

Keppel Infrastructure Trust

**DIVESTMENTS AND CAPITAL
MANAGEMENT ARE THE
BRIGHT SPOTS**

APRIL 2026

**CORPORATE
MONITOR LIMITED**



CORPORATE MONITOR
—ACTIVISM+—



ABOUT CORPORATE MONITOR LIMITED

Corporate Monitor Limited (CML) is an independent firm dedicated to producing holistic, unbiased and insightful research. With a mission to foster stronger corporate performance and benefit the investment community, Corporate Monitor emphasizes thorough research and active engagement with companies.

Corporate Monitor does not provide investment advice nor does it engage in any stock trading. Learn more about the Corporate Monitor and its Constitution at <https://corporate-monitor.org/about/>

The firm can be reached at contact@corporate-monitor.org.

This report is based on the Annual Reports of respective firms and other publicly available information.

----DISCLAIMER----

Corporate Monitor does not provide any warranties or make representations as to the accuracy, completeness, suitability or fitness for purpose of the information presented. Corporate Monitor will not be held liable for any losses or damages arising from any reliance on the content of this report.

The information and opinions contained in this report are provided solely for informational purposes and are not intended, in part or full, to constitute legal or professional advice. This report does not constitute, and should not be construed as, investment advice, an offer, or a solicitation of an offer to buy or sell any securities.

The analysis and conclusions presented are based on publicly available information and Corporate Monitor's best judgment at the time of publication, and they are subject to change without notice.

Investors are advised to conduct their own independent research and consult with their financial, legal, or other professional advisors before making any investment decisions.

Table of Contents

ABOUT CORPORATE MONITOR LIMITED	2
TABLE OF CONTENTS.....	3
EXECUTIVE SUMMARY	4
1. INTRODUCTION	6
2. FFO PERFORMANCE REVIEW.....	6
2.1 ENERGY TRANSITION (49.7% OF TOTAL ASSETS)	6
2.2 ENVIRONMENTAL SERVICES (15.9% OF TOTAL ASSETS)	7
2.3 DISTRIBUTION & STORAGE (32.5% OF TOTAL ASSETS).....	8
2.4 SUMMARY OF THE FFO ANALYSIS	9
3. EBITDA REVIEW	10
4. KIT'S PORTFOLIO STRATEGY	11
4.1 ARE KIT'S ASSETS REALLY "INFRASTRUCTURE" IN NATURE?	11
4.2 INVESTMENT DISCIPLINE?	11
5. KIT'S DISCLOSURES & PRESENTATION.....	12
6. A PERSISTENT CONFLICT OF INTEREST	13
7. CONCLUSION	15
GLOSSARY.....	16

EXECUTIVE SUMMARY

Keppel Infrastructure Trust (KIT) is the only business trust in Singapore focusing on infrastructure assets, with total assets of S\$6.2 billion as of 2025. The assets are grouped under “Energy Transition” (total assets S\$3.1 billion), “Environmental Services” (total assets S\$986 million), “Distribution & Storage” (total assets S\$2 billion), and a new “Digital Infrastructure” (total assets S\$119 million, with the recently-acquired Global Marine Group as its sole asset). Please refer to the **Glossary** for the abbreviations of assets discussed below.

Corporate Monitor Ltd (CML) has issued three reports on KIT. Our concerns on KIT revolve around a few inter-related issues of i) poor organic¹ operating performance (funds from operations or FFO), including assets co-invested with Keppel, ii) acquisition spree which masked such underperformance, and iii) substantial increase in fees paid to Keppel Ltd. (Please see [CML report dated 27 March 2025](#)).

In 2025, KIT did well in capital management and divestment to deliver 24% year-on-year increase in distributable income (DI), although organic FFO performance continues to be weak (CML has done some adjustments in its analysis). KIT presented 17.4% year-on-year FFO increase.

