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Mapletree Commercial Trust

2Q & 1H FY19/20 Financial Results

15 October 2019

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Content

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Key Highlights

VivoCity

Key Highlights

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Financial Performance

- 2Q FY19/20 gross revenue and net property income ("NPI") up 1.9% and 1.7% respectively from 2Q FY18/19, led by higher contribution from VivoCity, Mapletree Business City I ("MBC I"), PSA Building and Bank of America Merrill Lynch HarbourFront ("MLHF")
- 2Q FY19/20 Distribution per Unit ("DPU") up 2.2% year-on-year to 2.32 Singapore cents

Portfolio Performance

- VivoCity continued its robust performance. 2Q FY19/20 gross revenue and NPI grew 5.1% and 4.9% respectively from 2Q FY18/19
- Momentum of shopper traffic and tenant sales at VivoCity has picked up with the progressive opening of new stores on Basement 2 and Level 1 during 2Q FY19/20, as well as NTUC FairPrice commencing and contributing full month from August 2019

Key Highlights

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Proposed Acquisition of Mapletree Business City (Phase 2)

- Obtained Unitholders' approval for the proposed acquisition of Mapletree Business City (Phase 2) and the Common Premises (the "Property") on 15 October 2019
- The acquisition adds another best-in-class asset to MCT's portfolio and is expected to be NPI, DPU and NAV per Unit accretive

Capital Management

- Secured S$100.0 million term loan facility in September 2019 for refinancing. This would complete all refinancing due in FY19/20
- Maintained healthy balance sheet. Ample debt headroom and well-distributed debt maturity profile with no more than 20% of debt due for refinancing in any financial year

Financial Performance

VivoCity

2Q FY19/20 Financial Scorecard

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2Q FY19/20 gross revenue and NPI grew 1.9% and 1.7% respectively
Distribution per Unit up 2.2%

S$'000 unless otherwise stated	2Q FY19/20	2Q FY18/19	Variance
Gross Revenue	112,041	109,918	▲ 1.9%
Property Operating Expenses	(24,317)	(23,657)	▲ 2.8%
Net Property Income	87,724	86,261	▲ 1.7%
Net Finance Costs	(17,739)	(17,407)	▲ 1.9%
Income Available for Distribution	66,822	65,564	▲ 1.9%
Distribution per Unit (cents)	2.32	2.27	▲ 2.2%

1H FY19/20 Financial Scorecard

1H FY19/20 gross revenue and NPI grew 2.6% and 2.2% respectively
Distribution per Unit up 2.9%

S$'000 unless otherwise stated	1H FY19/20	1H FY18/19	Variance
Gross Revenue	**224,169**	**218,451**	▲ **2.6%**
Property Operating Expenses	**(48,098)**	**(46,252)**	▲ **4.0%**
Net Property Income	**176,071**	**172,199**	▲ **2.2%**
Net Finance Costs	**(35,292)**	**(34,302)**	▲ **2.9%**
Income Available for Distribution	**134,071**	**130,174**	▲ **3.0%**
Distribution per Unit (cents)	**4.63**	**4.50**	▲ **2.9%**

Balance Sheet

Investment properties up 4.4% mostly due to upward valuation as at 31 August 2019
Continues to maintain robust balance sheet through prudent and active capital management

S$'000 unless otherwise stated	As at 30 September 2019	As at 31 March 2019
Investment Properties	7,350,037	7,039,000
Other Assets	52,339	61,765
Total Assets	7,402,376	7,100,765
Net Borrowings	2,354,894	2,350,137
Other Liabilities	130,394	134,649
Net Assets	4,917,088	4,615,979
Units in Issue ('000)	2,895,631	2,889,690
Net Asset Value per Unit (S$)	1.70	1.60

Key Financial Indicators

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Ample debt headroom of ~$1.7 bil based on 45% regulatory gearing limit
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.04 cents p.a.

	As at 30 September 2019	As at 30 June 2019	As at 30 September 2018
Total Debt Outstanding	**S$2,349.0 mil**	**S$2,349.0 mil**	**S$2,349.0 mil**
% Fixed Rate Debt	**82.6%**	**80.5%**	**75.2%**
Gearing Ratio	**31.7%[1]**	**33.1%**	**34.8%**
Interest Coverage Ratio (YTD)	**4.5 times**	**4.5 times**	**4.5 times**
Average Term to Maturity of Debt	**3.1 years**	**3.4 years**	**4.1 years**
Weighted Average All-In Cost of Debt (p.a.)[2]	**3.00%[3]**	**3.00%[4]**	**2.93%[5]**
Unencumbered Assets as % of Total Assets	**100%**	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1**	**Baa1**	**Baa1**

1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 47.8%
2. Including amortised transaction costs
3. Annualised based on 1H ended 30 September 2019
4. Annualised based on the quarter ended 30 June 2019
5. Annualised based on 1H ended 30 September 2018

Debt Maturity Profile (as at 30 September 2019)

