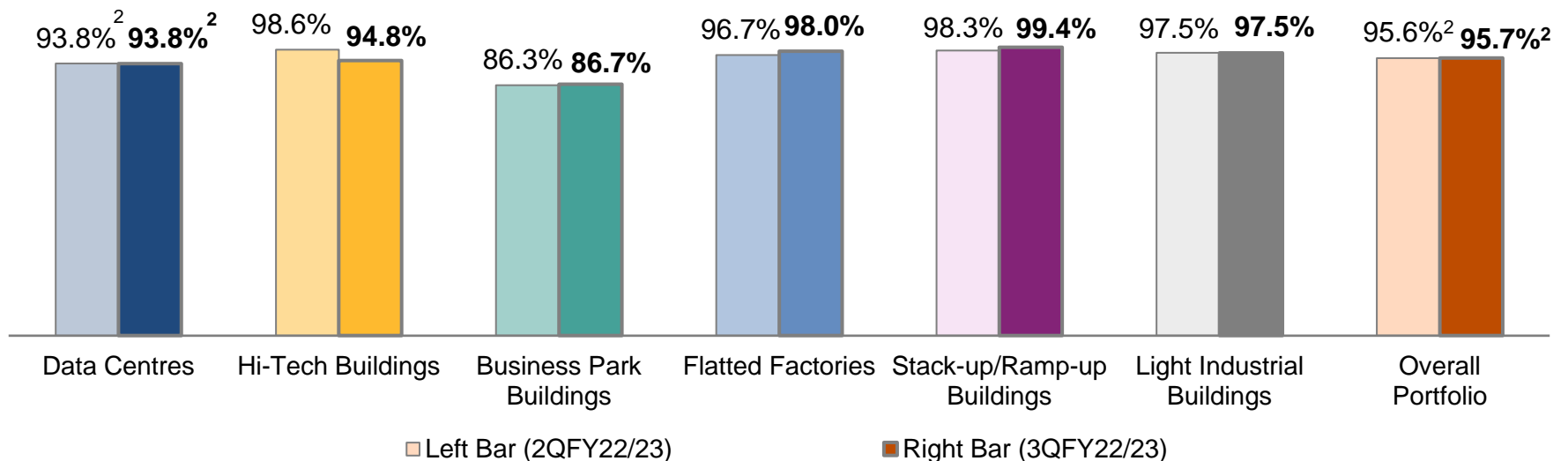
<sup>2</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree.



# Portfolio Overview

	Singapore Portfolio	North American Portfolio	Overall Portfolio
Number of properties	86	56	141
NLA (million sq ft)	16.0	8.3 <sup>1</sup>	24.1 <sup>1</sup>
Occupancy (%)			
<b>3QFY22/23</b>	<b>96.9</b>	<b>93.1</b>	<b>95.7<sup>2</sup></b>
<i>2QFY22/23</i>	<i>96.8</i>	<i>93.1</i>	<i>95.6<sup>2</sup></i>

## SEGMENTAL OCCUPANCY RATES<sup>1</sup>



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

<sup>2</sup> Based on MIT's 50% interest of the joint venture with MIPL in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through Mapletree Rosewood Data Centre Trust ("MRODCT").

