



Mapletree Commercial Trust

4Q & FY19/20 Financial Results

22 April 2020

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Key Highlights



Financial Performance

- 4Q FY19/20 gross revenue and net property income (“NPI”) up 12.8% and 12.6% respectively from 4Q FY18/19, driven mostly by Mapletree Business City (“MBC”) II and in spite of COVID-19 rental rebates
- 4Q FY19/20 DPU of 0.91 Singapore cents in anticipation of uncertainties arising from COVID-19 pandemic
- Acquisition of MBC II provided timely diversification and resilience, driving 8.8% and 8.7% year-on-year growth in FY19/20 portfolio gross revenue and NPI
- Full year DPU totalled 8.00 Singapore cents
- Valuation of investment properties held steady at S\$8.9 billion

Portfolio Performance

- Full year shopper traffic and tenant sales at VivoCity lower by 6.8% and 3.4% respectively largely due to COVID-19 impact in 4Q FY19/20
- Portfolio maintained 98.7% committed occupancy

Mitigating Impact from COVID-19

- To provide additional assistance, fixed rent for April 2020 will be waived for eligible retail tenants¹. This is on top of the S\$29 million of relief packages that have been granted/committed to support our retail tenants
- To safeguard the well-being of our shoppers, tenants, staff and the local community, measures have been implemented to educate, remind and regulate safe distancing within our premises

Capital Management

- Maintained strong balance sheet through prudent and active capital management
 - All term loans due in FY19/20 were refinanced in advance
 - Well-distributed debt maturity profile with no more than 17% of debt due for refinancing in any financial year
- Financial flexibility from S\$321.0 million of cash and undrawn committed facilities

1. This rental waiver replaces the deferment of payment for the fixed rent of April 2020 that was announced on 26 March 2020

Financial Performance



4Q FY19/20 Financial Scorecard

4Q FY19/20 gross revenue and NPI up 12.8% and 12.6% respectively
Driven mostly by MBC II and in spite of S\$8.8 mil¹ COVID-19 rental rebates to retail tenants

S\$'000 unless otherwise stated	4Q FY19/20	4Q FY18/19	Variance
Gross Revenue	127,320	112,899	▲ 12.8%
Property Operating Expenses	(28,749)	(25,339)	▲ 13.5% ²
Net Property Income	98,571	87,560	▲ 12.6%
Net Finance Costs	(21,702)	(17,465)	▲ 24.3% ³
Distributable amount before capital allowance claims and capital distribution retention	73,851	66,861	▲ 10.5%
Amount available for distribution	30,098 ⁴	66,861	▼ 55.0%
Distribution per Unit (cents)	0.91	2.31	▼ 60.6%

1. Includes 15% property tax rebates for qualifying commercial properties from the Government
2. Mainly due to property operating expenses of MBC II, lower property maintenance expenses, property taxes and property management fees offset by higher marketing and promotion expenses incurred by existing properties
3. Mainly due to the interest expenses of Mapletree Business City LLP ("MBC LLP") and higher commitment fees incurred
4. S\$43.7 million of distribution was retained by way of capital allowance claims and capital distribution retention in 4Q FY19/20

FY19/20 Financial Scorecard

Acquisition of MBC II provided timely diversification and resilience
Supporting 8.8% and 8.7% year-on-year growth in FY19/20 gross revenue and NPI

S\$'000 unless otherwise stated	FY19/20	FY18/19	Variance
Gross Revenue	482,825	443,893	▲ 8.8%
Property Operating Expenses	(104,885)	(96,266)	▲ 9.0% ¹
Net Property Income	377,940	347,627	▲ 8.7%
Net Finance Costs	(77,974)	(69,348)	▲ 12.4% ²
Distributable amount before capital allowance claims and capital distribution retention	287,587	264,027	▲ 8.9%
Amount available for distribution	243,218 ³	264,027	▼ 7.9%
Distribution per Unit (cents)	8.00	9.14	▼ 12.5%

1. Mainly due to property operating expenses of MBC II, higher staff costs, utilities expenses, property taxes and marketing and promotion expenses offset by lower property maintenance expenses incurred by existing properties
2. Mainly due to the interest expenses of MBC LLP, interest expenses incurred on bridging loans drawn down to accelerate the completion of MBC II Acquisition and additional loans drawn down for working capital requirements, as well as higher commitment fees incurred. This was partially offset by lower interest costs from early refinancing of term loan facilities in FY18/19
3. S\$43.7 million of distribution was retained by way of capital allowance claims and capital distribution retention in 4Q FY19/20

Financial Scorecard of Existing Properties¹

Existing properties registered modest performance in FY19/20

S\$'000 unless otherwise stated	4Q FY19/20	4Q FY18/19	Variance	FY19/20	FY18/19	Variance
Gross Revenue	104,665	112,899	▼ 7.3%	445,288	443,893	▲ 0.3%
Property Operating Expenses	(24,329)	(25,339)	▼ 4.0%	(97,586)	(96,266)	▲ 1.4%
Net Property Income	80,336	87,560	▼ 8.3%	347,702	347,627	◊ -

