Issuer Profile:
Neutral (4)

Ticker:
MAPLSP

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Mapletree Investments Pte Ltd ("MAPL")

Issuer Profile	Bond Recommendation	
Neutral (4)	MAPLSP 2.888% '21	N
	MAPLSP 4.5% PERP	N
	MAPLSP 3.95% PERP	OW
	MAPLSP 2.85% '25	N
	MAPLSP 3.4% '26	N
	MAPLSP 3.58% '29	UW
	MAPLSP 3.15% '31	UW

Fundamental Analysis Consideration
- Diversified across geographical locations and property types
- Substantial recurring income from REITs and private funds
- Ample financial flexibility including large amount of divestible assets

Technical Analysis Consideration
- Good name recognition in part due to strong parentage though not a publicly listed company
- Change of control clause
- Lack of external credit rating

Summary

- Mapletree Investments Pte Ltd ("MAPL") is a leading real estate company with SGD60.5bn in assets under management ("AUM"), without adjusting for minority interest investors. Singapore listed REITs ("REITs") make up 53% of total AUM, with the remaining AUM accounted for by directly owned assets (30%) and private funds (17%). AUM of the REITs and private funds make up what MAPL calls "managed" AUM while directly owned assets are referred to as "owned" AUM.
- The REITs contributed to 63% of MAPL's EBITDA of SGD2.3bn and 50% of MAPL's Profit Before Tax ("PBT") of SGD3.1bn in for financial year ended 31 March 2020 ("FY2020"). We estimate that private funds make up another 10% of MAPL's PBT.
- Credit metrics look manageable with EBITDA/Interest expense at over 3.0x, Debt/Assets at 39% and Net Debt/EBITDA at 7.9x. MAPL continues to pursue both organic and inorganic growth with capex and acquisitions was SGD5.9bn in FY2020.
- MAPL is 100% owned by Temasek. We view MAPL as a financial investment by Temasek. In addition, explicit support from Temasek is untested; as such our issuer profile of MAPL is on a standalone basis without factoring in a "Temasek uplift".
- Although the issuer is an unlisted entity, it publishes a full annual report with detailed financial statements publicly. The REITs are publicly listed and are required to comply with on-going disclosure requirements by the Singapore Stock Exchange.
- OCBC Credit Research tends to be conservative in assigning issuer profile ratings if disclosure is lacking and where we are unable to credibly monitor an issuer's credit profile trajectory. We have factored in MAPL's unlisted status into the issuer profile assigned as well as the listed nature of its REITs and their contribution to consolidated EBITDA.

Company Background

- MAPL is a real estate development, investment, capital and property management company headquartered in Singapore. MAPL was established in 2000 as a Singapore-focused company to hold properties transferred from PSA Corporation to Temasek Holdings. Since expanding beyond Asia in 2005, MAPL's footprint spans across 13 geographical markets, namely Singapore, Australia, Canada, Mainland China, Europe, HKSAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. MAPL is a private limited liability company and is not listed though it publishes financials annually.

- MAPL has an AUM of SGD60.5bn as at 31 March 2020. Its assets can be categorised into eight real estate segments – Logistics (30% of total AUM), Office (22%), Retail (15%), Lodging (10%), Business Parks (8%), Industrial (7%), Data Centre (5%) and Mixed-use (1%). In FY2020, MAPL acquired more data centres in North America and lifted its exposure to 5% from 2% in the previous financial year.
- SGD42.2bn of the AUM (69.8%) is held under four Singapore-listed REITs and six private equity real estate funds.
  - MAPL considers its REITs as subsidiaries and consolidates them, even though it only has an average 32% stake in them. The REITs are Mapletree Logistics Trust ("MLT"), Mapletree Industrial Trust ("MINT"), Mapletree Commercial Trust ("MCT"), and Mapletree North Asia Commercial Trust ("MNACT").
  - The private equity real estate funds are held as associated companies (average stake of 32%). They are Mapletree China Opportunity Fund II ("MCOF II"), Mapletree Global Student Accommodation Private Trust ("MGSA"), Mapletree US & EU Logistics Trust ("MUSEL"), Mapletree Australia Commercial Private Trust ("MASCOT"), MJLD which sold its final asset in February 2020 and Mapletree India China Fund ("MIC Fund") which was fully realised in April 2020.
- MAPL acquired 100% of Oakwood Worldwide ("Oakwood"), a global provider of corporate housing and serviced apartment solutions in February 2017.
- MAPL is directly owned by Fullerton Management Pte Ltd, which in turn is 100% owned by Temasek Holdings (Private) Ltd.
- The SGD bonds are issued by Mapletree Treasury Services Ltd, a wholly-owned subsidiary of MAPL and the guarantor is MAPL.

Figure 1: Assets by Geography FY2020

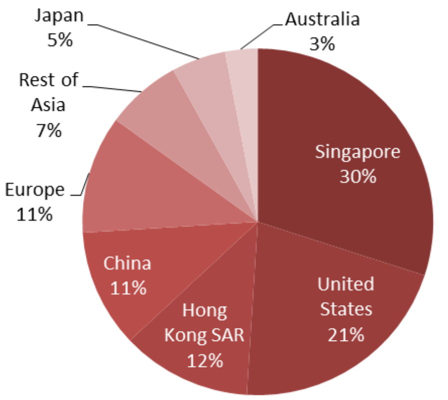
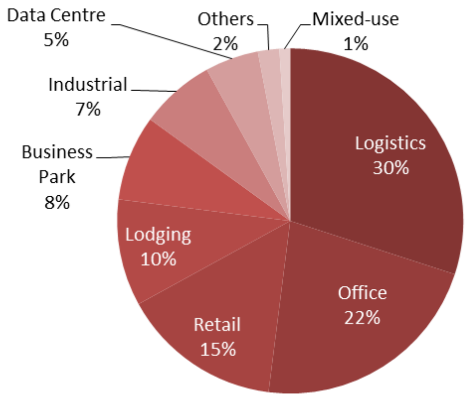


Figure 2: Assets by Property Types FY2020



Source: FY2020 Annual Report

Management Team

Mr Hiew Yoon Khong, 57 is a member of the MAPL Board and its Group CEO. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd ("MLTM"), Mapletree Industrial Trust Management Ltd ("MINTM"), Mapletree Commercial Trust Management Ltd ("MCTM"), and Mapletree North Asia Commercial Trust Management Ltd ("MNACTM"). He joined MAPL in 2003 as Group CEO. From 2003 to 2011, Mr Hiew was concurrently Senior Managing Director (Special Projects) of Temasek Holdings.

Mr Chua Tiow Chye, 60 is the deputy Group CEO. Previously, he was the Group Chief Investment Officer and Regional CEO of North Asia & New Markets. Mr Chua concurrently serves as a Non-Executive Director of MLTM and MNACTM, and was previously the CEO of MLTM. He joined MAPL in 2002.

MAPL has five regional CEOs.

Ms Amy Ng, 52 oversees MAPL's retail portfolio in the region and Commercial portfolio in Singapore as the Regional CEO of Group Retail and Singapore Commercial. She joined MAPL in 2010 as the CEO of Singapore Investments. She was also the CEO and Executive Director of MCTM from 2011 to July 2015.

Mr Michael Smith, 50 as Regional CEO of Europe and USA, is responsible for new and existing businesses in Europe and the United States (excluding Oakwood). Mr Smith has over 25 years of experience and has been involved in numerous IPOs, including the IPOs of all four Mapletree REITs.

Mr Quek Wang Meng, 53 is the Regional CEO of India. Prior to his current appointment in June 2016, Mr Quek was also overseeing the Group's non-REIT activities in China.

