Singapore

ADD *(initiation)*

Consensus ratings*:	Buy 16	Hold 1	Sell 0

Current price:	S$3.87
Target price:	S$4.59
Previous target:	S$
Up/downside:	18.6%
CIMB / Consensus:	7.9%
Reuters:	CAPN.SI
Bloomberg:	CLI SP
Market cap:	US$14,401m
	S$19,864m
Average daily turnover:	US$23.52m
	S$32.10m
Current shares o/s:	5,140m
Free float:	48.3%

**Source: Bloomberg*

No changes

Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-4.5	2.9	
Relative (%)	-0.9	7.4	

Major shareholders	% held
Temasek Holdings	51.8

Capitaland Investment

Can it exceed S$100bn by 2024?

- Post restructuring, CLI offers investors greater earnings visibility and higher ROEs of c.4.4-5% over FY22-24F vs pre-restructuring c.3-4% over FY17-20.
- We think reaching S$100bn FUM from current S$86bn by FY24F is doable based on existing pipelines.
- Exceeding the target is possible, from private equity FUM growth and M&A opportunities. Initiate coverage with an Add rating and TP of S$4.59.

Initiate coverage with an Add rating and TP of S$4.59

We initiate coverage on CLI with an Add rating and TP of S$4.59, pegged to an assumed 10% discount to a sum-of-parts RNAV of S$5.10 (see pg 14 for details). We forecast a 16% CAGR in operating PATMI (before portfolio gains and revaluations) over FY21-24F, driven by growth in funds under management (FUM) and fee income, efficient capital deployment, and improved operating performance of its investment and lodging properties as borders reopen. We believe this will underpin ROE expansion from operating PATMI from 3-4% (between 2017-2020) to c.5% by FY24F (see Fig 26) and narrow its current valuation gap vs. peers. Key downside risks include slower-than-expected scaling up of its FUM or dampened real estate outlook that could weaken its fund performance and hamper its pace of capital recycling activities.

Can the S$100bn FUM target be met?

We think yes. CLI targets to expand its FUM to S$100bn by 2024F from S$86bn as at end-1Q22, underpinned by accelerated third-party fund raising and a visible recycling pipeline of S$10bn worth of directly held investment properties, which are mainly operational, that could serve a pipeline of assets for its fund vehicles over the next 2-3 years. YTD, CLI and its REITs have recycled S$1.6bn of capital, of which 80% has been retained as FUM, and have acquired $0.6bn of third-party assets. Whilst some near-term concerns have been raised on CLI's exposure to China (32% of FUM as at end-1Q) given the country's Zero Covid policy and slowing GDP growth, we believe CLI's long-term positive outlook remains intact, and management continues to be on the lookout for recycling and investment opportunities outside of the Capitaland ecosystem. Furthermore, CLI has a strong balance sheet with gross cash of and undrawn facilities of S$8.1bn at end-1Q22 that could be deployed for any distressed opportunities.

Improving capital efficiency should further re-rate share price

Our RNAV is derived based on i) marking to market CLI's investment properties and its stakes in its private funds, ii) ascribing a value to its fund management and lodging management business, as well as pegging its stakes in listed REITs to our TP or market price. CLI is currently trading at 20.8x CY22F P/E, above the average peer multiple of 18.3x, but its FY22F P/BV is lower at 1.15x (peer average: 2.35x). In addition, its FY22F EV/EBITDA of 16.4x is slightly higher than the peer average of 15.2x. We believe this is a function of CLI's hybrid real estate investment management (REIM) model, with 63% of its gross asset value (GAV) exposed to on-balance sheet investment properties and stakes in its sponsored REITs while its fund management business made up only 23% of its GAV and contributed only 22% to its FY21 EBITDA. We believe that as the group i) lightens its balance sheet by recycling its assets to realise the value of its properties, ii) improve its capital efficiency by moving towards a more asset light model, and iii) accelerate the growth of its private funds business to boost its fund-fee rate, its ROE and P/BV multiples will rise in the longer run and the valuation and RNAV gap will narrow.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues (S$m)	1,983	2,293	2,475	2,621	2,679
Operating EBITDA (S$m)	680	817	1,192	1,223	1,266
Net Profit (S$m)	(559)	1,349	955	999	1,106
Normalised EPS (S$)	0.06	0.27	0.19	0.19	0.22
Normalised EPS Growth		346%	(31%)	5%	11%
FD Normalised P/E (x)	91.72	16.29	20.83	19.89	17.97
DPS (S$)	0.00	0.15	0.07	0.07	0.08
Dividend Yield	0.00%	3.88%	1.68%	1.76%	1.95%
EV/EBITDA (x)	11.56	16.76	16.38	16.05	15.38
P/FCFE (x)	NA	7.22	NA	NA	NA
Net Gearing	42.8%	48.1%	47.2%	48.7%	50.1%
P/BV (x)	0.89	1.21	1.15	1.11	1.06
ROE	2.75%	6.58%	5.67%	5.69%	6.03%
% Change In Normalised EPS Estimates					
Normalised EPS/consensus EPS (x)			0.85	0.78	0.77

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Analyst(s)

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CLI at a glance

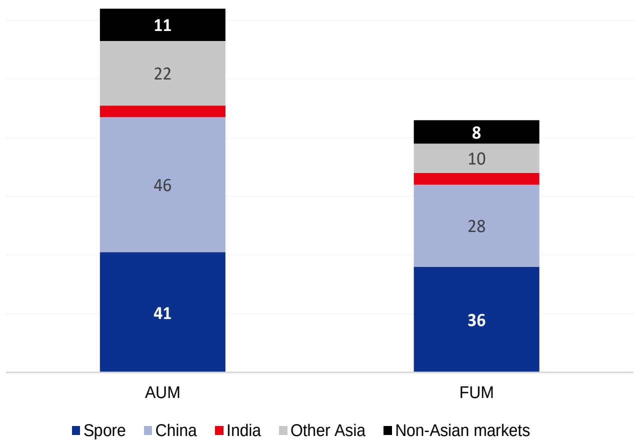
Capitaland Investment (CLI) was the result of the restructuring of Capitaland Ltd into two distinct entities – CLI as the listed real estate investment management (REIM) arm and Capitaland Development, the privatised property development arm.

CLI's business model comprises two main business segments:

- Fee income-related business (FRB), which derives income from fund management, lodging management and property management activities across its property portfolio; and
- Real estate investment business (REIB), deriving income from its directly-owned properties, stakes in its listed REITs and private funds.

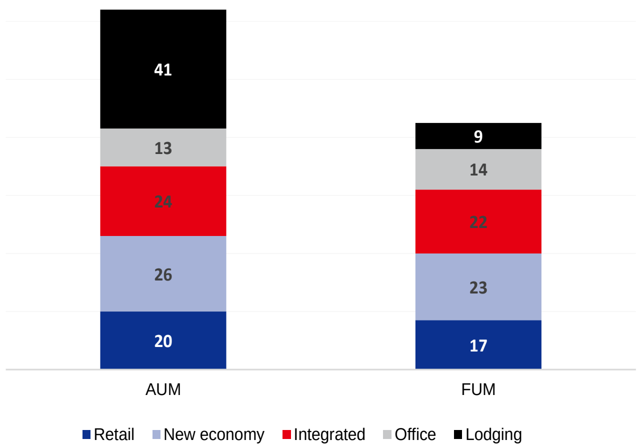
CLI is one of largest REIMs in Asia with S$124bn of assets under management (AUM) and S$86bn of funds under management (FUM) as at end 1Q22. Its core markets are Singapore, China and India, making up 91% and 68% of its AUM and FUM, respectively, as at end-1Q22.