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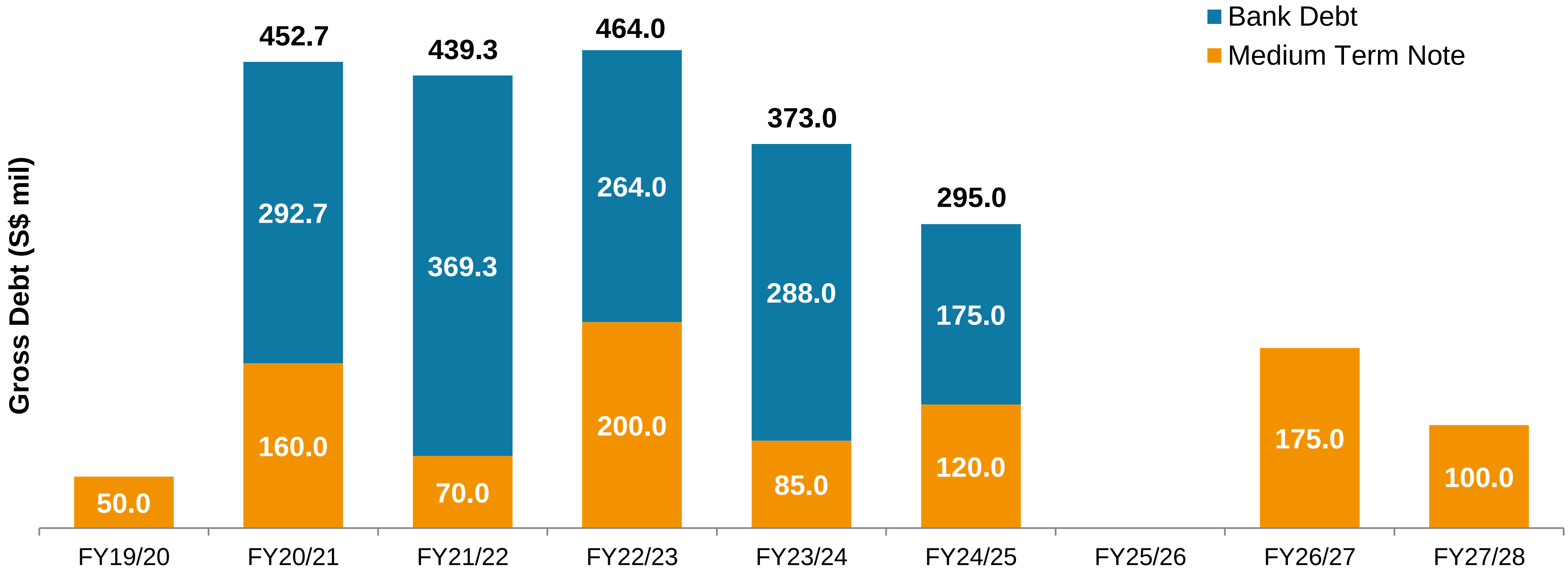
Well-distributed debt maturity profile with no more than 20% of debt due in any financial year

Total gross debt: S$2,349.0 mil

- Secured S$100.0 million term loan facility in September 2019 for refinancing



% of Total Debt	2%	19%	19%	20%	16%	13%	-	7%	4%

Distribution Details

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Distribution Period	1 July 2019 – 30 September 2019
Distribution Amount	2.32 Singapore cents per unit

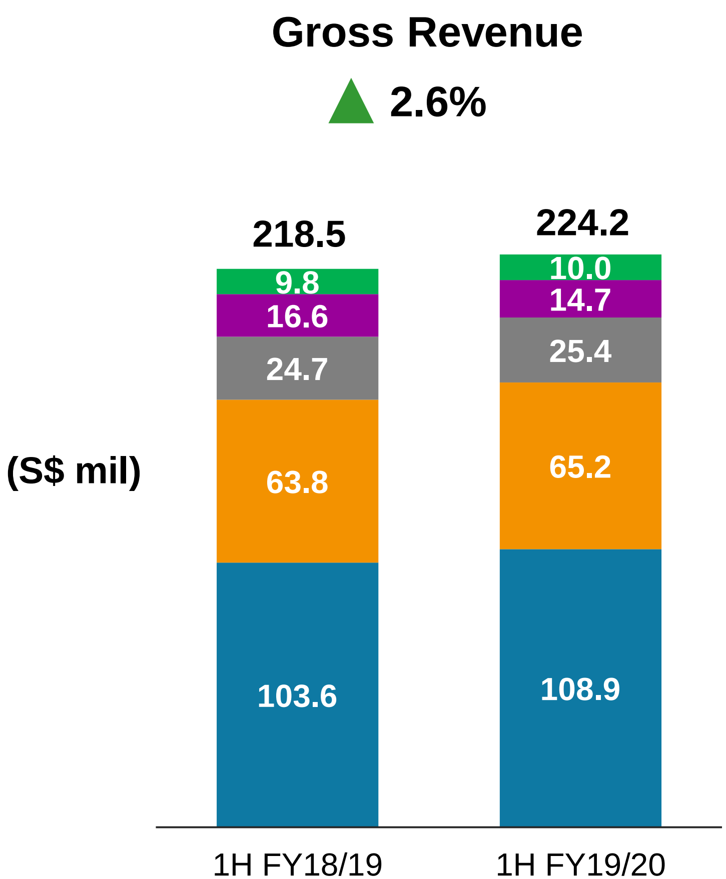
Distribution Timetable	
Notice of Books Closure Date	Notice of books closure date and payment date for the quarterly distribution for the period from 1 July 2019 to 30 September 2019 will be announced in due course
Last Day of Trading on "cum" Basis	
Ex-Date	
Books Closure Date	
Distribution Payment Date	

