



Mapletree Commercial Trust

4Q & FY18/19 Financial Results

23 April 2019

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Key Highlights

VivoCity

Key Highlights

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Financial Performance

- 4Q FY18/19 gross revenue, net property income ("NPI") and distribution per unit ("DPU") up 3.7%, 3.9% and 1.8% respectively from 4Q FY17/18, led by higher contribution from VivoCity, PSA Building and MLHF
- FY18/19 gross revenue, NPI and DPU up 2.4%, 2.6% and 1.1% respectively from FY17/18. Full year DPU reach record 9.14 Singapore cents
- Total valuation of investment properties rose 5.3% to S$7.0 bil, NAV per unit up 7.4% to S$1.60 as compared to a year ago

Portfolio Performance

- VivoCity continued to deliver outstanding performance. 4Q FY18/19 revenue and NPI grew 4.9% and 5.9% respectively from 4Q FY17/18 while FY18/19 revenue and NPI grew 3.0% and 3.6% respectively from FY17/18
- Full year shopper traffic reached a new high of 55.2 mil in spite of transitory impact from asset enhancement initiative ("AEI"), changeover of hypermarket and rigorous management of tenant mix during the year

Key Highlights

Portfolio Performance (cont'd)

- FairPrice has started fit-out works for an integrated space of ~91,000 square feet while the remaining ~24,000 square feet of recovered anchor space on Level 1 and Basement 2 has been fully committed
- Scheduled for completion by 2Q FY19/20, the entire changeover will deliver ~40% ROI in addition to positive rental uplift

Capital Management

- No term loan due for refinancing in FY19/20
- Maintained robust 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

Mapletree Business City I

4Q FY18/19 Financial Scorecard

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4Q FY18/19 gross revenue and NPI grew 3.7% and 3.9% respectively
Income available for distribution up 3.1%

S$'000 unless otherwise stated	4Q FY18/19	4Q FY17/18	Variance
Gross Revenue	**112,899**	**108,880**	▲ **3.7%**
Property Operating Expenses	**(25,339)**	**(24,595)**	▲ **3.0%**
Net Property Income	**87,560**	**84,285**	▲ **3.9%**
Net Finance Costs	**(17,465)**	**(16,233)**	▲ **7.6%**
Income Available for Distribution	**66,861**	**64,839**	▲ **3.1%**
Distribution per Unit (cents)	**2.31**	**2.27**	▲ **1.8%**

FY18/19 Financial Scorecard

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FY18/19 gross revenue and NPI grew 2.4% and 2.6% respectively
Income available for distribution up 1.4%

S$'000 unless otherwise stated	FY18/19	FY17/18	Variance
Gross Revenue	**443,893**	**433,525**	**2.4%**
Property Operating Expenses	**(96,266)**	**(94,680)**	**1.7%**
Net Property Income	**347,627**	**338,845**	**2.6%**
Net Finance Costs	**(69,348)**	**(63,926)**	**8.5%**
Income Available for Distribution	**264,027**	**260,359**	**1.4%**
Distribution per Unit (cents)	**9.14**	**9.04**	**1.1%**

Portfolio Valuation

Total valuation of investment properties rose 5.3% to S$7.0 bil

	Valuation as at 31 March 2019[1]			Valuation as at 31 March 2018
	S$ million	S$ per sq ft NLA	Cap Rate (%)	S$ million
VivoCity	3,200.0	2,966 psf	4.60%	3,028.0
MBC I	2,018.0	1,182 psf	Office: 4.00% Business Park: 5.10%	1,892.0
PSA Building	763.0	1,456 psf	Office: 4.10% Retail: 4.85%	740.0
Mapletree Anson	728.0	2,213 psf	3.60%	701.0
MLHF	330.0	1,530 psf	4.00%	321.0
MCT Portfolio	**7,039.0**			**6,682.0**

1. The valuation for VivoCity was undertaken by CBRE Pte Ltd, while the valuations for MBC I, PSA Building, Mapletree Anson and MLHF were undertaken by Knight Frank Pte Ltd

Balance Sheet

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Proactive and risk-based capital management approach
Continues to maintain robust balance sheet in spite of volatile interest rates

S$'000 unless otherwise stated	As at 31 March 2019	As at 31 March 2018
Investment Properties	7,039,000	6,682,000
Other Assets	61,765	58,813
Total Assets	7,100,765	6,740,813
Net Borrowings	2,350,137	2,329,431
Other Liabilities	134,649	128,009
Net Assets	4,615,979	4,283,373
Units in Issue ('000)	2,889,690	2,880,156
Net Asset Value per Unit (S$)	1.60	1.49

Key Financial Indicators

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Debt headroom of ~$1.5 bil based on 45% gearing limit
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.03 cents p.a.

