

Keppel Infrastructure Trust

(SGX: A7RU)

Stable DPU supported by divestment gains

- **Stable 2H 2025 Distribution per unit (DPU).** Distribution per unit grew by 1.0% year-on-year to 1.97 cents in 2H FY25. This would bring total FY2025 DPU to 3.94 cents. In FY2025, Keppel Infrastructure Trust's distributable income from assets grew by 3.6% year-on-year to S\$349.1 million with mixed performance across segments. Divestment gains of S\$49.0 million (equivalent to 0.8 cent per unit) contributed to a 24.0% year-on-year increase in Distributable Income to S\$249.5 million.
- **Energy transition recorded 27.8% growth in distributable income in FY2025.** The increase was led by Aramco Gas Pipelines Company whose capital management generated a cash surplus of S\$51.0 million in FY2025. City Energy registered 24.1% year-on-year increase in distributable income in FY2025, due to fuel cost over-recovery and higher town gas volume,
- **Environment services underperformed.** Distributable income of this segment decreased by 36.7% to S\$44.3 billion in FY2025. Senoko waste-to-energy reported S\$31.8 million lower in contribution. Eco Management Korea reported losses. On the other hand, Keppel Infrastructure Trust booked S\$9.9 million in full year contribution from Keppel Marina East Desalination Plant.
- **Distribution and storage achieved higher distributable income despite divestment.** Distributable income grew by 17.3% to S\$116.4 billion in FY2025. This was despite the sale of Philippine Coastal in March 2025 and 25% stake sale in Ventura in August 2025. Ixom reported 14.8% year-on-year growth in EBITDA, supported by demand from mining, oil and gas and dairy customers.
- **Improved balance sheet.** Gearing improved to 38.7% as at 31 December 2025, from 40.4% as at 31 December 2024. Total borrowings increased by 6.9% year-on-year to S\$3.19 billion. With access to undrawn committed credit facilities of S\$239 million, Keppel Infrastructure Trust could pursue accretive acquisitions.
- **Capital recycling strategy.** Assets under management, based on enterprise value, remains stable at S\$9.1 billion as at 31 December 2025, marginally higher than S\$9.0 billion as at 31 December 2024. In November 2025, Keppel Infrastructure Trust invested S\$120 million for a 46.7% stake in GMG.
- **Maintain Neutral.** Based on its FY2025 DPU of 3.94 cents and closing price of S\$0.535, Keppel Infrastructure Trust offers a distribution yield of 7.4%. To sustain its distributions, Keppel Infrastructure Trust will have to acquire new assets to support further cash flow generation. We maintain our NEUTRAL rating as we await more signs of sustainability in its distributable income. Our target price is raised to S\$0.50 (from S\$0.45) due to lower interest rate assumptions.

Ticker	A7RU
Rating	Neutral
Price Target	S\$0.50 (previous S\$0.45)
Price (10 Feb)	S\$0.535
Upside/Downside:	-6.5%
52-week range	S\$0.38 – 0.525
Market Cap	S\$3.26B

* Target price is for 12 months

Research Analyst

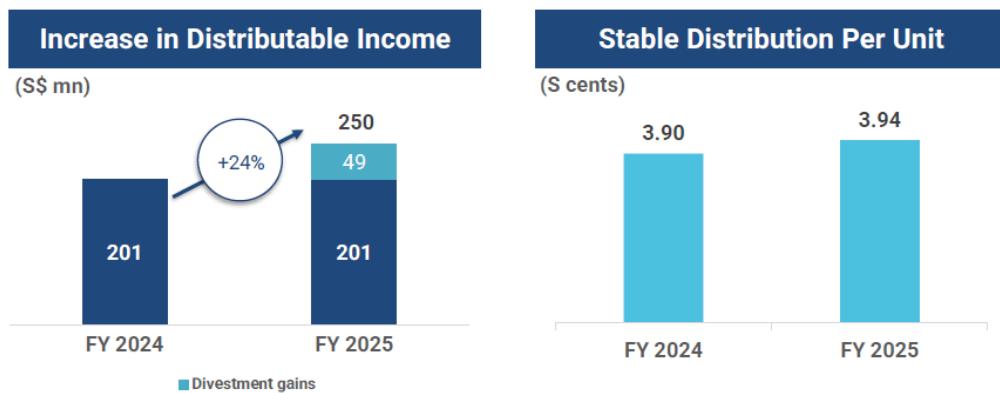
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Stable 2H 2025 distribution per unit (DPU)

Distribution per unit grew by 1.0% year-on-year to 1.97 cents in 2H FY25.