Mr Goh Chye Boon, 49, is the Regional CEO of China. He has direct responsibility over the Group's non-REIT business in China market. Prior to this appointment, Mr Goh was the CEO, Logistics Development, China.

Ms Wendy Koh, 47, is the Regional CEO of South East Asia. Prior to this, she was overseeing strategy, planning and research for MAPL as Head, Strategy and Research.

Business Overview & Analysis

MAPL's operating activities can be classified into the following three segments:

(1) Capital management and investment business focuses on the management of public-listed REITs and private real estate funds to generate consistent fee income. In FY2020, MAPL entered into a 50-50 joint venture with MINT to acquire a USD1.4bn (~SGD1.9bn) North American portfolio of data centres and divested two freehold properties to MNACT and Mapletree Business City II to MCT. Separately, MAPL completed the syndication of MUSEL and acquired 111 Pacific Highway in Australia and subsequently syndicated the AUD1.4bn (~SGD1.3bn) MASCOT. MAPL also divested the final asset in two funds, MIC Fund and MJLD. Syndication in this case is MAPL pooling capital from investors to own a portfolio of real estate assets for a pre-determined period of time. MAPL manages these assets and generates leasing income for investors while earning fee income. These assets are divested at the end. Looking ahead, MAPL continues to seek out properties suitable for fund syndication such as commercial properties in China, India and Europe as well as student accommodation. Fee income in FY2020 was SGD518mn (+14.9% y/y).

(2) Real estate development covers the construction and redevelopment of properties. MAPL engages in constructing mixed-use, office, industrial, logistics, retail and residential properties in Singapore and the region. MAPL also offers build-to-suit arrangements as a value-added service. One example is the adaptive reuse of St James Power Station which will become the new global headquarters for Dyson, an international technology company when completed. Away from Singapore, MAPL acquired two sites in Shah Alam Selangor, Malaysia to redevelop into four-storey ramp up modern warehouse facilities. In Vietnam, MAPL completed the development of Mapletree Logistics Park Bac Ninh Phase 3, a Grade A logistics facility and a logistics park in Brisbane, Australia is slated for completion in September 2020. Apart from logistics, MAPL's development portfolio also includes student accommodation, office and residential projects.

(3) Real estate management deals with marketing and leasing of spaces, property management services and asset enhancement opportunities for the properties found within MAPL (including properties in the REITs).
    a. Marketing & Leasing – Focuses on attracting tenants, maintaining occupancy levels at properties and replicating its successful malls in other countries.
    b. Property Management Services – Helps to maintain a tenant retention rate through

addressing varying businesses needs of tenants, maintaining facilities to support footfall and operating efficiently.

c. Asset Enhancement – Transform properties such as industrial properties to cater to the demand for higher value industrial uses.

MAPL structures its business into the following eight business units:

(1) Singapore-listed REITs consists of MLT, MINT, MCT and MNACT. The REITs are consolidated into MAPL and they collectively contributed SGD1.4bn to MAPL's PBT (50% of total) for FY2020.
- MLT (Issuer Profile: Neutral (3)) was listed on SGX-ST on 28 July 2005. It holds 145 properties across eight geographical markets in Asia and Australia, with an AUM of SGD8.9bn as at 30 June 2020. MAPL has a 30% stake in the REIT.
- MINT (Issuer Profile: Neutral (3)) was listed on SGX-ST on 21 October 2010. It has an AUM of SGD5.9bn as at 30 June 2020 which comprised 87 properties in Singapore and 27 properties in North America (through the joint venture with MAPL). MINT's properties include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings in Singapore, and data centres in the US. MAPL has a 29% stake in the REIT.
- MCT (Issuer Profile: Neutral (3)) was listed on SGX-ST on 27 April 2011. It holds portfolio of six retail and commercial properties valued at SGD8.9mn in Singapore as at 31 March 2019. MAPL has a 32% stake in the REIT.
- MNACT (Issuer Profile: Neutral (4)) was listed on SGX-ST on 7 March 2013. It holds nine commercial properties worth SGD8.3bn in HKSAR, China and Japan as at 31 March 2020. MAPL has a 36% stake in the REIT.

(2) South East Asia & Group Retail business unit develops, acquires and manages properties. As at 31 March 2020, the combined real estate portfolio totalled SGD3.7bn across Singapore, Vietnam and Malaysia. The business unit contributed SGD520mn to MAPL's PBT for FY2020 (17%).

(3) Logistics Development business unit develops and manages logistics development projects. As at 31 March 2020, MAPL has logistics facilities in China, Malaysia, Vietnam and Australia totalling SGD2.6bn. The business unit contributed SGD220mn to MAPL's PBT for FY2020 (7%).
- China: MAPL has 87 logistics properties spread across 53 Chinese cities, and had over FY2020 acquired 27 sites for over SGD1.6bn.
- Malaysia: MAPL acquired two industrial sites in Shah Alam, Selangor, Malaysia in November 2019 and sold Mapletree Logistics Hub – Shah Alam to MLT for MYR826mn (~SGD272mn) in December 2019.
- Vietnam: Mapletree Logistics Park Bac Ninh Phase 3 was completed in May 2019. Development of Phases 4 and 5 are underway and are slated for completion in May 2021. Construction of Mapletree Logistics Park Binh Duong Phase 4 commenced in December 2019. MAPL also acquired a 28.2-ha site in Yen My Industrial Park, and sold Mapletree Logistics Park Bac Ninh Phase 2 and Mapletree Logistics Park Binh Duong Phase 1 to MLT in November 2019 for USD36mn (~SGD50mn).
- Australia: MAPL established AlexandraLog AUS Assets Pty Ltd in October 2019 to spearhead its logistics development in Australia. The acquisition of a 36.3-na site in Brisbane, Queensland is scheduled for completion in September 2020.

(4) Mainland China & India are two business units which seek to develop, invest and manage real estate assets in Mainland China and India and oversee two private real estate funds, namely MIC Fund and MCOF II. As at 31 March 2020, the business units accounted for SGD2.7bn AUM and contributed a combined SGD330mn to MAPL's PBT for FY2020 (11%).
- MCOF II is a Mainland China-focused fund that invests in the development of integrated mixed-use or single-use office, Business Park, retail, industrial, serviced apartment and residential projects and acquires value enhancement projects located

in Tier 1 and 2 cities in Mainland China. This fund is a follow-on investment vehicle to the USD1.2bn MIC Fund. MAPL is the Sponsor with a 36% stake in the fund. MCOF II is not consolidated on MAPL's financial statements with MAPL's 36% stake accounted for under investments in associated companies.

(5) Australian & North Asia business unit focuses on deepening presence in Australia, HKSAR, Japan and South Korea. As at 31 March 2020, MAPL manages two private equity funds – MJLD and MASCOT with an AUM of SGD1.9bn. The business unit contributed SGD240mn to MAPL's PBT for FY2020 (8%).
- MASCOT comprises 10 Grade A office assets in Australia, namely Sydney, Melbourne, Adelaide, Brisbane and Perth. The aggregated committed capital is ~AUD654mn. MAPL is the Sponsor of MASCOT with a 24% stake (excluding director and senior management's stake in the fund). MASCOT is not consolidated on MAPL's financial statements with MAPL's 24% stake accounted for under investments in associated companies.
- MAPL divested Omori Prime Building and mBAY POINT Makuhari in Japan to MNACT for SGD513mn in FY2020.
- MAPL also earlier at end June 2020 divested all of the 12 assets in MJLD (a fund investing in logistics assets in Japan) with expected return on a net IRR (after expenses, taxes and base management fee but before carried interest) of 23.7% and at about 1.8x equity multiple. One of the 12 assets, Mapletree Kobe Logistics Centre, was divested to MLT.