Figure 1: Breakdown of CLI's AUM and FUM by geography, 1Q22 (S$bn)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

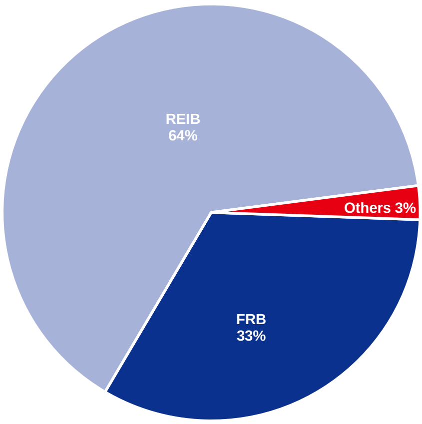
Figure 2: Breakdown of CLI's AUM and FUM by segment, 1Q22 (S$bn)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

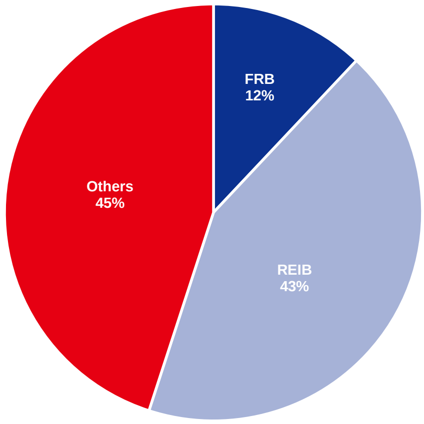
As at end-FY21, 64% of CLI's revenue and 43% of its EBITDA were generated from contributions from the REIB segment while the FRB segment accounted for 33% of revenue and 12% of EBITDA. That said, from an operating EBITDA (stripping out portfolio gains, revaluations and impairments) perspective, the FRB segment accounted for 22% of operating EBITDA. In 1Q22, 57% of revenue was generated from REIB, and 43% from FRB.

Figure 3: Breakdown of FY21 revenue by segment



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Breakdown of FY21 EBITDA by segment



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Fee-related business – S$100bn FUM goal by 2024F

Steady base with upside kicker ➤

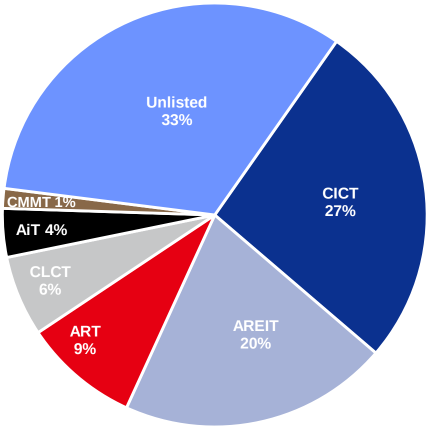
CLI's fee-related business (FRB) generates fees from fund management (FM FRE), lodging management and property management activities across its property portfolio. We believe this segment offers high earnings visibility, underpinned by steadily growing REIT management fees, while expanding private funds FUM and the number of lodging units under management, with a target to reach S$100bn FUM by 2024F, could provide the growth kicker. Overall, we project FRB revenue to post CAGR of 8.9% over FY21-24F, driven by FUM growth and ramp-up of lodging management.

CLI generated S$262m of fee revenue in 1Q22, up 17% yoy, including S$31m of performance fee from its Vietnam and Singapore funds. FM FRE accounted for the bulk 50% of total fee income of S$262m while 28.6% came from property management and the remaining 23.2% was generated from lodging management fees.

High degree of visibility from REIT management fees ➤

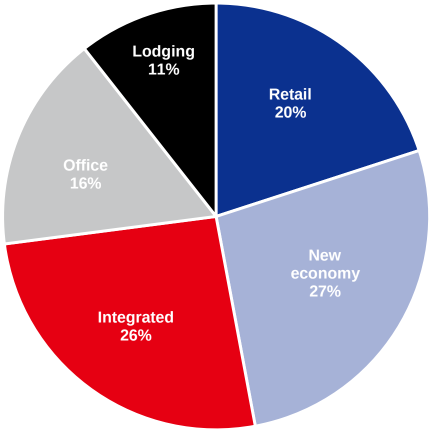
CLI's FM FRE offers a high degree of earnings visibility as the bulk of its FUM are from its six listed REITs, making up 67% of its FUM of S$86.2bn as at end-1Q22, with the remaining 33% (S$28.2bn) from its private funds. CLI owns 18-39% stakes in its listed REITs. Growth prospects for its fee income from REIT management come from increasing portfolio sizes through inorganic growth, including capital recycling activities into its REITs as well as capital value appreciation. To this end, CLI's S$10bn worth of on-balance sheet properties, in part or whole, could likely form the pipeline for these recycling activities in the medium term. The assets include its 50% stake in ION Orchard and 45% stake in CapitaSpring, currently owned by Capitaland Development.

Figure 5: CLI FUM by type



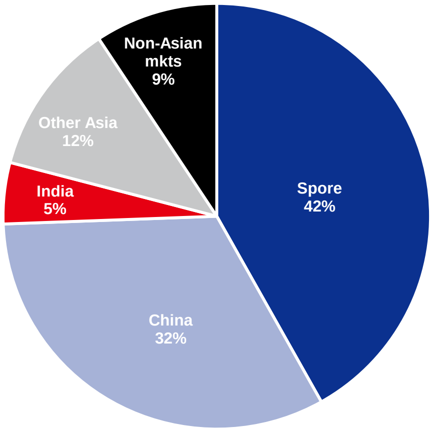
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: CLI's FUM by sector



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: CLI's FUM by geography



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 8: CLI's stakes in its sponsored REITs

REIT	FUM (S$bn)	Sponsor stake (%)	Market cap (S$bn)	Gearing
CICT	22.9	23%	14.9	39.0%
AREIT	17.7	18%	12.3	37.0%
ART	7.6	39%	3.7	38.0%
CLCT	5.3	24%	2.0	38.0%
AIT	3.2	22%	1.4	36.0%
CMMT	1.3	39%	RM1.2bn	36.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

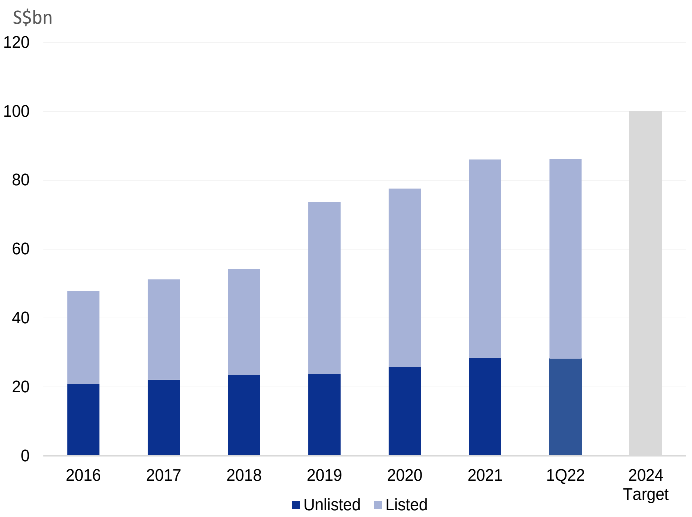
Meeting its S$100bn FUM target by 2024F

CLI delivered a FUM CAGR of 12.5% over 2016-1Q22 to S$86bn. This was led by strong AUM growth within its listed REITs, which registered a 12.5% FUM CAGR during the same period, led by expansion within its REITs as well as the acquisition of Ascendas-Singbridge in 2019. Its unlisted funds recorded a slower FUM CAGR of 6.5%. CLI has set a target of reaching S$100bn FUM by end-FY24F or about 5.2% CAGR over FY21-24F. This implies an average of S$4bn-5bn of new FUM p.a. over the next few years.

We believe this can be achieved as it i) progressively converts its on-balance sheet assets into FUM by monetising them into its REITs or private funds, or ii) from inorganic growth at its REITs and private funds.

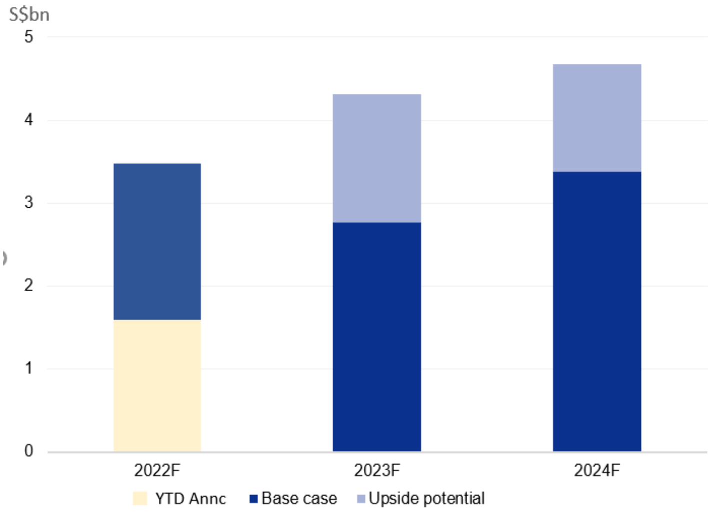
CLI intends to monetise its directly-held properties assets over 3-4 years. This implies an annual target of S$3bn worth of asset recycling, which dovetails with its historical run rate. Based on its track record, CLI had consistently hit above its target of S$3bn worth of divestments annually, achieving a return of 11%, according to management. These asset-recycling activities would likely lift its FUM and hence boost fee income, in our view.