1. Refers to VivoCity, MBC I, PSA Building, Mapletree Anson and MLHF

Portfolio Valuation

Portfolio valuation held steady at S\$8.9 bil

	Valuation as at 31 March 2020 ¹			Valuation as at 31 August 2019	Valuation as at 31 March 2019
	S\$ million	S\$ per sq ft NLA	Cap Rate	S\$ million	
VivoCity	3,262.0	3,031 psf	4.625%	3,262.0	3,200.0
MBC I	2,198.0	1,287 psf	Office: 3.90% Business Park: 4.95%	2,193.0	2,018.0
PSA Building	791.0	1,505 psf	Office: 4.00% Retail: 4.85%	786.0	763.0
Mapletree Anson	762.0	2,317 psf	3.50%	762.0	728.0
MLHF	347.0	1,608 psf	3.90%	347.0	330.0
Sub-total		7,360.0		7,350.0	7,039.0
MBC II	1,560.0	1,317 psf	Business Park: 4.90% Retail: 4.75%	1,550.0 ²	-
MCT Portfolio		8,920.0³		8,900.0	7,039.0

1. The valuation for VivoCity was undertaken by Savills Valuation and Professional Services (S) Pte. Ltd., while the valuations for MBC I and II, PSA Building, Mapletree Anson and MLHF were undertaken by CBRE Pte. Ltd.

2. Refers to the Agreed Property Value

3. Given current market conditions and on a goodwill basis, the Manager will charge the base management fees for FY20/21 based on the prevailing asset value or new valuation, whichever is lower

Balance Sheet

Investment properties up 26.7% mainly due to acquisition of MBC II
NAV per Unit up 9.4% to S\$1.75

S\$'000 unless otherwise stated	As at 31 March 2020	As at 31 March 2019
Investment Properties	8,920,000	7,039,000
Other Assets	87,073	61,765
Total Assets	9,007,073	7,100,765
Net Borrowings	3,008,020	2,350,137
Other Liabilities	212,105	134,649
Net Assets	5,786,948	4,615,979
Units in Issue ('000)	3,307,510	2,889,690
Net Asset Value ("NAV") per Unit (S\$)	1.75	1.60

Key Financial Indicators

Strong balance sheet through prudent and active capital management
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.05 cents p.a.

	As at 31 March 2020	As at 31 December 2019	As at 31 March 2019
Total Debt Outstanding	S\$3,003.2 mil	S\$3,014.2 mil	S\$2,349.0 mil
% Fixed Rate Debt	78.9%	75.3%	85.0%
Gearing Ratio	33.3%¹	33.4%	33.1%
Interest Coverage Ratio (YTD)	4.3 times	4.4 times	4.5 times
Average Term to Maturity of Debt	4.2 years	4.4 years	3.6 years
Weighted Average All-In Cost of Debt (p.a.) ²	2.94%	2.96%³	2.97%
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 51.9%

2. Including amortised transaction costs

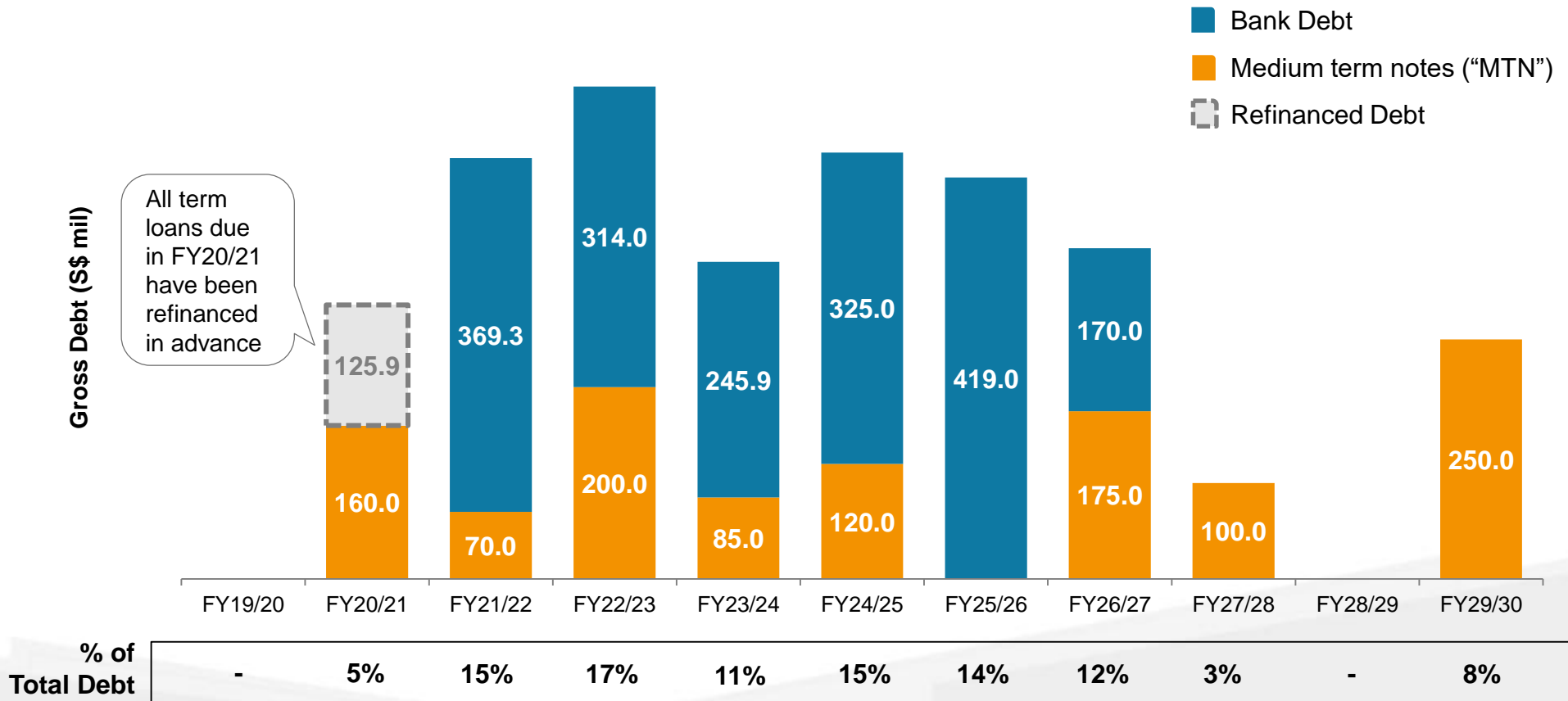
3. Annualised based on YTD ended 31 December 2019