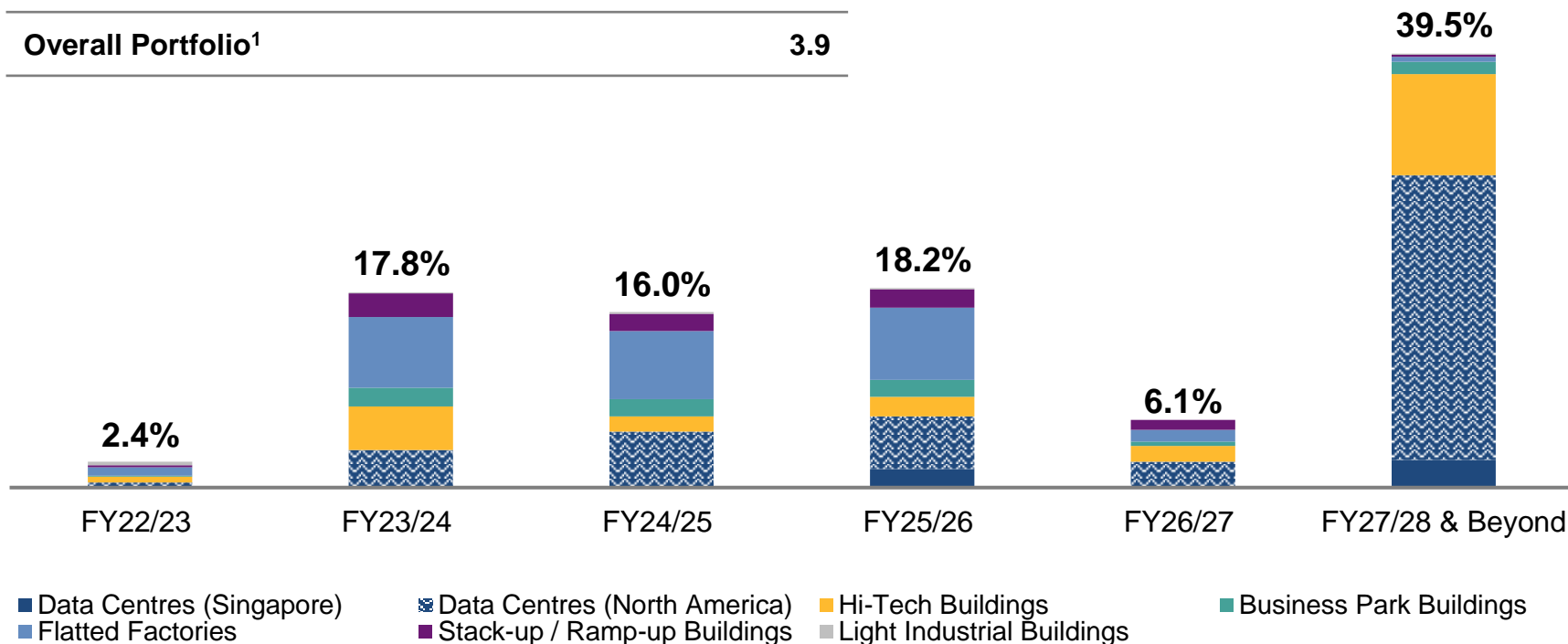
# Lease Expiry Profile

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

As at 31 December 2022

### WALE based on date of commencement of leases (years)<sup>2</sup>

North American Portfolio	5.8
Singapore Portfolio	2.6
<b>Overall Portfolio<sup>1</sup></b>	<b>3.9</b>



