



# Lim & Tan Securities Client Seminar

Singapore  
22 November 2016

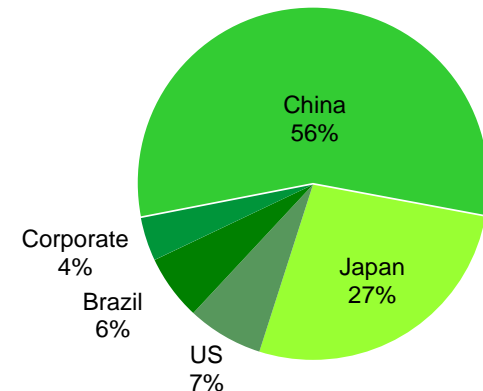


# GLP – Leading Global Provider of Modern Logistics Facilities



- Fund manager, developer and owner-operator of modern logistics facilities and solutions
- Own and operate a global portfolio of 53 million sqm (573 million sq ft)
- US\$38 billion fund management platform is key area of growth going forward
- GLP is a SGX-listed company (stock code: MC0.SI) with a market capitalization of US\$7 billion<sup>2</sup>; GIC is the largest single investor in GLP

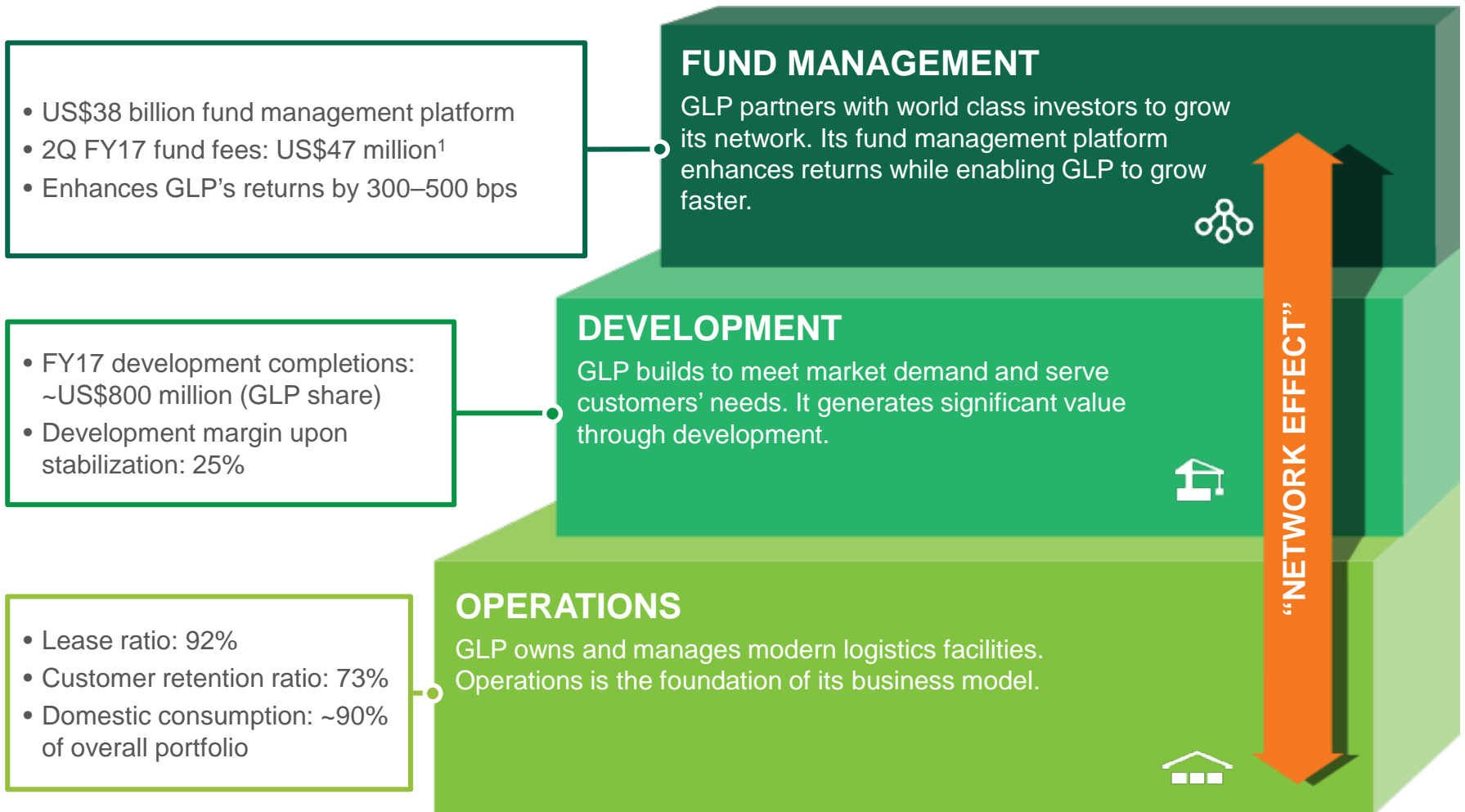
NAV breakdown<sup>1</sup>



Note:

1. Includes US\$1.1 billion Hillwood portfolio acquisition expected in December 2016
2. As of 8 November 2016

# GLP Business Model



Note:  
1. Does not include performance fees

# Why Invest In GLP?



## Market Leader

- Leading positions in the best markets globally
- Leverage size and scale to grow with customers and serve them in multiple locations

#1 China

#1 Japan

#2 US

#1 Brazil



## Disciplined Capital Allocator

- Development driven by demand
