

City Developments Limited

All aboard the divestment train



StocksBnB.com

SINGAPORE | REAL ESTATE | 1H25 RESULTS

18 August 2025

- 1H25 PATMI rose 3.9% YoY to S\$91mn, but came in below expectations at 33% of our FY25e forecast, weighed down by a S\$63.1mn unrealised net FX loss from USD depreciation. Excluding FX effects, PATMI would have jumped 323% YoY to S\$154.3mn.
- Over S\$1.5bn of divestments have been contracted YTD, including the sale of a 50.1% stake in the hotel, office, and retail components of South Beach, which is expected to generate a gain of S\$465mn upon completion in 2H25. In 1H25, property development was the standout, with PBT surging 1800% YoY to S\$152mn, underpinned by strong Singapore residential sales and the full profit recognition of Copen Grand EC.
- Maintain BUY with a higher RNAV TP of S\$8.34 (prev. S\$6.02), representing a 35% (prev. 45%) discount to our RNAV of S\$12.82.** We raise our FY25e PATMI by 20% to account for the announced divestments that are expected to be completed in 2H25, including South Beach, partially offset by FX losses and higher interest expenses. Strong take-up rates of launched projects, together with the accelerated pace of capital recycling/divestments, may help narrow the RNAV discount. CDL declared a special interim dividend of 3 cents, with potential for a special dividend at FY25 results, fueled by divestment proceeds.

Results at a glance

(SGD mn)	1H25	1H24	YoY	Comments
Gross revenue	1,688	1,563	8.0%	Revenue from property development segment rose 24.3%, supported by strong performing Singapore projects and divestment of the Ransome's Wharf site in London.
Gross profit	692	693	-0.2%	
Operating profit	284	303	-6.2%	
PBT comprising:	140	155	-10.0%	Due to net FX losses of S\$63.1mn vs net FX gain of S\$51.3mn in 1H24.
- Property Devt	152	8	1800.0%	JV projects such as the fully sold EC Copen Grand, CanningHill Piers, The Orie, and Tembusu Grand contributed strongly to PBT.
- Hotel Ops	(84)	23	-465.2%	FX losses from the depreciation of USD, financing costs and inflationary cost pressures.
- Investment Ppty	76	108	-29.6%	Lower divestment gains (1H25:S\$97mn vs 1H24: S\$120mn)
- Others	(4)	16	-125.0%	
PATMI	91	88	3.9%	Excluding FX gain/loss, PATMI would have surged 323% to S\$154.3mn.

Source: Company, PSR

The Positives

- Strong Singapore residential sales and pipeline.** The Group and its JV associates sold 903 units, including ECs, with a total sales value of S\$2.2bn (1H24: 588 units, S\$1.2bn). The surge was driven by the launch of The Orie in January 2025, which has sold 92% of its units to date. Looking ahead, the Group plans to launch Zyon Grand in 4Q25 and has secured the Lakeside Drive GLS site for a 3Q26 launch. It was also the top bidder for the Woodlands Drive 17 and Senja Close EC sites, pending site award.
- Ramping up the pace of divestments.** Capital recycling remains a key driver, with over S\$1.5bn in divestments contracted YTD, including the 50.1% stake sale in South Beach, expected to yield S\$465mn in gains in 2H25. All contracted divestments are expected to be completed in 2H25, with more expected over the next 6-12 months.

The Negatives

- Net gearing remains elevated at 70% (FY24: 69%),** largely due to successful bids for three GLS sites. It could potentially be lowered to its target c.60% with the use of divestment proceeds to pay down debt.

