



Mapletree Logistics Trust

1Q FY19/20 Financial Results

22 July 2019

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Agenda

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

Key Highlights

- **1Q FY19/20 Amount Distributable to Unitholders of S\$73.6m (+20.8% y-o-y) and DPU of 2.025 cents (+3.5% y-o-y)**
 - Gross revenue rose 13.6% to S\$119.8m and NPI grew 18.2% to S\$106.1m
 - Performance underpinned by stable performance from existing properties and contributions from completed redevelopment in China and accretive acquisitions in FY18/19, partly offset by absence of contributions from divestments in FY18/19 and 1Q FY19/20
- **Stable Portfolio**
 - Healthy occupancy of 97.6%
 - WALE (by NLA) was extended to 4.8 years from 3.8 years in the prior quarter
 - Average rental reversion for leases renewed or replaced in 1Q FY19/20 was 1.8%, contributed by China, Hong Kong and Vietnam
 - Divested five older properties in Japan for JPY17,520m (S\$213.3m) as part of portfolio rejuvenation
- **Proactive Capital Management**
 - Aggregate leverage of 36.8% as at 30 Jun 2019
 - Well-staggered debt maturity profile with an average debt duration of 3.8 years
 - Approximately 83% of total debt is hedged into fixed rates and about 83% of income stream for FY19/20 has been hedged

Financial Review

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

S\$'000	1Q FY19/20 ¹ 3 mths ended 30 June 2019	1Q FY18/19 ² 3 mths ended 30 June 2018	Y-o-Y change
Gross Revenue	119,811	105,441	13.6%
Property Expenses	(13,683)	(15,643)	(12.5%)
Net Property Income ("NPI")	106,128	89,798	18.2%
Borrowing Costs	(21,629)	(15,564)	39.0%
Contribution from Joint Ventures ³	1,840 ⁴	491 ⁵	> 100%
Amount Distributable	77,845 ⁶	65,161 ⁷	19.5%
- To Perp Securities holders	4,243	4,243	-
- To Unitholders	73,602	60,918	20.8%
Available DPU (cents)	2.025	1.957	3.5%
Total issued units at end of period (million)	3,635	3,243	12.1%

- Revenue growth mainly due to:
 - contribution from completed redevelopment of Mapletree Ouluo Logistics Park Phase 1 in Shanghai
 - accretive acquisitions in FY18/19
 - partly offset by divestment of seven properties in FY18/19 and 1Q FY19/20
- Property expenses decreased due to recognition of lower land rent with the adoption of SFRS(I)16 (~S\$2.8m)
- 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\$1.5m)
 - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:

1. 1Q FY19/20 started with 141 properties and ended with 137 properties.
2. 1Q FY18/19 started with 124 properties and ended with 134 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 is 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.
5. Included in interest income of the Group is S\$660,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$70,000 in other trust expenses, net for the quarter ended 30 June 2018.
6. 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.
7. This includes partial distribution of the gains from the divestments of 7 Tai Seng Drive, 4 Toh Tuck Link and Zama Centre and Shiroishi Centre.

1Q FY19/20 vs. 4Q FY18/19 (Quarter-on-Quarter)

\$'000	1Q FY19/20 ¹ 3 mths ended 30 June 2019	4Q FY18/19 ² 3 mths ended 31 March 2019	Q-o-Q change
Gross Revenue	119,811	121,385	(1.3%)
Property Expenses	(13,683)	(16,394)	(16.5%)
Net Property Income ("NPI")	106,128	104,991	1.1%
Borrowing Costs	(21,629)	(20,326)	6.4%
Contribution from Joint Ventures ³	1,840 ⁴	2,189 ⁵	(15.9%)
Amount Distributable	77,845 ⁶	77,513 ⁷	0.4%
- To Perp Securities holders	4,243	4,196	1.1%
- To Unitholders	73,602	73,317	0.4%
Available DPU (cents)	2.025	2.024	0.0%
Total issued units at end of period (million)	3,635	3,622	0.4%

- Revenue decreased due to absence of contribution from five properties divested in 1Q FY19/20
- Property expenses decreased due to recognition of lower land rent with the adoption of SFRS(I)16 (~S\$2.8m)
- Borrowing costs increased due to:
 - recognition of interest expense on lease liabilities with the adoption of SFRS(I)16 (~S\$1.5m)
 - partly offset by lower costs from JPY loans due to repayment with divestment proceeds in 1Q FY19/20

Notes:

1. 1Q FY19/20 started with 141 properties and ended with 137 properties.
2. 4Q FY18/19 started with 140 properties and ended with 141 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 is 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 expense, net for the quarter ended 30 June 2019.
5. Included in interest income of the Group is S\$2,183,000 interest from shareholders' loans extended to 11 joint venture properties. The Group has also recognised rent free reimbursement amounting to S\$253,000 in other trust income in the quarter ended 31 March 2019.
6. 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.
7. This includes partial distribution of the gains from the divestments of 531 Bukit Batok Street 23, 7 Tai Seng Drive and 4 Toh Tuck Link.

Healthy Balance Sheet

S\$'000	As at 30 June 2019	As at 31 March 2019
Investment Properties	7,614,749	7,693,712
Total Assets	8,011,740	8,078,336
Total Liabilities	3,335,486	3,411,148
Net Assets Attributable to Unitholders	4,242,021	4,231,731
NAV / NTA Per Unit	\$1.17 ¹	\$1.17 ²

Notes:

1. 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.
2. Includes net derivative financial instruments, at fair value, liability of S\$7.4 million. Excluding this, the NAV per unit remains unchanged at S\$1.17.

Distribution Details

1Q FY19/20 Distribution

Distribution Period	1 April 2019 – 30 June 2019
Distribution Amount	2.025 cents per unit
Ex-Date	29 July 2019, 9am
Books Closure Date	30 July 2019, 5pm
Distribution Payment Date	6 September 2019

- Suspension of distribution reinvestment plan (“DRP”) from and including the 1Q FY19/20 distribution

Capital Management

Prudent Capital Management

	As at 30 Jun 2019	As at 31 Mar 2019
Total Debt (S\$ million) ¹	2,963	3,090
Aggregate Leverage Ratio ^{2,3}	36.8% ⁴	37.7%
Weighted Average Annualised Interest Rate ⁵	2.8%	2.7%
Average Debt Duration (years) ⁵	3.8	4.1
Interest Cover Ratio (times) ⁶	4.9	4.9
MLT Credit Rating by Moody's	Baa2 with stable outlook	Baa2 with stable outlook

