PhillipCapital
Your Partner In Finance

Company Results

Frasers Centrepoint Trust

CapitaLand Mall Trust

CapitaLand Commercial Trust

Ascendas REIT

Keppel DC REIT

Mapletree Industrial Trust

Company Initiation

China Sunsine Chemical

Y Ventures Group

Disclaimer

The information contained in this presentation has been obtained from public sources which Phillip Securities Research Pte Ltd (“PSR”) has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the “Research”) contained in this presentation are based on such information and are expressions of belief only. PSR has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this presentation is subject to change, and PSR shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will PSR be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

This presentation is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person.

You should seek advice from a financial adviser regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before making a commitment to invest in such products.

China Sunsine Chemical

Catch a right time to expand production

CHINA SUNSINE CHEMICAL HOLDINGS LTD.

Chen Guangzhi

Phillip Securities Research Pte Ltd

29 January 2018

Sunsine (BUY, TP: S$1.60, Div: 2.6 SG cents, Last: S$1.11)

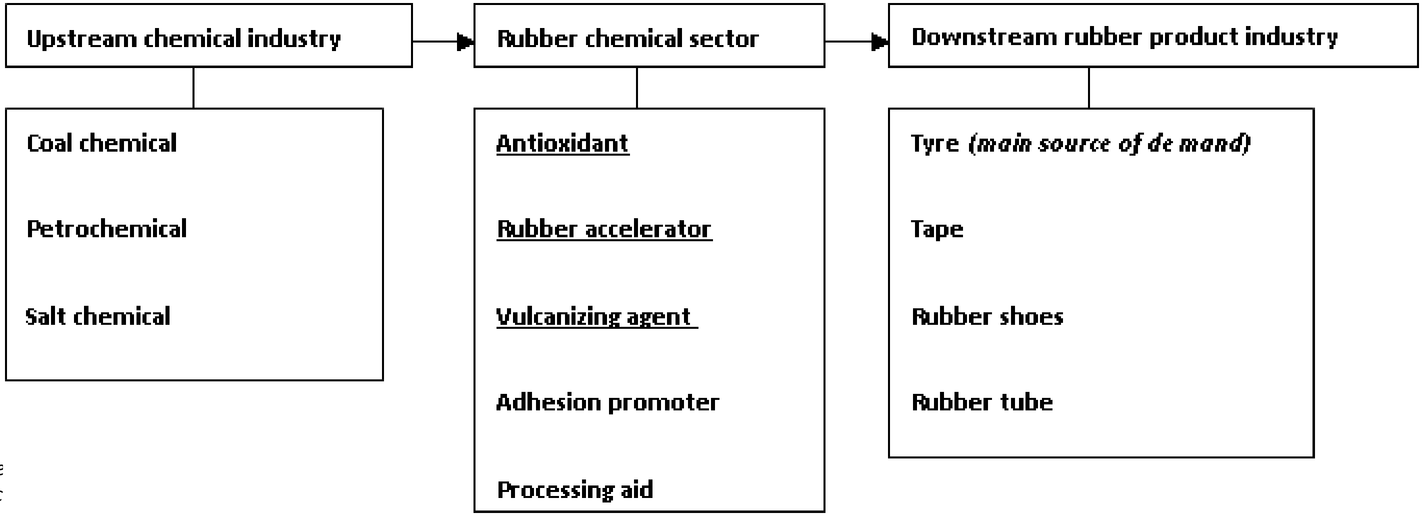
PhillipCapital
Your Partner In Finance

Investment Merits

- Sunsine is the market leader in rubber accelerator industry, commanding 18% share of global production
- We expect the current attractive rubber accelerator product spread to sustain for the next couple of years as supply continues to consolidate in China
- Stringent environmental policies in China are phasing out smaller producers in favour of the leading producers such as Sunsine
- Additional growth by capacity ramping by a third to 117k tonnes by 2020

Industry overview

- **Rubber chemicals:** (rubber additives) ingredients used to blend into either natural or synthetic rubber to produce rubber products that can possess various properties such as antioxidation, antidegradation and extension of lifespan
- **The raw materials:** aniline (main material), carbon disulphide, hydrogen peroxide and morpholine
- 90% of the consumption of rubber chemicals is associated with the automobile industry, and 70% of the output is used for the production of car tyres (consumption ratio of rubber chemicals to rubber: 6:100)



**The underscore*
Source: chyyxx.c

Company background

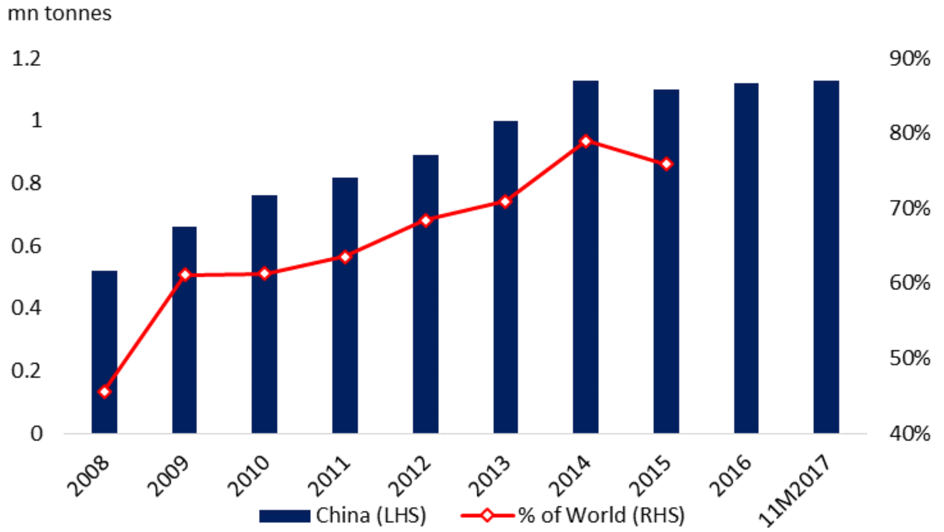
Market leader in rubber chemical industry

- The company is the largest producer of rubber accelerators in the world and the largest producer of insoluble sulphur in China
- Main product category: rubber accelerators, anti-oxidant, and insoluble sulphur
- The client base expanded to be more than 1,000, including 65% of the top 75 tyre manufacturers.
- The production plants are located in Shanxian, Weifang and Dingtao in Shandong Province in China
- By 2017, it is expected the total annual capacity to reach 152k tonnes, comprising of 87k tonnes of rubber accelerators, 45k tonnes of anti-oxidant, and 20k tonnes of insoluble sulphur

Market is on the course of consolidation

- **China has become the biggest rubber chemical market**
  - Since 2013, domestic production surpassed 1mn tonnes along with more than 70% of global market share
  - Total output maintained at above 1.1mn tonnes, and the market share stabilised at c.75% in the last 4 years
- **Existing market leaders dominate the industry**
  - Top 5 companies accounted for more than 40% of the whole industry sales
  - Sales from top 20 companies out of over 100 peers took up more than 80% of market share

Figure 2: Production volume of rubber chemical in China dominates the world



Source: China rubber industry yearbook 2015-2016, cria.org.cn, PSR

Figure 3: Top 5 rubber chemical companies in 2016 (sorted by sales)

Company	Sales (RMB bn)
Sinorgchem Technology	Above 2
China Sunsine (listed)	Above 2
Kemai Chemical Technical	1 to 2
Yanggu Huatai Chemical (listed)	1 to 2
Puyang Willing Chemicals	0.5 to 1

