

CORPORATE LIQUIDITY AND CAPITAL RESOURCES

KEY FUNDING STATISTICS

As at 31 March (in S\$ million unless otherwise stated)	2022	2021
Total borrowings outstanding	2,904.1	2,245.2
– Bank loans outstanding	2,499.1	1,840.2
– Debt securities outstanding	405.0	405.0
Weighted average tenor of debt	3.8 years	3.6 years
Average borrowing cost for the financial year	2.5%	2.8%
Interest coverage ratio for the financial year	6.4 times	6.4 times
Interest rate hedge ratio	70.5%	76.8%
Weighted average tenor of interest rate hedges	3.6 years	3.0 years
Aggregate leverage ratio*		
– Based on deposited property	38.4%	40.3%
– Based on net assets	69.7%	64.5%
Bank facilities available for utilisation	1,202.6	1,026.3
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 2022, the aggregate leverage including such proportionate share was S\$3,467.2 million based on the exchange rate of US\$1 to S\$1.36444. The aggregate leverage including such proportionate share as at 31 March 2021 was S\$2,798.5 million based on the exchange rate of US\$1 to S\$1.34012.

Total borrowings outstanding of S\$2,904.1 million as at 31 March 2022 was S\$658.9 million higher than a year ago, mainly due to the additional borrowings drawn for the acquisition of 29 data centres in the United States partly offset by loans repaid during the year. Including the proportionate share of the joint venture, the aggregate leverage as at 31 March 2022 was S\$3,467.2 million. All borrowings remained fully unsecured with minimal financial covenants.

DIVERSIFIED SOURCES OF FUNDING

On 11 May 2021, MIT issued its inaugural S\$300.0 million fixed rate perpetual securities at 3.15% per annum under the S\$2 Billion Euro Medium Term Securities Programme to further diversify its sources of funding. The proceeds were used for refinancing of existing debts as well as other general corporate purposes.

During the financial year, MIT completed the acquisition of 29 data centres in the United States. The acquisition was funded through a combination of bank borrowings and proceeds from the equity fund raising exercise in May 2021. MIT raised gross proceeds of S\$823.3 million in two tranches through a private placement and a preferential offering. The private placement successfully raised S\$512.9 million at an issue price of S\$2.696 per unit, representing a discount of approximately 1.5% to the adjusted volume weighted average price ("VWAP") while the preferential offering raised S\$310.4 million at an issue price of S\$2.640 per unit, representing a discount of approximately 3.6% to the adjusted VWAP. The proceeds were fully disbursed largely in accordance with the stated use and percentage allocated as set out in the completion announcement dated 23 July 2021.

MIT resumed and applied the DRP to the 3QFY21/22 distribution period ended 31 December 2021 to finance the

progressive funding needs of the ongoing development project and to accord MIT greater financial flexibility to pursue growth opportunities. With a healthy take-up rate of 42.5%, a total of 15,532,294 new units had been issued at S\$2.5058 per unit, which represented approximately 1% discount to the adjusted VWAP during the relevant trading period. MIT continued to apply the DRP to the 4QFY21/22 distribution period ended 31 March 2022.

AGGREGATE LEVERAGE AND DEBT CAPACITY

The aggregate leverage ratio based on deposited property decreased from 40.3% a year ago to 38.4% as at 31 March 2022 with the repayment of loans using the proceeds from the perpetual securities as well as revaluation gain on investment properties.