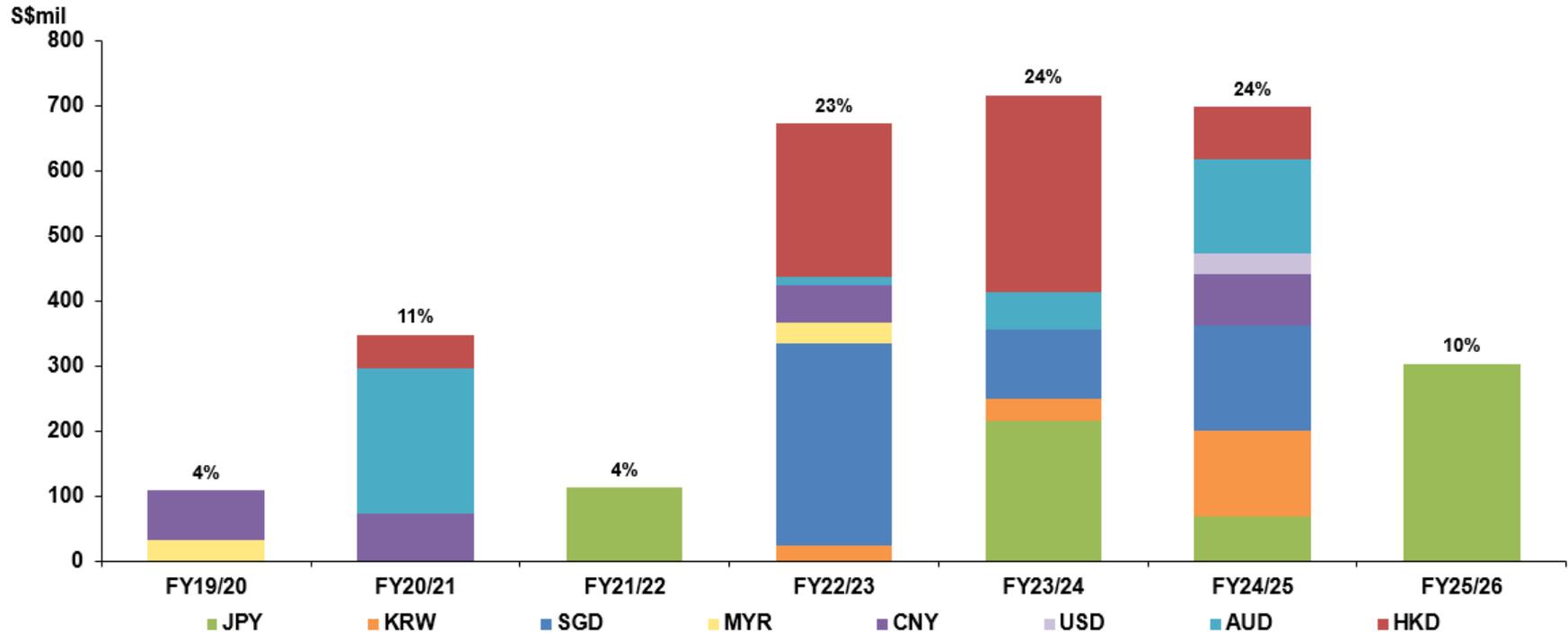
- Total debt outstanding decreased by S\$127m mainly due to:
 - repayment of S\$188m loans using proceeds from divestment of the Japan assets;
 - offset by additional loans of S\$37m drawn to fund capex; and
 - higher net translated loans of S\$24m attributable to the appreciation of JPY and HKD (offset by depreciation of AUD against SGD)
- Gearing ratio decreased to 36.8%

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 June 2019 were 70.6% and 70.4% respectively.
4. In accordance with MAS Circular, the leverage ratio excludes the SFRS(I)16 impact.
5. Average debt duration and weighted average borrowing cost are inclusive of proportionate share of borrowings of joint ventures.
6. Ratio of EBITDA over interest expense for period up to balance sheet date. SFRS(I)16 is excluded in the ratio as at 30 June 2019.

Well-Staggered Debt Maturity Profile

Total Debt: S\$2,963 million¹

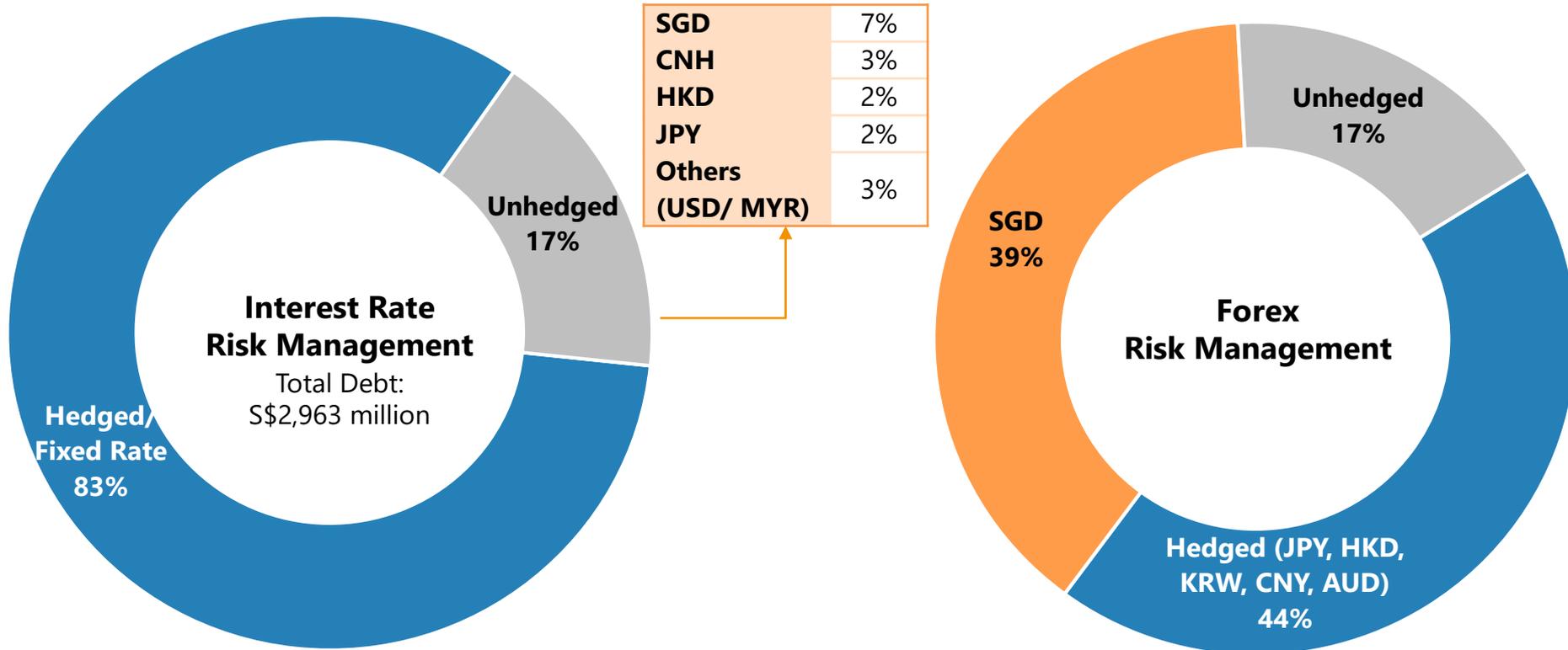


- Debt maturity profile remains well staggered with an average debt duration of 3.8 years
- MLT has more than sufficient liquidity to meet its maturing debt obligation

Notes:

1. Total debt is inclusive of proportionate share of borrowings of joint ventures.

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\$0.31m decrease in distributable income or 0.01 cents in DPU² per quarter
- About 83% of amount distributable in the next 12 months is hedged into / derived in SGD

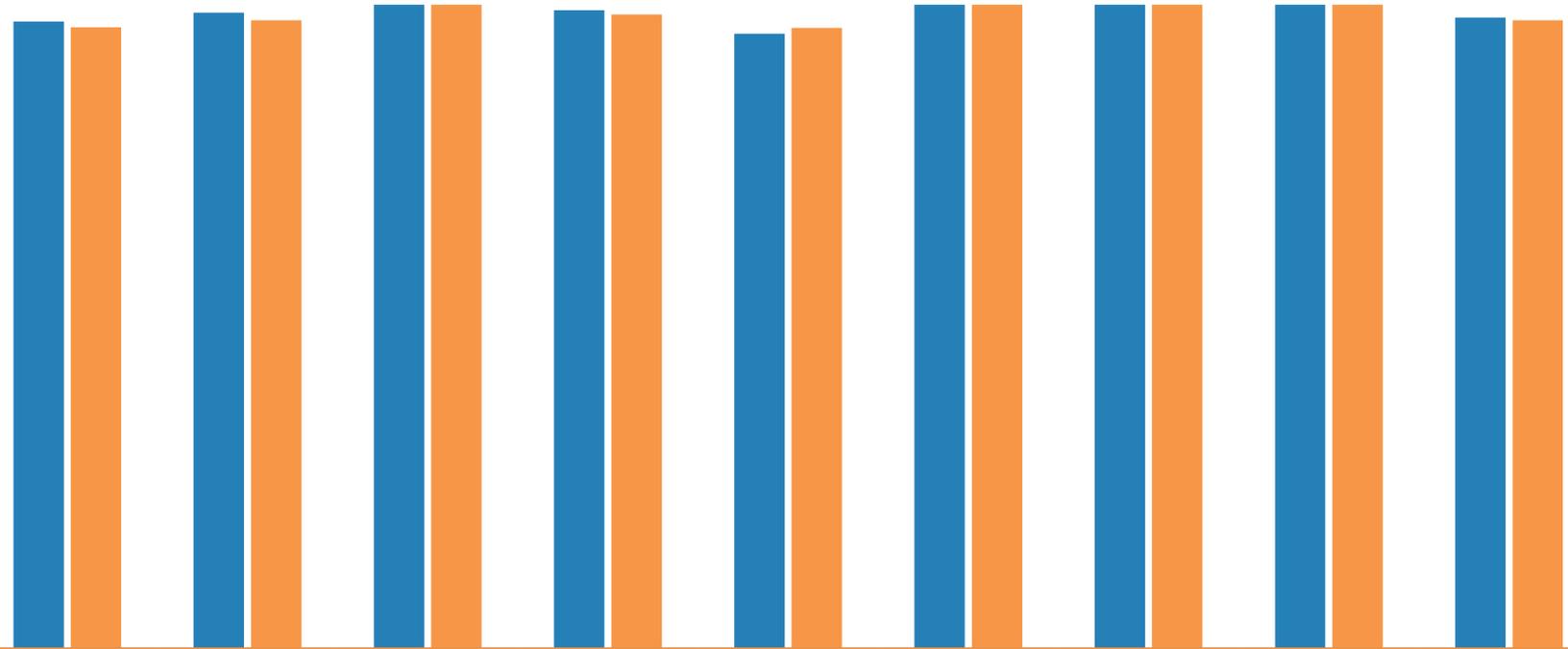
Notes:

1. Base rate denotes SOR, USD LIBOR, JPY LIBOR/DTIBOR, CNH HIBOR, HKD HIBOR, KLIBOR and BBSY/BBSW.
2. Based on 3,635 million units as at 30 June 2019.