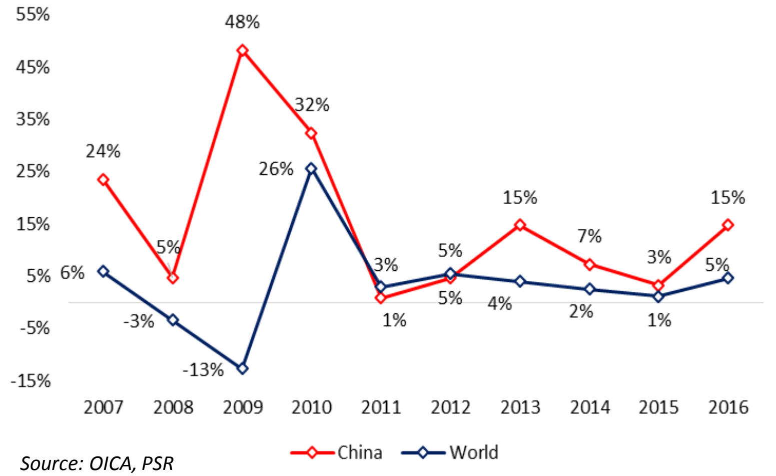
Source: chyyxx.com, PSR

Healthy demand from tyre industry

- **China has become the fastest growing countries in the development of auto industry**
  - As of 2016, total car production in China reached 28mn units, representing a 15% YoY growth that outperformed the global 5% YoY growth

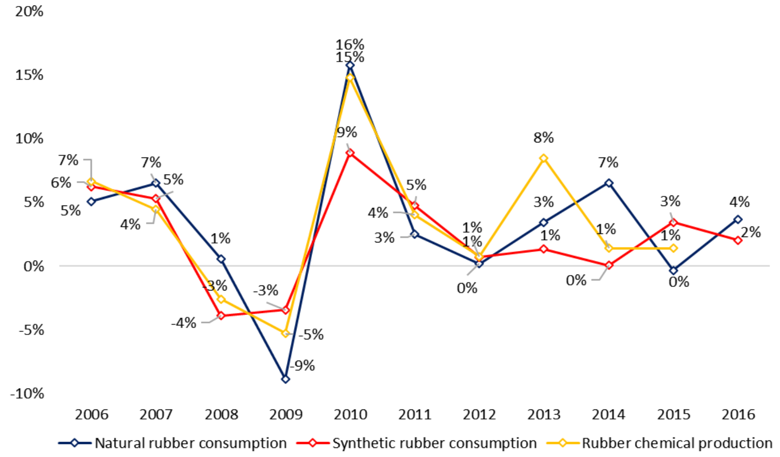
- **Growth of global rubber chemical production**
  - Global tyre production is expected to grow from 2.2bn in 2017 to 2.7bn in 2020 (CAGR: 3.4%)
  - Total global production of rubber chemical is expected to reach 1.8mn tonnes by 2020 (CAGR: 3.5% from 2015 to 2020)

Figure 4: Growth of China auto production outpaced the world



Source: OICA, PSR

Figure 5: Global rubber consumption drives rubber chemical production



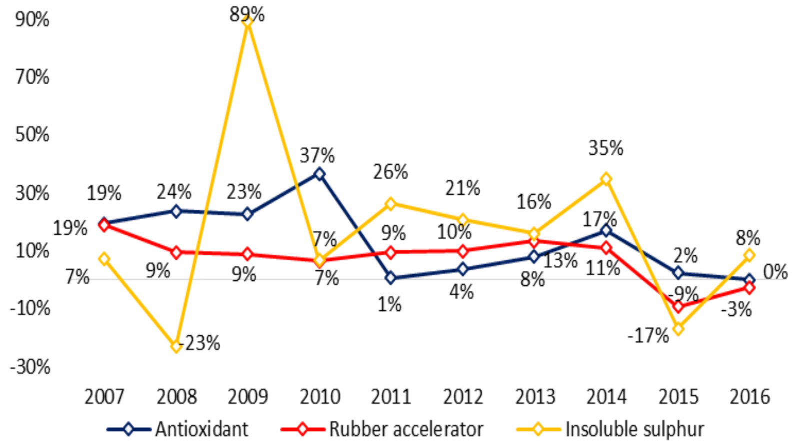
Source: IRSG, China rubber industry yearbook 2015-2016, PSR

Supply short & upswing prices of raw materials

- **Reasons of supply short**
  - The enactment of the new Environmental Protection Law in Jan-15: a widespread shutdown for those mills who failed to meet environmental standards
  - Supply-side reform initiatives in China: environmentally obsolete capacities were gradually phased out

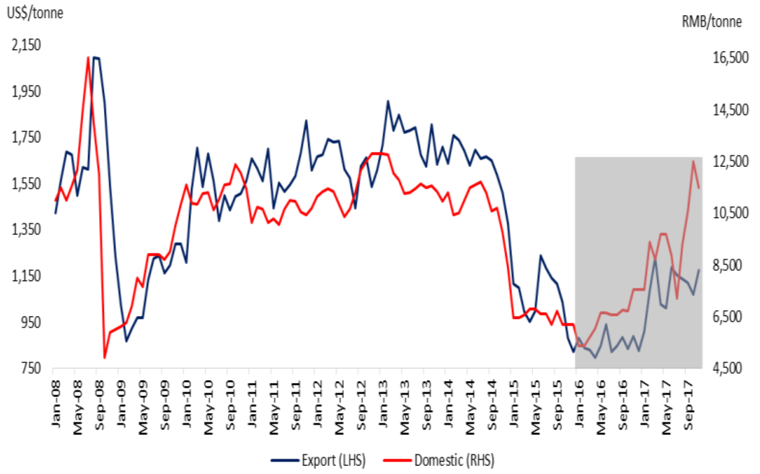
- **Upswing aniline price in 2016 and 2017**
  - Average export price of aniline was on the course of recovery with 33% growth
  - Average domestic price soared by 131% from RMB5,400/tonne to RMB12,500/tonne

Figure 6: Slowdown in production growth in major types of rubber chemicals



Source: China rubber industry year book 2015-2016, cria.org.cn, PSR

Figure 7: Price rally of aniline in recent 2 years



Source: China Petroleum and Chemical Industry Federation, china.chemcp.com, PSR

Existing leaders will consolidate further the market

- Stringent environmental requirements are raising the entry barrier, restricting new capacity and phasing out small mills in China

- Cost of switching supply source supply is high for tyre producers, especially global brands, resulting from due diligence on suppliers for high standard of environmental protection and product specification

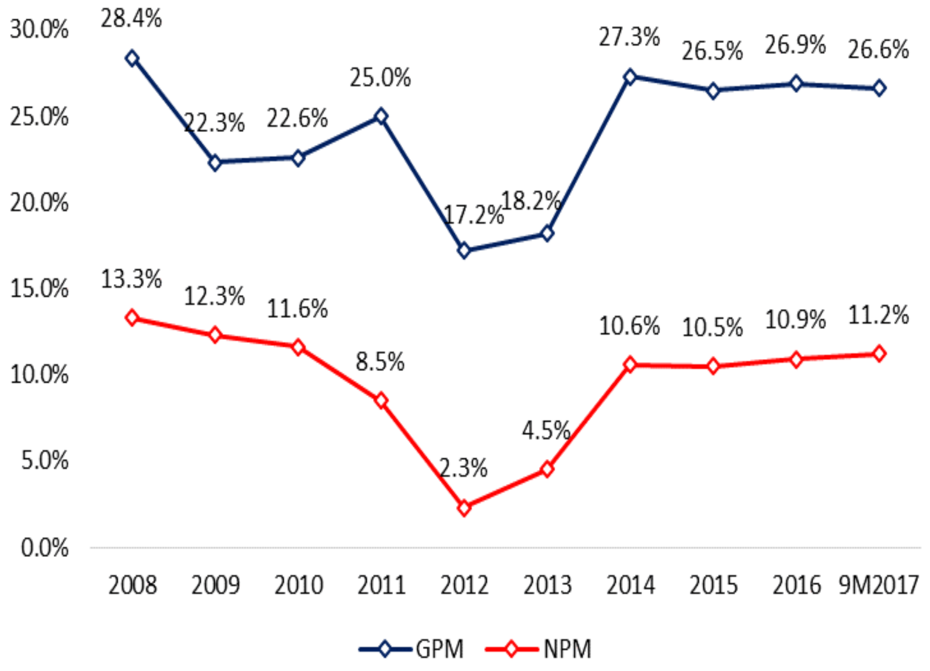
- The market leaders have superior production techniques, wider client base and better waste processing