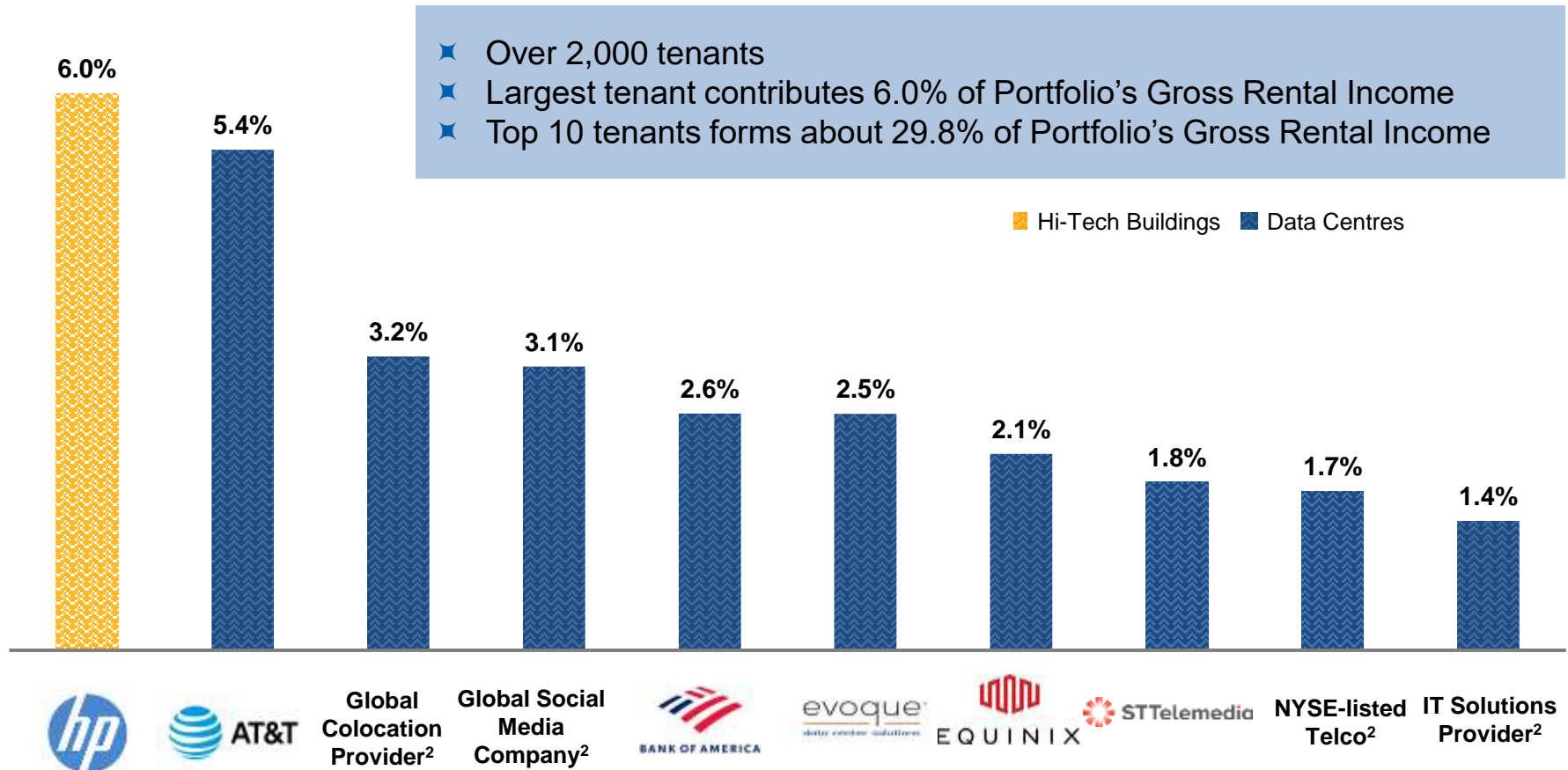
<sup>1</sup> Based on MIT's 50% interest of the joint venture with MIPL in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

<sup>2</sup> Refers to leases which commenced prior to and on 31 Dec 2022.