Debt Maturity Profile (as at 31 March 2020)

Financial flexibility from S\$321.0 mil of cash and undrawn committed facilities
Well-distributed debt maturity profile with no more than 17% of debt due in any financial year

Total gross debt: S\$3,003.2 mil

- All term loans due in FY19/20 have been refinanced in advance



FY19/20 – Performance In A Glance

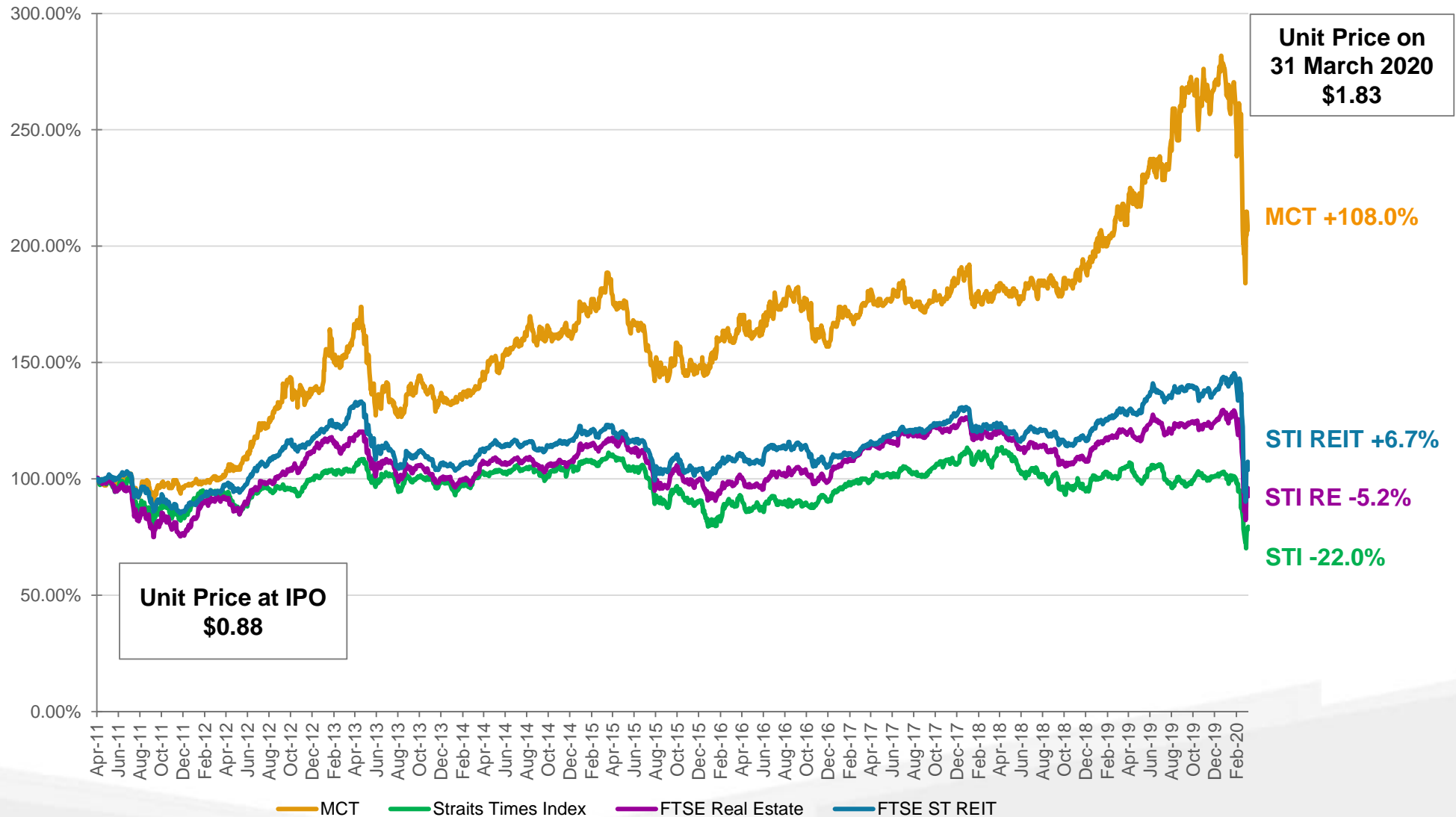


Key Indicators	As at or for Financial Year ended 31 March 2019		As at or for Financial Year ended 31 March 2020
Gross Revenue (S\$ million)	443.9	↑ 8.8%	482.8
NPI (S\$ million)	347.6	↑ 8.7%	377.9
Amount Available for Distribution (S\$ million)	264.0	↓ 7.9%	243.2
DPU (Singapore cents)	9.14	↓ 12.5%	8.00 ¹
Market Capitalisation (S\$ million)	5,462	↑ 10.8%	6,053
Investment Property Value (S\$ million)	7,039	↑ 26.7%	8,920
Net Asset Value per Unit (S\$)	1.60	↑ 9.4%	1.75
Gearing (%)	33.1	↑ 0.2 p.p.	33.3