Figure 9: CLI's FUM by source, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 10: Projected asset recycling activities



SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 11: CLI's principal properties

Property	Location	Asset type	Est. Value (S$m) (100% basis)	Stake
Ascendas iHub Suzhou	Suzhou, PRC	Business park	151	100%
Hongkou Plaza	Shanghai, PRC	Integrated devt	1942	73%
Minhang Plaza	Shanghai, PRC	Integrated devt	995	65%
CM Tiangongyuan	Beijing, PRC	Mall	489	100%
CM Westgate	Wuhan, PRC	Integrated devt	421	100%
Dalian Ascendas IT Park	Dalian, PRC	Business park	343	100%
One iPark	Shenzhen, PRC	Office	181	73%
Tianjin International Trade Centre	Tianjin, PRC	Integrated devt	179	100%
International Tech Park Pune, Hinjawadi	Pune, India	IT park	224	79%
Queensbay Mall	Penang, Malaysia	Mall	313	100%
ION Orchard	Singapore	Mall	3302	50%
Arlington Business Park	Reading, UK	Business park	231	100%
La Clef Tour Eiffel Paris	Paris, France	Lodging	110	100%
The Cavendish London	London, UK	Lodging	271	100%
Deerwood Apartments	Corona, USA	Multi-family	151	100%
Marquessa Villas	Corona, USA	Multi-family	141	100%
Parkfield	Denver, USA	Multi-family	177	100%
The Ashton	Corona, USA	Multi-family	201	100%
PBSA development in South Carolina (devt)	South Carolina, USA	PBSA	291	100%
Data centre campus in Shanghai (devt)	Shanghai, PRC	Data centre	758	100%
Logistics facility in Osaka (devt)	Osaka, Japan	Logistics	91	100%
Logistics facility in Hamura (devt)	Hamura, Japan	Logistics	112	100%
31.25% stake in LuOne	Shanghai, PRC	Integrated devt	168.5	100%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

As a benefit of the CapitaLand ecosystem, according to management, the group's development arm, Capitaland Development (CLD) will continue to support CLI through participating and collaborating in the development/redevelopment of projects within CLI as well as provide CLI with development or project management services. CLI will also be able to tap a key pipeline of investment opportunities from CLD as and when its development projects complete and are available for sale to augment the growth of CLI's FUM.

Based on our analysis and CLI's current list of properties, our base case assumption is for CLI to recycle a further S$1.9bn worth of properties in the remainder of 2022F, and another S$2.8bn-3.3bn of assets between 2023-2024F. In addition, we see upside risk to these estimates should CLD's development or pipeline of properties stabilise. Based on management's indicative timelines and our expectations of completion dates, CLD could potentially have S$2bn-3bn worth of stabilised assets over the next 2-3 years that could form the acquisition pipeline for CLI or its REITs/funds.

Under a reciprocal Rights of First Refusal (ROFR) arrangement between CLI and CLD, CLI will be given the right of first refusal to invest up to 100% in relevant assets from CLD and CLD will be given the first right to invest up to 100% in any development opportunity within CLI.

An example of this is the establishment of a 66:34 JV between CLD and Ascendas Real Estate Investment Trust (AREIT) in Nov 2021 to redevelop 1 Science Park Drive into a life science and innovation campus with 116,200 sq m gross floor area (GFA) for S$883m. CICT also divested of JCube to CLD for S$340m in Jan 2022.

Meanwhile, CLD has other ongoing rejuvenation activities in Science Park 1, such as the redevelopment of the former Franklin Building at 3 Science Park into an integrated development, scheduled to be completed by 2024F. In China, CLD is participating in a 50:50 JV with Mitsubishi Estate Co Ltd to develop a Rmb1.5bn business park at Suzhou New District, which could be part of its longer term pipeline asset, in our view.

These could form a pipeline to be converted into FUM for CLI and its REITs; we have not factored these into our current assumptions.

In 1Q22, CLD also announced the sale of Capital Place, a Grade A office building in Hanoi, Vietnam, to an unrelated third party for S$751m. The building was held under Capitaland Vietnam Commercial Value-Added Fund (CVCVF), which is 50%-owned by CLD and managed by CLI. Following the completion of the transaction in 1Q22, CVCVF was fully divested, generating carried interest of S$23m to CLI during the quarter.

Figure 12: CLD's principal properties

Property	Location	Asset type	Stake
Ascott Heng Shan Shanghai	Shanghai, PRC	Lodging	100%
Capital Square	Shanghai, PRC	Integrated devt	70%
CapitaMall SKY+	Guangzhou, PRC	Mall	100%
Innov Center Phase II	Shanghai, PRC	Office	100%
Raffles City Chongqing	Chongqing, PRC	Integrated devt	100%
Suzhou Center Mall & Suzhou Center Office	Suzhou, PRC	Integrated devt	50%
The Paragon Tower 6	Shanghai, PRC	Lodging	99%
9 Tai Seng Drive	Singapore	Data centre	100%
Ascent	Singapore	Business park	100%
CapitaSpring	Singapore	Integrated devt	45%
Jewel Changi Airport	Singapore	Mall	49%
Rochester Commons	Singapore	Office	100%
1 Science Park Drive redevelopment	Singapore	Business Park	66%
Suzhou New District business park development	Suzhou, China	Business Park	50%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Accelerating private funds FUM growth

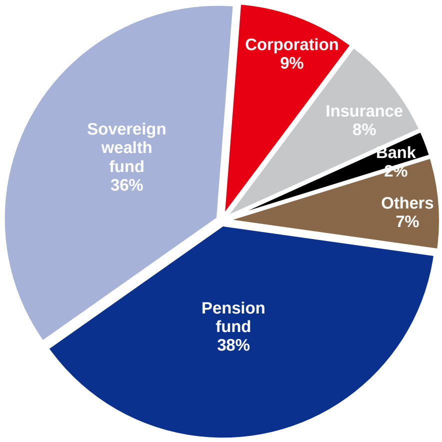
CLI has a diverse investor base within its private funds. As at 1Q22, 38% and 36% of its private fund investors were pension funds and sovereign wealth funds, respectively. In terms of geography, 54% are domiciled in Asia Pacific with another 23% from North America and 19% from Europe. This diversity is likely to lend a stable base to this segment of its operations.

CLI accelerated its private fund-raising efforts in FY21, with seven new funds incepted and over S$1.43bn raised from external parties. It had also successfully registered as a private equity (PE) fund manager in China in Jun 2021.

We also believe appointments of two private equity CEOs, Mr. Simon Treacy, who will head the real estate business, and Mr. Patrick Boocock, leading the development of its alternative asset private funds business, in Oct 2021, will help

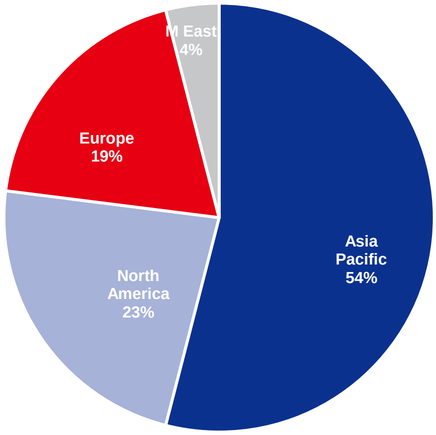
CLI drive AUM and FUM as well as expand its suite of products under its unlisted fund portfolios.

