CapitaLand

# CapitaLand Investor Day 2017

## Presentation By Mr. Andrew Lim, Group CFO

**14 November 2017**

# Key Highlights

**Resilient Financial Performance**

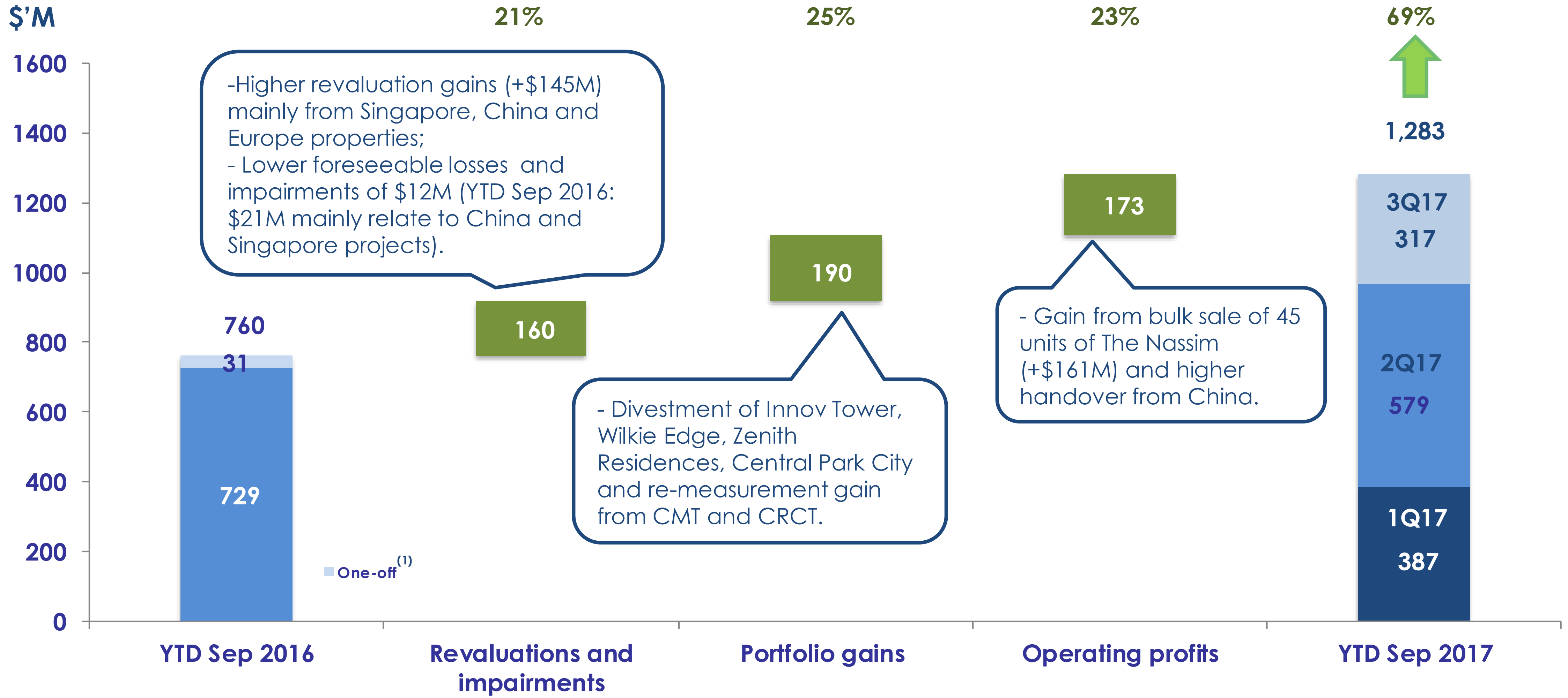
**Strong Balance Sheet**

**Active And Prudent Capital Management**

# Resilient Financial Performance

ION Orchard, Singapore

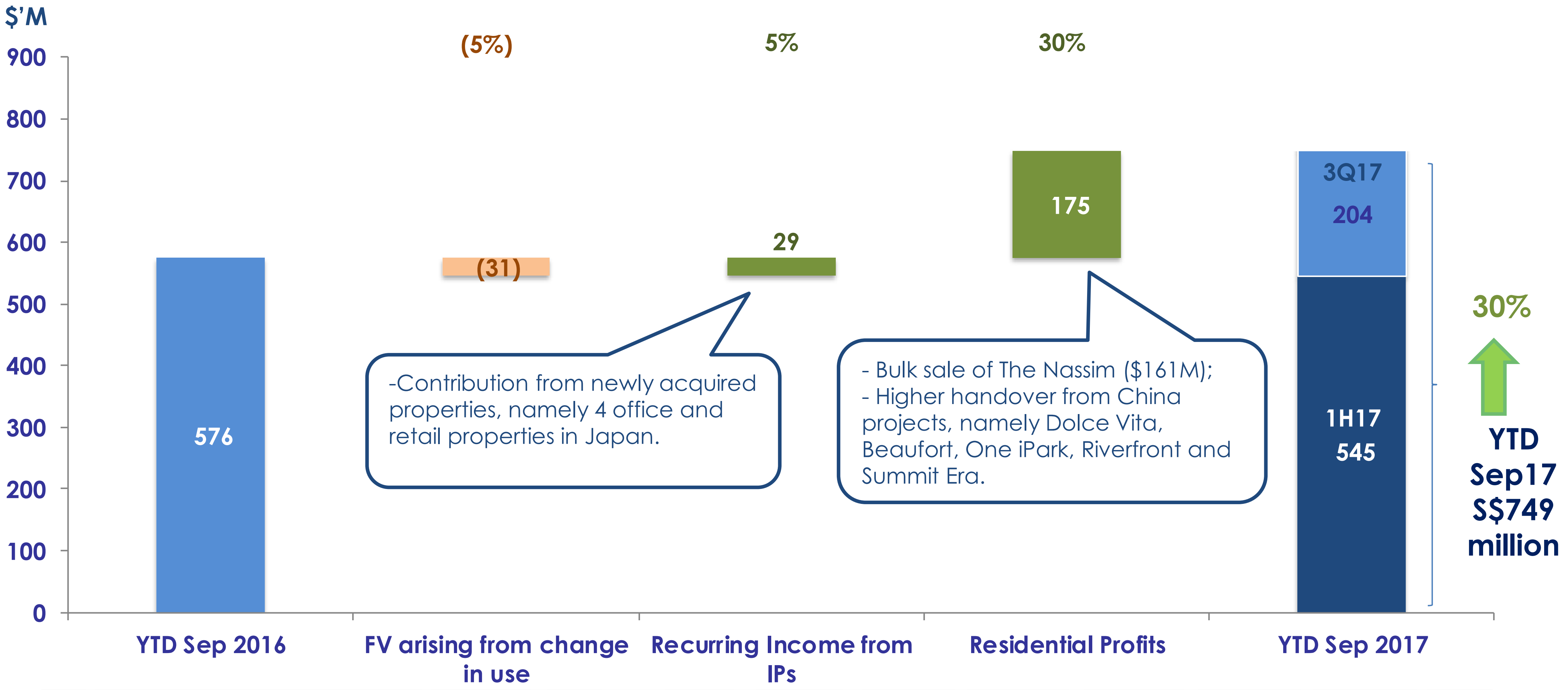
# YTD September 2017 PATMI Up 69% YOY




**Higher PATMI Driven By Portfolio & Revaluation Gains & Improved Operating Performance**

Notes:
(1) Relates to fair value gain arising from change in use of development projects in China, from construction for sale to leasing as an investment property

# Growth In Operating PATMI Continues




**8% Increase In Total Operating PATMI (Excluding Fair Value Gain From Change In Use & Gain From The Nassim)**

Notes:
(1) One- off items for YTD Sep 2016: $31M relate to fair value gains from change in use of properties.
(2) Includes corporate costs.