The divestments comprise a 24.6% stake in Ventura and a 50% stake in PCSPC, netting the Trust a total of S\$301 million in proceeds. Ventura was divested at a 33% premium to its book value while PCSPC’s premium was 13%. The gain recognised from these 2 transactions was S\$49 million, which boosted KIT’s DI.

There was also S\$51 million of cash surplus from capital management for AGPC, although KIT has yet to properly define and explain exactly what this is. KIT included such cash surplus in FFO, which CML excluded as it is most likely not operational in nature, and cannot be repeated every year. That said, it certainly boosted AGPC’s DI.

CML’s research uncovered FFO declines for many assets (see **section 2**). Here are the key conclusions from CML’s analysis of FFO performance:

- KIT would have reported year-on-year organic declines in FFO for 2 of its original 3 divisions for 2025: 0.9% (see next paragraph) for “Energy Transition” and 37% for “Environmental Services”. The “Distribution & Storage” division posted an FFO growth of 15.8% mainly due to IXOM. Such FFO performance is similar in 2023 and 2024.
- CML’s conclusion of 0.9% decline in Energy Transition division’s FFO is different from KIT’s presentation of a 20.9% increase, because KIT included the S\$51 million “cash surplus from capital management” for AGPC. Such “cash surplus” is not in KIT’s own definition of FFO and is not operating in nature.

¹ By “organic”, we refer to assets that are in the portfolio in the prior year, and we track whether these same assets produce higher or lower FFO in the following year. Adjustments are required if KIT held different ownership interests in an asset in 2024 compared to 2025. This is common given KIT’s frequent acquisitions.

- KIT went on an acquisition spree from 2022, with many assets promptly reporting lower FFO the subsequent year(s) after acquisition. New assets added since 2022 include AGPC, European Onshore Wind Platform, EMK, BKR2, German Solar Portfolio and Ventura, at a total investment cost of S\$1.7 billion. (Keppel Marina East Desalination Plant (KMEDP) was excluded since KIT did not provide separate financial numbers. Global Marine Group is too early to tell). In 2025, except for German Solar Portfolio, the other 5 of these 6 new assets continued to report lower FFO. Together, the FFO decline for these 6 assets was 7.1% year on year in 2025, excluding the S\$51 million cash surplus from AGPC's FFO. Ventura's FFO comparison was adjusted for shorter holding period in 2024.
- KIT continued to invest with Keppel, arguing that it would benefit from Keppel's operating capability. The 2 recent deals are Global Marine Group and KMEDP in 2025 and 2024, respectively. However, excluding these 2 deals, which are too early to tell, the other investments have underperformed. One example is Eco Management Korea ("EMK"), acquired in August 2022. EMK generated S\$3.8 million of FFO in 2023, only to witness FFO decline for 2 consecutive years to zero and negative S\$5.9 million in 2024 and 2025, respectively. European Wind Farm and BKR2, the other assets co-invested with Keppel, also reported consecutive FFO declines in 2023, 2024, and 2025. KIT made a S\$38 million impairment for BKR2 in 2025, 3 years after the investment.
- There are two strong consistent performers in KIT portfolio, namely IXOM and City Energy. That said, IXOM and City Energy are the oldest assets and are alone in offsetting the poor performance of post-2022 assets.

While astute capital management and divestments are helpful, the fundamental task for the trustee-manager is first and foremost to invest in good assets and grow them. This is where KIT's trustee-manager failed in the aggregate. Most of KIT's assets don't deliver the way an infrastructure asset should: steady and predictable earnings with moderate growth. Instead, they saw FFO declines over consecutive years.

Despite (or maybe because of) such poor performance, KIT acquired more assets to try to make up for the organic declines of existing assets. When even the traditional infrastructure assets underperformed, KIT stretched the definition of "infrastructure" to buy businesses that could have limited lifespan. An example is Ventura, a bus business in Melbourne whose license expires in 2028 and may not be renewed².

