INITIATION

ESG Analysis Table Inside

Singapore

ADD

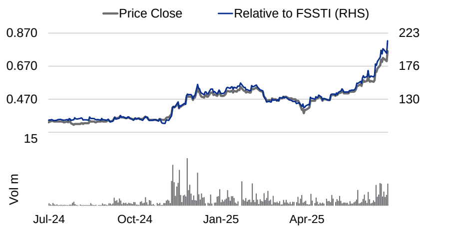
Consensus ratings*:	Buy 3	Hold 0	Sell 0

Current price:	S$0.76
Target price:	S$1.00
Previous target:	N/A
Up/downside:	31.6%
CGSI / Consensus:	72.4%
Reuters:	LHNL.SI
Bloomberg:	LHN SP
Market cap:	US$254.0m
	S$324.8m
Average daily turnover:	US$0.58m
	S$0.75m
Current shares o/s:	418.3m
Free float:	43.2%

Source: Bloomberg

Key changes in this note

- N/A



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	38.2	85.4	126.9
Relative (%)	35.3	68.7	108.0

Major shareholders	% held
Hean Nerng Group Pte Ltd	54.8
Lim Bee Choo	2.0

LHN Ltd

Value up in the making

- LHN specialises in space optimisation and facilities management in SG. Key brands are Coliwoo (co-living) and Work+Store (self-storage).
- We expect Coliwoo's PBT to grow 20% in FY26F and 29% in FY27F as more projects are completed. A spin-off of Coliwoo would unlock more value.
- The property development and industrial segments are likely to be the new growth engines for LHN post the Coliwoo spin-off.
- Initiate coverage with an Add call and a TP of S$1.00, based on 10x CY26F P/E. Current valuations remain undemanding at 6.1x CY26F P/E.

Fast-growing co-living business

LHN Ltd is a Singapore-based real estate management group that specialises in space optimisation, facilities management and other solutions across residential, industrial and commercial segments. Coliwoo, LHN's main growth driver and key co-living business (1H25: 56% of PBT), started operations in 2019. As of Mar 2025, Coliwoo had 2,595 keys; this is set to double to 5,145 in FY27F as LHN aims to acquire 800 new keys annually.

Value-unlocking for Coliwoo; revenue growth spurt expected in FY26-27F

The key near-term catalyst would be the value unlocking of 100%-owned Coliwoo through a potential spin-off and IPO, which LHN is preparing for. We expect LHN to use the proceeds to increase capital returns to shareholders and embark on more opportunistic investments. For FY26F, we expect Coliwoo's revenue to grow by 20% yoy as Coliwoo Bugis and the recently awarded Coliwoo Resort Chalet would be completed (+562 keys, +25% yoy). LHN aims to secure 600 more keys through two new projects in FY25F. Along with the completion of 50 Armenian Street, we expect Coliwoo's revenue to grow by 29% yoy in FY27F, assuming 720 new keys in total (+25% yoy).

Future of LHN: property development and industrial segments

During 1H25, LHN registered its maiden revenue contribution of S$12m from the sale of six strata-titled units at LHN Food Chain, a recently developed industrial property. We expect the sale of the remaining 43 units to support topline growth for FY25-27F. LHN also has the Geylang property redevelopment in its property development pipeline. Additionally, LHN's industrial assets are historically more profitable (c.60% PBT margin) than its other business segments. Backed by an average rental step-up of 3-8%, we believe the industrial assets (c.28% of 1H25 PBT) will be a key growth focus for LHN post-Coliwoo spin-off.

Initiate coverage, with an Add call and TP of S$1.00

We initiate coverage on LHN with an Add call and a TP of S$1.00, based on 10x CY26F P/E (10-year mean). LHN currently trades at 6.1x CY26F P/E. Re-rating catalysts include a successful listing of Coliwoo, acquisition of more industrial assets, and potential special dividends. Key downside risks include declines in occupancy and rental rates, and limited suitable assets for acquisition.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues (S$m)	93.6	121.0	140.3	164.2	187.2
Operating EBITDA (S$m)	36.12	43.84	59.89	61.51	73.99
Net Profit (S$m)	38.21	47.29	33.32	42.10	50.56
Normalised EPS (S$)	0.06	0.09	0.10	0.10	0.12
Normalised EPS Growth	(37.2%)	59.2%	16.3%	(2.8%)	20.1%
FD Normalised P/E (x)	13.58	8.53	7.34	7.55	6.29
DPS (S$)	0.030	0.030	0.030	0.030	0.030
Dividend Yield	3.95%	3.95%	3.95%	3.95%	3.95%
EV/EBITDA (x)	11.47	11.89	9.71	9.91	9.19
P/FCFE (x)	6.37	50.37	5.14	5.66	5.00
Net Gearing	59%	93%	107%	106%	115%
P/BV (x)	1.44	1.25	1.16	1.04	0.93
ROE	11.4%	15.7%	16.4%	14.5%	15.6%
% Change In Normalised EPS Estimates					
Normalised EPS/consensus EPS (x)			1.25	1.09	1.36

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Analyst(s)

TAN Jie Hui
T (65) 6210 6784
E jiehui.tan@cgsi.com
LI Jialin
T (65) 6210 8663
E jialin.li@cgsi.com

Business overview

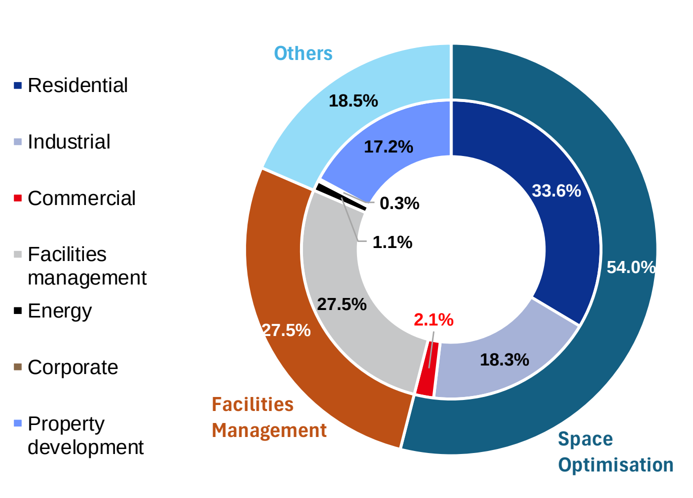
LHN has focused on three segments for revenue generation:

1) **Space Optimisation** – comprising asset management of its residential (co-living), industrial (self-storage), and commercial properties (co-working); The company is known for its key brands, including Coliwoo for co-living, Work+store for self-storage and GreenHub for co-working segments.
2) **Facilities Management** – comprising cleaning and building maintenance services through its subsidiary Industrial & Commercial Facilities Management Pte Ltd (ICFM), as well as carpark management through LHN Parking Pte Ltd.
3) **Property Development** – this is a new revenue generator since 2025. LHN seeks underperforming or strategically located properties with repositioning potential, supporting either income generation or capital gains. In 1H25, LHN registered its maiden revenue contribution from the sale of certain strata-titled units at LHN Food Chain (55 Tuas South Avenue 1), a nine-storey industrial development property.

For more details, please refer to Appendix on pg 19.

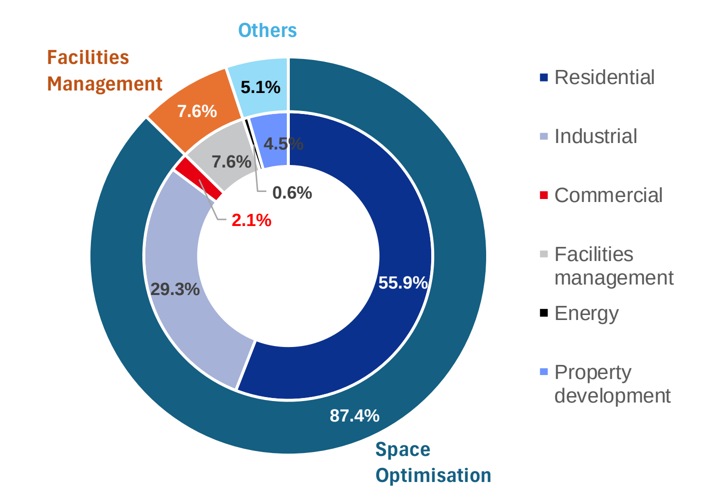
In 1H25, Space Optimisation contributed 54% of LHN's revenue, driven by residential (34%) and industrial (18%) properties, while Facilities Management contributed 28% of revenue. LHN also recorded its first revenue (17% of 1H25 revenue) from Property Development, driven by the sale of six factory units at 55 Tuas Avenue.

Figure 1: Revenue breakdown (S$m) in 1H25



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 2: PBT breakdown (S$m) in 1H25



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 3: Properties under Space Optimisation as of FY24

Industrial Properties	Residential Properties	Commercial Properties
SELF-STORAGE BRAND: work+store • 100 Eunos Avenue 7 • 20-25A Depot Lane • 202 Kallang Bahru • 38 Ang Mo Kio Industrial Park 2 • 44 Kallang Place • 71 Lorong 23 Geylang • 72 Eunos Avenue 7 **OTHER INDUSTRIAL PROPERTIES:** • 18 Penjuru Road • 18 Tampines Industrial Crescent • 34 Boon Leat Terrace • 43 Keppel Road • 8 Jalan Papan (Lot 449) • Lot 228,342, 346 MK XIV Woodlands Mandai Estate • 23 Woodlands Industrial Park E1	**COLIVING BRAND:** coliwoo Self-operated: • 141 Middle Road • 1557 Keppel Road • 1A Lutheran Road • 2 Mount Elizabeth Link • 260 Upper Bukit Timah Road 268 River Valley Road • 288 River Valley Road • 298 River Valley Road • 31 Boon Lay Drive • 320 Balestier Road • 404 Pasir Panjang Road • 450 & 452 Serangoon Road • 48 & 50 Arab Street • 50 Armenian Street • 75 Beach Road (L5, L6) Lavender Collection Subleased to other operators: • 99 Rangoon Road • 10 Raeburn Park • 115 Geylang Road • 150 Cantonment Road • 40 & 42 Amber Road • 471 & 473 Balestier Road Healthcare professional accommodation: • 60 Boundary Close • 100 Ulu Pandan Road • 5 Telok Paku Road Foreign domestic workers' dormitory: • 324A & 420 Keramat Road **COLIVING BRAND:** 85 SOHO • 137 Upper Pansoadan Road (Myanmar) • Nan An (China) • Block 1A Axis Residences (Cambodia)	**CO-WORKING BRAND:** GREENHUB • 10 Raeburn Park • Casablanca Tower (Indonesia) **OTHER COMMERCIAL PROPERTIES** • 1557 Keppel Road • 200 Pandan Gardens • 260 Upper Bukit Timah Road • 300–320 Tanglin Road (Phoenix Park) • 75 Beach Road (L3, L4)

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Company Outlook

Crown jewel – Coliwoo

LHN made its foray into the co-living sector in Nov 2019

This venture first began as a strategic collaboration with Hmlet (another co-living operator) in Nov 2019 to jointly develop a property in Cantonment. In this arrangement, LHN assumed the role of landlord and oversaw the refurbishment and interior fit-out, while Hmlet took charge of property management.

