

CapitaLand Malaysia Trust

Good Closing for FY25

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CLMT's FY25 core net profit exceeded our expectations by 7%. The deviation was mainly due to a RM4m lower deferred taxation in FY25 and faster-than-expected completion of Synergy Logistics Hub acquisition that contributed RM3.1m in 4QFY25. Its core net profit growth of 21% stemmed from positive rental reversions of about 12% in its retail portfolio and the commencement of rental income recognition from Glenmarie Distribution Centre and Senai Airport City Facilities effective January and June 2025, respectively. Post model updates, we raise our FY26F earnings by 4% to reflect lower taxation charges and a slightly better interest rate environment, translating to a slightly higher TP from RM0.65 to RM0.67. Meanwhile, we also introduce new FY27F numbers while maintaining our MARKET PERFORM call.

Above expectations. CLMT's FY25 core net profit achieved 107% and 103% of our full-year forecast and consensus estimate, respectively, above our expectation. The deviation was mainly due to a RM4m lower deferred taxation in FY25 and faster-than-expected completion of Synergy Logistics Hub acquisition that contributed RM3.1m in 4QFY25. Meanwhile, it declared an estimated after-tax income distribution of 1.1 sen, bringing YTD total to 4.4 sen which is in line with our full-year forecast of 4.7 sen.

YoY, the group's FY25 revenue grew by 5%, primarily attributable to positive rental reversions of about 12% in its retail portfolio and the commencement of rental income recognition from Glenmarie Distribution Centre and Senai Airport City Facilities effective January and June 2025, respectively. As expenses held steady, net profit rose sharper by 21% largely stemmed from a lower deferred tax, lower utilities expenses and a lower interest rate environment.

QoQ, 4QFY25 revenue and net profit were higher by 7% and 21%, respectively, largely attributable to new contribution from Synergy Logistics Hub, Senai Airport City Facilities and etc. Net profit was likely further supported by seasonally year-end festive spendings. Meanwhile, average occupancy rates at its Klang Valley retail properties rose to 85% (+1 ppt), while its northern retail assets remained largely stable at close to 100%.

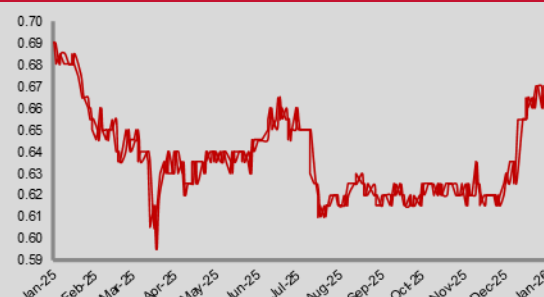
Outlook. In Dec 2025, the group has announced to acquire five industrial properties in Johor from AME Elite worth RM221m. While the said properties are currently under construction, we are confident that the group will be able to secure tenants upon completion which is targeted by phases between FY27-FY28. Given the promising developments in Penang, we foresee the positive trajectory to continue in the year ahead. The group will continue its direction in acquiring and expanding its industrial segment, with a focus on logistics assets as part of its strategy to diversify its portfolio income streams. Currently, industrial assets make up less than 5% of the group's NPI. It aims to increase the composition mix from its industrial segment from approximately 10% to 20% of its total AUM in approximately three years.

Forecasts. We have revised our FY26F earnings up by 4% post model updates. We also introduce new FY27F numbers with a 4% growth in NDPU to 5 sen.

MARKET PERFORM ↔

Price : **RM0.67**
Target Price : **RM0.67** ↑

Share Price Performance



KLCI 1,756.49
YTD KLCI chg 4.6%
YTD stock price chg 7.2%

Stock Information

Shariah Compliant	No
Bloomberg Ticker	CLMT MK Equity
Market Cap (RM m)	2,232.0
Shares Outstanding	3,331.3
52-week range (H)	0.69
52-week range (L)	0.55
3-mth avg. daily vol.	1,693,412
Free Float	50%
Beta	0.48

