

PRESS RELEASE

Mapletree Industrial Trust Reports DPU of 3.36 Cents for 3QFY23/24

- Resilient operational performance with higher average rental rates and positive rental revisions
- Growth in Distribution to Unitholders underpinned by contributions from new projects

25 January 2024 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), wishes to announce that the Distribution to Unitholders for the Third Quarter Financial Year 2023/2024 from 1 October 2023 to 31 December 2023 (“3QFY23/24”) increased by 3.1% year-on-year to S\$95.2 million. Distribution per Unit (“DPU”) for 3QFY23/24 fell by 0.9% year-on-year to 3.36 cents.

Financial Results of MIT for 3QFY23/24

	3QFY23/24	2QFY23/24	↑/(↓)%	3QFY22/23	↑/(↓)%
Gross revenue (S\$'000)	173,886	174,118	(0.1)	170,449	2.0
Property expenses (S\$'000)	(44,031)	(45,558)	(3.4)	(41,642)	5.7
Net property income (S\$'000)	129,855	128,560	1.0	128,807	0.8
Distribution to Unitholders (S\$'000)	95,222 ^{1,2}	94,072 ^{1,2}	1.2	92,332 ^{3,4}	3.1
No. of units in issue ('000)	2,833,999	2,833,484	*	2,723,663 ⁵	4.1
DPU (cents)	3.36 ^{1,2}	3.32 ^{1,2}	1.2	3.39 ^{3,4}	(0.9)

* Less than 0.1%

¹ Includes the distribution of compensation received for compulsory acquisition of part of the land at 2 and 4 Loyang Lane of S\$2.1 million, which was withheld in 3QFY21/22, over two quarters from 2QFY23/24 to 3QFY23/24. Please refer to the Financial Statement and Distribution Announcement for the period from 1 October 2021 to 31 December 2021.

² Includes the distribution of net divestment gain of S\$4.2 million from 65 Tech Park Crescent over two quarters from 2QFY23/24 to 3QFY23/24. 65 Tech Park Crescent was divested on 20 July 2017.

³ Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

⁴ Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

⁵ Includes new units issued pursuant to the distribution reinvestment plan.

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Gross revenue and net property income for 3QFY23/24 rose by 2.0% and 0.8% year-on-year to S\$173.9 million and S\$129.9 million respectively. This was mainly driven by the revenue contributions from the data centre in Osaka, Japan (the “Osaka Data Centre”) acquired on 28 September 2023 and new leases from the redevelopment project, Mapletree Hi-Tech Park @ Kallang Way.

The Distribution to Unitholders grew by 3.1% to S\$95.2 million due to higher net property income coupled with the release of compensation from the compulsory acquisition of part of the land at 2 and 4 Loyang Lane for public use in December 2021 and the net divestment gain from 65 Tech Park Crescent, over two quarters from 2QFY23/24 to 3QFY23/24. DPU for 3QFY23/24 fell by 0.9% year-on-year to 3.36 cents on an enlarged unit base.

Resilient Operational Performance

The average rental rate of the Singapore Portfolio increased to S\$2.21 per square foot per month (“psf/mth”) in 3QFY23/24 from S\$2.19 per square foot per month (“psf/mth”) in 2QFY23/24. Positive rental revisions for renewal leases were achieved across all property segments in Singapore with a weighted average rental revision rate of about 7.2%. The average rental rate of the North American Portfolio also increased to US\$2.43 psf/mth in 3QFY23/24 from US\$2.42 psf/mth in 2QFY23/24.

The weighted average lease to expiry for the Overall Portfolio as at 31 December 2023 increased to 4.4 years from 4.2 years as at 30 September 2023. This was attributed to multiple new and renewal leases with an average lease term of 10 years in the Singapore and North American Portfolios.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “Our resilient performance is underpinned by our steadfast portfolio rebalancing efforts such as the acquisition of the Osaka Data Centre and the redevelopment project at Kallang Way. We will continue to build on our strengths through accretive investments and selective divestments of non-core assets while focusing on prudent capital management and proactive tenant retention.”

Outlook

Global economic activity continued to soften, amid the effects of tight monetary policies, restrictive financial conditions, and weak global trade growth. Global growth was projected to slow from 2.6% in 2023 to 2.4% in 2024 before picking up to 2.7% in 2025⁶. Numerous risks, such as geopolitical tensions, financial stress related to elevated debt and high borrowing costs, persistent inflation and further trade fragmentation could cause the global growth projection to tilt to the downside.

Rising property operating expenses and increases in borrowing costs from the replacement of expiring interest rate swaps could continue to exert pressure on distributions. The Manager will adopt cost-mitigating measures while focusing on tenant retention to maintain a stable portfolio occupancy level as well as prudent capital management to balance the risks and costs in the elevated interest rate environment.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period from 1 October 2023 to 31 December 2023 on 7 March 2024. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 2 February 2024.

For further information, please contact:

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⁶ Source: World Bank Group, Global Economic Prospects, January 2024.

About Mapletree Industrial Trust

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

As at 31 December 2023, MIT’s total assets under management was S\$9.2 billion, which comprised 56 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd), 85 properties in Singapore and one property in Japan. MIT’s property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

About Mapletree Industrial Trust Management Ltd.

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

About Mapletree Investments Pte Ltd

Headquartered in Singapore, Mapletree Investments Pte Ltd (“MIPL”) is a global real estate development, investment, capital and property management company committed to sustainability. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2023, MIPL owns and manages S\$77.4 billion of office, retail, logistics, industrial, data centre, residential and student accommodation properties. MIPL currently manages three Singapore-listed REIT and eight private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

MIPL’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.