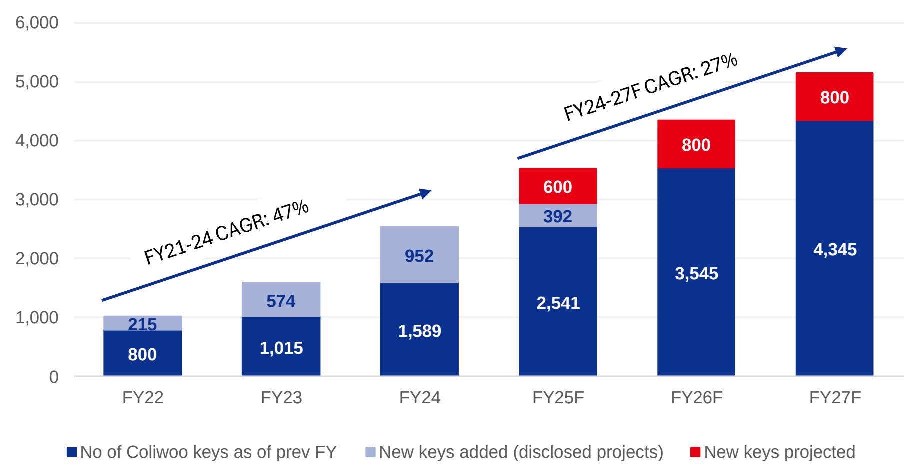
Since then, LHN has significantly expanded its presence in the co-living market, acquiring and transforming a portfolio of properties across Singapore under its proprietary Coliwoo brand. Its inaugural acquisition — a four-storey mixed-use building in Balestier — was completed in Sep 2020. As of 1H25, the Coliwoo portfolio comprises 26 properties, collectively offering 2,595 keys.

We expect Coliwoo to grow its keys at a FY24-27F CAGR of 27%

In FY25F, we estimate Coliwoo registering 1,004 new keys (+40% yoy), as LHN managed to secure 159 Jalan Loyang Besar (+350 keys) in Jun 2025 and is currently working on adding another 600 keys through two new projects this year.

With Coliwoo gaining momentum, we expect the platform to expand by around 800 keys annually in FY26-27F, supported by a robust pipeline and growing brand recognition.

Figure 4: Coliwoo grew its number of keys at an FY21-24 CAGR of 47%



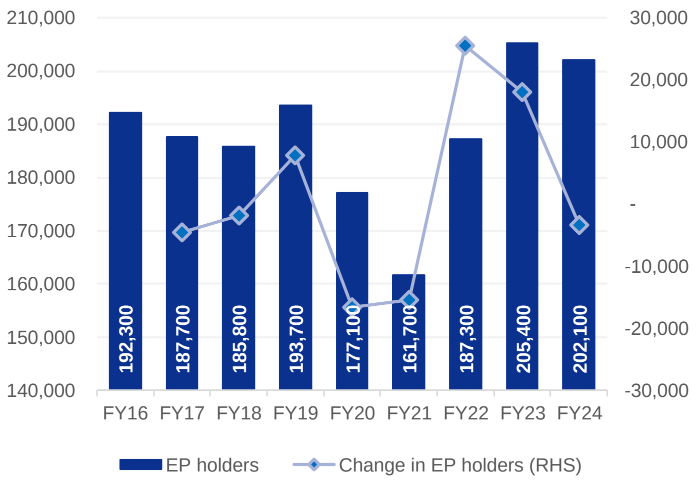
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Coliwoo has maintained resilient operational metrics
According to the Ministry of Manpower (MoM), non-residents accounted for c.30% of Singapore's population as of Jun 2024. This group primarily comprises foreign expatriates and international students, with working professionals holding S Passes (skilled workers at the associate professionals and technicians level who earn a minimum qualifying salary of S$3,150 a month) or Employment Passes (foreign professionals, managers, executives and technicians earning a minimum qualifying salary of S$5,000 a month) forming a significant portion. Historically, they have been a key driver of demand in the rental housing market. However, a weaker and more uncertain economic outlook has slowed down hiring and demand for expats and raised retrenchments in certain sectors. According to MoM, 1Q25 non-resident employment saw an increase by 2,000, but these gains were smaller than 4Q24's 6,300. Unemployment rose slightly in 1Q25, with the overall unemployment rate increasing to 2% (from 1.9% in 4Q24).

Despite the slower hiring outlook for expats, Coliwoo has maintained occupancy rates in excess of 95% and healthy PBT margins of 29-44% over the past three years, while growing its number of keys at an FY21-24 CAGR of 47%. We believe this is testament to Coliwoo's operational resilience and ability to meet evolving tenant needs. We attribute this to LHN's hybrid leasing model: it leverages both asset-heavy and asset-light strategies to scale its co-living portfolio efficiently and flexibly. As of 1H25, 73% of Coliwoo's keys are master leases and management contracts, while the rest are owned or in a joint venture (JV). We reckon that LHN's diversified approach ensures resilience across market cycles as these operating models would allow LHN to adapt to capital availability, market conditions, as well as future growth opportunities. As at end-1H25 (Mar 2025), Coliwoo's occupancy rate stood at 98%.

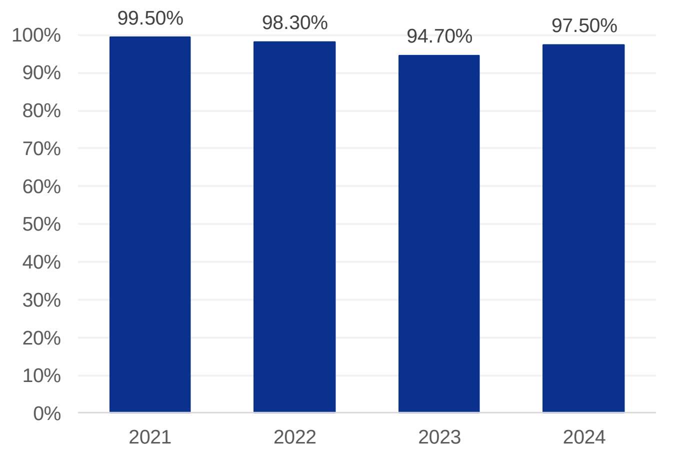
Singapore is an attractive destination for global talent. According to the 2025 APAC Best Cities report, Singapore was rated top in the APAC region for working, living and visiting. We believe LHN is well poised to capture the rebound in housing demand from expatriate and student inflows when the global economy recovers.

Figure 5: Changes in Employment Pass holders from 2016-24



SOURCES: CGSI RESEARCH, MINISTRY OF MANPOWER

Figure 6: Changes in Coliwoo's occupancy rates from FY21-24



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Coliwoo is one of the largest co-living operators in Singapore

Coliwoo offers mid-high tier co-living options, with minimum monthly rates ranging from S$1,400 for compact shared units to S$5,700 for private studios with ensuite bathrooms and access to amenities like gyms, pools, and lounges in the Orchard and River Valley areas.

Other notable players include The Assembly Place, Bespoke Habitat, Figment, lyf (CLAS SP, Add, S$0.89), Hmlet and Cove. Compared to its peers, Coliwoo is more affordable than premium providers like Figment and similarly priced to lyf, but offers more facilities than budget options like Cove or Hmlet that provide options from S$850. Overall, Coliwoo strikes a balance between pricing, privacy, and full-service amenities, appealing to young professionals and expatriates seeking convenience without luxury premiums.

Figure 7: Co-living rental prices in Orchard/River Valley area

Orchard/ River Valley Co-Living Rental prices							
	Area	Minimum Monthly Rent (SGD)	Ensuite Bathroom	Washer and Dryer	Private Kitchenette	Multiple bedrooms	Other Notes
LHN Coliwoo							
Coliwoo River Valley 288	River Valley	1400 - 3600	☑	☑	☑	☐	Cheaper prices applicable to 12 months stay only
Coliwoo River Valley 268	River Valley	2400 - 3100	☑	☑	☑	☐	All units have private, washer and dryer and private kitchenette
Coliwoo River Valley 298	River Valley	2900 - 4200	☑	☑	☑	☐	All units have private, washer and dryer and private kitchenette
Coliwoo Orchard	Orchard	3000 - 5700	☑	☑	☑	☐	
The Assembly Place							
Ville Royale	Orchard/ River Valley	1750 - 2650	☑	☐	☐	☐	
Urbana	Orchard/ River Valley	2150 - 2900	☑	☐	☐	☐	
UE Square	Orchard/ River Valley	1950 - 2650	☑	☐	☐	☐	
Kasturina Lodge	Orchard/ River Valley	1450 - 2700	☑	☐	☐	☐	
Regency Lodge	Orchard/ River Valley	1500 - 2200	☑	☐	☐	☐	2200: Basic small room
18 Jalan Jintan	Orchard/ River Valley	2850 - 3350	☑	☑	☐	☐	Balcony, bar fridge, room tv
Figment							
Straits House	River Valley	3100 - 3800	☑	☐	☐	☐	
Cuppage House	River Valley	3250 - 3550	☑	☐	☐	☐	
House Jogoh	River Valley	2700 - 3200	☑	☐	☐	☐	
Aviary House	River Valley	2400 - 3900	☑	☐	☐	☐	
Alwai House	River Valley	1700 - 2400	☑	☐	☐	☐	
Botany House	River Valley	4500 - 4700	☑	☐	☐	☐	Large spacious shared area
Cove							
The Bayron	Orchard	1300 - 1500	☑	☐	☐	☐	Small rooms of about 5m²
Lucky Plaza Apartment	Orchard	1450 - 22500	☐	☐	☐	☐	
Elizabeth Heights	Orchard	1600 - 2300	☑	☐	☐	☐	
Kim Sia Court	Orchard	1600 - 2200	☑	☐	☐	☐	
22 Mohamed Sultan Rd	River Valley	1400 - 6200	☑	☐	☑	☑	6200: Includes a balcony
23 Mohamed Sultan Rd	River Valley	1350 - 1500	☐	☐	☐	☐	
Langston Ville	River Valley	1500 - 2450	☑	☐	☐	☐	
Kasturina Lodge	River Valley	1400 - 2550	☑	☐	☐	☐	
Oleanas Residence	River Valley	850 - 2350	☑	☐	☐	☐	850: Small rooms of about 5m²
La Crystal	River Valley	1350 - 2400	☑	☐	☐	☐	

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Riding on growing short-term lodging demand

In Jun 2025, LHN won the tender for 159 Jalan Loyang Besar, with plans to convert it into the group's first resort-style chalet under the Coliwoo brand. The chalet would have over 350 keys and is targeted at families, travellers, digital nomads, corporate groups, and professionals who are working in eastern Singapore (Changi Business Park, Loyang Industrial area) or involved in the construction of Changi Airport's upcoming Terminal 5.

We are optimistic about LHN's newest venture as it would be able to capture the growing short-term lodging demand on the back of greater international visitor arrivals (IVA) projected (FY24: 16.5m IVA; FY25F: 17.0-18.5m IVA) by Singapore Tourism Board. This co-living concept near the coast can also help to differentiate the Coliwoo brand by diversifying away from purely urban mid-market assets and adding a life-style/resort-living angle, in our view.