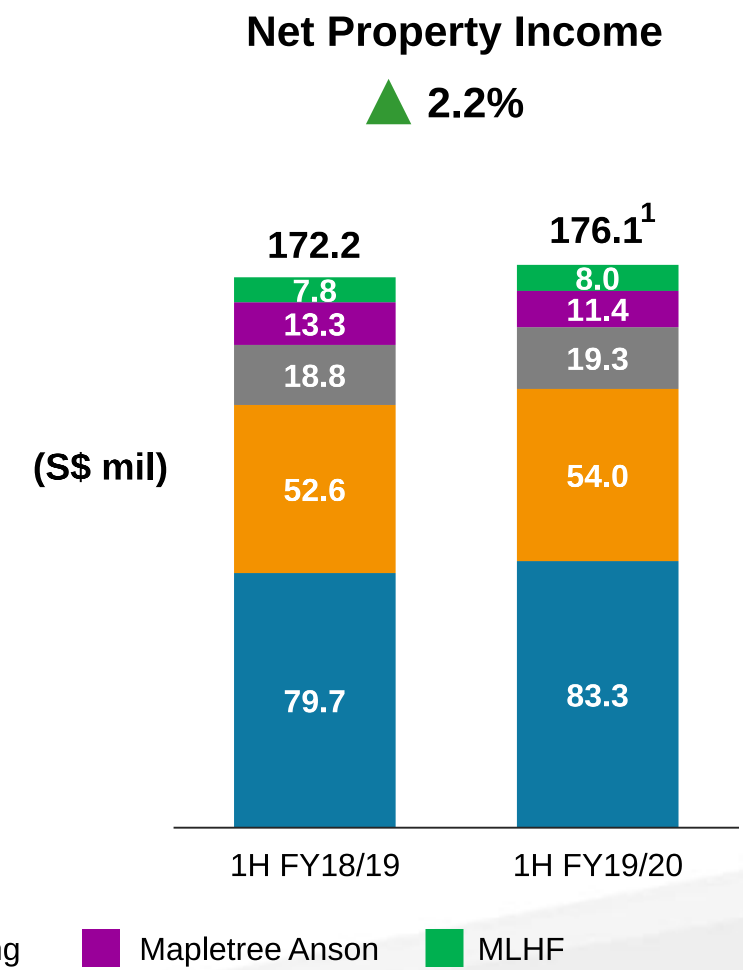
Portfolio Updates

Mapletree Business City I

Portfolio Revenue and Net Property Income

Continued growth in portfolio gross revenue and NPI
Led by higher contribution from VivoCity, MBC I, PSA Building and MLHF





1. Total may not add up due to rounding differences

Portfolio Occupancy

Portfolio committed occupancy remained high at 98.8%

	As at 30 September 2018	As at 30 June 2019	Occupancy as at 30 September 2019	
			Actual	Committed
VivoCity[1]	94.7%	99.1%	99.8%	100.0%
MBC I	97.8%	98.9%	98.9%	99.7%
PSA Building	93.5%	90.6%	91.3%	93.1%
Mapletree Anson	90.4%	92.7%	75.1%	99.0%
MLHF	100.0%	100.0%	100.0%	100.0%
MCT Portfolio	**95.9%**	**97.3%**	**96.1%**	**98.8%**

1. Based on VivoCity's enlarged NLA mainly resulting from the added public library on Level 3 and bonus GFA (from the Community/Sports Facilities Scheme) deployed to extend Basement 1. The Basement 1 extension was opened in June 2018, while the public library was opened in January 2019

FY19/20 Leasing Update

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Achieved 5.0% portfolio rental reversion

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[1]
Retail	130	89.7%	6.8%[2]
Office/Business Park	23	69.6%	0.7%
MCT Portfolio	**153**	**80.5%**	**5.0%**

1. Based on the average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases. Rent reviews are typically not included in the calculation of rental reversions
2. Includes the effect from trade mix changes and units subdivided and/or amalgamated

Lease Expiry Profile (as at 30 September 2019)

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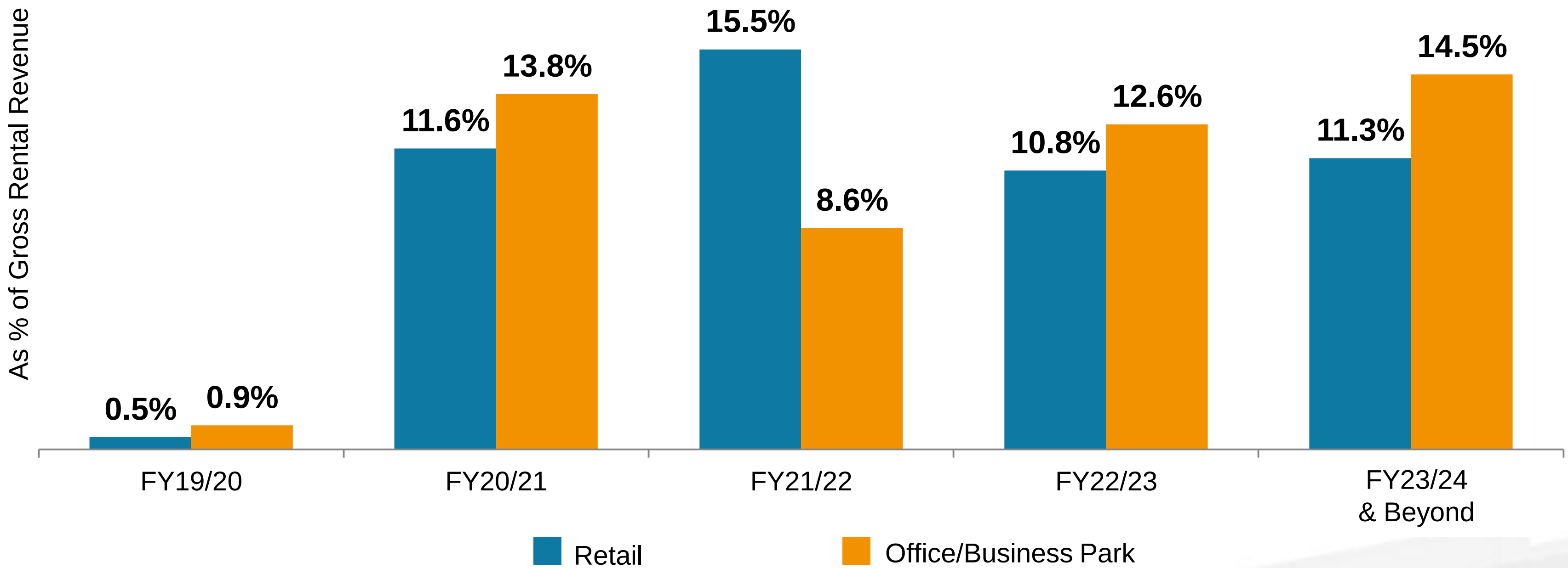
Portfolio resilience supported by manageable lease expiries