	As at 31 March 2019	As at 31 December 2018	As at 31 March 2018
Total Debt Outstanding	**S$2,349.0 mil**	**S$2,349.0 mil**	**S$2,327.6 mil**
% Fixed Rate Debt	**85.0%**	**79.7%**	**78.9%**
Gearing Ratio	**33.1%**[1]	**34.8%**	**34.5%**
Interest Coverage Ratio (YTD)	**4.5 times**	**4.5 times**	**4.8 times**
Average Term to Maturity of Debt	**3.6 years**	**3.9 years**	**3.9 years**
Weighted Average All-In Cost of Debt (p.a.)[2]	**2.97%**	**2.95%**[3]	**2.75%**
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 50.9%
2. Including amortised transaction costs
3. Annualised based on YTD ended 31 December 2018

Debt Maturity Profile (as at 31 March 2019)

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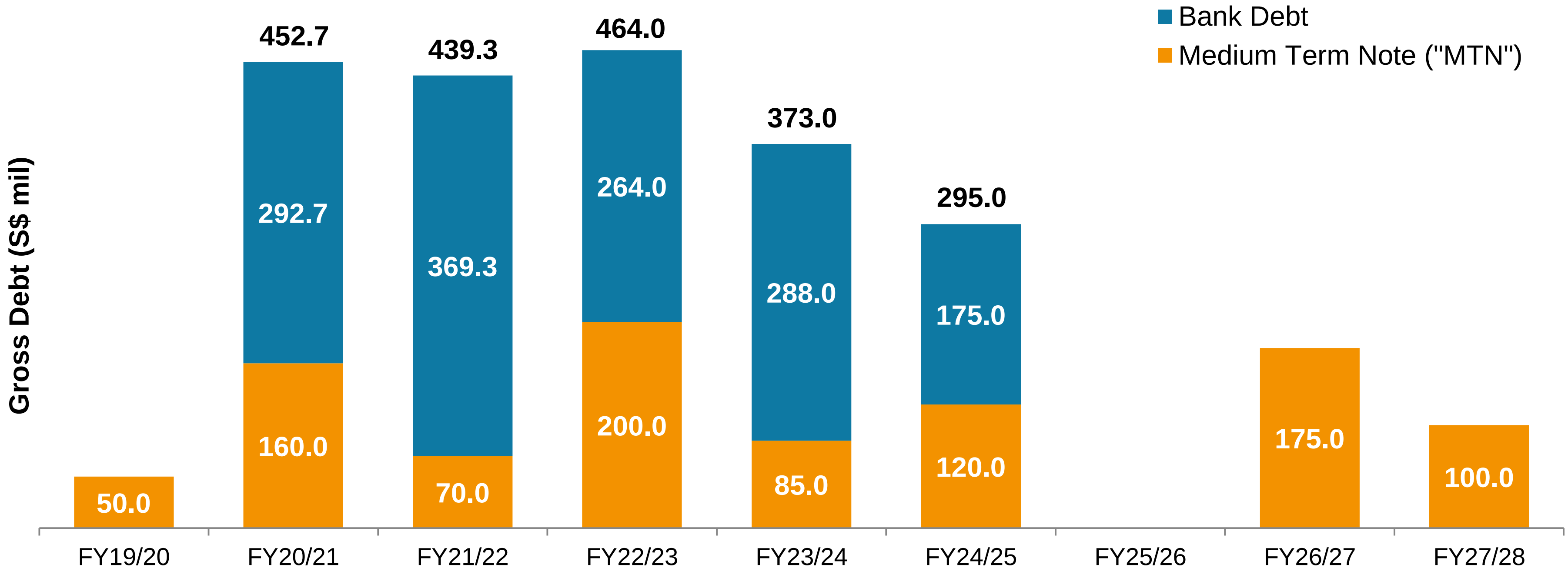
Well-distributed debt maturity profile with no more than 20% of debt due in any financial year

Total gross debt: S$2,349.0 mil

- No term loan due for refinancing in FY19/20



	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28
% of Total Debt	**2%**	**19%**	**19%**	**20%**	**16%**	**13%**	**-**	**7%**	**4%**