1. S\$43.7 million of distribution was retained by way of capital allowance claims and capital distribution retention in 4Q FY19/20

MCT Unit Price Performance

(Relative Price Performance from MCT's Listing on 27 April 2011 to 31 March 2020)



Total Returns to Unitholders

Focusing on delivering sustainable returns in the long run

Unit Price of S\$1.83 as at 31 March 2020	Since IPO	For FY19/20
Capital Appreciation	108.0% ¹	-3.2% ²
Total Distributions Paid Out / Payable ³	79.6%	4.2%
Total Returns	187.6%	1.0%

1. Based on closing unit price of S\$1.83 as at 31 March 2020, compared against IPO unit price of S\$0.88

2. Based on closing unit price of S\$1.83 as at 31 March 2020, compared against closing unit price of S\$1.89 as at 31 March 2019

3. Including 0.91 Singapore cents payable for 4Q FY19/20, adding up to 8.0 Singapore cents for FY19/20 and 70.06 Singapore cents since IPO

Distribution Details

4Q FY19/20 distribution of 0.91 Singapore cents

Adoption of new half-yearly reporting framework and distribution with effect from FY20/21¹

Distribution Period	1 January 2020 – 31 March 2020
Distribution Amount	0.91 Singapore cents per unit

Distribution Timetable

Notice of Record Date	Wednesday, 22 April 2020
Last Day of Trading on “cum” Basis	Tuesday, 28 April 2020
Ex-Date	Wednesday, 29 April 2020
Record Date	5.00 pm, Thursday, 30 April 2020
Distribution Payment Date	Friday, 29 May 2020

1. Following the amendments to Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited on the quarterly reporting framework which has taken effect from 7 February 2020, MCT will adopt the new half-yearly reporting framework and announce its first half financial statements with effect from the financial year ending 31 March 2021 (“FY20/21”). Consequently, any distributions to Unitholders will be on a half-yearly basis with effect from FY20/21

Portfolio Updates

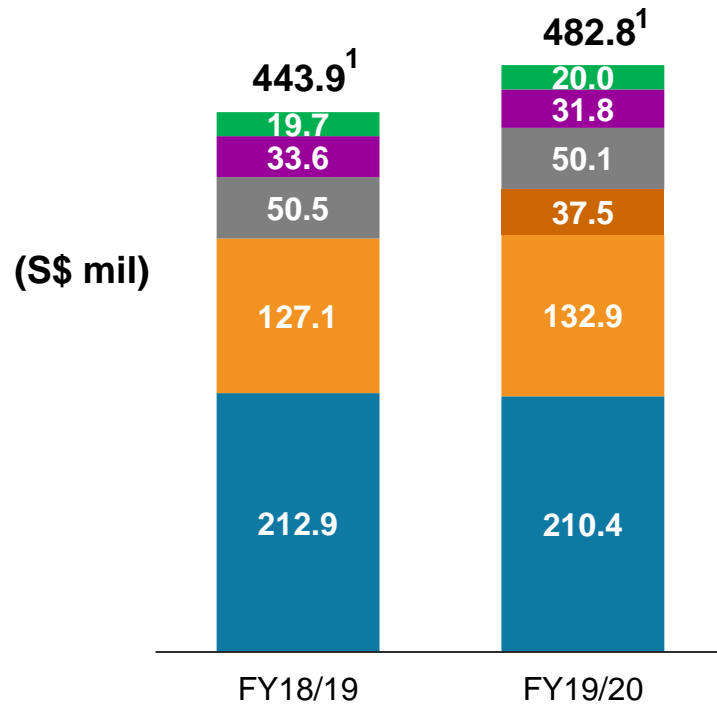


Portfolio Revenue and Net Property Income

COVID-19 impact on VivoCity cushioned by MBC and MLHF
Portfolio registered 8.8% and 8.7% growth in full year gross revenue and NPI