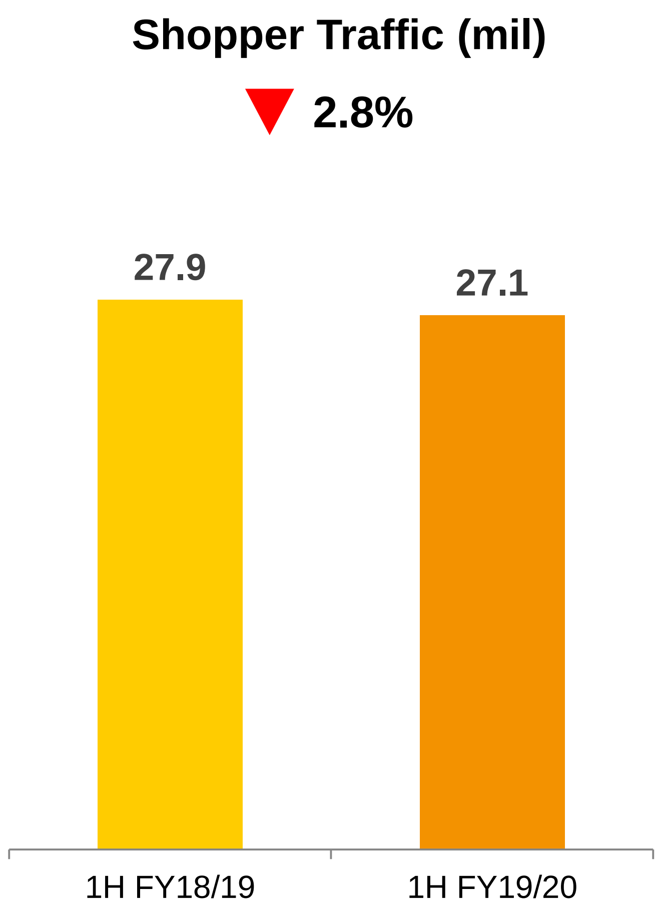
WALE	Committed Basis
Portfolio	**2.8 years[1]**
Retail	2.6 years
Office/Business Park	3.1 years

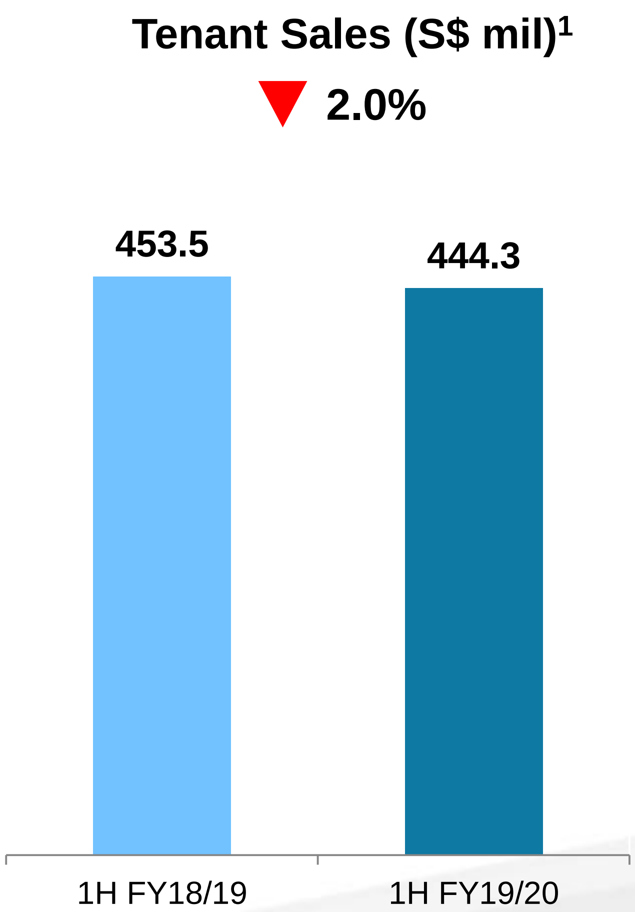


1. Portfolio WALE was 2.2 years based on the date of commencement of leases

VivoCity – Shopper Traffic and Tenant Sales

Momentum of shopper traffic and tenant sales has picked up with the progressive opening of new stores on Basement 2 and Level 1 during 2Q FY19/20, as well as NTUC FairPrice commencing and contributing full month from August 2019





