FINANCIAL REVIEW

FIVE-YEAR FINANCIAL SUMMARY

	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
(A) INCOME STATEMENT For the financial year ended 31 March (S$ million)					
Revenue	3,877.0	2,735.9	2,861.1	2,859.3	**2,822.5**
Recurring PATMI	752.0	633.3	810.2	779.7	**715.6**
PATMI	1,778.5	1,849.9	1,964.9	1,220.0	**(577.2)**
PATMI attributable to Equity Holder of the Company	1,705.5	1,777.1	1,876.0	1,143.4	**(656.3)**
(B) BALANCE SHEET As at 31 March (S$ million)					
Investment properties	46,371.1	42,957.4	45,928.1	43,728.5	**28,204.3**
Properties under development	1,129.7	1,606.3	1,791.1	1,819.3	**1,401.8**
Investments in associated companies and joint ventures	3,528.7	4,448.5	5,723.4	6,366.8	**8,403.3**
Cash and cash equivalents	2,440.1	2,021.3	2,070.4	1,724.5	**1,272.7**
Others	2,141.8	2,566.0	2,722.4	3,319.1	**3,384.9**
Total Assets	55,611.4	53,599.5	58,235.4	56,958.2	**42,667.0**
Total borrowings/medium-term notes	21,565.8	20,183.0	21,407.3	21,865.2	**15,743.4**
Non-controlling interest and other liabilities	17,960.8	15,756.4	17,308.2	15,184.6	**7,944.2**
Shareholder's funds	16,084.8	17,660.1	19,519.9	19,908.4	**18,979.4**
Total Equity and Liabilities	55,611.4	53,599.5	58,235.4	56,958.2	**42,667.0**
(C) FINANCIAL RATIOS As at 31 March					
ROE	11.2%	10.6%	10.2%	6.0%	**-3.2%**
ROIE[1]	21.6%	8.6%	9.0%	9.0%	**8.9%**
ROTA	6.1%	4.6%	5.6%	4.1%	**0.9%**
Net Debt/Total Equity Ratio	62.5%	60.5%	58.3%	64.3%	**59.0%**[2]
Interest Cover	3.4x	4.0x	4.2x	3.3x	**2.9x**

1 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

* Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses, mark-to-market fair value adjustments, gains and losses on foreign exchange, goodwill, dilution gain and loss, OIC from gains or losses on disposal and corporate restructuring surplus or deficit.

2 Includes cash and borrowings accounted under disposal group held for sale.

KEY HIGHLIGHTS – FY23/24

- The year kicked off with uncertainty surrounding global growth, with concerns on higher energy cost, wage inflation and the stability of the banking sector, following Silicon Valley Bank's collapse, exacerbated by heightened geopolitical tensions with ongoing conflicts. Faced with the challenging economic front, Mapletree delivered revenue and Recurring PATMI of S$2,822.5 million and S$715.6 million, respectively in Financial Year 2023/2024 (FY23/24). These figures included the effects of the Group's recycling activities, such as the divestment of a retail asset in Osaka, Japan, and the syndication of an India office asset to the strategic partnership fund with Ivanhoé Cambridge. Excluding the impact of syndications and divestments, the Group's revenue improved 1.3% from FY22/23. Improvement in operational performance continues to drive earnings growth, negated by the higher interest costs.

- In FY23/24, the Group recorded a PATMI loss of S$(577.2) million, compared to S$1,220 million from the previous financial year, mainly due to revaluation losses arising from commercial properties primarily in the western markets. Accordingly, ROE swung from 6% in FY22/23 to -3.2% in FY23/24, while ROTA fell to 0.9%. ROIE, the cash-based returns against Original Investment Cost (OIC), remained robust, at 8.9% in FY23/24.