Keppel has a duty to explain to KIT unitholders how it manages the conflict of interest because KIFM, which is 100%-owned by Keppel, has seen its fee income rise substantially while KIT's performance remains poor. Keppel also has a duty to explain why, despite its operating capabilities, EMK, BKR2 and European Wind Platform underperformed soon after investment. Many of such assets were acquired on the premise that KIT could rely on Keppel's investment judgment and operating expertise. Both judgement and capability are, in fact, the foundation of Keppel's ambition to become a global asset manager.

² This is common in public transport businesses in developed markets where governments award fixed-term contracts. ComfortDelGro lost 2 bus contracts in its home market of Singapore in 2025.

1. INTRODUCTION

Keppel Infrastructure Trust (KIT) reported its 2025 earnings and Corporate Monitor Limited (CML) saw more of the same issues that we wrote about back in [March 2025](#).

The focus of this report is organic funds from operations (FFO) performance because they most closely track operating performance, whereas distributable income (DI) is affected by investing and financing decisions. CML explored the contributing factors for KIT's consistently-poor FFO performance. CML also examined KIT's disclosures and presentations, along with the clear conflict of interest between KIT and its trustee-manager, Keppel Infrastructure Fund Management (KIFM).

2. FFO PERFORMANCE REVIEW

At first glance, KIT delivered a 17.4% year-on-year FFO increase in 2025, with 2 of its 3 original business divisions posting year-on-year increases in FFO. However, CML's conclusion is that the organic declines continued except for a handful of KIT's assets. Worse, we find KIT's presentation of results misleading and its disclosure inadequate.

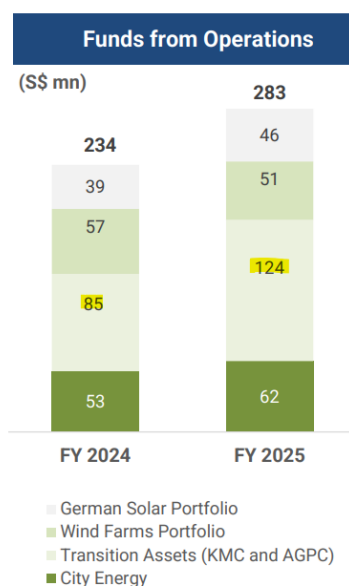
2.1 Energy Transition (49.7% of total assets)

This division reported a 20.9% year-on-year increase in FFO to S\$283 million, in 2025, which appears to be a sharp turnaround compared to the year-on-year decline of 8.7% in 2024. Upon closer analysis, the increase was mainly due to the "Transition Assets" of KMC and AGPC, which reported FFO of S\$124 million in 2025, from S\$85 million in 2024 (see **Exhibit 1**).

However, this increase is entirely due to a non-operating item booked in the fourth quarter of 2025 (4Q 2025): S\$51 million of cash surplus from capital management for AGPC. We do not understand exactly what "cash surplus from capital management" means and why it is included in FFO. Even KIT's definition of FFO³ does not specifically mention cash surplus.

Excluding this, FFO would have been S\$31.1 million for AGPC (24.1% year-on-year decline) and S\$232.2 million for Energy Transition (0.9% year-on-year decline).

³ FFO refers to funds from operations, calculated as profit/(loss) after tax adjusted for reduction in concession or lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments.

Exhibit 1: KIT's Energy Transition FFO (2025)

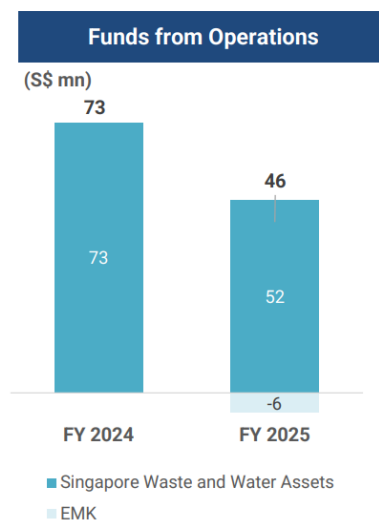
Source: KIT

2.2 Environmental Services (15.9% of total assets)

The Environmental Services division continued to post a significant 37% year-on-year organic decline in FFO in 2025 (**Exhibit 2**), on top of the 12% year-on-year decline in 2024. This is despite 2025's FFO included the contribution of Keppel Marina East Water (KMEDP), acquired in end 2024 and was not counted in 2024.