Portfolio Review

Geographic Breakdown of Occupancy Levels

As at 30 June 2019

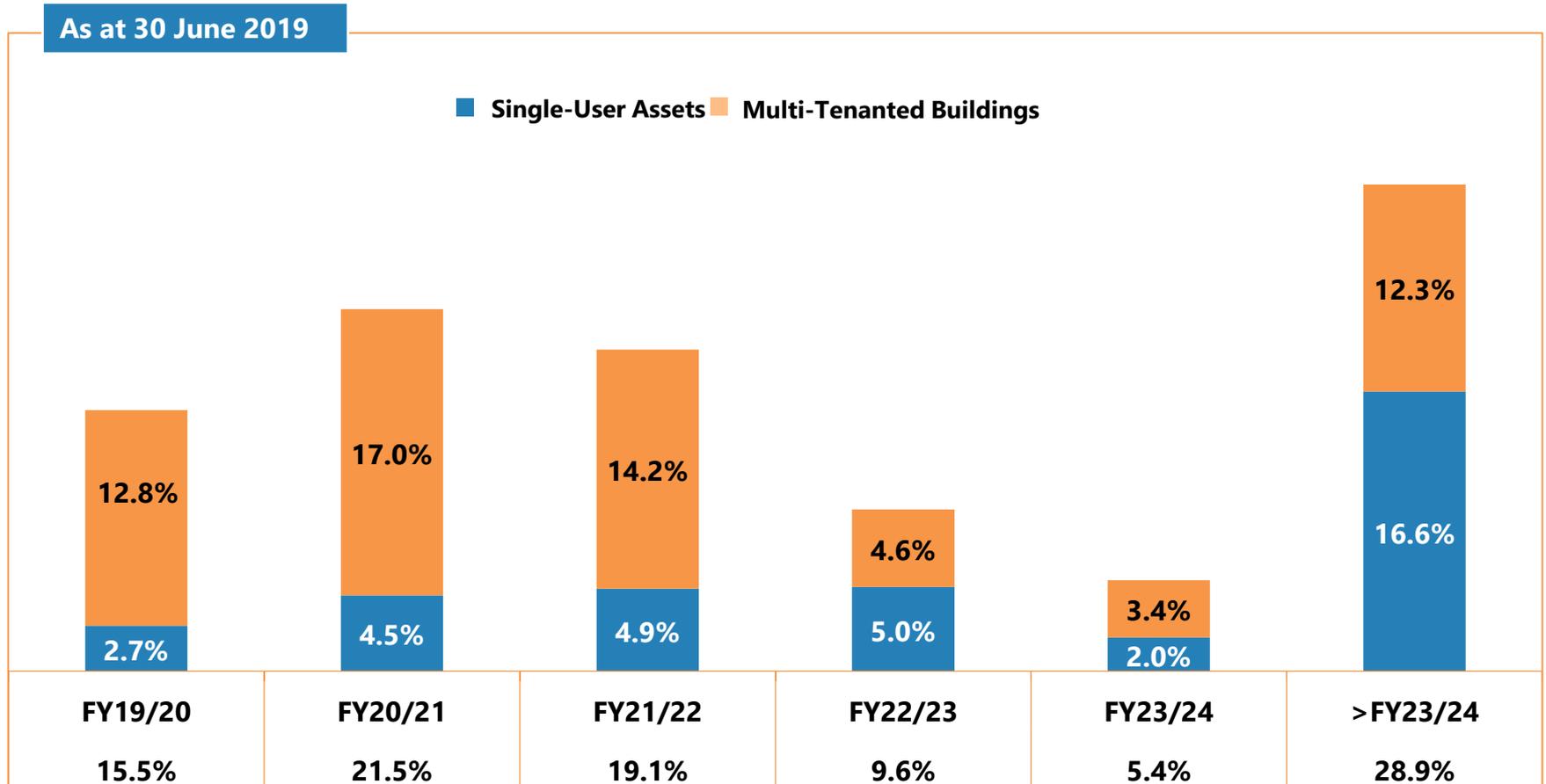


	Singapore	Hong Kong	Japan	South Korea	China	Australia	Malaysia	Vietnam	Portfolio
■ Mar-19	97.4%	98.8%	100.0%	99.1%	95.5%	100.0%	100.0%	100.0%	98.0%
■ Jun-19	96.5%	97.6%	100.0%	98.5%	96.4%	100.0%	100.0%	100.0%	97.6%

- Portfolio occupancy stood at 97.6%, reflecting lower occupancies in Singapore, Hong Kong and South Korea which were partly offset by improved occupancy in China
- Japan, Australia, Malaysia and Vietnam maintained 100% occupancy

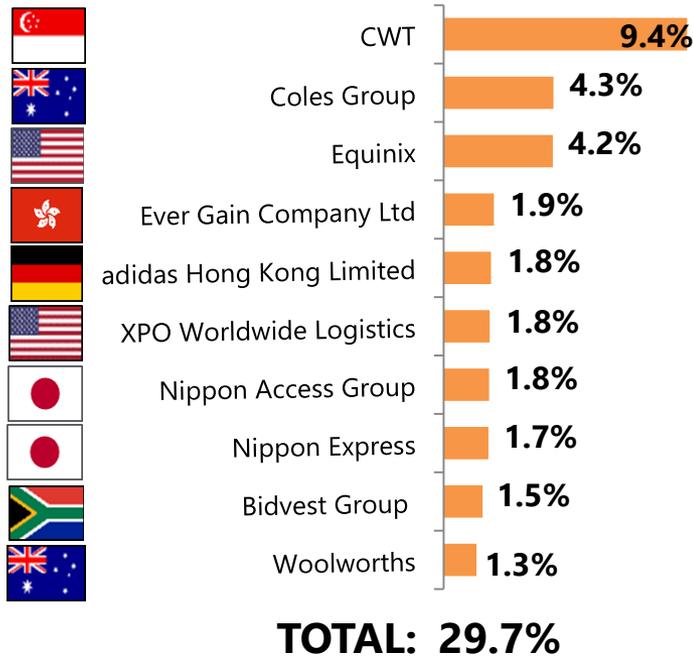
Lease Expiry Profile (by NLA)

- Well-staggered lease expiry profile with weighted average lease expiry (by NLA) at 4.8 years

