

Mapletree Industrial Trust (MINT SP)

2QFY27: Revamp Underway

Highlights

- Singapore occupancy was broadly stable at 94.2% in 2QFY27. Average rental reversion strengthened to 6.9%, comprising 7.1% for general industrial buildings and 3.7% for hi-tech buildings & business space.
- North American occupancy declined 3.4ppt qoq to 79.1%, reflecting the full-quarter impact of the non-renewal at 7337 Trade Street, San Diego. After quarter-end, MINT secured new 15.5-year and 5.3-year leases for data centres at Alpharetta and San Jose commencing in Oct 26.
- Upgrade to HOLD as MINT's unit price has dropped 9.8% since our downgrade on 10 Sep 26. Target price: S\$1.72.

2QFY27 Results

Year to 31 Mar (\$m)	2QFY27	yoy % Chg	Remarks
Gross Revenue	167.0	-1.9	Non-renewals for US data centres and divestments in Singapore.
Net Property Income (NPI)	119.8	-3.5	
Borrowing Costs	(20.2)	-6.8	Cost of debt rose 0.3ppt yoy to 3.3% in 2QFY27.
Distribution Declared by JV	6.0	+13.1	Rental escalation and one-off utility credits.
Distributable Income	84.8	-6.5	
DPU (S cents)	2.97	-6.6	

Source: MINT, UOB Kay Hian

Analysis

- Mapletree Industrial Trust (MINT) reported DPU of 2.97 cents for 2QFY27, down 6.6% yoy but in line with our expectation.
- Revenue and NPI fell 1.9% and 3.5% yoy respectively** in 2QFY27, reflecting lower North American contributions, the absence of income from three Singapore properties divested in Aug 25 and Japanese yen depreciation against the Singapore dollar. Distribution declared by JV increased 13.1% yoy due to utility credits and rental escalation, partially offset by repricing interest rate swaps.
- Singapore and Japan are key stabilisers.** Singapore occupancy was broadly stable at 94.2% in 2QFY27, while Japan remained fully occupied. Singapore weighted average rental reversion strengthened to 6.9% from 5.3%, comprising 7.1% for general industrial buildings and 3.7% for hi-tech buildings & business space. Tenant retention was 77.3%. Occupancy for hi-tech buildings & business space improved 1.8ppt qoq to 90.1% due to new leases at Serangoon North Cluster. Mapletree Hi-Tech Park @ Kallang Way maintained leasing momentum with occupancy improving 5.9ppt to 72.4% as of Sep 26 and expected to exceed 75%.

Key Financials

Year to 31 Mar (\$m)	2025	2026	2027F	2028F	2029F
Net turnover	712	673	647	657	677
EBITDA	465	442	421	428	442
Operating profit	465	442	421	428	442
Net profit (rep./act.)	336	211	326	334	351
Net profit (adj.)	355	337	326	334	351
EPU (S\$ cent)	12.5	11.8	11.4	11.7	12.3
DPU (S\$ cent)	13.6	12.7	11.5	11.7	12.3
PE (x)	13.9	14.7	15.2	14.9	14.2
P/B (x)	1.0	1.1	1.1	1.1	1.1
DPU yld (%)	7.8	7.3	6.6	6.7	7.1
Net margin (%)	47.2	31.4	50.4	50.8	51.8
Net debt/(cash) to equity (%)	49.4	35.6	44.5	44.9	45.2
Interest cover (x)	4.6	5.3	4.7	4.6	4.7
ROE (%)	6.4	4.0	6.4	6.8	7.1
Consensus DPU (S\$ cent)	-	-	11.9	12.0	12.3
UOBKH/Consensus (x)	-	-	0.96	0.98	1.01

Source: Mapletree Industrial Trust, Bloomberg, UOB Kay Hian

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HOLD (Upgraded)

Share Price	S\$1.74
Target Price	S\$1.72
Upside	-1.1%

Stock Data

Sector	Real Estate
Bloomberg ticker	MINT SP
Shares issued (m)	2,855.8
Market cap (\$m)	4,969.1
Market cap (US\$m)	3,876.1
3-mth avg daily t'over (US\$m)	10.8

Price Performance (%)

52-week high/low				S\$2.23/S\$1.72
1mth	3mth	6mth	1yr	YTD
(7.0)	(10.3)	(15.5)	(21.3)	(16.3)

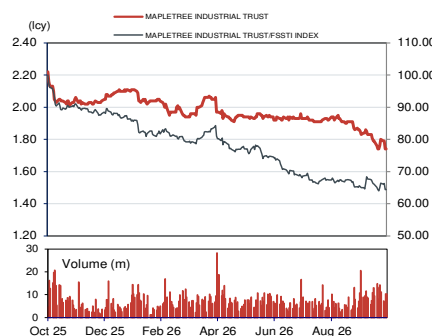
Major Shareholders (%)

Temasek Hldgs	27.4
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Balance Sheet Metrics

FY27 NAV/Share (S\$)	1.62
FY27 Net Debt/Share (S\$)	0.77

Price Chart



Source: Bloomberg

Company Description

MINT invests in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore.

