

FINANCIAL REVIEW

5-YEAR FINANCIAL SUMMARY

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
(A) INCOME STATEMENT					
For the financial year ended 31 March (S\$ million)					
Revenue ¹	1,865.8	2,328.7	3,182.4	3,821.2	3,877.0
EBIT + SOA ¹	1,294.6	1,572.0	1,667.5	2,091.9	2,308.1
Recurring PATMI ¹	503.6	640.7	618.1	713.2	752.0
PATMI	965.2	1,413.7	1,958.6	2,161.1	1,778.5
PATMI attributable to Equity Holder of the Company	915.6	1,349.6	1,873.6	2,088.3	1,705.5
(B) BALANCE SHEET					
As at 31 March (S\$ million)					
Investment properties	28,563.6	30,686.4	37,422.3	46,975.6	46,371.1
Properties under development	1,647.2	1,663.0	409.8	805.0	1,129.7
Investments in associated companies and joint ventures	871.0	1,279.0	1,509.4	1,056.3	3,606.4
Cash and cash equivalents	1,027.0	1,179.8	1,267.6	1,896.3	2,440.1
Others	849.2	1,451.0	1,965.9	4,255.6	2,064.1
Total Assets	32,958.0	36,259.2	42,575.0	54,988.8	55,611.4
Total borrowings/medium term notes	13,219.3	13,095.5	16,623.4	23,410.2	21,565.8
Non-controlling interest and other liabilities	9,797.4	11,979.6	13,165.7	16,986.1	17,960.8
Shareholder's funds	9,941.3	11,184.1	12,785.9	14,592.5	16,084.8
Total Equity and Liabilities	32,958.0	36,259.2	42,575.0	54,988.8	55,611.4
(C) FINANCIAL RATIOS					
As at 31 March					
ROE	9.6%	12.8%	15.7%	15.3%	11.2%
ROIE	9.7%	18.7%	8.7%	10.4%	21.6%
ROTA	6.5%	7.1%	8.8%	8.2%	6.1%
Net Debt/Total Equity Ratio	67.3%	55.4%	63.5%	78.0%	62.5%
Interest Cover	5.3x	4.7x	4.6x	3.4x	3.4x

KEY HIGHLIGHTS – FY19/20

- Mapletree recorded a PATMI of S\$1,778.5 million in Financial Year 2019/2020 (FY19/20), an 18% decline from the historical peak of S\$2,161.1 million achieved in the previous financial year. ROE decreased from 15.3% (FY18/19) to 11.2% (FY19/20). The decline was largely attributable to lower revaluation and disposal gains, which came in at S\$823.7 million² and S\$266.5 million³ respectively during the financial year. However, based on original invested costs (OIC), the divestment of Mapletree Bay Point in Hong Kong SAR and Mapletree Business City II (MBC II) during the year resulted in ROIE rising significantly from 10.4% (FY18/19) to 21.6% (FY19/20).
 - Driven by Europe and USA's (EUSA) logistics business, the Group's revenue grew marginally by 1% year-on-year (y-o-y). This countered the decline resulting from the exit of non-core business operations within Oakwood. Notwithstanding the above, EBIT + SOA reflected a 10% y-o-y growth to S\$2,308.1 million¹ with strong contributions from EUSA's logistics business as well as data centre assets in the United States (US).
 - As at 31 March 2020, the Group's total assets stood at S\$55.6 billion, a 1% increase from S\$55.0 billion in FY18/19, largely driven by the joint acquisition of a North American data centre portfolio with Mapletree Industrial Trust (MIT). With the acquisition, the Group has further broadened the diversification of its asset portfolio. Meanwhile, total shareholder's funds increased by 10% to S\$16,084.8 million with the S\$1,778.5 million recorded in the Group's PATMI for the year.
 - Through its prudent approach in capital management, net gearing was 15.5 percentage points lower at 62.5% as at 31 March 2020.
 - The Covid-19 outbreak resulted in severe economic impact on markets in which the Group operates. The impact on the various asset classes has been uneven and the full effect is difficult to assess given that the situation remains fluid. However, the Group maintains ample financial flexibility with S\$14.9 billion in cash and undrawn facilities at the end of the financial year and is well-positioned to weather this economic headwind as well as to capitalise on any opportunities which may arise.
- The following were the Group's strategic acquisitions and developments during the year:*
- The Group deepened its presence in the fast-growing data centre space with the acquisition of 10 powered shell and three fully fitted hyperscale data centres in North America via a 50:50 jointly owned vehicle of Mapletree Investments and MIT. On the back of the acquisition, the Group's exposure to the asset class increased from 2% of total asset under management (AUM) in FY18/19 to 5% in FY19/20.
 - On the commercial front, the Group expanded its portfolio with the acquisition of office buildings in Australia, Ireland and Poland, at a total transaction value of approximately S\$1 billion.
 - In terms of development projects, the Group added 27 new projects to its logistics portfolio in China during the financial year, taking the Group's logistics footprint in China to 6 million square metres (sqm) of gross floor area (GFA) as at 31 March 2020, a 40% increase y-o-y. A total of 10 properties covering 0.68 million sqm in GFA were also completed during the year. The logistics asset class remains as the largest contributor to the Group's AUM, comprising about 30% or S\$18.1 billion of total AUM.
- Strategic divestments*
- In May 2019, Mapletree completed the divestment of Mapletree Bay Point, a Grade A office building in Hong Kong SAR, for approximately S\$1.7 billion.
 - Prior to the close of the financial year, the Group also successfully divested a partial stake in one of its private funds, Mapletree US & EU Logistics Private Trust (MUSEL) to various institutional investors, family offices and high net worth individuals. The Group's stake in MUSEL was reduced from 64.09% to 33.25% during the financial year. This enabled the Group to reduce its net gearing to 62.5% as at 31 March 2020, providing it with a greater bandwidth to respond to potentially fast-changing market conditions.
- Capital management*
- As a capital manager in real estate investment trusts (REITs) and private funds, the Group executed a number of strategic transactions.
 - In November 2019, MCT acquired MBC II from Mapletree Investments for S\$1.55 billion. With a total net lettable area of approximately 111,484 sqm encompassing four blocks of business park space as well as the common carpark, multi-purpose hall and retail area, the distribution per unit/net asset value