Attractive product spread to sustain

- On average, the company managed to deliver 25% gross profit margin (GPM) and 11% net profit margin (NPM)

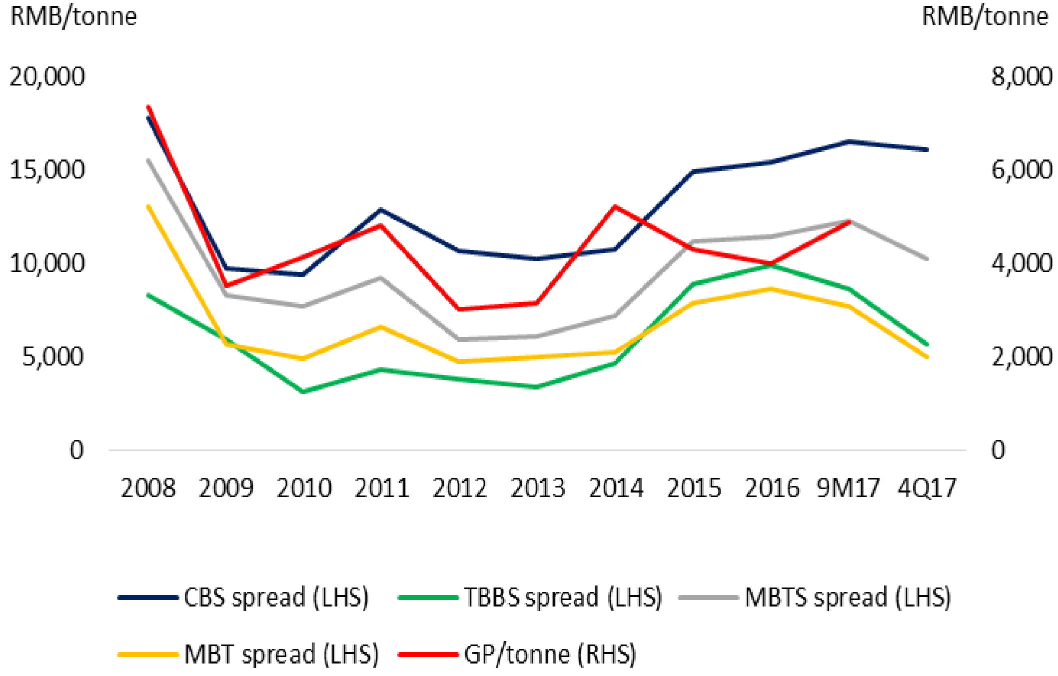
- The spread is 30%+ more in 2017 than in 2016

Figure 8: Stable profitability over the years



Source: Company, PSR

Figure 9: Sunsine's GP/tonne follows the trend of market spread



Source: China Petroleum and Chemical Industry Federation, chemcp.com, PSR

Efforts on environmental protection pay off

PhillipCapital
Your Partner In Finance

- From 2012 to 2016, Sunsine's capex on environmental protection totalled at RMB272mn
- The recycle rate of waste water improved from 10% in 2012 to 87% in 2016
- The conversion recovery rate of sulphur oxides was consistently above 99.5%, whereby the production cost dropped by RMB15mn respectively in 2015 and 2016.
- As of 2016, the capacity of solid waste treatment arrived at 30k tonnes
- Compliance to the increasingly high standard of environmental protection and waste discharge to maintain downstream corporate customers, especially top International tyre manufacturers
- Thrive during these rounds of market restructuring and transformation resulted from more stringent requirements of environmental protection domestically in recent years

Ramp-up of capacity

- **Mid-term capacity target by the 13th Five-Year Plan (end of 2020):**
  - Rubber accelerators 117k tonnes
  - Antioxidant 45k tonnes
  - Insoluble sulphur 30k tonnes

Figure 10: Expected capacity under operation in 2018 (‘000 tonnes)

Rubber accelerator			Antioxidant		Vulcanizing agent		
	Increment	FY18e		FY18e		Increment	FY18e
TBBS	10	35	**6PPD**	30	**Insoluble sulphur**	10	30
MBT	-	5	**TMQ**	10			
MBTS	-	15	**IPPD**	5			
CBS	-	22					
DCBS	-	8					
TMTD	-	4					
DPG	-	8					
Total		97		45			30

Source: Company, PSR

Assumptions

Figure 11: Estimation of capacity-weighted average price

	Average price (RMB/tonne)	Capacity (Tonne)	Capcity weighted average price (RMB/tonne)	Average price (RMB/tonne)	Capacity (Tonne)	Capcity weighted average price (RMB/tonne)	Average price (RMB/tonne)	Capacity (Tonne)	Capcity weighted average price (RMB/tonne)
	FY17	FY17	FY17	FY18e	FY18e	FY18e	FY19e	FY19e	FY19e
Accelerators									
MBT	21,000	5,000	1,207	21,420	5,000	1,104.12	21,848	5,000	1,020.95
MBTS	18,000	15,000	3,103	18,360	15,000	2,839.18	18,727	15,000	2,625.31
CBS	22,000	22,000	5,563	22,440	22,000	5,089.48	22,889	22,000	4,706.11
TBBS	26,000	25,000	7,471	26,520	35,000	9,569.07	27,050	45,000	11,376.34
DCBS	26,000	8,000	2,391	26,520	8,000	2,187.22	27,050	8,000	2,022.46
TMTD	18,000	4,000	828	18,360	4,000	757.11	18,727	4,000	700.08
DPG	26,000	8,000	2,391	26,520	8,000	2,187.22	27,050	8,000	2,022.46
Total		87,000	22,954		97,000	23,733		107,000	24,474
Antioxidant									
TMQ	17,800	10,000	3,956	18,156	10,000	4,035	18,519	10,000	4,115
6PPD	23,000	30,000	15,333	23,460	30,000	15,640	23,929	30,000	15,953
IPPD	22,100	5,000	2,456	22,542	5,000	2,505	22,993	5,000	2,555
Total		45,000	21,744		45,000	22,179		45,000	22,623
Vulcanizing agent									
Insoluble sulphur	11,800	20,000	11,800	12,036	30,000	12,036	12,277	30,000	12,277

Source: China Petroleum and Chemical Industry Federation, chemcp.com, Company, PSR

Figure 12: Estimation of sales volume

	Sales volume (Tonne)		
	FY17e	FY18e	FY19e
Accelerator	82,650	87,300	96,300
Antioxidant	33,750	33,750	36,000
Insoluble sulphur	23,000	30,000	30,000

Source: Company, PSR

Valuation

PhillipCapital
Your Partner In Finance

- We initiate a BUY call with a TP of S$1.60 for FY18.

Figure 13: FCFE valuation

Y/E, RMB mn	FY17e	FY18e	FY19e
Net income	344	381	421
Net capex	190	90	94
Chang in net WC	51	46	46
Change in borrowing	-	-	-
FCFE	103	245	281
Beta	0.98		
Required rate of return	7.9%		
Growth	1.0%		
FX (SGD/RMB)	4.85		
TP (SGD)	1.60		

Source: PSR

Peer comparison & Investment risks

Company	Bloomberg Ticker	Mkt Cap (SGD mn)	EV (SGD mn)	EV/EBITDA TTM	P/E	P/B	Net D/E (%)	ROA (%)	ROE (%)
China Sunsine Chemical Holdings Ltd	CSSC SP	550.7	456.1	3.1	9.4	1.7	Net Cash	15.1	19.0
China									
Shandong Yanggu Huatai Chemical Co Ltd	300121 CH	834.2	913.9	19.9	24.0	5.1	72.6	11.3	23.7

Risks	Remarks
Upside	
Selling and raw material price	Sunsine operates on a pass-through mechanism. When raw material prices increase, it will also pass the markup on to clients. Thus, higher market prices of both will enhance the absolute gains given the margins
Capacity	The ramp-up of capacity caters to the increasing market demand.
Foreign exchange	The strengthened USD will bring foreign exchange gains since one-third of the output are exported.
Policy	Stringent environmental regulations phase out some market players, and Sunsine will take advantage of it to gain more market shares.
Downside	
Selling and raw material price	Given the margins are stable, lower prices will reduce the absolute gains.
Capacity	The existing capacity is insufficient to meet market demand, and production may overrun.
Foreign exchange	The weakened USD will bring foreign exchange losses.
Policy	Frequent environmental inspection may cause temporary stop work.