Thursday, 29 October 2026

- **North American occupancy fell in 2QFY27.** North American occupancy declined 3.4ppt qoq to 79.1%, reflecting the full-quarter impact of the non-renewal at 7337 Trade Street, San Diego. Overall portfolio occupancy fell 1.0ppt to 89.7%. MINT executed about 364,500sf of North American leases in 1HFY27, equivalent to 5.2% of portfolio NLA. North American WALE was 6.7 years as of Sep 26. After quarter-end, MINT secured new 15.5-year and 5.3-year leases at 1001 Windward Concourse, Alpharetta and 400 Holger Way, San Jose respectively, commencing in Oct 26.
- **Cost of debt expected to increase further in FY28.** Borrowing costs fell 6.8% yoy in 2QFY27, supported by debt repayment using divestment proceeds and lower interest on unhedged floating-rate loans. However, costs rose 9.1% qoq due to replacement hedges at higher rates and the absence of temporary loan-repayment savings seen in 1QFY27. Average borrowing cost increased 0.1ppt qoq to 3.3%. Approximately S\$600m of interest rate swaps are expiring in both FY27 and FY28. Management guided for higher cost of debt at 3.5-3.6% in FY27 and 3.8-3.9% in FY28 due to rollover with replacement swaps at higher rates.
- **Aggregate leverage edged up 0.2ppt qoq to 37.7%** as of Sep 26. Interest coverage ratio was maintained at 4.0x. Debt maturity averaged 3.5 years. About 72.7% of borrowings were hedged or fixed rate. 90.8% of the next 12 months' distributable amount was hedged into or derived in Singapore dollars. NAV per unit declined 0.6% to S\$1.62.

Valuation/Recommendation

- **Divestment of US data centres supports portfolio rebalancing.** MINT completed the sale of Eagan data centre at 3255 Neil Armstrong Boulevard on 30 Sep 26 following the tenant's exercise of its purchase option. Consideration of US\$9.8m was 9% above acquisition cost but 10% below the Mar 26 valuation. Management targets S\$500m-600m of divestments to create capacity for investments across a broader range of industrial and data centre sectors, alongside redevelopment. According to press reports, MINT has put up 22 US data centres across 15 states for sale, which are currently valued at US\$1.1b based on MINT's proportionate interest.
- **Potential redevelopment in Japan.** MINT completed the acquisition of an effective interest of 98.5% in a mixed-use facility in West Tokyo, Japan for ¥14.5b (S\$129.8m) in Oct 24. The mixed-use facility comprises: a) a data centre (28%), b) back office and training facilities (48%), and c) an adjacent accommodation wing (24%). The property is fully leased to an established Japanese conglomerate for five years. The property has the potential to be redeveloped into a multi-storey core & shell data centre. Management previously estimated capacity at 30-40MW of IT workload and yield on cost at 5.5-6.0% for the redeveloped data centre.
- **New CEO brings data centre and corporate finance expertise.** Anand Tze Ming Chandran assumed the role of CEO on 1 Oct 26, bringing over 16 years of experience in corporate finance, investment banking, business development and digital infrastructure. He previously headed Mapletree Investments' Asia Pacific data centre business and served as CFO of K2 Strategic, the Kuok Group's digital infrastructure platform. He holds an Economics degree from the London School of Economics, a master's in Economics for Development from Oxford and a Master of Professional Accounting from Singapore Management University.
- **Upgrade to HOLD** as MINT's unit price has dropped 9.8% since our downgrade on 10 Sep 26. Our target price of S\$1.72 is based on DDM (cost of equity: 8.4%, terminal growth: 1.5%).

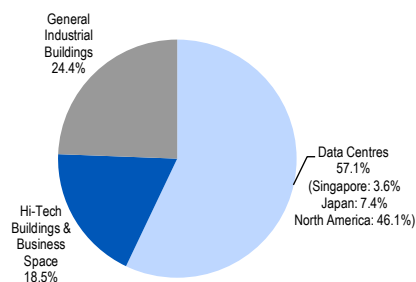
Earnings Revision/Risk

- We maintain our existing DPU forecast.

Share Price Catalyst

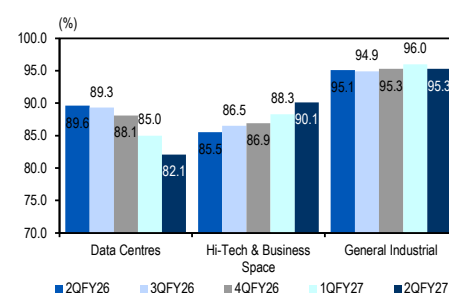
- Growth from data centres located in Singapore and Japan; acquisition of the remaining 50% stake in the portfolio of 13 data centres (second JV) from sponsor Mapletree Investments.