Major Shareholders

CMMT Investment	32.8%
Employees Provident Fund	15.4%
Amanah Saham Nasional	11.1%

Summary Earnings Table

FY Dec (RM m)	2025A	2026F	2027F
Turnover	476.8	501.0	523.2
Operating Profit	289.4	302.3	315.8
Profit Before Tax	185.6	173.4	177.7
Net Profit (NP)	181.7	173.4	177.7
Core Net Profit	157.5	173.4	177.7
Consensus (NP)	152.7	176.3	183.3
Earnings Revision	-	+3.7%	NEW
Core EPS (sen)	4.7	5.2	5.3
Core EPS Growth (%)	4.8%	10.1%	2.4%
NDPU (sen)	4.4	4.8	5.0
NAV/Share (RM)	0.96	0.96	0.96
Core PER (x)	13.7	12.5	12.2
Price/NAV (x)	0.7	0.7	0.7
Gearing (x)	0.39	0.41	0.45
Net. Div Yield (%)	6.8	7.4	7.6

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Valuations. We raise our TP from RM0.65 to RM 0.67 based on FY26F NDPU forecast of 4.8 sen following upward adjustments to our FY26F earnings. This is against an unchanged target yield of 7.25% (derived from a 3.75% yield spread above our 10-year MGS assumption of 3.50%). The yield spread is on the higher range applied within our sector peers (average of 2%) owing to the group's higher cost-of-funding from potential future placement exercises. There is no adjustment to our TP based on ESG which is given a 3-star rating as appraised by us (see Page 4).

Investment case. CLMT's performance will continue to be underpinned by its inorganic growth from the expansion of its industrial segment supported by its high-performing retail assets in the Northern region. Maintain **MARKET PERFORM**.

Risks to our call include: (i) elevated risk-free rate, weighing on REIT valuation, (ii) weakening in consumer spending.

Results Highlights

	4Q FY25	3Q FY25	QoQ Chg	4Q FY24	YoY Chg	12M FY25	12M FY24	YoY Chg
FYE Dec (RM m)								
Gross Rental Revenue	105.1	95.3	10.3%	97.9	7.4%	391.9	364.1	7.6%
Non-rental Revenue	19.5	20.7	-6.1%	22.1	-12.0%	84.9	90.7	-6.4%
Gross Revenue	124.6	116.0	7.4%	120.0	3.9%	476.8	454.8	4.8%
Property Operating Expenses	-43.1	-46.9	-8.2%	-47.5	-9.2%	-187.3	-190.8	-1.8%
Net Property Income	81.5	69.1	17.9%	72.5	12.4%	289.4	263.9	9.7%
Interest & Investment Income	30.2	-1.8	>1000%	57.9	-47.9%	27.0	59.6	-54.6%
Net Investment Income	111.7	67.3	66.0%	130.4	-14.3%	316.5	323.5	-2.2%
Non-operating expenses	-33.4	-32.6	2.4%	-32.1	3.7%	-130.8	-128.1	2.2%
Profit before tax	78.3	34.7	125.7%	98.2	-20.3%	185.6	195.4	-5.0%
Taxation	-3.9	0.0	>1000%	-8.3	-52.5%	-4.0	-8.3	-52.0%
Minority interest	0.0	0.0	N.M	0.0	N.M.	0.0	0.0	N.M
Net Profit	74.4	34.7	114.5%	90.0	-17.3%	181.7	187.2	-2.9%
Distributable Income	42.3	34.7	22.0%	35.4	19.6%	149.3	132.5	12.7%
Core Net Profit	44.9	37.2	20.7%	32.8	36.7%	157.5	130.0	21.2%
Core Earnings Per Unit (sen)	1.35	1.12	20.7%	1.14	18.2%	5.05	4.56	10.8%
Distribution Per Unit (sen)	1.27	1.11	14.4%	1.22	4.1%	4.84	4.65	4.1%
Net Asset Value Per Unit (RM)	0.96	0.93	2.4%	1.00	-4.5%	3.87	3.94	-1.6%
Key Operating Metrics:								
Net property income margin	65.4%	59.6%		60.4%		60.7%	58.0%	
Pretax margin	62.9%	29.9%		81.9%		38.9%	43.0%	
Net Gearing	37.4%	38.3%		39.6%		37.4%	39.6%	

