

## Company Update

# CapitaLand India Trust

Singapore | Real Estate

Rating BUY (as at 25 April 2025)  
Last Close SGD 0.95  
Fair Value SGD 1.23

## Eye on the prize: Focus on shoring up growth pipeline

- **1Q25 total property income and net property income (NPI) grew 12% year-on-year (YoY), backed by strong operating performance**
- **Divestment of CyberVale and CyberPearl delayed till May 2025; entry into forward purchase agreement to strengthen office footprint in Bangalore**
- **Lower fair value (FV) estimate to SGD1.23**

## Investment thesis

CapitaLand India Trust (CLINT) is the first listed property trust established in Asia that operates in India. CLINT primarily focuses on the Information Technology (IT) sector with 11 clusters of IT parks across major cities like Mumbai, Hyderabad, Bangalore and Chennai. Over the years, it has also successfully ventured into logistics and industrials, and boasts a steady pipeline of developmental projects, including data centres (DC). Notably, CLINT stands out amongst defensive Singapore listed trusts and REITs for its aggressive acquisition strategy (through the use of forward purchases). Though the trust bears development risks, we like CLINT's ability to secure a pipeline of strategically located assets and forward-looking philosophy that position the trust as a beneficiary of India's fast-growing economy, supported by tailwinds such as e-commerce expansion, increasing data localisation, and the rise of digital payments. Additionally, the relaxation of the Special Economic Zones (SEZ) Act reduces occupancy risk for its existing SEZ properties.

## Investment summary

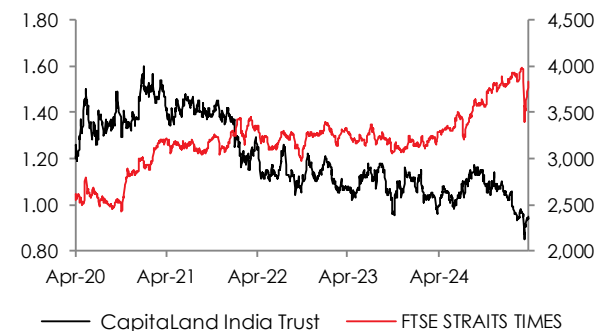
- **CLINT's total property income and NPI were up 12% YoY (14% in local currency terms) to SGD74.6m and SGD55.1m, respectively** – The trust enjoyed higher rental income from existing properties and income contribution from assets acquired in 2024. These constituted 22.5% of our initial full year forecasts. Operating performance remained strong. Committed occupancy was stable at 92% (including options and rights of first refusal). CLINT's portfolio

Ada Lim, CESGA  
Equity Research

## Security information

Ticker (Refinitiv / Bloomberg)	CAPC.SI / CLINT.SP
Market Cap (SGD b)	1.3
Daily turnover (SGD m)	2.8
Free Float	99%
Shares Outstanding (m)	1,344
Top Shareholder	Temasek Holdings Pte. Ltd. 25.4%

## Price performance chart



## Financial summary

SGD m	FY24	FY25E	FY26E
Revenue	277.9	295.7	362.6
Net property income	205.6	218.8	267.2
Distributable income	101.5	100.1	115.5
DPU (\$ cents)	6.84	7.13	7.56

## Key ratios

%	FY24	FY25E	FY26E
Distribution yield (%)	7.2	7.5	7.8
P/NAV (x)	0.68	0.63	0.59
NPI margin (%)	74.0	74.0	73.7

Source: Refinitiv, Internal estimates

enjoyed +9% rental reversion over the past 12 months, led by assets in Bangalore and Chennai.