Figure 8: Coliwoo Resort Chalet (159 Jalan Loyang Besar) – artist's impression

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Spin-off value remains

LHN's share price has rallied since the announcement of Coliwoo's spin-off was made on 15 Apr 2025. Global co-living or hospitality comparables are trading at an average of 20x FY26F P/E (based on Bloomberg consensus). Assuming that Coliwoo would be valued at a 50% discount to global peers at 10x FY26F P/E, we estimate a valuation of at least S$250m for the co-living business. We believe that LHN would hold at least a 50% stake in Coliwoo, providing LHN with cash proceeds of at least S$125m post spin-off. The proceeds would likely be used to embark on opportunistic property acquisitions, as well as increase capital returns to shareholders. We believe that the next growth trajectory for LHN would be to acquire more Work+Store units, as well as property development projects.

High yield climate-controlled storage units ›

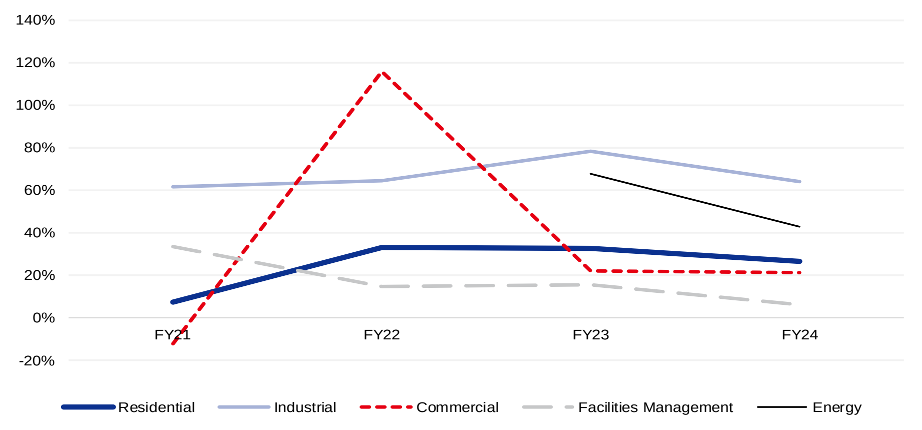
LHN's industrial asset portfolio enjoys notably strong profit margins, thanks to its hybrid leasing model and efficient cost structure. The industrial segment, with private industrial space that includes subletting opportunities, typically generates healthy rental income and high operating leverage. This has translated to robust contributions to overall profitability. Industrial profit before tax (PBT) margins ranged from 62% to 78% in FY21-24, higher than the rest of LHN's business segments. We believe that post the Coliwoo spin-off, LHN would look to allocate more funds into growing the industrial segment.

Figure 9: Global co-living and hospitality peer comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US$ m)	P/E (x) CY25F	P/E (x) CY26F	P/BV (x) CY25F	P/BV (x) CY26F	Recurring ROE (%) CY25F	EV/EBITDA (x) CY25F	EV/EBITDA (x) CY26F	Dividend Yield (%) CY25F
LHN Ltd	**LHN SP**	**Add**	**0.76**	**1.00**	**254**	**8.8**	**6.1**	**1.1**	**1.2**	**12.2**	**11.5**	**11.8**	**4.3**
PBWA/PBSA													
Centurion Corporation Ltd	CENT SP	Add	1.77	1.46	1,163	13.4	4.2	1.2	1.3	8.8	10.7	11.8	2.2
Hong Kong Residential REITs/companies													
China Resources Land Ltd	1109 HK	NR	28.50	na	25,663	7.4	7.0	0.6	0.6	8.8	8.6	8.2	5.0
Wharf Holdings Ltd/The	4 HK	NR	24.60	na	9,519	19.0	16.9	0.5	0.5	2.8	14.3	13.3	1.6
Wharf Real Estate Investment C	1997 HK	NR	24.15	na	9,186	11.8	11.5	0.4	0.4	3.3	11.5	11.5	5.4
Global Co-living REITs/companies													
CapitaLand Ascott Trust	CLAS SP	Add	0.88	1.13	2,628	22.2	24.6	0.8	0.8	3.5	n.a.	n.a.	6.9
CDL Hospitality Trust	CDREIT SP	Add	0.80	0.87	787	23.8	62.3	0.5	0.6	2.2	n.a.	n.a.	6.4
Far East Hospitality Trust	FEHT SP	Add	0.57	0.74	901	18.3	19.4	0.6	0.6	3.4	n.a.	n.a.	6.7
UNITE Group PLC/The	UTG	NR	818.50	na	5,383	17.3	16.4	0.8	0.8	6.4	18.8	15.7	4.8
Average						**16.6**	**20.3**	**0.7**	**0.7**	**4.9**	**12.8**	**12.1**	**4.9**

DATA AS OF 8 JUL 2025
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Note: Forecasts for Not Rated (NR) companies are based on Bloomberg consensus' estimates

Figure 10: FY21-24 industrial PBT margins trend better than other business segments



Note: Commercial segment recorded higher PBT margins in FY22 due to the shift from recurring rental income under operating leases to one-off gains from de-recognition of right-of-use assets under finance leases under IFRS16.
SOURCES: CGSI RESEARCH, COMPANY REPORTS

In 1H25, LHN's storage space and facilities rental segment Work+Store launched climate-controlled Work+Store units at 202 Kallang Bahru and Ang Mo Kio, catering to wine collectors and individuals with valuable or temperature-sensitive items. Occupancy ramped up to c.60% in a span of 4-5 months, underscoring strong demand for these climate-controlled units. We estimate rental yields for these units to be c.30% higher than normal Work+Store units. Should LHN choose to convert more Work+Store's normal units to climate-controlled units, we believe minimal capex is expected to be required as most of these units have been fitted with the aircon infrastructure required for the upgrade.

Hong Kong delisting to provide cost savings for LHN

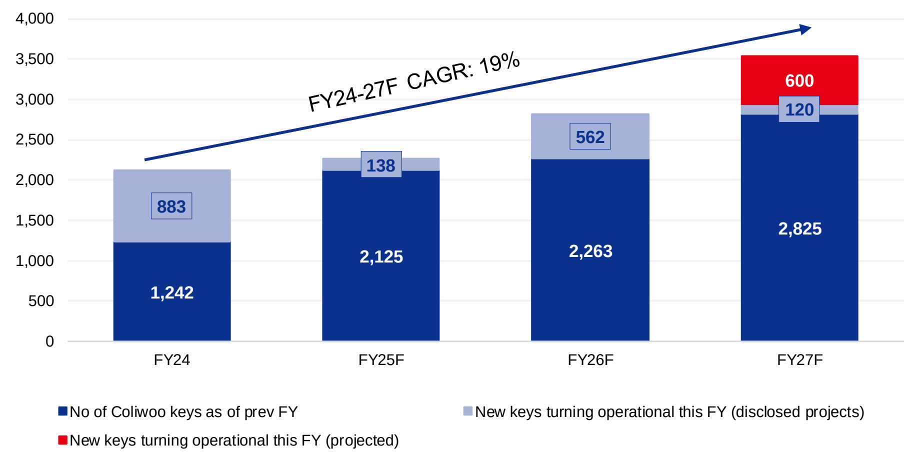
On 4 Jul 2025, LHN proposed a voluntary delisting from the Hong Kong Stock Exchange due to persistently low trading volumes and limited investor interest, in a bid to streamline operations and reduce compliance costs. The move allows LHN to focus on its core investor base in Singapore and reallocate savings towards its high-growth businesses, such as Coliwoo. While this may reduce market visibility in North Asia, LHN would be able to redeploy these cost savings into asset acquisition and debt reduction which are more beneficial to LHN, in our view.

Financials

Space optimisation

We expect Coliwoo's operational keys to increase by 6%/25%/25% in FY25F/26F/27F as disclosed projects come online. We expect Coliwoo to sign another 600 keys via two new projects this year, with operational date likely in FY27F. We project Coliwoo's occupancy levels to trend lower in FY26F and FY27F (FY25F/26F/27F: 97%/91%/91%) as there would be an influx of new properties from 3Q25F, which would require at least a six-month ramp-up to hit occupancy levels in the high 90s. In light of the current weaker hiring outlook for expats, we expect its revenue per average room (RevPAR) to dip slightly in FY25F, before recovering in FY26-27F (FY25F/26F/27F RevPAR yoy growth: -5%/3%/3%). We expect co-living revenue to contribute 38%/39%/44% of LHN's FY25F/26F/27F group revenues, supported by the acquisition of at least 800 new keys annually. We expect Coliwoo's PBT to grow by 20% in FY26F and 29% in FY27F as more projects are completed.

Figure 11: Pipeline of upcoming Coliwoo spaces to turn operational in FY25-27F



SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: Co-living pipeline as of 1H25

Name	Location	No. of keys	Est. completion date
Coliwoo Balestier 453	453 Balestier Road	34	3Q25
Coliwoo Firestation	260 Upper Bukit Timah Road	62	3Q25
Coliwoo Bugis	141 Middle Road	212	1Q26
Coliwoo Resort Chalet	159 Jalan Loyang Besar	350	3Q26
50 Armenian Street		120	3Q27
Assume acquisition of 600 keys in 2H25F		600	1Q27

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 13: Revenue growth assumptions for Coliwoo

	FY24	FY25F	FY26F	FY27F	Comments
Co-living revenue (S$m)	52	53	64	82	Expecting growth to ramp up from FY26F
Growth		1%	20%	29%	
Number of operational Coliwoo keys	2,125	2,263	2,825	3,545	
New keys added		138	562	720	According to pipeline; assume +600 keys signed FY25F to be operational in 1Q27F
Estimated RevPAR (S$ per month)	2,109	2,003	2,063	2,125	
RevPAR growth		-5%	3%	3%	Assume slight price weakness in FY25F before recovery in FY26-27F
Occupancy of portfolio	98%	97%	91%	91%	
Occupancy of existing portfolio		99%	99%	99%	
Occupancy of newly added properties		60%	60%	60%	
Profit before tax (S$m)	15	21	26	33	

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

We anticipate revenue from industrial properties to remain stable over the next three years. Industrial revenue would largely be driven by the growth in Work+Store pricing and units. We expect a 1%/3%/3% yoy revenue growth for FY25F/26F/27F as LHN is working on upgrading a number of its Work+Store units to include air-conditioning for better rental rates and margins. We reckon that this growth might be partially offset by weaker revenue attributable to non-Work+Store industrial properties. According to the Ministry of Trade and Industry Singapore, the manufacturing sector shrank 4.9% qoq in 1Q25 as more businesses have been adopting a more cautious approach to expansion plans, dampening demand.

Figure 14: Revenue growth assumptions for LHN's industrial business

	FY24	FY25F	FY26F	FY27F	Comments
Industrial revenue (S$m)	25	26	26	27	Expect revenue growth in Work+Store to be dampened by weaker other industrial revenue
Growth		1%	3%	3%	
Profit before tax (S$m)	16	10	15	15	1H25 PBT: S$4m after FV loss of S$4m

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Commercial revenue is currently a small contributor to group revenue (1H25: 2%). We reckon that commercial revenue would continue to decline gradually due to the shift from recurring rental income under operating leases to one-off gains from de-recognition of right-of-use assets under finance leases under IFRS16. We estimate commercial revenue to decline 38% in FY25F, before stabilising at 2% growth for the following two financial years.

Facilities management

LHN's facilities management revenue in FY25F would likely be driven by growth in both the number of contracts undertaken for cleaning services, as well as new carparks managed. LHN has disposed of the loss-making carpark business in Hong Kong, China, in 1H25. The group is expected to continue to build up its market share in the carparks segment in Singapore by using cutting-edge technology and offering smart parking solutions to optimise space. We expect facilities management revenue to grow by 11%/7%/7% over FY25F/26F/27F.