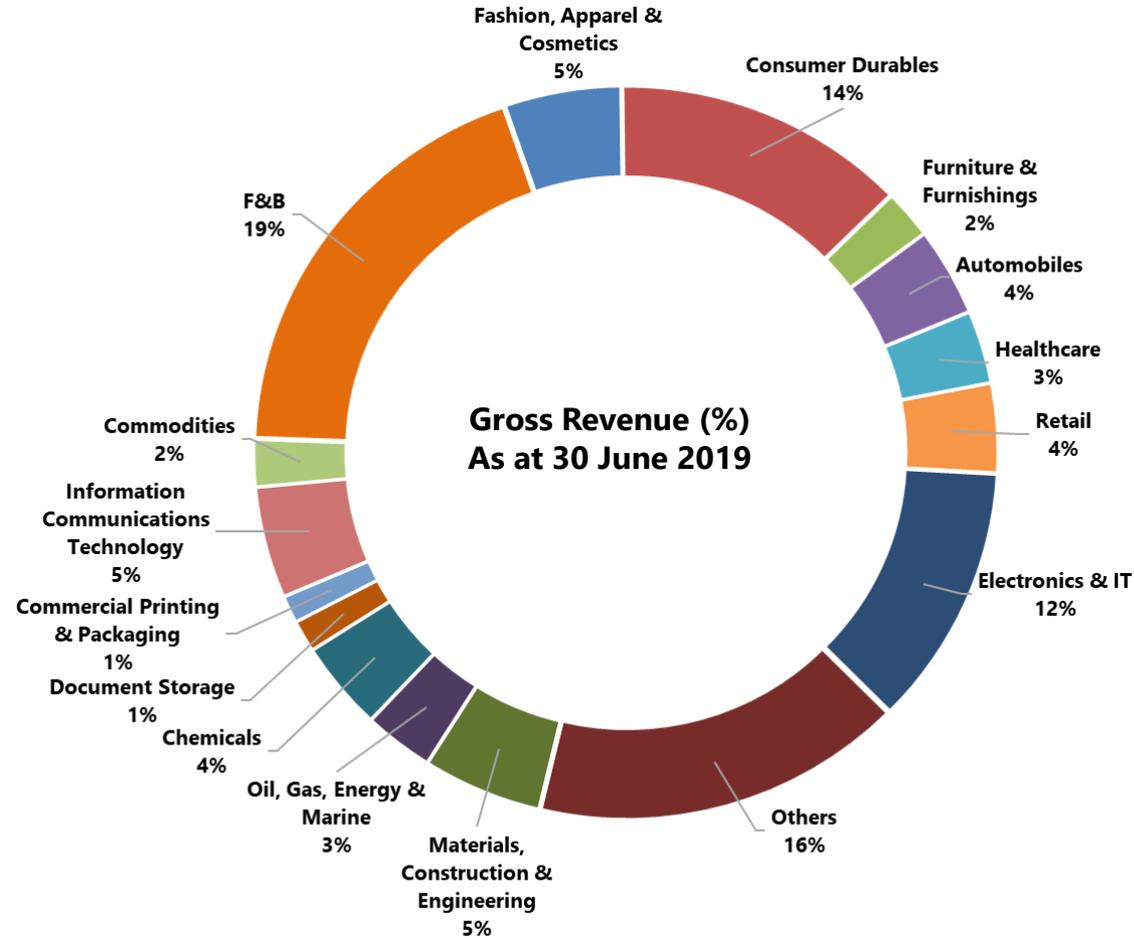


Diversified Portfolio Mix and Tenant Base

Top 10 Tenants by Gross Revenue

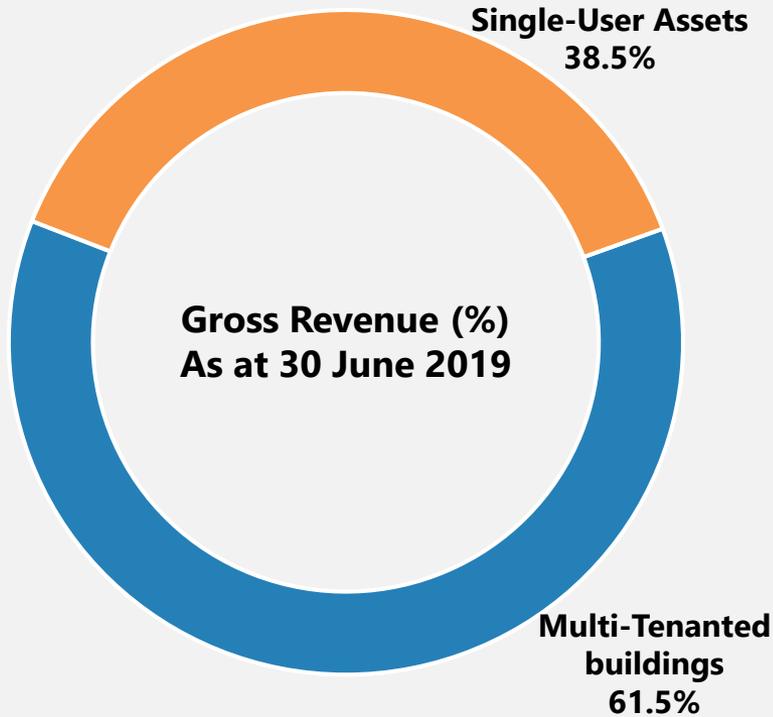


- Diversified tenant base of 628 customers
- Almost three-quarters of our portfolio is serving consumer-related sectors
- Top 10 customers account for ~30% of total gross revenue

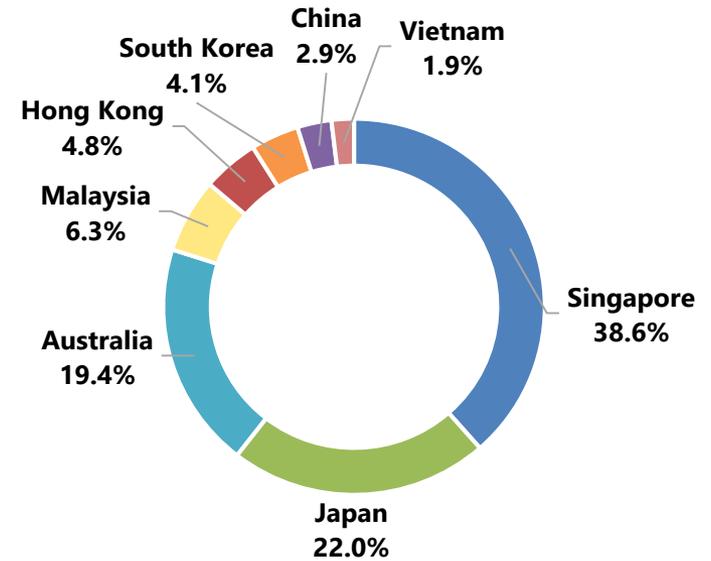


Single-User Assets vs. Multi-Tenanted Buildings

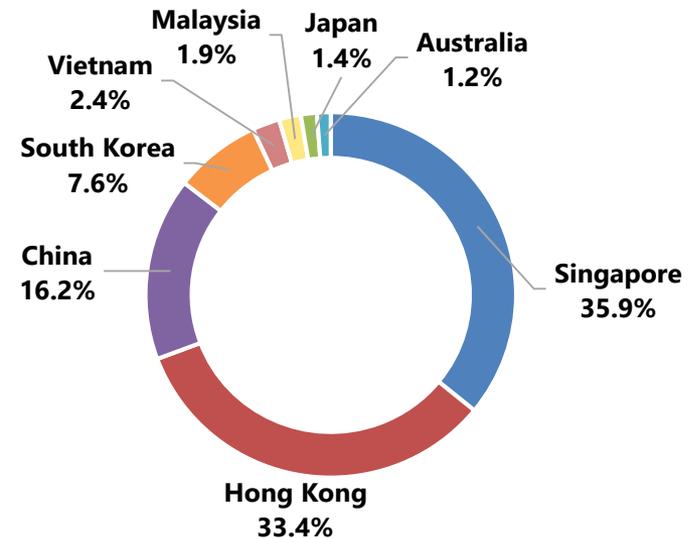
**Gross Revenue (%)
As at 30 June 2019**