Figure 13: Limited Partners (LP) investor base by type, 1Q22



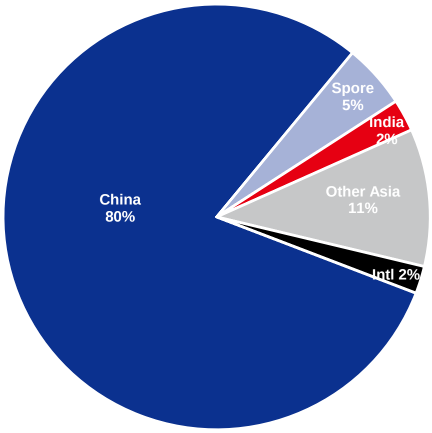
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 14: Limited Partners (LP) investor base by domicile, 1Q22



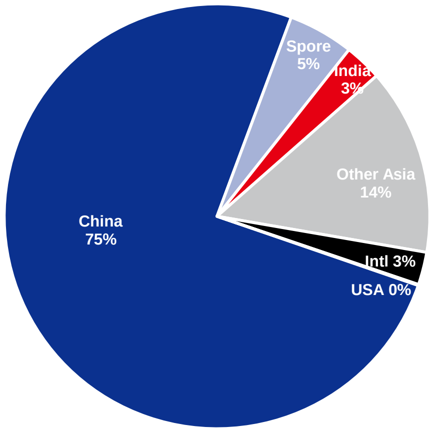
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 15: Breakdown of private funds FUM by geography, 3Q21



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 16: Breakdown on private funds FUM by geography, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Pivoting towards developed, new economy sectors

We note that even as CLI has grown its private funds FUM, it has also diversified the funds' geography base. China, which accounted for 80% of private funds FUM as at 3Q21, has declined to 75% as at 1Q22, while initial investments made into USA as well.

Of the eight new funds incepted in 2021/YTD2022, most are in new economy assets. Some of these include:

i) Capitaland Open End Real Estate Fund (COREF) – CLI's first open-ended income fund with an Asia Pacific mandate, which has invested in three properties in Japan and Singapore

ii) Capitaland Korea Logistics Fund 10 – JV with PGIM Real Estate, which has invested in two cold storage logistics properties, Foodist Icheon Centre and Foodist Gyeongin Centre, in Korea

iii) Capitaland Korea Logistics Fund 11 – JV with PGIM Real Estate, which has invested in a cold storage logistics facility in Gwangju, Korea

iv) Orchid One Good Kaisha – its first Japan Core Office private fund with has invested in two properties, previously owned by CLI, namely 50% stake in Yokohama Blue Avenue and 20% stake in Shinjuku Front Tower

v) Student Accommodation Development Venture – JV with Riyad Capital, which has invested in a student development accommodation asset in Nebraska, USA.

Figure 17: Unlisted funds under CLI

Private funds	Fund size ($m)	
Capitaland Mall China Income Fund	US$	900
Capitaland Mall China Income Fund II	US$	425
Capitaland Mall China Income Fund III	S$	900
Capitaland Mall China Development Fund III	US$	1,000
Raffles City China Income Ventures Ltd	US$	1,180
Raffles City Changning JV	SS$	1,026
Raffles City China Investment Partners III	US$	1,500
Ascendas China Commercial Fund 3	S$	436
Capitaland Vietnam Value-Added Commercial Fund	US$	130
Capitaland Township Development Fund II	US$	200
Capitaland Asia Partners (CAPI) and Co-investments	US$	510
Athena LP	S$	88
Capitaland Open-End Real Estate Fund	US$	441
Southernwood Property Pte Ltd	S$	360
Capitaland Korea Private REIT No. 1	KRW	85,100
Capitaland Korea Private REIT No. 3	KRW	107,500
Capitaland Korea Qualified Private REIT No. 4	KRW	63,512
Capitaland Korea Qualified Private REIT No. 5	KRW	64,062
Capitaland Korea Data Centre Fund I	KRW	116,178
Capitaland Korea Data Centre Fund II	KRW	140,684
Capitaland Korea Logistics Fund (CLK 10)	KRW	85,700
Capitaland Korea Logistics Fund II (CLK 11)	KRW	44,864
Capitaland Mall India Development Fund	S$	880
Ascendas India Growth Programme	INR	15,000
Ascendas India Logistics Programme	INR	20,000
Capitaland India Logistics Fund II	INR	22,500
Ascott Serviced Residence (Global) Fund	US$	600
Orchid One Godo Kaisha	JPY	18,460
Mitake I Tokutei Mokuteki Kaisha	JPY	3,000
Student Accomodation Development Venture (SAVE)	US$	150
Total fund size	**S$**	**15,110**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS
Note: Highlighted funds are new funds incepted in 2021/2022

In terms of contributions, in 1Q22, CLI recorded S$59m of FM FRE from private funds, up 127% yoy. It has made S$2.1bn of gross total investments YTD, completed S$1.26bn worth of gross divestments and raised S$381m of external capital.

Other capital-recycling and investments activities include:

i) Establishing a US$150m development venture with Riyad Capital to develop student accommodation assets in USA. According to management, Ascott will hold a 20% stake in the Student Accommodation Development Venture (SAVE) as well as manage the JV.

ii) Divestment of CapitaSky (former 79 Robinson Rd) by CICT and Capitaland Open End Real Estate Fund (COREF), which took up respective 70%

and 30% of the property, valued at S$1.26bn (based on a 100% stake) in Apr 2022.

iii) Acquisition of seven logistics properties in Chicago for US$99m by AREIT.

iv) Maiden purchase of four rental housing properties and a student accommodation property in Japan for ¥10.4bn (S$125m) in Mar 2022 by ART.

v) CLI also announced investments into two new developments, namely a student accommodation development in Nebraska under its SAVE JV and acquisition of two properties in China and the Netherlands through its Ascott Serviced Residence Global Fund (ASRGF), which will be rebranded into Somerset Hangzhou Bay Ningbo and Citadines Canal Amsterdam, respectively, upon completion.

In addition to acquisition fees, we believe expanding the FUM of its REITs will also enable CLI to grow its REIT management fee income.

Improving fund fees-to-FUM ratio ›

The fund management fees-to-FUM ratio improved from 40bp in FY20 to 50bp in FY21 and rose slightly in 1Q22 to 51bp. This was underpinned by its REIT management fees as well as event-driven fund fees. This compares with our estimate of its REIM peers' fees-to-FUM ratios of 61-110bp, derived based on their latest respective results announcements. Hence, we believe there is room to improve this ratio going forward, even as CLI accelerates the growth of its unlisted funds. We note CLI successfully registered as a private equity fund manager in China in Jun 2021, enabling it to tap onshore funds, as well as divested part of its stakes in Raffles City China developments into a new JV structure and improve its fee structure.

Real estate investment business

Providing recurring income with potential to convert to FUM ›

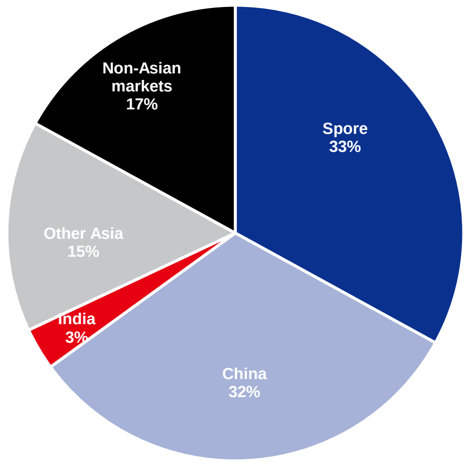
CLI's real estate investment business (REIB) segment consists of i) stakes in its listed REITs, ii) stakes in its private funds, and iii) c.S$10bn worth of directly-held properties; and generate recurrent dividend and rental income.

CLI's investment properties on its balance sheet in the retail, office, industrial, hospitality and multi-family subsectors across Asia, Europe, UK and US. With the exception of development assets purchased in 4Q21-1Q22, such as the student accommodation development in Nebraska, which sits under Student Accommodation Development Venture (SAVE), as well as the logistics facilities in Japan, CLI's investment properties are largely operational and income-generating. Its retail, office and new economy assets have an average occupancy rate of 90-97% as at end-1Q22.

We believe some of these investment properties are likely to be sold to CLI's funds and increase its FUM.