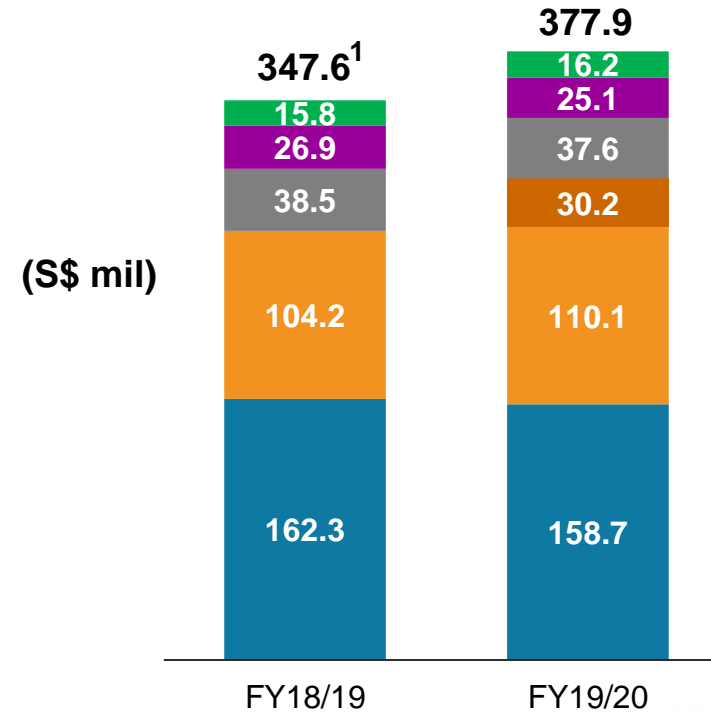
Gross Revenue

▲ 8.8%



Net Property Income

▲ 8.7%



■ VivoCity
 ■ MBC I
 ■ MBC II
 ■ PSA Building
 ■ Mapletree Anson
 ■ MLHF

1. Total does not add up due to rounding differences

Portfolio Occupancy

Portfolio committed occupancy remained high at 98.7%

	As at 31 March 2019	As at 31 December 2019	Occupancy as at 31 March 2020	
			Actual	Committed
VivoCity	99.4%	99.2%	99.6%	99.7%
MBC I	97.8%	99.7%	96.4%	98.7%
MBC II	-	99.4%	99.4%	100.0%
PSA Building	96.4%	89.1%	88.1%	92.7%
Mapletree Anson	96.8%	97.0%	97.8%	100.0%
MLHF	100.0%	100.0%	100.0%	100.0%
MCT Portfolio	98.1%	98.3%	97.1%	98.7%

FY19/20 Leasing Update

Achieved 5.0% portfolio rental reversion

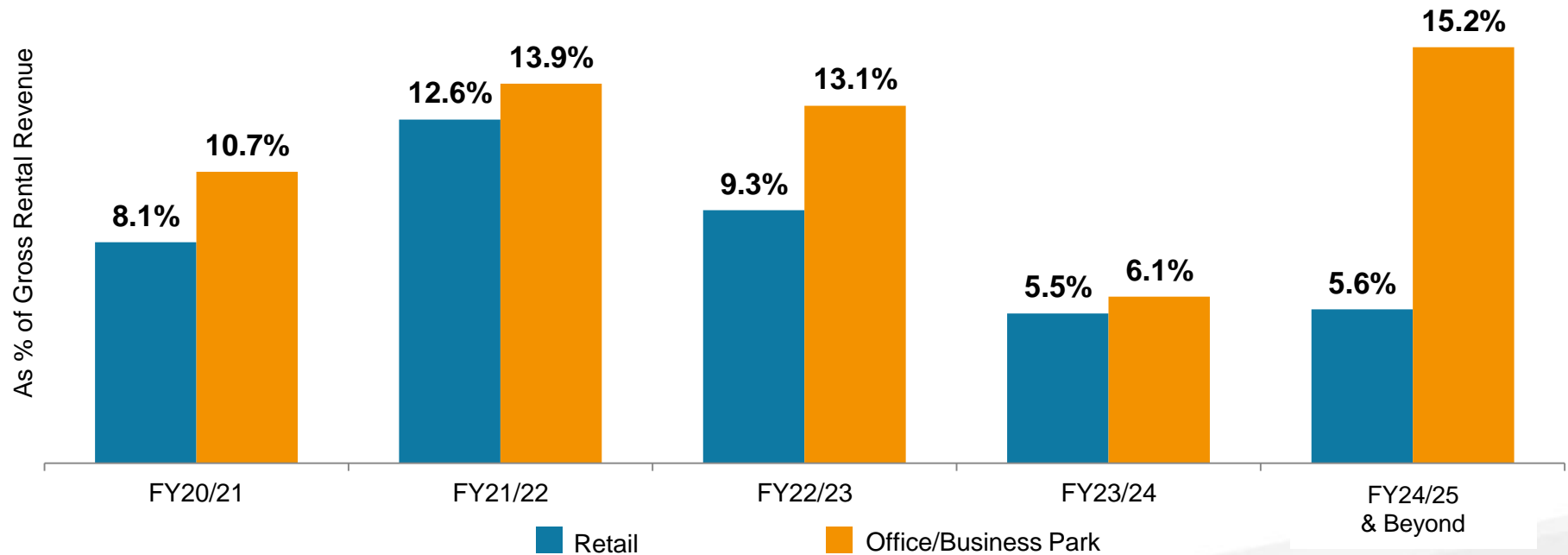
	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents ¹
Retail	148	89.3%	6.7% ²
Office/Business Park	23	62.6%	0.7%
MCT Portfolio	171	76.8%	5.0%

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 31 March 2020)

Portfolio resilience supported by manageable lease expiries

WALE	Committed Basis
Portfolio	2.6 years¹
Retail	2.2 years
Office/Business Park	2.9 years



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

Overall Top 10 Tenants (as at 31 March 2020)

Top tenants contributed 27.9%¹ of gross rental income

	Tenant	% of Gross Rental Income
1	Google Asia Pacific Pte. Ltd.	10.1%
2	Merrill Lynch Global Services Pte. Ltd.	3.0%
3	The Hongkong and Shanghai Banking Corporation Limited	2.9%
4	(Undisclosed Tenant)	-
5	PSA Corporation Limited	2.3%
6	Info-Communication Media Development Authority	2.3%
7	SAP Asia Pte. Ltd.	2.0%
8	Unilever Asia Private Limited	1.9%
9	Samsung Asia Pte. Ltd.	1.7%
10	NTUC Fairprice Co-operative Ltd	1.7%
	Total	27.9%¹