BUY (Maintained)

LAST DONE PRICE	SGD 6.73
FORECAST DIV	SGD 0.12
TARGET PRICE	SGD 8.34
TOTAL RETURN	25.6%

COMPANY DATA

BLOOMBERG CODE:	CIT SP Equity
O/S SHARES (MN):	893
MARKET CAP (USD mn / SGD mn):	4760 / 6093
52 - WK HI/LO (SGD):	6.93 / 4.32
3M Average Daily T/O (mn):	2.47

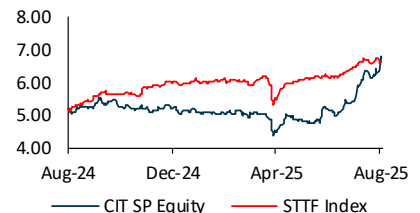
MAJOR SHAREHOLDERS (%)

HONG LEONG INVESTMENT HOLDINGS	18.9%
BLACKROCK INC	5.1%
VANGUARD GROUP	2.3%

TOTAL RETURN (%)

	1MTH	3MTH	1YR
COMPANY	25.2	41.4	35.3
STTF	5.3	11.8	16.8

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, SGD mn	FY23	FY24	FY25e	FY26e
Revenue	4,941	3,271	3,490	4,133
Gross Profit	1,649	1,462	1,446	1,818
EBIT	819	686	945	844
PATMI	317	201	334	302
EPS (SGD)	0.34	0.23	0.37	0.34
DPS (SGD)	0.12	0.10	0.12	0.12
P/E (x)	20.0	29.9	18.0	19.9
P/BV (x)	0.7	0.7	0.7	0.7
Div Yield	1.8%	1.5%	1.8%	1.8%
ROE	3.7%	2.3%	4.0%	3.6%

Source: Company Data, Bloomberg

Valuation Method

35% discount to RNAV

Darren Chan (+65 6212 1878)

Research Manager

darrenchanrx@phillip.com.sg

- **Loss in the hospitality segment**, due to significant FX losses from USD depreciation and inflationary cost pressures, as well as weaker performance in Singapore. However, portfolio RevPAR was resilient in 1H25, gaining 0.5% YoY, supported by acquisitions in Australiasia and Rest of UK and Europe. Hospitality remains a key growth driver, with a long-term target of 500 hotels globally (from 160+), expanding through management contracts and franchises.

Outlook

The Singapore property market remains resilient, with strong take-up rates for new launches. We expect low-single-digit RevPAR growth in FY25e across the hotel portfolio. Singapore investment properties are performing well, with office and retail at 97% occupancy and positive rental reversions. The UK commercial portfolio improved, with occupancy up 3ppts QoQ to 85.1%, while China remains soft at 58.5% occupancy. Capital recycling remains a key focus, with YTD divestments exceeding investments and expected to continue for FY25e, helping to reduce gearing, unlock value, and optimise the portfolio. Future potential capital recycling initiatives include a UK REIT listing, divestment of China commercial assets (likely at a discount), and sales of mature assets in Singapore or UK land sites.

Maintain BUY with a higher RNAV TP of S\$8.34 (prev. S\$6.02).

Figure 1: RNAV table

Segment	Location	RNAV (S\$m)	Per share (S\$)
Residential	SG Development Gains	1,430	1.60
	Overseas Development Gains	460	0.51
	SG+Overseas NAV	4,851	5.43
Office	SG	2,802	3.14
Hotels/SRs	SG + Overseas	7,152	8.01
Retail	SG	741	0.83
Industrial	SG	331	0.37
Commercial	Overseas	3,237	3.62
Stakes in listed entities:			
	<u>Stake</u>	<u>(S\$)</u>	<u>Shares (mn)</u>
CDL Hospitality Trust	27%	0.84	1,246
IREIT Global REIT	21%	0.28	1,345
First Sponsor Group	35%	1.04	1,110
Total GAV		21,769	24.37
Net cash/(debt)		(10,312)	(11.54)
RNAV:		11,457	12.82
No. of shares (mn)		893.4	
RNAV per share (S\$)		12.82	
Discount to RNAV		35%	
Target Price (S\$)		8.34	