- Despite the valuation losses, the Group's overall balance sheet remained resilient amid the uncertain macro environment while it calibrates strategic plans to emerge stronger. During the year, the Group reduced its stake in Mapletree Logistics Trust (MLT) to 25.8% resulting in a deconsolidation of MLT. Consequently, the Group's Net Debt lowered 28% to S$14.5 billion as at 31 March 2024. Interest Cover Ratio stood at a healthy 2.9 times of net finance costs, albeit down slightly from 3.3 times in the previous year.

- Total assets under management (AUM) as at 31 March 2024 remained flat at S$77.5 billion compared to 31 March 2023 at S$77.4 billion despite revaluation losses due to acquisitions. Managed AUM was up slightly by 0.4% to S$60.4 billion, while the AUM ratio remained stable at 3.5 times. As part of its commitment to growing the capital management business, the Group launched its third Japan-focused fund, the Mapletree Japan Investment Country Private Trust (MAJIC), during the year.

- Despite challenging macro conditions, the Group remained steadfast in its disciplined capital management approach. At the end of FY23/24, the Group recorded a lower net debt/equity ratio of 59% compared to 64.3% a year ago due to the deconsolidation of MLT. It had access to cash and undrawn facilities amounting to S$12.2 billion.

- Amid the challenging economic and geopolitical landscape, these pose challenges to executing capital recycling initiatives given the uncertainty surrounding the timing and quantum of interest rate easing. The Group has continued its prudent and selective approach towards identifying investment opportunities that value-add and are aligned to its longer-term objectives.

The following were the Group's acquisitions, divestments and syndications during the year:

- The Group completed the acquisition of The Bay Hub (formerly Goldin Financial Global Centre) in Hong Kong SAR via a 50-50 joint venture with PAG Real Assets, while also securing a firm foothold in Kyushu, Japan, through the completion of Chikushino Logistics Centre Phase 1, a Grade A logistics facility with a four-storey Reinforced-Concrete and Steel System structure – its first logistics space in Kyushu.

- The Group recorded total net proceeds of S$1,390.2 million from capital recycling activities, including the divestment of a retail asset in Osaka, Japan, the syndication of an India office asset to the strategic partnership fund with Ivanhoé Cambridge, and proceeds from the stake sale in MLT.

FINANCIAL REVIEW

Capital management

- Third-party AUM grew 0.4% year-on-year to S$60.4 billion and recurring fee income from capital management grew 5.7% to S$496.5 million in FY23/24. During the year, the Group launched a new private fund while also diversifying the investor base for another.

  - The Group's launch of its third Japan-focused fund in March 2024 offers exposure to the country's attractive real estate sector in the form of logistics developments. The new fund builds on the successes of the Group's previous two Japan-focused funds and aims to tap into the pickup in the country's economy.

  - As a testament to its strong track record, the Group placed out shares in Mapletree China Logistics Investment Private Fund (MCLIP), its inaugural China logistics open-ended fund, to two investor groups during the year. Despite uncertainty surrounding the Chinese market, the success of these placements reflects investors' confidence in the Group's ability to deliver growth under challenging conditions.

- Mapletree's REITs continued to accelerate growth and portfolio rejuvenation initiatives through divesting lower yielding assets and proactive acquisitions to boost asset base and earnings diversity to continually provide a strong and stable stream of recurring income. These new acquisitions were funded by a mix of equity and debt offerings raised during the year.