SUA Revenue Contribution by Country



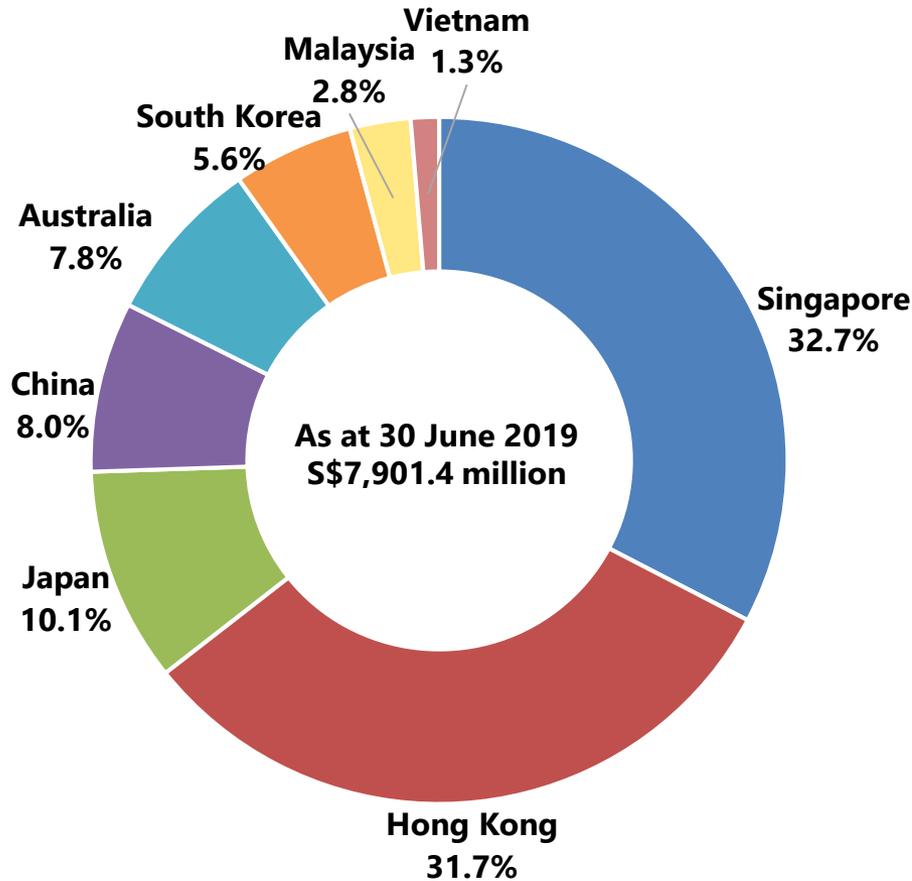
MTB Revenue Contribution by Country



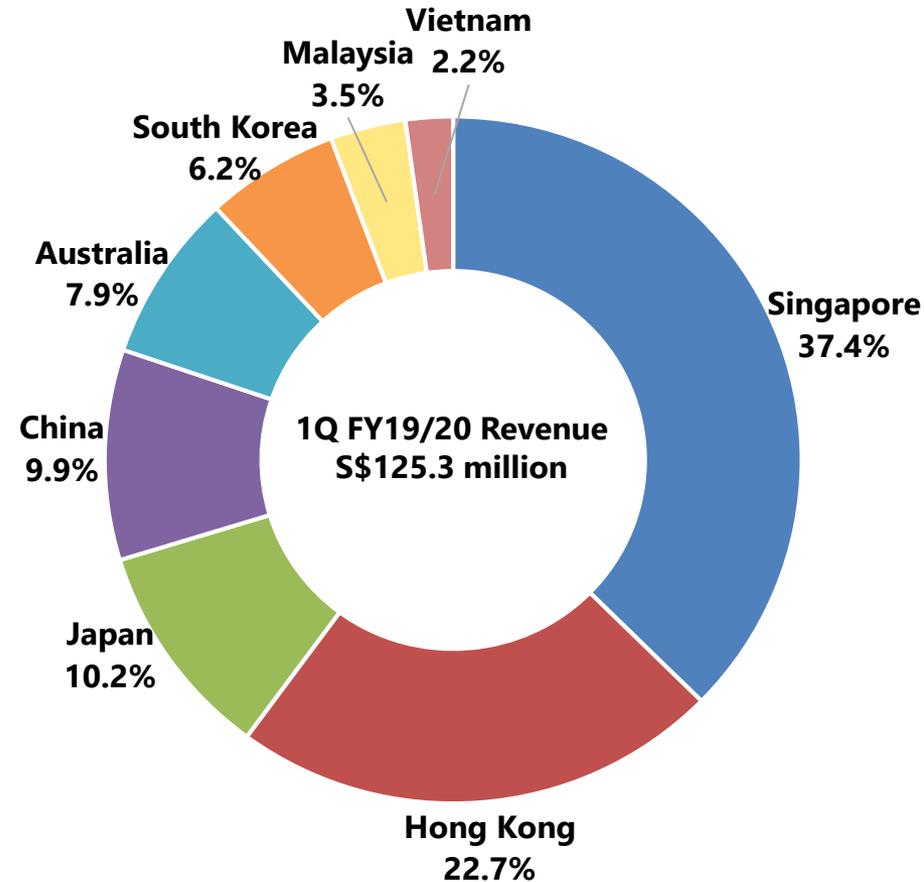
Note: Inclusive of MLT's 50.0% interest in 11 properties in China

Geographical Diversification

ASSETS UNDER MANAGEMENT



GROSS REVENUE



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 September 2018 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

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



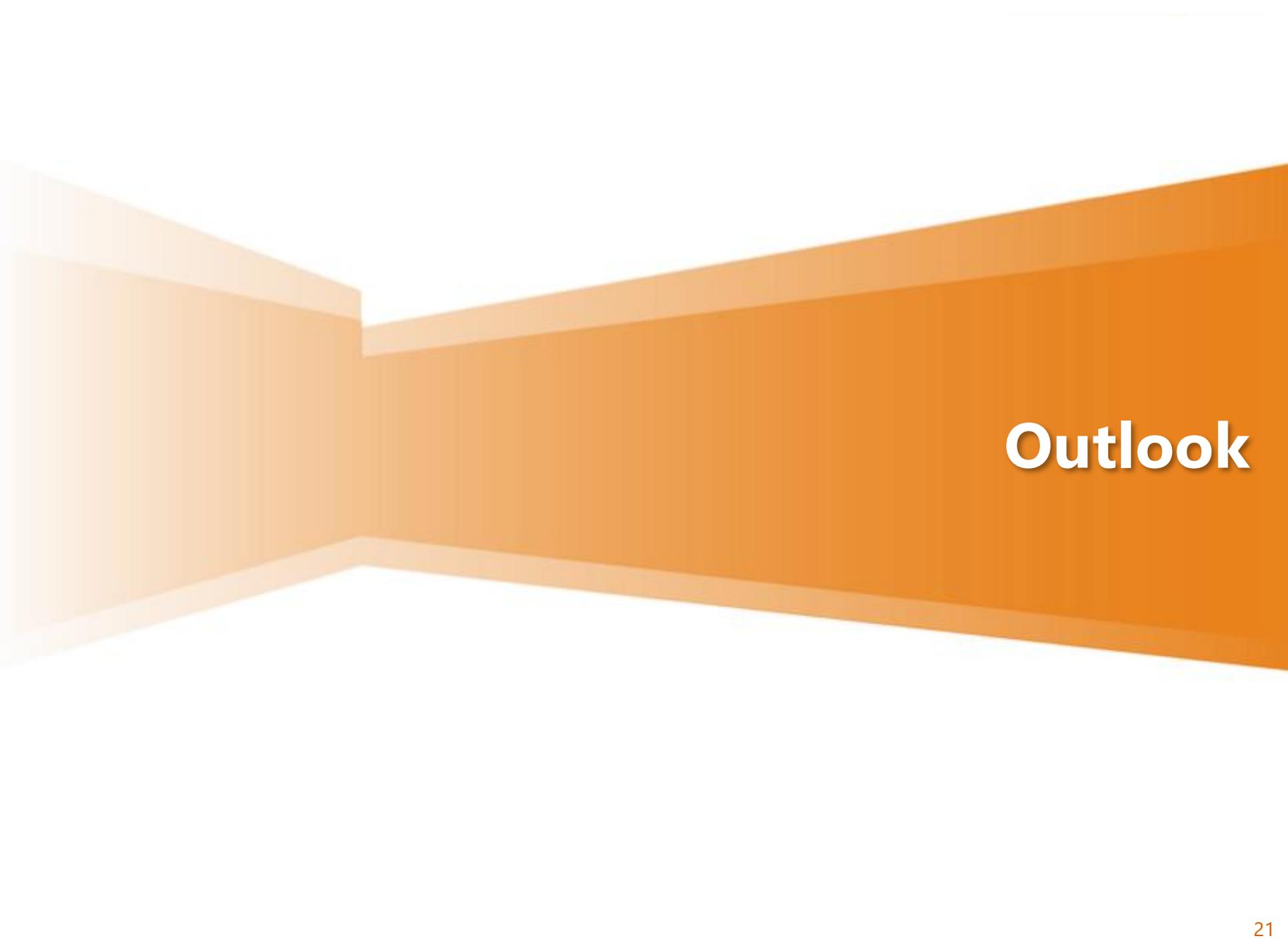
Ouluo Logistics Centre before redevelopment



Mapletree Ouluo Logistics Park, Phase 1

MLT's Portfolio at a Glance

	As at 30 Jun 2019	As at 31 Mar 2019
Assets Under Management (S\$ million)	7,901	7,987
WALE (by NLA) (years)	4.8	3.8
Net Lettable Area (million sqm)	4.5	4.6
Occupancy Rate (%)	97.6	98.0
No. of Tenants	628	634
No. of Properties	137	141
No. of Properties – By Country		
Singapore	52	52
Hong Kong	9	9
Japan	16	20
Australia	10	10
South Korea	12	12
China	20	20
Malaysia	14	14
Vietnam	4	4