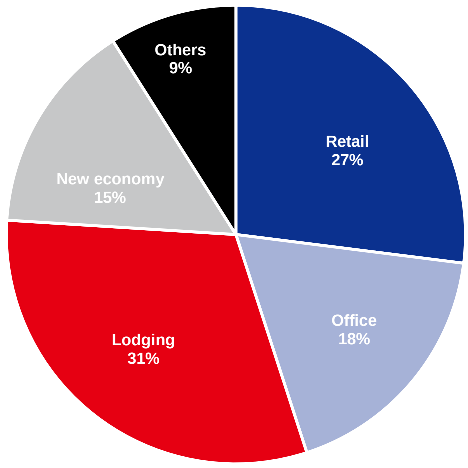
In addition, we believe that with S$8.1bn worth of cash and undrawn facilities on hand as at end-1Q22, CLI has room to potentially acquire incubate/warehouse pre-stabilised/development assets. Examples of these are the data centre campus in Shanghai and the logistics facilities developments in Osaka and Hamura City in Japan, that CLI acquired on their balance sheet, which has potential to be divested into its private funds and be converted into FUM in the future, in our view.

Figure 18: Breakdown of CLI's real estate portfolio by geography, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 19: Breakdown of CLI's real estate portfolio by sector, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Recovery in hospitality a further shot in the arm

Asset-light lodging management platform ➤

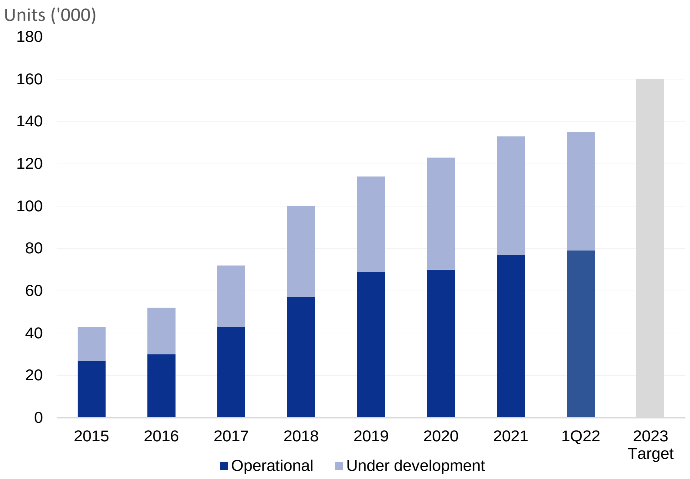
CLI's lodging platform comprises both owned and managed properties. As at end-FY21, this platform had 135,000 lodging units, of which 70% are serviced residences, 23% are hotels, and the remaining 7% are rental housing and purpose-built student accommodation (PBSA). The platform is asset-light as close to 80% of the units are managed units or under franchise agreements.

Growth prospects for the lodging platform come from i) the progressive completion and operational ramp-up of the 56,000 units (mainly third-party assets) as at end-1Q22 over the next 3-4 years; and ii) CLI's target to expand this segment to 160k units under management by 2023F or 20% growth over the FY21 base. CLI guided that it expects to generate S$20m-25m of fee income for every 10k units of stabilised serviced residence units.

In addition, we believe that as borders and economies reopen globally, a recovery in the hospitality industry will boost its portfolio revenue per available unit (RevPAU). While the lodging business was hit by the Covid-19 pandemic, this segment proved to be resilient due to its longer stay nature. Portfolio RevPAU improved in 1Q22 to S$71. Management indicated that, on a like-for-like basis, its 1Q22 portfolio RevPAU was still 20% below the pre-Covid-19 level. We believe with business and leisure travel activities picking up on the gradual relaxation of travel restrictions, demand for short-stay accommodation should also increase in tandem.

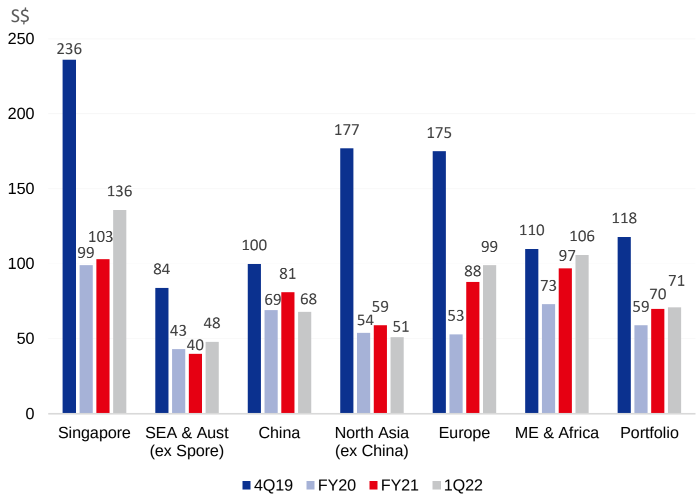
Lodging contributed S$190m of fee income in FY21 and S$55m in 1Q22 and we project this to increase to S$215.1m in FY22F and S$272.9m in FY23F.

Figure 20: Lodging units under management



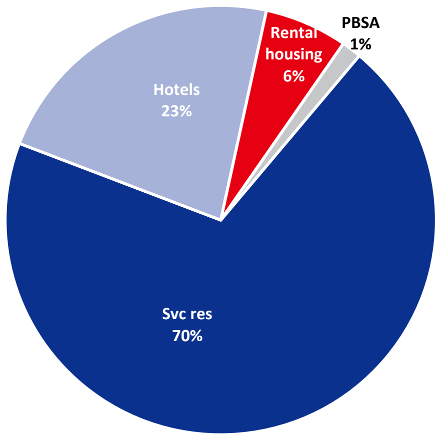
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 21: Revenue per available unit, S$



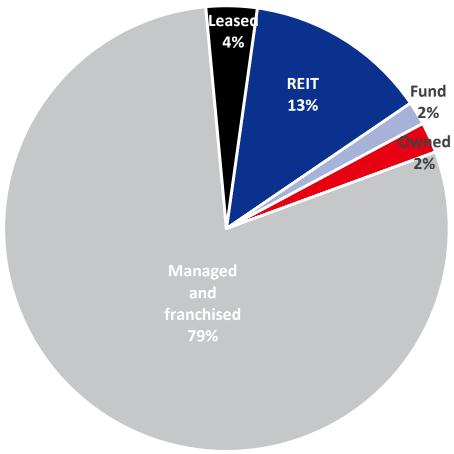
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 22: Breakdown of portfolio by type, 1Q22



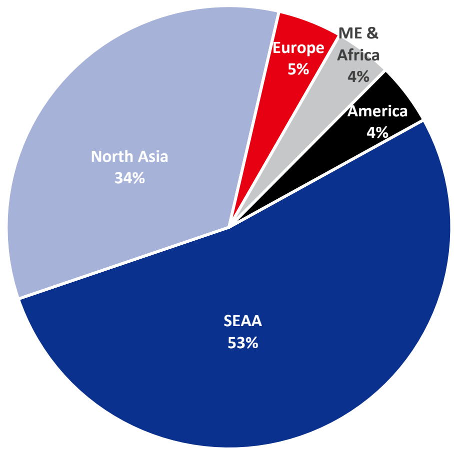
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 23: Breakdown of portfolio by ownership, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 24: Breakdown of portfolio by geography, 1Q22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Financial analysis

CLI derives its revenue and earnings from fee-related income and rental income from investment properties and lodging as well as from divestment and revaluation gains. We project FY22F/FY23F revenue to grow 8%/5.9% to S$2,475.4m/ S$2,620.8m, driven by expanding fee and lodging management income as well as locked-in divestment gains from its capital-recycling activities to date. This translates to a core PATMI of S$954.8m/S$999.4m for FY22F/FY23F.

Figure 25: Breakdown of CLI's revenue by segment

FYE Dec (S$m)	FY20	FY21	FY22F	FY23F	FY24F
Revenue	**1,983.0**	**2,293.0**	**2,475.4**	**2,620.8**	**2,678.8**
REIB	1,292.0	1,478.0	1,655.0	1,766.8	1,795.8
FRB	634.0	755.0	810.3	844.1	873.0
Others	57.0	60.0	10.0	10.0	10.0
EBITDA	**1,145.0**	**2,077.0**	**1,881.1**	**1,969.8**	**2,139.1**
REIB	953.0	1,838.0	1,517.2	1,592.1	1,749.0
FRB	174.0	315.0	361.0	374.7	387.2
Others	18.0	-76.0	3.0	3.0	3.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Real estate income. Income from the real estate investment business (REIB) comprises rental income from investment properties, including lodging assets, and dividend income from its stakes in the REITs. We forecast revenue from REIB to rise from S$1.48bn in FY21 to S$1.8bn in FY24F, underpinned by organic rental recovery from its investment and lodging properties on its balance sheet in tandem with a recovery in the operating environment, higher dividend income from its stakes in its listed REITs as well as contributions from the underlying assets in its private funds. From an EBITDA perspective, FY22F EBITDA is likely to decline yoy but this would be due to FY21's high base on the back of record portfolio gains from asset-recycling during the year, including divestment of its stake in Raffles City China Income Ventures Fund to a new onshore JV with Ping An for Rmb46.7bn (S$9.6bn) which generated S$2bn in net proceeds in FY21. Our FY22-24F EBITDA forecasts do not include any revaluation gains.