In the circular for the EGM to approve KIT's investment in KMEDP, the projected increase in FFO was S\$10.5 million. We do not know if KMEDP achieved this amount of FFO because KIT lumps KMEDP's performance together with Senoko WTE plant, Tuas WTE plant, Ulu Pandan NEWater plant and SingSpring Desalination Plant under "Singapore Waste and Water Assets". Assuming that KMEDP did achieve FFO of S\$10.5 million, this means the other 4 assets posted FFO decline from S\$73 million to S\$41.5 million, or a massive 43% year on year. The year-on-year drop in FFO for these 4 assets was 1.5% in 2023 and 7.8% in 2024. While the end of concession for some of these assets may have been the contributing factors, KIT should explain what its recovery plan is.

EMK, acquired in 2022, performed even worse in 2025. EMK's FFO further declined to negative S\$5.9 million in 2025, from zero in 2024, and positive S\$3.8 million in 2023. EMK's performance turned south barely 1 year after the joint investment with Keppel. In the annual report, KIT mentioned the planned increase in EMK's waste-to-energy (WTE) capacity. It should instead provide a comprehensive plan and timeline on improving EMK's performance, and whether the capacity increase was planned as part of the deal underwriting.

Exhibit 2: KIT's Environmental Services Division FFO Performance

Source: KIT

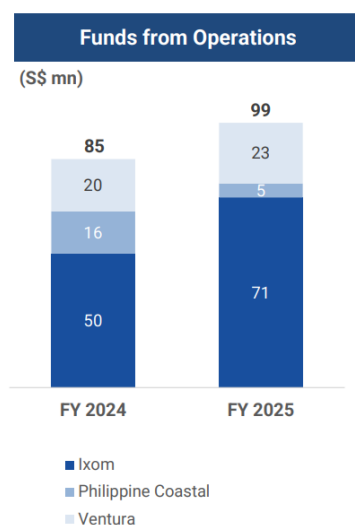
2.3 Distribution & Storage (32.5% of total assets)

Within the Distribution & Storage division, IXOM is the consistent performer in KIT's portfolio and in 2025, its FFO increased 41.7% year on year to S\$71 million (see **Exhibit 3**). This more than offset the loss of FFO from Philippines Coastal, which was divested in 2025 at a premium of 13% to its book value.

The analysis of Ventura's FFO between 2024 and 2025 requires adjustment for different ownership stakes. To do so, we use annualised FFO. Ventura produced an annualised FFO of about S\$34.4 million in 2024 (KIT counted S\$19.6 million FFO from Ventura for 7 months). Adjusting for KIT's sale of a 24.6% interest in Ventura in August 2025, the annualised FFO from Ventura would have been S\$25.7 million in 2025 had KIT maintained its full stake. This is a drop of 25.3% (S\$34.4 million to S\$25.7 million).

Ventura also faces contract renewal risk in 2028. At the AGM in April 2025, KIT's management acknowledged that there was no certainty on contract renewal. Ventura, acquired in 2024, could therefore end up being a short-lived asset. Unitholders should question whether an infrastructure trust should include assets with potentially a short lifespan, especially given the acquisition price tag of S\$540 million.

The good news is that KIT managed to divest a 24.6% stake of Ventura at a price that is at a 33% premium to its book value.