Proactive Capital Management

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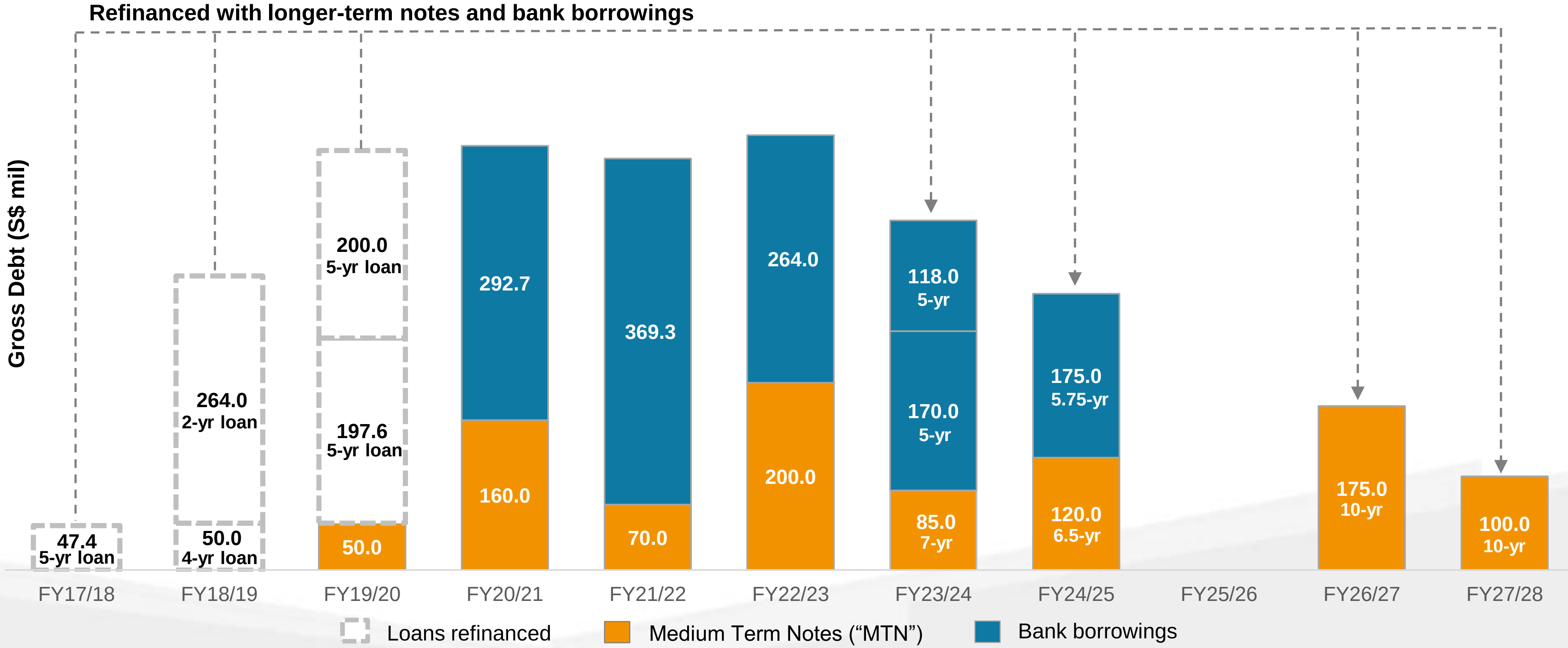
Proactive refinancing with longer-term notes and bank borrowings to navigate a volatile interest rate environment

	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019
Gross Debt	**S$2,327.6 mil**	**S$2,327.6 mil**	**S$2,349.0 mil**
% Fixed Rate Debt	**81.2%**	**78.9%**	**85.0%**
Average Term to Maturity of Debt	**4.0 years**	**3.9 years**	**3.6 years**
Weighted Average All-in-Cost of Debt (p.a.)	**2.66%**	**2.75%**	**2.97%**