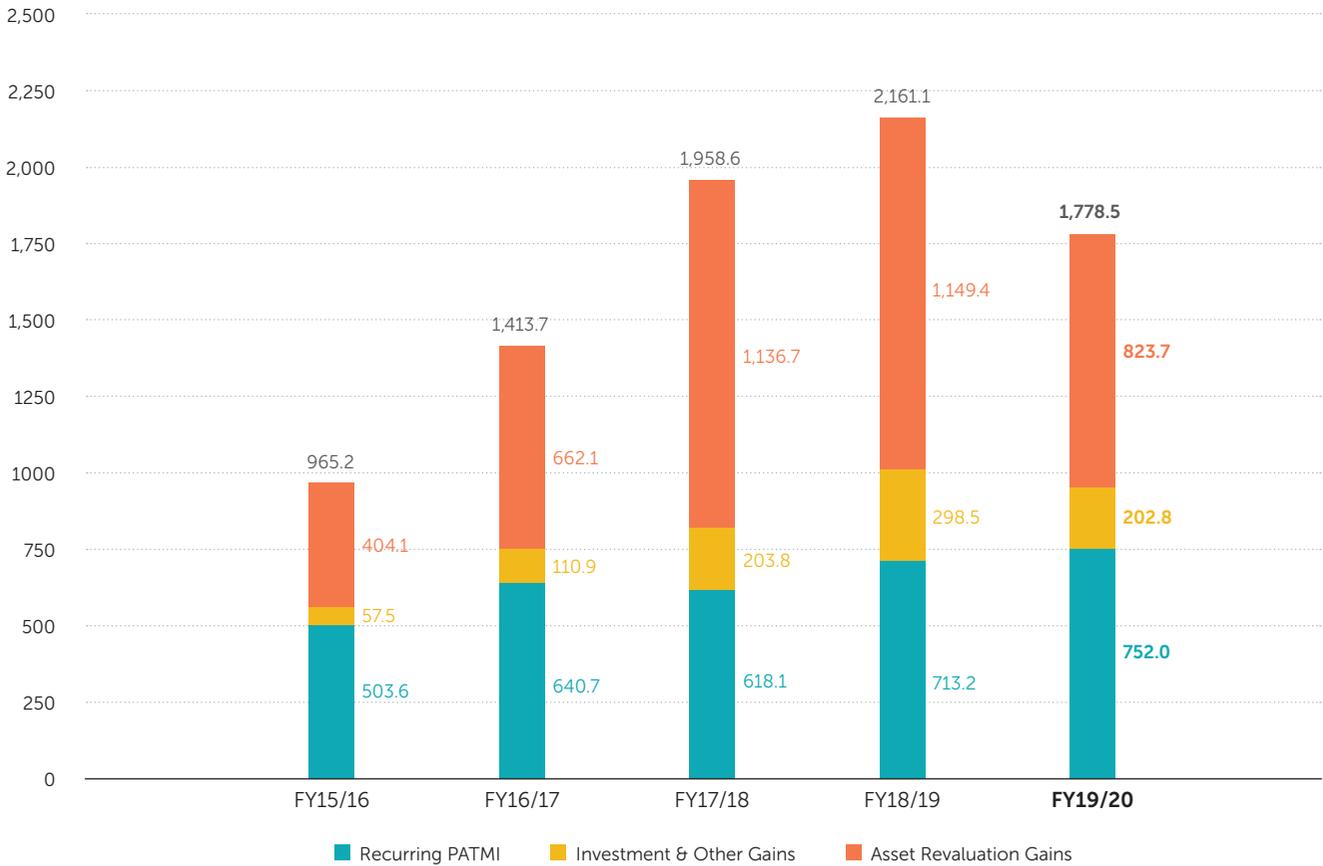
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- accretive acquisition completes MCT's control over all assets under the fully rejuvenated Alexandra Precinct.
- Mapletree Logistics Trust (MLT) acquired assets with a total value of S\$717.2 million in the second half of 2019, which included the acquisition of a 50% interest in four China logistics properties developed by Mapletree Investments. In the prior financial year, MLT had similarly acquired a 50% interest in 11 such properties in China. Outside China, MLT also deepened its coverage across other key Asia Pacific markets, with a 100% acquisition of four logistics properties located in Malaysia, Vietnam and Japan from Mapletree Investments.
 - In February 2020, Mapletree North Asia Commercial Trust (MNACT) acquired two freehold office properties in Japan from Mapletree Investments for approximately S\$480 million. The acquisition is part of the MNACT's strategy to achieve further diversification of MNACT's portfolio.
 - In November 2019, a portfolio of 10 Grade A office assets with AUM of S\$1.3 billion in Australia was syndicated to a new private fund, Mapletree Australia Commercial Private Trust (MASCOT). The fund, which provides a target internal rate of return (IRR) of 12%, net of all taxes and fees, except performance fee, was well-received by institutional investors seeking yields.
 - The Group's managed private fund, Mapletree India China Fund (MIC Fund)⁴ completed the successive divestments of VivoCity Nanhai in China and Global Technology Park in India respectively during the financial year. The fund officially exited in April 2020 and achieved a net IRR⁵ estimated at around 13.6%.
 - Mapletree's Japan-focused logistics development fund sold all its assets during FY19/20, with nine Japan properties acquired by a third party and one acquired by MLT.
 - In FY19/20, the Group earned a total incentive fee income of S\$142.0 million from fund closure.
 - In FY19/20, MCT, MIT and MLT raised a total gross proceeds of S\$2.1 billion from the capital market through equity fund raising amounting to S\$1.6 billion, bond issuance of S\$0.1 billion and medium term note issuance of S\$0.4 billion. The fund raised largely financed various acquisitions over the course of the year, some of which were in conjunction with Mapletree's capital management initiatives.