Figure 15: Revenue growth assumptions for LHN's facilities management business

	1H25	FY25F	FY26F	FY27F	Comments
Facilities management revenue (S$m)	36	39	42	45	Divested loss-making HK carpark business in 1H25
Growth		11%	7%	7%	
Carpark revenue (S$m)	24	27	29	31	
Number of carparks	102	101	103	105	
Revenue per carpark (S$'000)	269	288	297	306	Expecting higher revenue per carpark
Cleaning revenue (S$m)	9	10	11	13	
Number of customers	113	127	138	149	
Revenue per customer (S$'000)	79	80	83	85	
Profit before tax (S$m)	2	3	4	4	

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Other Businesses

Energy Business – This segment is currently still a small contributor to group revenue (1H25: 1%), but revenue has grown 190% yoy in FY24 as the group increased its solar capacity by almost three-fold, as well as increased its number of electric vehicle (EV) charging points. We believe we should be able to see at least a 30% annual growth for FY25-27F revenue from the energy business, driven by additional solar contracts and EV charging projects.

Property Development – In 1H25, LHN registered S$12m of property development revenue through the sale of six units of LHN Food Chain, a recently developed industrial asset (total units: 49). We anticipate that LHN would be able to sell 8 units by FY25F as sales for the development slow in 2H25F. We project a progressive sale of 12 units per year for FY26-27F, with the remaining 17 to be sold in FY28F. The upcoming Geylang property development project would also provide LHN with future revenue stream as LHN and its JV partners aim to sell all the project's units post-redevelopment. We expect property development revenue to contribute 12%/15%/13% to LHN's group revenue over FY25F/26F/27F.

Figure 16: Revenue growth assumptions for LHN's property development business

	1H25	FY25F	FY26F	FY27F	Comments
Revenue (S$m)	12	16	24	24	1H25 property development revenue: S$12m
Number of LHN Food Chain units sold	6	8	12	12	Sale of 49 units to be staggered over 3-4 years
Profit before tax (S$m)	1	2	2	2	

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Gross margin expansion to 57-59% in FY25-27F

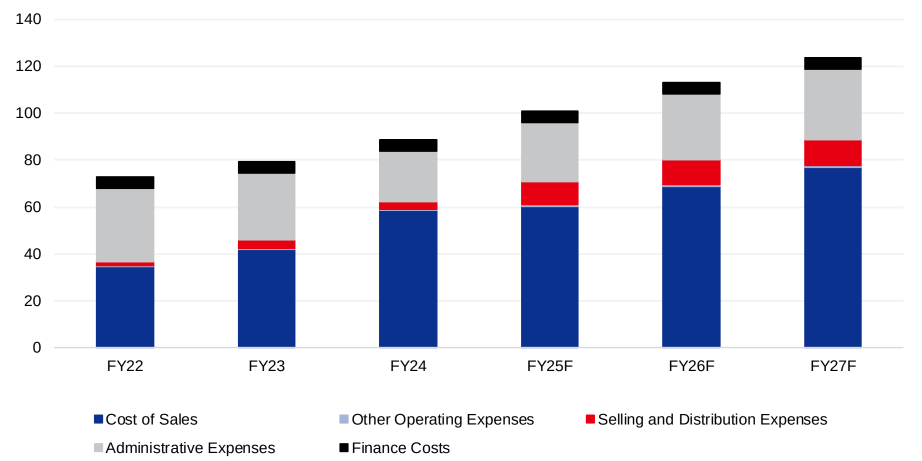
We believe that LHN will continue to focus on scaling its space optimisation business through a growing base of master leases, management contracts, as well as JVs. As the portfolio continues to grow, we expect LHN's operating leverage to improve, which would support margin expansion.

We also expect higher gross margins from FY25-27F due to greater property development contributions, as costs from property development would largely be attributable to selling, distribution and administrative costs. We project gross margins to improve from 51% in FY24 to 57%/58%/59% in FY25F/26F/27F.

Higher selling and distribution expenses in FY25-27F

Historically (FY21-24), cost of sales accounted for c.55-60% of total expenses, administrative expenses constitute c.30-35%, while finance costs constitute c.5-10%. Selling and distribution expenses typically account for 3-5% of total expenses. We anticipate selling and distribution expenses to increase substantially by 234%/9%/5% in FY25F/26F/27F due to commission and marketing expenses incurred for the sale of units under the Property Development business. Administrative expenses are expected to increase by 16%/11%/7% in FY25F/26F/27F, mainly due to increases in staff costs, professional fees and other miscellaneous expenses.

Figure 17: Selling and distribution expenses expected to increase by 234% in FY25F

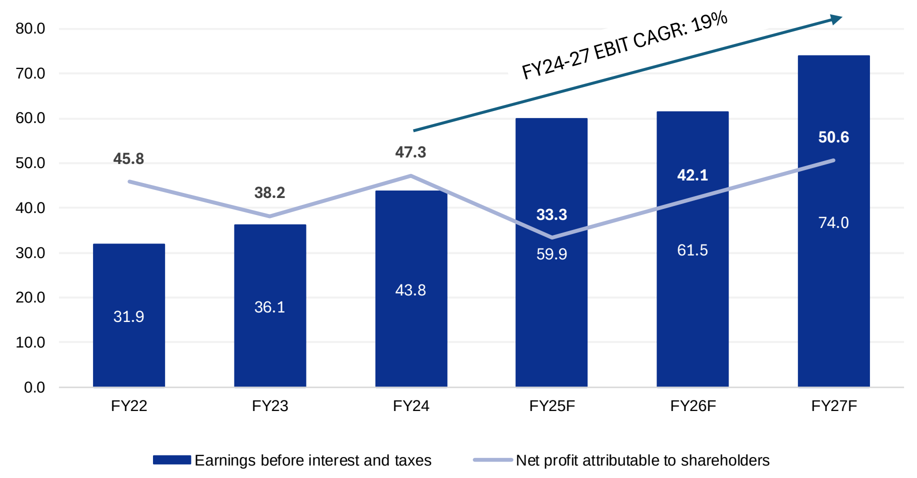


SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Group earnings before interest and taxes (EBIT) to grow at a 19% CAGR over FY24-27F

LHN's FY24 net profit attributable to shareholders was significantly boosted by fair value gains of S$10m. For FY25F, we anticipate a lower net profit, primarily due to the fair value losses of S$10m recorded in 1H25. Excluding these fair value adjustments, growth of the underlying operating performance remains robust, driven by recurring revenue from the growth in the co-living business, as well as income generated from the new property development segment. We expect LHN's EBIT to grow at a 19% CAGR for FY24-27F.

Figure 18: EBIT to grow at a 19% CAGR over FY24-27F



SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Gearing likely to remain high on growth needs

LHN's reported gearing (total borrowings/total capital) stood at 58.3% as of 1H25. We expect net gearing for FY25-27F to remain high at c.103-115% (gross gearing of 60-65%), led by capex needs for the industrial and property development segments. We factored in capex needs of S$60m for FY26-27F.

Notably, we have not factored in potential divestment proceeds from the sale of units from LHN Food Chain and mature Coliwoo assets. LHN has also put 404 Pasir Panjang and its 70% stake in 471 Balestier Rd up for sale, in addition to the proposed spin-off of Coliwoo. We believe the divestment proceeds would be utilised to fund working capital, capex and future growth.

Expecting dividend payout of S$0.03 for FY25-27F

LHN had maintained a dividend payout of S$0.03 a share in FY23-24, after committing to distribute not less than 30% of profit, excluding fair value gains/losses on owned and JV investment properties, impairment/write-off of assets, non-recurring and one-off items. Given its strong recurring income base, cash flow visibility and prudent capital management, we believe LHN is well-positioned to maintain at least a S$0.03 dividend payout for FY25-27F, with potential special dividends following the Coliwoo spin-off.

SWOT analysis

Figure 19: SWOT analysis

Strengths	Weaknesses
1. Diversified business segments with operational synergy and added value for clients 2. Hybrid leasing model provides flexibility through economic cycles 3. Well established track record of over 30 years 4. Market leadership in co-living (c.30% market share)	1. Reliance on lease renewals: 26 out of 47 of LHN's properties are on master leases or management contracts 2. Limited geographical diversification: revenue contribution largely from Singapore
Opportunities	**Threats**
1. Coliwoo spin-off for value-unlocking 2. Regional expansion in emerging SEA markets	1. Highly competitive landscape 2. Regulatory shifts and policy changes that can impact co-living demand 3. Economic downturns

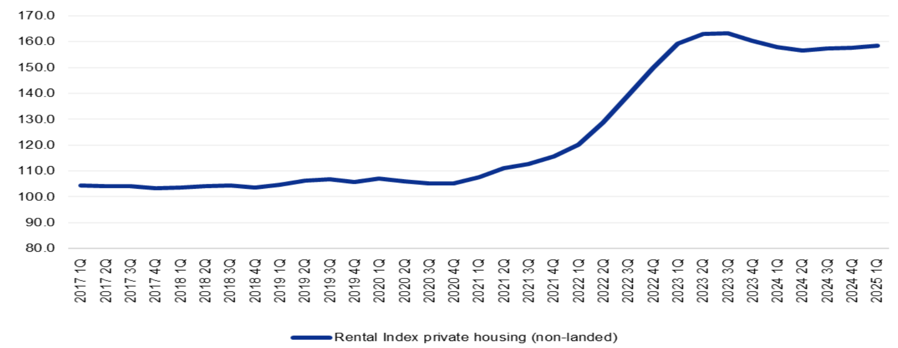
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Industry outlook

Co-living as an affordable alternative amid rising private non-landed rental rates

As rental prices for private residential properties in Singapore continue their upward trajectory, co-living has emerged as a compelling and more affordable housing alternative — particularly for expatriates, young couples, and international students. According to the Urban Redevelopment Authority (URA), the non-landed private housing rental index rose by 47% from 1Q21 to 1Q25. The sustained hikes in the residential rental market drove leasing demand into the co-living sector, which expanded significantly over the same period.

Figure 20: Private non-landed residential rental index grew by 47% from 1Q21 to 1Q25



SOURCES: CGSI RESEARCH, URBAN REDEVELOPMENT AUTHORITY (URA)

This persistent increase in rental costs has made traditional rental options — such as private condominiums or landed homes — increasingly unaffordable or less attractive to budget-conscious renters. In contrast, co-living offers flexible lease terms, fully furnished spaces, and inclusive utilities, which reduce the upfront costs typically associated with conventional rentals. These features are especially appealing to younger demographics and transient populations who seek convenience, community living, and affordability without long-term commitments.