# Divested Assets To Reconstitute Portfolio & Recycle Capital

| Divestments | SBU/ Entity | Consideration S$ Million |
|---|---|---|
| 50% stake in One George Street, Singapore | CCT | 591.6 |
| Ascott Orchard Singapore, Citadines Michel Hamburg and Citadines City Centre | Ascott | 502.2 |
| Wilkie Edge, Singapore | CCT | 280.0 |
| Innov Tower, Shanghai | CLC | 271.0 |
| CapitaMall Anzhen | CRCT | 232.0 |
| Citadines Biyun Shanghai and Citadines Gaoxin Xi'an | ART | 174.5 [1] |
| Golden Shoe Car Park, Singapore | CCT | 161.1 |
| Eighteen Japan rental housing properties | ART | 153.6 |
| Victory SR Trust Units | CMT | 58.8 [2] |
| | | **2,424.8** |

One George Street, Singapore


Citadines Biyun Shanghai

Citadines Michel Hamburg

Note:
The table includes assets divested to unrelated parties and CapitaLand REITs/ fund.

1. Announced on 3 July 2017 and to be completed in 2H 2017.
2. Victory SR Trust currently holds certain undivided shares of and in a property in Singapore known as Funan (the "Property") and will, on completion of the redevelopment of the Property, hold the strata lot comprised in the Property, which is being developed for serviced residence use.

# Active Capital Deployment

| Investments | SBU/ Entity | Consideration S$ Million |
|---|---|---|
| Asia Square Tower 2 in Singapore | CCT | 2,115.7 |
| Office and retail assets in Greater Tokyo | CMA | 636.3 |
| Ascott Orchard Singapore, Citadines Michel Hamburg and Citadines City | ART | 502.2 |
| Innov Center (formerly known as Guozheng Center), Shanghai | CLC | 424.1 |
| Quest Cannon Hill and 60% interest in Quest Apartment Hotels | Ascott | 216.0 |
| DoubleTree by Hilton Hotel New York – Times Square South | ART | 148.4 |
| The Domain Hotel, Silicon Valley, California | Ascott | 81.5 [1] |
| Hotel Central Fifth Avenue New York | Ascott | 68.0 [2] |
| Victory SR Trust Units | Ascott | 58.8 [3] |
| 80% interest in Synergy Global Housing LLC | Ascott | 46.7 |
| | | **4,297.7** |
| <u>Future deployment</u> | | |
| Redevelopment of Golden Shoe Car Park | CL, CCT | 1,638.0 [4] |
| | | **5,935.7** |

Note:
The table includes assets acquired by
- CapitaLand from unrelated parties, and
- CapitaLand REITs from CapitaLand or unrelated parties

1. To be rebranded to Citadines Cupertino Sunnyvale in 4Q 2018.
2. Including the cost of renovation for rebranding into Citadines Fifth Avenue New York.
3. Victory SR Trust currently holds certain undivided shares of and in a property in Singapore known as Funan (the "Property") and will, on completion of the redevelopment of the Property, hold the strata lot comprised in the Property, which is being developed for serviced residence use.
4. Based on CapitaLand and CCT's 90% share of the S$1.82 billion estimated total project cost.


Asia Square Tower 2, Singapore


Yokohama Blue Avenue, Yokohama


Innov Center, Shanghai

# Strong Balance Sheet


Plaza Singapura, Singapore

# Financial Impact Of Consolidating CMT, CRCT and RCST

**As Of 30 Sep 2017**

Impact On CapitaLand Group's Balance Sheet

| S$ Million | Before Consolidation | Impact | After Consolidation |
|---|---|---|---|
| Total Assets | 46,048.5 | 12,014.3 | 58,062.8 |
| Total Liabilities | 20,630.0 | 6,182.1 | 26,812.1 |
| Total Equity | 25,418.5 | 5,832.2 | 31,250.7 |
| Net Debt To Equity (%) | 0.35 | 0.08 | 0.43 |