1. Includes estimates of tenant sales for a small portion of tenants

VivoCity – Completion of 5th AEI

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Completion of changeover of hypermarket
Started fit-out works since 1 April 2019 and officially launched on 6 August 2019

- Singapore's leading grocer and multi-format retailer, NTUC FairPrice, took up approximately 91,000 square feet of space spanning L1 and B2
- Introduced its largest and most advanced FairPrice Xtra hypermarket and Unity pharmacy, as well as Cheers convenience store
- Delivers financial benefits, adds a refreshed concept and widens VivoCity's offerings with its unique products, needs-based services and innovative retail technology

NTUC FairPrice's opening ceremony on 6 August 2019

FairPrice Xtra's bright and spacious B2 entrance

VivoCity – Completion of 5th AEI *(cont'd)*

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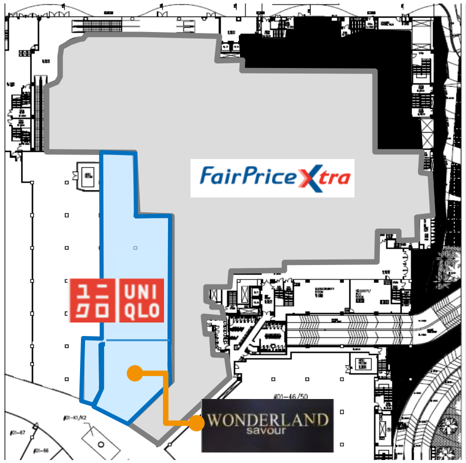
24,000 square feet of recovered anchored space fully operational in 2Q FY19/20
Entire changeover to deliver ~40% ROI[1] on stabilised basis

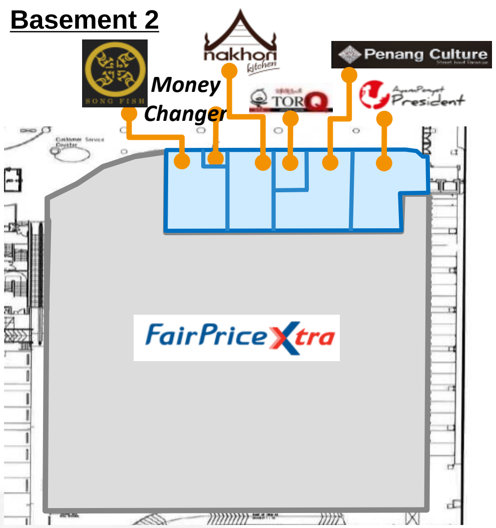
Level 1



A café that offers quality music and serves modern European desserts

Existing tenant, Uniqlo, expanded from 10,700 sq ft to 19,000 sq ft and was re-opened in September 2019

Basement 2



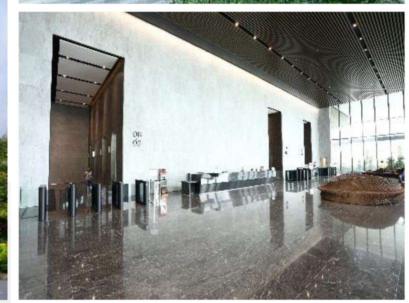
Wider F&B selections with halal as well as popular mid-ranged family-oriented offerings

1. Based on currently estimated capital expenditure of approximately S$2.2 mil

Proposed Acquisition of Mapletree Business City (Phase 2) and the Common Premises

Unitholders Approved Acquisition of Mapletree Business City (Phase 2) and the Common Premises (the "Property")

- Premium campus-style environment with Grade A building specifications
- Closest business park to the CBD
- Attractive to modern and high quality tenants
- Stable cashflows with embedded rental growth
- Prime beneficiary of the Greater Southern Waterfront Development
- Completes MCT's control over the entire Alexandra Precinct



Adds Another Best-In-Class Asset to MCT's Portfolio

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Property Overview

The Property	■ Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road, including the common property (carpark, landscape areas, driveways and walkways) ■ Common Premises comprising the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road

Land Area of Mapletree Business City | Mapletree Business City (Phase 2) | Licensed Premises to MCT

Year of Completion	■ 2016 (Common Premises were completed in 2010)	
Agreed Property Value	■ S$1,550 million	
Valuation	Savills: S$1,552 million ■ Business Park: S$1,520 million ■ Retail: S$32 million	CBRE: S$1,560 million ■ Business Park: S$1,530 million ■ Retail: S$30 million
Land Tenure	■ 99 years leasehold commencing 1 October 1997	
Net Lettable Area ("NLA")	■ 1,184,704 sq ft – Business Park: 1,167,106 sq ft – Retail: 17,598 sq ft	
Average Passing Rent	■ S$6.15 psf per month[1]	
Committed Occupancy	■ 99.4%[1]	
Weighted Average Lease Expiry ("WALE")	■ 2.9 years[2]	

