

Company Update

CapitaLand Integrated Commercial Trust

Singapore | Real Estate

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Equity Research

Creating value through solid execution

Rating **BUY** (as at 12 August 2026)
Last Close SGD 2.51
Fair Value SGD 2.69

- 1H26 distribution per unit (DPU) climbed 7.1% year-on-year (YoY) to 6.02 Singapore cents and met our expectations
- Rental reversions came in at +4.0% for the retail portfolio and +6.5% for the office portfolio in 1H26, with portfolio committed occupancy inching up 0.4 percentage points (ppt) quarter-on-quarter (QoQ) to 95.6%
- Fair value estimate raised marginally from SGD2.67 to SGD2.69

Investment thesis

CapitaLand Integrated Commercial Trust (CICT) is the largest S-REIT by market capitalisation and assets in Singapore. It has a strong sponsor in CapitaLand Investment Limited, and its scale has been significantly enlarged following the merger with CapitaLand Commercial Trust in October 2020. CICT now offers investors diverse exposure to the suburban and downtown retail market and core CBD office sector in Singapore, coupled with smaller exposures to Germany and Australia. We continue to see positive leasing momentum for CICT's retail operations. For its Singapore office portfolio, CICT was able to achieve solid positive rental reversions in FY23, FY24 and FY25. We expect this trend to continue in FY26 but there could be a slight moderation due to higher expiring rents at some of its properties. From a credit perspective, CICT's aggregate leverage ratio was healthy at 37.4% as at end-1H26, thus allowing CICT the financial flexibility to pursue inorganic growth. 78% of its borrowings have been hedged and its average term to maturity for its debt is still among the longest in the S-REITs sector.

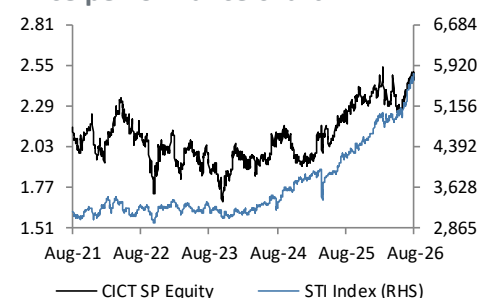
Investment summary

- **Solid 1H26 results that came in within our expectations** – CICT delivered a healthy set of 1H26 numbers, with gross revenue up 7.5% YoY to SGD846.8m and net property income (NPI) rising 8.7% to SGD630.5m. The uplift was driven by both organic and inorganic growth. Distribution income from joint ventures fell 19.5% YoY to SGD16.7m following the consolidation of CapitaSpring's income.

Security information

Ticker	CICT SP EQUITY
Market Cap (SGD b)	19.8
Daily turnover (SGD m)	70.3
Free Float	86.1%
Shares Outstanding (m)	7,954
Top Shareholder	CLI 20.54%

Price performance chart



Financial summary

SGD m	FY25	FY26E	FY27E
Gross revenue	1,619	1,745	1,762
Net property income	1,190	1,272	1,286
Total return for the period	951	922	954
Dist. income to unitholders	861	953	984
DPU (S cents)	11.58	12.14	12.33

Key ratios

	FY25	FY26E	FY27E
DPU yield (%)	4.6	4.8	4.9
P/NAV (x)	1.2	1.2	1.2
ROE (%)	6.0	5.5	5.6
Gearing (%)	38.6	38.8	39.0
NPI margin (%)	73.5	72.9	73.0

Source: Bloomberg, REIT Manager, OCBC Group Research

Distributable income climbed 13.3% YoY to SGD466.7m and DPU rose 7.1% to 6.02 Singapore cents despite an enlarged unit base. This formed 50.3% of our initial FY26 forecast and was in line with our expectations.

