

CapitaLand Investment Limited

Next phase of growth



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SINGAPORE | REAL ESTATE | FY24 UPDATE

17 March 2025

- FY24 PATMI of S\$479mn (+165% YoY) was below our expectations, forming 64% of our FY24e forecast. The YoY gain was mainly due to lower revaluation losses of S\$261mn (-57% YoY). Excluding revaluation losses, FY24 PATMI was in line with our estimates. FY24 revenue rose 1% to S\$2.8bn, led by a 9.3% YoY increase in Fee Income-related Business (FRB) revenue, which offset the 3.4% decline in Real Estate Investment Business (REIB) revenue. Operating PATMI fell 10.2% YoY to S\$510mn from the absence of contribution from divested properties and one-off income.
- CLI declared a final DPS of 12 cents and a special dividend-in-specie of 0.031 CICT units per share, valued at 6 cents per CLI share, taking total DPS to 18 cents. In addition, CLI also revised its dividend payout policy to a minimum 50% of cash PATMI, up from 30% previously to enhance shareholder returns.
- Maintain BUY with a higher SOTP TP of S\$3.65 (previously S\$3.38). We lower our FY25e PATMI by 6% to reflect recent corporate activities, including the divestment of ION Orchard and the dividend-in-specie of CICT units. We like CLI for its robust recurring fee income stream and asset-light model. Growth drivers include increased REIT transactions, a faster pace of balance sheet reduction which should improve ROE, and the launch of new funds. CLI remains on track to achieve its S\$200bn (FY24: S\$117bn, FY23: S\$99bn) FUM target by 2028 through organic and inorganic growth. With a low debt/equity ratio of 0.39x, CLI is well positioned for future acquisitions and expansion.

BUY (Maintained)

LAST DONE PRICE	SGD 2.62
FORECAST DIV	SGD 0.12
TARGET PRICE	SGD 3.65
TOTAL RETURN	44.0%

COMPANY DATA

BLOOMBERG CODE:	CLI SP Equity
O/S SHARES (MN):	4,989
MARKET CAP (USD mn / SGD mn):	9494 / 12671
52 - WK HI/LO (SGD):	3.2 / 2.4
3M Average Daily T/O (mn):	10.53

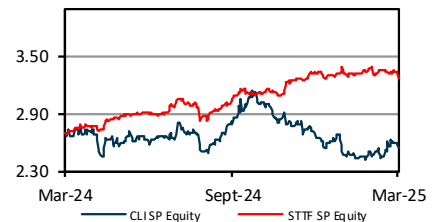
MAJOR SHAREHOLDERS (%)

TEMASEK HOLDINGS PTE LTD	57.2%
VANGUARD GROUP	2.1%
BLACKROCK INC	2.0%

TOTAL RETURN (%)

	1MTH	3MTH	YTD
COMPANY	4.5	(4.8)	(1.9)
STTF RETURN	0.5	2.1	3.4

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, SGD mn	FY23	FY24	FY25e	FY26e
Revenue	2,784	2,815	2,282	2,371
Gross Profit	1,260	1,265	1,025	1,066
EBIT	831	801	923	944
PATMI	181	479	780	853
EPS (SGD)	3.54	9.53	15.51	16.97
P/E (x)	74.1	27.5	16.9	15.4
P/BV (x)	0.96	0.97	0.96	0.94
DPS (cents)	12.00	12.00	12.00	12.00
Div Yield, %	4.6%	4.6%	4.6%	4.6%
ROE, %	1.3%	3.5%	5.7%	6.1%

Source: Company Data, Bloomberg

Valuation Method

SOTP

Darren Chan (+65 6212 1878)
Senior Research Analyst
darrenchanx@phillip.com.sg

(SGD mn)	2H24	2H23	YoY	FY24	FY23	YoY	Comments
Revenue	1,450	1,439	0.8%	2,815	2,784	1.1%	
Comprising:							
1. RE investment (REIB)	953	998	-4.5%	1,864	1,930	-3.4%	Absence of contribution from divested assets.
2. Fee-related (FRB)	608	551	10.3%	1,169	1,070	9.3%	
- REITs mgmt	172	148	16.2%	318	299	6.4%	Recurring fees and event driven fees grew by c.1% and c.80% YoY, respectively.
- PE fund mgmt	58	54	7.4%	122	111	9.9%	Recurring fees and event driven fees grew by c.4% and c.78% YoY, respectively.
- Commercial mgmt	201	177	13.6%	386	329	17.3%	New third party contracts secured in Singapore and China.
- Lodging mgmt	177	172	2.9%	343	331	3.6%	Improvement in RevPAU (+6% YoY) in FY24, coupled with 11.7k lodging units turning operational in FY24 (FY23: 9.6k units).
Total PATMI	148	(170)	-	479	181	164.6%	
Comprising:							
- Operating PATMI	214	224	-4.5%	510	568	-10.2%	Absence of contribution from divested properties, lower one-off income from lodging operations, higher FX losses and interest expenses.
- Portfolio gains	195	206	-5.3%	230	213	8.0%	