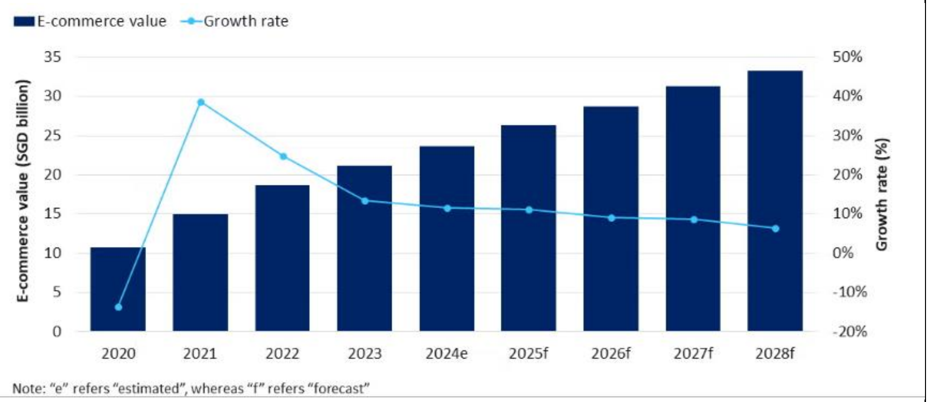
Moreover, many co-living operators strategically position their properties in city-fringe or well-connected neighbourhoods, making them ideal for those who value accessibility and lifestyle amenities. This growing appeal has not only spurred demand for co-living spaces but also prompted real estate players to expand their offerings in this segment to capture a broader share of the rental market.

The total supply of serviced residences has remained relatively low compared to the hotel market, with limited additions in recent years. In 2024, only five new openings were recorded, including the 250-key Citadines Science Park, the 30-key Coliwoo River Valley 268, the 39-key Coliwoo River Valley, the 86-key Alma House, and the 255-key Quincy House Singapore. Recognising the rising demand for flexible accommodation and limited new supply, the Singapore government has introduced a range of initiatives in recent years. The Singapore Land Authority's (SLA) ongoing tender of state properties for rent has included sites for repurposing into co-living spaces or serviced apartments. Launched under a 50-50 price and quality tender, at least nine of such sites were released or awarded. These tenders have attracted robust interest from existing co-working operators as the sites were often heritage sites with historical significance.

Growth in self-storage, backed by e-commerce

Singapore's self-storage industry is experiencing a surge in demand, driven largely by the rapid growth of the e-commerce sector. After the growth spurt in 2021 due to the Covid-19 outbreak, Singapore's e-commerce market is projected to reach US$33.3bn by 2028F, growing at a CAGR of 8.9% between 2024 and 2028F, according to Global Data Banking and Payments Intelligence Centre.

Figure 21: Singapore's e-commerce market is expected to grow at a CAGR of 8.9% from FY24-28F



SOURCES: CGSI RESEARCH, GLOBALDATA BANKING AND PAYMENTS INTELLIGENCE CENTRE

With business owners accounting for about 40% of self-storage customers in Singapore, based on a survey conducted for the Self Storage Association Asia last year, the e-commerce boom is directly fueling the need for more storage facilities. According to JLL, current occupancy rates stand at approximately 82%, indicating limited availability of storage units — especially those of specific sizes that may better suit business needs, in our view. To meet rising demand and attract new customers, storage providers must expand their space and offerings. In Apr 2025, JTC Corporation lifted a temporary suspension to permit self-storage request on selected industrial land such as Bishan, Clementi and Tampines. Around 700,000 sq m of new industrial space is expected to be added by the end-2025F. This move is set to further support the expansion of self-storage spaces in Singapore and drive renewed growth in the sector as more spaces can be acquired to meet the high demand.

Additionally, Singapore's unpredictable weather has increased demand for air-conditioned and climate-controlled units. These facilities protect sensitive goods from heat and humidity, making them ideal for storing perishables and specialty items such as wine, which require temperatures as low as 13°C. As e-commerce continues to grow and businesses seek reliable, flexible storage solutions, we believe the self-storage industry in Singapore is poised for continued expansion — provided it can keep pace with demand.

Nevertheless, we think there might be near-term weakness in e-commerce and industrial demand as a result of the sweeping US tariffs imposed in Apr 2025, as local manufacturers are reporting order deferments and cancellations from foreign buyers who were greatly affected by the high reciprocal tariffs. However, this weakness may dissipate in the long run as companies may start to diversify production and distribution to avoid punitive duties. Singapore could also benefit as a strategic or regional headquarters or become a place for final assembly or re-routing of goods, which would benefit industrial and self-storage spaces in Singapore, in our view.

Rising COE quotas and urban development to fuel growth in Singapore parking management

The increase in Certificate of Entitlement (COE) quotas is expected to drive up demand for parking services, as higher quotas typically lead to more residents owning vehicles. In fact, the total COE quota from May to Jul 2025 has risen by 21% compared to the same period in 2024, indicating a notable uptick in vehicle ownership. This trend is fueling growth in Singapore's parking management sector. According to 6Wresearch, the Singapore Parking Management Market is projected to grow at a CAGR of 6.7% from 2025 to 2031F. This growth is expected to be driven by ongoing urbanisation, rising vehicle ownership, and the expansion of infrastructure. The development of new infrastructure — such as housing, hotels, and shopping malls — is expected to increase the need for efficient parking management systems. In addition, several large-scale office projects are anticipated to further boost demand for car park management solutions.

Growth in cleaning services driven by hygiene awareness and government initiatives

Singapore's cleaning and sanitation market is experiencing robust growth, driven by heightened hygiene awareness in the wake of the Covid-19 pandemic. As office-based work and retail activities have resumed, businesses have increasingly turned to professional cleaning services to maintain safe and hygienic environments. This upward trajectory is expected to continue, as organisations increasingly outsource non-core functions, such as cleaning, to specialised providers to enhance efficiency and comply with stricter cleanliness standards.

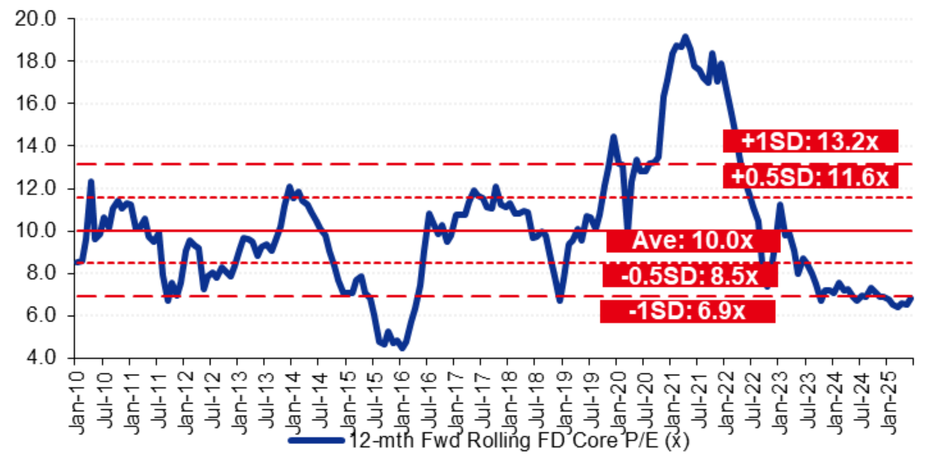
Government initiatives have further accelerated the sector's transformation. Programmes such as the SG Clean certification have promoted stricter sanitation protocols, while the Progressive Wage Model (PWM) has raised wages, boosted professionalism, and improved workforce retention. Meanwhile, technological adoption — including cleaning robots and advanced disinfection systems — has enhanced both productivity and safety. These innovations have been supported by government grants, such as the Environmental Services Productivity Solutions Grant. Rising demand, regulatory support, and technological advancement are expected to position Singapore's cleaning services sector for sustained, long-term growth, in our view.

Valuation and recommendation

We initiate coverage on LHN with an Add call and a TP of S$1.00, based on 10x CY26F P/E. We value LHN using the P/E methodology because LHN is able to scale earnings without proportionate asset expansion, in our view. Segments such as Coliwoo and Work+Store also operate on high occupancy and margins, leading to strong earnings visibility.

Our TP multiple is based on a 10-year historical average. Global peers are currently trading at 25x CY26F P/E. Our TP multiple of 10x CY26F P/E applies a c.60% discount to global co-living peers, reflecting LHN's relatively smaller asset base, limited geographical diversification, and nascent brand maturity for Coliwoo vs. established international operators, such as Unite Students and Ascott's Lyf. Re-rating catalysts include a successful listing of Coliwoo, improvements in occupancy and rental rates for LHN's co-living and industrial properties and potential special dividends.

Figure 22: LHN currently trades at 6.1x CY26F P/E, 1 s.d. below its 10-year mean



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 23: Peer comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US$ m)	P/E (x) CY25F	P/E (x) CY26F	P/BV (x) CY25F	P/BV (x) CY26F	Recurring ROE (%) CY25F	Dividend Yield (%) CY25F
LHN Ltd	**LHN SP**	**Add**	**0.76**	**1.00**	**254**	**8.8**	**6.1**	**1.06**	**1.15**	**12.2**	**4.3**
Centurion Corporation Ltd	CENT SP	Add	1.77	1.46	1,163	13.4	4.2	1.18	1.26	8.8	2.2
Boustead Singapore Ltd	BOCS SP	NR	1.42	na	596	7.3	na	na	na	na	6.2
CapitaLand Ascott Trust	CLAS SP	Add	0.88	1.13	2,628	22.2	24.6	0.79	0.77	3.5	6.9
CDL Hospitality Trust	CDREIT SP	Add	0.80	0.87	787	23.8	62.3	0.52	0.55	2.2	6.4
Far East Hospitality Trust	FEHT SP	Add	0.57	0.74	901	18.3	19.4	0.64	0.63	3.4	6.7
UNITE Group PLC/The	UTG	NR	818.50	na	5,383	17.3	16.4	0.80	0.76	6.4	4.6
Average (exclude LHN)						**17.0**	**25.4**	**0.8**	**0.8**	**4.9**	**5.5**

DATA AS OF 8 JUL 2025
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Note: Forecasts for Not Rated (NR) companies are based on Bloomberg consensus' estimates

Key risks

Decline in occupancy and rental rates
With Coliwoo's tenants largely on relatively short-term leases of 6-9 months on average, the group has to ensure that there is a constant stream of new customers. Should it fail to contract new tenants, this would negatively impact its occupancy rates and revenue. Moreover, a weaker and more uncertain economic outlook has slowed down hiring and demand for expats and raised retrenchments in certain sectors. As such, we expect rental growth to slow down going forward.

Fragmented market with keen competition
Singapore's nascent co-living market is currently relatively fragmented and limited in scale, compared to other established markets. This makes it challenging for operators to achieve economies of scale and profitability. However, as the market expands and more operators enter the space, further consolidation and standardisation will likely occur and lead to greater scale and efficiencies.

Ability to renew or re-tender for master leases for the space optimisation business
For the space optimisation business, a number of LHN's properties are obtained through master leases. If LHN is unable to renew any of the master leases or successfully re-tender for any of its properties, it takes time and cost for the Group to acquire new properties and perform the optimisation work to replace the properties that it has returned to the landlord. Furthermore, it takes time to build up the tenancies for its new properties. These may disrupt the Group's normal business operations and cause the Group to suffer additional costs which can have a material and adverse effect on its business, results of operations, financial position and prospects.

Limited suitable assets for acquisition
The URA has not released any Government Land Sales (GLS) sites specifically for co-living; hence, greenfield build-to-rent opportunities are few and far between for industry players. SLA has put up state properties for co-living use, such as 159 Jalan Loyang Besar which had been awarded to Coliwoo, and 98 Henderson Road which had been awarded to TS Group and The Assembly Place. However, these opportunities are limited and typically subject to shorter leasehold tenure. Purchasing residential stock to scale up quickly is not financially feasible due to the high capital values of real estate in Singapore, in our view.