Fee income. We project fee income to grow 7.3%/4.2% yoy in FY22/23F to S$810.3m/S$844.1m, to be driven by an expansion in fees across all its funds, projects and lodging management business. Accordingly, we estimate fee EBITDA to rise from S$315m in FY21 to S$361m in FY22F and S$374.7m in FY23F.

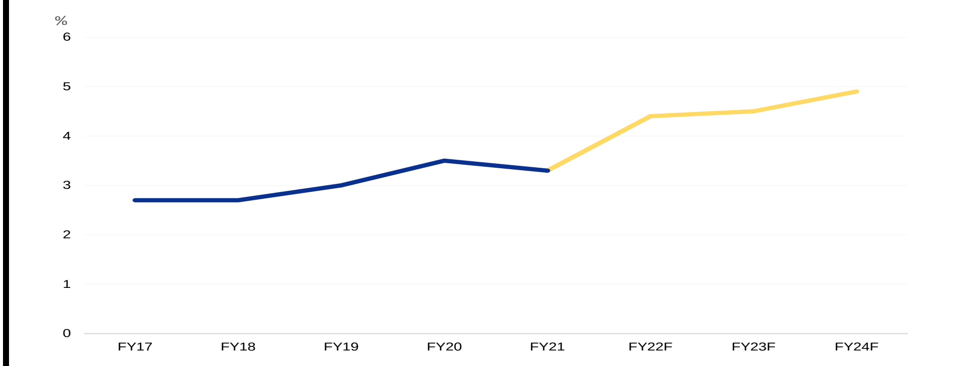
Portfolio and revaluation gains. We have assumed portfolio gains of S$300m p.a. in our FY22-24F estimates, based on the company's guidance of an annual capital divestment target of S$3bn. This reflects a 10% net divestment return, slightly lower than its historical run rate of 11%. We have not factored in any revaluation gains into our current projections.

Gearing. CLI's net debt-to-equity ratio stood at 0.48x at end-1Q22. We expect this ratio to stay at 0.46-0.49x over FY22-24F as the company continues with its capital-recycling activities.

Dividends. We have assumed a dividend payout ratio of 35% over FY22-24F, based on management's guidance of no less than a 30% payout of cash PATMI (including locked-in divestment gains).

ROE. We project CLI to deliver ROE of 5.7% in FY22F (excluding unrealised revaluation gains), with 58% derived from operating PATMI (c.3.3% pts), including rental and fee income, as well as dividend income from its REITs. We expect the remaining 42% (c.2.4% pts) to be derived from portfolio gains. We believe this income profile supports a minimum dividend payout ratio of at least 30% and will help it maintain a sustainable ROE in the coming years. Based on our current projections, ROE from operating PATMI is forecast to rise from 4.4% to 4.9% over FY22-24F.

Figure 26: Projected ROE trend



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Valuation and recommendation

In this section, we compare CLI valuations to its REIM peers as well as determine the group's RNAV. CLI is currently trading at 20.8x CY22F P/E, above the average peer multiple of 18.3x, but its CY22F P/BV is significantly lower at 1.15x (vs. peer average of 2.35x). In addition, its FY22F EV/EBITDA of 16.4x is slightly higher than the peer average of 15.2x. We believe this is a function of CLI's hybrid REIM model, with 63% of its GAV exposed to on-balance sheet investment properties and stakes in its sponsored REITs while its fund management business makes up only 23% of its GAV and contributed only 22% to its FY21 EBITDA.

We believe that as the group i) lightens its balance sheet by recycling its properties, ii) improve its capital efficiency by moving towards a more asset light model and iii) accelerate the growth of its private funds business to boost its fund-fee rate, its P/BV valuation should trend closer to those of its peers.

As the group realises the value of its property assets, we believe its share price should trade closer to its RNAV. Furthermore, an asset-light and capital efficient business model should translate to higher ROE and this could result in raising its P/BV valuation and narrow the gap between its valuation and RNAV.

Figure 27: Peer comparison table

Company	CLI	Blackstone	Brookfield AM	Charter Hall Grp	Cohen & Steers	ESR Cayman	Goodman Grp
RE AUM (LCbn)	86	279.5	341	61.3	106.6	140	68.2
Fees as % of AUM	0.51%	0.85%	1.10%	0.61%	na	0.90%	0.76%
Net debt to equity (x)	0.47	na	1.17	0.045	na	0.80	0.116
FY22F P/BV (x)	1.15	6.98	1.73	1.88	na	1.39	2.15
FY22F EV/EBITDA (x)	16.40	16.70	na	10.20	13.90	16.10	21.30
FY22F div yield (%)	1.70%	4.50%	1.20%	3.10%	4.70%	1.0%	1.70%
FY22F PE (x)	20.8	18.8	16.8	12.0	17.9	19.2	22.4

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, COMPANY REPORTS

Note: RE AUM, and fees as % of AUM are derived from respective companies' latest reported results, net debt to equity, P/BV, EV/EBITDA, dividend yield and PE multiples are based on Bloomberg consensus forecasts

Sum-of-parts RNAV of S$5.10

We adopt a sum-of-parts approach to value CLI. Our RNAV is derived based on i) marking to market CLI's investment properties and its stakes in its private funds, and ii) ascribing a value to its fund management business, including its lodging platform, as well as pegging its stakes in listed REITs to our TPs or market price.

The biggest component of GAV is the marked-to-market value of its investment property portfolio, which we estimate at S$10.5bn or 33% of our GAV. Stakes in its listed REITs and value of its share in unlisted funds are estimated to total S$13bn or 44% of our GAV. We ascribe an assumed 20x FY22F P/E multiple to

CLI's fund management business (vs the 22.2x historical PE multiple for ESR Cayman's (1821 HK, NR) acquisition of ARA Asset Management announced in Oct 2021), as it builds up its fund management track record, deriving a value of S$7.1bn or 23% of GAV. This translates to an RNAV of S$5.10/share. Our TP of S$4.59 is based on a 10% discount to RNAV, which we deem fair, as 34% of CLI's GAV is derived from its stakes in listed REITs and is accessible to investors through the public markets.

Figure 28: CLI's RNAV breakdown

Investment properties and lodging assets					(S$m)
Singapore					3,546.4
China					3,422.9
Malaysia					407.1
Japan					24.0
Korea					183.3
India					93.3
Europe/UK					247.0
US					1,189.3
Lodging					1,363.8
Real estate properties					**10,477.2**
Listed REITs	**Stake**	**No of units**	**Share price /TP (S$)**	**Exch rate**	
CICT	22.6%	6,625.3	2.57	1	3,841.3
CMMT	39.0%	2,152.4	0.63	0.33	174.0
CLCT	24.0%	1,671.6	1.13	1	453.3
ART	39.0%	3,283.5	1.24	1	1,587.9
AREIT	18.0%	4,197.9	3.20	1	2,418.0
AiT	22.0%	1,158.5	1.15	1	293.1
Total					**8,767.6**
Stakes in unlisted funds					4,151.0
		Est FY22 fee PATMI			
Value of fund management business		384.9			7,153.9
GAV					30,549.8
Net cash/(debt) (deconsol)					-7,147.1
Other assets/(liabilities) (deconsol)					2,767.2
RNAV					**26,169.9**
RNAV/share (S$)					**5.10**
Assumed discount					-10%
TP (S$)					**4.59**

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Note: Share price as at 23 May 2022. CICT: Capitaland Integrated Commercial Trust (S$2.26), CLMT: Capitaland Malaysia Trust (RM0.58), ART: Ascott Residence Trust (S$1.12), AREIT: Ascendas Real Estate Investment Trust (S$2.74)

Initiate coverage with Add rating ➤

We think the successful transformation of CLI's fund management business could provide further tailwinds to share price performance. As the group continues to lighten its balance sheet and accelerate the growth of its fee income business, we believe there is room for a further re-rating of the valuation of its fund management business.