1. As at 31 August 2019
2. By Gross Rental Income as at 31 August 2019

Attractive Valuation and NPI, DPU and NAV Accretive

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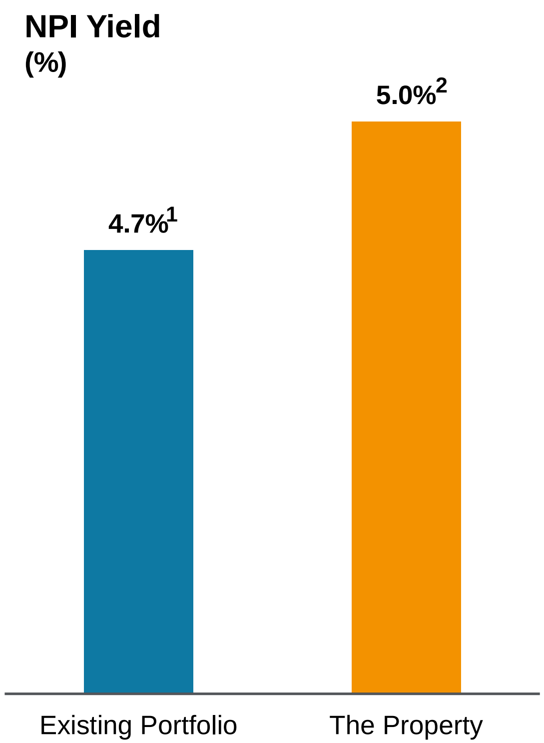
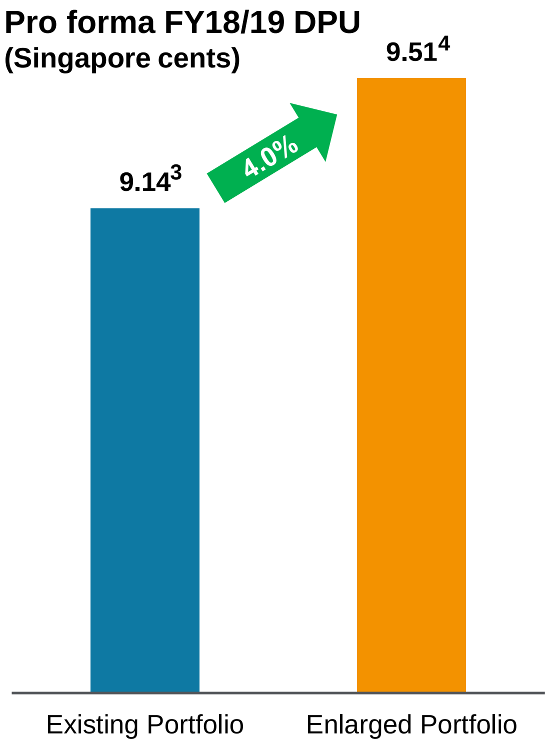
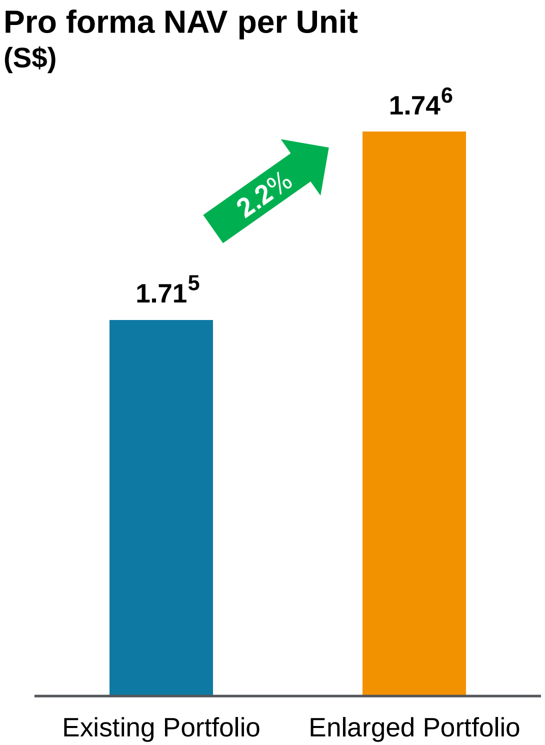
NPI Yield



DPU



NAV



1. Based on NPI for the financial year ended 31 March 2019 over the value of the Existing Portfolio as at 31 August 2019
2. Based on NPI over the Agreed Property Value of the Property of S$1,550.0 million. The NPI of the Property is assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods
3. For the financial year ended 31 March 2019
4. Based on the drawdown of S$697.5 million from the New Loan Facilities with an average interest cost of 2.9% per annum and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes the issuance of (a) approximately 417.1 million New Units at an Illustrative Issue Price of S$2.10 per New Unit, and (b) approximately 3.7 million of Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods
5. Based on the NAV as at 31 March 2019 and adjusted for the change in valuation of the Existing Portfolio from 31 March 2019 to 31 August 2019. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Existing Portfolio would be S$1.60
6. Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit. The number of Units in issue used in computing the pro forma NAV per Unit includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, and (b) approximately 3.7 million of Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Enlarged Portfolio would be S$1.65