RECAP (BUY, TP: S$1.6, Div: 2.6 SG cents, Last: S$1.11)

PhillipCapital
Your Partner In Finance

Investment merits

- Sunsine is the market leader in rubber accelerator industry, commanding 18% share of global production
- We expect the current attractive rubber accelerator product spread to sustain for the next couple of years as supply continues to consolidate in China
- Stringent environmental policies in China are phasing out smaller producers in favour of the leading producers such as Sunsine
- Additional growth by capacity ramping by a third to 117k tonnes by 2020

Y Ventures Group Ltd

Monetizing data analytics through e-commerce

Paul Chew

Phillip Securities Research Pte Ltd

29 January 2018

Y Ventures Group Ltd (BUY, TP:S$0.70, Last: S$0.44)

PhillipCapital
Your Partner In Finance

Background

- Recently listed on June 2017.
- Y Ventures is a data analytics e-commerce retailer & distributor.
- Revenue is generated through product sales on online marketplaces. Majority of their business is from book sales in the USA.

Source: Company

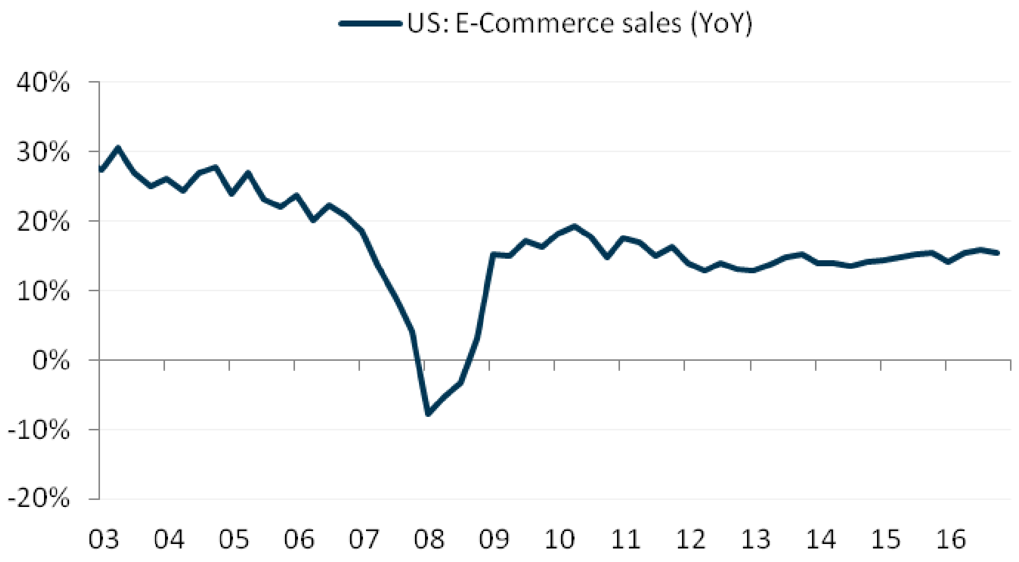
- Y Ventures sells products as:

(i) E-commerce retailer/distributor of a 3rd party brand;
(ii) Partner the brand owner/manufacturer for new products;
(iii) Sell products as its own branded item.

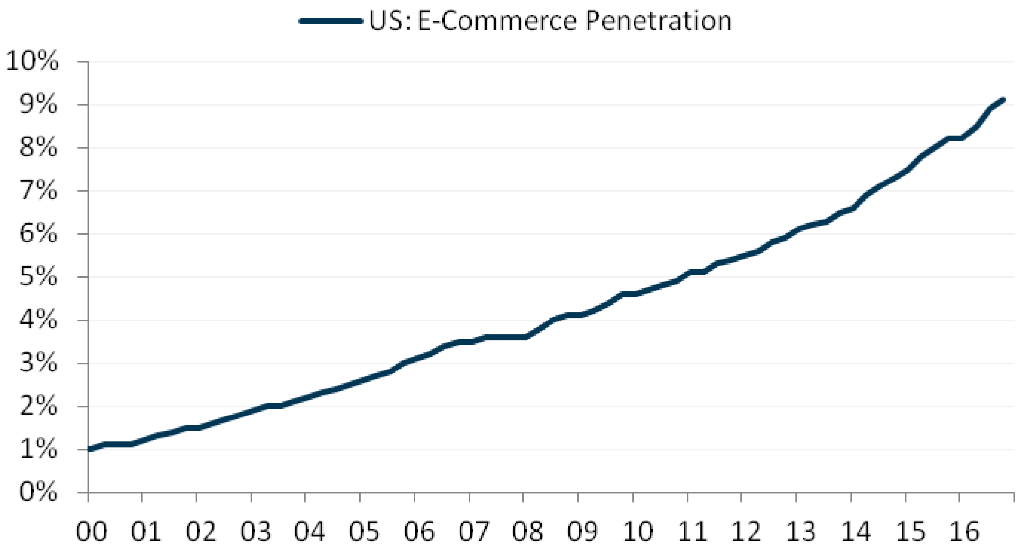
Y Ventures Group Ltd – Riding high on e-commerce

PhillipCapital
Your Partner In Finance

- E-commerce sales in US growing at CAGR 15.5%
- Internet penetration of retail is still low at 9.1% even in the US
- Southeast Asia's B2C ecommerce is set to reach over US$88.1bn by 2025, 8.1x larger compared to 2017's



Source: CEIC



Source: CEIC

Y Ventures Group Ltd – Investment Thesis

Key Investment Thesis:

1. Organic growth from existing publishers

2. Additional publishers

3. Building up own branded products

4. E-Commerce distributors of other consumer products

Y Ventures Group Ltd – 1) Organic growth from existing publishers

- Book publisher Elsevier is a major supplier to the company

- Expecting strong organic growth after the opening up of the buy box by a large e-marketplace in the US

Source: Amazon

Non-Featured Sellers

Buy Box (Default Sellers)

Y Ventures Group Ltd – 2) Additional publishers

- Expect additional publishers to use Y Ventures to become their official e-commerce retailer/partner due to the huge success with Elsevier

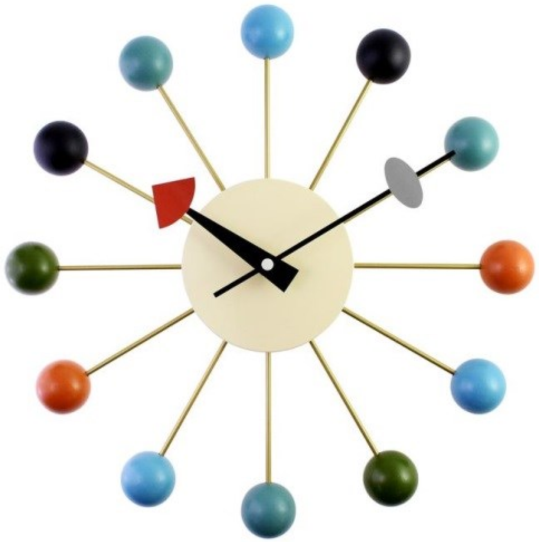
- Offline channels lack expertise and tools for online distribution

- Provide access to South East Asia

Y Ventures Group Ltd – 3) Building up own branded products

PhillipCapital
Your Partner In Finance

- *JustNile* an online retail private label brand
- *Faireleather* a joint venture with Tocco Toscano launched a project that managed to achieve S$406,000 making it Singapore most funded Kickstarter campaign



Source: JustNile.co

Source: Fairelether.co

Y Ventures Group Ltd – 4) E-commerce distributor of other consumer products

- Y Ventures is expected to be the preferred e-commerce distributor/retailer
- In January 18, secured 20 consumer brands (e.g. consumer electronics brand Lowepro, health and wellness brand Shanti Switchel, F&B brand Mavella

Source: Lowepro.co

Source: Shantiswitchel.co

Y Ventures Group Ltd – Valuation

PhillipCapital
Your Partner In Finance

- Target price **S$0.70**

- Peers can be more aggressively priced. Due to the smaller scale and difference in business model, we are adopting a more conservative valuation for Y Ventures. We are using a 30x PE FY18e as our target price. This also implies a PEG ratio of 0.3.s.