- Disciplined growth and capital allocation to achieve NAV growth and optimize risk-adjusted returns

CORE DEVELOPMENT  
MARKETS  
**China & Japan**

INDICATIVE DEMAND  
**>1.5x**  
BEFORE COMMENCING  
DEVELOPMENT



## Strong Recurring Income

- Rental revenue from property operations
- Development profit
- Fund management fees – key area of growth

GROUP  
LEASE RATIO  
**92%**

DEVELOPMENT  
PROFIT<sup>1</sup>  
**US\$200m**

FUND MGT FEES<sup>2</sup>  
**US\$150m**  
(+39% yoy)



## Resilient Financial Position

- Solid balance sheet and diversified capital base (debt, cash, third party capital)
- Capital recycling opportunities via fund management platform

LOOK THROUGH  
LEVERAGE<sup>3</sup>  
**27%**

FUND MANAGEMENT  
**US\$12bn**  
UNCALLED CAPITAL

Note:

1. Based on FY17 expected completions of approximately US\$800 million (GLP share) and 25% target development profit margin upon stabilization

2. Fund management fees generated in FY16

3. Net debt to assets



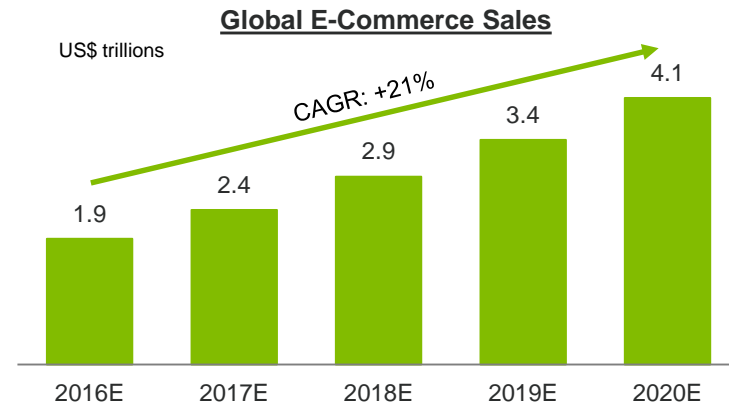
# 1. Market Review



1. **Market Review**
2. Global Expansion & Asset Monetization
3. Financial Performance