Further Enhances MCT's Portfolio

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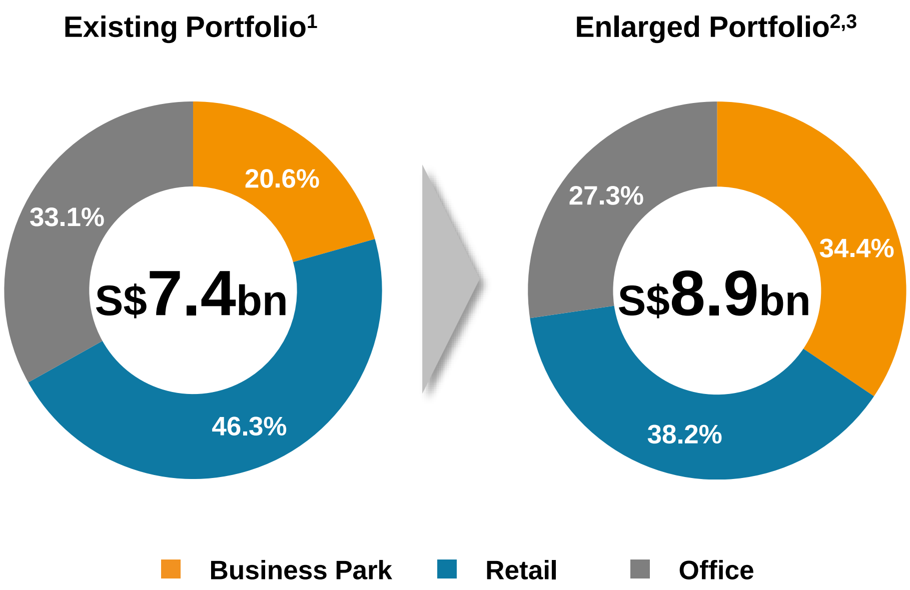
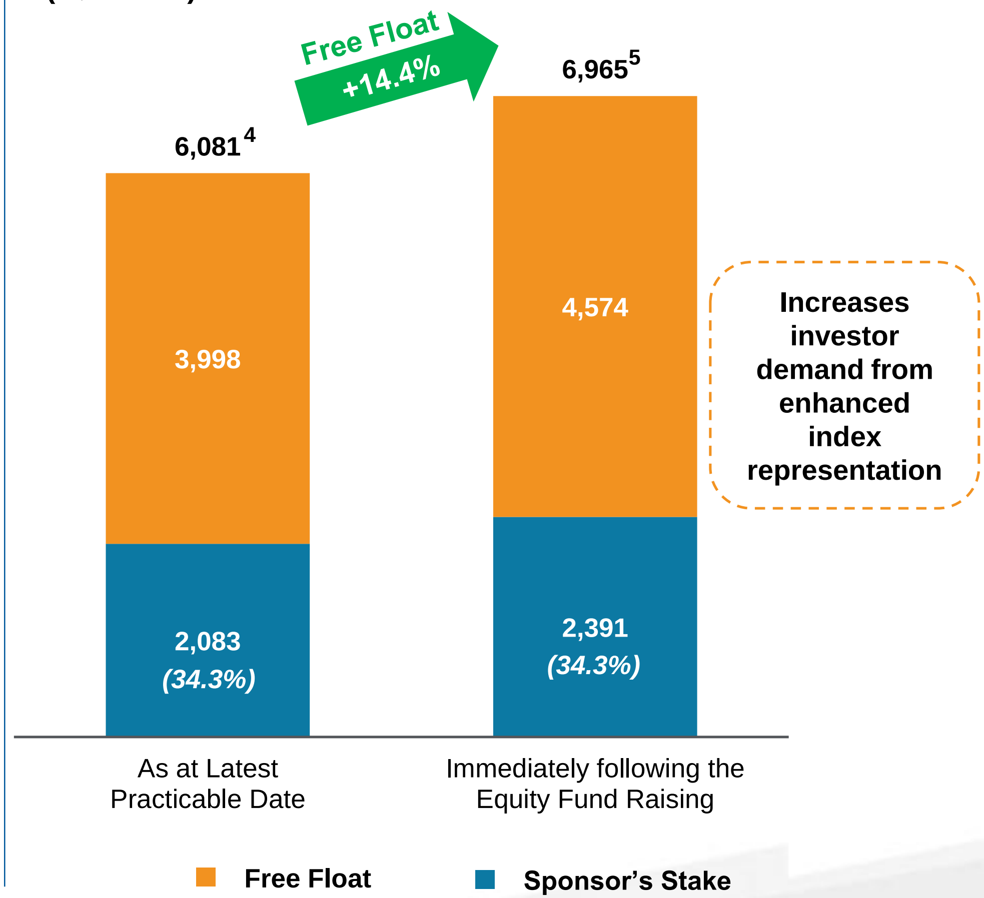
Increases MCT's Size, Free Float & Liquidity

MCT's Portfolio Valuation by Asset Class (S$ billion)