Company	1 Mth Perf.	3 Mth Perf.	YTD Perf.	Share Px Local Crcy	Mkt. Cap. (US$ m)	PE Yr 0	PE Yr + 1	PE Yr + 2	P/BV Yr 0	ROE Yr 0	P/Sales Yr 0	P/Sales Yr 1	EBITDA Margin
E-Retailers													
ASOS	6.1%	23.0%	5.4%	7080	8,435	92.4	72.8	58.4	14.4	26.3%	4.4	3.4	24.7%
Wayfair	14.6%	42.8%	13.6%	91	8,007	-41.2	-44.6	-60.8	101.4	n.m	2.4	1.7	-26.6%
StitchFix	-14.7%	38.6%	-18.7%	21	2,035	n.m	77.8	174.8	7.3	n.m	2.1	1.7	-55.5%
Y Ventures	63.6%	87.5%	57.9%	0.44	69	39.2	53.7	18.7	7.5	55.7%	5.7	2.0	13.6%
	7.7%	33.5%	6.5%		18,546	-183.1	-514.3	655.6	51.1	12.2%	3.3	2.8	-178.4%

Y Ventures Group Ltd – Risk Factors

- Online marketplaces have full discretion on who will be listed in the buy box.
- The Elsevier group currently supplies 66.6% of medical textbooks
- Zhoukoudian trading who is a wholesaler of books is a major customer of Y Ventures accounting for 33.8% of sales in FY16

Frasers Centrepoint Trust

Slowing rental reversions need a faster retail boost

Tan Dehong

Phillip Securities Research Pte Ltd

29 January 2018

Frasers Centrepoint Trust (Maintain Neutral, TP: $2.14 (unchanged), Last: $2.30, FY18e DPU: 12.3c)

PhillipCapital
Your Partner In Finance

Results at a glance

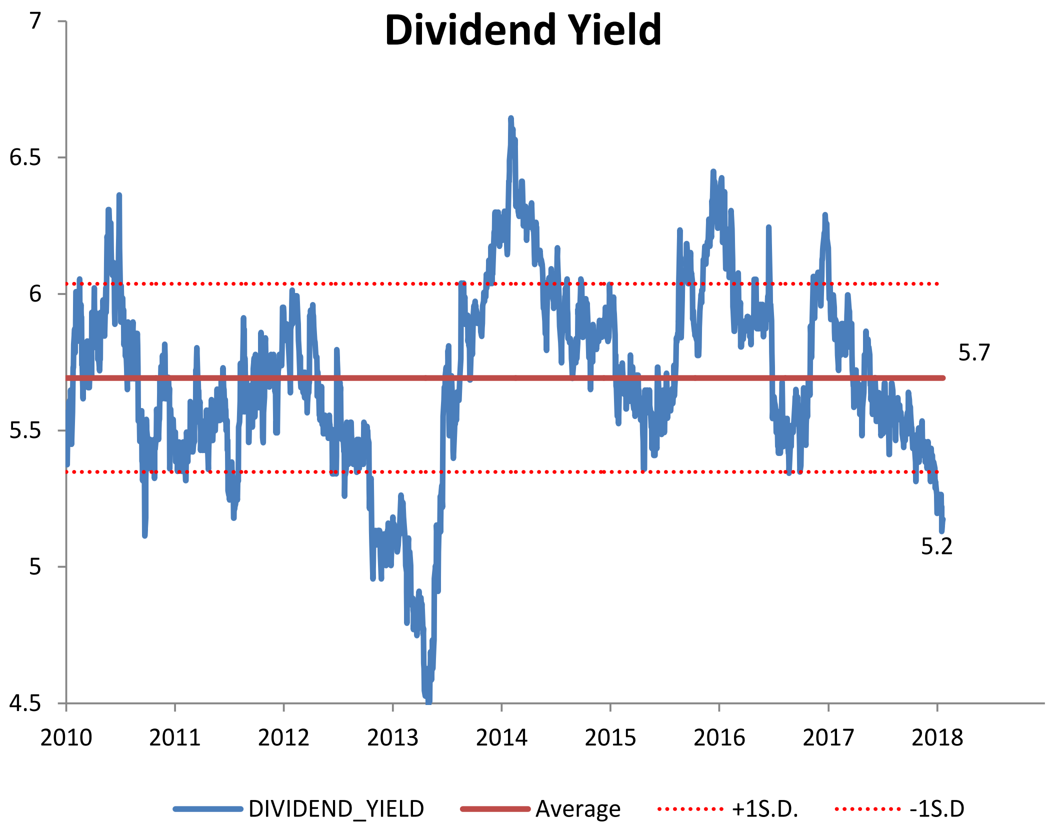
(SGD mn)/Sept Yr End	1Q18	1Q17	YoY (%)	Comments
Gross Revenue	47.9	44.1	8.7	Mainly due to improvement in occupancy at Northpoint City North Wing with the completion of AEI
Net property income	34.5	31.6	9.1	7.7% higher property expenses due to higher utilities tariffs and maintenance expenses
Distributable income	27.8	26.7	4.2	Lower percentage (50%) of management fees paid in units, vs 70% year ago
DPU (Cents)	**3.00**	**2.89**	**3.8**	