(6) Europe & USA business unit acquires and manages commercial, logistics and data centre assets with an AUM of SGD12.1bn as at 31 March 2020. In FY2020, MAPL acquired its first commercial asset in Poland. MAPL also acquired Nova Atria in Dublin and entered into a forward contract to acquire The Sorting Office in Dublin City Centre, broadening its exposure in Europe. The business unit contributed SGD595mn to MAPL's PBT for FY2020 (19%).
- Logistics: All 283 logistics assets in the US and Europe were acquired over the course of 2018 and early 2019. Most of these assets are held under the private real estate fund, MUSEL. The syndication of this fund was closed on 31 March 2020 and the aggregate committed capital is ~USD1.8bn. MAPL is the Sponsor and has a 33% stake (excluding director and senior management's stake in the fund). MUSEL is not consolidated on MAPL's financial statements with MAPL's 33% stake accounted for under investments in associated companies.
- Data centres: MAPL expanded its North America data centre portfolio with its second acquisition of 13 data centres.

(7) Group Lodging business unit develops, acquires and manages global lodging assets (i.e. student accommodation, serviced apartments and multifamily assets) as well as grows the Oakwood business worldwide. The business unit also includes a private real estate fund, MGSA. With an AUM of SGD5.3bn (excluding Oakwood) as at 31 March 2020, the business unit contributed SGD96mn to MAPL's PBT for FY2020 (3%).
- Student accommodation: MAPL's portfolio (including MGSA) comprises 50 Purpose-Built assets with over 22,000 beds across 33 cities in the UK, the US and Canada. Total AUM is ~SGD3.6bn. MGSA is a student accommodation focused fund holding 25 assets in the UK and 10 assets in the US. The aggregate committed capital of MGSA is ~USD535mn and MAPL is the Sponsor. MAPL does not consolidate MGSA on its financial statements. Its 34% stake (excluding director and senior management's stake in the fund) in MGSA is accounted for under investments in associated companies. Despite the COVID-19 pandemic, the medium to long-term outlook for student housing in the UK and US remains fundamentally attractive due to demographic growth and rising participation rates for higher education in general.
- Serviced and Multifamily Residences: MAPL's portfolio comprises 15 serviced apartments (11 in the US, 2 in Japan, 1 each in Australia and Vietnam) and four multifamily assets (all in the US) totalling over 3,800 units with an AUM of ~SGD2bn.

Of which, SGD1.7bn is part of Group Lodging's AUM with the remaining contributed by other business units.

- Oakwood is the operating arm of MAPL, managing both MAPL-owned and third-party assets in the serviced apartment business. Of the portfolio of 67 Oakwood-branded properties, 15 are owned by MAPL while the remaining 52 are owned by third parties. 23 are located in the US while 44 are in Asia. In FY2020, average occupancy of Oakwood's managed assets was 86% at an average daily rate of USD152 (~SGD211). Oakwood is looking to launch another six properties in the next two years.

(8) Others include investments in corporate departments.

MAPL measures its business objectives relating to returns, earnings and scale of operations using the following performance indicators:

1. Returns
   a. Average five-year (i.e. from FY2020 to financial year ending 31 March 2024) return on invested equity ("ROIE") with a target of 10% to 15%.
      - For the FY2020, ROIE was 21.6% (FY2019: 10.4%).
   b. Average Return on Equity ("ROE") with a target of 10% to 15%.
      - For FY2020, ROE was 11.2% (FY2019: 15.3%)
2. Earnings / Cash Flow
   a. Average Recurring Profit after Tax and Minority Interest ("PATMI") is the recurring earnings of the business. Target is between SGD900mn and SGD1bn.
      - For FY2020, recurring PATMI was SGD752.0mn (+5.4%y/y).
   b. Recycled Proceeds is cash flow recycled for new investments or re-investments. Target is SGD20bn in aggregate over five years.
      - For FY2020, recycled proceeds were SGD5.7bn. (FY2019: undisclosed)
3. Capital Management
   a. Fee Income is fees from its capital management business. Target is over SGD2.5bn in aggregate over five years.
      - For FY2020, fee income was SGD518mn (+14.9% y/y).
   b. AUM Ratio, the proportion of managed vs owned AUM, is used to measure efficiency of capital employed. Target is 3.0x.
      - For FY2020, AUM ratio was 2.3x. (FY2019: 2.1x)
   c. AUM is used to measure scale. Target is SGD80bn to 90bn.
      - For FY2020, AUM was SGD60.5bn (+8.6%y/y).

Figure 3: Performance of each business unit in FY2020

Business Unit		AUM (SGD'bn)		EBIT + SOA[1] (SGD'mn)		Fee Income (SGD'mn)	
South East Asia & Group Retail		3.7	6.1%	261.1	10.7%	0.9	0.2%
Logistics Development		2.6	4.3%	57.6	2.4%	3.1	0.6%
China & India		2.7	4.5%	55.2	2.3%	107.2	20.7%
Australia & North Asia		1.9	3.2%	103.7	4.2%	85.3	16.5%
Europe & USA		12.1	20.1%	520.0	21.3%	29.9	5.8%
Group Lodging		5.3	8.8%	61.8	2.5%	32.9	6.4%
Singapore-listed REITs	MLT	8.8	14.6%	405.7	16.6%	72.6[2]	14.0%
	MINT	5.9	9.8%	315.7	12.9%	64.2[2]	12.4%
	MCT	8.9	14.8%	384.6	15.7%	73.1[2]	14.1%
	MNACT	8.3	13.8%	278.9	11.4%	48.0[2]	9.3%
Total		60.2	100%	2,444.3	100%	517.2	100%

[1] SOA is share of operating profit or loss of associated companies and joint ventures excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses; EBIT also includes the REITs' dividend contribution to MAPL as the REITs have been consolidated into MAPL.
[2] includes REIT management fees
Source: FY2020 Annual Report

Figure 4: FY2020 MAPL's EBITDA and Asset Breakdown

Business Unit (SGD'mn)	EBITDA		Assets as at 31 March 2020		EBITDA-to-Assets
South East Asia & Group Retail	271.0	11.8%	3,991.5	7.2%	6.8%
Logistics Development	49.4	2.1%	3,389.4	6.1%	1.5%
China & India	152.2	6.6%	2,663.9	4.8%	5.7%
Australia & North Asia	140.4	6.1%	1,367.6	2.5%	10.3%
Europe & USA	403.9	17.6%	5,438.7	9.8%	7.4%
Group Lodging	47.8	2.1%	3,993.9	7.2%	1.2%
Singapore-listed REITs	1,438.9	62.5%	30,909.0	55.6%	4.7%
Others	-202.3	-8.8%	3,857.4	6.9%	-5.2%
Total	2,301.2	100%	55,611.4	100%	4.1%