PATMI

The breakdown of the Group's PATMI is shown below:

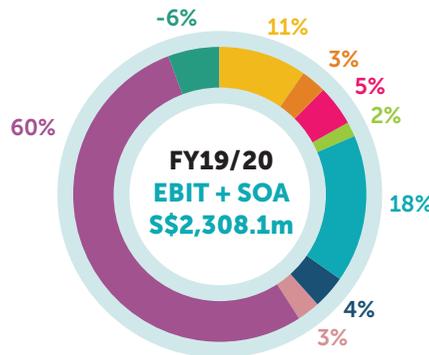
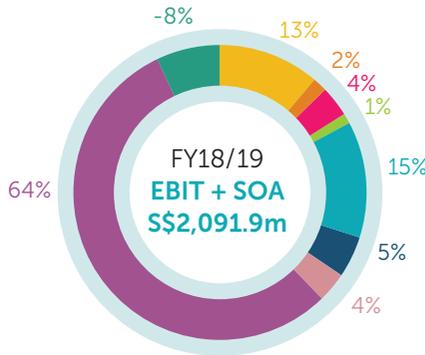
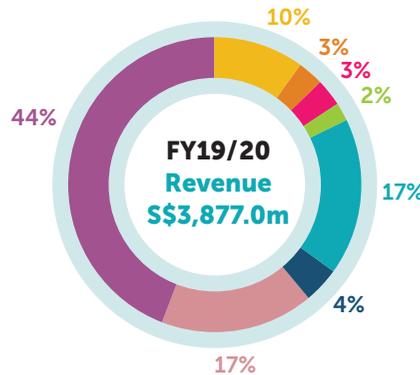
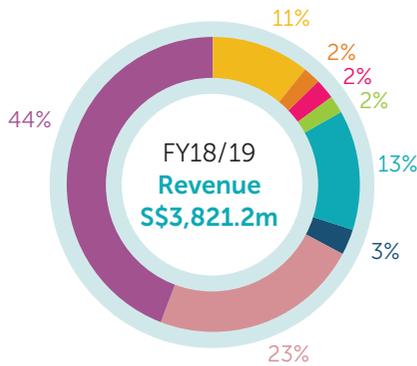
(S\$ million)