Source: Company, PSR

Key Highlights

Strategic divestments to streamline the balance sheet and shift towards recurring fee-driven earnings. CLI made S\$5.5bn in gross divestments in FY24, halving its balance sheet to S\$4.3bn (FY23: S\$8.6bn), enhancing capital efficiency and reinvestment capacity. As a result, REIB revenue dipped 3.2% YoY, and recurring fee-driven earnings now contribute 62% of operating PATMI (FY23: 54%). CLI still holds c.S\$3bn of China assets on the balance sheet slated for divestment. It also made S\$5.4bn of investments, including Wingate and SC Capital Partners. This highlights CLI's ability to redeploy divestment proceeds into high-conviction themes to drive growth.

FRB continues to drive growth. FY24 FRB revenue grew by 9.3%, with growth across all segments. Notably, event-driven fees under the funds management platform surged 79% to S\$52mn. CLI aims to grow FUM by at least S\$5bn organically, in line with or exceeding FY24

levels achieved through acquisitions by its REITs and new fund offerings. FUM rose c.18% YoY to S\$117bn in FY24, driven by organic (S\$5bn) and inorganic (S\$13bn) growth. Additionally, the lodging business had a record 11.7k units opened (FY23: 9.6k units) across 54 properties in FY24, keeping CLI on track to achieve its S\$500mn lodging management fee revenue target.

Outlook

We expect event-driven fees from the listed and private funds platforms to pick up in FY25e from more transactions as market conditions improve. Lodging management fees are also poised for growth, with 11.7k units opened in FY24 (vs 9.6k in FY23) and 15k units signed. RevPAU grew 6% in FY24, and we expect similar levels of growth in FY25e. Operating conditions in China remain challenging, with negative rental reversions seen across all sectors. With a low debt/equity ratio of 0.39x, CLI has capacity for acquisitions to reach its S\$200bn FUM target through M&As and new fund launches.

Maintain BUY with a higher TP of S\$3.65.

SOTP Valuation		
RNAV		
		S\$m
Direct stakes	Valuation	5,120
Listed stakes	Market value	10,782
Fee income	16x EV/EBITDA	8,099
Total EV		24,001
Less net debt	-	5,637
Equity value		18,364
No of shares (m)		5,028
RNAV per share (S\$)		3.65

Financials

Income Statement

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	2,876	2,784	2,815	2,282	2,371
Gross profit	1,290	1,260	1,265	1,025	1,066
Operating inc./exp	145	(429)	(464)	(102)	(122)
Gross operating profit	1,435	831	801	923	944
Finance cost	(432)	(488)	(507)	(356)	(324)
Share of results from:					
- Associates & JV	531	273	620	672	702
(Loss)/Profit before tax	1,388	474	774	1,089	1,192
Tax expense	(318)	(141)	(80)	(163)	(179)
(Loss)/Profit for the year	1,070	333	694	926	1,013

Attributed to:

Owners of the company	861	181	479	780	853
Non-controlling interests	209	152	215	146	160

Per share data (SGD)

Y/E Dec, SGD cents	FY22	FY23	FY24	FY25e	FY26e
EPS	16.79	3.54	9.53	15.51	16.97
DPS	17.90	12.00	12.00	12.00	12.00
BVPS	2.95	2.73	2.69	2.73	2.78

Cash Flows

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
(Loss)/Profit for the year	1,070	333	694	926	1,013
Adjustments	(119)	693	238	(3)	(68)
WC changes	(21)	(190)	(174)	308	(287)
Cash generated from ops	930	836	758	1,231	658
Taxes paid, others	(195)	(154)	(197)	443	46
Cashflow from ops	735	682	561	788	611
CFI					
CAPEX	(1,009)	(724)	(149)	(215)	(220)
Dividends from associates & JV	348	413	441	441	441
Proceeds from disposal of IP	15	-	1,566	-	-
Cashflow from investments	(382)	(187)	2,567	(215)	(220)
CFE					
Dividends paid	(958)	(800)	(826)	(603)	(603)
Interest expense paid	(418)	(481)	(420)	(356)	(324)
Others	105	374	(1,584)	-	-
Cashflow from financing	(1,370)	(637)	(2,751)	(603)	(603)
Net change in cash	(1,017)	(142)	377	(30)	(212)
Effects of exchange rates	(145)	(38)	(24)	-	-
Cash & equivalents at end of year	2,624	2,439	2,294	2,264	2,052