**YTD 30 Sep 2017**

Impact On CapitaLand Group's Income Statement

| S$ Million | Before Consolidation | Impact | After Consolidation |
|---|---|---|---|
| Revenue | 3,228.0 | 169.2 | 3,397.2 |
| EBIT | 2,285.1 | 114.8 | 2,399.9 |
| PATMI | 1,271.0 | 12.0 | 1,283.0 |
| Basic EPS (cents) | 29.9 | 0.28 | 30.2 |
| Diluted EPS (cents) | 27.8 | 0.25 | 28.0 |

# Balance Sheet & Liquidity Position

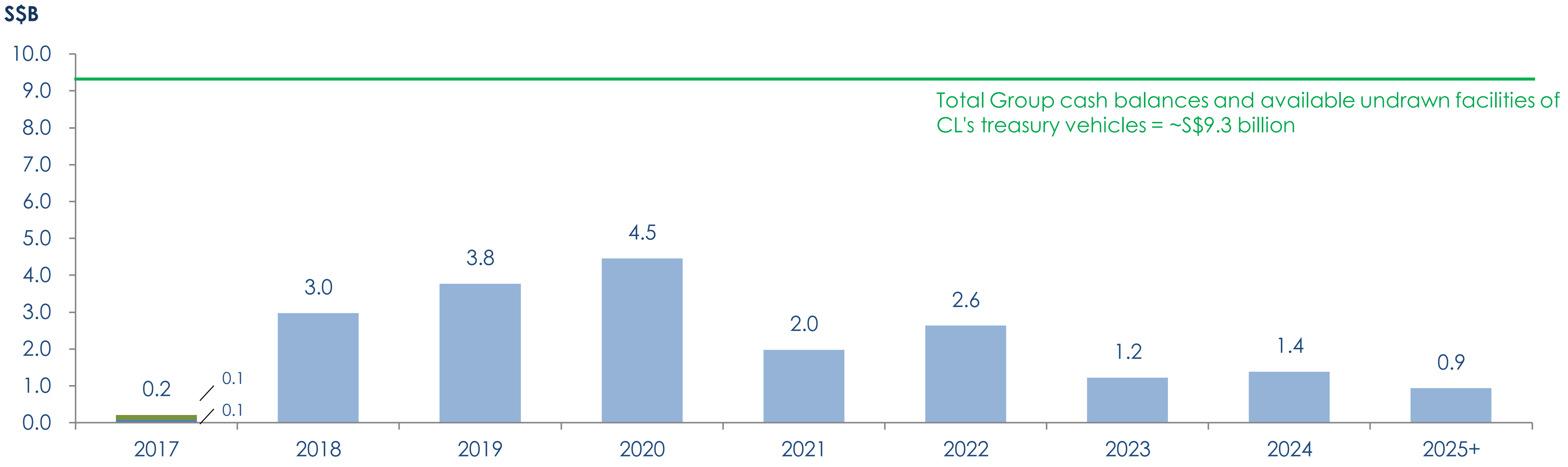
| | FY 2016 | YTD Sep 2017 |
|---|---|---|
| **Leverage Ratios** | | |
| Net Debt/Total Assets[1] | 0.25 | 0.26 |
| Net Debt/Equity | 0.41 | 0.43 |
| **Coverage Ratios** | | |
| Interest Coverage Ratio[2] | 6.5 | 9.1[4] |
| Interest Service Ratio[2] | 10.3 | 10.2[4] |
| **Others** | | |
| % Fixed Rate Debt | 72% | 72% |
| Ave Debt Maturity[3] (Yr) | 3.3 | 3.4 |
| NTA per share ($) | 4.05 | 4.16 |

**Balance Sheet Remains Robust**

Note:
1. Total assets excludes cash
2. Interest Coverage Ratio = EBITDA/ Net Interest Expenses; Interest Service Ratio = Operating Cashflow/ Net Interest Paid. EBITDA includes revaluation gain
3. Based on put dates of Convertible Bond holders
4. On a run rate basis