- **Update on divestment plans** – Gearing rose back up 3 percentage points (ppt) from 38.5% as at 31 Dec 2024 to 41.5% as at 31 Mar 2025, due to debt drawdown for working capital purposes and funding of development projects. Management is expecting this to fall below 40% once proceeds from the divestments of CyberPearl and CyberVale are realised. The divestments were previously expected to be completed by the end of Feb 2025, but have since been delayed till May 2025 in view of ongoing market volatility. Cost of debt remained stable at 6%, with 84.5% of debt on fixed rates, and management expects this to remain stable for the next quarter.
- **Entry into new forward purchase agreement** – In Feb 2025, CLINT announced a forward purchase agreement to acquire an office project at Nagawara, Outer Ring Road, Bangalore (MAIA). CLINT is expected to provide SGD156.4m worth of funding over the next four years, starting in 2H25, and the acquisition, which will take place after the building is completed in 2H28, is estimated to cost SGD233.6m. The former will be funded through a combination of divestment proceeds, debt, and internal resources. On a pro forma basis, assuming that the acquisition had been completed on 1 Jan 2025, CLINT's FY24 distribution per unit (DPU) would have increased by 1.8% to 6.96 Singapore cents.
- **Reduce FV estimate to SGD1.23** – Management shared that while US tariffs have minimal direct impact on its tenants, global economic uncertainty may slow service industry growth and leasing demand in the near term. That being said, CLINT believes that India remains an attractive relocation destination in the medium term. With a change in analyst, we finetune our assumptions, including: i) factoring in a steeper depreciation of INR vs SGD for the next 12 months to align with our house view; ii) nudging up our cost of equity input from 9.38% to 9.8% as we factor in near-term macroeconomic uncertainty; and iii) lower our terminal growth rate assumption by 25bps to 2.5%. We also factor in the forward purchase agreement for MAIA, and our FY25 and FY26 DPU forecasts are lowered by 3.6% and 4.9%, respectively. Consequently, our FV estimate slips from SGD1.27 to SGD1.23, and we maintain a BUY rating on the counter.

## ESG Updates

- CLINT's ESG rating was maintained in Dec 2024. According to ESG Research, CLINT leads peers in green building initiatives, including green leases to

promote sustainable property use, and has the potential to further leverage growing demand for green buildings. Although CLINT's energy consumption may be particularly intensive given its focus on office buildings, 79.5% of its total portfolio area was certified to green building standards in FY23, far outstripping the industry average of 47%.

- Recruitment and retention of skilled staff is a key challenge for many real estate operators, but CLINT outperforms peers in staff management practices, such as grievance mechanisms. ESG Research also notes that CLINT's board is majority independent.

## Potential catalysts

- Developments on DC partial divestment
- Stronger-than-expected outsourcing demand
- Increasing tenant pick up through denotification of SEZ space

## Investment risks

- Forward purchases failing to meet pre-agreed building specifications and inability of sellers to repay loans
- Delays in DC development and divestment plans
- Unexpected appreciation of SGD over INR

## Valuation analysis

	Price/Earnings		Price/Book		EV/EBITDA		Dividend Yield (%)		ROE (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
CAPITALAND INDIA TRUST (CAPC.SI)	10.4	9.5	0.7	0.6	15.2	13.0	7.5	8.7	6.8	7.6
MINDSPACE BUSINESS PARKS REIT (MINS.NS)	35.7	30.5	1.7	1.8	15.8	14.2	5.7	6.2	4.6	5.4
EMBASSY OFFICE PARKS REIT (EMBA.NS)	25.8	32.7	1.4	1.4	17.5	15.0	6.1	6.9	6.2	4.9
BROOKFIELD INDIA REAL ESTATE TRUST (BROF.NS)	49.2	31.5	1.2	1.3	15.4	14.0	6.5	7.0	2.7	3.4