# Large and Diversified Tenant Base

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

As at 31 December 2022

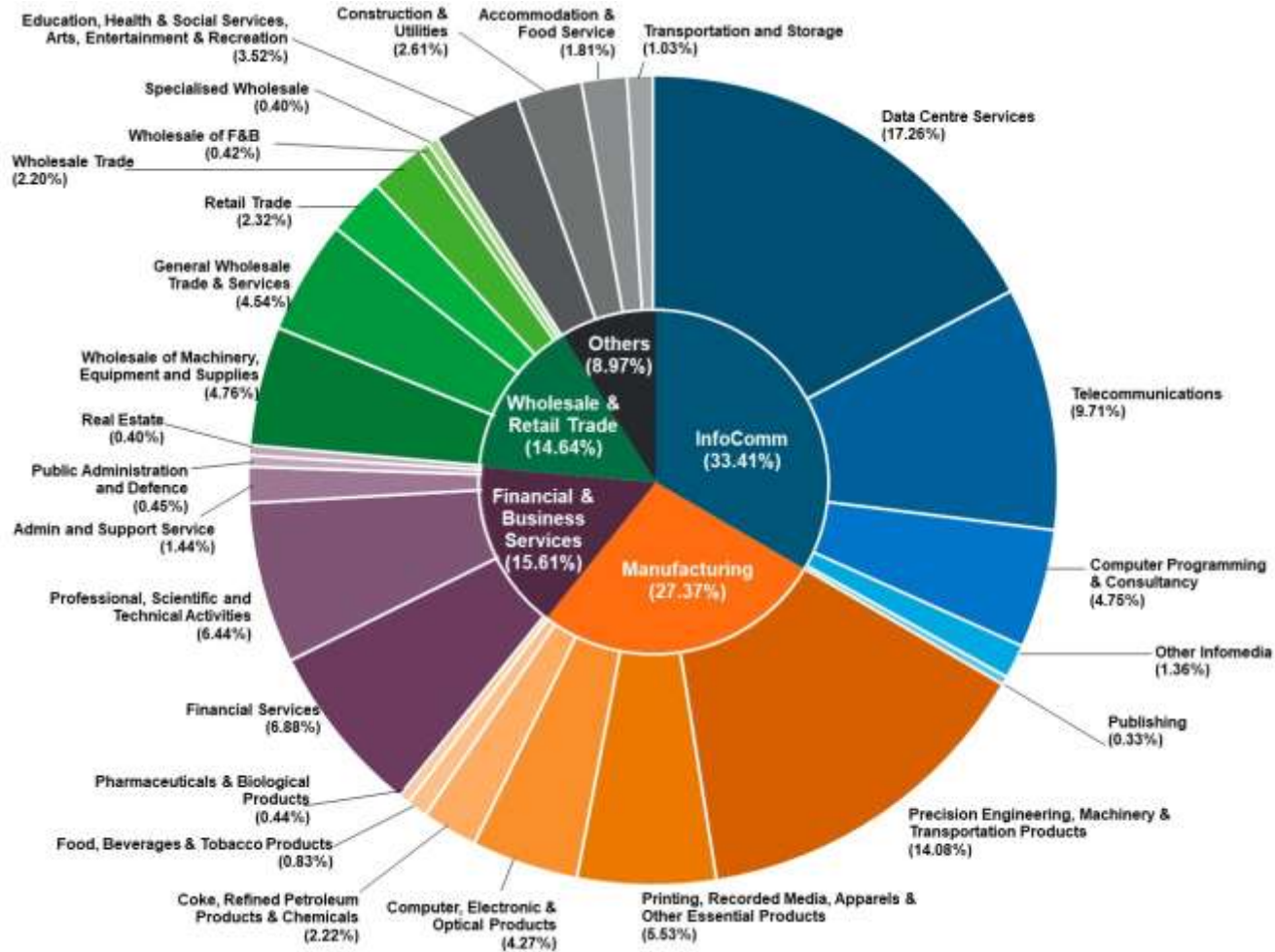


<sup>1</sup> Based on MIT's 50% interest of the joint venture with MIPL in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

<sup>2</sup> The identities of the tenants cannot be disclosed due to the strict confidentiality obligations under the lease agreements.