### E-commerce Growth Driving Global Demand

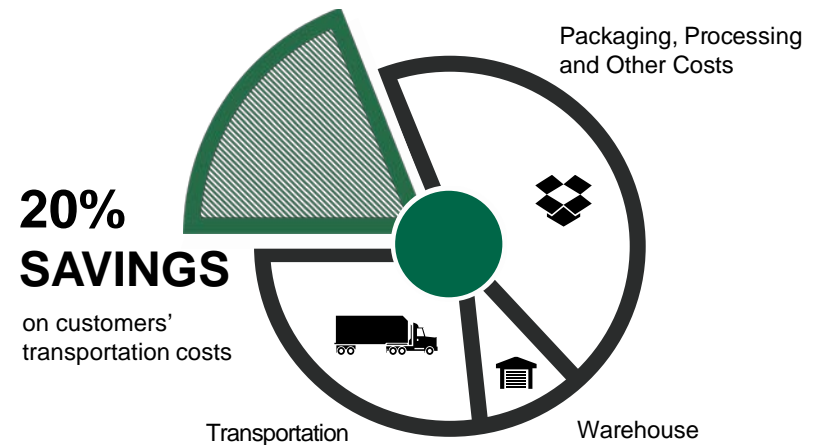
- Global e-commerce sales is expected to grow at ~20% CAGR over the next four years to reach US\$4.1 trillion by 2020, which drives demand for modern logistics facilities



Source: eMarketer, Aug 2016

### Customers Seeking Greater Efficiency

- GLP's warehouse location optimization tool helps customers improve efficiency by reducing transportation costs by approximately 20%, thereby reducing their overall logistics costs



### Limited Land Supply in Key Locations

- Land supply remains constrained in key locations
- GLP remains focused on maintaining discipline in markets that are well-leased

### Rising Asset Values

- Cap rates have compressed and we expect to see further compression over the next few quarters



# China Logistics Market Update



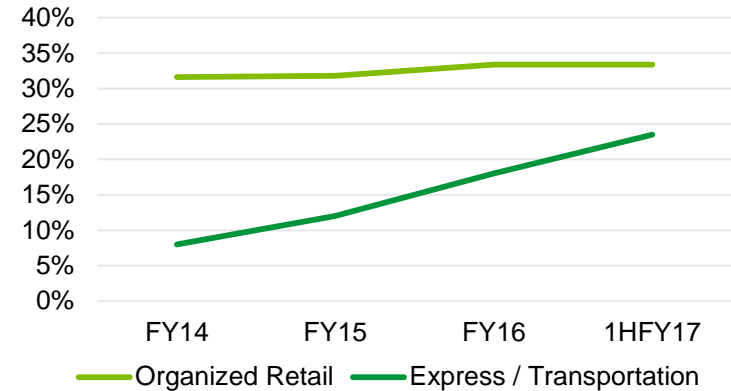
## ■ Demand Fundamentals Remain Solid

- ✓ Organized retail (e-commerce and chain stores) leasing grew at ~50% CAGR over the last three years
- ✓ E-commerce growth has resulted in newly emerging segments as smaller retailers are being consolidated
- ✓ Auto after-sales sector is a key growth sector- continued leasing across the country from BMW, Daimler, Volkswagen

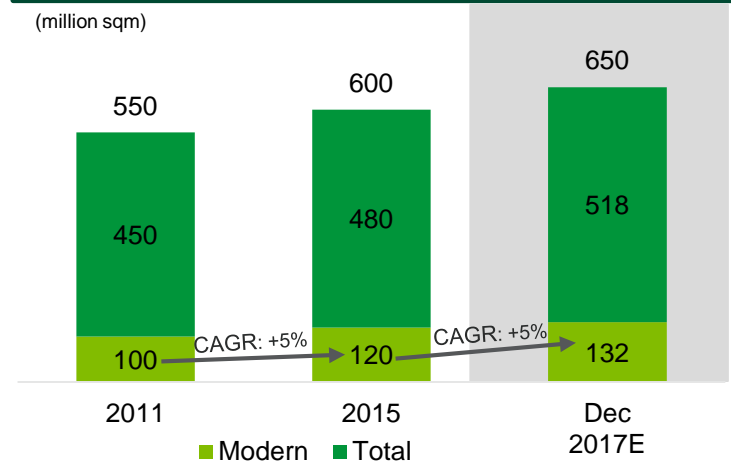
## ■ Long Term Supply Remains Constrained by Limited Land in Strategic Locations