- **Continued positive rental reversions, with slight sequential improvement in portfolio occupancy** – CICT's 1H26 rental reversions registered improvements of +4.0% for retail and +6.5% for office, in line with management's guidance of mid-single digit reversions for the year. Within retail, suburban malls led at +5.1% versus +3.2% for downtown malls, with a tenant retention rate of 83.9%. Portfolio tenant sales per square foot (psf) edged up 1.6% YoY while shopper traffic gained 2.4%, although both metrics marked a moderation from 1Q26 amid softer consumer sentiment. Retail occupancy was largely unchanged at 97.7% (-0.1 ppt QoQ), though the integrated development portfolio occupancy slipped 0.5 ppt to 95.5% mainly due to the upcoming asset enhancement initiatives (AEIs) at Plaza Singapura and The Atrium@Orchard. Committed occupancy for the office portfolio rose 0.7 ppt QoQ to 94.4%, with Germany (+2.3 ppt to 85.4%), Australia (+1.3 ppt to 94.1%) and Singapore (+0.2 ppt to 96.4%) all recording improvements. As such, CICT's overall portfolio occupancy stood at 95.6% (+0.4 ppt QoQ). Average rents for CICT's Singapore office portfolio rose 2.0% YoY to SGD11.03 per square foot per month (psf pm). We see room for office rental reversions to stay positive through FY27 given that average expiring office rents of SGD11.42 psf pm in 2026 and SGD11.87 psf pm in 2027 sit below the prevailing Grade A Core CBD market rent of SGD12.50 psf pm in 2Q26 (+0.8% QoQ and +3.3% YoY).
- **Balance sheet strengthened further, with aggregate leverage declining to 37.4%** – From a balance sheet perspective, CICT's aggregate leverage improved 1.1 ppt QoQ to 37.4%, as proceeds from an equity fund raising exercise were used to pare down debt. The proportion of borrowings on fixed rates rose 2 ppt QoQ to 78%. Its average cost of debt was stable QoQ at 2.9%, and this is expected to inch slightly lower in the near term. Based on CICT's sensitivity analysis, every 100bps rise in weighted average interest rates would translate into ~SGD21.6m of additional annual interest expense, or an impact of -0.27 Singapore cents to DPU. These figures predate the completion of the SGD3.9b Paragon acquisition on 1 Jul 2026 (overall net yield of 3.9%). As a result, gearing is likely to rise in 3Q26 before ~SGD2.45b of net proceeds from the Asia Square Tower 2 divestment (exit yield of 3.0%) are received in 2H26. We update our forecasts, and our FY26 and FY27 DPU estimates increase by 1.5% and 0.7% respectively. Consequently, we lift our fair value estimate marginally from SGD2.67 to SGD2.69. Maintain **BUY**.

Potential catalysts

- Divestment of assets at prices significantly above valuation.
- DPU accretive acquisitions.
- Better-than-expected momentum in footfall and tenants' sales for its malls.

Investment risks

- A slowdown in macroeconomic conditions may dampen consumer and business sentiment.
- A rising interest rate environment could raise the borrowing costs for CICT.
- Slower-than-expected recovery in portfolio rental reversions.

Valuation analysis

	Price/Earnings		Price/Book		EV/EBITDA		Dividend Yield (%)		ROE (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
CAPITALAND INTEGRATED COMMER (CICT SP Equity)	20.2	18.9	1.1	1.1	25.6	24.6	4.8	5.0	5.7	5.8
SUNTEC REIT (SUN SP Equity)	20.4	19.9	0.7	0.7	34.5	33.3	5.1	5.3	3.3	3.4
KEPPEL REIT (KREIT SP Equity)	23.4	22.3	0.7	0.7	34.6	35.0	5.8	5.8	3.2	3.2
OUE REAL ESTATE INVESTMENT T (OUEREIT SP Equity)	16.9	16.1	0.6	0.6	19.4	16.7	6.8	7.0	4.2	4.2
FRASERS CENTREPOINT TRUST (FCT SP Equity)	17.5	16.8	1.0	1.0	23.8	23.3	5.5	5.7	5.2	5.4

Source: Bloomberg

Price/Book chart (x)



