

Frasers Centrepoint Trust

99.9% retail portfolio occupancy

SINGAPORE | REAL ESTATE (REIT) | 3Q25 UPDATE

- No financials were provided in this 3Q25 business update. The acquisition of Northpoint City South Wing was completed on 26 May 2025 and will start contributing from 2H25 onwards.
- Retail portfolio occupancy was at 99.9% (2Q25: 99.5%). 3Q25 shopper traffic and tenants' sales saw healthy YoY growth at +2.1% and +4.4%, respectively (1H25: +1% and +3.3%). The average cost of debt continues to trend down, falling 10bps QoQ and 50bps YoY to 3.7%.
- We maintain ACCUMULATE with an unchanged TP of S\$2.44. There are no changes to our estimates. We expect FY25e rental reversions to be similar to FY24's 7.7%, supported by limited upcoming retail supply and a low occupancy cost of c.16% which remains below historical averages. Trading at a yield of 5.5%, FCT remains our top pick in the retail sub-sector, backed by its resilient suburban mall portfolio anchored by essential services that tend to perform well even in a consumption slowdown.

The Positives

+ Retail portfolio occupancy improved to 99.9% (2Q25: 99.5%). FCT's high portfolio occupancy enhances its bargaining power in lease negotiations, further supported by a low occupancy cost of c.16%, which provides headroom for rental growth. We expect FY25e rental reversions of c.8%, underpinned by the completion of the Tampines 1 AEI. FCT's suburban retail portfolio continues to outperform, with occupancy exceeding both the average for Singapore's suburban retail floorspace (95.6%) and the islandwide retail occupancy rate (93.4%).

+ Lower cost of debt. In 3Q25, the average cost of debt improved by 10bps QoQ to 3.7%, with 76.2% of debt hedged to fixed rates. FCT has no refinancing requirements for the remainder of FY25 and has commenced discussions to refinance the 16.1% of loans (S\$460mn) maturing in FY26. We expect the all-in cost of debt for FY25e to average 3.8%, improving to 3.5% in FY26e. Aggregate leverage rose to 42.8% following the acquisition of North Point City Soth Wing but is expected to decline to 40.4% upon repayment of loans using proceeds from the S\$200mn perps issued at a 3.98% coupon rate.

The Negative

- nil

Outlook

The Hougang Mall AEI, which commenced in April 2025 and is slated for completion by September 2026, has achieved a 74% pre-commitment rate, anchored by several new-to-mall concepts. With new retail supply from now until 2028 estimated at c.1mn sq ft, or just 2% of existing stock, supply-demand dynamics remain favourable, supporting continued positive rental reversions. Cathay remains in payment arrears, although its contribution is immaterial, accounting for less than 1% of GRI. With several blockbuster films currently screening and more slated for release in the coming months, FCT is hopeful that this will help drive increased footfall across its malls. Tenant sales momentum is also expected to benefit from government support measures, including CDC vouchers, SG60 payouts, and climate vouchers.

Maintain ACCUMULATE with an unchanged DDM TP of S\$2.44

Key risks include a potential slowdown in retail sales and softening consumer sentiment, which could impact tenant performance and leasing demand. The current share price implies an FY25e DPU yield of 5.5%.



StocksBnB.com

28 July 2025

ACCUMULATE (Maintained)

LAST DONE PRICE	SGD 2.20
FORECAST DIV	SGD 0.121
TARGET PRICE	SGD 2.44
TOTAL RETURN	16.6%

COMPANY DATA

BLOOMBERG CODE:	FCT SP
O/S SHARES (MN):	2,028
MARKET CAP (USD mn / SGD mn):	3481 / 4461
52 - WK HI/LO (SGD):	2.42 / 2.03
3M Average Daily T/O (mn):	4.82

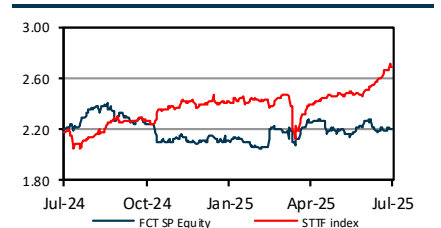
MAJOR SHAREHOLDERS

FRASERS PROPERTY LTD	41.2%
VANGUARD GROUP INC	2.4%
SCHRODERS PLC	1.9%
BLACKROCK INC	1.8%

TOTAL RETURN (%)

	1MTH	3MTH	YTD
COMPANY	(2.2)	(2.2)	7.5
STTF RETURN	7.8	12.1	15.0

PRICE VS. STTF



KEY FINANCIALS

Y/E Sept	FY23	FY24	FY25e	FY26e
Gross Rev (SGD mn)	370	352	373	412
NPI (SGD mn)	266	253	277	296
Dist Inc. (SGD mn)	208	214	232	251
P/NAV (x)	0.95	0.96	0.97	0.97
DPU, adj (Cents)	12.15	12.04	12.12	12.34
Distribution Yield	5.5%	5.5%	5.5%	5.6%

Source: Company, PSR

Valuation Method

DDM (Cost of equity 6.90%, Terminal Growth 1.5%)