1. Excluding the undisclosed tenant

Portfolio Tenant Trade Mix (as at 31 March 2020)

	Trade Mix	% of Gross Rental Income
1	IT Services & Consultancy	18.5%
2	F&B	13.7%
3	Banking & Financial Services	10.8%
4	Fashion	8.0%
5	Shipping Transport	5.8%
6	Government Related	5.5%
7	Fashion Related	4.2%
8	Hypermarket / Departmental Store	3.6%
9	Consumer Goods	3.4%
10	Real Estate	3.3%
11	Beauty	2.9%
12	Electronics ¹	2.8%
13	Pharmaceutical	2.6%
14	Lifestyle	2.4%
15	Sports	2.1%
16	Electronics ²	2.1%
17	Others ³	8.4%
	Total MCT Portfolio	100%⁴

1. Refers to tenants in office/business park

2. Refers to tenants in retail

3. Others includes Trading, Energy, Entertainment, Retail Bank, Optical, Insurance, Education, Consumer Services, Medical, Services and Convenience

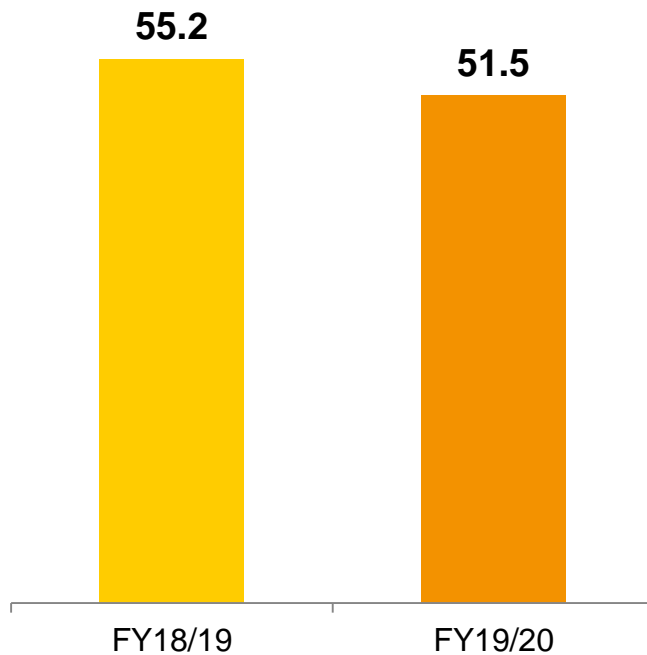
4. Total does not add up to 100% due to rounding differences

VivoCity – Shopper Traffic and Tenant Sales

Full year shopper traffic and tenant sales lower by 6.8% and 3.4% respectively largely due to COVID-19 impact in 4Q FY19/20

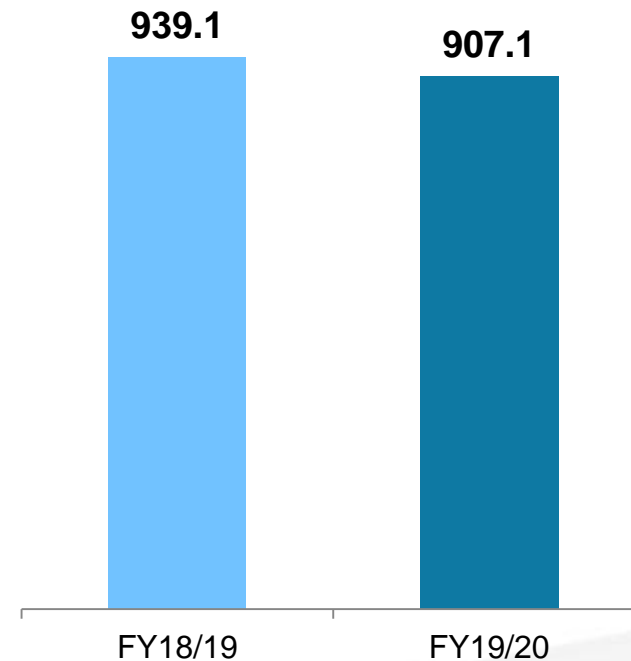
Shopper Traffic (mil)

▼ 6.8%



Tenant Sales (\$ mil)¹

▼ 3.4%



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

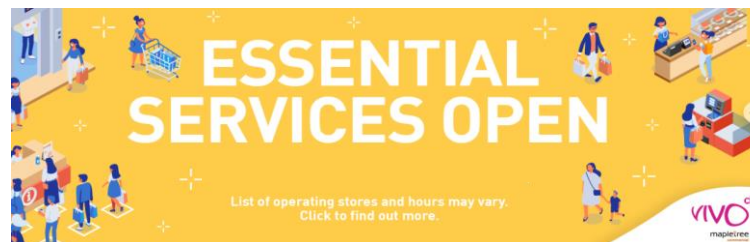
VivoCity – Mitigating the Impact of COVID-19



VivoCity – Mitigating the Impact of COVID-19

To provide additional assistance, fixed rent for April 2020 will be waived for eligible retail tenants¹