# Well-Managed Debt Maturity Profile (As At 30 Sep 2017)

## Recently Tapped Market For 10-Years S$500 Million At 3.08%

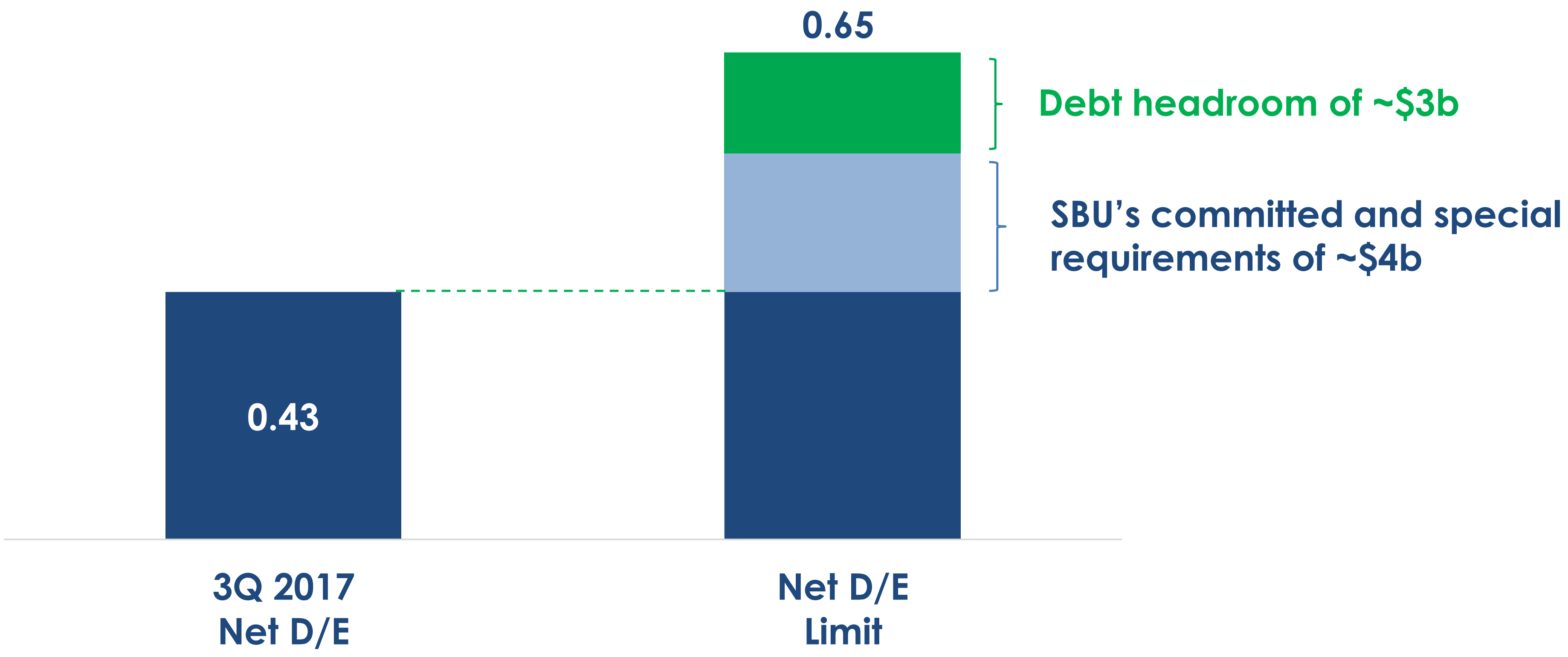



| On Balance Sheet Debt Due In 2017 (Excl. On B/S REITs[1]) | S$' billion |
|---|---|
| To be refinanced | 0.1 |
| To be repaid | 0.0 |
| **Total** | **0.1** |

## Well-Managed Maturity Profile[2]

Note:
1. Ascott Residence Trust (ART), CapitaLand Commercial Trust (CCT), CapitaLand Mall Trust (CMT), CapitaLand Malaysia Mall Trust (CMMT), CapitaLand Retail China Trust (CRCT) and RCS Trust (Raffles City Singapore – directly held by CCT and CMT)
2. Based on the put dates of the convertible bonds