# Tenant Diversification Across Trade Sectors<sup>1</sup>

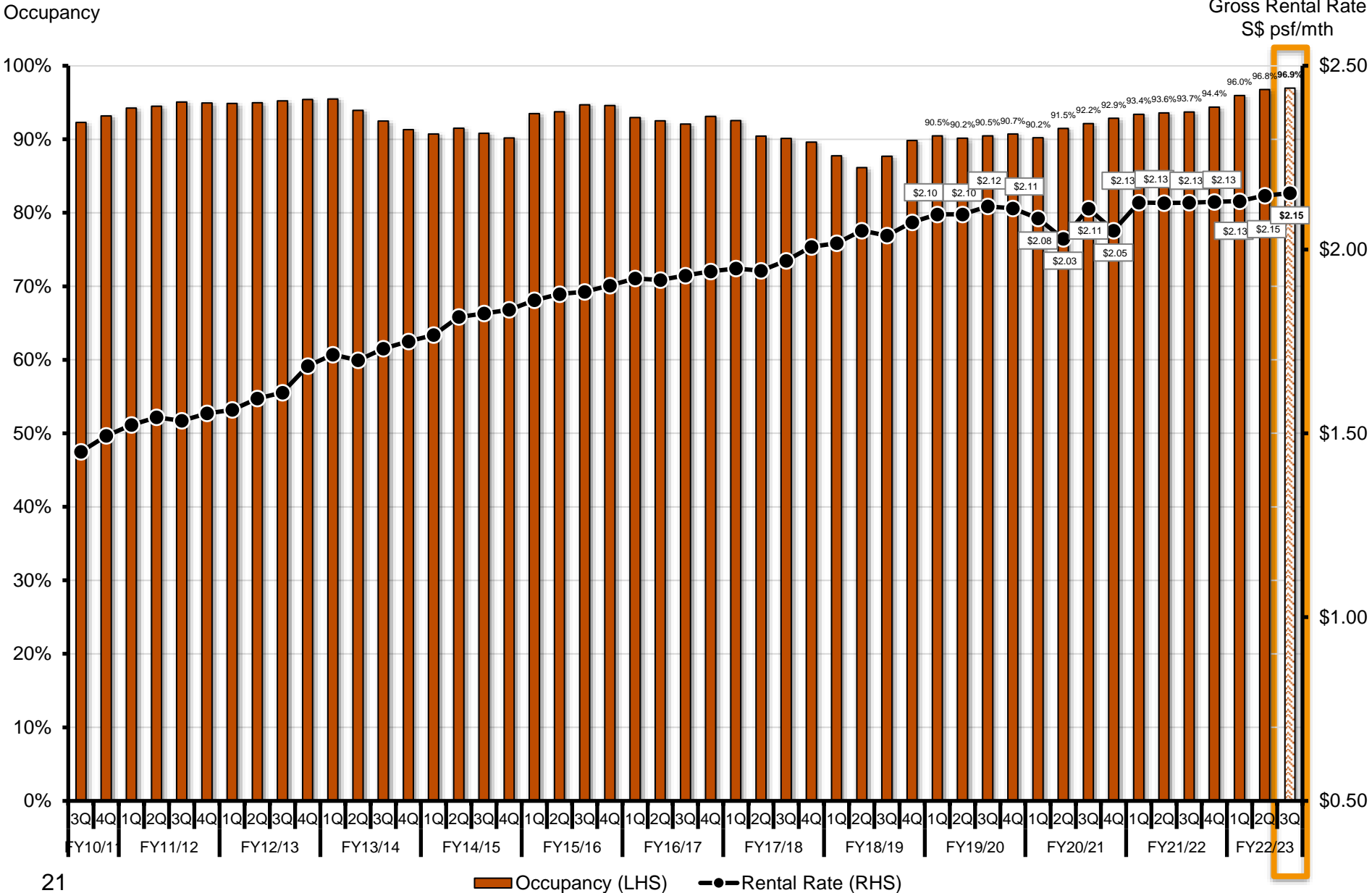
No single trade sector accounted >18% of Portfolio's Gross Rental Income



By Gross Rental Income  
As at 31 Dec 2022

<sup>1</sup> Based on MIT's 50% interest of the joint venture with MIPL in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