Source: Company, PSR

Financials

Income Statement

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	3,293	4,941	3,271	3,490	4,133
Gross Profit	1,247	1,649	1,462	1,446	1,818
Depreciation & Amortisation	276	254	277	275	270
EBIT	1,880	819	686	945	844
Net Finance (Expense)/Inc	(193)	(394)	(372)	(536)	(471)
Associates & JVs	170	48	61	116	111
Profit Before Tax	1,857	473	374	524	483
Taxation	(543)	(124)	(162)	(160)	(151)
Profit After Tax	1,314	349	212	364	332
Non-Controlling Interest	29	31	11	30	30
Net Income, reported	1,285	317	201	334	302

Per share data (SGD)

Y/E Dec, SGD	FY22	FY23	FY24	FY25e	FY26e
EPS, reported	1.40	0.34	0.23	0.37	0.34
DPS	0.28	0.12	0.10	0.12	0.12
BVPS	10.16	10.12	10.17	10.05	10.11

Cash Flows

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit for the year	1,314	349	212	364	332
Adjustments	(1,468)	462	401	689	625
WC changes	(177)	242	269	572	(22)
Cash generated from ops	212	1,176	1,043	1,785	1,086
Taxes paid, others	(338)	(226)	(114)	(160)	(151)
Cashflow from ops	(126)	950	930	1,626	936
CFI					
CAPEX, net	1,453	(140)	(23)	(88)	(219)
Cashflow from investments	780	(1,860)	(983)	(419)	(671)
CFF					
Dividends paid	(222)	(206)	(126)	(107)	(107)
Cashflow from financing	(290)	726	692	(794)	(741)
Net change in cash	364	(184)	639	412	(476)
Effects of exchange rates	(60)	(20)	(14)	-	-
CCE, end	2,248	2,044	2,670	3,082	2,606

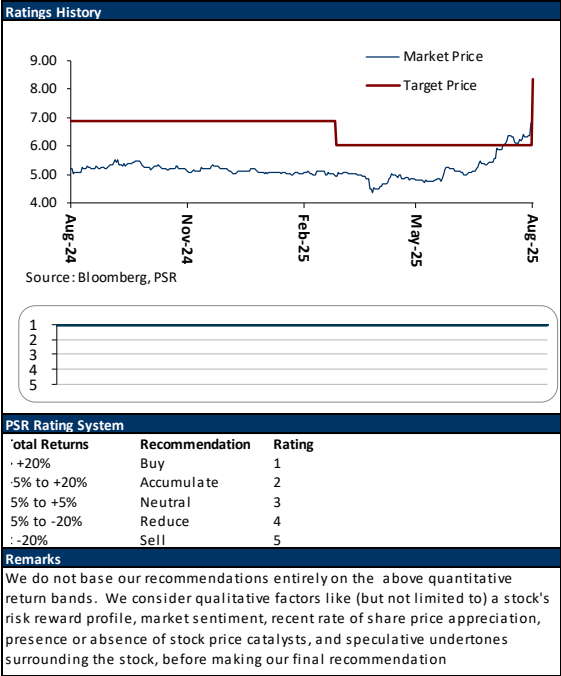
Source: Company, PSR Estimates

Balance Sheet

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
PPE	4,061	4,213	4,680	4,599	4,549
Associates & JVs	2,347	2,475	2,468	2,615	2,776
Investment Properties	4,967	6,291	6,696	7,046	7,454
Others	1,027	1,159	1,792	1,798	1,803
Total non-current assets	12,401	14,138	15,635	16,058	16,582
Development property	5,958	4,878	4,851	4,901	4,951
Accounts Receivables	1,697	1,810	1,613	1,799	2,130
Cash balance	2,363	2,400	3,001	3,166	2,690
Others	562	1,008	506	400	400
Total current assets	10,580	10,096	9,972	10,265	10,171
Total Assets	22,981	24,234	25,607	26,323	26,753
LIABILITIES					
Short term loans	2,354	3,913	4,596	4,596	4,596
Accounts Payables	1,466	1,324	1,112	1,931	2,287
Others	1,097	470	596	584	588
Total current liabilities	4,918	5,707	6,304	7,111	7,471
Long term loans	7,315	7,713	8,717	8,717	8,717
Others	1,183	1,275	1,277	1,288	1,315
Total non-current liabilities	8,499	8,988	9,994	10,006	10,033
Total Liabilities	13,416	14,695	16,298	17,117	17,504
EQUITY					
Shareholder Equity	9,216	9,180	9,088	8,983	9,030
Non-controlling interest	348	359	221	223	219
Total Equity	9,565	9,539	9,309	9,206	9,249