In FY2025, divestment gains of S\$49.0 million or equivalent to 0.8 cent per unit contributed to the stable DPU. As such, FY2025 DPU grew 1.0% year-on-year to 3.94 cents, translating to a distribution yield of 7.4% based on the closing price of S\$0.535 as at 6 February 2026.

Figure 1: Distribution per unit

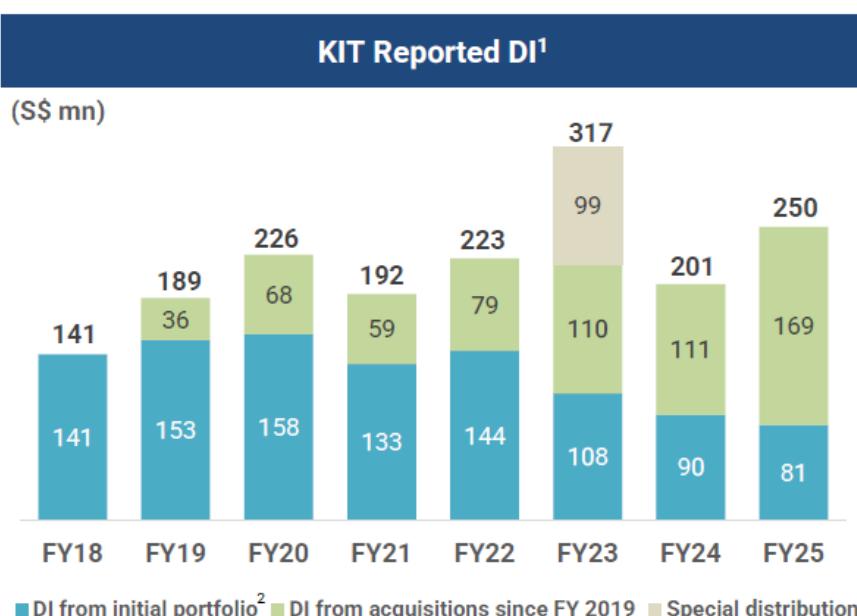


Source: Company data

Mixed financial performance across business segments

FY2025 Distributable income increased 24.4% year-on-year to S\$249.5 million. The key drivers of the higher distributable income were the divestments of Philippine Coastal and partial stake in Ventura. Keppel Infrastructure Trust received S\$301 million. Since 2019, Keppel Infrastructure Trust has actively rejig the portfolio constitution with new assets. Currently, the distributable income from the initial portfolio and new acquisition are fairly balance.

Figure 2: Distributable income



Source: Company data

Figure 3: Distributable income by segment

S\$'000	FY2025	FY2024	change, % yoy
Energy Transition	187,326	146,563	27.8%
- City Energy	63,303	50,994	25.60%
- KMC & Aramco Gas Pipelines Company	108,766	77,945	-23.00%
- Renewable Portfolio (wind farms)	3,580	10303	NM
- German Solar Portfolio	11,677	7,321	-16.00%
Environmental Services	44,264	69,968	-36.7%
- Singapore waste and water assets	46,438	63,340	-24.40%
- EMK	2,174	6628	NM
Distribution & Storage	116,440	99,255	17.3%
- Ixom	73,592	64,112	>100.0%
- Philippine Coastal	-678	9,863	NM
- Ventura	43,526	25,280	>100.0%
Digital Infrastructure	1,100	0	NM
Asset Subtotal	349,130	315,786	3.6%
Corporate	-148,588	-115,209	-29.0%
Gain on divestment (Philippine Coastal)	21,678	0	NM
Gain on divestment (Ventura)	27,299	0	NM
Distributable Income	249,519	200,577	24.4%

Source: Company data

Energy transition recorded 27.8% growth in distributable income in FY2025.