FY18/19 – Performance In A Glance

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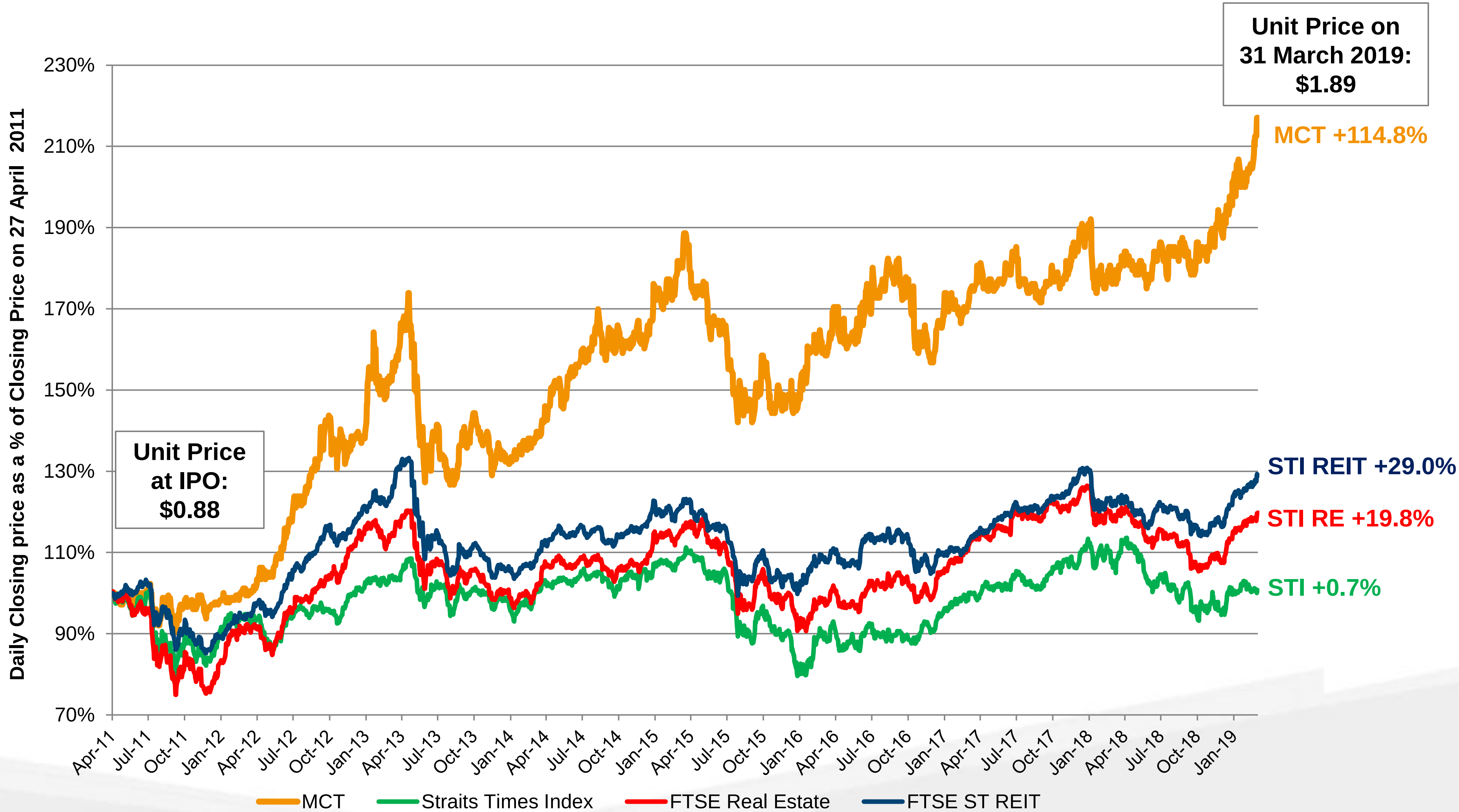
VivoCity	MBC I	PSA Building	Mapletree Anson	MLHF
				

Key Indicators	As at or for Financial Year ended 31 March 2018		As at or for Financial Year ended 31 March 2019
Gross Revenue (S$ million)	433.5	2.4%	443.9
NPI (S$ million)	338.8	2.6%	347.6
Income Available for Distribution (S$ million)	260.4	1.4%	264.0
DPU (Singapore cents)	9.04	1.1%	9.14
Market Capitalisation (S$ million)	4,522	20.8%	5,462
Investment Property Value (S$ million)	6,682	5.3%	7,039
Net Asset Value per Unit (S$)	1.49	7.4%	1.60
Gearing (%)	34.5	1.4 p.p.	33.1

MCT Unit Price Performance

(Relative Price Performance from MCT's Listing on 27 April 2011 to 31 March 2019)

Consistent and steady unit price performance since IPO



Total Returns to Unitholders

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Track record in delivering steady total returns

Unit Price of S$1.89 as at 31 March 2019	**Since IPO**	**For FY18/19**
Capital Appreciation	114.8%[1]	20.4%[2]
Total Distributions Paid Out / Payable[3]	70.5%	5.8%
Total Returns	**185.3%**	**26.2%**

1. Based on closing unit price of S$1.89 as at 31 March 2019, compared against IPO unit price of S$0.88
2. Based on closing unit price of S$1.89 as at 31 March 2019, compared against closing unit price of S$1.57 as at 31 March 2018
3. Including 2.31 Singapore cents payable for 4Q FY18/19, adding up to 9.14 Singapore cents for FY18/19 and 62.06 Singapore cents since IPO

Distribution Details

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Distribution Period	1 January 2019 – 31 March 2019
Distribution Amount	2.31 Singapore cents per unit

Distribution Timetable	
Notice of Books Closure Date	Tuesday, 23 April 2019
Last Day of Trading on "cum" Basis	Monday, 29 April 2019
Ex-Date	Tuesday, 30 April 2019
Books Closure Date	5.00 pm, Thursday, 2 May 2019
Distribution Payment Date	Thursday, 30 May 2019