# Capacity To Fund Growth

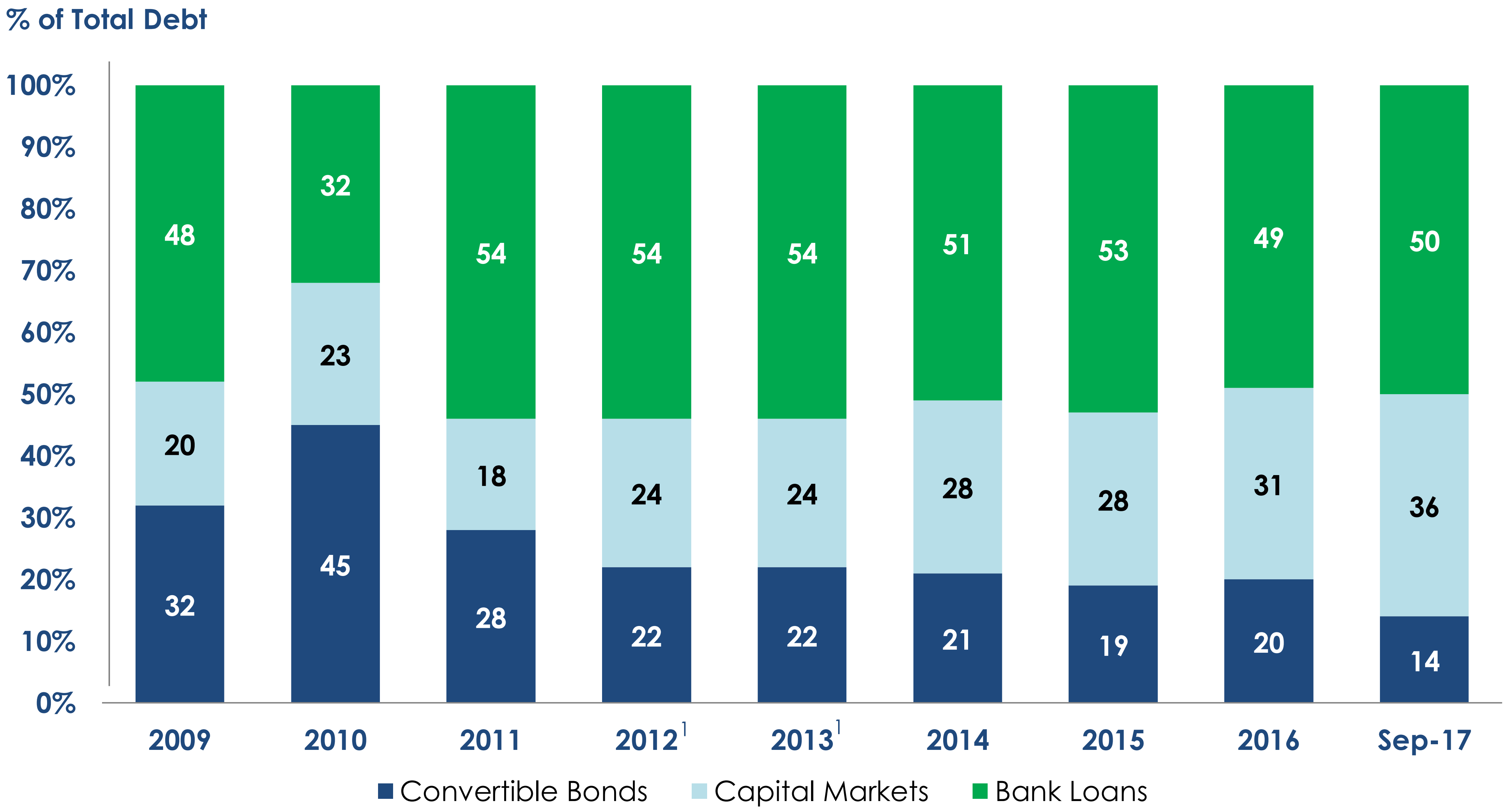



**Focus On Optimising Impact From Every Dollar Of Invested Capital**

# Active and Prudent Capital Management


Raffles City Beijing, China