24 February 2020	26 March 2020	22 April 2020
<p>1st round: S\$11 million Support Package</p> <p>Key Feature: Average rental rebate of ~0.5 months fixed rent for eligible tenants</p>	<p>2nd round: S\$18 million Support Package</p> <p>Key Feature: Average rental rebate of ~2 months fixed rent for eligible tenants</p>	<p>3rd round: Rental Waiver Support</p> <p>Key Feature: Waiver of fixed rent for April 2020 for eligible tenants¹</p>



Circuit Breaker Period (7 April – 1 June 2020)

- All non-essential industries and retail shall be closed
- The public is required to stay at home unless for essential services

- Within MCT's portfolio, specific retail outlets that provide items and services necessary to support the daily living needs will remain open
- For example: supermarkets, pharmacies, restaurants and food and beverage outlets for take-outs and deliveries, as well other outlets offering essential services³

Eligible tenants would receive in total
~3.5 months² of rental rebates

Enhanced Safe Distancing Measures from 27 March 2020

- Implementation of safe distancing including crowd management in malls
- Closure of all bars, entertainment venues and enrichment centres

7 February 2020
Government raised risk assessment level

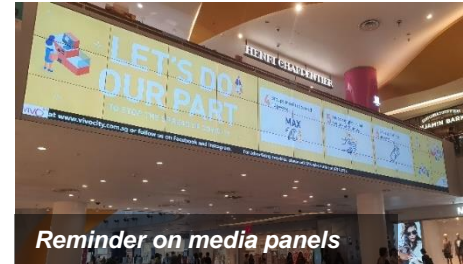


1. This rental waiver replaces the deferment of payment for the fixed rent of April 2020 that was earlier announced on 26 March 2020
2. Includes approximately 1.1 months of property tax rebates for qualifying commercial properties from the Government that will be passed through
3. Refer to the malls' respective websites or social media pages for complete and updated list of retail outlets that are open during this period

Stringent measures to safeguard the well-being of our shoppers, tenants, staff and the local community

Our safe distancing measures focus on:

- **Educating** shoppers on safe distancing through informational posters and notices
- **Reminding** shoppers on best practices via visual markers and regular safety announcements over the PA system
- **Regulating** flow of shoppers and dispersing crowds