Portfolio Updates

VivoCity

Portfolio Revenue and Net Property Income

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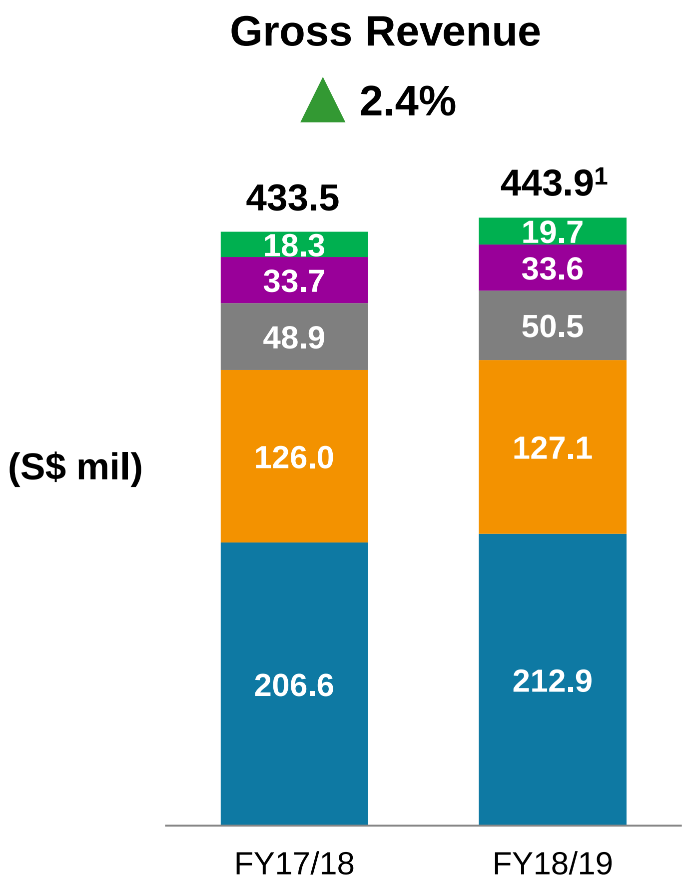
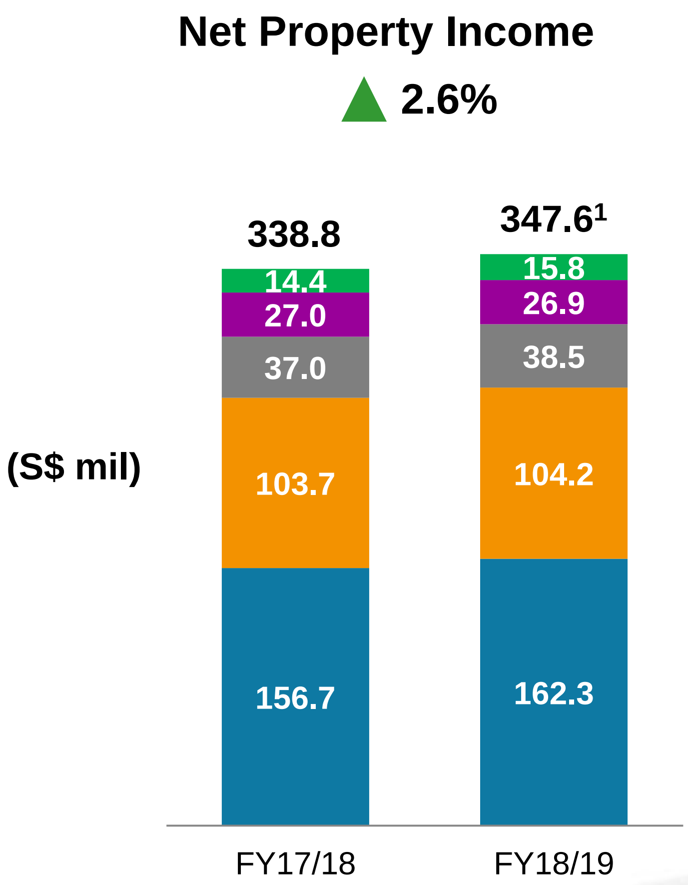
Continued growth in FY18/19 portfolio gross revenue and NPI
Led by higher contribution from VivoCity, MBC I, PSA Building and MLHF





VivoCity MBC I PSA Building Mapletree Anson MLHF

1. Total may not add up to rounding differences

Portfolio Occupancy

Overall portfolio committed occupancy at 98.5%

	As at 31 March 2018	As at 31 December 2018	Occupancy as at 31 March 2019	
			Actual	Committed
VivoCity[1]	93.1%	99.9%	99.4%	99.9%
MBC I	99.4%	97.5%	97.8%	98.1%
PSA Building	96.1%	96.1%	96.4%	96.4%
Mapletree Anson	86.6%	96.9%	96.8%	97.8%
MLHF	100.0%	100.0%	100.0%	100.0%
MCT Portfolio	**96.1%**	**98.1%**	**98.1%**	**98.5%**

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

FY18/19 Leasing Update

Achieved 5.4% portfolio rental reversion[1]