Valuation Ratios

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
P/E (X), adj.	4.80	20.03	29.87	17.98	19.88
P/B (X)	0.66	0.66	0.66	0.67	0.67
Dividend Yield	4.2%	1.8%	1.5%	1.8%	1.8%
Growth & Margins (%)					
Growth					
Revenue	25.4%	50.0%	-33.8%	6.7%	18.4%
EBIT	484.0%	-56.5%	-16.2%	37.8%	-10.7%
Net Income	839.8%	-73.5%	-39.2%	71.9%	-8.8%
Margins					
EBIT margin	57.1%	16.6%	21.0%	27.1%	20.4%
Net Profit Margin	39.9%	7.1%	6.5%	10.4%	8.0%
Key Ratios					
ROE (%)	13.7%	3.7%	2.3%	4.0%	3.6%
ROA (%)	5.7%	1.4%	0.8%	1.4%	1.2%
Gearing (x)	0.85	0.97	1.11	1.10	1.15



Contact Information (Singapore Research Team)
Head of Research

Paul Chew – paulchewkl@phillip.com.sg
Research Admin

Qystina Azli - qystina@phillip.com.sg
Technical Analyst

Zane Aw – zaneawyx@phillip.com.sg
Property | REITs

Darren Chan – darrenchanrx@phillip.com.sg
Property | REITs

Liu Miaomiao – liumm@phillip.com.sg
Banking | Auto

Glenn Thum – glennthumjc@phillip.com.sg
US Tech Hardware | E-commerce | ETF

Helena Wang – helenawang@phillip.com.sg
Construction | Semiconductors

Yik Ban Chong (Ben) – chongyb@phillip.com.sg
Communications | CRM

Serena Lim - serenalimyg@phillip.com.sg
Software | Services

Alif Fahmi - aliffahmi.shakir@phillipcapital.com.my
Contact Information (Regional Member Companies)
SINGAPORE
Phillip Securities Pte Ltd

Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg
JAPAN
Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp
THAILAND
Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangkok,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website www.phillip.co.th
UNITED STATES
Phillip Capital Inc

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com
INDIA
PhillipCapital (India) Private Limited

No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969
Website: www.phillipcapital.in
MALAYSIA
Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel +603 2162 8841
Fax +603 2166 5099
Website: www.poems.com.my
INDONESIA
PT Phillip Securities Indonesia

ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id
FRANCE
King & Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com
AUSTRALIA
Phillip Capital Limited

Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 8633 9803
Fax +61-03 8633 9899
Website: www.phillipcapital.com.au
TURKEY
PhillipCapital (India) Private Limited

Dr. Cemil Bengü Cad. Hak Is Merkezi
No. 2 Kat. 6A Caglayan
34403 Istanbul, Turkey
Tel: 0212 296 84 84
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr
HONG KONG
Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk
CHINA
Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn
UNITED KINGDOM
King & Shaxson Capital Limited

6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com
CAMBODIA
Phillip Bank Plc

Ground Floor of B-Office Centre, #61-64,
Norodom Blvd Corner Street 306,Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh
DUBAI
Phillip Futures DMCC

Member of the Dubai Gold and
Commodities Exchange (DGCX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's licence under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report 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. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.