

NEWS RELEASE

CapitaLand Investment posts 1H 2022 PATMI of S\$433 million
Operating PATMI increased 31% year-on-year, bolstered by growing fee income-related business

Singapore, 11 August 2022 – CapitaLand Investment Limited (CLI) registered a strong year-on-year **Operating PATMI**¹ growth of 31% to S\$346 million in 1H 2022, underpinned by its continued focus on growing its fee income-related business (FRB). The stronger operating performance was a result of increased fee income from fund and lodging management, higher contributions from lodging properties in most geographies, as well as better performance at its retail properties in Singapore and Malaysia with the easing COVID-19 related restrictions. CLI's total **PATMI** for 1H 2022 was S\$433 million, 38% lower year-on-year due to lower portfolio gains of S\$87 million from asset recycling compared to S\$438 million in the exceptionally active 1H 2021 period.

Revenue for 1H 2022 rose 29% year-on-year to S\$1,354 million, boosted by higher contributions from FRB and real estate investment business (REIB). FRB revenue grew by 9% year-on-year to S\$476 million, fuelled by higher fee-related earnings (FRE) from private funds and lodging management. REIB revenue rose by 44% year-on-year to S\$967 million on the back of improved occupancy and room rates for lodging properties.

EBITDA for 1H 2022 was S\$873 million, 32% lower year-on-year mainly due to lower portfolio gains from asset recycling, rental rebates extended to retail tenants in China and the absence of contributions from divested assets in Japan, Singapore and China. This was partially mitigated by improved performance from the lodging management business and lodging properties as well as retail malls in Singapore and Malaysia, higher event-driven fees from managed REITs and funds and contributions from the newly acquired assets in China and USA. Portfolio gains in 1H 2022 were mostly from the divestment of JCube and CapitaSky (formerly known as 79 Robinson Road) in Singapore.

Financial highlights

	1H 2022 (S\$ m)	1H 2021 (S\$ m)	Variance (%)
Revenue	1,354	1,049	29.1
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	873	1,283	(32.0)
Total PATMI	433	702	(38.3)

¹ Operating PATMI refers to profit from business operations excluding any gains or losses from divestments, revaluations, and impairments.

Comprising:			
Operating PATMI	346	264	31.1
Portfolio gains ²	87	438	(80.1)

In 1H 2022, the Group unlocked S\$1.6 billion of capital through divestments, slightly more than half its annual capital recycling target of S\$3 billion. CLI's funds under management (FUM) stood at S\$86 billion as at end June 2022, and the Group remains on track to reach its target of S\$100 billion by 2024. On the lodging front, CLI is on-target to reach 160,000 lodging units by 2023, with its July 2022 acquisition of Oakwood Worldwide adding approximately 15,000 units to its portfolio. With this acquisition, CLI has 153,000 lodging units under management, an increase from 133,000 units on 31 December 2021.

Mr Miguel Ko, Chairman of CLI said: "The post-pandemic reopening of most economies around the world has boosted retail and workspace recovery and provided strong support for our lodging business as demand for global travel resumes. We will seize these tailwinds and leverage our deep market expertise to fast-track the growth of our businesses. At the same time, we will continue to maintain strong capital management discipline and proactively put in place robust measures to mitigate our exposure to rising interest rates, higher inflation, and market volatility due to geopolitical uncertainties."

Mr Lee Chee Koon, Group CEO of CLI, said: "CLI is committed to the steadfast execution of its strategy to grow as a leading global real estate investment manager. We achieved a healthy year-on-year increase of 21% in our fund management fee income, led by our private funds business. Our teams on the ground will continue to actively seek attractive opportunities to further diversify our portfolio across product lines, geographies and asset classes to ensure that we are able to sustainably grow our business. Most importantly, in light of the elevated levels of global economic and political uncertainty, we will exercise patience and prudence in our investment decisions as part of our commitment to consistently meet the respective investment objectives of our capital partners. CLI is in a strong financial position, and we have ample dry powder ready to deploy on the right opportunities to propel our long-term sustainable growth as a global real estate investment manager."

Commitment to sustainability

In May 2022, CLI elevated its commitment to sustainability by announcing its goal to achieve Net Zero emissions by 2050, building on its 2030 Sustainability Master Plan targets that include accelerating the transition to a low-carbon business, improving water conservation and resilience, and enabling a circular economy. Through initiatives such as the CapitaLand Sustainability X Challenge, the S\$50 million CapitaLand Innovation Fund and Smart Urban Co-Innovation Lab, CLI has been partnering with innovators from around the world and supporting startups in the development and commercialisation of their technologies to green the Group's portfolio and shape a climate-resilient built environment.

² Portfolio gains comprise gains/losses arising from divestments, gains from bargain purchase or re-measurement on acquisitions and realised fair value gains/losses.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2022, CLI had about S\$125 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 20 private vehicles across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, 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 emissions 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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