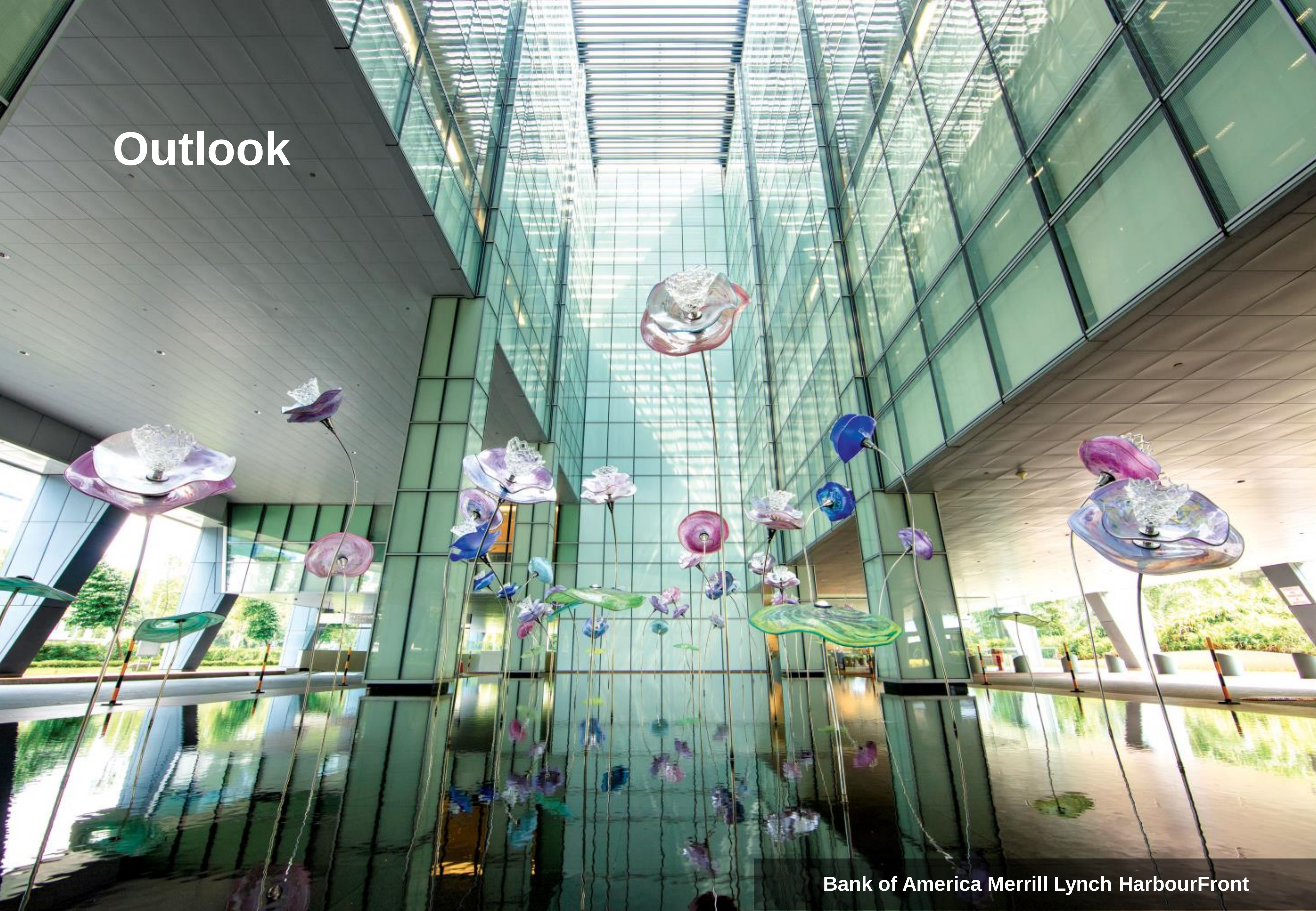


Market Capitalisation and Free Float (S$ million)



1. Based on the valuation of the Existing Portfolio as at 31 August 2019
2. Based on the valuation of the Existing Portfolio as at 31 August 2019 and the Agreed Property Value of the Property of S$1,550.0 million
3. Total may not add up due to rounding differences
4. Based on 2,895.6 million Units in issue as at the Latest Practicable Date and the illustrative issue price of S$2.10 per Unit
5. Based on 2,895.6 million Units in issue as at the Latest Practicable Date and (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, and (b) approximately 3.7 million of Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Assuming, for illustrative purposes, the Sponsor's ownership percentage in MCT of 34.3% remained constant before and after the Acquisition

Outlook



Bank of America Merrill Lynch HarbourFront

Outlook

Singapore Economy

- The Singapore economy grew by 0.1% year-on-year in the third quarter of 2019, the same pace as the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter.

Retail

- According to CBRE, the retail leasing market showed signs of slowing in tandem with retail sales. Consumer confidence turned slightly more pessimistic on persisting concerns over job prospects and the economy.
- CBRE does not expect any major movements in prime rents for the second half of 2019, and the limited upcoming supply will help cushion the extent of any potential rental decline.

Office

- The office market showed mixed signals in Q2 2019. There was positive net absorption contributed by healthy take-up in recently completed buildings.
- The technology and co-working sectors remained active with sporadic growth seen in other industries such as the life insurance industry. However, there was generally more caution portrayed by firms as they ascertain the full impact of the trade war.

Sources: The Singapore Ministry of Trade and Industry Press Release, 14 October 2019 and CBRE MarketView Singapore Q2 2019

Outlook

Office (cont'd)

- While the current supply situation is relatively tight, pre-commitments of pipeline projects have slowed considerably. These factors are expected to dampen rental growth prospects over the medium term.

Business Park

- It was a subdued Q2 2019 for the business park market. Factors contributing to the slowdown in overall leasing volumes were tight vacancies in higher quality buildings, as well as the lack of new supply in the horizon.
- The two-tier market continued to diverge as highlighted by the lower vacancy in the City Fringe submarket where Mapletree Business City is located.
- CBRE expects rents and vacancy to be relatively unchanged and maintain at current levels over the moderate term.

Overall

- In spite of the above, MCT's portfolio is expected to remain resilient given VivoCity's strong positioning and consistent performance, as well as the manageable lease expiries in MCT's office/business park properties.

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Thank You

For enquiries, please contact:

Teng Li Yeng
Investor Relations
Tel: +65 6377 6836
Email: teng.liyeng@mapletree.com.sg