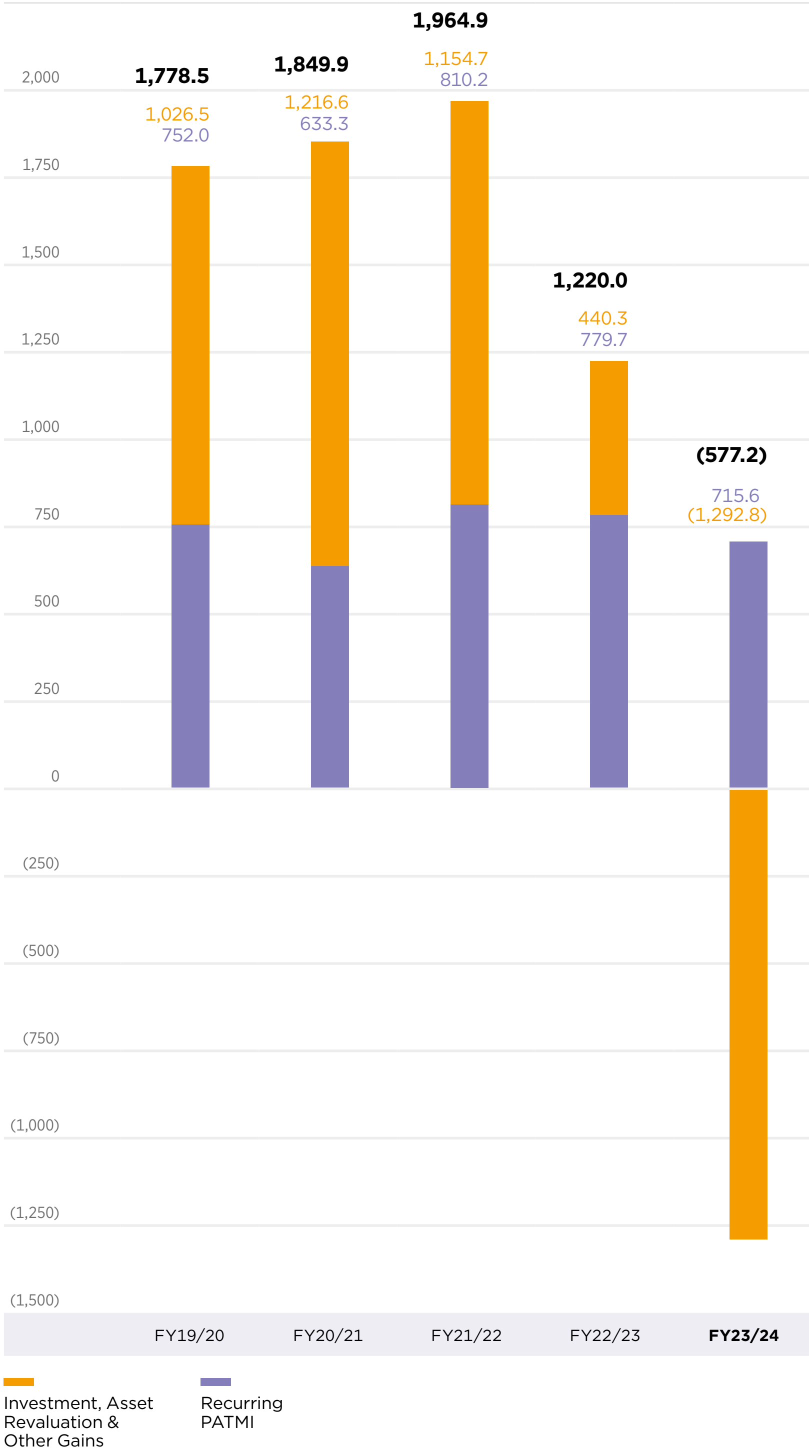
  - MLT completed the acquisitions of nine logistics assets in India, Japan, Australia and South Korea for ~S$918 million. Separately, the REIT also acquired a property in Malaysia and two properties in Vietnam from the Group for ~S$226.4 million. On the divestment front, MLT completed the sale of seven assets across Singapore, Malaysia and Japan.

  - Mapletree Industrial Trust (MIT) marked its entry into Japan by acquiring a newly built data centre in Osaka, Japan, for a purchase consideration of ~S$468.8 million, funded partially by proceeds from the S$204.8 million private placement announced in May 2023. The acquisition offers a strategic opportunity to diversify MIT's data centre presence into Japan, one of Asia Pacific's most developed data centre markets. During the year, the REIT also completed the divestment of the Tanglin Halt Cluster properties for S$50.6 million.