Outlook

MACRO ENVIRONMENT



- Global economic growth softened further in the first half of the year as trade and manufacturing decelerated

IMPACT ON MLT



- Overall leasing demand for warehouse space has been relatively resilient to-date
- However customers have become more cautious on renewals and capacity expansion

OUR STRATEGY



- The Manager remains watchful of the evolving environment
- Remain focused on proactive lease management to maintain stable occupancies
- Pursue acquisitions and asset enhancements to enhance portfolio quality and competitiveness

Appendix

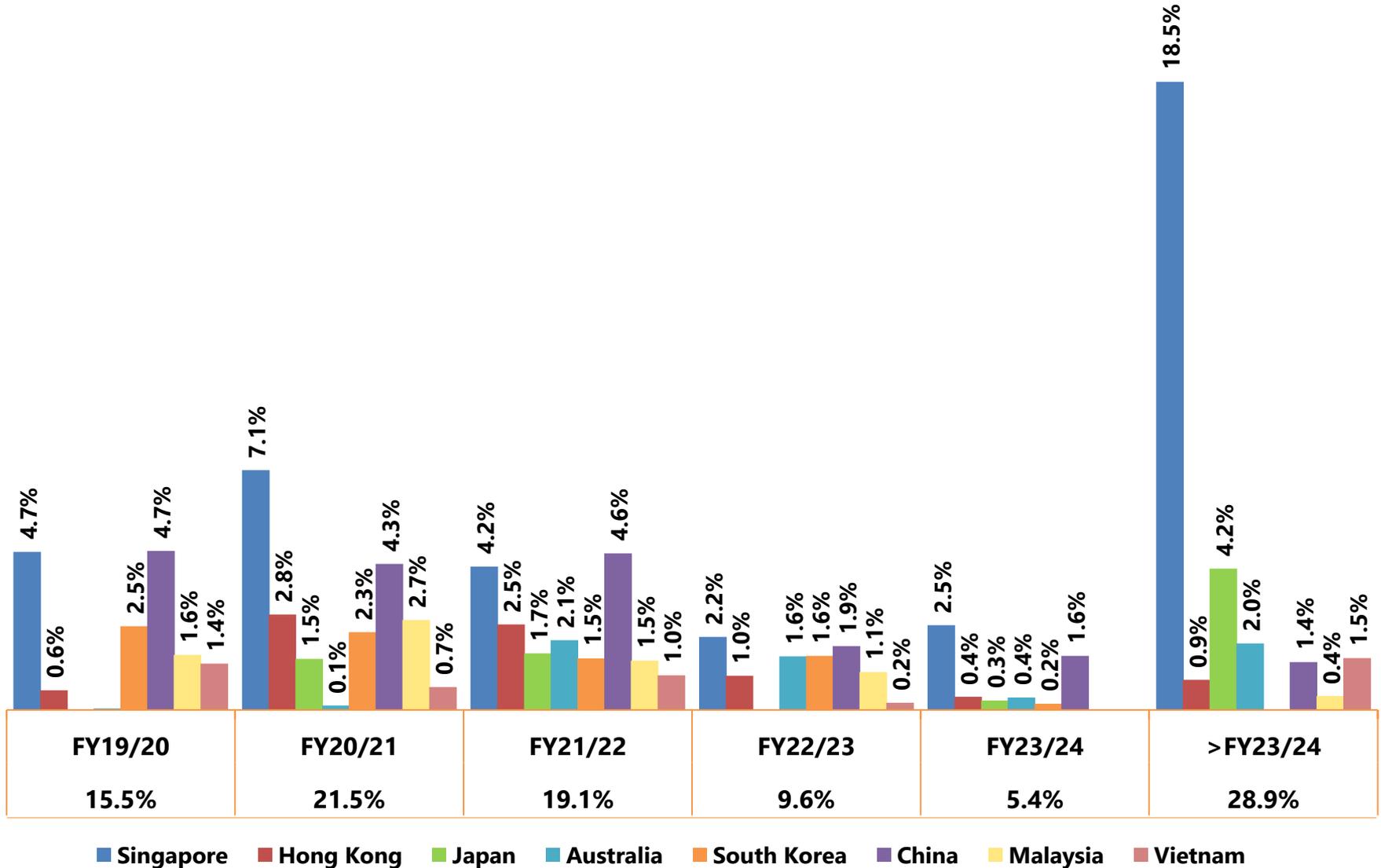
MIPL's Logistics Development Projects in Asia

No	Country	Project name	GFA (sqm)	Status
1	China	Mapletree Tianjin Port HaiFeng Bonded Logistics Park	194,072	Completed with leasing underway
2	China	Mapletree Chongqing Jiangjin Industrial Park	47,436	Completed with leasing underway
3	China	Mapletree Jinan International Logistics Park	81,913	Completed with leasing underway
4	China	Mapletree Yuyao Simeng Logistics Park	46,811	Completed with leasing underway
5	China	Mapletree Nantong EDZ Logistics Park	67,895	Completed with leasing underway
6	China	Mapletree Chongqing Liangjiang Logistics Park	101,108	Completed with leasing underway
7	China	Mapletree Dalian Logistics Park	56,642	Completed with leasing underway
8	China	Mapletree Ningbo Cidong Logistics Park	131,085	Completed with leasing underway
9	China	Mapletree Changsha Hi-Tech II Logistics Park	98,724	Completed with leasing underway
10	China	Mapletree Wuhan Xiaogan Logistics Park Phase 1	78,756	Completed with leasing underway
11	China	Mapletree Liuhe Logistics Park	72,133	Completed with leasing underway
12	China	Mapletree Chengdu DC Logistics Park	20,819	Completed with leasing underway
13	China	Mapletree Shenyang Tiexi Logistics Park	42,677	Completed with leasing underway
14	China	Mapletree Xixian Airport New City Logistics Park	72,047	Completed with leasing underway
15	China	Mapletree Quanzhou Logistics Park	108,312	Completed with leasing underway
16	China	Mapletree Chongqing Bonded Port Logistics Park	82,539	Completed with leasing underway
17	China	Mapletree Tianjin Xiqing Logistics Park	39,046	Completed with leasing underway
18	China	Mapletree Harbin Nangang Logistics Park	60,595	Completed with leasing underway
19	China	Mapletree Huangdao Logistics Park	75,856	Completed with leasing underway
20	China	Mapletree Chengdu Qingbaijiang Logistics Park	109,053	Completed with leasing underway
21	China	Mapletree Cross-Border (Chongqing) Logistics Park	106,769	Construction underway
22	China	Mapletree Dalian EDZ Logistics Park	74,204	Construction underway
23	China	Mapletree Yangzhou Industrial Park	84,847	Construction underway
24	China	Mapletree Yuyao Simeng Industrial Park	69,820	Construction underway
25	China	Mapletree Guizhou Longli Logistics Park	52,563	Construction underway
26	China	Mapletree Zhangzhou Modern Logistics Park	81,226	Construction underway
27	China	Mapletree Changsha Fengchuang Logistics Park	35,843	Construction underway
28	China	Mapletree Wenzhou ETZ Industrial Park	138,385	Construction underway
29	China	Mapletree Yiwu Logistics Warehouse	128,439	Construction underway
30	China	Mapletree Zhengzhou Airport Logistics Park	95,951	Awarded land tender
31	China	Mapletree Xuzhou Logistics Park	56,263	Awarded land tender
32	China	Mapletree Jinghe Industrial Park	80,366	Awarded land tender
33	China	Mapletree Zhongshan Industrial Park	24,265	Awarded land tender
34	China	Mapletree Kunming Industrial Park	66,501	Awarded land tender
35	China	Mapletree Chongqing Bishan Logistics Park	55,270	Awarded land tender
36	China	Singapore Mapletree Xixia modern logistics park	75,635	Awarded land tender