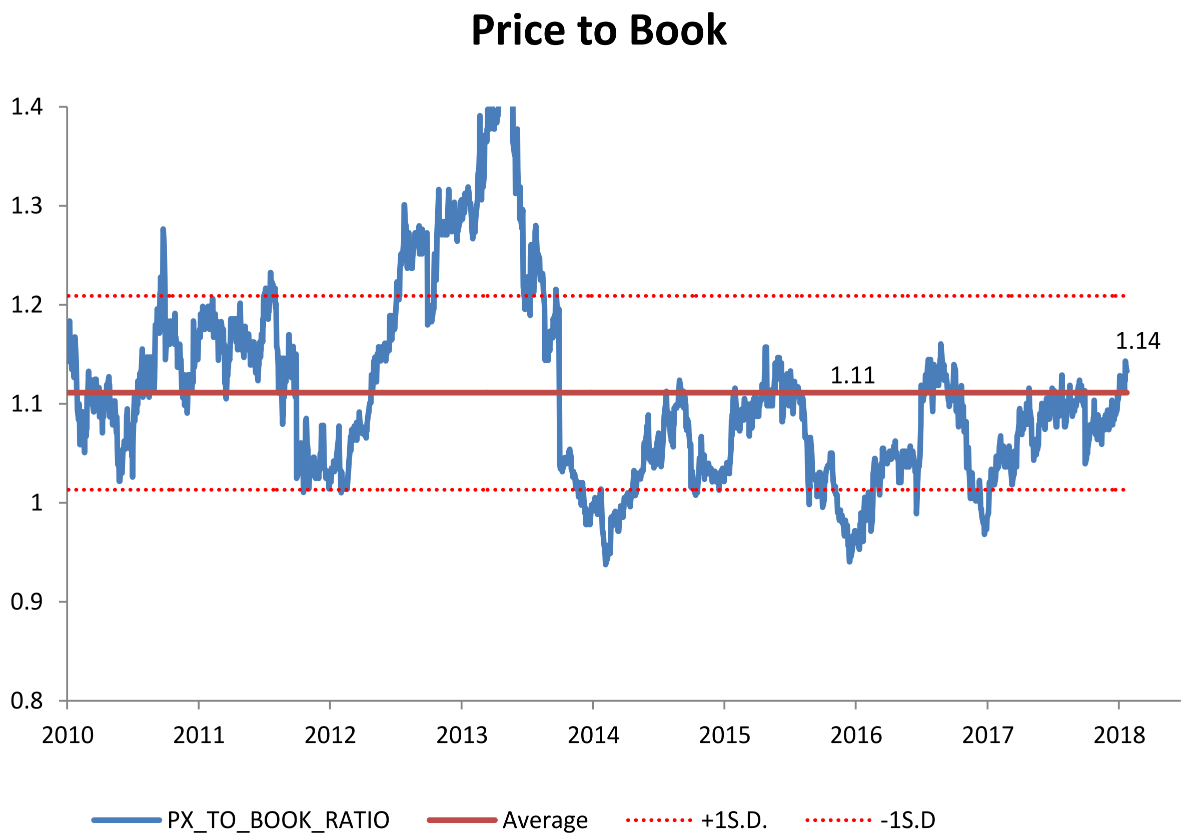
Source: Company, PSR

- Portfolio tenant sales (excl NPNW) stabilised and up 0.2% yoy (vs 1-year trough of -6.9% YoY in 2Q17).
- Slight improvement in portfolio occupancy to 92.6%, supported by gradual resumption of occupancies at NPNW post-AEI.
- Slowing rental reversions at 1% (FY17: 5.1%) primarily dragged down by Bedok Point.
- Ramp up in occupancies for NPNW likely mitigated by the gradual reduction in management fees taken in units (FY17: 70%) vs our forecasted FY18e of 25%.

Frasers Centrepoint Trust (Maintain Neutral, TP: $2.14 (unchanged), Last: $2.30, FY18e DPU: 12.3c)

FCT trades at below post-GFC average yield and close to average P/NAV





Source: Bloomberg, PSR

CapitaLand Mall Trust

High occupancy costs taking its toll

Tan Dehong

Phillip Securities Research Pte Ltd

29 January 2018

CapitaLand Mall Trust (Maintain Neutral, TP: $2.03 (from S2.01), Last: $2.10, FY18e DPU: 11.4c)

PhillipCapital
Your Partner In Finance

Results at a glance

(SGD mn)/Dec Yr End	FY17	FY16	YoY (%)	Comments
Gross Revenue	682.5	689.7	(1.1)	Mainly due to closure of Funan Mall for redevelopment from 1 July 2016, partially offset by higher rental for IMM, JCube, Clarke Quay. Excluding Funan, up 0.6% yoy
Net property income	478.2	479.7	(0.3)	Same reason as above, excluding Funan up 1.2% yoy
Distributable income	395.8	394.3	0.4	Higher distributions from Associate (CRCT)
DPU (Cents)	**11.16**	**11.13**	**0.3**	

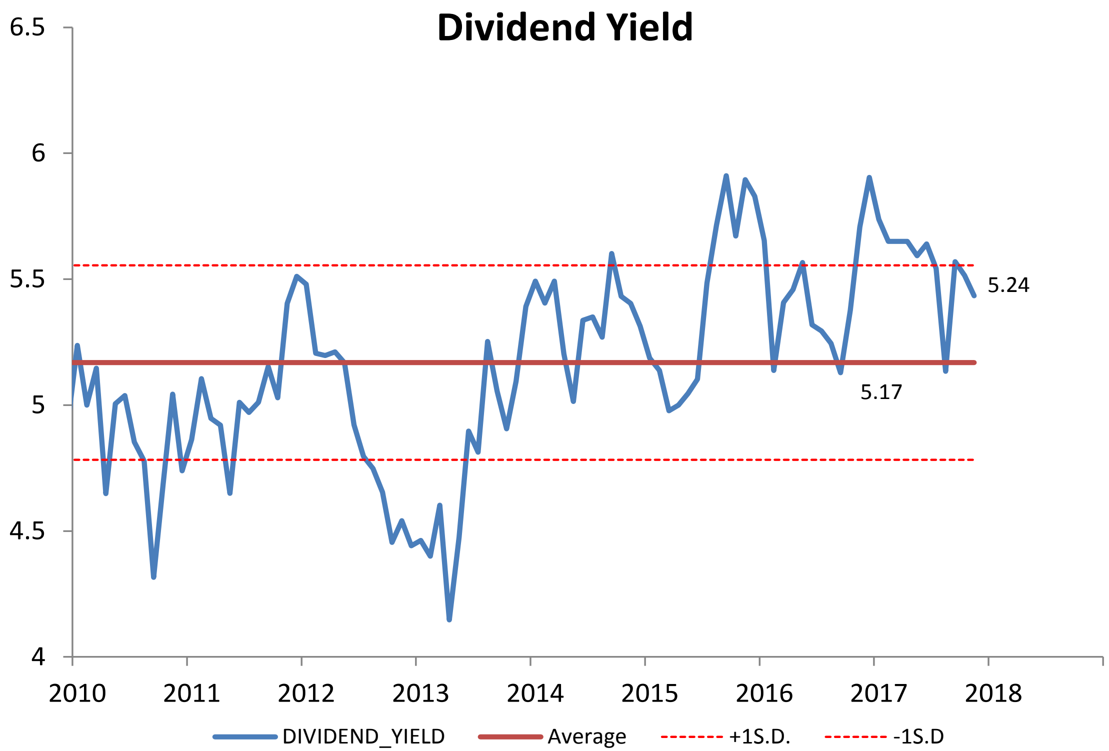
Source: Company, PSR

- Net Property Income (NPI) margins improved YoY from 69.5% to 70.1.
- Gross revenue stable (excluding Funan) despite negative reversions.
- Rental reversions came in at negative 1.7% for FY17, dragged down by Westgate, Bedok Mall and Tampines Mall.
- Expect continued pressure for rental reversions for FY18 on the back of high occupancy cost, ongoing e-commerce threat, supply of retail space over the next two years.

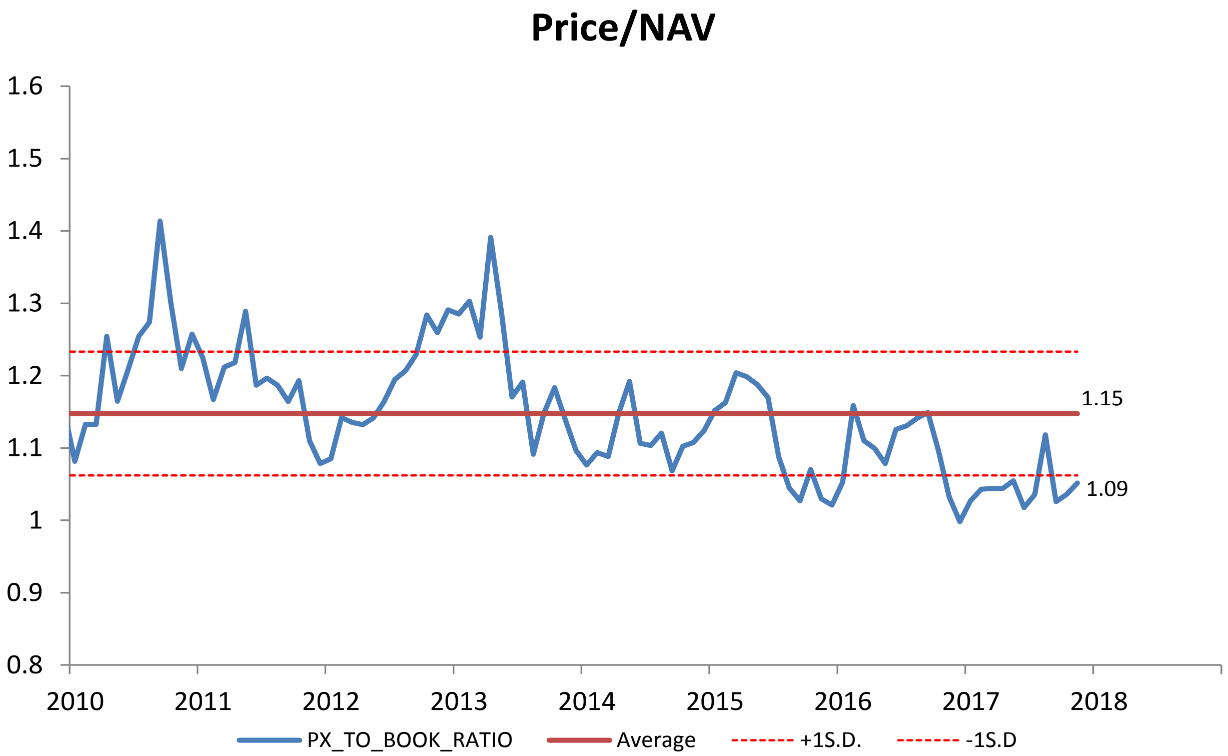
CapitaLand Mall Trust (Maintain Neutral, TP: $2.03 (from S2.01), Last: $2.10, FY18e DPU: 11.4c)