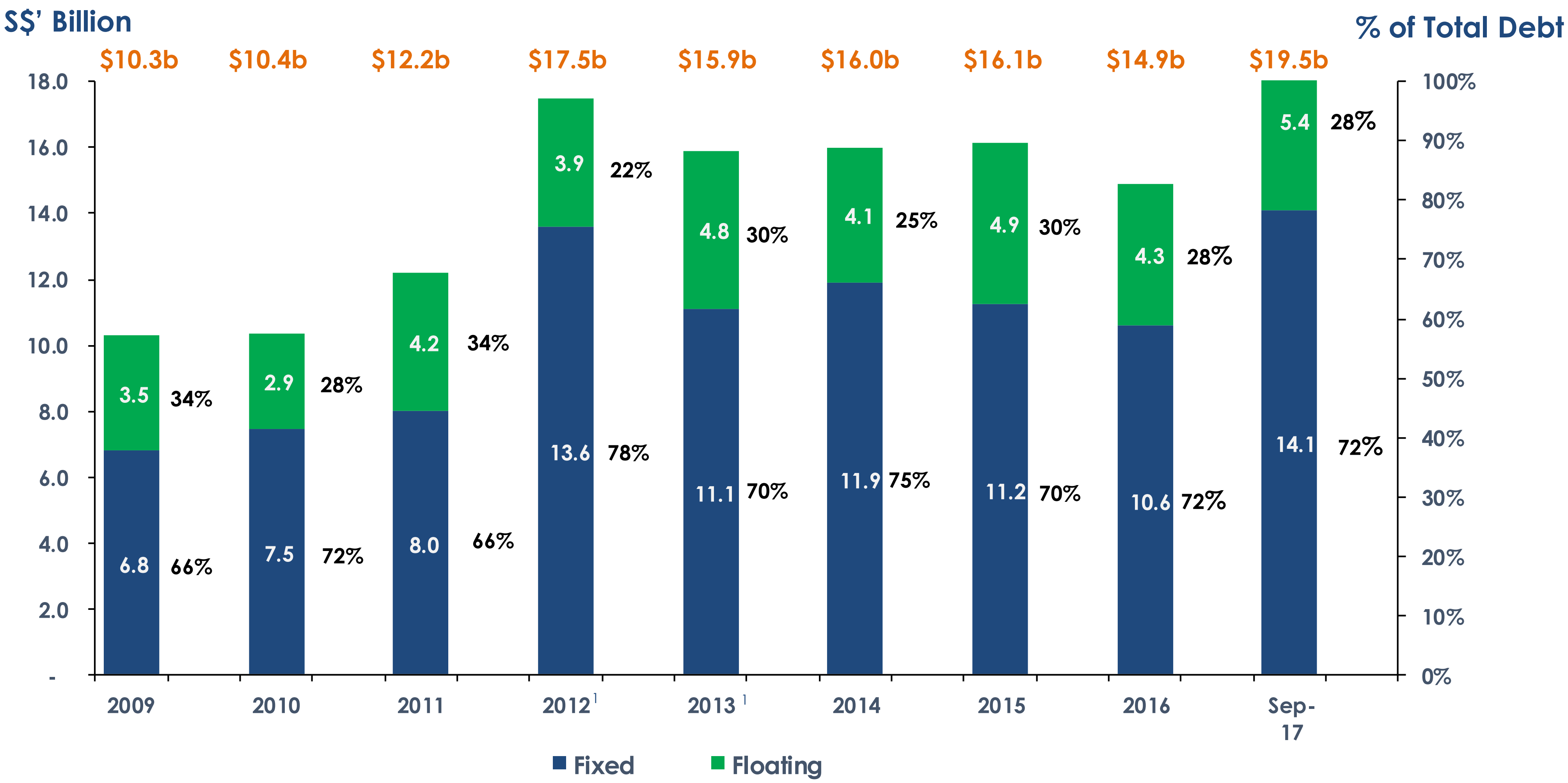
# Strong Ability To Access Capital Markets




Note:
1. Restated balance to take into account the retrospective adjustments arising from FRS 110.