We initiate coverage on CLI with an Add rating and TP of S$4.59, based on a 10% discount to RNAV. This implies a valuation of 1.4x FY22F P/BV.

Key downside risks include slower-than-expected scaling up of its fund management business and inability to pivot into higher yielding fund structures to expand its fund management fees. This could continue to delay the improvement to operating ROE, which in turn would mean a slower re-rating of its P/BV multiple vs peers.

Other downside risks include potential capital value depreciation should cap rates expand in a rising interest rate environment, which in turn could impact BV/share. A slowdown in economic growth outlook due to slower GDP growth expectations and ongoing geopolitical tensions and supply chain disruptions, as well as pandemic uncertainties such as emergence of new Covid virus variants, could also impact rental reversion and capital value outlook for the various property sub-sectors.

Figure 29: Singapore developers' peer comparison table

Company	Bloomberg Ticker	Recom.	Price (lc)	Tgt Px (lc)	Mkt Cap (US$ m)	Core P/E (x) FY22F	Core P/E (x) FY23F	Core P/E (x) FY24F	RNAV FY23F	Prem./(Disc.) to RNAV (%)	P/BV (x) FY22F	P/BV (x) FY23F	Div. Yield (%) FY22F	Div. Yield (%) FY23F
APAC Realty Ltd	APAC SP	Add	0.59	0.93	151	7.1	6.5	5.8	n.a.	n.a.	1.33	1.22	10.5%	11.6%
Capitaland Investment	CLI SP	Add	3.87	4.59	14,401	20.8	19.9	18.0	5.10	-24%	1.15	1.11	1.7%	1.8%
City Developments	CIT SP	Add	8.09	8.97	5,319	15.7	9.9	14.3	16.30	-50%	0.73	0.64	2.5%	2.5%
Frasers Property Limited	FPL SP	Add	1.09	1.41	3,103	15.0	16.0	13.8	2.56	-57%	0.38	0.35	2.8%	3.7%
Hongkong Land Holdings Ltd	HKL SP	Add	4.73	6.10	11,039	11.0	10.9	10.4	10.20	-54%	0.31	0.29	4.7%	4.7%
Propnex Ltd	PROP SP	Add	1.71	2.07	459	13.0	12.5	12.0	n.a.	n.a.	5.66	5.13	6.1%	6.4%
UOL Group	UOL SP	Add	7.32	8.00	4,482	18.5	18.3	21.9	13.34	-45%	0.60	0.59	2.4%	2.4%
Wing Tai Holdings	WINGT SP	Add	1.73	1.98	957	15.4	20.7	na	3.96	-56%	0.35	0.33	2.9%	2.9%
Singapore average						**15.3**	**14.2**	**14.3**		**-39%**	**0.54**	**0.51**	**2.9%**	**3.0%**

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS
Share price as at 23 May 2022

Figure 30: Comparison of REIMs

Company	Bloomberg Ticker	Recom.	Price (lc)	Tgt Px (lc)	Mkt Cap (US$ m)	Core P/E (x) FY22F	Core P/E (x) FY23F	Gearing (%) FY22F	P/BV (x) FY22F	P/BV (x) FY23F	Recur. ROE (%) FY22F	EV/EBITDA (x) FY22F	EV/EBITDA (x) FY23F	Div. Yield (%) FY22F	Div. Yield (%) FY23F
Capitaland Investment	CLI SP	Add	3.87	4.59	14,401	20.8	19.9	47.2%	1.15	1.11	5.7%	16.4	16.0	1.7%	1.8%
Blackstone Inc	BX US	NR	107.73	na	128,939	18.8	17.1	na	6.98	6.48	48.7%	16.7	14.7	4.5%	5.0%
Brookfield Asset Management In	BAM US	NR	48.92	na	80,256	16.8	15.1	116.8%	1.73	1.65	6.3%	na	138.5	1.2%	2.3%
Cohen & Steers Inc	CNS US	NR	73.25	na	3,566	17.9	16.3	na	na	na	82.1%	13.9	12.8	4.7%	4.1%
Charter Hall Group	CHC AU	NR	13.27	na	4,405	12.0	14.0	4.5%	1.88	1.76	15.9%	10.2	11.9	3.1%	3.3%
Goodman Group	GMG AU	NR	19.03	na	24,961	22.4	19.2	11.6%	2.15	1.94	10.6%	21.3	18.2	1.7%	1.8%
ESR Cayman Ltd	1821 HK	NR	22.75	na	12,963	19.2	16.8	80.2%	1.39	1.28	9.0%	16.1	14.1	1.0%	1.2%
Lendlease Corp Ltd	LLC AU	NR	11.33	na	5,480	18.6	15.4	23.1%	1.15	1.13	4.8%	11.7	10.4	2.5%	3.2%
Simple Average						**18.3**	**16.7**	**47.2%**	**2.35**	**2.19**	**22.9%**	**15.2**	**29.6**	**2.5%**	**2.8%**

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG
Share price as at 23 May 2022, NR estimates are based on Bloomberg consensus forecasts

ESG in a nutshell

Refinitiv ESG Scores

C+	A+	C+	B-	B-	D
ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score

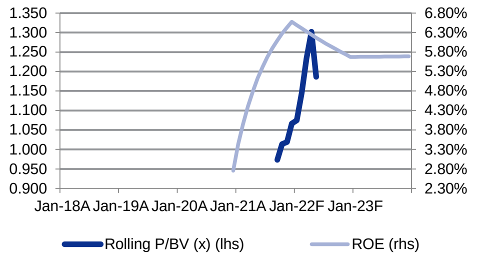
According to Refinitiv 2020 rankings, CLI scored C+ for overall ESG, with Environmental and Social Pillars at B-, and Governance at D; its ESG controversies is rated A+. CLI has adopted Capitaland Group's 2030 Sustainability Master Plan, which focuses on building portfolio resilience and resource efficiency, growing dynamic human capital, and accelerating sustainable innovation and collaboration. These objectives can be achieved through integrating sustainability in CLI's real estate life cycle, strengthening innovation and collaboration to drive sustainability, leveraging sustainability trends and data analytics, increasing engagement and communication with key stakeholders and monitoring progress to ensure transparency. It has set out an objective of reducing its carbon intensity/energy intensity/water intensity to 78%/35%/45% vs. a 2008 baseline by 2030. It also aims for 100% of its properties to be green-rated by 2030 and for renewable energy to comprise 35% of its energy usage by 2030. As at Feb 2022, CLI has secured a total of S$3.7bn of sustainable finance, including sustainability-linked loans, green loans, green bonds and perpetual securities, and targets to reach S$6bn. CLI intends to deploy interest savings from these loans towards its green initiative. CLI is included in the Global 100 Most Sustainable Corporations in the World Index, Carbon Clean 2020, Global Sustainability Yearbook, Global Real Estate Sustainability Benchmark, Dow Jones World and Asia Pacific Sustainability Indices, MSCI ESG Leaders Index, and FTSE4Good Index.

Keep your eye on	Implications
Based on Refinitiv's rankings, CLI scored low on environmental innovation (D-) and community scores (D+).	We believe that as CLI continues to raise its E and G efforts and reporting standards, its ranking should likely continue to improve.
ESG highlights	**Implications**
According to Refinitiv's 2020 rankings, CLI ranks 62nd out of 96 Singapore companies and 9th against its real estate peers. In 2021, CLI achieved a 52% reduction in carbon emissions intensity, 42% lower energy intensity, and 53% reduction in water intensity. All these are compared to a 2008 baseline. In addition, 3% of its energy usage is from renewable sources. 42% of its portfolio have achieved green certification. The group has consistently increased the use of renewable energy and has installed solar panels atop seven of its buildings in Singapore to date, generating a total of 11,462 MWh of renewable energy.	Its 2030 Sustainability Master Plan includes building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and accelerating sustainability and collaboration. These objectives include low carbon transition, water conservation and resilience, waste management and circular economy, dynamic human capital and sustainable operational excellence and financing as well as technology and innovation. We believe CLI's continued ESG efforts will be a differentiating factor among the more discerning investors. We have not applied any premium/discount for ESG in our fundamental valuations.
Trends	**Implications**
CLI stands out for its product responsibility (A-) and CSR strategies (B+) scores.	We have not applied any premium/discount for ESG in our fundamental valuations. However, as the group continues to build on its ESG efforts, we believe these could lead to improved operational efficiencies and financial performance.