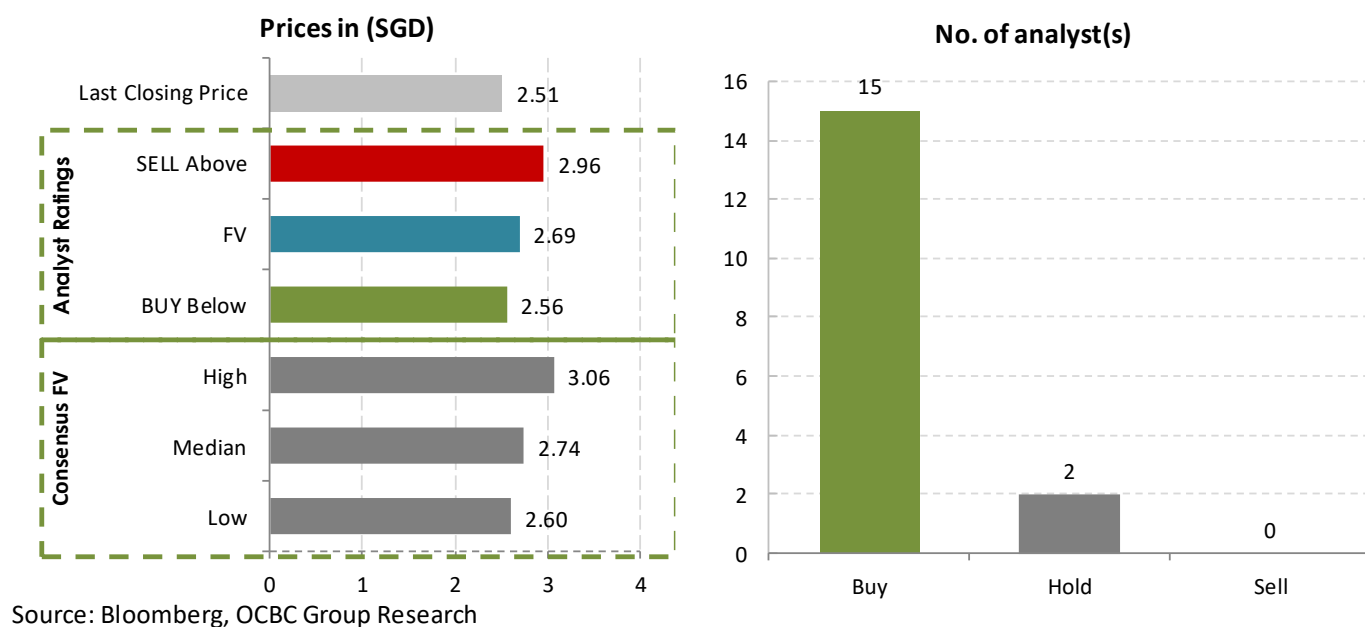
Source: Bloomberg

Dividend yield chart (%)



Source: Bloomberg

Analyst ratings vs street ratings



Company overview (as of 31 December 2025)

Company description

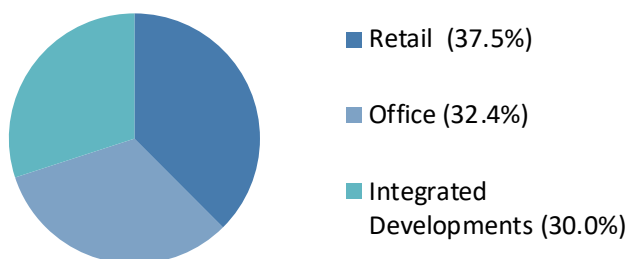
CICT is the first and largest REIT listed on Singapore Exchange Securities Trading Limited (SGX-ST) with a market capitalisation of SGD18.2b as at 31 December 2025. It debuted on SGX-ST as CapitaLand Mall Trust in July 2002 and was renamed CICT in November 2020 following the merger with CapitaLand Commercial Trust.

CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. As the largest proxy for Singapore commercial real estate, CICT's portfolio comprises 21 properties in Singapore, two properties in Frankfurt, Germany, and three properties in Sydney, Australia with a total property value of SGD27.4b based on valuations of its proportionate interests in the portfolio as at 31 December 2025.