The increase was led by Aramco Gas Pipelines Company whose capital management generated a cash surplus of S\$51.0 million in FY2025. City Energy registered 24.1% year-on-year increase in distributable income in FY2025, due to fuel cost over-recovery and higher town gas volume,

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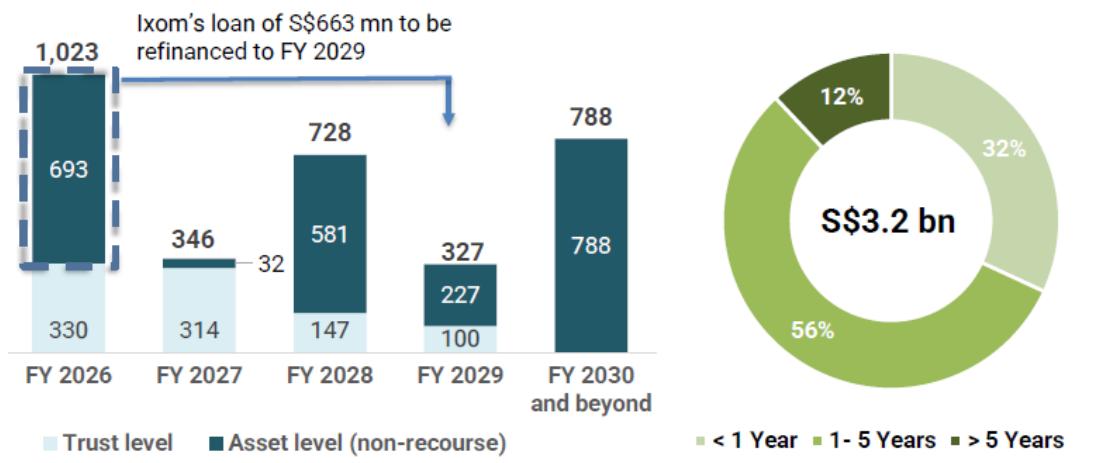
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Digital infrastructure consist of the newly acquired GMG. The purchase was concluded in November 2025. Keppel Infrastructure Trust deployed S\$120m to acquire a 46.7% interest in GMG. GMG started to contribute in December 2025, with a distribution of S\$1.1 million.

Improved balance sheet

The debt maturity profile is well staggered, with 56% of S\$3.2bn falling due over the next one to five years and only 32% within the next year. For FY2026, the Ixom loan has been refinanced to FY2029, which materially reduces near term refinancing risk. Maturities are light till FY2029.

Figure 4: Debt maturity profile



Gearing improved to 38.7% as at 31 December 2025, from 40.4% as at 31 December 2024. Keppel Infrastructure Trust utilised about 60% of the S\$301 million divestment proceeds to repay debt.

Cost of debt declined slightly to 4.4% as at 31 December 2025, from 4.5% as at 31 December 2024.

Total borrowings increased by 6.9% year-on-year to S\$3.19 billion. Of which 72.3% consists of non-recourse loans at the asset level. The balance, or S\$891 million are debt at the Trust level.

The recent capital recycling exercise has enhanced financial flexibility. With access to an undrawn committed credit facilities of S\$239 million, Keppel Infrastructure Trust could pursue accretive acquisitions.