Exhibit 3: KIT's Distribution and Storage FFO (2025)

Source: KIT

2.4 Summary of the FFO Analysis

The 2025 results are similar to those of prior years in that:

- Most of the assets reported lower FFO once the numbers have been properly dissected. We found Ventura and AGPC to be performing worse, although their headlines gave an opposite impression.
- Newly-acquired assets underperformed shortly after acquisition. EMK, acquired in August 2022, is worrisome as FFO declined to zero in 2024 after posting just 1 year of positive FFO, and proceeded to turn negative in 2025. Ventura, acquired in June 2024, reported lower annualised FFO in 2025.
- Assets that are invested with Keppel fared badly, raising questions about Keppel's operational capability. EMK, European Onshore Wind Farm and BKR2 all saw FFO declines for consecutive years.

3. EBITDA REVIEW

EBITDA⁴ corroborates the FFO analysis, as summarised in **Exhibit 4** below.

Exhibit 4: KIT's EBITDA Performance by Division

S\$ Millions	Energy Transition	Environmental Services	Distribution & Storage	Digital Infrastructure	Total before Corporate
2025	229.7	48.7	254.7	(1.9)	531.3
2024	249.4	59.7	228.9	N/A	538.0
Year-on-year % Change	-7.9%	-18.3%	+11.3%	N/A	-1.2%

Source: KIT's disclosures

Before corporate expenses, KIT's 2025 EBITDA was S\$531.3 million, lower than the S\$538.0 million a year ago. It should be noted that 2025 results included the full year contributions of KMEDP, Ventura and a German Solar Portfolio, acquired in 2024. KIT does not provide the EBITDA breakdown for these three assets, so we cannot do a like-for-like comparison. However, suffice to say that KIT demonstrated poor performance with overall EBITDA dropping despite the addition of 3 assets, at a total investment cost of S\$734 million.

Energy Transition reported EBITDA of S\$229.7 million in 2025, lower than the S\$249.4 million in 2024. This is a very different picture from KIT's presentation of FFO, which showed an increase, due to the addition of a "cash surplus" of S\$51 million to AGPC. The new asset added in this category is the German Solar Portfolio, invested at a cost of S\$159 million in March 2024.

Environmental Services EBITDA was S\$48.7 million in 2025, compared to S\$59.7 million, a decline of 18.3%. This includes KMEDP, acquired at a cost of S\$35 million from Keppel in December 2024. EMK also contributed to the decline.

Distribution and Storage is the only division that reported an increase in EBITDA in 2025, to S\$254.7 million, from S\$228.9 million in 2024. However, it should be noted that only 7 months' contribution for Ventura was included in 2024.

Last but not least, [Global Marine Group](#) (the only asset under the new "Digital Infrastructure" division), acquired in December 2025, reported negative EBITDA of S\$1.9 million. KIT did not explain how a new asset could have a negative start immediately after the deal closed. This is a S\$119.2 million investment along with Keppel Infrastructure Fund, managed by Keppel Ltd.

⁴ EBITDA stands for "Earnings before interest, taxes, depreciation, and amortisation".

4. KIT'S PORTFOLIO STRATEGY

4.1 Are KIT's assets really "infrastructure" in nature?

A fundamental question is - what exactly constitutes an infrastructure asset to KIT? The most commonly agreed characteristic of an infrastructure asset is one with a long concession or contract term. However, Ventura does not fit this definition, with its contract up for renewal in 2028 along with a binary outcome (i.e. win or lose).

A second characteristic of infrastructure is steady income. It is highly unusual for infrastructure assets to experience volatility in earnings, let alone consecutive years of declines.

The European wind farm portfolio is one such declining asset. Starting in September 2022, KIT acquired onshore wind assets in Norway and Sweden, an offshore wind farm in Germany (October 2022), and another onshore wind farm in Sweden (December 2023). The FFO from wind farm projects declined from S\$67.3 million in 2023 to S\$57 million in 2024, and S\$51 million in 2025. The cumulative decline in 2 years is 24.2%. Again, it should be noted that the 2024's FFO included the full year contribution of the Swedish wind farm acquired in December 2023. If properly adjusted, the decline is significantly larger than 24.2%, but we do not have enough data to compute this.