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, SGD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
PPE	1,225	1,312	620	574	534
Associates & JVs	13,152	13,043	13,652	13,883	14,143
Investment Properties	14,706	13,572	4,995	5,120	5,248
Others	1,606	1,759	1,822	1,822	1,822
Total non-current assets	30,689	29,686	21,089	21,399	21,748
Accounts Receivables	1,025	939	1,143	545	1,209
Cash balance	2,668	2,460	2,308	2,264	2,052
Others	728	1,048	170	170	170
Total current assets	4,421	4,447	3,621	2,979	3,431
Total Assets	35,110	34,133	24,710	24,377	25,179

LIABILITIES

Short term borrowings	1,208	1,014	1,098	1,098	1,098
Accounts Payables	2,093	1,455	1,236	945	1,322
Others	861	1,075	528	163	179
Total current liabilities	4,162	3,544	2,862	2,207	2,598
Long term borrowings	9,880	9,514	5,173	5,173	5,173
Others	2,139	2,838	2,264	2,264	2,264
Total non-current liabilities	12,019	12,352	7,437	7,437	7,437
Total Liabilities	16,181	15,896	10,299	9,644	10,035

EQUITY

Shareholder Equity	15,133	13,961	13,546	13,723	13,973
Perpetual Securities	396	396	-	-	-
Non-controlling interest	3,400	3,880	865	1,011	1,171
Total Equity	18,929	18,237	14,411	14,734	15,143

Valuation Ratios

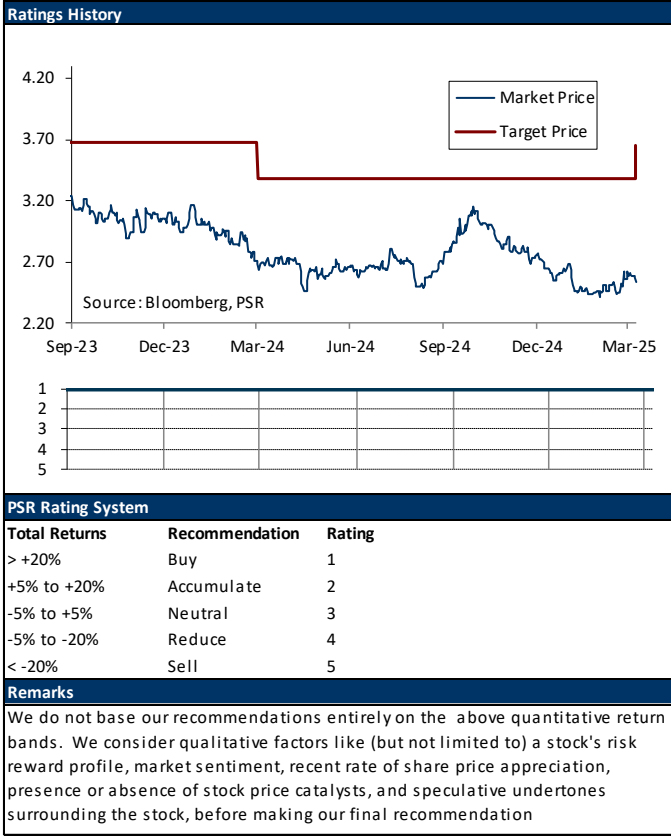
Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E	15.6	74.1	27.5	16.9	15.4
P/B	0.89	0.96	0.97	0.96	0.94
Dividend Yield	6.8%	4.6%	4.6%	4.6%	4.6%

Growth & Margins

Growth					
Revenue	25.4%	-3.2%	1.1%	-18.9%	3.9%
EBIT	34.4%	-42.1%	-3.6%	15.2%	2.3%
Net Income, adj.	-31.4%	-68.9%	108.4%	33.4%	9.4%
Margins					
EBIT margin	49.9%	29.8%	28.5%	28.5%	28.5%
Net Profit Margin	37.2%	12.0%	24.7%	24.7%	24.7%

Key Ratios

ROE	5.7%	1.3%	3.5%	5.7%	6.1%
ROA	3.0%	1.0%	2.8%	3.8%	4.0%
Debt/Equity	0.52	0.56	0.39	0.38	0.39



Contact Information (Singapore Research Team)

Head of Research

Paul Chew – paulchewkl@phillip.com.sg

Research Admin

Qystina Azli – gystina@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 – glenthumjc@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

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

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

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

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

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

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

THAILAND

Phillip Securities (Thailand) Public Co. Ltd

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

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

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

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

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

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

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

TURKEY

PhillipCapital Menkul Degerler

Esentepe Mah. Harman 1 Sk.
Nida Kule Kat 3-12 Levent-Şişli
34394, İstanbul Turkey
Tel: +90 (212) 239 10 00
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

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

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