  - All three REITs were also active in the debt capital markets during the financial year. To diversify funding sources and manage interest rate risks, Mapletree Pan Asia Commercial Trust (MPACT) issued S$200 million of 10-year fixed rate senior green notes at 3.9%, while MIT also issued S$50 million, 3.751% fixed rate notes due 2027. MLT executed pricing supplement in relation to the issue of S$75 million 3.81% Green Notes due 2031, as well as the JPY3 billion 1.535% Notes due 2032 under its S$3 billion Euro Medium Term Securities Programme.

PATMI (S$ million)

The breakdown of the Group's PATMI is shown below:

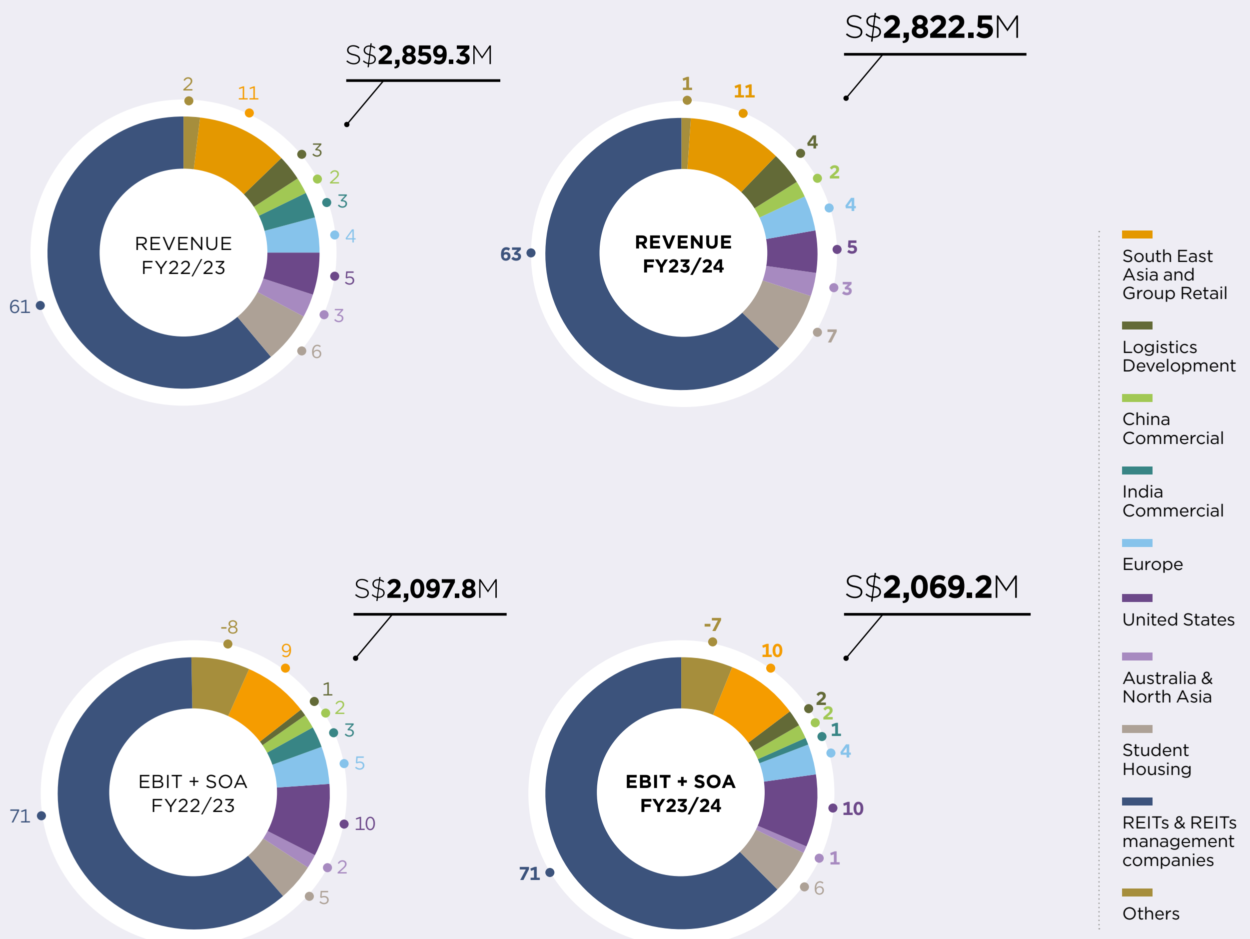


- The Group registered a Recurring PATMI of S$715.6 million, a decline of 8.2% year-on-year, amid the effects of higher interest rates, coupled with strategic divestments and India fund syndications. Operational performance continues to be the key driver of earnings growth improvement, but was negated by the rising cost of debt.