MIPL's Logistics Development Projects in Asia

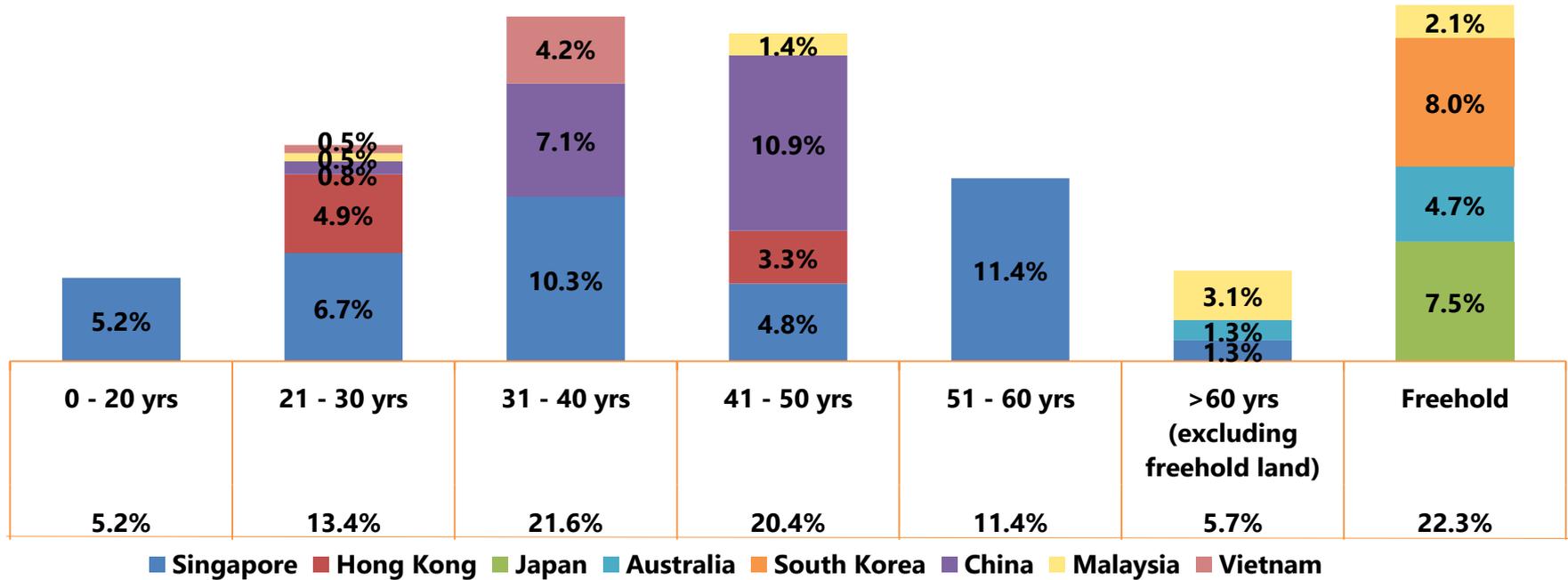
No	Country	Project name	GFA (sqm)	Status
37	China	Mapletree Yantan Logistics Park	65,465	Awarded land tender
38	China	Mapletree Jiaxing Industrial Park	92,207	Awarded land tender
39	China	Mapletree Panjin Logistics Park	72,347	Awarded land tender
40	China	Mapletree Changchun Kuancheng Logistics Park	60,295	Awarded land tender
41	China	Mapletree Huaian Logistics Park	90,110	Awarded land tender
42	China	Mapletree Jiangyin Logistcis Park	102,814	Awarded land tender
43	China	Mapletree Jiaozhou Logistics park	76,778	Awarded land tender
44	China	Mapletree Suzhou Logistics Park	78,010	Awarded land tender
45	China	Mapletree Jinghai Logistics park	34,779	Awarded land tender
46	China	Mapletree Yixing Logistics Park	74,875	Awarded land tender
47	China	Mapletree Haiyan Industrial Park	69,831	Awarded land tender
48	China	Mapletree Nanjing Logistics Park	109,484	Awarded land tender
49	China	Mapletree Fuqing Logistics Complex Industrial Park	72,522	Awarded land tender
50	China	Mapletree Chaohu Logistics Park	119,614	Awarded land tender
51	China	Mapletree Shenfu International Supply-Chain Park	36,469	Awarded land tender
52	China	Mapletree (Yaozhuang) Science and Technology Industrial Park	150,337	Awarded land tender
53	China	Mapletree (Linhai) Industrial Park	173,253	Awarded land tender
54	China	Mapletree (Zhumadian) Logistics Park	62,849	Awarded land tender
55	China	Mapletree Ningbo Hangzhou Bay Intl' Industrial Park	155,200	Awarded land tender
56	China	Mapletree Chengmai Jinma Logistics and Industrial Park	79,515	Awarded land tender
57	China	Mapletree Tuanfeng Logistics Park	78,422	Awarded land tender
58	China	Mapletree Luoyang Logistics Park	36,166	Awarded land tender
59	China	Mapletree Haiyan Industrial Park (Phase 2)	85,555	Awarded land tender
China Subtotal			4,790,763	
60	Malaysia	Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	134,000	Completed with leasing underway
61	Malaysia	Mapletree Logistics Hub – Shah Alam	213,000	Completed with leasing underway
Malaysia Subtotal			347,000	
62	Vietnam	Mapletree Logistics Park (Binh Duong) - 6 phases	440,000	•P1 & 2 completed with P2 divested to MLT in Sep 2016; P3 completed in Aug 2018
63	Vietnam	Mapletree Bac Ninh Logistics Park – 5 phases	256,000	•P1 & 2 completed with P1 divested to MLT in Jul 2015; P3 completed in May 2019
Vietnam Subtotal			696,000	
Total as at 30 Jun 19			5,833,763	

Lease Expiry Profile (by NLA) by Geography



Remaining Years to Expiry of Underlying Land Lease

- Weighted average lease term to expiry of underlying leasehold land (excluding freehold land): 43.6 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)