Source: Company, Kenanga Research

Assets Breakdown

	4Q FY25	3Q FY25	QoQ Chg	4Q FY24	YoY Chg	12M FY25	12M FY24	YoY Chg
FYE Dec (RM m)								
Gross Revenue								
Gurney Plaza	42.2	40.7	3.7%	43.4	-2.9%	166.2	163.2	1.8%
Queensbay Mall	32.2	30.8	4.6%	32.0	0.8%	127.2	120.8	5.3%
East Coast Mall	18.7	18.2	2.7%	18.6	0.4%	75.2	70.8	6.1%
Sungei Wang Plaza	8.7	6.6	30.7%	6.2	39.9%	27.9	23.9	16.7%
3 Damansara	5.9	5.8	1.4%	6.9	-13.8%	23.6	26.7	-11.7%
The Mines	9.2	9.9	-6.6%	10.6	-12.9%	39.5	42.0	-5.9%
Valdor Logistics Hub	1.8	1.7	3.0%	1.7	0.6%	6.9	6.6	3.3%
Glenmarie Distribution Centre	0.9	0.9	0.1%	0.6	50.1%	3.6	0.6	499.8%
Senai Airport City Facilities	1.3	0.9	50.8%	0.0	N.M.	2.4	0.0	N.M
Others	3.8	0.6	566.6%	0.0	N.M.	4.3	0.0	N.M
TOTAL	124.6	116.0	7.4%	120.0	3.9%	476.8	454.8	4.8%
Net Property Income								
Gurney Plaza	31.5	28.9	8.9%	30.7	2.6%	118.3	111.7	5.9%
Queensbay Mall	23.0	21.5	6.7%	23.4	-1.9%	90.5	88.1	2.8%
East Coast Mall	13.2	12.3	7.4%	12.4	6.1%	50.5	45.3	11.5%
Sungei Wang Plaza	2.4	-0.3	-928.4%	0.2	1431.0%	1.3	-1.5	-188.7%
3 Damansara	1.1	0.7	71.8%	0.8	48.4%	1.9	3.1	-39.0%
The Mines	3.1	3.4	-9.5%	3.2	-2.9%	12.0	11.0	9.0%
Valdor Logistics Hub	1.5	1.6	-4.2%	1.3	15.5%	6.2	5.8	7.1%
Glenmarie Distribution Centre	0.8	0.8	-0.2%	0.6	53.3%	3.4	0.5	642.6%
Senai Airport City Facilities	1.2	-0.2	-607.3%	0.0	N.M.	1.2	0.0	N.M
Others	3.6	0.4	729.3%	0.0	N.M.	4.1	0.0	N.M
TOTAL	81.5	69.1	17.9%	72.5	12.4%	289.4	263.9	9.7%

Source: Company, Kenanga Research

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
AME REIT	MP	1.72	1.68	-2.3%	912.0	Y	03/2026	7.6	8.0	17.3%	4.8%	22.6	21.6	1.6	6.9%	7.6	4.4%
AXIS REIT	MP	1.98	1.96	-1.0%	4,009.0	Y	12/2025	10.4	10.6	28.1%	2.0%	19.1	18.7	1.2	6.3%	9.6	4.8%
CAPITALAND MALAYSIA TRUST	MP	0.670	0.670	0.0%	2,232.0	N	12/2025	5.2	5.4	10.1%	4.2%	12.9	12.3	0.7	5.4%	4.8	7.2%
IGB REIT	UP	2.86	2.52	-11.9%	12,364.0	N	12/2025	10.1	14.0	18.1%	38.6%	28.4	20.5	2.7	12.6%	10.6	3.7%
KLCCP STAPLED GROUP	MP	9.16	8.93	-2.5%	16,537.0	Y	12/2025	47.6	48.8	9.8%	2.5%	19.3	18.8	1.3	6.3%	45.7	5.0%
SUNWAY REIT	UP	2.48	2.22	-10.5%	8,494.0	N	12/2025	12.0	12.5	16.8%	3.8%	20.7	19.9	1.6	7.2%	10.8	4.4%
SECTOR AGGREGATE					44,548.0					14.6%	10.3%	20.9	19.0	1.5	7.6%		5.0%

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating		
GENERAL	Earnings Sustainability & Quality	★	★	★
	Community Investment	★	★	★
	Workers Safety & Wellbeing	★	★	★
	Corporate Governance	★	★	★
	Anti-Corruption Policy	★	★	★
	Emissions Management	★	★	☆
SPECIFIC	Effluent/Waste Management	★	★	☆
	Water Management	★	★	★
	Energy Efficiency	★	★	★
	Green Buildings	★	★	★
	Tenant Management	★	★	★
	Supply Chain Management	★	★	★
OVERALL		★	★	★

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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