- Overall PATMI declined to S$(577.2) million in FY23/24, mainly due to valuation losses from commercial properties in the United States (US), Europe and Australia.

FINANCIAL REVIEW

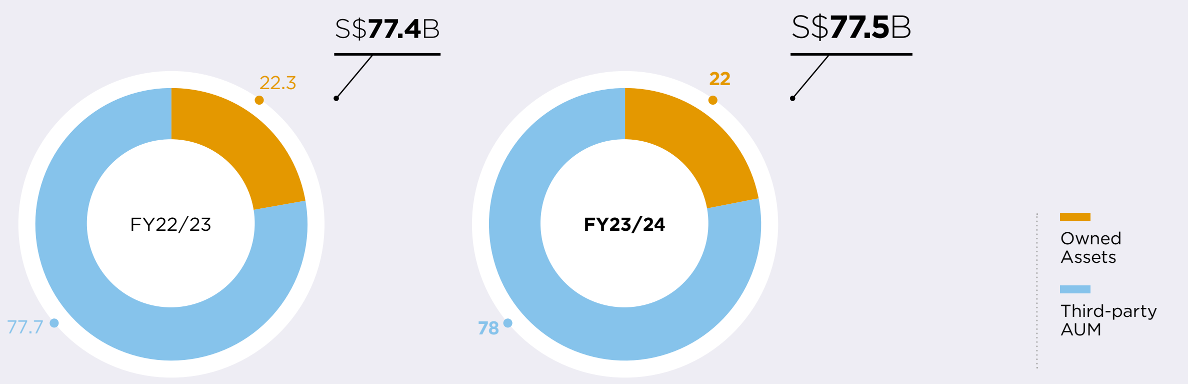
REVENUE AND EBIT + SOA HIGHLIGHTS BY STRATEGIC BUSINESS UNITS (%)



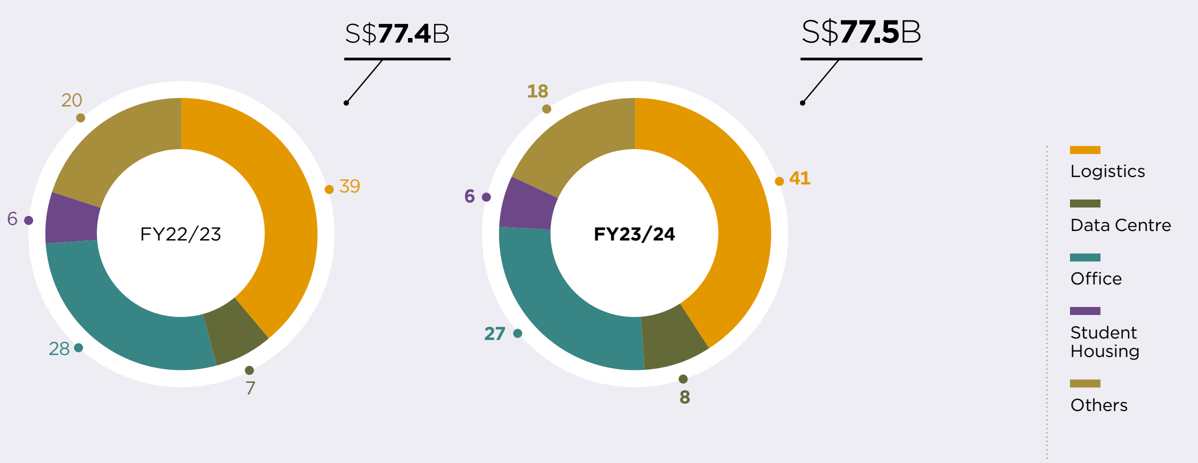
- In FY23/24, the Group's revenue remained resilient, down slightly by 1.3% to S$2,822.5 million compared to the previous year. This was primarily due to the effects of divestments and syndication efforts, which were offset partly by higher fee income from the Group's capital management business and resilient student housing portfolio. Excluding the impact of syndications and divestments, the Group's revenue improved by 1.3% from FY22/23.