PhillipCapital
Your Partner In Finance

CMT trades at cheaper than post GFC average valuations



Source: Bloomberg, PSR



CapitaLand Commercial Trust

A year of portfolio reconstitution and office rental bottom

Tan Dehong

Phillip Securities Research Pte Ltd

29 January 2018

CapitaLand Commercial Trust (Downgrade Neutral, TP: $1.8 (unchanged), Last: $1.92, FY18e DPU: 8.7c)

Results at a glance

(SGD mn)/Dec Yr End	FY17	FY16	YoY (%)	Comments
Gross Revenue	337.5	298.6	13.0	**Consolidation of CapitaGreen earnings and contributions from Asia Square Tower 2 offset loss in gross revenue from divestments**
Net property income	265.5	231.3	14.8	**In line with above**
Distributable income	288.9	269.0	7.4	**Includes other gains distribution of S$4.4mn to top-up for loss in income arising from divestments and S$8mn tax-exempt distribution**
DPU (Cents)	**8.66**	**8.25**	**5.0**	

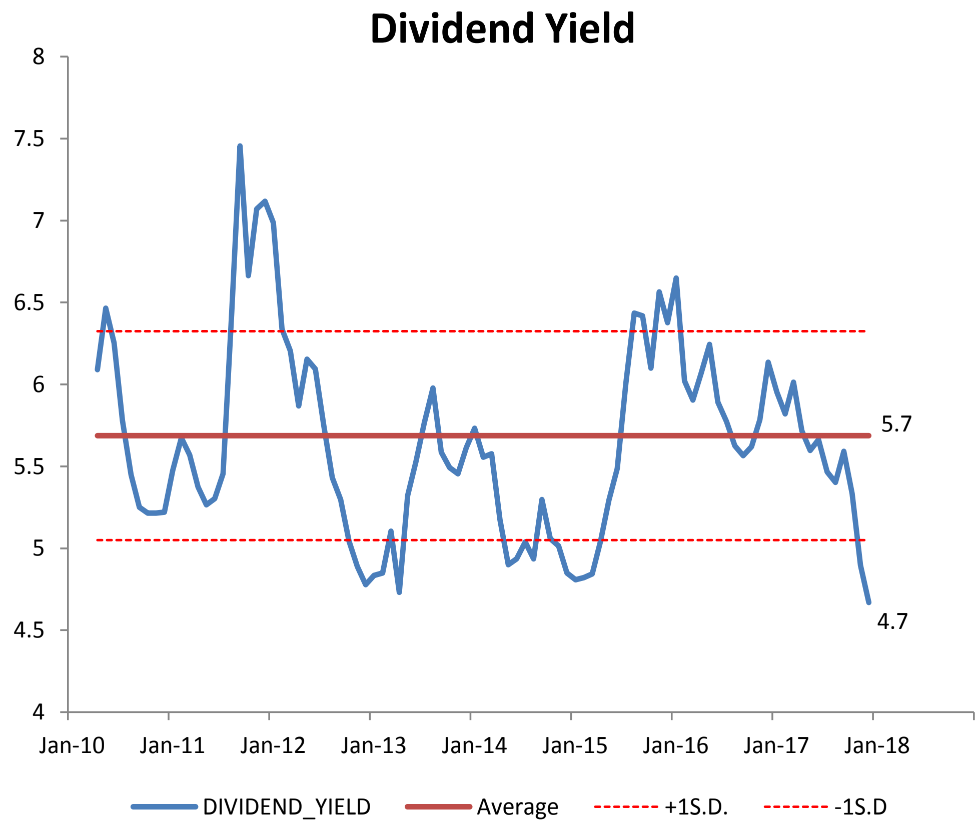
Source: Company, PSR

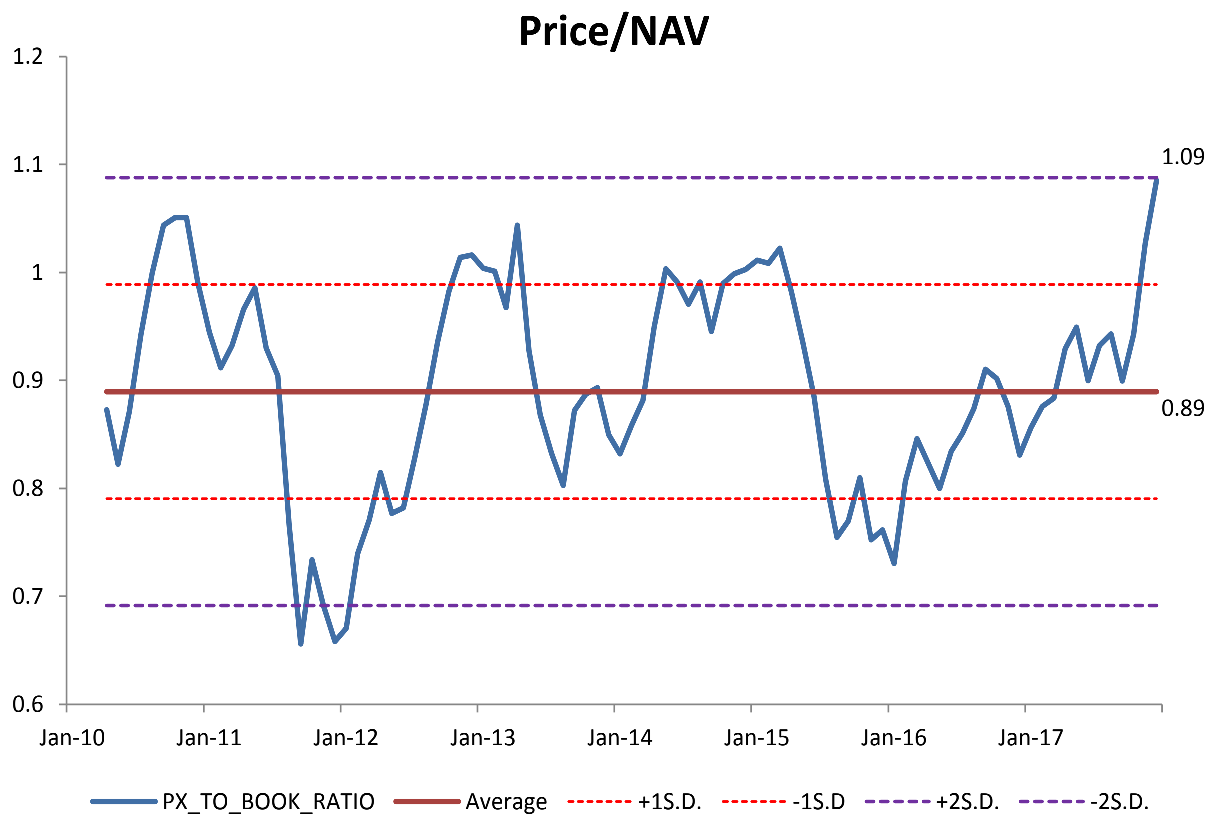
- Portfolio occupancy stable as retention rate improves.
- Further acceleration of office rent index, up 3.3% in 4Q17, 2nd quarter of growth after 9 consecutive quarters of decline.
- Cash top ups from divestment proceeds to maintain DPU.
- Negative rental reversions not expected to ease until 2H18.