Source: FY2020 Annual Report

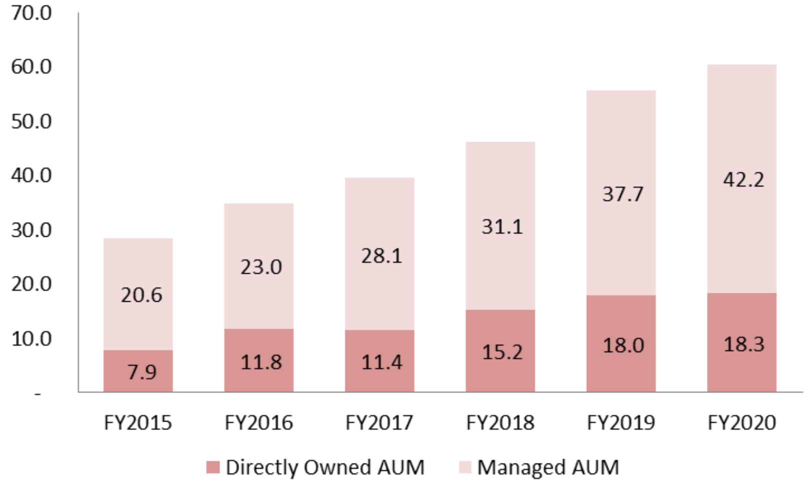
Business Considerations

- **MAPL is a landlord:** MAPL generated leasing income of SGD2.6bn from its investment properties in FY2020, up 7.1% y/y. This income made up 65.3% of total revenue, up from 62.2% a year ago even though total investment properties had fallen by 1.3% y/y to SGD46.4bn. We think this can be attributed to higher occupancy rates or rental rates. However, with the world battling COVID-19 and businesses struggling, we think both occupancy and rental rates could dip in the near term. As such, leasing income may be flat or somewhat lower going forward. Other prominent sources of revenue for MAPL include leasing income from Corporate Housing Operations of SGD424.3mn and Service charge of SGD424.9mn. We think Service charge refers to income generated from marketing and lease administration and support services etc.

- **Diversified across property types and geographies:** MAPL owns and manages real estate assets across 13 geographical markets. Asia accounts for 65.6% of its total AUM. Its top five geographical exposures are Singapore (30%), the US (21%), HKSAR (12%), China (11%) and Europe (11%). Based on AUM, MAPL has a mix of logistics (30%), office (22%), retail (15%), lodging (e.g. serviced apartment, residential and student accommodation (10%)), business parks (8%), industrial (7%), data centre (5%), mixed-use (1%), and other types of properties (2%). Logistics remains MAPL's largest asset class while the acquisition of more data centres in North America has lifted MAPL's data centre portfolio to 5% of AUM from 2% in FY2019. In FY2020, MAPL also ventured to new countries such as Poland. We continue to expect MAPL to pursue opportunities in new markets.

- **Strong track record of growth:** Total AUM has been steadily increasing and has more than doubled since 31 March 2015. For FY2020, AUM rose by 8.5%y/y to SGD60.5bn. Specifically, managed AUM rose by 11.8% y/y to SGD42.2bn while directly owned AUM rose by just 1.7% y/y to SGD18.3bn. MAPL targets to have an AUM of between SGD80bn to 90bn in 4 years' time. We estimate that roughly total AUM has to grow by at least ~7.3% p.a in order for MAPL to achieve its target. We think MAPL has a good start and is in a good position to achieve its target; as while we think there is a high chance of valuations coming down due to the pandemic, we do not expect a large decline especially for high quality properties. MAPL continues to seek out opportunities in commercial properties in China, India and Europe as well as student accommodation. We note that MAPL's AUM of SGD60.5bn does not equal its Consolidated Total Assets of SGD55.6bn reported on its balance sheet. We think the difference can be explained by assets that are managed but not controlled by MAPL. They are likely to be assets held under the private funds which MAPL accounts for as investments in associated companies.

Figure 5: Asset Under Management (SGD'bn)



Source: FY2020 Annual Report

- **Aims to be even more asset-light:** Although MAPL has grown its AUM very quickly, it has remained asset light. Of the total AUM of SGD60.5bn, 70% is AUM which MAPL manages (including SGD32.0bn of assets held by the listed REITs) while MAPL directly owns 30% (SGD18.3bn). This translates to a ratio of managed AUM to directly owned AUM of 2.3x (FY2019: 2.1x, FY2018: 2.0x). Its target is 3.0x. Based on its target AUM of SGD90mn at FY2024, it would roughly translate to ~SGD22.5bn of directly owned AUM and ~SGD67.5bn of managed AUM.

  As per the table below, we estimate that of the managed AUM of SGD42.2bn, MAPL's share of the AUM is SGD13.5bn based on its stake in the REITs and private funds. If we were to combine this SGD13.5bn with MAPL's directly owned AUM of SGD18.3bn, MAPL's actual ownership of its total AUM of SGD60.5bn is SGD31.8bn (~53%).

Figure 6: Breakdown of managed AUM

	AUM (SGD'bn)	# of Assets	Property Type	Key Exposure	MAPL's stake	MAPL's share of AUM (SGD'bn)
MCT	8.9	5	Office, Retail	Singapore	32%	2.8
MLT	8.8	145	Logistics	Asia Pacific	30%	2.6
MNACT	8.3	11	Retail, Office	Greater China, Japan	36%	3.0
MINT	5.9	114	Industrial, Data Centres	Singapore, North America	29%	1.7
MCOF II	~1.0[1]	Undisclosed	Office, Retail, Industrial, Residential, Mixed-use	China	36%	0.4
MGSA	~2.0	25	Student Accommodation	The UK & The US	34%	0.7
MUSEL	~6.0	262	Logistics	The US & Europe	33%	2.0
MASCOT	~1.3	10	Office	Australia	24%	0.3

[1]*Estimated as AUM was not disclosed*
Note: Managed AUM comprises AUM of REITs and private funds; MJLD and MIC Fund are not included as we think their AUMs are zero as all assets in the funds have been sold
Source: FY2020 Annual Report

- **Directly owns real estate assets:** MAPL directly owns ~SGD18.3bn of assets across geographies and property types. This includes properties developed by MAPL as well as properties which it invested in. Even though directly owned properties make up a smaller proportion of MAPL's total AUM, they remain significant to MAPL's business model. These assets generate leasing income as well as divestment gains for MAPL. In Singapore, MAPL owns four office properties (Harbourfront Tower 1 &2, PSA Vista and St James Power Station), two industrial properties (43 Keppel Road and Tanjong Pagar Distripark), one mixed-use property (Harbourfront Centre), two development sites and the West Coast Ferry Terminal. The other assets elsewhere in the world include:
    - 112 Logistics properties (87 in China, 17 in the US, 5 in Poland, 2 in Vietnam, 1 in Malaysia)
    - Majority stakes in 26 data centres (1 in Canada and 25 in the US)
    - 16 Office properties (4 in the UK, 2 each in China, Vietnam, India, and Ireland, 1 each in Germany, Japan, Poland and the US)
    - 15 Student accommodation (9 in the US, 5 in the UK and 1 in Canada)
    - 15 Oakwood properties (1 in Australia, 1 in Vietnam, 2 in Japan and 11 in the US)
    - 4 multifamily assets in the US
    - 3 Mixed-use assets (2 in Vietnam, 1 in the UK)
    - 2 Industrial Park (1 each in China and Vietnam)
    - 2 Residential properties in Vietnam
    - 2 Retail assets (1 each in Malaysia and Vietnam)

    We think these assets can be divested to suitable REITs or syndicated into funds to free up cash for MAPL as and when needed.

- **Stakes held in listed REITs contribute significantly to MAPL's results:** The REITs collectively (AUM: SGD32.0bn) make up 76% of MAPL's third party AUM and 53% of total AUM. Given that MAPL consolidates its REITs, the REITs in aggregate contributed SGD1.5bn to MAPL's reported total PBT of SGD3.1bn in FY2020 (i.e. ~48.7%). Although this is lower as compared to 56.1% in FY2019, it remains very significant. Taking out minority interest, we estimate that the REITs contribute ~22.8% to MAPL's adjusted PBT, down from 29.6% in FY2019. We also note that the REITs' contribution to MAPL has fluctuated in part due to external factors such as the pandemic outbreak. Mapletree Europe Income Trust ("MERIT") comprising MAPL's European commercial assets would boost the contributions to MAPL if launched as a listed REIT. Having said that, we note that at the point of writing, there is minimal information available on MERIT.