- ✓ Incremental supply expected to continue growing at 5% CAGR for the next two years
- ✓ Only 4 plots of land were listed for sale in Tier 1 cities in the first nine months of 2016
- ✓ GLP's portfolio is located in strategic locations such as in strong submarkets like Beijing, Shanghai and Suzhou

**Organized Retail And Express / Transportation Sector as a % of GLP's Logistics Portfolio**



**Supply of Modern Logistics Facilities Remains Limited**



Source: China Association of Warehouses and Storage and GLP estimates

# 2. Global Expansion & Asset Monetization



1. Market Review
- 2. Global Expansion & Asset Monetization**
3. Financial Performance



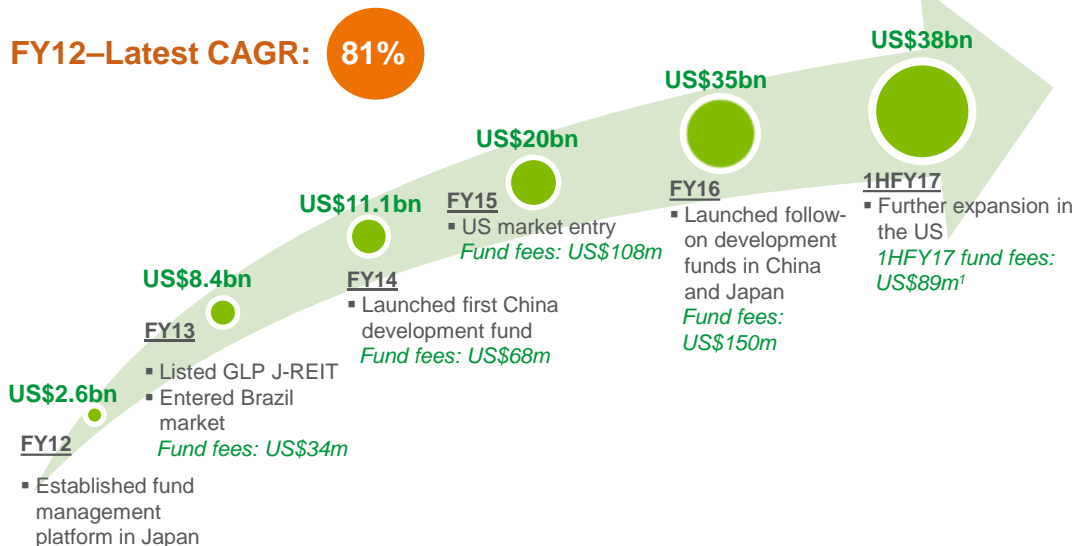


# Leveraging Fund Management Platform for Growth



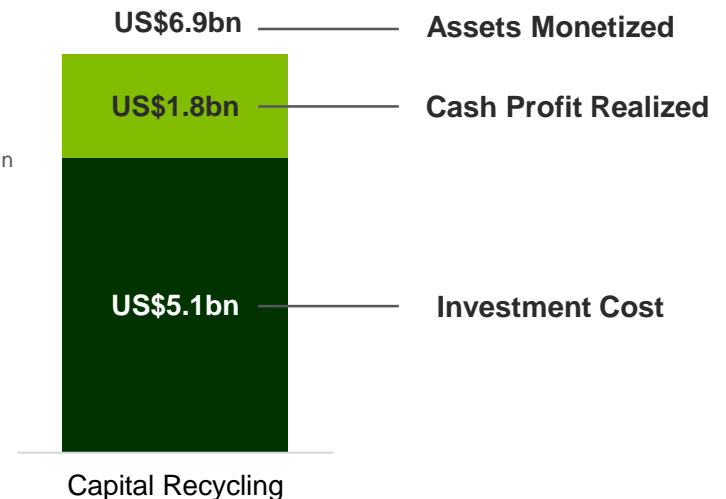
- GLP leverages its fund management platform to scale its business and deliver higher returns
  - Expanded into US and Brazil markets in 2014 and 2012 respectively via fund platform
  - Portfolio increased five-fold in five years while maintaining low gearing and a strong balance sheet
- ~67% of GLP's assets today are managed in funds and is expected to increase as we move further towards an asset-light model