Darren Chan (+65 6212 1849)
Research Manager
darrenchanrx@phillip.com.sg

Financials

Statement of Total Return and Distribution Statement

Y/E Sep, SGD mn	FY22	FY23	FY24	FY25e	FY26e
Gross Revenue	357	370	352	373	412
Total Property expenses	(98)	(104)	(98)	(109)	(116)
Net Property Income	259	266	253	277	296
Net Finance (Expense)/Inc	(47)	(81)	(84)	(95)	(102)
Trust expenses	(4)	(4)	(4)	(4)	(4)
Manager's management fees	(33)	(35)	(37)	(47)	(38)
Net Income	176	149	129	131	152
Share of associate's results	(1)	6	-	-	-
Share of JV's results	25	51	66	70	72
Other Adjustments	12	20	39	33	30
Distribution to Unitholders	208	208	214	232	251

Per share data

Y/E Sep, SGD	FY22	FY23	FY24	FY25e	FY26e
NAV	2.33	2.32	2.29	2.27	2.26
DPU (Cents)	12.23	12.15	12.04	12.12	12.34

Cash Flow

Y/E Sep, SGD mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
Net Income	201	212	196	201	223
Adjustments	25	28	40	48	49
WC changes	9	3	(22)	26	1
Cashflow from operating activities	234	243	216	275	273
CFI					
Capex on inv properties	(6)	(8)	(42)	(30)	(31)
Others	22	(349)	87	(1,032)	69
Cashflow from investing activities	16	(357)	45	(1,062)	39
CFF					
Share issuance	-	-	200	421	-
Distributions to Unitholders	(208)	(208)	(208)	(214)	(232)
Others	(46)	316	(258)	664	(78)
Cashflow from financing activities	(254)	108	(266)	870	(310)
Net change in cash	(4)	(6)	(5)	84	1
CCE, end	38	32	27	111	112

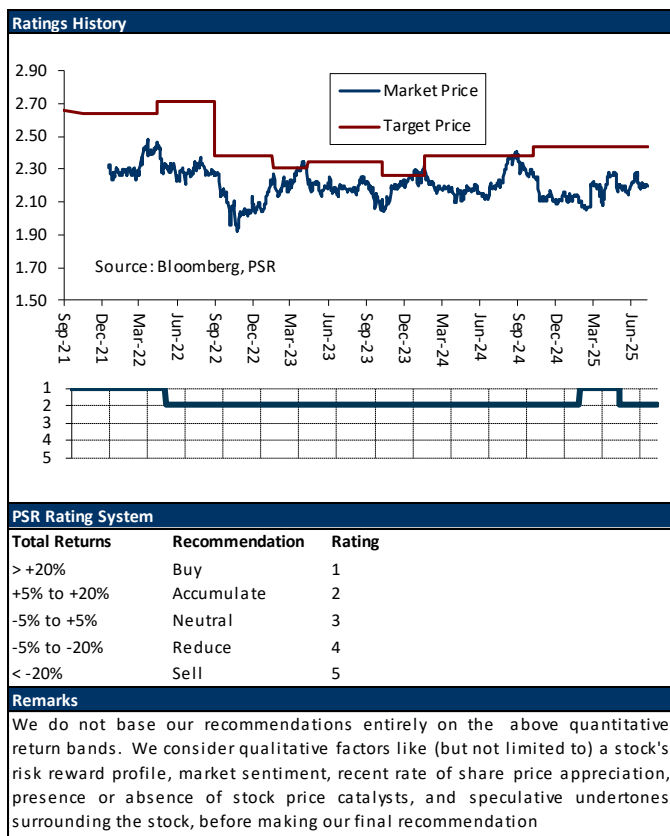
Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Sep, SGD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Investment properties	5,516	5,221	5,283	6,413	6,444
Investment in JV	312	731	1,057	1,059	1,061
Non Current Assets	5,891	5,966	6,342	7,474	7,507
Trade and Other Receivables	8.9	8.8	9.7	11.2	12.4
Cash and Cash Equivalents	38	32	27	111	112
Current Assets	50	409	36	122	124
Total Assets	5,941	6,375	6,379	7,596	7,632
LIABILITIES					
Interest bearing borrowings	1,419	1,842	1,708	2,316	2,452
Others	50	56	81	81	81
Non-Current Liabilities	1,470	1,898	1,789	2,397	2,533
Trade and other payables	71	95	69	97	99
Interest bearing borrowings	391	353	320	470	358
Others	46	55	40	40	40
Current Liabilities	507	504	429	607	496
Total Liabilities	1,977	2,402	2,218	3,004	3,030
EQUITY					
Shareholder Equity	3,964	3,973	4,161	4,592	4,602

Valuation Ratios

Y/E Sep	FY22	FY23	FY24	FY25e	FY26e
P/NAV (x)	0.95	0.95	0.96	0.97	0.97
Distribution yield	5.6%	5.5%	5.5%	5.5%	5.6%
NPI yield	4.7%	5.1%	4.8%	4.3%	4.6%
Growth & Margins	FY22	FY23	FY24	FY25e	FY26e
Growth					
Revenue	4.6%	3.6%	-4.9%	6.1%	10.4%
Net property income (NPI)	4.9%	2.7%	-4.6%	9.4%	6.6%
DPU	1.2%	-0.6%	-0.9%	0.7%	1.8%
Margins					
NPI margin	72.5%	71.8%	72.0%	74.3%	71.7%
Net Income Margin	49.2%	40.3%	36.7%	35.1%	36.8%
Key Ratios					
Gearing	32.8%	39.3%	38.5%	43.5%	43.6%
ROA	3.0%	2.3%	2.0%	1.7%	2.0%
ROE	4.4%	3.8%	3.1%	2.8%	3.3%
Interest coverage ratio (x)	5.53	3.29	3.03	2.92	2.91



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 – serenalimyq@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	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 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	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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