- **Private funds continue to be syndicated**: The private funds collectively (AUM: SGD10.2bn) make up 24% of MAPL's third party AUM and 16.9% of total AUM. This AUM is contributed by four funds with an average life of 6.5 years. MAPL had earlier fully realised another six funds upon the end of the fund life. AUM under these funds consists of equity from MAPL (typically around one-third stake) and equity sourced from institutional investors such as sovereign wealth funds, pension funds, insurance companies, banks, family office and private investors. We think the difference between the AUM and the disclosed fund size (i.e. committed capital) of SGD5.7bn in aggregate is due to the leverage taken up at the fund level and assets appreciation. Each fund is used to invest in specific property types within a geographical focus. Having these funds provides MAPL with the financial flexibility to scale up quickly (even quicker than through REITs). MUSEL, MAPL's current biggest private fund, has a committed capital of SGD2.5bn and an AUM of ~SGD6.0bn. MUSEL holds 262 logistics assets in the US and across Europe. This fund will end in 2026. MGSA and MCOF II are MAPL's next maturing fund and will likely be divested in 2022. Meanwhile, these funds will generate fee income for MAPL. These funds are held as associates by MAPL. We expect MAPL to continue to syndicate funds as two of its funds, MJLD and MIC Fund, were fully realised this year.

- **COVID-19 pandemic has varied impact on different property types:** We view MAPL's property and geographical diversity as areas of strength. Logistics and data centre sectors were the most resilient in FY2020. Retail on the other hand was affected by a significant decline in footfall and the suspension of non-essential retail services by most countries. Lodging too was hit as short-term stays in serviced apartments dipped in light of travel bans. COVID-19 has hit different cities and countries at different timings and to varying intensities. As such, construction delays for logistics developments in China have been shorter than expected. That said the risk of new waves of infection remains. We think the benefit of diversity is also reflected in the performance of the REITs. MCT, which holds VivoCity, recorded lower PBT in FY2020 as compared to a year ago (-6.7% y/y) while MINT, which has been shifting away from flatted factories towards data centres saw higher y/y PBT (+35.4% y/y). MNACT on the other hand was severely affected by social unrest in HKSAR which was followed by the outbreak of the pandemic leading to consecutive quarters of weak performance and significantly lower PBT y/y (-76.8% y/y).

Figure 7: Estimated Profit before Tax ("PBT") and Cash Dividends to MAPL

SGD'mn	Cash Dividends Paid		Profit before Tax		MAPL's stake		MAPL's share of cash dividend paid		MAPL's PBT	
	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
MCT	279.6	262.6	543.1	582.3	32%	34%	89.5	89.3	173.8	198.0
MLT	283.5	180.4	446.5	499.3	30%	32%	85.0	57.7	133.9	159.8
MNACT	216.2	285.1	161.7	695.8	36%	33%	77.8	94.1	58.2	229.6
MINT	219.3	204.0	367.2	271.1	29%	32%	63.6	65.3	106.5	86.8
Total	998.5	932.0	1518.5	2048.6	-	-	315.9	306.3	472.4	674.2

Source: FY2020 and FY2019 Annual Report

- **Actively contributes to Corporate Social Responsibility ("CSR") causes:** MAPL's CSR efforts focus on four key pillars – the arts, environment, education and healthcare. To align its commitment with business performance, MAPL set sides SGD1mn for every SGD500mn of PATMI to fund CSR programmes. In FY2020, SGD6.1mn was committed and disbursed to various CSR causes. Separately, MAPL has also set targets for FY2021 and beyond to reduce energy consumption of all stabilised Singapore investment sites by 1% from FY2020's baseline and maintain water consumption within FY2019's baseline. MAPL aims to achieve these targets through optimising air conditioning and ventilation control settings, reducing the maximum variable speed setting for the air handling units, and installing light-emitting diode lightings. Both MAPL and its REITs have also raised green and sustainability-linked loans and bonds thus far.

Financial Consideration

- **Growth in recurring PATMI though overall PATMI partly dragged by lower asset valuations:** In FY2020, MAPL saw a 5.4%y/y increase in recurring PATMI to SGD752.0mn. This was driven by a full year's contribution from the US and Europe logistics portfolio and new acquisitions over the financial year. This also more than covers MAPL's interest cost of SGD715.3mn. We expect recurring PATMI to grow steadily along with MAPL's AUM over the long term. MAPL's overall PATMI though fell by 17.7%y/y to SGD1.8bn due to lower asset valuation and disposal gains. By business units, asset valuation though positive was 38.9% lower y/y at SGD1.3bn vs SGD2.1bn a year ago. Australia and North Asia recorded the least net valuation gains (-89.9% y/y), followed by Europe and USA (-62.9% y/y) and Singapore-listed REITs (-62.1% y/y). Interestingly, China and India (+659.1% y/y) and Logistics Development (+359.1% y/y) recorded the largest net gain in asset valuations. With the world still grappling with the pandemic, we think the risk of assets getting revalued lower in the near term remains.

- **Capital recycling through REITs and fund syndications:** On the REIT front, some examples are MCT acquiring Mapletree Business City II from MAPL for SGD1.6bn in November 2019 and MLT acquiring assets with a total value of SGD717.2mn in 2H2019 including a 50% interest in four China logistics properties developed by MAPL. As at 31 March 2020, assuming an internal management target of 45% aggregate leverage, we estimate that MCT has debt headroom of SGD1.1bn, MLT at SGD514.6mn, MNACT at SGD489.1mn and MINT at SGD282.2mn. Should the REITs acquire the assets using a mix of debt and equity or cash, they are likely able to acquire assets valued at more than their debt headroom. The REITs also hold the right of first refusal over specific assets owned by the Sponsor and/or assets held in the private funds managed by the Sponsor. On fund syndication, MAPL syndicated the AUD1.4bn (~SGD1.3bn) MASCOT in November 2019 which comprises 10 Grade A office assets. Over the financial year, MAPL also completed the syndication of MUSEL which was nearly two times oversubscribed. MAPL is also exploring the possibility of launching more funds or REITs over the next couple of years. In the pipeline includes Mapletree Europe Income Trust ("MERIT") which comprises its existing European commercial assets. MAPL has a strong track record of being able to recycle funds through injecting properties into funds and REITs. Consequentially, MAPL is able to free up some cash which can be used to repay debt should it want to or fund inorganic growth, thereby staying asset light while pursuing growth.

- **Recurring fee income from REITs and private funds:** Another positive outcome of capital recycling through REITs and funds syndications is that MAPL generates recurring income for itself. The fee income from the four REITs (including REIT management fees) and six private funds was SGD486.6mn in FY2020. This fee income can be redeployed back into its business through funding new investments and developments. We note that the total fee income MAPL received in FY2020 of SGD518.0mn (+14.9% y/y) has doubled since FY2015 and roughly covers 75% of MAPL's net interest cost. Breaking down the fee income further, we find that the REITs contributed ~50% of the total fee income. Fee income from the REITs has also increased 8.0% y/y to SGD257.9mn. We expect fee income to be somewhat resilient relative to leasing income and other incomes.