- The Group's EBIT + SOA fell by 1.4% from the previous financial year to S$2,069.2 million. Excluding the impact of syndications and divestments, the Group's EBIT + SOA remained stable at almost S$2 billion. The REITs and their respective management companies continued to account for the lion's share of Mapletree's EBIT + SOA at 71%, while assets in Europe and the US are the second largest contributors at 14%.

TOTAL REAL ESTATE ASSET BASE (%)



TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY CORE SECTORS (%)

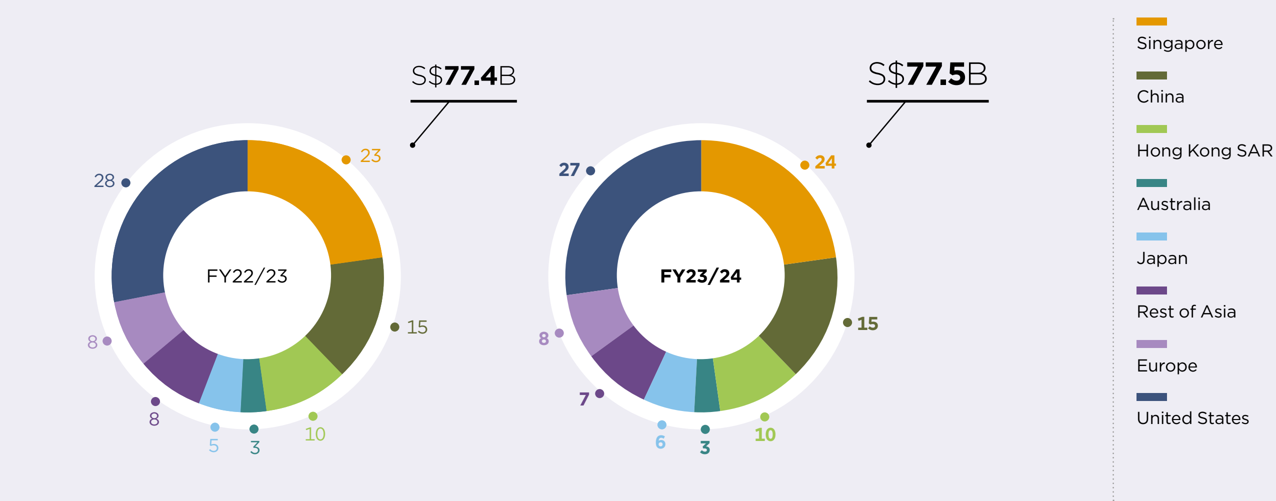


The Group recorded a slightly higher real estate AUM despite revaluation losses during the year. This was mainly due to acquisitions made by the Group. Managed AUM increased slightly to 78%, mainly due to the REITs' acquisitions and the syndication of an office asset to the strategic partnership fund in India.

Logistics remained as the Group's largest asset class at 41% of overall AUM, an increase of 2% from the previous financial year. The remaining asset ratios remained relatively stable against FY22/23.

FINANCIAL REVIEW

TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY MARKET (%)



To date, the Group owns and manages real estate assets across 13 markets. Assets in the US and Singapore continue to account for 50% of Mapletree's AUM and the remaining market ratios remain largely stable compared to FY22/23.