4.2 Investment discipline?

There are many assets in KIT's portfolio that reported consecutive years of declining performance, including some that are newly acquired. Together, these assets reported FFO of S\$244 million, or close to 75% of the total for KIT. They are:

- AGPC, acquired in 2022 for US\$250 million (S\$316.8 million),
- EMK, acquired in 2022 for S\$316.2 million,
- European wind farm platform, acquired in 2022 and 2023 for €131 million (S\$210.6 million),
- Ventura, acquired in 2024 for S\$540 million,
- Singapore Waste and Water assets, of which SingSpring and KMEDP were acquired in 2021 and 2024, respectively, for S\$12 million and S\$35 million.

These assets total S\$1.4 billion in investment cost. KIT should explain if its due diligence process is robust. More importantly, KIT should explain how it plans to turn these assets around. KIT claims to have operational capability, but did not disclose what were the specific problems and how KIT's management expertise could solve these problems. For the underperforming assets that were invested alongside Keppel, KIT should invite Keppel to articulate its turnaround plan. After all, KIT is charged a hefty fee which flows ultimately to Keppel. KIT should also provide more details so investors can track the progress of turnaround.

5. KIT'S DISCLOSURES & PRESENTATION

In our view, KIT does not make it easy for unitholders and analysts to gain a full and accurate understanding of its business and assets.

Firstly, the disclosure is inconsistent and does not allow like-for-like comparison. While the 2025 Annual Report contains the EBITDA, FFO and DI numbers for almost all assets⁵, 2023 and 2024's Annual Reports only provided the EBITDA and DI numbers for these assets.

Secondly, year on year comparison needs to factor in partial ownership in the prior year. For example, in the 2025 results presentation, Ventura's FFO increased from 2024 to 2025. However, the 2024 FFO only reflected 7 months of ownership. Add to this that KIT disposed of a 24.6% interest in 2025, and unitholders have to do some math to arrive at annualised FFOs for both years for a fair comparison. As our research showed in Section 2.3, annualised FFO in fact fell 26% year on year.

Thirdly, KIT made unexplained adjustments. AGPC, together with KMC (KIT calls these "Transition Assets"), were reporting lower year-on-year FFO in the first 9 months of 2025. However, in the final quarter, KIT added a cash surplus from capital management of S\$51 million which enabled the "Transition Assets" to report FFO growth for 2025. KIT did not clearly explain what this cash surplus from capital management is. In any case, based on KIT's own definition, FFO does not include cash surplus. In fact, as its name implies, FFO should reflect operational performance, which cash surplus from capital management is not.

⁵ Financial numbers for KMEDP and assets under Singapore waste and water assets are not separately provided.

6. A PERSISTENT CONFLICT OF INTEREST

As our [report on KIT in March 2025](#) concluded, KIFM, the trustee-manager, is 100% owned by Keppel, which is incentivised to grow its fee income. KIT is 18% owned by Keppel.

Fee income to KIFM has grown substantially from 2022, when a new fee structure was approved, with nearly 20% of unitholders voting against it, which is among the highest in Singapore's corporate history. From S\$15.2 million in 2021, the fees reached S\$53.1 million in 2024 (see **Exhibit 6**). Total fees fell to S\$32.6 million for 2025 but was still significantly higher than 2021's S\$15.2 million (before the new fee structure).

In addition to management fee, KIFM earned a performance fee of S\$19.1 million in 2023, on the back of a special distribution that year financed by additional debt on IXOM.