Precautionary and safe distancing measures in the mall



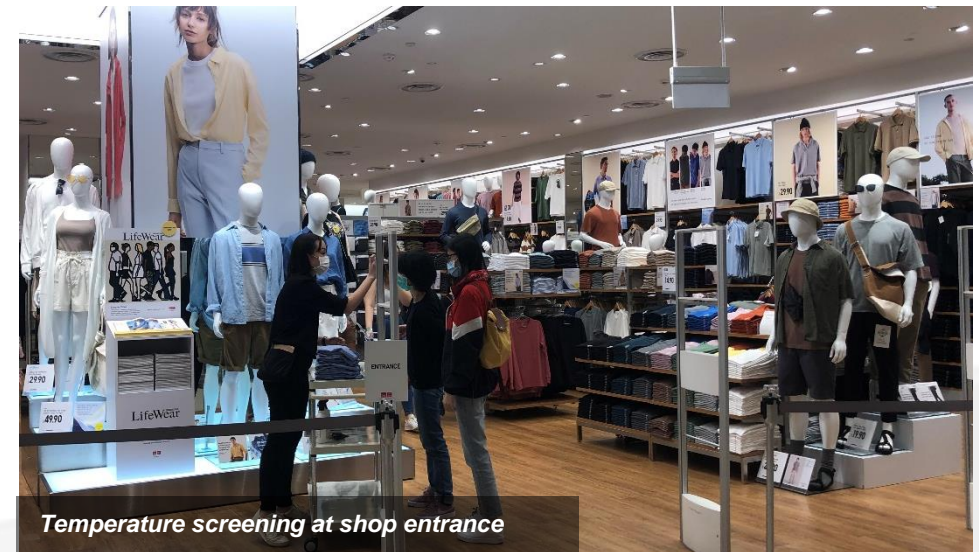
Queue management with floor markers



Queue management at checkout

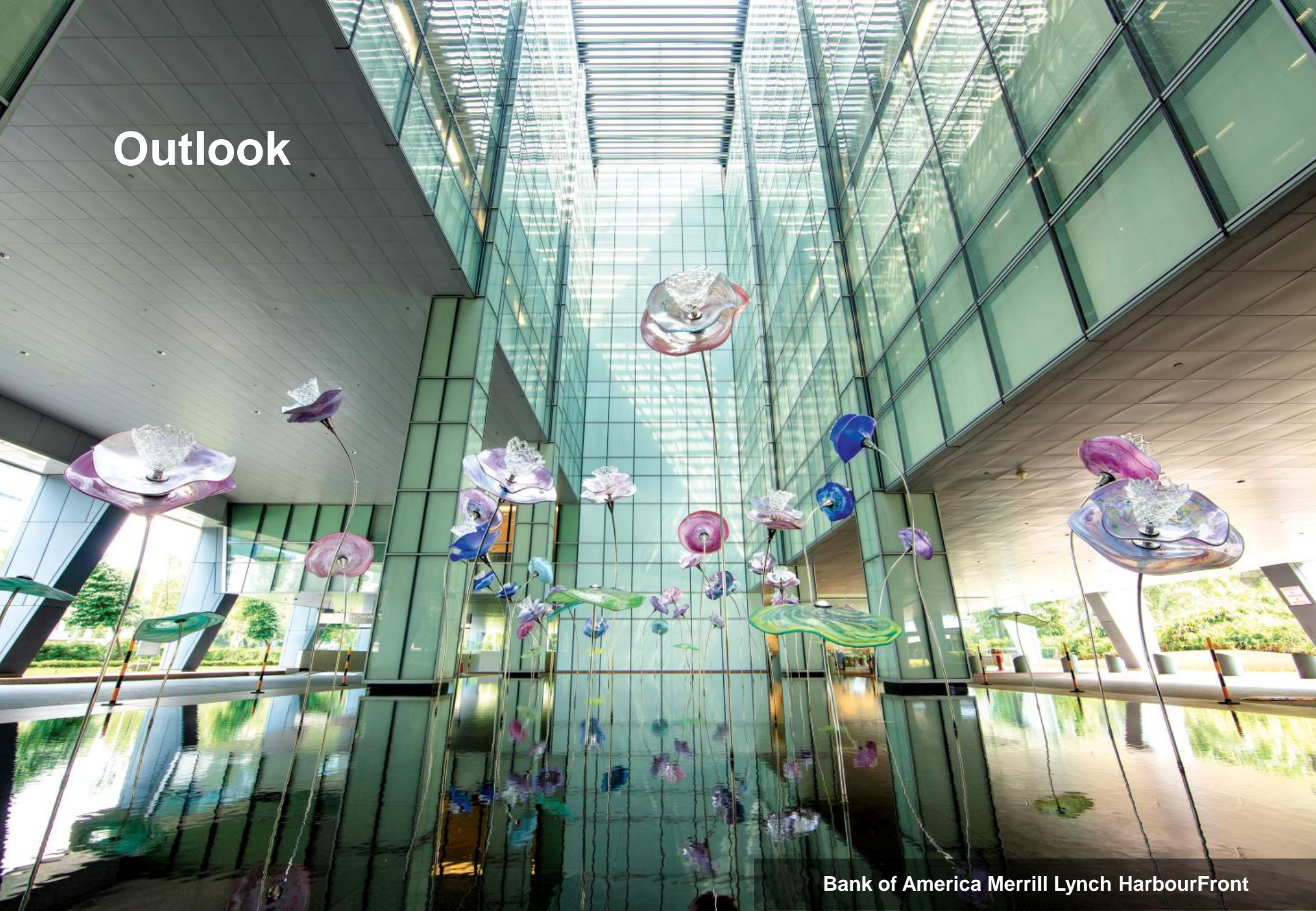


Queue management outside shop entrance



Temperature screening at shop entrance

Outlook



Singapore Economy

- The Singapore economy contracted by 2.2% on a year-on-year basis in the first quarter of 2020, reversing the 1.0% growth in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 10.6%, a sharp pullback from the 0.6% growth in the previous quarter.
- Singapore reported its first COVID-19 case on 23 January 2020. Since then the Government has progressively tightened border controls and safe distancing measures. Singapore raised its Disease Outbreak Response System Condition (“DORSCON”) level from yellow to orange on 7 February 2020.
- A “circuit breaker” was implemented from 7 April 2020. This was a series of heightened safe distancing measures to significantly reduce movements and interactions. Along with it, the COVID-19 (Temporary Measures) Act was passed whereby landlords would not be allowed to terminate a lease or repossess premises where non-payment of rent was due to COVID-19. This would be for an initial relief period of six months.

Retail

- According to CBRE, there was minimal correction in retail rents this quarter as the COVID-19 outbreak was still in its infancy and most existing tenancies were still locked in. The downward pressure on rents was also mitigated by reliefs from landlords and rental rebates passed down from property tax rebates.

Outlook

Retail (cont'd)

- The “circuit breaker” measures had mandated non-essential retailers to stop operations. Together with a softer economic outlook, CBRE expects prime islandwide retail rents to experience major corrections, especially for those relying on tourism, while suburban malls are expected to show more resilience.

Office

- Amid the COVID-19 uncertainties, more occupiers had chosen to downsize either through renewal or relocation. The implementation of “circuit breaker” measures is expected to exacerbate business uncertainties further. With upcoming vacant stock emerging from tenant relocations and natural expiries, vacancy levels are expected to rise in 2020/2021. Rents will face harsher downward pressures for the rest of 2020.

Business Park

- In light of weak business confidence, most of the business park leasing activities were centred on renewals. Only some pockets of space within the City Fringe submarket were taken up by the technology sector. The outlook for the business park market looks subdued as firms grapple with the impacts of the COVID-19 outbreak. Given the limited available stock, vacancy in the City Fringe submarket is poised to tighten further. As such, it is likely that the disparity between the City Fringe and Rest of Island submarkets will widen further with the City Fringe submarket showing more resilience.

Overall

- MCT is cognisant of the challenges posed by COVID-19 on the overall sector, including lower prospective demand for commercial space. With the newly introduced COVID-19 (Temporary Measures) Act, some tenants can also be expected to defer lease payments.
- However, as the situation is still evolving, the full impact of the COVID-19 pandemic to the Group's performance for the financial year ending 31 March 2021 cannot be ascertained.
- MCT will continue to be proactive and nimble in implementing suitable measures to assist tenants, manage costs, and to mitigate potential impact from further disruptions. MCT will also work closely with the authorities to support their effort in containing the outbreak.
- Notwithstanding the headwinds, MCT has a well-diversified portfolio with key best-in-class assets. In particular, Mapletree Business City's stable cashflows from high-quality tenants is expected to provide support to the Group's performance. The Group's strong financial position will also add strength to overcome the challenges.



Thank You

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