CapitaLand Commercial Trust (Downgrade Neutral, TP: $1.8 (unchanged), Last: $1.92, FY18e DPU: 8.7c)

PhillipCapital
Your Partner In Finance

CCT trades at >1s.d. more expensive valuations vs post GFC average





Source: Bloomberg, PSR

Ascendas REIT

Operationally stable

Richard Leow

Phillip Securities Research Pte Ltd

29 January 2018

Ascendas REIT

(Accumulate, TP: $2.89, DPU: 16.0 cents (5.6%) , Last: $2.84)

PhillipCapital
Your Partner In Finance

Results at a glance

(SGD mn)	3Q18	3Q17	YoY	Comments
Gross revenue	**217**	**209**	**4.1%**	**Acquisition of DNV/DSO in Singapore, 52 Fox Drive, 100 Wickham Street and 108 Wickham Street in Australia; partially offset by divestment of A-REIT City @ Jinqiao, 10 Woodlands Link and 13 International Business Park**
Net property income	158	155	1.7%	11.2% lower property operating expenses
Distributable income	116	115	1.1%	
DPU (cents)	**3.970**	**3.993**	**-0.6%**	**One-off property tax refund in 3Q17; 2.7% larger unit base**

Source: Company, PSR

Positive renewal rate of +3.1% for Total Portfolio

- SG: +5.8%; Australia: -1.0%

Capital recycling

- Divested: 84 Genting Lane, Acquired: 100 Wickham Street office space in Queensland
- Proposed acquisition of speculative build logistics property in Brisbane

QoQ lower total portfolio occupancy from 92.0% to 91.1%

- Both lower QoQ: SG (90.1% →88.8%); Australia (98.7%→98.5%)

Outlook: stable

- Contributions from acquisitions able to buffer impact from over-supply headwinds

Implied 1.36 times FY18e forward P/NAV multiple

Keppel DC REIT

Lifted by acquisitions and more to come

Richard Leow

Phillip Securities Research Pte Ltd

29 January 2018

Keppel DC REIT

(Neutral, TP: $1.47, DPU: 7.73 cents (5.4%) , Last: $1.43)

PhillipCapital
Your Partner In Finance

Results at a glance

(SGD mn)	FY17	FY16	YoY	Comments
Gross revenue	**139**	**99**	**40.3%**	**Acquisitions of KDC DUB 2, Milan DC, Cardiff DC and the 90.0% interest in KDC SGP 3**
Net property income	125	91	37.6%	69.8% higher prooerty expenses
Distributable income	82.3	61.0	34.8%	FY17 includes S$1.7mn one-off capital distribution in 1Q17, in relation to KDC SGP 3 acquisition
DPU (cents)	**7.12**	**6.14**	**16.0%**	**Effect of 274-for-1,000 Preferential Offering on 3Q16 and 4Q16 DPU, and one-off capital distribution equivalent to 0.15 cent in 1Q17**
DPU, adj. (cents)	**6.97**	**6.68**	**4.3%**	**Adjusted for one-off capital distribution and effect of Preferential Offering**

Source: Company, PSR

Portfolio WALE remains long at 9.1 years

Aggregate leverage remains low at 32.1%; no debt maturing in 2018

- ~$210mn debt headroom (based on manager's internal cap of 40%)

Key client renewed Gore Hill lease at -4.5% reversion, given bulk discount

- Tenant takes up multiple spaces within portfolio and took up more space in this renewal

Outlook: stable to positive

- Only 2.2% and 2.3% of NLA for renewal in 2018 and 2019, respectively
- Full year contribution from KDC DUB 2 (acq. Sep 2017) & contribution from maincubes (exp. 2Q18)
- Manager is working towards achieving the $2bn AUM target in 2018

Rich valuation at 1.45 times FY18e P/NAV multiple

Mapletree Industrial Trust

Strategic acquisition in US to lift portfolio

Richard Leow

Phillip Securities Research Pte Ltd

29 January 2018

Mapletree Industrial Trust

(Neutral, TP: $2.15, DPU: 12.08 cents (5.7%) , Last: $2.12)

PhillipCapital
Your Partner In Finance

Results at a glance

(SGD mn)	3Q18	3Q17	YoY	Comments
Gross revenue	**91.5**	**84.5**	**8.3%**	**Contribution from HP build-to-suit**
Net property income	70.9	63.4	11.7%	2.0% lower property operating expenses
Share of profit from JV	0.73	-	N.M.	12 days contribution from Dec 20, 2017
Distributable income	53.5	51.1	4.6%	13.9% higher trust expenses; mainly from higher borrowing costs and manager's fees
DPU (cents)	**2.88**	**2.83**	**1.8%**	**0.99 cent advanced distribution before private placement and 1.89 cents for enlarged units**

Source: Company, PSR

Gearing remains relatively low at 33.8%

Enquiries are picking up at the Kallang AEI project

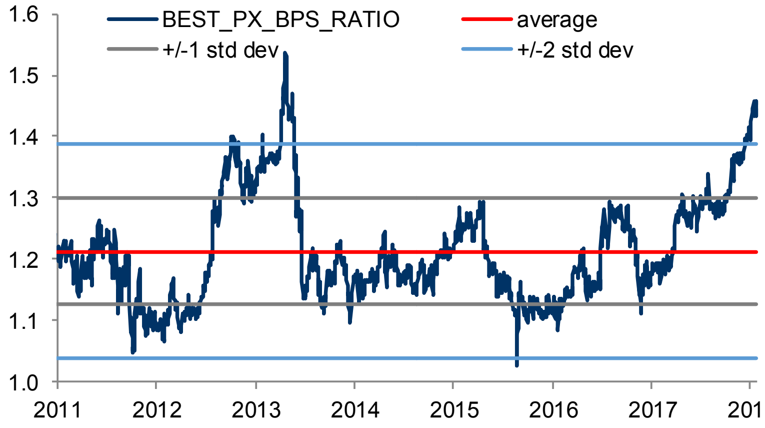
- 12% committed & ~18% in discussion; manager optimistic on 30% by end FY17/18

Outlook: stable to positive

- Oversupply situation improving, with tapering of new supply
- Kallang AEI and data centre BTS coming on stream in CY2018

Uncompelling valuation at 1.48 times FY18e P/NAV multiple

- 12M-forward P/NAV more than +2 std dev above historical average



Disclaimer

The information contained in this presentation has been obtained from public sources which Phillip Securities Research Pte Ltd ("PSR") has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this presentation are based on such information and are expressions of belief only. PSR has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this presentation is subject to change, and PSR shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will PSR be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

This presentation is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person.

You should seek advice from a financial adviser regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before making a commitment to invest in such products.

Ask Questions!

PhillipCapital
Your Partner In Finance

Archived Webinar videos can be accessed at:

https://www.StocksBnB.com/webinars/

BULL AND BEAR™

StocksBnB.com

Have an opinion or questions on our reports?
Post them in the comment section of the report!

Analysts

Paul Chew, Head of Research

Pei Sai Teng, Macro

Jeremy Ng, Technical Analysis

Jeremy Teong, Banking & Finance

Soh Lin Sin, Consumer | Healthcare

Richard Leow, Transport | REITs (Industrial)

Dehong Tan, REITs (Commercial, Retail, Healthcare) | Property

Ho Kang Wei, US Equity

Chen Guangzhi, Oil and Gas | Energy

By Phillip Securities Research

Mohamed Amiruddin, Operations Exec