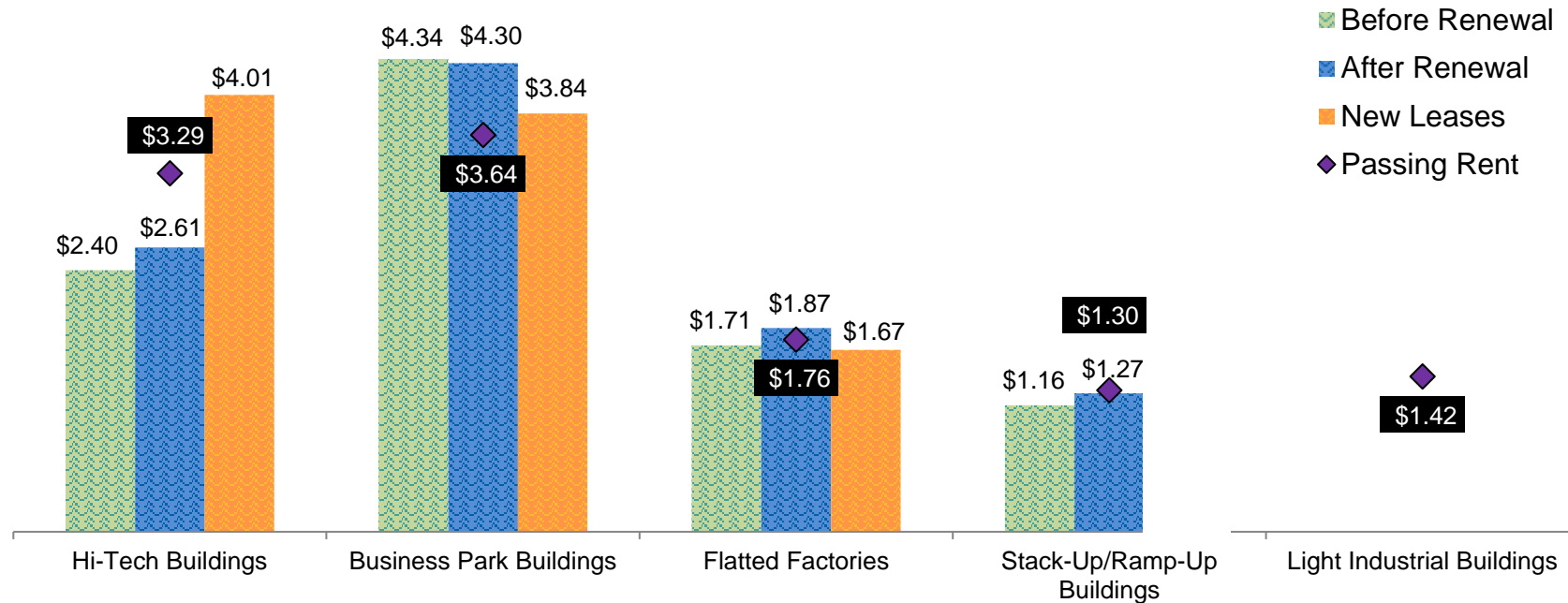
# Singapore Portfolio Performance



# Rental Revisions (Singapore)

## GROSS RENTAL RATE (\$ PSF/MTH)<sup>1</sup>

For Period 3QFY22/23



- Before Renewal
- After Renewal
- New Leases
- ◆ Passing Rent

<b>Renewal Leases</b>	21 Leases (148,023 sq ft)	4 Leases (6,755 sq ft)	154 Leases (437,782 sq ft)	10 Leases (156,681 sq ft)	N.A. <sup>2</sup>
<b>New Leases</b>	3 Leases (9,520 sq ft)	2 Leases (3,293 sq ft)	62 Leases (174,726 sq ft)	N.A. <sup>3</sup>	N.A. <sup>4</sup>

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

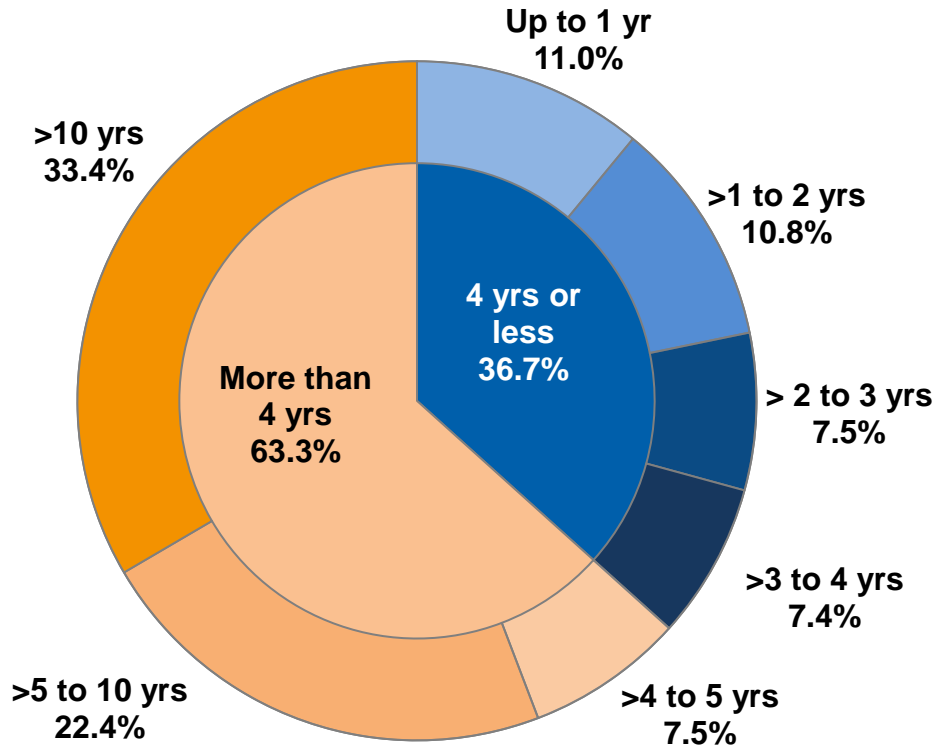
<sup>2</sup> Excluded rental rate for the sole renewal lease at Light Industrial Buildings for confidentiality.