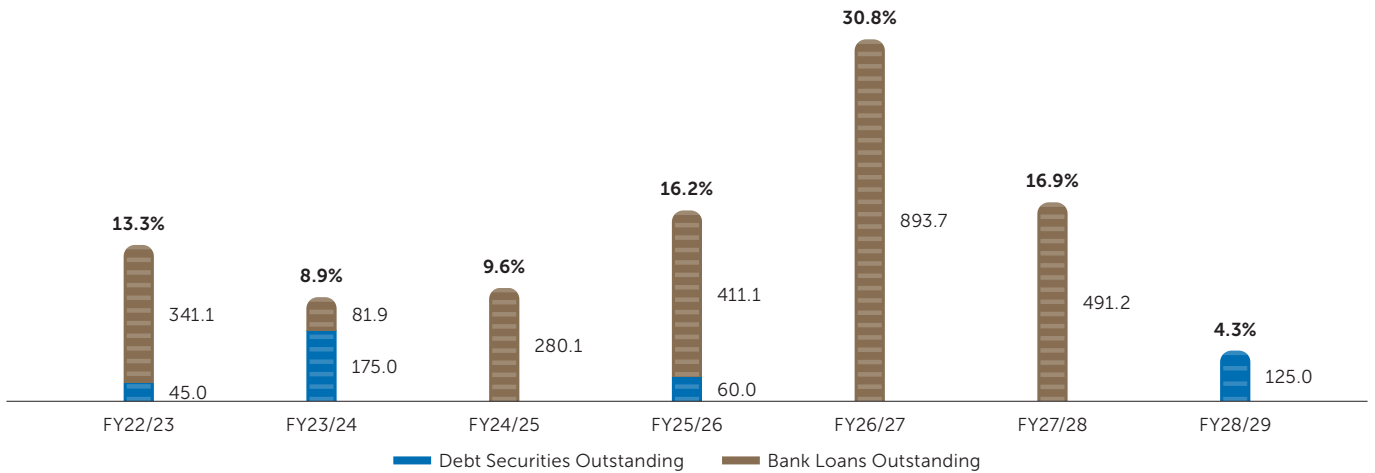
With effect from 1 January 2022, MAS allowed the aggregate leverage limit to exceed 45% (up to a maximum of 50%) if the adjusted Interest Coverage Ratio ("ICR") is at least 2.5 times. MIT's adjusted ICR for the trailing 12 months was 5.7 times as at 31 March 2022. Taking reference from the aggregate leverage limits set by MAS, the debt headroom to the aggregate leverage ratios of 45% and 50% were about S\$592.0 million and S\$1,043.0 million respectively, providing sufficient support for MIT's investment growth activities.

During the financial year, about S\$1,341 million new onshore bank facilities were procured. Unutilised bank facilities increased to S\$1,202.6 million as at 31 March 2022 from S\$1,026.3 million as at 31 March 2021. About S\$912.5 million of unutilised committed bank facilities were available to MIT as at 31 March 2022, which would be sufficient to meet its committed funding and working capital requirements in FY22/23.

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DEBT MATURITY PROFILE AS AT 31 MARCH 2022

Total Borrowings Outstanding (S\$ million)



The debt maturity profile as at 31 March 2022 was well-diversified with a weighted average debt tenor of 3.8 years. The financial year with the highest debt maturity concentration was FY26/27 with 30.8% of total borrowings. Of these total borrowings, 86% were bank loans and 14% were debt securities issued to debt capital market investors. Based on the available committed bank facilities of about S\$687.5 million, MIT had sufficient facilities to refinance the S\$386.1 million borrowings due in the coming financial year.

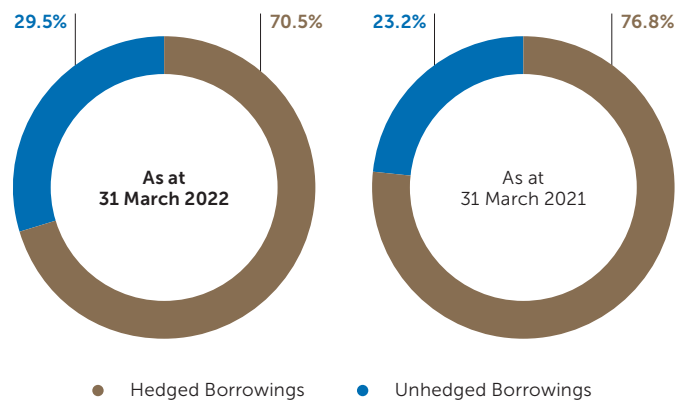
Interest rate hedges continued to be in place through a combination of both interest rate swaps and fixed rate debt. The weighted average tenor of interest rate hedges as at 31 March 2022 was 3.6 years (31 March 2021: 3.0 years). As at 31 March 2022, the aggregate notional amount of interest rate hedges due to expire in FY22/23 was S\$386.1 million. Based on unhedged borrowings as at 31 March 2022, the amount available for distribution would have been higher/(lower) by approximately S\$3.5 million if interest rates increase/(decrease) by 50 basis points, with all other variables being held constant. The Manager prudently balances between mitigating its interest rate risk and containing its hedging costs to determine the appropriate ratio of hedged borrowings to total borrowings.

MIT's borrowings denominated in US Dollars provided a natural capital hedge to the foreign exchange rate exposure of its investments in the United States. With the increased investments in the United States, the proportion of total borrowings denominated in US Dollars increased to 78.9% as at 31 March 2022 from 59.4% a year ago.

US DOLLAR INCOME HEDGING

As MIT received income denominated in US Dollars from its investments in the United States, foreign exchange forward contracts were entered into to hedge against foreign exchange rate volatility on distributable income. 60.1% of MIT's FY21/22 US Dollar-denominated net income was hedged into Singapore Dollars through such forward contracts.

INTEREST RATE HEDGING PROFILE



DEBT CURRENCY PROFILE