Exhibit 6: KIFM Fees (2016 to 2024)

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m
Base Fee	2.8	2.6	2.6	2.6	2.3	2.3	9.6	37.3	24.1
Performance fee	6.9	7.2	7.2	12.6	9.6	9.5	4.8	19.1	13.0
Acquisition /Divestment Fees				11.2	0.1	0.3	27.1	0.2	5
Acq fee capitalised						3.1	7.4	-	11
TOTAL FEES	9.7	9.8	9.8	26.4	12.0	15.2	48.9	56.6	53.1

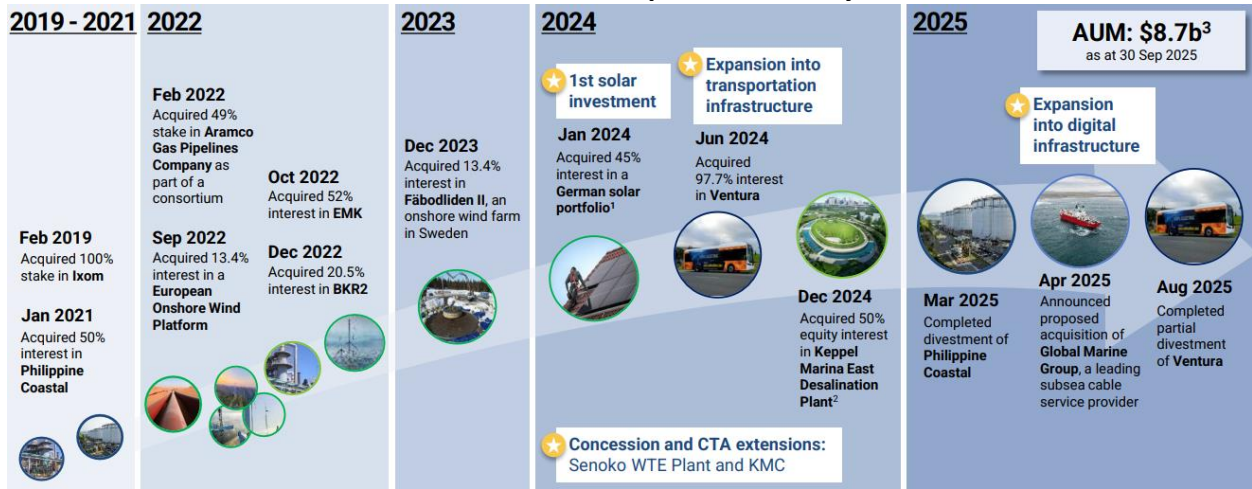
Aggregate fees for 6 years (FY2016 to FY2021)
S\$82.9M

Aggregate fees for 3 years (FY2022 to
FY2024)
S\$158.6M

Source: CML's Report on KIT (March 2025)

There are also acquisition and divestment fees, which rewarded KIFM due to KIT's acquisition spree from 2022 to 2025 (see **Exhibit 7** below).

Exhibit 7: KIT's Acquisition History



Source: KIT's Presentation Slides

Unitholders should well ask KIFM how it handles the choice between more fees or performance of KIT's assets, new and old.

7. CONCLUSION

In 2025, divestments and capital management helped deliver a 24% year-on-year increase in DI. The organic FFO performance of its existing assets still posted a decline (after proper adjustments). The trustee-manager has been on an acquisition spree since 2022. However, most of the newly-acquired assets promptly posted lower FFO in the next year(s) after acquisitions. This does not stop (or it may even incentivise) KIT from making more acquisitions.

It is quite telling that the best assets with consistent performance are City Energy (the original asset acquired from Cityspring Infrastructure Trust during K-Green Trust's merger to form KIT), IXOM (acquired in 2019) and Philippines Coastal (acquired in 2021 and fully divested in 2025).

By contrast, the majority of the assets acquired since 2022 have demonstrated poor performance. The trustee-manager should communicate ways of improving these assets' operating performance as divestments and capital management are not long-term solutions to the FFO problem.

GLOSSARY

Asset abbreviations and names

AGPC = Aramco Gas Pipelines

KMC = Keppel Merlimau Cogen Plant

KMEDP = Keppel Marina East Desalination Plant

BKR2 = Borkum Riffgrund 2

EMK = Eco Management Korea