CICT is managed by CapitaLand Integrated Commercial Trust Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

FY25 gross revenue

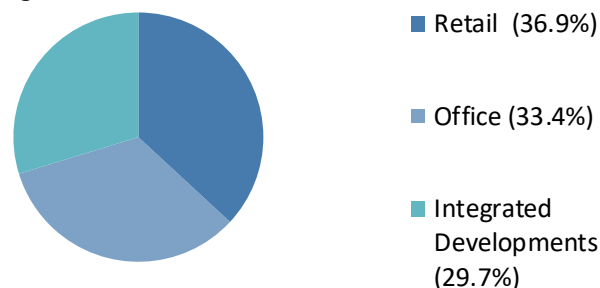
By segment



Source: REIT Manager

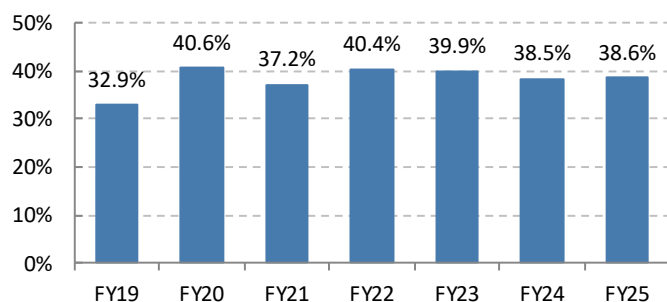
FY25 net property income

By segment



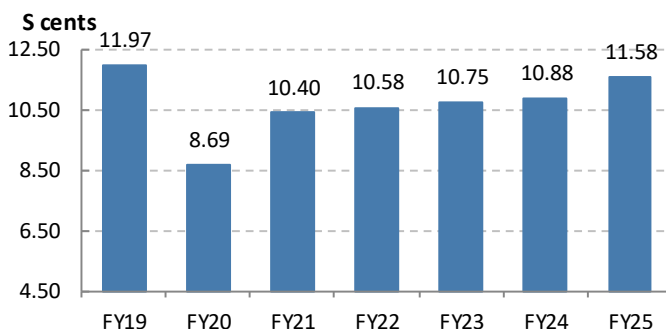
Source: REIT Manager

Aggregate leverage ratio



Source: REIT Manager

Distribution per unit



Source: REIT Manager

Company financials

Income statement

Year Ended 31 Dec (SGD m)	FY24	FY25	FY26E	FY27E
Gross revenue	1,586.3	1,619.2	1,744.7	1,761.6
Total property expenses	-432.9	-429.4	-472.7	-475.7
Net property income	1,153.5	1,189.7	1,272.0	1,285.9
Net finance costs	-332.7	-307.9	-300.9	-285.8
Property management fees	-95.6	-105.6	-107.5	-108.2
Other expenses	24.3	114.3	68.1	71.4
Net income	749.4	890.5	931.7	963.3
Total return for the period	941.8	951.4	922.4	953.7
Adjustments	-189.6	-90.6	30.7	30.3
Distributable income to unitholders	752.2	860.9	953.0	983.9

Balance sheet

As at 31 Dec (SGD m)	FY24	FY25	FY26E	FY27E
Investment properties	23,702.3	25,601.6	26,698.4	26,778.4
Properties under development	0.0	0.0	0.0	0.0
Cash	156.4	149.5	355.9	330.5
Total current assets	243.1	643.8	888.5	866.5
Total assets	25,513.0	27,431.3	28,772.8	28,830.8
Current liabilities ex. debt	475.7	461.6	487.6	491.1
Debt	8,945.1	9,989.5	10,577.9	10,657.9
Total liabilities	9,790.8	10,941.0	11,555.4	11,638.9
Unitholders' funds	15,722.2	16,490.3	17,217.4	17,191.9
Total equity and liabilities	25,513.0	27,431.3	28,772.8	28,830.8

Key rates & ratios

	FY24	FY25	FY26E	FY27E
DPU (S cents)	10.88	11.58	12.14	12.33
NAV per unit (S cents)	212.7	214.1	213.7	212.8
Adjusted P/E (x)	21.8	21.1	21.2	21.0
P/NAV (x)	1.18	1.17	1.17	1.18
NPI margin (%)	72.7	73.5	72.9	73.0
Net income margin (%)	47.2	55.0	53.4	54.7
Aggregate leverage ratio (%)	38.5	38.6	38.8	39.0
DPU yield (%)	4.3	4.6	4.8	4.9
ROE (%)	6.3	6.0	5.5	5.6
ROA (%)	3.7	3.6	3.3	3.3

Source: REIT Manager, OCBC Group Research

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