<sup>3</sup> Excluded rental rate for the sole new lease at Stack-Up/Ramp-Up Buildings for confidentiality.

<sup>4</sup> Not applicable as there were no new leases secured in the quarter.

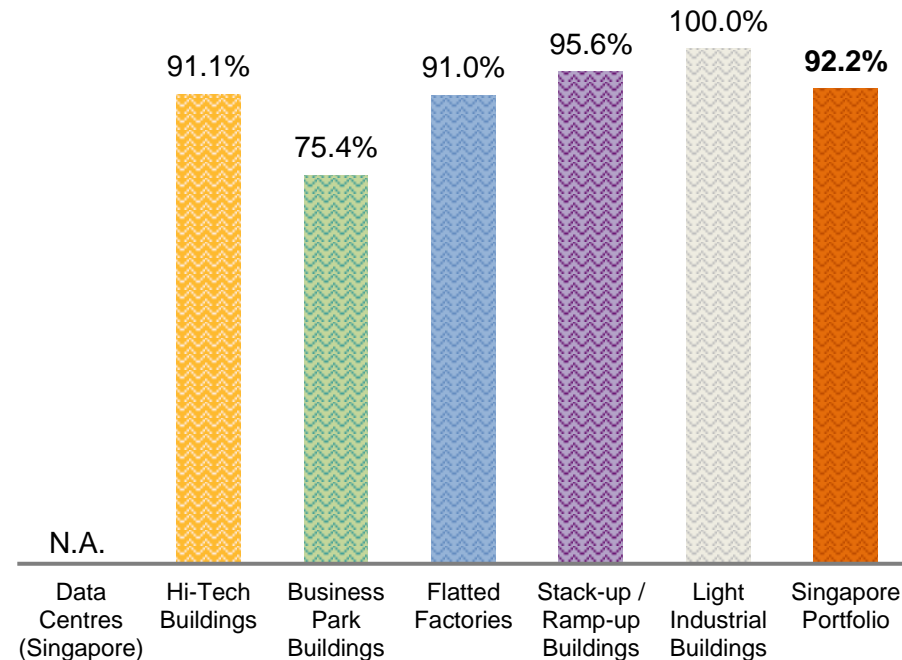
# Healthy Tenant Retention (Singapore)

## LONG STAYING TENANTS



As at 31 Dec 2022  
By number of tenants.

## RETENTION RATE FOR 3QFY22/23



Based on NLA.  
Not applicable for Data Centres (Singapore) as there were no leases due for renewal.

- ✦ 63.3% of the tenants have leased the properties for more than 4 years
- ✦ Tenant retention rate of 92.2% in 3QFY22/23

# Sustainability Updates

## ACCELERATE

Adoption of Renewable Energy (Phase 2)



- Completed installation of solar panels at Loyang 1 & 2 Clusters in 4Q2022
- Installation for remaining three property clusters on track for completion in 1Q2023

Generating Capacity

On Track for FY29/30 Target



## ATTAIN

Green Building Certifications



- 161 and 163 Kallang Way attained the BCA Green Mark Platinum Award on 9 Dec 2022



High Performance Building Facade



Efficient Central Chilled Water Plant System



Highly Efficient LED lights



# ***INVESTMENT UPDATE***

*Data Centres, 44490 Chillum Place (ACC2), Northern Virginia*

# Redevelopment – 161, 163 & 165 Kallang Way

161, 163 & 165 Kallang Way		GFA	Plot Ratio
Kolam Ayer 2 Cluster <sup>1</sup>	Two Flatted Factories and an amenity centre	506,720 sq ft	1.5
After Redevelopment	New Hi-Tech Buildings, including a seven-storey BTS Facility for Anchor Tenant	865,600 sq ft	2.5