APPENDIX

Company Background

LHN Ltd is a Singapore-based real estate management group specialising in space optimisation. Founded in 1991 as a timber trading business, it has evolved into a regional player with core operations in property, facilities management, and sustainable energy.

The group transforms underutilised properties into income-generating assets, including Coliwoo co-living spaces, Work+Store self-storage units, and GreenHub serviced offices. It also engages in property development and investment, building a diversified portfolio across industrial, commercial, and residential sectors.

LHN's facilities management arm, launched in 2009 offers integrated services such as security, cleaning, landscaping, and carpark operations. As at Apr 2025, it manages 101 carparks in Singapore with over 27,000 lots, having divested its Hong Kong carparks (divested during the month).

The group has expanded into renewable energy, offering solar panel installation, EV charging infrastructure, and electricity retailing. In 2022, LHN spun off and listed its logistics segment, LHN Logistics, on the SGX Catalist, and divested its majority stake in 2023 to focus on high-growth areas.

Listed on SGX Catalist (2015) and HKEX (2017), LHN operates in Singapore, Indonesia, Myanmar, Cambodia, and China. It pursues growth through asset-light JVs, capital recycling, and sustainability-driven innovation.

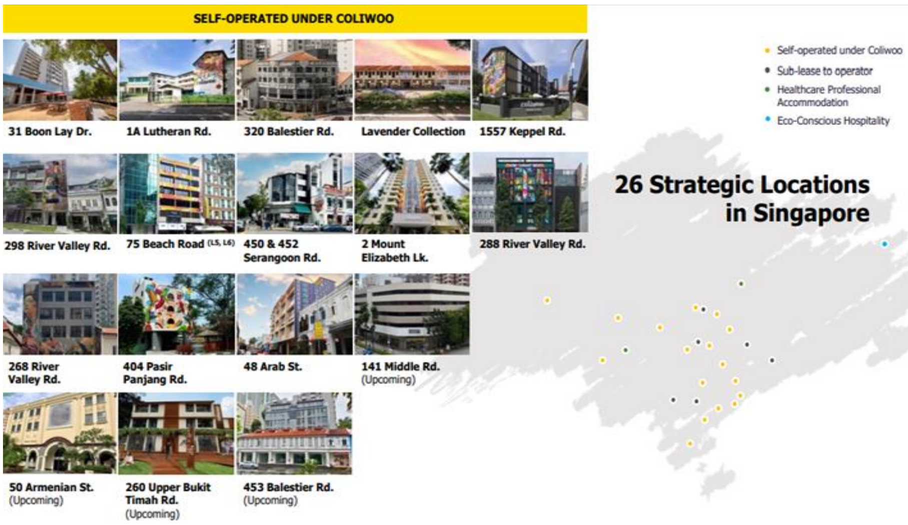
Business segments

LHN operates through the following business segments:

Space optimisation: LHN's core business involves acquiring and transforming underutilised commercial, industrial and residential properties into efficient, value-added spaces. LHN applies flexible leasing models – operating both owned and leased properties – to maximise space efficiency and recurring revenue.

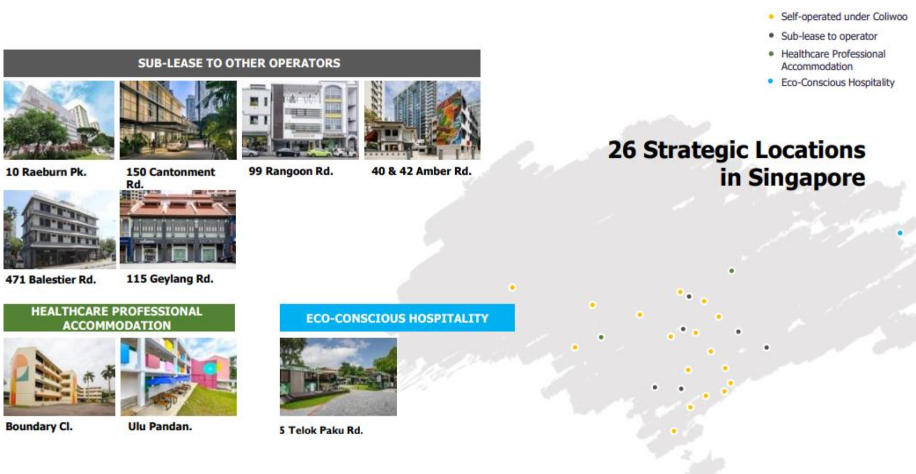
- **Residential:** LHN operates under two key brands – Coliwoo and 85 SOHO.
  - **Coliwoo** is the group's flagship co-living brand which provides fully furnished, short-to-long-term accommodations options targeted at young professionals, expatriates, students and corporate clients. Coliwoo properties typically include private studios or shared apartments enhanced with communal facilities such as lounges, kitchens, gyms and social spaces. These residences are strategically located near business districts, tertiary institutions or public transport nodes and are operated under both lease and ownership models. Coliwoo's occupants are largely students (c.50%) and young professionals (c.40%) with most of the leases coming from foreign demand (80%). Average lease terms range from 6 to 9 months.

Figure 24: Coliwoo's properties that are self-operated by LHN as at 1H25



SOURCES: COMPANY REPORTS

Figure 25: Coliwoo's properties that are sub-leased to other operators as at 1H25



SOURCES: COMPANY REPORTS

- **85 SOHO** focuses on hybrid live-work accommodations tailored for entrepreneurs, freelancers and digital nomads. These units combine residential comfort with workspace functionality, often housed in mixed-use developments. The brand caters to the growing demand for integrated, lifestyle-driven living arrangements in the urban centre. 85 SOHO is currently only in China, Myanmar, and Cambodia.

Figure 26: 85 SOHO

SOURCES: COMPANY REPORTS

- **Industrial:** LHN's industrial strategy centres on its Work+Store brand and a portfolio of non-branded industrial properties.
  - The Work+Store concept delivers modular, hybrid spaces that integrate self-storage with light workspace or retail functions, primarily serving SMEs, online retailers, and personal storage users seeking secure, scalable, and flexible solutions. Work+Store also provides delivery services, which complement their self-storage services. Properties are situated in well-connected industrial zones with 24/7 access, loading bays, and ample parking. There is no minimum tenure required for unit rental, but typical tenures range from as short as 3 months to over a year. About 60–70% of users are SMEs, many operating in e-commerce sectors.
    - Recent enhancements: Introduction of climate-controlled units at 202 Kallang Bahru and Ang Mo Kio, tailored for wine collectors and customers with temperature-sensitive items.

Figure 27: Work+Store @ Aljunied

SOURCES: COMPANY REPORTS

  - LHN's non-branded industrial properties include flatted factories, warehouses and light industrial buildings. They are largely tenanted to business-to-business (B2B) users. These assets are functionally optimised to suit the operational needs of long-term industrial tenants.

- **Commercial:** LHN's commercial portfolio includes both GreenHub offices and non-branded commercial properties.
  - The GreenHub brand anchors its serviced office operations, providing fully fitted, flexible workspaces in decentralised locations. GreenHub's facilities are designed for SMEs and startups, offering shared meeting rooms, business support, and short-term leasing options in a professional environment.
  - Non-branded commercial assets include retail shop units in mixed-use or residential developments, office space leased to tenants under traditional contracts, and F&B and lifestyle units operated by third parties or LHN itself. These properties are in high-traffic areas or integrated developments, and are typically optimised through asset enhancements or adaptive reuse.

Facilities management: LHN's facilities management segment encompasses a) integrated facilities management, and b) car park management services.

- **Integrated Facilities Management:** Delivered through its subsidiary, Industrial & Commercial Facilities Management Pte. Ltd. (ICFM), offers outcome-based cleaning, landscaping, building maintenance, and pest control services.
- **Car Park Management Services:** Provided by LHN Parking Pte. Ltd., catering to both Singapore government agencies and private building owners. These services include the provision of Electronic Parking Systems (EPS), management and administration of short-term and seasonal parking, centralised call centre support, and car park layout design and consultancy. As of Apr 2025, LHN manages 101 car parks across Singapore.

Energy resources: The Energy business focuses on providing renewable energy services, including electricity retailing, electric vehicle (EV) charging stations and solar power system installation, primarily for industrial clients.

- **Renewable Energy:** LHN offers two contract models for solar power systems. Under a Power Purchase Agreement (PPA), LHN retains ownership and bears all maintenance costs of the system. Additionally, LHN operates a Roof Rental Scheme, leasing rooftop space on commercial buildings for solar installations. Participating building owners can choose to purchase the green energy generated for their own consumption.
- **Electricity Retailing:** LHN supplies electricity services to its subsidiaries, affiliates, and corporate clients.
- **Electric Vehicle Charging Systems:** LHN offers comprehensive services including installation, operation, and maintenance of electric vehicle charging infrastructure.

Property development and investment: LHN seeks underperforming or strategically located properties with repositioning potential. Assets developed may be retained for recurring revenue or sold to recycle capital. LHN also undertakes sale-and-leaseback transactions, build-to-suit projects and JVs to reduce capital exposure while maximizing returns.

- **LHN Food Chain:** During 1H25, LHN registered its maiden revenue contribution from the sale of certain strata-titled units at LHN Food Chain (55 Tuas South Avenue 1), a nine-storey industrial development property.

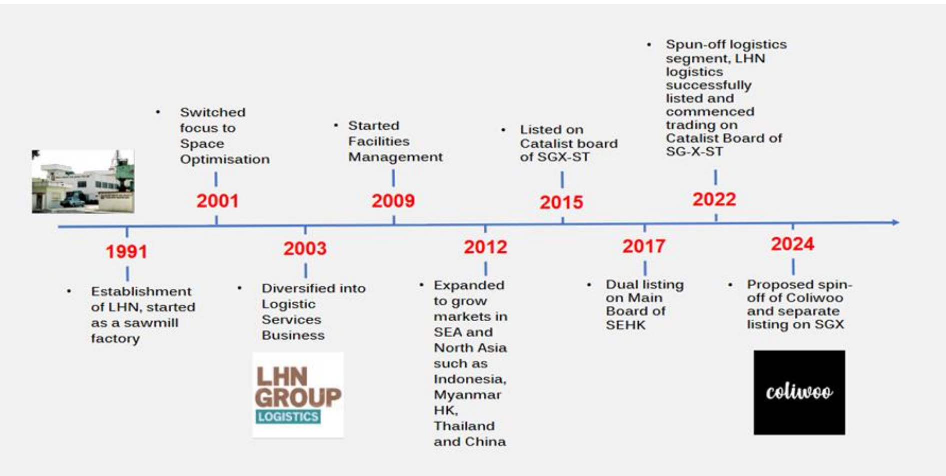
Figure 28: LHN Food Chain

SOURCES: CGSI RESEARCH, COMPANY REPORTS

  - **Geylang properties:** On 14 Feb 2025, LHN also entered into JVs with two other partners to acquire and redevelop the property on 30, 30A, 30B, 32, 32A and 32B Lorong 22 Geylang Singapore 398687 and 32D, 32E, 32F, 32G, 32H and 32J Lorong 22 Geylang Singapore 398689. Appointed as the sole project management company, LHN aims to transform the property with a land area of 1,179 sq m into a strata-titled commercial building for retail and office usage, with an estimated saleable area of over 2,600 sq m.

Corporate Milestones

Figure 29: LHN's key milestones



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Why Co-living?