Portfolio Valuation By Segment



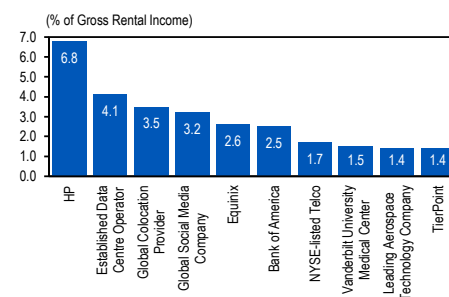
Source: MINT

Segmental Occupancy Rates



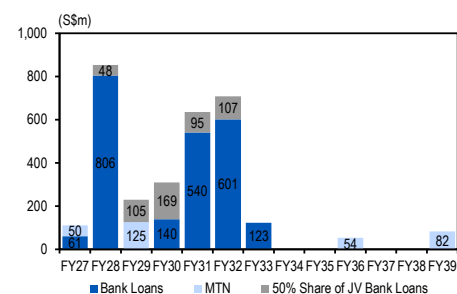
Source: MINT

Top 10 Tenants By GRI



Source: MINT

Debt Maturity Profile



Source: MINT

Profit & loss

Year to 31 Mar (\$m)	2026	2027F	2028F	2029F
Net turnover	673.0	647.3	657.4	677.3
EBITDA	442.1	421.2	428.3	442.4
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	442.1	421.2	428.3	442.4
Total other non-operating income	(125.7)	0.0	0.0	0.0
Associate contributions	29.5	24.9	28.0	31.3
Net interest income/(expense)	(83.8)	(90.1)	(92.8)	(93.4)
Pre-tax profit	262.1	355.9	363.5	380.4
Tax	(40.5)	(20.0)	(20.0)	(20.0)
Minorities	(0.2)	0.0	0.0	0.0
Perpetual Securities	(10.2)	(9.8)	(9.8)	(9.8)
Net profit	211.2	326.2	333.8	350.6
Net profit (adj.)	336.9	326.2	333.8	350.6

Cash Flow

Year to 31 Mar (\$m)	2026	2027F	2028F	2029F
Operating	433.6	392.1	410.5	426.2
Pre-tax profit	347.3	335.9	343.5	360.4
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	(29.5)	(24.9)	(28.0)	(31.3)
Working capital changes	(11.4)	(9.7)	1.6	3.2
Non-cash items	1.0	0.6	0.6	0.6
Other operating cashflows	126.2	90.1	92.8	93.4
Investing	494.5	(18.0)	(18.0)	(18.0)
Capex (growth)	(64.9)	(18.0)	(18.0)	(18.0)
Capex (maintenance)	0.0	0.0	0.0	0.0
Proceeds from sale of assets	536.6	0.0	0.0	0.0
Others	22.8	0.0	0.0	0.0
Financing	(936.1)	(361.4)	(390.6)	(409.0)
Distribution to unitholders	(370.2)	(327.9)	(335.5)	(352.4)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	0.0	351.0	20.0	15.0
Loan repayment	(767.2)	0.0	0.0	0.0
Others/interest paid	201.3	(384.5)	(75.1)	(71.6)
Net cash inflow (outflow)	(7.9)	12.7	1.9	(0.8)
Beginning cash & cash equivalent	107.6	99.9	112.6	114.5
Changes due to forex impact	0.2	0.0	0.0	0.0
Ending cash & cash equivalent	99.9	112.6	114.5	113.8

Balance Sheet

Year to 31 Mar (\$m)	2026	2027F	2028F	2029F
Fixed assets	7,286.3	7,304.3	7,322.3	7,340.3
Other LT assets	532.3	533.1	533.9	534.7
Cash/ST investment	95.2	112.6	114.5	113.8
Other current assets	24.8	28.4	28.8	29.4
Total assets	7,938.6	7,978.4	7,999.5	8,018.2
ST debt	0.6	0.6	0.6	0.6
Other current liabilities	528.1	522.0	524.0	527.8
LT debt	1,959.0	2,310.0	2,330.0	2,345.0
Other LT liabilities	204.9	201.4	202.2	203.9
Shareholders' equity	5,243.5	4,941.8	4,940.1	4,938.3
Minority interest	2.5	2.5	2.5	2.5
Total liabilities & equity	7,938.6	7,978.4	7,999.5	8,018.2

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	65.7	65.1	65.1	65.3
Pre-tax margin	39.0	55.0	55.3	56.2
Net margin	31.4	50.4	50.8	51.8
ROA	2.5	4.1	4.2	4.4
ROE	4.0	6.4	6.8	7.1
Growth				
Turnover	(5.5)	(3.8)	1.6	3.0
EBITDA	(4.9)	(4.7)	1.7	3.3
Pre-tax profit	(30.1)	35.8	2.1	4.6
Net profit	(37.1)	54.5	2.3	5.0
Net profit (adj.)	(5.2)	(3.2)	2.3	5.0
EPU	(5.6)	(3.3)	2.2	4.9
Leverage				
Debt to total capital	27.2	31.8	32.0	32.2
Debt to equity	37.4	46.8	47.2	47.5
Net debt/(cash) to equity	35.6	44.5	44.9	45.2
Interest cover (x)	5.3	4.7	4.6	4.7

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