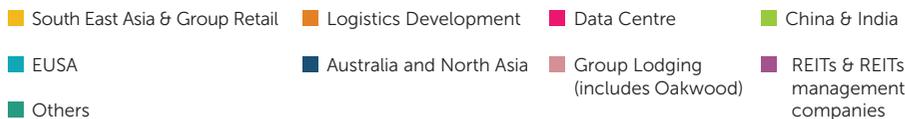
- The Group achieved a Recurring PATMI of S\$752.0 million, an increase of 5% y-o-y, driven by a full year's contribution from the US and Europe logistics portfolio and new acquisitions in FY19/20.
- Overall, the Group's PATMI decreased by 18% to S\$1,778.5 million in FY19/20, due to lower asset revaluation and disposal gains.

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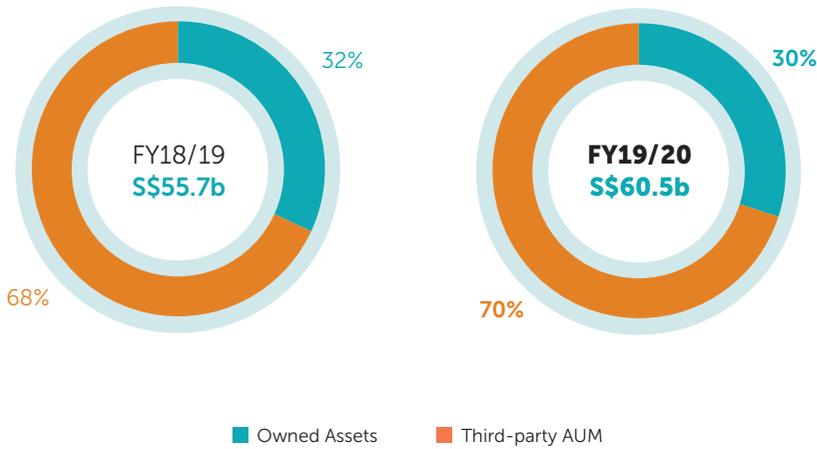
REVENUE AND EBIT + SOA HIGHLIGHTS BY STRATEGIC BUSINESS UNITS (BU)



- In FY19/20, the Group's revenue increased 1% y-o-y to S\$3,877.0 million¹. This was largely contributed by the EUSA business unit, through its logistics properties as well as the acquisition of commercial properties in Ireland and Poland in FY19/20.
- The Group's EBIT + SOA improved 10% from a year ago to S\$2,308.1 million¹. REITs and their respective management companies continued to account for the lion's share of Mapletree's EBIT + SOA. Apart from REITs, EUSA accounted for 18% of the Group's EBIT + SOA, an increase from 15% in the last financial year. The bulk of the uplift in EBIT + SOA was due to higher contributions from EUSA and the data centre business, which booked maiden SOA contributions from three fully fitted hyperscale data centres acquired in November 2019, in addition to the 10 powered shell facilities that also made maiden contributions to the top line. South East Asia & Group Retail's business unit remains the third largest in contributions at 11%.