Artist's impression of MIT's new high-tech industrial precinct with BTS Facility on the left



Completed structural works for all three blocks.  
Block 163 and Block 161: Façade installation in progress

- ✦ Redevelopment of Flatted Factories into a new high-tech industrial precinct at total project cost of S\$300 million<sup>2</sup>
- ✦ Obtained Temporary Occupation Permit for 165 Kallang Way (“BTS Facility”) on 10 Nov 2022
- ✦ BTS Facility: 100% committed by a global medical device company headquartered in Germany (the “Anchor Tenant”) for lease term of 15 + 5 + 5 years<sup>3</sup> with annual rental escalations.
- ✦ Expected completions of 163 & 161 Kallang Way in 1H2023
- ✦ Secured committed occupancy of 39% (by NLA)<sup>4</sup>

<sup>1</sup> Upon commencement of the redevelopment works in Jul 2020, the cluster was renamed after its new address (161, 163 & 165 Kallang Way).

<sup>2</sup> Includes the book value of the Kolam Ayer 2 Cluster at S\$70.2 million as at 31 Mar 2019 prior to the commencement of the redevelopment.

<sup>3</sup> Includes a rent-free period of 6 months distributed over the first six years. Anchor Tenant is responsible for all operating expense and property tax of the BTS Facility.

<sup>4</sup> Includes the 29% commitment (by NLA) or 24.4% (by GFA) from the Anchor Tenant.



*Data Centres,  
2601 West Broadway Road, Tempe*

# ***OUTLOOK AND STRATEGY***

## Challenging operating environment in view of global uncertainties

- ✦ The uncertain global outlook and the lacklustre manufacturing momentum may persist in the year ahead. Increasing property operating expenses and borrowing costs will continue to exert pressure on distributions. The Manager will manage these pressures through cost-mitigating measures and focus on tenant retention to maintain a stable portfolio occupancy

## Singapore

- Singapore economy grew by 2.2% y-o-y in the quarter ended 31 Dec 2022, moderating from the 4.2% growth in the preceding quarter<sup>1</sup>
- Business sentiments moderated for the fourth consecutive quarter and fell to a one-year low for 1Q2023. This was primarily due to the ongoing downside risks from geopolitical uncertainties, higher inflationary risks and a deterioration in external demand conditions. However, sentiments within the transportation and construction sectors were upbeat<sup>2</sup>

## North America

- According to CBRE<sup>3</sup>, demand for data centre capacity in North America tripled y-o-y in 1H2022. Total wholesale colocation inventory grew by 20% y-o-y to 3.71 gigawatt (“GW”) in 1H2022 in primary data centre markets (Northern Virginia, Silicon Valley, Chicago, New York Tri-State, Dallas, Phoenix and Atlanta), with an additional 1.6 GW under construction<sup>4</sup>
- Average monthly asking rent grew by 5.9% y-o-y in 1H2022. Supply constraints, combined with robust demand, specifically from the hyperscale operators, are expected to maintain the tailwinds for growth in rental rates in 2023

<sup>1</sup> Source: Ministry of Trade and Industry (Advance Estimates), 3 Jan 2023.

<sup>2</sup> Source: Singapore Commercial Credit Bureau, 1Q2023.

<sup>3</sup> Source: CBRE U.S. Real Estate Market Outlook 2023.

<sup>4</sup> Source: CBRE North America Data Centre Outlook 2022.

## Stable and Resilient Portfolio

- ✦ Anchored by large and diversified tenant base with low dependence on any single tenant or trade sector
- ✦ Focus on tenant retention to maintain a stable portfolio occupancy

## Enhanced Financial Flexibility

- ✦ Hedged borrowings of 74.3% and weighted average hedge tenor of 3.8 years

## Growth by Acquisitions and Developments

- ✦ Completion of build-to-suit development, 165 Kallang Way on 10 Nov 2022
- ✦ Redevelopment at 161 & 163 Kallang Way slated for full completion in 1H2023



# End of Presentation

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