- **Good access to diversified funding sources:** On top of its cash reserves and undrawn banking facilities amounting to SGD14.1bn, MAPL and its REITs are frequent issuers of both bonds and perpetuals in the SGD capital markets. In 2019, MAPL raised SGD300mn 3.15% 12-year bonds in September 2019 while MCT issued SGD250mn 3.05% 10-year bonds in November 2019 and MLT, via an indirectly invested onshore structure, issued MYR700mn (~SGD230mn) 7-year senior medium term notes in December 2019. MAPL also secured green and sustainability-linked loans of SGD1.4bn. As such, MAPL has demonstrated access to various funding sources.

- **Adopts natural hedge policy:** MAPL minimises foreign exchange exposure by closely matching its assets and liabilities by currency. MAPL also draws foreign currency loans to fund foreign investments. As such, MAPL has liabilities and equity in eight different currencies matching its assets. That said, there still exist slight mismatches – particularly for Vietnam where VND assets stand at 4.5% while VND liabilities and equity stand at just 0.8%.

- **Ample financial flexibility:** MAPL is well-positioned to weather economic headwinds and capitalise on any opportunities with its SGD14.1bn of liquidity, made up of SGD2.4bn cash and SGD11.7bn undrawn banking facilities (portion of committed undrawn banking facilities was not disclosed). Even though MAPL has SGD2.8bn short term borrowings (which is less than its SGD2.4bn cash), SGD2.3bn are unsecured loans from banks and our base case assumption is that these loans will be refinanced. SGD3.6bn out of a total of SGD46.4bn investment properties (i.e. 8%) have been mortgaged to secure loans from banks in FY2020, with its secured borrowings at SGD2.0bn. Over SGD42bn of its investment properties remain available to be used to secure funding if needed. Overall on a consolidated level, MAPL has SGD21.6bn of borrowings spread over 11 years – unsecured bank loans (72.1%), bonds (19.9%) and secured bank loans (7.5%). In addition, MAPL also has a large amount of directly owned assets of SGD18.3bn. The bulk of which we think can be divested if needed. Within Singapore, MAPL has industrial assets (42 Keppel Road, Tanjong Pagar Distripark), Mixed-used assets (HabourFront Centre) and Office assets (HarbourFront Tower One and Two, PSA Vista and St James Power Station). While independent valuations for these assets were not disclosed, we expect them to be worth a significant sum.

Outside of Singapore, MAPL has large amounts of logistics properties in China, and data centres, serviced apartments and logistics properties in the US. We think all of these can be divested to its REITs or syndicated into funds for cash if needed. Also, stakes in the REITs and private funds can be divested for as well.

- **MAPL has little off balance sheet debt:** MAPL has SGD58.0mn of contingent liabilities, up from SGD42.6mn in FY2019. We think this amount is very manageable. What we are concerned with though is whether MAPL guarantees any of the debt at the private funds. While it seems MAPL has not provided such guarantees, we note that private funds are typically more leveraged than its REITs. Of all its private funds, MAPL only discloses some financial statement figures for MUSEL. MUSEL has SGD6.7bn assets and SGD3.8bn liabilities. As such, the Debt/Equity of MUSEL is 134% (MAPL: 71%) and its Debt/Asset is 57% (MAPL: 39%). Therefore, while MAPL does not consolidate its private funds, we note that its overall credit metrics would be weaker if it does. On the other hand, MAPL consolidates its REITs, and we note that its overall credit metrics would be weaker if it does not (though one of the REITs, MNACT, is weaker than the others). Therefore, we think consolidating its REITs but not its private funds have a broadly uplifting effect on its credit metrics. We note that in terms of stakes, MAPL has roughly the same interest in both the REITs and the private funds.

- **Manageable credit metrics:** As at 31 March 2020, MAPL reduced its net debt over equity to 62.5%, down 15.5 ppt y/y. Net debt fell from SGD22.1bn a year ago to SGD19.1bn, primarily due to the closing of a new private trust, MASCOT in November 2019 and the successful syndication of MUSEL in March 2020. Funds derived through these transactions were used to repay its debt and finance expansion. Taking perpetual securities as 50% debt, net debt over equity would adjust to 66.2% as at 31 March 2020. EBITDA/Interest based on our calculation is 3.4x for FY2020, vs 3.6x a year ago. This was due to a greater increase in interest (+15.4%y/y to SGD715.3mn from SGD620.1mn in FY2019) relative to EBITDA (+9.1%y/y to ~SGD2.4bn from ~SGD2.2bn in FY2019). We think one possible explanation for the higher interest cost despite lower debt is that MAPL has reduced its total secured loans from banks (to SGD1.6bn from SGD4.4bn) whose interest rate is as low as 0.27% p.a. and increased its unsecured medium term notes (by SGD445.6mn) whose effective interest rate starts from 2.29% p.a. for MAPL. Adjusted EBITDA/Interest (taking into account 50% of perpetual distributions as interest) was 3.2x in FY2020 and 3.4x a year ago. Although credit metrics have seemingly improved y/y, we expect MAPL to continue to use leverage to grow. In FY2020, MAPL spent SGD5.9bn on capex and acquisitions (FY2019: SGD8.3bn). Acquisitions of SGD5.0bn (FY2019: SGD7.7bn) were largely due to SGD2.8bn worth of investment properties and SGD1.5bn investments in associated companies and joint ventures. Capex, on the other hand, was SGD0.9bn (FY2019: SGD0.6bn) largely due to payment for properties under development. In the process of pursuing growth, MAPL also recorded a 7.7% y/y increase in Total Equity over FY2020 to SGD30.5bn, largely due to higher Retained Earnings. Looking ahead, to achieve its AUM target of SGD80bn to SGD90bn by FY2024 with managed vs owned AUM at 3.0x, we estimate that over the next four years MAPL will need to grow its directly owned assets minimally by SGD1.8bn and increase its managed AUM by SGD17.8bn (32% stake in the increase in managed AUM would represent SGD5.7bn). Therefore, we estimate that MAPL would have to invest a net amount of SGD7.5bn over four years and continue to syndicate funds and divest assets to its REITs to reach its target.

Figure 8: Credit Metrics

	FY20	FY19	FY18	FY17	FY16
EBITDA/Interest	3.4x	3.6x	4.7x	4.6x	4.9x
Net debt/Equity	62.6%	75.9%	64.2%	56.1%	67.5%
Debt/Equity	70.6%	82.6%	69.5%	61.7%	73.2%
Debt/EBITDA	8.9x	10.5x	9.6x	8.5x	10.8x
Debt/Assets	38.8%	42.6%	39.0%	36.1%	40.1%
EBITDA/Interest (adjusting for 50% perp distribution as interest)	3.2x	3.4x	4.2x	4.2x	4.4x
Debt/Equity (adjusting for 50% perp as debt)	74.4%	86.9%	74.3%	66.9%	76.2%
Net debt/Equity (adjusting for 50% perp as debt)	66.2%	80.1%	68.9%	61.2%	70.5%
Debt/EBITDA (adjusting for 50% perp as debt)	9.1x	10.8x	10.0x	8.9x	11.0x
Debt/Assets (adjusting for 50% perp as debt)	40.0%	43.8%	40.6%	37.9%	41.1%

Source: Annual Report

Technical Considerations

Positives

- Diversified across property types and geographical locations (international reach)
- Good name recognition in part due to recognisable parentage and listed REITs
- Change of control clause

Negatives

- Not a publicly listed company though publishes financials annually
- Lack of external credit rating
- HoldCo-OpCo subordination with 70% of its AUM being managed AUM held in REITs or Private funds.