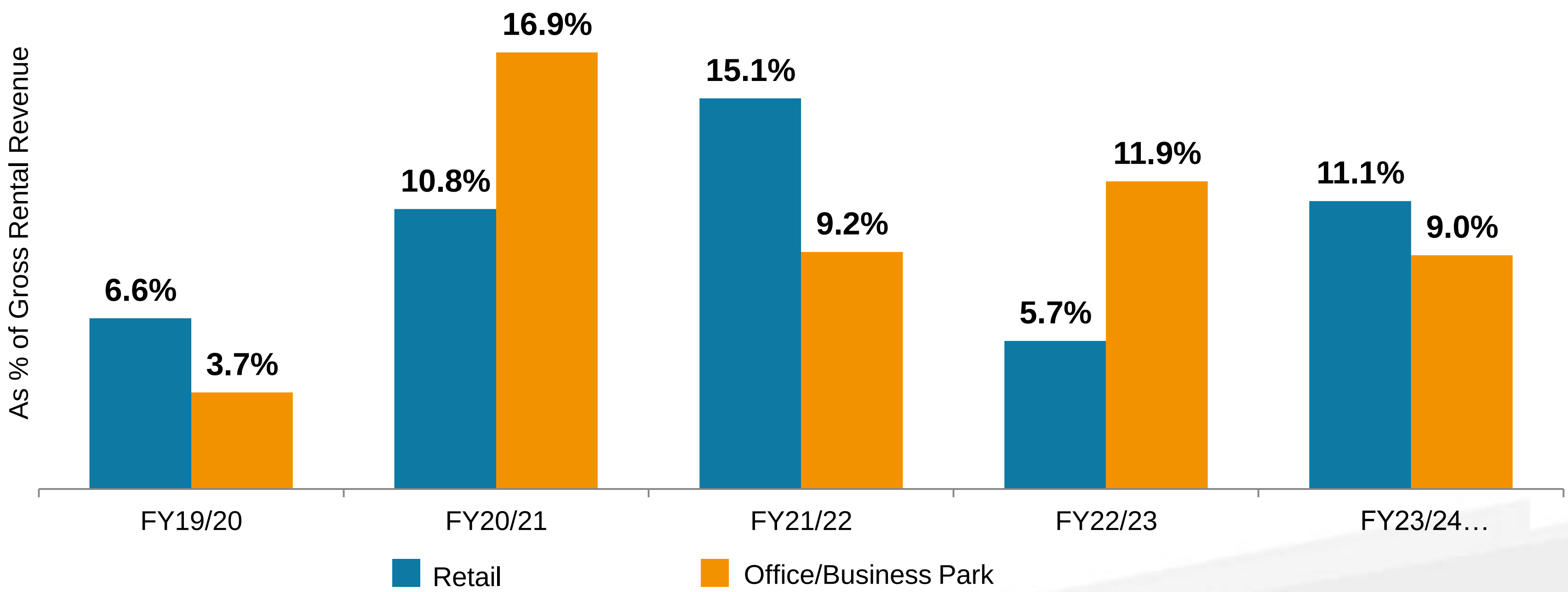
	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[2]
Retail	169	60.0%	3.5%[3]
Office/Business Park	23	73.8%	10.3%
▪ Including rent review[1]	-	-	8.7%
MCT Portfolio	**192**	**67.3%**	**5.5%**
MCT Portfolio (including rent review[1])	**-**	**-**	**5.4%**

1. Includes the effect of rent review of a key tenant at MBC I for ~195,000 square feet of space
2. 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
3. Includes the effect from trade mix changes and units subdivided and/or amalgamated

Lease Expiry Profile (as at 31 March 2019)

Portfolio resilience supported by manageable lease expiries

WALE	Committed Basis
Portfolio	**2.9 years[1]**
Retail	2.8 years
Office/Business Park	3.0 years



1. Portfolio WALE was 2.1 years based on the date of commencement of leases

Overall Top 10 Tenants

(by Gross Rental Revenue as at 31 March 2019)

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Top 10 tenants contributed 25.5% of gross rental revenue

	Tenant	% of Gross Rental Revenue
1	Merrill Lynch Global Services Pte. Ltd.	3.7%
2	The Hongkong and Shanghai Banking Corporation Limited	3.4%
3	PSA Corporation Limited	2.8%
4	Info-Communication Media Development Authority	2.7%
5	SAP Asia Pte. Ltd.	2.3%
6	Cold Storage Singapore (1983) Pte Ltd	2.3%
7	Unilever Asia Private Limited	2.3%
8	Government Technology Agency	2.1%
9	Samsung Asia Pte. Ltd.	2.1%
10	Mapletree Investments Pte Ltd	2.0%
	MCT Portfolio	**25.5%[1]**