Co-living in Singapore has become an increasingly popular option, especially for newcomers, students, and young professionals. This modern approach to housing offers a convenient and community-oriented lifestyle that addresses many of the common challenges people face when moving to a new city.

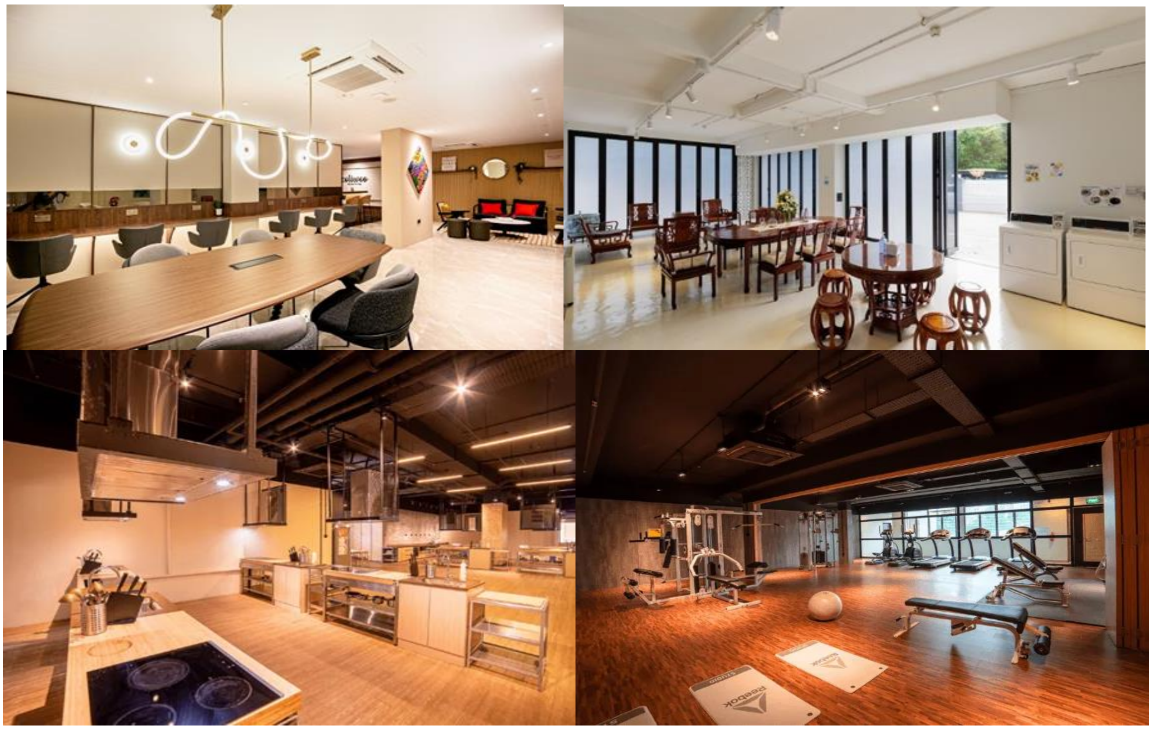
One of the main reasons co-living stands out is its affordability and simplicity. Rent typically includes all essentials — utilities, internet, maintenance, and even weekly cleaning — so residents do not need to worry about managing multiple bills. The rooms are usually fully furnished, making it easy to move in with just a suitcase, without the need to buy furniture or appliances.

Figure 30: Coliwoo provides en-suite bathrooms, kitchenettes as well as washer and dryer in most of the offerings

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Co-living also fosters a sense of community. Shared spaces like kitchens, lounges, and co-working areas are designed to encourage interaction among residents. Many operators, such as Coliwoo, also host events like yoga sessions, movie nights, and social mixers, helping people build friendships and networks in a city that might otherwise feel isolating.

Figure 31: Coliwoo's shared spaces to encourage interaction among residents



SOURCES: CGSI RESEARCH, COMPANY REPORTS

Flexibility is another key advantage. Unlike traditional rentals that often require long-term leases, co-living spaces offer short-term or month-to-month arrangements. This is ideal for those in Singapore for internships, temporary projects, or simply exploring their options before settling down.

Location is also a big draw. Co-living properties are usually situated near MRT stations, universities, business hubs, and shopping areas, ensuring residents have easy access to transportation and daily necessities.

Finally, professional management provides peace of mind. Co-living spaces are generally well-maintained, secure, and responsive to issues — removing much of the hassle that can come with renting from private landlords.

In short, co-living in Singapore combines affordability, convenience, and community, offering a practical and socially enriching alternative to conventional housing. It is especially well-suited for those seeking flexibility and a ready-made support system in a fast-paced urban environment.

LHN's hybrid operating model

LHN maintained a high gross margin of more than 50% over FY21-24 through several key levers:

1) Lower capital intensity: master leases, management contracts and JVs require minimal upfront capital investment as compared to full ownership, which results in lower depreciation and reduced cost of sales.
2) Fixed cost leverage: under master leases, rental obligations are fixed, enabling LHN to benefit from positive operating leverage as occupancy and rental yields improved. Each additional sub-leased unit contributes directly to gross profit after breakeven.
3) Scalable and flexible model: management contract offers a fee-based income model with limited income downside, allowing LHN to scale efficiently while maintaining margin resilience across market cycles.
4) Access to prime assets without full ownership: JVs allow LHN to co-develop or co-operate premium spaces that it may not be able to acquire outright, which would usually command higher rental yields, premium service fees and/or better tenant profiles that could increase gross margins.

Figure 32: Coliwoo's hybrid leasing model

Direct Ownership (Owner-Operator Model)	Master Lease	Management Contracts
LHN directly acquires properties (either en-bloc buildings or strata-titled units) and repurposes them into co-living spaces.	LHN leases entire buildings or multiple units from landlords and sub-leases individual rooms to tenants after conversion and fit-out.	A fee-based, asset-light model where LHN partners with property owners to manage properties professionally.
Benefits:	**Benefits:**	**Benefits:**
• Full control over the asset and operations • Ability to design, brand, and manage the property end-to-end • Potential to capture capital appreciation	• Rapid portfolio expansion with lower initial capital outlay • Flexibility in market testing and shorter time-to-market	• Minimal capital requirement • Scalable and fast market entry • Lower financial risk—borne by asset owners
Challenges:	**Challenges:**	**Challenges:**
• High upfront capital investment • Slower scalability due to acquisition costs and market constraints	• Less control compared to ownership • Vulnerability to real estate market cycles • Operational inefficiencies from scattered sites • Exposure to lease renewal risk and rent escalations	• Lower margins • Limited brand control if owner expectations diverge • High competition and potential for fee compression
Emerging Trend – JVs:		
• Participation in co-investment structures where LHN holds a minority stake alongside capital partners. This allows LHN to: • Signal commitment by having "skin in the game" • Maintain influence in operations while mitigating financial exposure		

SOURCES: CGSI RESEARCH, COMPANY REPORTS

URA's approach to co-living spaces

Figure 33: Urban Redevelopment Authority's (URA) guidelines for co-living in residential, serviced apartments and hotel properties

Co-living Proposal		
Residential	**Serviced Apartments**	**Hotel**
• Minimum 3 month stay • Maximum 6 unrelated persons within a single unit • Minimum size of 35 sqm per unit • To comply with the by-laws of the residential building or condominium • No restrictions on who can stay	• Minimum 7 day stay • Minimum 35 sqm per serviced apartment • For proposals with unique layouts, URA would consider applying the 35 sqm minimum unit size based on the global average of self-contained units (with kitchenette and toilet) and covered communal facilities exclusively for co-living tenants' use • No restrictions on who can stay The following areas would generally be excluded from being considered as covered communal facilities exclusively for co-living tenants' use: • Public areas or facilities not exclusive to co-living tenants (e.g. communal areas that double as public cafes, public co-working offices) • Functional and circulation spaces (e.g. concierge/check-in areas, back-of-house, corridors) • Open-to-sky areas (e.g. open roof terraces)	• No requirements for layout or minimum stay duration • No restrictions on who can stay

SOURCES: CGSI RESEARCH, URBAN REDEVELOPMENT AUTHORITY

Board of directors and key management

Figure 34: Board of directors

Name and Title	Description
Mr. Kelvin Lim Executive Chairman, Executive Director & Group Managing Director 	Mr. Kelvin Lim Lung Tieng is currently the Executive Chairman, the Executive Director, the Group Managing Director, a member of the Nominating Committee and a member of the Group's Sustainability Innovation Committee. Kelvin brings over 20 years of experience in the property leasing, logistics services and facilities management business. He is primarily responsible for the Group's business development and overall management, including investment activities, operations and marketing efforts. Kelvin is the brother of Jess Lim Bee Choo, who is also an Executive Director and a controlling shareholder of the Company.
Ms. Jess Lim Executive Director & Group Deputy Managing Director 	Ms. Jess Lim Bee Choo is currently the Group Deputy Managing Director and a director of all of the subsidiaries of the Group other than LHN Management Services (Nan An) Co., Limited, LHN Asset Management (Xiamen) Co. Limited, LHN Parking HK Limited, PT Hean Nerng Group and PT Hub Hijau Serviced Offices. Jess possesses over 25 years of extensive and varied experience across business management and supply chain management comprising of over 20 years' experience in the leasing and facilities management industry; and over 15 years' experience in the logistics services sector. In her current role, Jess spearheads the Group's corporate development and communications, investor relations and overall administration matters. She oversees critical functions including finance, human resources, information systems, legal and contract administration.
Ms. Ch'ng Li-Ling Lead Independent Non-Executive Director 	Ms. Ch'ng Li-Ling is the Chairwoman of the Remuneration Committee and a member of both the Audit and Nominating Committees. Li-Ling is one of the founding members of RHT Law Asia, where she co-led the firm's Corporate and Capital Markets Practice till 2019. She presently heads the firm's Financial Services (Regulatory) Practice where she advises Fintech firms, financial institutions and capital markets services providers on licensing and regulatory requirements and payment services providers on digital token issuances and the establishment of digital assets exchanges and e-payments platforms
Mr. Eddie Yong Independent Non-Executive Director 	Mr. Eddie Yong Chee Hiong is the Chairman of the Nominating Committee and a member of both the Audit and Remuneration Committees. Eddie has over 45 years of experience in the real estate industry ranging from land acquisition, planning and real estate development, marketing and asset management. He is currently a Managing Partner of Equity & Land LLP.
Mr. Chan Ka Leung Gary Independent Non-Executive Director 	Mr. Chan Ka Leung Gary ("Gary"), age 52, is the Chairman of the Audit Committee and a member of both the Nominating and Remuneration Committees. He was first appointed to the Board as an Independent Non-executive Director on 5 Jun 2017 and was last re-elected on 30 Jan 2024. Gary has many years of experience in accounting, corporate finance, private equity and financial consultation while advising companies across multiple disciplines and various industries. Gary joined CFO (HK) Limited in 2014 and presently serves as the Chief Executive Officer of the Greater China business of the CFO Centre Group.