Perpetual Structure and Perpetual holders protection

- **Step-up/reset and call date:** Both MAPL perps have the same structure – 5 years to first call date in 2022 and every six months thereafter while it is 10 years to the coupon reset date. The step up margin is 100bps.
- **Cumulative deferred distribution:** Issuer can elect not to pay distributions on the perpetuals. Deferred distribution payments are cumulative.
- **Seniority:** The MAPL perpetuals are subordinated perpetuals - senior to common equity though junior to straight debt. MAPL's multicurrency debt issuance programme allows the flexibility for MAPL to issue senior perpetuals although to date no senior perpetuals have been issued.
- **Dividend pusher:** MAPL cannot defer any distribution for the applicable period if MAPL has declared or paid a discretionary dividend, distribution or other payment for any Parity or Junior Obligations (e.g. common equity holders) or has at its discretion repurchased, redeemed and otherwise acquired any of its Parity or Junior Obligations.
- **Dividend stopper:** If distribution payments are deferred, a dividend stopper would restrict MAPL from declaring or paying dividends to any of its Parity or Junior Obligations. MAPL would also be restricted from redeeming, reducing, cancelling, buying-back or acquiring any of its Parity or Junior Obligations

Relative Value

Bond	O/S Amt (SGD'mn)	Call Date / Maturity	Net Debt / EBITDA	Net Gearing	Ask Yield / YTC	Spread (bps)	Recommendation
MAPLSP 2.888% '21	200	21/06/2021	7.9x	63%	1.04%	84	N
MAPLSP 4.5% PERP	625	19/01/2022	7.9x	63%	2.60%	237	N
MAPLSP 3.95% PERP	700	12/11/2022	7.9x	63%	3.29%	302	OW
MAPLSP 2.85% '25	300	29/08/2025	7.9x	63%	2.11%	164	N
MAPLSP 3.4% '26	300	03/09/2026	7.9x	63%	2.24%	169	N
MAPLSP 3.58% '29	250	13/03/2029	7.9x	63%	2.56%	183	UW
MAPLSP 3.15% '31	300	03/09/2031	7.9x	63%	2.69%	183	UW
CAPLSP 3.8 '24	500	28/08/2024	15.6x	64%	1.96%	156	N
CAPLSP 3.65 'PERP	500	17/10/2024	15.6x	64%	3.00%	258	UW
CAPLSP 3.08 '27	500	19/10/2027	15.6x	64%	2.39%	176	N
CAPLSP 3.15 '29	800	29/08/2029	15.6x	64%	2.61%	188	N
CAPLSP 2.9% '32	800	21/09/2032	15.6x	64%	2.80%	191	N
MCTSP 3.2 '21	70	12/04/2021	8.6x	51%	0.70%	51	UW
MCTSP 3.25 '23	100	03/02/2023	8.6x	51%	1.66%	138	N
MCTSP 3.28 '24	120	23/09/2024	8.6x	51%	1.93%	152	N
MCTSP 3.11 '26	175	24/08/2026	8.6x	51%	2.13%	158	N
MCTSP 3.045 '27	100	27/08/2027	8.6x	51%	2.33%	169	N
MCTSP 3.05 '29	250	22/11/2029	8.6x	51%	2.54%	180	N
MINTSP 3.65 '22	45	07/09/2022	5.0x	40%	1.65%	139	N
MINTSP 3.02 '23	75	11/05/2023	5.0x	40%	2.29%	199	N
MINTSP 3.16 '24	100	28/03/2024	5.0x	40%	1.91%	154	N
MINTSP 3.58 '29	125	26/03/2029	5.0x	40%	2.92%	221	N
MLTSP 4.18 'PERP	250	25/11/2021	8.4x	65%	3.44%	321	N
MLTSP 3.65 'PERP	180	28/03/2023	8.4x	65%	3.44%	315	UW
MAGIC 3.2 '21	75	08/09/2021	12.4x	67%	1.04%	82	N
MAGIC 3.43 '22	100	09/03/2022	12..4x	67%	2.20%	196	N

Indicative prices as at 16 Sep 2020 Source: Bloomberg
Net gearing based on latest available quarter's financial statements

We think the closest comparable to MAPL is CapitaLand Ltd ("CAPL") which we rate at Neutral (3) Issuer Profile, one notch higher. Both are leading real estate companies with varied property assets across geographies. Both companies are also Sponsors of REITs. CAPL has total assets of SGD84.9bn (SGD49.5mn investment properties) while MAPL has total assets of SGD55.6bn (SGD46.4mn investment properties). While MAPL is marginally stronger with a lower Net Debt-to-EBITDA and lower Net Gearing, we think it is highly possible for MAPL to pursue opportunities using leverage.

MAPL is wholly-owned by Temasek while CAPL is 50.8% owned according to Bloomberg. Though wholly-owned by Temasek, we view MAPL as an important financial investment of Temasek. The support from Temasek is also yet to be tested. Unlike MAPL which is privately held, CAPL is publicly listed. As such, investors of CAPL can expect to receive information on the company more readily, as compared to MAPL.

Comparing the **MAPLSP and CAPLSP curves, we are neutral on the short to medium term tenors and prefer CAPLSP bonds for the long end**. For the medium term, MAPLSP'25s and MAPLSP'26s are trading at 164bps and 169bps respectively versus CAPLSP'24s trading at 156bps and CAPLSP'27s trading at 176bps. As such, we think it is roughly fair and hence we are **Neutral on MAPLSP'25s and MAPLSP'26s.** For the long end, CAPLSP'29s is yielding 2.61% with a spread of 188bps while

MAPLSP'29s is trading 5bps tighter at 2.56%. Similarly, MAPLSP'31s is trading 8bps tighter than CAPLSP'32s for a one year longer tenor. As such, we think CAPLSP looks more interesting for the long end.

As compared to its REITs, we think MAPL is stronger than MNACT though we hold both at Neutral (4) Issuer Profile and slightly weaker with MCT, MINT and MLT which we hold at Neutral (3) Issuer Profile. We expect the **MAPLSP curve to trade in line or slightly wider than MCT, MINT and MLT but tighter than MNACT**.

Both MAPLSP 4.5% PERP and MAPLSP 3.95% PERP will be due for first call in 2022 on 19 Jan 2022 and 12 Nov 2022 respectively. However, for both, the first call date and first reset date do not coincide. The perps are callable at Year 5 but rate reset would only happen in Year 10. In the current environment, where swap rates have come down significantly, we think this structure considerably boosts the chance of MAPL calling its perps (reducing risk of non-call) as MAPL is likely able to refinance the perps at much lower rates. Based on forward swap rates, we estimate that MAPLSP 4.5% PERP would reset to 3.66% while MAPLSP 3.95% PERP would reset to 3.32% if not called. We are **overweight on MAPLSP 3.95% PERP and neutral on MAPLSP 4.5% PERP**. We think a yield-to-call of 3.29% for MAPLSP 3.95% PERP is attractive, with the reset more than seven years away (if not called). MAPLSP 4.5% PERP, on the other hand, is trading at a YTC of 2.60%.

Conclusion

Overall, MAPL is well-diversified across geographical locations and real estate property types. We like that MAPL has manageable credit metrics, recurring income and good cashflows, on top of being backed by hard assets. MAPL's sponsorship and control of REITs and private funds are also significantly credit positive as they facilitate the recycling of capital. We are **initiating MAPL with a Neutral (4) Issuer Profile** which also accounts for the lack of routine disclosure given it is a private company. As the different regions and countries cope and recover from COVID-19 in their own ways, we think MAPL benefits greatly from having exposure to a wide range of real estate assets serving varied purposes in both developed and emerging markets. Given MAPL's track record in managing in assets, we expect its real estate assets to recover steadily when the economy normalizes.