Figure 5: Financial ratios

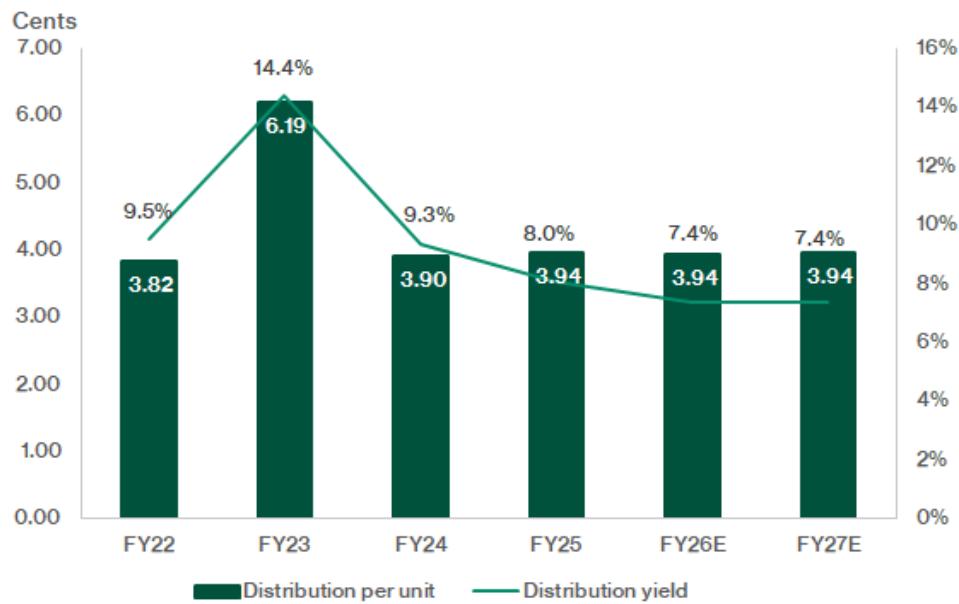
	As of 31 Dec 2025	As of 31 Dec 2024	change
Net gearing	38.7%	40.4%	-1.7%
Weighted average debt maturity, years	3.14	3.75	-0.61
Weighted average cost of debt	4.4%	4.5%	-10 bps
Fixed and hedged debt	71.8%	72.9%	-1.1%
Interest coverage ratio	7.6x	7.0x	+0.6x
Cash	719	457	57.3%
Borrowings	3,194	2,989	6.9%
Net debt	2,475	2,532	-2.3%
Total assets	6,402	6,270	2.1%
Total liabilities	4,503	4,262	5.7%

Source: Company data

Maintain Neutral and revise target price to S\$0.50

Based on its FY2025 DPU of 3.94 cents and closing price of S\$0.535, Keppel Infrastructure Trust offers a distribution yield of 7.4%. To sustain its distributions, Keppel Infrastructure Trust will have to acquire new assets to support further cash flow generation. We maintain our NEUTRAL rating as we await more signs of sustainability in its distributable income. Our target price is raised to S\$0.50 (from S\$0.45) due to lower interest rate assumptions.

Figure 6: Distribution per unit and distribution yield



Source: Beansprout research, price as of 10 February 2026

Note : Distribution yield calculated based on closing price at the end of the period.

Figure 7: Valuation comparison

Name	Symbol	Market cap S\$ mil	Last price S\$	Dividend yield FY2025	Dividend yield FY2026E	PB ratio	Gearing ratio
Keppel Infrastructure Trust	A7RU.SI	3,255.5	0.54	8.0%	7.4%	3.01	50.0%
CapitaLand India Trust	CY6U.SI	1,789.4	1.32	6.0%	6.4%	0.96	39.6%
CapitaLand China Trust	AU8U.SI	1,331.1	0.77	6.3%	6.3%	0.70	41.9%
CapitaLand Ascendas REIT	A17U.SI	12,851.5	2.79	5.4%	5.6%	1.24	37.7%
Frasers Centrepoint Trust	J69U.SI	4,566.0	2.25	5.4%	5.5%	1.01	39.6%
Mapletree Pan Asia Commercial Trust	N2IU.SI	7,705.9	1.46	5.5%	5.6%	0.81	37.7%
Mapletree Industrial Trust	ME8U.SI	5,820.8	2.04	6.7%	6.2%	1.14	40.1%
Mapletree Logistics Trust	M44U.SI	6,735.4	1.32	6.1%	5.5%	0.96	40.7%
		Average		6.2%	6.0%	1.2	

Source: Factset, Beansprout research, price as of 10 February 2026

Key risks include interest rate risk, foreign exchange risk, regulatory frameworks in different countries and volatile commodity or energy prices, amongst others.