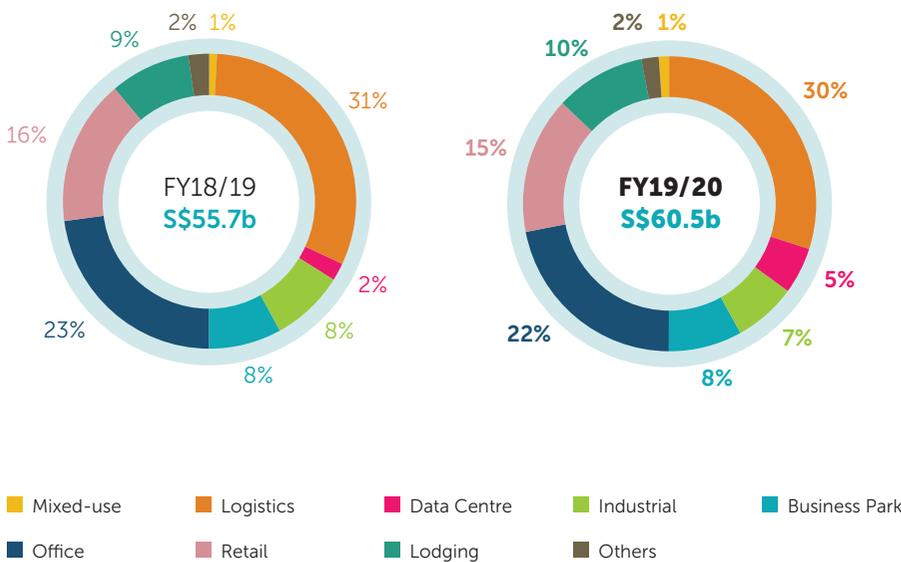


TOTAL REAL ESTATE ASSET BASE



The Group continued to achieve growth in its real estate AUM, which increased 8% y-o-y to S\$60.5 billion. The managed AUM grew by 2 percentage points to 70% with the launch of a new private fund, MASCOT, a 50:50 joint-purchase of the data centres in North America with MIT and the acquisition of assets by the REITs during the year.

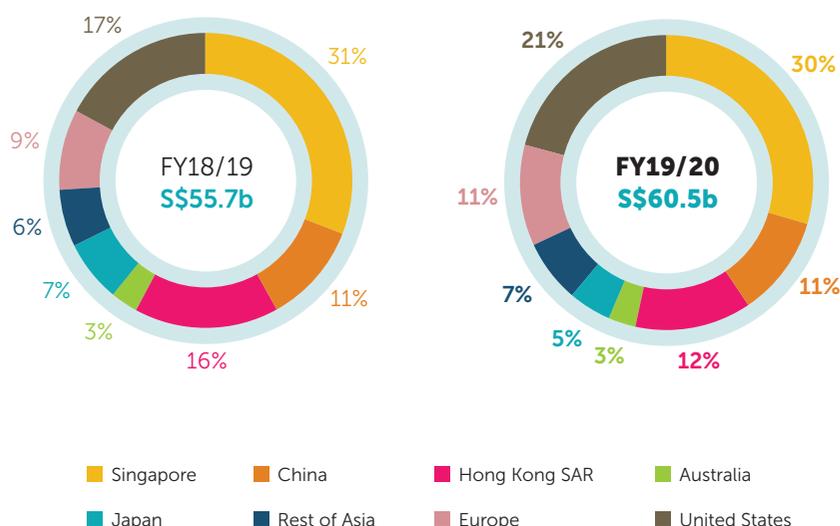
TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY ASSET CLASS (%)



Logistics remains as the Group's largest asset class at 30% of overall AUM. The acquisition of more data centres in North America has lifted the Group's data centre portfolio to comprise 5% of AUM, an increase of 2% from the previous financial year. The move is in line with the Group's strategy to scale up its portfolio in this stable and resilient asset class.

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TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY COUNTRY (%)



To date, the Group owns and manages real estate assets across 13 markets.

Mapletree's total owned and managed real estate assets in Europe and the US accounted for 32%. This was an increase of 6 percentage points from the previous financial year, mainly attributable to the new acquisitions of data centres and offices across European and North American markets. Mapletree's presence in Japan and Hong Kong SAR decreased due to the divestment of MJLD's assets and Mapletree Bay Point.

Singapore remains predominant, with the largest proportion of assets at 30%.

Glossary

EBIT + SOA	Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
Interest Cover	EBIT + SOA over net finance costs
Net Debt/Total Equity Ratio	Borrowings (excludes loans from non-controlling interests) less cash and cash equivalents over total equity.
PATMI	PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
ROE	ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.
ROIE	ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC). *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and loss and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.
ROTA	Return on total assets (ROTA) is computed based on profit for the year less finance cost/(income), net of tax over the average total assets of the last 12 months.

1 Numbers are restated as incentive fee and residential profits are excluded from "Recurring PATMI". They are not deemed to be the core business activities for the Group.

2 Net of tax and non-controlling interests but including share of associated companies' and joint ventures' revaluation gains or losses.

3 Net of tax and non-controlling interests but including share of associated companies and joint ventures.

4 MIC Fund was fully realised in April 2020.

5 After expenses, taxes and base management fee but before carried interest.