Capitaland Ascott Trust

Largest lodging REIT in APAC

5 February 2026

Company Overview

CLAS' objective is to invest primarily in income producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world.

Investment Overview

Pipeline visibility the key driver of DPU upside. We see an upside to Distribution per unit (DPU) following the phased completions of asset enhancement initiatives (AEIs) and acquisitions during FY26- FY28. The room count of its Singapore portfolio will increase with the completion of Somerset Liang Court in 2027 to add 192 rooms. Organic growth from normalisation of occupancy, which is still c.5ppt below pre-COVID levels.

CLAS's portfolio revenue per available unit (RevPAU) recovered to c.116% of normalised levels in FY25. Organically, CLAS's portfolio benefited from market diversification, with stronger hospitality performance mitigating weakness from the PBSA segment in FY25. Within Singapore, CLAS' assets is expected to grow at a low single digit RevPAR, with additional c.200 rooms to start operations in 2027 (Somerset Liang Court redevelopment).

More asset recycling and inorganic growth potential not priced in. CLAS is expected to stick to its strategy of asset recycling to drive earnings and net asset value (NAV) upside. A healthy gearing level of 38% and SGD2.0bn in debt headroom support its growth appetite. Divestment is a strategy it uses to rejuvenate its portfolio, fund AEI work, and meet its medium-term acquisition target of c.25%-30% of assets under management (AUM) in the long-stay segment.

Maintain BUY, TP of S$1.15. We maintain our TP at SGD1.15 on the same assumptions of a 3.5% risk-free rate, 6.75% WACC, and 2.5% terminal growth rate. We have adjusted our numbers for softening currency exchange for income denominated in AUD / JPY / USD for CLAS, as well as the push back of AEI completion (inc The Cavendish Hotel and Sydney Central) from FY27 to FY28. PBSA forecast is moderated down from 5% rent growth to 2% for conservatism. We continue to maintain capital top ups for the next two years, at SGD30m / SGD20m in FY26/27F to stabilise DPU profile at 6.1 scts for both years.

Risks

Operating cost to remain high and y-o-y higher interest cost.

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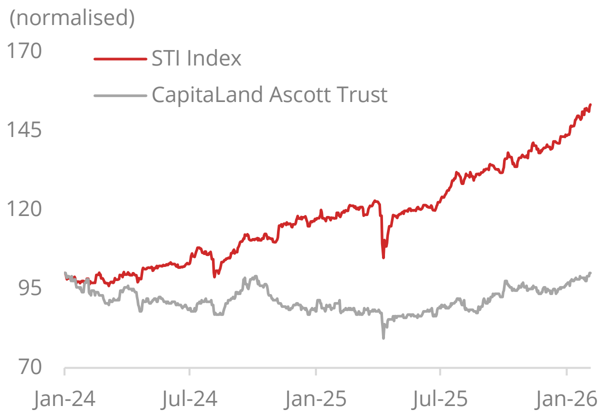
Key Financial Data

Bloomberg Ticker	CLAS SP
Sector	Equity Real Estate Investment
Share Price (SGD)	0.95
DBS Rating	BUY
12-mth Target Price (SGD)	1.15
Market Cap (USD bn)	3.0
Volume (m shares)	6.6
Free float (%)	75.1
Dividend yield (%)	7.0
Net Debt to Equity (%)	0.6
Fwd. P/E (x)	17.7
P/Book (x)	0.8
ROE (%)	2.8

Closing Price as of 04/02/2026
Source: Twelve Data, DBS, Visible Alpha, Bloomberg

Indexed Share price vs Composite Index Performance



Source: Bloomberg

DBS

Financial Summary (SGDmn)

FY Dec	FY2022 (A)	FY2023 (A)	FY2024 (A)	FY2025 (F)	FY2026 (F)
Sales	621.2	744.6	809.5	778.5	795.2
% y/y	*57.5*	*19.8*	*8.7*	*(3.8)*	*2.1*
Gross Profit	282.8	338.2	370.9	406.1	415.2
% y/y	*63.2*	*19.6*	*9.7*	*9.5*	*2.2*
EBITDA	236.6	279.1	314.6	367.1	375.7
% y/y	*64.4*	*18.0*	*12.7*	*16.7*	*2.4*
Net Profit (Loss)	81.4	125.2	120.3	185.5	191.4
% y/y	*(1,848.1)*	*53.7*	*(3.9)*	*54.2*	*3.2*
FCF	(25.2)	275.0	291.2	218.4	223.5
% y/y	*(122.2)*	*(1,189.4)*	*5.9*	*(25.0)*	*2.3*
CAPEX	(12.1)	(25.6)	(26.0)	(23.4)	(23.9)
% y/y	*(62.3)*	*112.2*	*1.3*	*(10.0)*	*2.1*
EBITDA Margin %	38.1	37.5	38.9	47.2	47.3
Net Margin %	13.1	16.8	14.9	23.8	24.1
ROA (%)	1.0	1.5	1.4	2.1	2.2
ROE (%)	2.1	3.0	2.8	4.2	4.4
Tax Rate %	25.5	34.6	24.7	17.5	17.5

Source: Company, DBS

Valuation Metrics

FY Dec	FY2022 (A)	FY2023 (A)	FY2024 (A)	FY2025 (F)	FY2026 (F)
P/E (x)	43.3	28.0	27.4	17.7	17.2
P/B (x)	0.9	0.8	0.8	0.8	0.8
Dividend Yield (%)	5.4	6.6	7.0	6.6	6.8
EV/EBITDA (x)	27.4	23.2	19.5	16.7	16.4
FCF Yield %	(0.4)	4.3	4.8	3.6	3.6

Source: Company, DBS

Credit & Cashflow Metrics

FY Dec	FY2022 (A)	FY2023 (A)	FY2024 (A)	FY2025 (F)	FY2026 (F)
Debt / Equity	0.7	0.7	0.7	0.7	0.7
Net Debt / Equity	0.6	0.6	0.6	0.6	0.6
Debt / Assets	0.4	0.4	0.4	0.4	0.4
EBITDA / Int Exp	3.5	3.4	3.2	3.6	3.6
Debt / EBITDA	13.3	11.9	10.9	9.4	9.2
Receivables Days	63.6	54.4	50.0	46.2	39.3
Days Payable	230.6	276.9	250.7	223.8	209.2
Inventory Days	0.4	0.4	0.5	0.7	0.7

Source: Company, DBS

Target Price & Ratings History

Source: DBS

Analysts: Geraldine WONG
Derek TAN

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HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
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**Share price appreciation + dividends*

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