# Good Mix Of Fixed And Floating Interest Rates

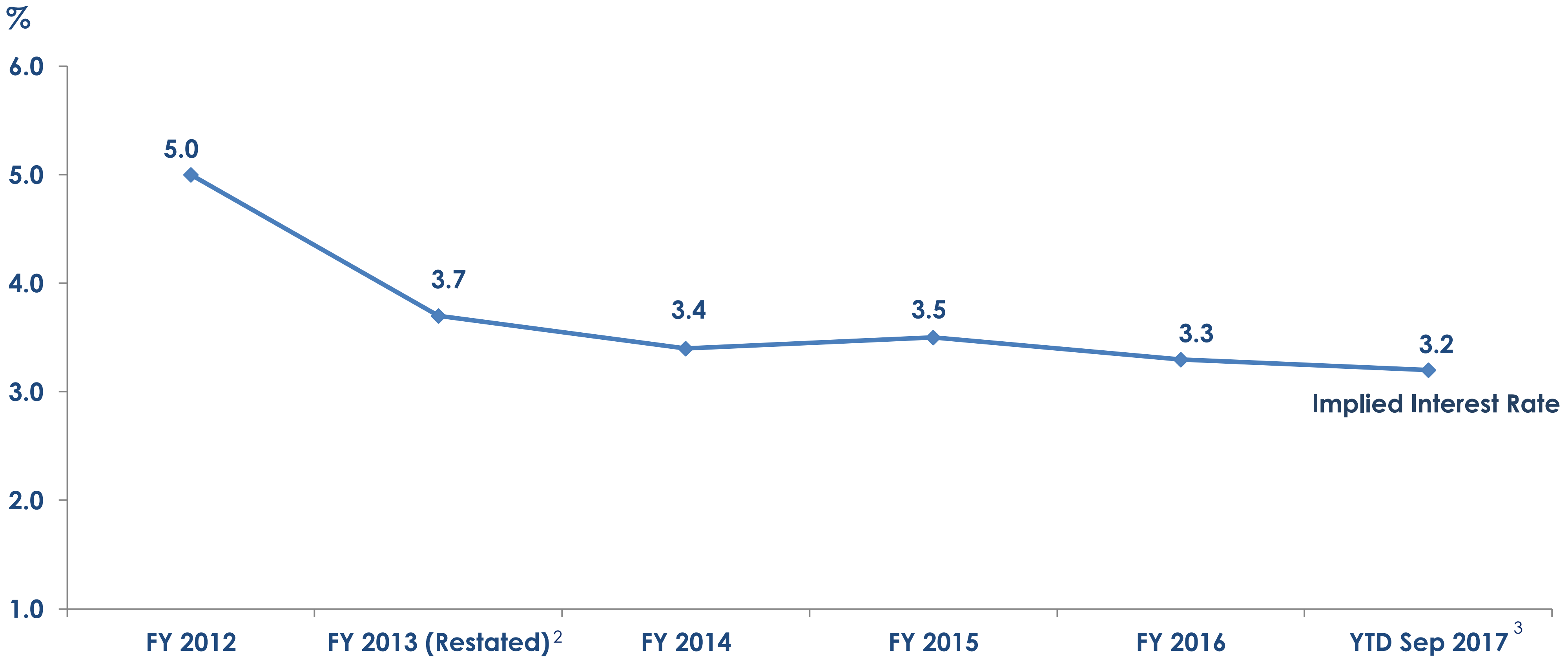
## Well-Mitigated Against Any Interest Rate Increase




Note:
1. Restated balance to take into account the retrospective adjustments arising from FRS 110.

# Disciplined Interest Cost Management

## Implied Interest Rates[1] Kept Low at 3.2%




Note:
1. Implied interest rate for all currencies = Finance costs before capitalisation/Average debt
2. Implied interest rate for all currencies before restatement was 4.2%
3. Straight annualisation

# Conclusion

One George Street, Singapore

# Conclusion

- Well-balanced portfolio enables the Group to maintain stable recurring income operating PATMI

- Prudent capital management ensures sustainable future growth

- Ability to tap on diversified sources for funds help to preserve financial flexibility

# Thank You