1. Total may not add up due to rounding differences

Portfolio Tenant Trade Mix

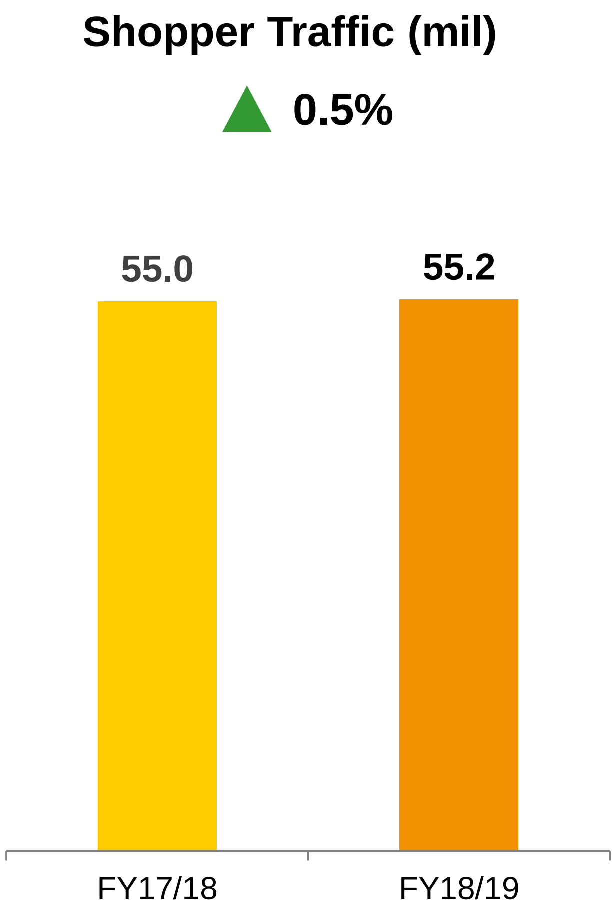
(by Gross Rental Revenue as at 31 March 2019)

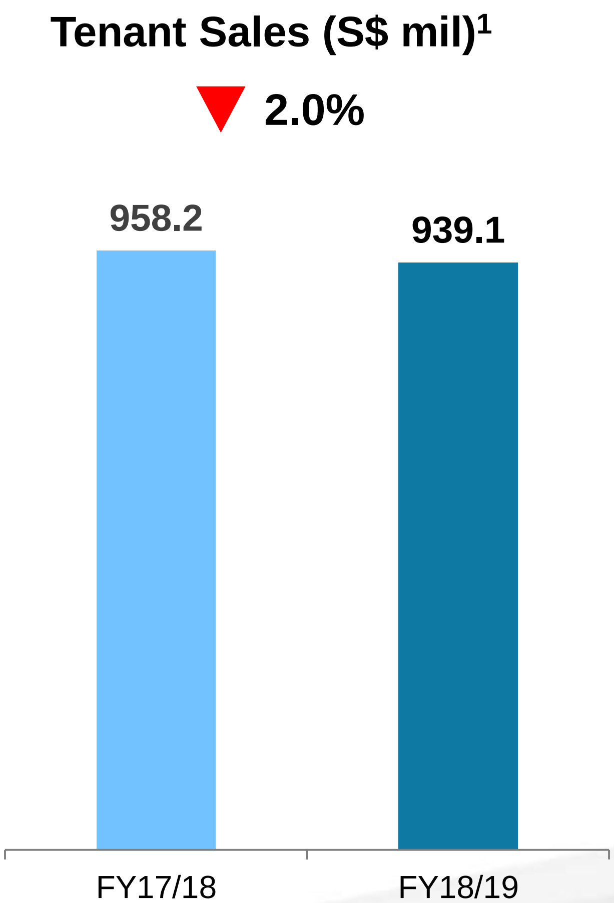
	Trade Mix	% of Gross Rental Income[1]
1	Food & Beverage	16.0%
2	Banking & Financial Services	13.1%
3	Fashion	9.5%
4	Government Related	6.5%
5	Shipping Transport	6.4%
6	IT Services & Consultancy	5.1%
7	Fashion Related	5.1%
8	Hypermarket / Departmental Store	4.6%
9	Consumer Goods	4.0%
10	Electronics	3.6%
11	Beauty	3.4%
12	Trading	3.3%
13	Lifestyle	2.6%
14	Sports	2.6%
15	Real Estate	2.5%
16	Electronics – Retail	2.2%
17	Others[2]	9.5%

1. Total may not add up to 100% due to rounding differences
2. Others includes Pharmaceutical, Energy, Entertainment, Retail Bank, Insurance, Optical, Education, Consumer Services, Medical, Services and Convenience

VivoCity – Shopper Traffic and Tenant Sales

Full year shopper traffic reached a new high of 55.2 mil in spite of transitory impact from AEI, changeover of hypermarket and rigorous management of tenant mix during the year





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

VivoCity – Changeover of Former VivoMart Space on Level 1 & Basement 2

Scheduled for completion by 2Q FY19/20
Exciting new store by FairPrice designed to cater to varied needs of today's shoppers

Change in Hypermarket Operator

- Singapore's leading grocer and multi-format retailer, NTUC FairPrice, takes up ~91,000 square feet of integrated space spanning Level 1 and Basement 2
- Includes FairPrice Xtra hypermarket, Unity pharmacy and Cheers convenience store
- Fit-out works has started since 1 April 2019

