

CapitaLand Investment Limited

Resilience anchored by recurring fees



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SINGAPORE | REAL ESTATE | 1Q25 UPDATE

2 May 2025

- 1Q25 revenue of S\$496mn (-24% YoY) was slightly below our estimates, forming 22% of our FY25e forecast. The YoY decline was due to the deconsolidation of CLAS. Excluding this, revenue was stable YoY. Due to the challenging transactions market, the 1Q25 fee income-related business (FRB) revenue grew by only 3%. Excluding the deconsolidation of CLAS, the real estate investment business (REIB) revenue fell 6% due to the absence of contributions from divested properties.
- CLI has raised S\$1.1bn YTD, including a RMB5bn mandate with a Chinese domestic institution to invest in core strategies in China. It has also applied to list CapitaLand Commercial C-REIT (CLCR), providing CLI with an additional platform for capital recycling and FUM growth. Investments totalling S\$1.5bn were made in 1Q25, including the S\$944mn Osaka DC development, bringing deployed FUM to c.S\$109bn.
- Maintain BUY with an unchanged SOTP TP of S\$3.65. Our estimates remain unchanged. We continue to favour CLI for its robust and growing recurring fee income stream and asset-light strategy, which enhances resilience amid macroeconomic uncertainty. With a low debt/equity ratio of 0.39x, CLI can capitalise on future acquisitions and expansion.

BUY (Maintained)

LAST DONE PRICE	SGD 2.75
FORECAST DIV	SGD 0.12
TARGET PRICE	SGD 3.65
TOTAL RETURN	37.2%

COMPANY DATA

BLOOMBERG CODE:	CLISP Equity
O/S SHARES (MN):	4,988
MARKET CAP (USD mn / SGD mn):	10250 / 13417
52 - WK HI/LO (SGD):	3.2 / 2.37
3M Average Daily T/O (mn):	11.75

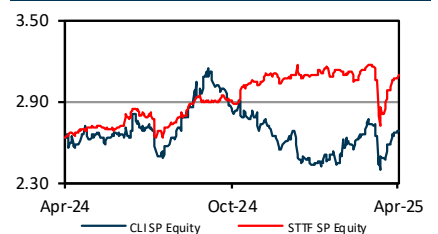
MAJOR SHAREHOLDERS (%)

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

TOTAL RETURN (%)

	1MTH	3MTH	YTD
COMPANY	(1.8)	9.8	2.7
STTF RETURN	(3.3)	1.6	2.4

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)	77.7	28.9	17.7	16.2
P/BV (x)	1.01	1.02	1.01	0.99
DPS (cents)	12.00	12.00	12.00	12.00
Div Yield, %	4.4%	4.4%	4.4%	4.4%
ROE, %	1.3%	3.5%	5.7%	6.1%

Source: Company Data, Bloomberg

Valuation Method

SOTP

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

Results at a glance

(SGD mn)	1Q25	1Q24	YoY	Comments
Revenue	496	650	-24%	Due to CLAS deconsolidation. It was stable on a like-for-like basis.
Comprising:				
1. RE investment (REIB)	242	430	-44%	Declined 6% YoY on a like-for-like basis after adjusting for CLAS deconsolidation, due to the divestment of on-balance sheet assets.
2. Fee-related (FRB)	281	274	3%	
- REITs mgmt	76	74	3%	Recurring fees grew 4% YoY to S\$73mn.
- PE fund mgmt	26	27	-4%	Recurring fees fell 4% YoY due to the exit of a small Korean fund in 1Q25.
- Commercial mgmt	95	91	4%	Increase in third party management contracts.
- Lodging mgmt	84	82	2%	Recurring lodging management income increased 8% YoY.

Source: Company, PSR

The Positives

+ Recurring FRB revenue remained resilient in 1Q25. Recurring fees from listed fund, lodging, and commercial management grew by 4%, 8%, and 4% YoY, respectively. Under lodging management, 4.6k units were signed (1Q24: 4.6k) and 1.8k units were opened (1Q24: 3.2k). The fewer openings were due to 1Q24 being a record quarter, with the units opened in 1Q25 being larger. RevPAU maintained its growth momentum, rising 5% YoY. FUM remained unchanged QoQ at S\$117bn.

The Negative

- Event-driven fees remain under pressure due to heightened geopolitical tensions. Amid rising global uncertainty, buyers and sellers have adopted a more cautious, wait-and-see stance, leading to slower investment decision-making. As a result, event-driven fees from listed fund management declined by S\$1mn to S\$3mn YoY, while private fund management fees remained flat at S\$1mn. The outlook for 2Q25 remains subdued, with limited transaction activity and investment decisions likely deferred to the end of FY25.

Outlook

We project RevPAU growth to remain in the mid-single-digit range for FY25e, supported by robust forward bookings in 2Q25. However, the outlook for 2H25 is more uncertain, with limited visibility amid macroeconomic and geopolitical headwinds. In China, rental reversions remain negative across all sectors, reflecting continued pressure on leasing markets despite targeted policy support to stabilise sentiment and occupancy. The impact of tariffs is likely to be second-order, with minimal disruption expected in the near term. Should any impact materialise, it is more likely to emerge in 2H25, as recurring FRB revenue and lodging bookings have remained relatively resilient thus far. Meanwhile, the low net debt-to-equity ratio of 0.39x provides ample capacity to pursue growth opportunities organically and through acquisitions.

Maintain BUY with an unchanged 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

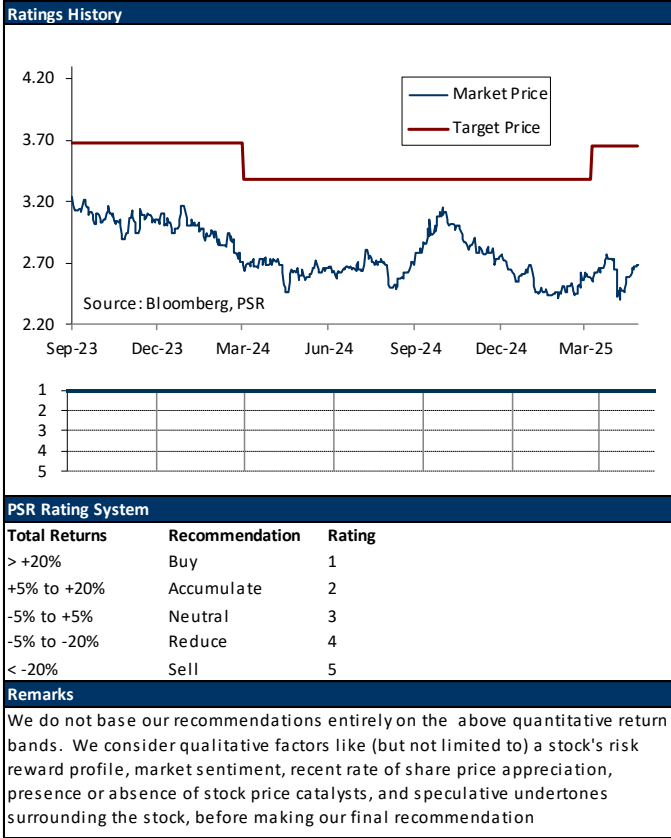
Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E	16.4	77.7	28.9	17.7	16.2
P/B	0.93	1.01	1.02	1.01	0.99
Dividend Yield	6.5%	4.4%	4.4%	4.4%	4.4%

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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