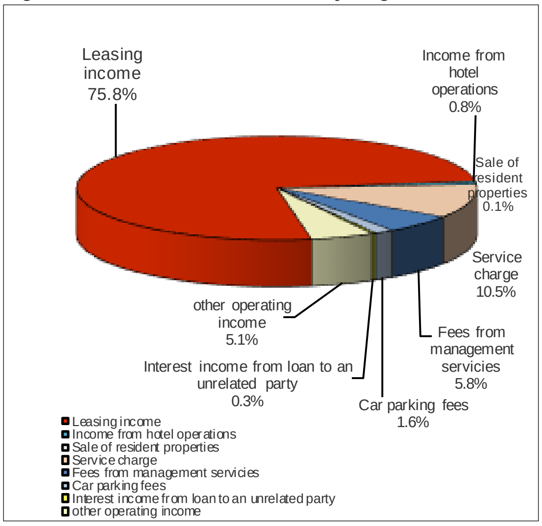
Mapletree Investments Pte Ltd

Table 1: Summary Financials

Year Ended 31st Mar	FY2018	FY2019	FY2020
Income Statement (SGD'mn)			
Revenue	3,194.4	3,948.1	4,030.0
EBITDA	1,737.1	2,228.7	2,431.5
EBIT	1,715.7	2,195.1	2,372.4
Gross interest expense	372.7	620.1	715.3
Profit Before Tax	3,489.0	3,652.4	3,118.9
Net profit	1,873.7	2,088.3	1,705.5
Balance Sheet (SGD'mn)			
Cash and bank deposits	1,267.6	1,896.3	2,440.1
Total assets	42,575.0	54,988.8	55,611.4
Short term debt	0.0	0.0	0.0
Gross debt	16,623.5	23,410.2	21,877.4
Net debt	15,355.9	21,513.9	19,437.3
Shareholders' equity	23,917.0	28,348.4	30,534.3
Cash Flow (SGD'mn)			
CFO	1,498.6	2,283.4	2,290.8
Capex	765.5	557.2	942.1
Acquisitions	4,217.0	7,737.3	4,962.3
Disposals	369.7	49.0	1,845.9
Dividend	861.6	993.0	1,080.1
Interest paid	-341.2	-619.8	-681.9
Free Cash Flow (FCF)	733.1	1,726.2	1,348.7
Key Ratios			
EBITDA margin (%)	54.38	56.45	60.34
Net margin (%)	58.66	52.89	42.32
Gross debt to EBITDA (x)	9.57	10.50	9.00
Net debt to EBITDA (x)	8.84	9.65	7.99
Gross Debt to Equity (x)	0.70	0.83	0.72
Net Debt to Equity (x)	0.64	0.76	0.64
Gross debt/total assets (x)	0.39	0.43	0.39
Net debt/total assets (x)	0.36	0.39	0.35
Cash/current borrowings (x)	0.59	0.81	0.86
EBITDA/Total Interest (x)	4.66	3.59	3.40

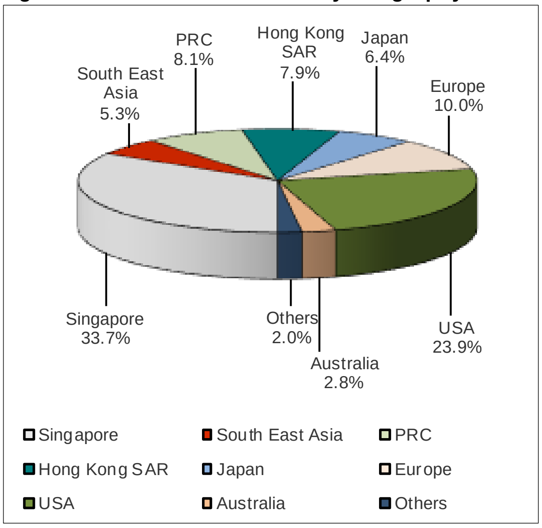
Source: Company, OCBC estimates

Figure 1: Revenue breakdown by Segment - FY2020



Source: Company

Figure 2: Revenue breakdown by Geography - FY2020



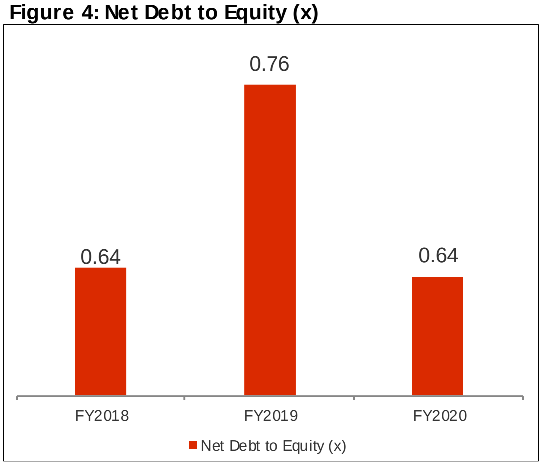
Source: Company

Figure 3: Debt Maturity Profile

Amounts in (SGD'mn)	As at 31/03/2020	% of debt
Amount repayable in one year or less, or on demand		
Secured	219.4	1.0%
Unsecured	2,632.2	12.0%
	2,851.5	**13.0%**
Amount repayable after a year		
Secured	1,818.0	8.3%
Unsecured	17,207.8	78.7%
	19,025.9	**87.0%**
Total	**21,877.4**	**100.0%**

Source: Company, OCBC estimates

Figure 4: Net Debt to Equity (x)



Source: Company

Explanation of Issuer Profile Rating / Issuer Profile Score

Positive ("Pos") – The issuer's credit profile is either strong on an absolute basis, or expected to improve to a strong position over the next six months.

Neutral ("N") – The issuer's credit profile is fair on an absolute basis, or expected to improve / deteriorate to a fair level over the next six months.

Negative ("Neg") – The issuer's credit profile is either weaker or highly geared on an absolute basis, or expected to deteriorate to a weak or highly geared position over the next six months.

To better differentiate relative credit quality of the issuers under our coverage, we have further sub-divided our Issuer Profile Ratings into a 7 point Issuer Profile Score scale.

IPR	Positive		Neutral			Negative	
IPS	1	2	3	4	5	6	7

Please note that Bond Recommendations are dependent on a bond's price, underlying risk free rates and an implied credit spread that reflects the strength of the issuer's credit profile. Bond Recommendations may not be relied upon if one or more of these factors change.

Explanation of Bond Recommendation

Overweight ("OW") – The performance of the issuer's specific bond is expected to outperform the issuer's other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Neutral ("N") – The performance of the issuer's specific bond is expected to perform in line with the issuer's other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Underweight ("UW") – The performance of the issuer's specific bond is expected to underperform the issuer's other bonds, or the bonds of other issuers either operating in the same sector or in a different sector but with similar tenor over the next six months.

Other

Suspension – We may suspend our issuer rating and bond level recommendation on specific issuers from time to time when OCBC is engaged in other business activities with the issuer. Examples of such activities include acting as a joint lead manager or book runner in a new issue or as an agent in a consent solicitation exercise. We will resume our coverage once these activities are completed.

Withdrawal ("WD") – We may withdraw our issuer rating and bond level recommendation on specific issuers from time to time when corporate actions are announced but the outcome of these actions are highly uncertain. We will resume our coverage once there is sufficient clarity in our view on the impact of the proposed action.

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Analyst Declaration
The analyst(s) who wrote this report and/or her or his respective connected persons did not hold financial interests in the above-mentioned issuer or company as at the time of the publication of this report.