## Fund Management AUM Growth



## Capital Recycling Initiatives

(FY12–YTD FY17)



Note:

1. Encompass asset management and development fees only

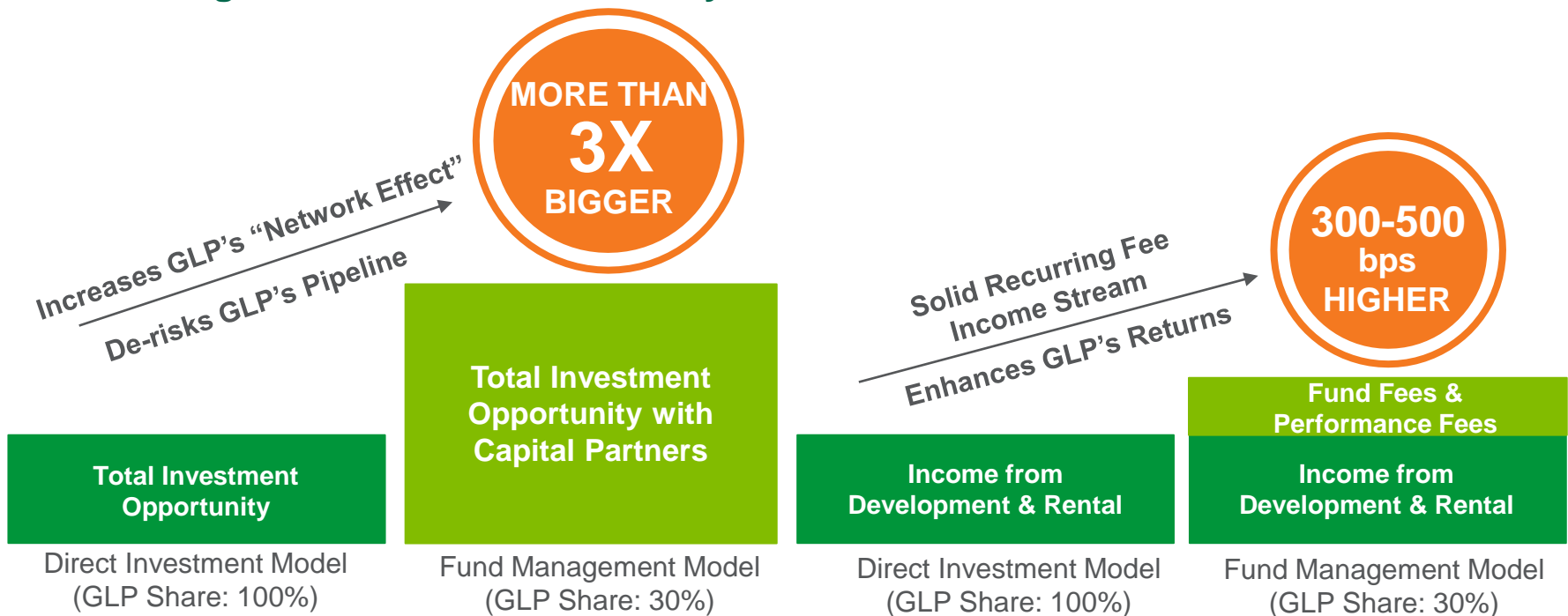
# Fund Management Platform Enhances GLP's Returns



## Expanding Network, Increasing Returns

GLP's fund management platform with leading, global long term investors provides reliable and sustainable third-party equity while increasing its market share and returns through a solid stream of recurring and performance fees

## Fund Management Platform Case Study



Note:

1. Case study above assumes average GLP stake in its fund management platform. Estimated income determined using, among other things, estimates of development profit, rental income, fund fees and performance fees. Performance fees assume all requisite triggers are satisfied and not discounted

