

NEWS RELEASE

**CapitaLand Investment posts
resilient FY 2023 Cash PATMI¹ of S\$781 million**

- ***Core dividend of 12 Singapore cents² per share proposed***
- ***Targets to double funds under management to S\$200 billion in five years***

Singapore, 28 February 2024 – CapitaLand Investment (CLI) posted a **Cash PATMI¹** of S\$781 million for FY 2023. This was mainly attributable to Operating PATMI of S\$568 million for FY2023 and stable portfolio gains from divestments of S\$2.1 billion. The resilience of Operating PATMI was underpinned by the Fee Income-related Businesses (FRB), which have been providing strong recurring contributions to the Group's overall returns year-on-year. FRB revenue rose 9% from S\$984 million³ in FY 2022 to S\$1,070 million in FY 2023, anchored by higher contributions from lodging management and commercial management.

With operating cashflow remaining steady, the Board is proposing a core dividend of 12.0 Singapore cents per share for FY 2023², subject to shareholder approval. The total payout is approximately S\$612 million².

As it approaches its FY 2024 deployed funds under management (FUM) target of S\$100 billion, CLI also announced today it will target to double its FUM to S\$200 billion in the next five years. To date⁴, CLI's deployed and committed FUM stood at S\$100 billion. This includes close to S\$10 billion of funds ready for deployment based on committed capital on a leveraged basis⁵. The increase was mainly due to the acquisition-led growth of CLI's listed and private funds, additional capital raised for existing funds, as well as the establishment of new funds during the year. Lodging Management fee-related earnings (**FRE**)⁶ increased 28% year-on-year to S\$331 million with nearly 9,600 units turning operational. Riding on robust rebound of international travel, RevPAU grew 20% from a year ago to S\$91, driven by higher occupancy and average daily rates across most geographies.

¹ Cash PATMI comprises Operating PATMI and Portfolio gains from asset recycling.

² Based on CLI's issued shares as at 31 December 2023, excluding treasury shares. The actual dividend payment can only be determined on the book closure date.

³ Includes performance fees of S\$38 million, comprising S\$29 million from a Vietnam and Singapore Fund recognised under other operating income and S\$9 million from a Korea Fund recognised under revenue.

⁴ As at 27 February 2024.

⁵ Includes announced acquisitions/divestments from listed and private funds not yet completed, committed but undeployed capital for private funds, and forward purchase contracts.

⁶ Revenue for lodging management includes service fee income.

Financial highlights

| | 2H 2023 (S\$ m) | 2H 2022 (S\$ m) | Variance (%) | FY 2023 (S\$ m) | FY 2022 (S\$ m) | Variance (%) |
|---|----------------------------|----------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Revenue | 1,439 | 1,522 | (5.5) | 2,784 | 2,876 | (3.2) |
| FRB Revenue | 551 | 479 | 15.0 | 1,070 | 984 ³ | 8.7 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 347 | 1,093 | (68.3) | 1,104 | 1,966 | (43.8) |
| Total PATMI | (170) | 428 | NM ^c | 181 | 861 | (79.0) |
| Comprising: | | | | | | |
| Cash PATMI¹ | 430 | 398 | 8.0 | 781 | 831 | (6.0) |
| - Operating PATMI ^a | 224 | 263 | (14.8) | 568 | 609 | (6.7) |
| - Portfolio gains ^b | 206 | 135 | 52.6 | 213 | 222 | (4.1) |
| Revaluation and impairments | (600) | 30 | NM ^c | (600) | 30 | NM ^c |

Notes:

- Operating PATMI refers to profit from business operations, excluding any gains/losses from divestments, revaluations and impairments.*
- Portfolio gains comprise gains/losses arising from divestments, gains from bargain purchase or re-measurement on acquisitions and realised fair value gains/losses arising from revaluation of investment properties to agreed selling prices of these properties.*
- Not meaningful.*

CLI's **Total PATMI** for FY 2023 was S\$181 million, impacted by non-cash fair value losses from the revaluation of the Group's investment properties, particularly in China due to weaker rents and in the USA due to capitalisation rate expansion. The Group continued to proactively drive asset recycling in the midst of a challenging deal environment and made divestments of S\$2.1 billion in FY 2023.

Revenue for FY 2023 was S\$2,784 million, declining year-on-year mainly as a result of lower corporate leasing income in the USA and lower rental revenue from properties in China in the Real Estate Investment Business (REIB) segment, partially offset by higher FRB. REIB revenue stood at S\$1,930 million as at 31 December 2023.

EBITDA for FY 2023 was S\$1,104 million, lower year-on-year primarily due to the revaluation loss from investment properties and lower gains from asset recycling. The EBITDA from operations remained stable at S\$1,475 million.

Mr Miguel Ko, Chairman of CLI, said: "CLI remains focused on executing its strategy to grow asset-light fee-income related earnings, build its fund and lodging management track record, and expand its network of global institutional investors and capital partners. In FY 2023, we raised S\$2.8 billion in third-party capital, up from \$2.0 billion in FY 2022. With its disciplined capital management and strong balance sheet, CLI is well-positioned to diversify its global portfolio and pursue M&A opportunities to accelerate its growth momentum. The Board is

pleased to propose a core dividend of 12 Singapore cents per share, in line with the dividend paid in FY 2022 and FY2021.”

Mr Lee Chee Koon, Group CEO of CLI, said: “Despite headwinds in the macroeconomic environment, CLI was able to scale up our lodging and new economy businesses and make strides in fund management and third-party commercial management. Looking ahead, we are confident of our strategies in moving towards a new target to double CLI’s FUM to S\$200 billion by end 2028. CLI plans to accelerate its pace of organic growth across its businesses, complemented by inorganic opportunities, to meet its new FUM target. We will continue to bolster growth in our listed funds through active portfolio management, and further expand our operations and fund management in India and Southeast Asia. We will also optimise our China portfolio and grow Renminbi-denominated funds, as well as increase our fund product offerings in Japan, South Korea, Australia and beyond. While we strive towards a new growth target, we will be disciplined in driving growth that will deliver high quality and consistent earnings for our LPs and investors.”

Advancing Sustainability Efforts

CLI continues to strive towards its environmental, social and governance (ESG) goals and create a positive impact on the environment and communities. In June 2023, CLI elevated its ESG efforts with its refreshed 2030 Sustainability Master Plan (SMP). The SMP incorporated CLI’s commitment to achieving Net Zero carbon emissions for scope 1 and 2 by 2050 and expanded its social and governance focus with new targets. CLI continues to be listed on the Dow Jones Sustainability World Index and Asia-Pacific Index and GRESB (Global Sector Leader – Listed (Diversified) with the highest 5-star rating).

CLI partnered with tenants for the first time in the third edition of the CapitaLand Sustainability X Challenge (CSXC). CSXC crowdsources sustainable solutions globally for the built environment. Ten winners were chosen from over 680 innovations across 79 countries and awarded funding to testbed their innovations at selected CapitaLand properties worldwide. Among CLI’s ESG achievements in 2023 was the launch of International Tech Park Chennai, Radial Road, the first business park in India to be certified by the Indian Green Building Council as Net Zero for energy efficiency, water conservation and waste management.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 31 December 2023, CLI had S\$134 billion of assets under management as well as nearly S\$100 billion of funds under management (FUM) held via six listed real estate investment trusts and business trusts and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics, self-storage and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and commercial management, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand’s development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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