Financial summary

Y/E Dec (S\$mn)	FY23A	FY24A	FY25A	FY26E	FY27E	Y/E Dec (S\$mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Income Statement						Cash Flow					
						Operating cash flow					
Revenue	2,036	2,214	2,277	2,346	2,416	Pretax profit	129	50	115	275	297
Cost of sales	-1,455	-1,521	-1,484	-1,437	-1,478	Adjustments	282	390	340	204	200
Gross profit	581	693	793	909	938	Working capital changes	52	85	40	4	-5
Other income	53	61	50	50	50	Others	-156	-217	-184	-144	-180
Administration	-200	-305	-377	-389	-400	Cash flow from operations'	307	308	311	339	312
Other expenses	-185	-199	-176	-176	-176						
Share of results of associates & JV	42	-4	32	36	39						
EBIT	291	246	323	430	451	Investing cash flow					
Net finance expenses	-162	-196	-207	-155	-155	CAPEX	-55	-89	-136	-40	-40
Profit before tax	129	50	115	275	297	Others	-5	-456	73	0	0
Tax	-22	-25	-33	-55	-59	Cash flow from investments	-59	-545	-64	-40	-40
Minority interests	33	34	47	47	47						
Perpetual securities	-27	-31	-37	-37	-37	Financing cash flow					
Discontinued operations	0	0	0	0	0	Dividends paid	-422	-238	-241	-276	-277
Profit attributable to owners	113	28	93	230	248	Proceeds from borrowings	-141	44	231	0	0
						Others	267	396	0	0	0
						Cash flow from financing	-296	202	-10	-276	-277
Balance sheet											
Assets											
PPE	1,658	1,566	1,760	1,694	2,977	Net change in cash	-48	-35	237	23	-5
Others	2,831	3,570	3,118	4,681	3,362	Beginning cash	536	479	436	669	691
Total non-current assets	4,488	5,136	4,878	6,375	6,339	Currency translation	-5	14	45	0	0
						Ending cash	482	457	719	691	687
Cash & cash equivalents	483	457	719	691	687						
Inventories	241	237	262	283	291	Per share data (S\$ cents)					
Trade & other receivables	309	340	369	380	392	Book value per unit	15.83	14.96	13.17	13.02	13.15
Others	97	99	175	217	217	Distribution per unit	6.19	3.90	3.94	3.94	3.94
Total current assets	1,129	1,134	1,525	1,571	1,586	Earnings per unit	2.01	0.46	1.53	3.78	4.07
Total assets	5,617	6,270	6,403	7,946	7,926						
Liabilities						Valuation					
ST borrowings	108	144	1,076	1,076	1,076	Y/E Dec (S\$mn)					
Trade & other payables	383	420	450	485	500	P/E (x)	21.5	90.0	32.1	14.1	13.2
Others	63	94	106	145	149	P/B (x)	2.7	2.8	3.7	4.1	4.1
Total current liabilities	553	659	1,632	1,706	1,725	EV/EBITDA (x)	9.1	9.8	10.1	11.3	10.9
						Dividend yield (%)	14.4	9.3	8.0	7.4	7.4
LT borrowings	2,610	2,845	2,118	2,118	2,118	Ratios					
Others	623	758	753	753	753	ROE (%)	12.7	3.1	11.6	29.1	30.9
Total non-current liabilities	3,232	3,603	2,871	2,871	2,871	ROA (%)	2.0	0.5	1.5	2.9	3.1
Total liabilities	3,785	4,262	4,503	4,577	4,596	Net Gearing (x)	1.22	1.26	1.30	1.36	1.39
EQUITY						Margins (%)					
Share Capital	2,924	3,122	3,122	3,122	3,122	EBIT margin	14.3	11.1	14.2	18.3	18.7
Retained profit	-2,024	-2,166	-2,269	-2,278	-2,271	Net margin	5.5	1.3	4.1	9.8	10.2
Others	-9	-46	-52	-52	-52						
Total equity	890	910	802	792	800						
Minority interests	344	298	298	251	204						
Perpetual securities	598	800	800	800	800						
Total equity and liabilities	5,617	6,270	6,403	6,420	6,400						

Disclosure Appendix

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