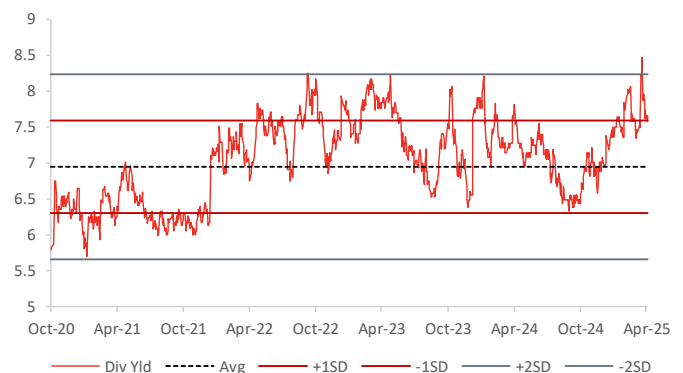
Source: Refinitiv

## Forward Price/Book



Source: Bloomberg

## Forward Distribution Yield



Source: Bloomberg

## Company overview (as of 31 December 2024)

### Company description

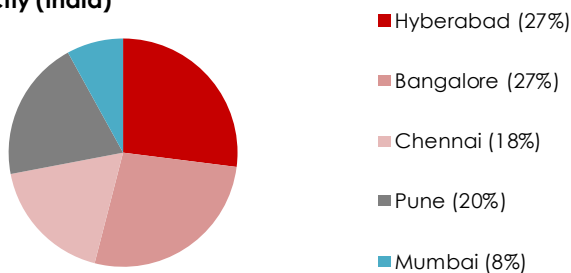
CapitaLand India Trust was listed on Mainboard of the Singapore Stock Exchange since Aug 2007 as the first Indian property trust in Asia. Although structured as a business trust, the company has voluntarily adopted the same restrictions as a Singapore real estate investment trust (S-REIT) to enhance stability of distributions.

Positioned in India, CLINT provides investors exposure to the fast-growing Indian markets through investing in income-producing commercial real estate in India. As at 31 Dec 2024, CLINT owns 11 IT parks, four data centre developments, and three logistics and industrial facilities in India. These assets have a total completed floor area of 19.6msqf across Bangalore, Chennai, Hyderabad, Mumbai and Pune, valued at SGD3.4b.

CLINT is managed by CapitaLand India Trust Management Pte. Ltd., a wholly owned subsidiary of CapitaLand Investment.

### FY24 Base rents breakdown

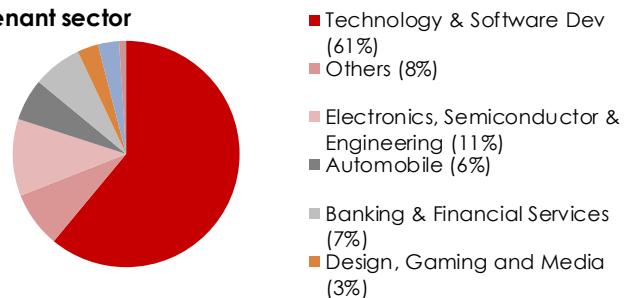
#### By city (India)