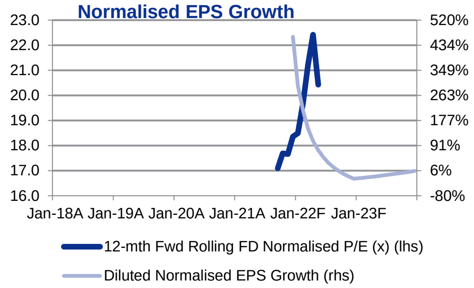
SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Normalised P/E vs FD Normalised EPS Growth



Profit & Loss

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	**1,983**	**2,293**	**2,475**	**2,621**	**2,679**
Gross Profit	**872**	**1,058**	**1,451**	**1,504**	**1,561**
Operating EBITDA	**680**	**817**	**1,192**	**1,223**	**1,266**
Depreciation And Amortisation	(149)	(160)	(160)	(160)	(160)
Operating EBIT	**531**	**657**	**1,032**	**1,063**	**1,106**
Financial Income/(Expense)	(337)	(324)	(356)	(370)	(386)
Pretax Income/(Loss) from Assoc.	(25)	1,218	590	626	738
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	**169**	**1,551**	**1,265**	**1,318**	**1,458**
Exceptional Items	(728)	405	0	0	0
Pre-tax Profit	**(559)**	**1,956**	**1,265**	**1,318**	**1,458**
Taxation	**(114)**	**(396)**	**(199)**	**(208)**	**(237)**
Exceptional Income - post-tax					
Profit After Tax	**(673)**	**1,560**	**1,066**	**1,111**	**1,221**
Minority Interests	114	(211)	(112)	(112)	(116)
Pref. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	**(559)**	**1,349**	**955**	**999**	**1,106**
Normalised Net Profit	55	1,155	1,066	1,111	1,221
Fully Diluted Normalised Profit	**169**	**944**	**955**	**999**	**1,106**

Cash Flow

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	680.0	817.0	1,191.9	1,222.6	1,265.9
Cash Flow from Invt. & Assoc.	25.0	(1,218.0)	(589.7)	(625.7)	(738.2)
Change In Working Capital	(429.0)	255.0	(189.8)	(305.4)	(308.4)
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(337.0)	(324.0)	(356.3)	(370.1)	(385.9)
Tax Paid	(143.0)	(207.0)	(198.9)	(207.5)	(236.9)
Cashflow From Operations	**(204.0)**	**(677.0)**	**(142.9)**	**(286.1)**	**(403.7)**
Capex	(280.0)	(1,283.0)	(1,060.8)	(1,103.0)	(1,020.0)
Disposals Of FAs/subsidiaries					
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	**(280.0)**	**(1,283.0)**	**(1,060.8)**	**(1,103.0)**	**(1,020.0)**
Debt Raised/(repaid)	31.0	4,091.0	500.0	500.0	500.0
Proceeds From Issue Of Shares	0.0	0.0	(16.1)	0.0	0.0
Shares Repurchased	0.0	(208.2)	(77.2)	0.0	0.0
Dividends Paid	(720.0)	(1.0)	(334.1)	(349.6)	(386.9)
Preferred Dividends					
Other Financing Cashflow	82.0	(3,316.8)	(129.4)	(129.5)	(133.4)
Cash Flow From Financing	**(607.0)**	**565.0**	**(56.8)**	**20.9**	**(20.3)**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(S$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	1,736	3,877	4,150	3,945	3,648
Properties Under Development	211	268	268	268	268
Total Debtors	4,258	1,661	1,768	1,872	1,913
Inventories	0	0	0	0	0
Total Other Current Assets	38	16	16	16	16
Total Current Assets	**6,243**	**5,822**	**6,202**	**6,101**	**5,845**
Fixed Assets	1,096	1,067	1,067	1,067	1,067
Total Investments	**29,050**	**29,497**	**30,794**	**32,610**	**34,699**
Intangible Assets	1,006	990	990	990	990
Total Other Non-Current Assets	828	270	270	270	270
Total Non-current Assets	**31,980**	**31,824**	**33,121**	**34,937**	**37,026**
Short-term Debt	1,154	2,549	2,549	2,549	2,549
Current Portion of Long-Term Debt					
Total Creditors	5,513	2,128	2,226	2,428	2,541
Other Current Liabilities	470	939	1,138	1,345	1,582
Total Current Liabilities	**7,137**	**5,616**	**5,913**	**6,322**	**6,672**
Total Long-term Debt	7,312	10,999	11,499	11,999	12,499
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	7,576	392	392	392	392
Total Non-current Liabilities	**14,888**	**11,391**	**11,891**	**12,391**	**12,891**
Total Provisions	464	538	538	538	538
Total Liabilities	**22,489**	**17,545**	**18,342**	**19,251**	**20,101**
Shareholders' Equity	**12,271**	**16,440**	**17,208**	**17,903**	**18,769**
Minority Interests	3,463	3,661	3,773	3,885	4,000
Total Equity	**15,734**	**20,101**	**20,981**	**21,787**	**22,770**

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	N/A	15.6%	8.0%	5.9%	2.2%
Operating EBITDA Growth	N/A	20.1%	45.9%	2.6%	3.5%
Operating EBITDA Margin	34.3%	35.6%	48.1%	46.6%	47.3%
Net Cash Per Share (S$)	(2.40)	(1.88)	(1.93)	(2.07)	(2.22)
BVPS (S$)	4.37	3.20	3.35	3.49	3.66
Gross Interest Cover	1.41	1.86	2.67	2.65	2.67
Effective Tax Rate	0.0%	20.2%	15.7%	15.7%	16.2%
Net Dividend Payout Ratio	NA	81.7%	35.0%	35.0%	35.0%
Accounts Receivables Days	392.9	471.1	252.8	253.5	258.6
Inventory Days	-	-	-	-	-
Accounts Payables Days	908	1,129	776	761	813
ROIC (%)	N/A	34%	68%	83%	123%
ROCE (%)	4.63%	2.33%	3.04%	3.02%	3.02%
Return On Average Assets	0.86%	3.68%	3.50%	3.49%	3.64%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Real estate investment revenue (S$m)	1,106.8	1,434.6	1,440.0	1,493.9	1,502.4
Fee income (S$m)	668.0	776.1	810.3	844.1	873.0

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The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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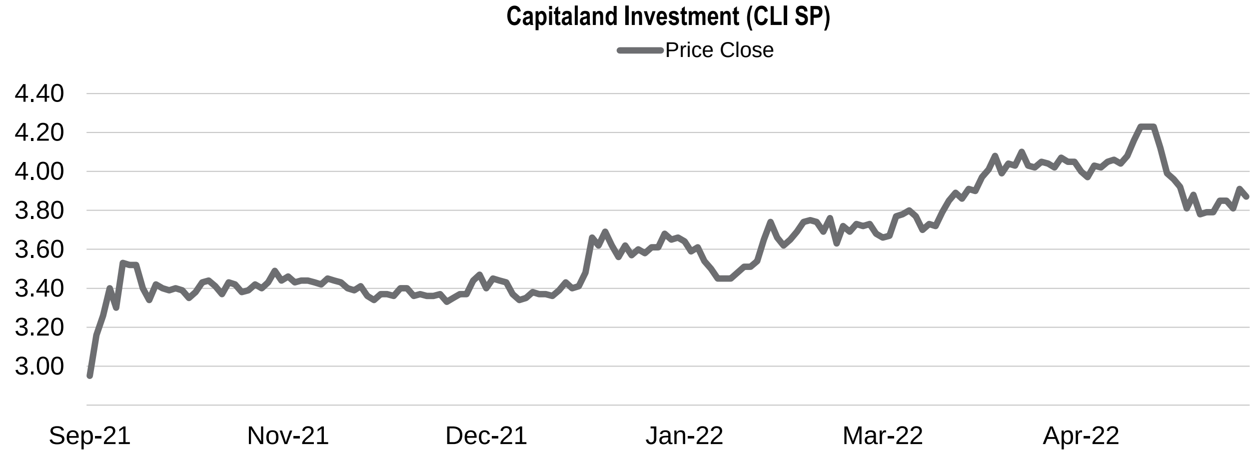
Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022 632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.