# 3. Financial Performance

1. Market Review
2. Global Expansion & Asset Monetization
3. **Financial Performance**

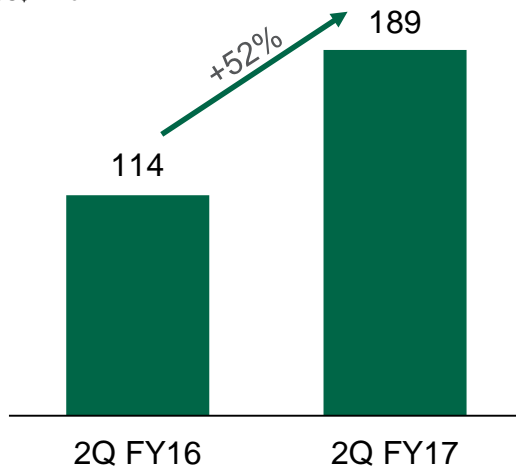


# Key Financial Highlights

- 2Q FY17 earnings (PATMI) up 52% to US\$173 million led by growth of the fund platform
- Recurring income from fund management and development continues to grow consistently
- China and Japan contribute the majority of GLP’s earnings

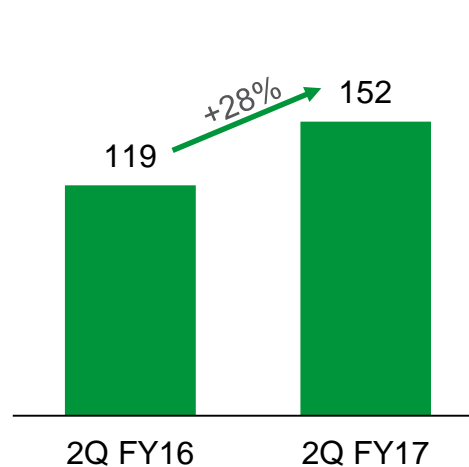
## Earnings (PATMI) Growth

US\$ million



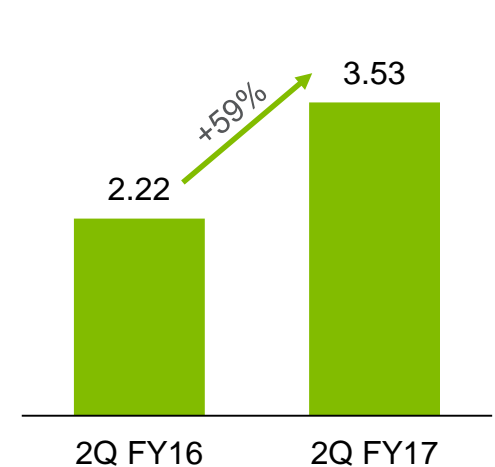
## Core Earnings<sup>1</sup> (PATMI) Growth

US\$ million



## Earnings per Share

US cents



Note:

1. Core earnings include revaluation changes related to development profit (recurring part of GLP’s earnings stream) and NOI growth. To enable comparability, core earnings adjusts for non-recurring items such as revaluation changes related to cap rate and discount rate adjustments, foreign exchange gains/losses and gains/losses from dispositions

# Prudent Capital Management



## Solid Balance Sheet

- Diversified sources of capital
- Cash: US\$1.8bn
- Unutilized credit facilities: US\$2.7bn

## Maintain Low Leverage

- Look-through Leverage remains low at 27%
- Long debt maturity profile: 4.9 years
- High proportion of fixed-rate debt: 64%

## Continue Natural Hedge

- Continue natural hedge through further issuance of RMB-denominated bonds
- Hedge fixed and certain FX cash exposures (e.g. dividends and J-REIT sale proceeds)

## Sustainable Dividend Policy

- Consistent dividend to balance GLP's capital requirements for growth and cash return to shareholders
- Dividend yield: 3.0%<sup>1</sup>

Note:

1. Dividend yield based on FY2016 dividend of 6.0 SGD cents and GLP's share price as of 15 November 2016