Fresh and quality food options

FairPrice Xtra's L1 entrance

Gastronomy area

Note: The above are artist's impressions and subject to final changes on site

VivoCity – Changeover of Former VivoMart Space on Level 1 & Basement 2 (cont'd)

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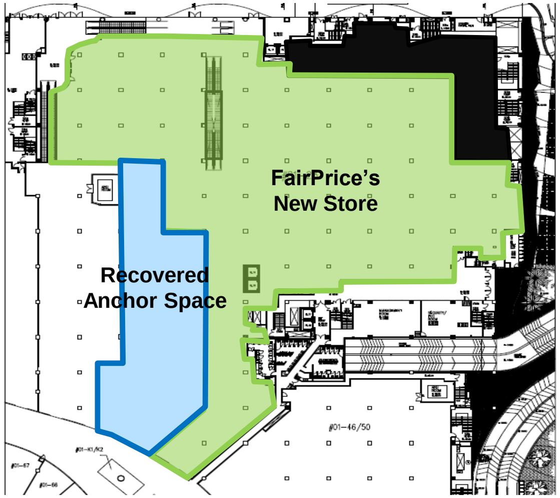
Scheduled for completion by 2Q FY19/20

~40% ROI[1] on a stabilised basis and further enhances VivoCity's appeal as major destination mall

Level 1

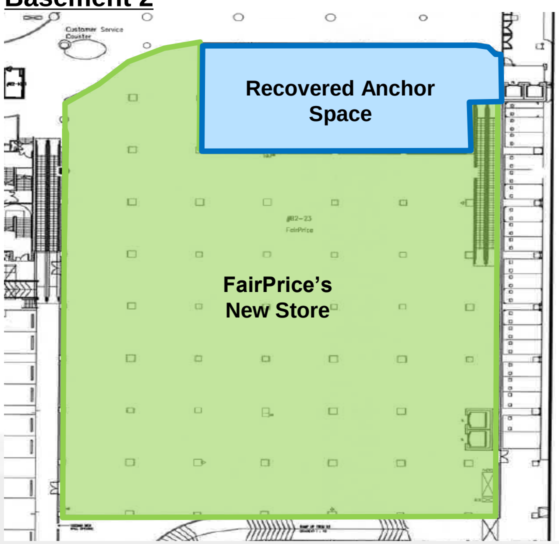


Converting Anchor into Higher-Yielding Specialty Space

- ~24,000 square feet of recovered space on Level 1 and Basement 2 fully committed
- Additions include mid-range family-oriented eateries and halal options

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

Basement 2



Before: Basement 2

Artist impression of new Basement 2

New/Expanding Tenants on L1 and B2

Ayam Penyet President, FairPrice Xtra, nakhon kitchen, Song Fish, Penang Culture Street Food Paradise, TORIQ, UNIQLO, WONDERLAND savour

Note: The above artist's impressions are subject to final changes on site

Outlook

Bank of America Merrill Lynch HarbourFront

Outlook

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Singapore Economy

- The Singapore economy grew 1.3% year-on-year in the first quarter of 2019, moderating from the 1.9% growth in the fourth quarter of 2018. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 2.0%, faster than the 1.4% growth in the previous quarter.

Retail

- According to CBRE, the pace of retail sales growth, while positive, slowed down in 2018 to 1.1% from 1.8% in 2017. Though indicators in previous quarters had pointed to a potential medium term rental recovery, optimism has been dampened by recent adjustments in the labour market. Some retailers, particularly those in the F&B and service sectors, are holding off expansion plans to prepare for the further tightening of foreign labour quotas.
- However, the retail supply pipeline is expected to tighten over the next few years, which remains a positive for the overall retail market

Office

- The office market indicators for Q1 2019 continued to look robust with tightening vacancy, decent absorption and growing rents. However, CBRE noted some occupier resistance to the pace of rental increases, with negotiations for renewals and relocation becoming more protracted.

Sources: The Singapore Ministry of Trade and Industry Press Release, 12 April 2019 and CBRE MarketView Singapore Q1 2019

Outlook

Office (cont’d)

- Landlords remain optimistic on the outlook for rents, supported by tapering new office supply in the medium term. A potential further cutback in existing office stock is also expected in the medium term as landlords consider redevelopment options after the Urban Redevelopment Authority’s recent announcement of the CBD incentive scheme.

Business Park

- The business park market registered a mixed performance. Pockets of expansion by technology and consumer goods companies occurred in the City Fringe submarket but overall occupancy remained high due to the limited availability of quality space.
- Prospects for the City Fringe submarket, where MBC I is located, continue to look positive while challenges remain in the Rest of Island submarket. However, redevelopment plans are in the works for the likes of Singapore Science Park and International Business Park, which could serve to rejuvenate these areas. Over the longer term, the Rest of Island submarket will be boosted by the emergence of new business park clusters in Jurong Innovation District and Punggol Digital District.

Overall

- 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.





Thank You

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