Source: Company, Internal estimates

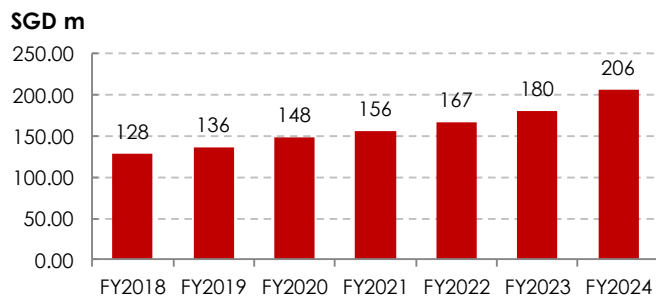
### FY24 Base rents breakdown

#### By tenant sector



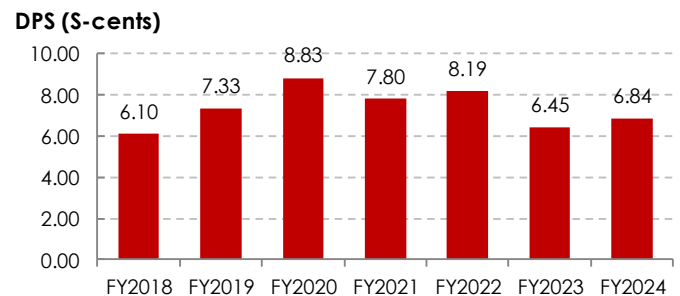
Source: Company, Internal estimates

### Net Property Income (SGD m)



Source: Company, Internal estimates

### Distribution per unit (\$ cents)



Source: Company, Internal estimates

## Company financials

### Income Statement

In Millions of SGD except Per Share 12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
<b>Revenue</b>	<b>191.7</b>	<b>192.7</b>	<b>210.6</b>	<b>234.1</b>	<b>277.9</b>
- Cost of Revenue	59.7	53.9	62.2	73.8	96.0
<b>Gross Profit</b>	<b>131.9</b>	<b>138.8</b>	<b>148.4</b>	<b>160.2</b>	<b>181.9</b>
+ Other Operating Income		--	--	--	--
- Operating Expenses	-105.6	-180.6	-134.9	-166.1	-365.7
<b>Operating Income or Losses</b>	<b>237.6</b>	<b>319.4</b>	<b>283.3</b>	<b>326.3</b>	<b>547.6</b>
- Interest Expense	44.3	51.3	64.8	81.8	90.2
- Foreign Exchange Losses (Gains)	--	--	--	--	--
- Net Non-Operating Losses (Gains)	--	--	--	--	--
<b>Pretax Income</b>	<b>193.3</b>	<b>268.1</b>	<b>218.5</b>	<b>244.5</b>	<b>457.4</b>
- Income Tax Expense (Benefit)	50.5	67.6	73.8	87.0	-0.7
<b>Income Before XO Items</b>	<b>142.8</b>	<b>200.5</b>	<b>144.7</b>	<b>157.5</b>	<b>458.0</b>
- Extraordinary Loss Net of Tax	--	--	--	--	--
- Minority/Non Controlling Interests (Credits)	12.1	8.2	7.3	10.1	19.3
<b>Net Income/Net Profit (Losses)</b>	<b>130.7</b>	<b>192.3</b>	<b>137.4</b>	<b>147.4</b>	<b>438.8</b>
<b>Net Inc Avail to Common Shareholders</b>	<b>130.7</b>	<b>192.3</b>	<b>137.4</b>	<b>147.4</b>	<b>438.8</b>
Abnormal Losses (Gains)	--	--	--	--	--
Tax Effect on Abnormal Items	--	--	--	--	--
<b>Normalized Income</b>	<b>142.8</b>	<b>200.5</b>	<b>144.7</b>	<b>157.5</b>	<b>458.3</b>
<b>Basic Earnings per Share</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
Basic Weighted Avg Shares	1,155.1	1,160.8	1,167.1	1,245.9	1,336.2
<b>Diluted EPS Before Abnormal Items</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
<b>Diluted EPS Before XO Items</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
<b>Diluted EPS</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
Diluted Weighted Avg Shares	1,155.1	1,160.8	1,167.1	1,245.9	1,336.2

### Profitability Ratios

12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
<b>Returns</b>					
Return on Common Equity	10.54	14.83	10.38	10.40	25.81
Return on Assets	5.46	6.92	4.55	4.53	11.16
Return on Capital	21.72	19.59	17.77	16.23	13.55
Return on Invested Capital	5.73	5.57	4.74	4.13	5.43
<b>Margins</b>					
Operating Margin	100.85	139.11	103.74	104.48	164.59
Incremental Operating Margin	-	1.38	0.75	1.01	1.58
Pretax Margin	100.85	139.11	103.74	104.48	164.59
Income before XO Margin	68.20	99.77	65.24	62.99	157.90
Net Income Margin	68.20	99.77	65.24	62.99	157.90
Net Income to Common Margin	68.20	99.77	65.24	62.99	157.90
<b>Additional</b>					
Effective Tax Rate	26.11	25.23	33.75	35.59	-0.15
Dvd Payout Ratio	83.05	46.73	69.05	54.51	20.83
Sustainable Growth Rate	10.45	14.76	10.31	10.35	25.75

### Credit Ratios

12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
Total Debt/EBIT	6.54	8.12	8.60	8.98	10.07
Net Debt/EBIT	5.73	6.86	7.44	7.82	9.30
EBIT to Interest Expense	2.82	2.61	2.23	1.89	1.94
Long-Term Debt/Total Assets	26.31	20.30	26.68	26.02	27.94
Net Debt/Equity	0.65	0.74	0.90	0.84	0.94

Source: Refinitiv

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