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 35: Key management

Name and Title	Description
Ms. Yeo Swee Cheng Chief Financial Officer 	Ms. Yeo Swee Cheng ("Swee Cheng") first joined the Group in May 2011 as Group Finance Manager and was promoted to Group Financial Controller in Jul 2014 before advancing to her current position in Jul 2015. Swee Cheng is primarily responsible for all finance related areas of the Group including treasury, audit and taxation functions. She supports the management on all strategic and financial planning matters in relation to the Group's business to ensure sound management of the Group's funds. As a member of our Group's Sustainability Innovation Committee, Swee Cheng offers guidance on sustainability metrics and methodologies for tracking and assessing environmental and social impacts stemming from day-to-day operations. Swee Cheng has over 20 years of extensive experience in financial accounting, corporate finance, treasury and taxation matters.
Mr. Wong Sze Peng, Danny Chief Executive Officer of Work + Store 	Mr. Wong Sze Peng, Danny ("Danny") has been with the Group since 2008 and was promoted to Assistant General Manager in Jul 2010, General Manager in Jun 2012, before being redesignated to his current position in Nov 2021. Danny has over 15 years of experience in the real estate industry. Danny is primarily responsible for the Work Plus Store's business, including but not limited to the business development, sales & marketing and operations function. He plans, directs and is actively involved in promoting and expanding the Work Plus Store's business. Also, in his role as the co-chairman of the Group's Sustainability Innovation Committee, Danny spearheads discussions and explores innovative solutions that not only enhance operational profitability but also cultivate positive environmental and social impacts.
Mr. Chong Eng Wee Company Secretary 	Mr. Chong Eng Wee was appointed joint company secretary of the Company in Singapore on 1 Apr 2020 and has served as sole company secretary since 8 Oct 2021. He is the Managing Director and head of the Corporate & Capital Markets Practice at Chevalier Law LLC and is qualified to practice law in Singapore, Hong Kong, Australia, and New Zealand. Mr. Chong has held senior roles at several law firms, including Kennedys Legal Solutions and RHTLaw Taylor Wessing LLP. He currently serves as a non-executive and independent director or chairman for several SGX-listed companies, including Heatec Jietong Holdings, Polaris Limited, AJJ Medtech, Willas-Array Electronics, Accrelist Limited, and China Yuanbang Property Holdings. He is also company secretary for Sincap Group, Shanghai Turbo Enterprises, and China Vanadium Titano-Magnetite Mining.

SOURCES: CGSI RESEARCH, COMPANY REPORTS

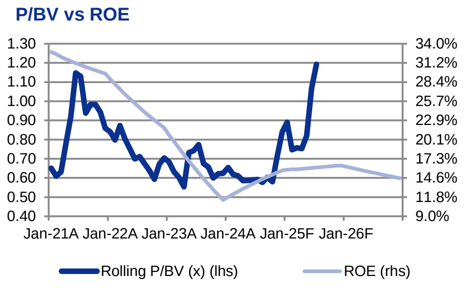
ESG in a nutshell

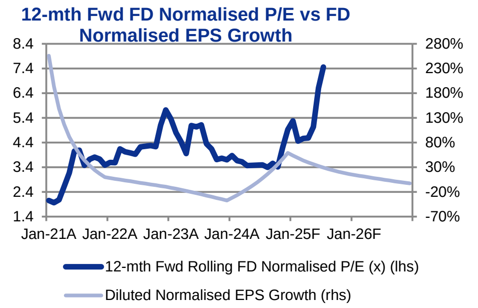
In our view, LHN demonstrates a strong ESG foundation built on 1) structured governance, 2) environmental action, 3) social values, and 4) accountability and transparency. As the group has highlighted certain ESG goals to be achieved by 2028, we will remain watchful of its progress and adjust our valuations accordingly.

Keep your eye on	Implications
Emissions (scope 1 & 2) rose 42% yoy in FY24 due to expanding managed floor area.	While intensity targets (-5% of scope 2 emissions by FY28, base year: 2023) are in place, absolute emissions may continue to rise if new asset additions outpace decarbonisation efforts.
ESG highlights	**Implications**
LHN currently has no LSEG ESG score rating. In terms of Environmental achievements, LHN has deployed more than 1,200 kWp solar capacity across 10 sites in FY24 (FY23: 1,100); emissions intensity also held steady at 0.019 tCO_2e/m^2 amid growth. In terms of Governance, the ESG strategy continues to be overseen by Board-level Sustainability Innovation Committee, and sustainability performance is regularly reviewed by top management and integrated into business planning.	We think LHN will continue improving its governance and ramp up its environmental initiatives, in line with heightened investor scrutiny in these aspects. We have not factored these into our fundamental valuations of LHN yet.
Trends	**Implications**
According to LHN's 2024 annual report – Environment: Improving solar energy capacity but rising emissions as a result of growth. Social: LHN has done more training hours per employee, greater community engagement through CSR hours and community outreach. Customer satisfaction based on its annual surveys to gather feedback on its products and services improved to 87% for Space Optimisation (FY23: 81%). Governance: LHN is strengthening transparency as well as formalising ESG target-setting.	We have not applied any premium/discount for ESG in our fundamental valuations of LHN. That said, we remain watchful of the group's progress in attaining its environmental targets.

SOURCES: CGSI RESEARCH, LSEG, COMPANY REPORTS

BY THE NUMBERS





Profit & Loss

(S$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	**93.64**	**121.02**	**140.33**	**164.21**	**187.19**
Gross Profit	**51.87**	**62.21**	**79.99**	**95.24**	**110.44**
Operating EBITDA	**36.12**	**43.84**	**59.89**	**61.51**	**73.99**
Depreciation And Amortisation	0.00	0.00	0.00	0.00	0.00
Operating EBIT	**36.12**	**43.84**	**59.89**	**61.51**	**73.99**
Financial Income/(Expense)	-8.90	-11.82	-13.42	-16.38	-19.34
Pretax Income/(Loss) from Assoc.	1.73	8.94	2.00	2.00	2.00
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00	0.00
Profit Before Tax (pre-EI)	**28.95**	**40.96**	**48.47**	**47.13**	**56.64**
Exceptional Items	-5.97	10.46	-10.00	0.00	0.00
Pre-tax Profit	**22.98**	**51.42**	**38.47**	**47.13**	**56.64**
Taxation	**-4.07**	**-3.55**	**-4.74**	**-4.51**	**-5.46**
Exceptional Income - post-tax	21.30	0.00	0.00	0.00	0.00
Profit After Tax	**40.22**	**47.87**	**33.73**	**42.62**	**51.18**
Minority Interests	-2.01	-0.58	-0.41	-0.52	-0.62
Pref. & Special Div	0.00	0.00	0.00	0.00	0.00
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	**38.21**	**47.29**	**33.32**	**42.10**	**50.56**
Recurring Net Profit	16.91	47.29	33.32	42.10	50.56
Fully Diluted Recurring Net Profit	**16.91**	**47.29**	**33.32**	**42.10**	**50.56**
Normalised Net Profit	24.89	37.41	43.73	42.62	51.18
Fully Diluted Normalised Profit	**22.88**	**36.83**	**43.32**	**42.10**	**50.56**

Cash Flow

(S$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	36.12	43.84	59.89	61.51	73.99
Cash Flow from Invt. & Assoc.	-1.21	0.00	0.00	0.00	0.00
Change In Working Capital	13.35	-27.49	0.71	3.54	-0.28
Straight Line Adjustment	20.10	19.53	17.96	17.62	17.33
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1.94	0.01	0.00	0.00	0.00
Other Operating Cashflow	18.42	16.38	25.96	15.62	15.33
Net Interest (Paid)/Received	-0.14	-0.53	0.00	0.00	0.00
Tax Paid	-4.06	-3.02	-4.74	-4.51	-5.46
Cashflow From Operations	**64.43**	**29.20**	**81.82**	**76.16**	**83.57**
Capex	-83.40	-121.93	-56.00	-76.00	-76.00
Disposals Of FAs/subsidiaries	44.76	0.10	0.00	0.00	0.00
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	25.34	22.01	20.00	20.00	20.00
Cash Flow From Investing	**-13.31**	**-99.82**	**-36.00**	**-56.00**	**-56.00**
Debt Raised/(repaid)	-2.34	76.86	16.00	36.00	36.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased					
Dividends Paid	-8.60	-9.52	-12.70	-12.70	-12.70
Preferred Dividends	-8.89	-11.49	-13.42	-16.38	-19.34
Other Financing Cashflow	0.00	0.42	0.00	0.00	0.00
Cash Flow From Financing	**-19.84**	**56.27**	**-10.13**	**6.91**	**3.95**
Total Cash Generated	31.28	-14.35	35.70	27.07	31.52
Free Cashflow To Firm	**51.26**	**-70.08**	**45.82**	**20.16**	**27.57**
Free Cashflow To Equity	**48.78**	**6.24**	**61.82**	**56.16**	**63.57**

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(S$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	62.4	50.7	76.4	103.4	135.0
Properties Under Development	29.0	43.9	43.9	43.9	43.9
Total Debtors	21.0	19.1	39.1	59.1	79.1
Inventories	0.0	0.0	0.0	0.0	0.0
Total Other Current Assets	25.4	13.1	43.1	22.6	52.3
Total Current Assets	**137.8**	**126.7**	**202.4**	**229.0**	**310.2**
Fixed Assets	0.0	0.0	0.0	0.0	0.0
Total Investments	**396.0**	**565.7**	**595.7**	**656.1**	**716.8**
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	20.3	4.4	4.4	4.4	4.4
Total Non-current Assets	**416.3**	**570.1**	**600.1**	**660.5**	**721.2**
Short-term Debt	42.2	32.9	63.6	46.7	76.1
Current Portion of Long-Term Debt					
Total Creditors	19.6	26.1	26.1	26.1	26.1
Other Current Liabilities	35.1	37.4	37.4	37.4	37.4
Total Current Liabilities	**96.9**	**96.3**	**127.1**	**110.2**	**139.5**
Total Long-term Debt	149.5	255.8	309.8	383.8	457.8
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	79.8	64.2	64.2	64.2	64.2
Total Non-current Liabilities	**229.3**	**320.1**	**374.1**	**448.1**	**522.1**
Total Provisions	9.9	23.3	23.3	23.3	23.3
Total Liabilities	**336.0**	**439.7**	**524.5**	**581.5**	**684.9**
Shareholders' Equity	**216.2**	**254.2**	**275.2**	**305.1**	**343.6**
Minority Interests	1.9	2.9	2.9	2.9	2.9
Total Equity	**218.0**	**257.0**	**278.1**	**308.0**	**346.5**

Key Ratios

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	10.9%	29.2%	16.0%	17.0%	14.0%
Operating EBITDA Growth	13.2%	21.4%	36.6%	2.7%	20.3%
Operating EBITDA Margin	38.6%	36.2%	42.7%	37.5%	39.5%
Net Cash Per Share (S$)	-0.32	-0.57	-0.71	-0.78	-0.95
BVPS (S$)	0.53	0.61	0.66	0.73	0.82
Gross Interest Cover	4.06	3.71	4.46	3.75	3.82
Effective Tax Rate	17.7%	6.9%	12.3%	9.6%	9.6%
Net Dividend Payout Ratio	53.6%	34.1%	29.0%	29.8%	24.8%
Accounts Receivables Days	70.4	55.3	71.0	105.1	131.2
Inventory Days	0.65	0.18	0.27	0.23	0.21
Accounts Payables Days	6.25	3.32	2.04	1.78	1.60
ROIC (%)	118%	107%	352%	92%	111%
ROCE (%)	9.22%	8.87%	9.63%	8.56%	8.88%
Return On Average Assets	6.61%	7.87%	7.62%	6.97%	7.34%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

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Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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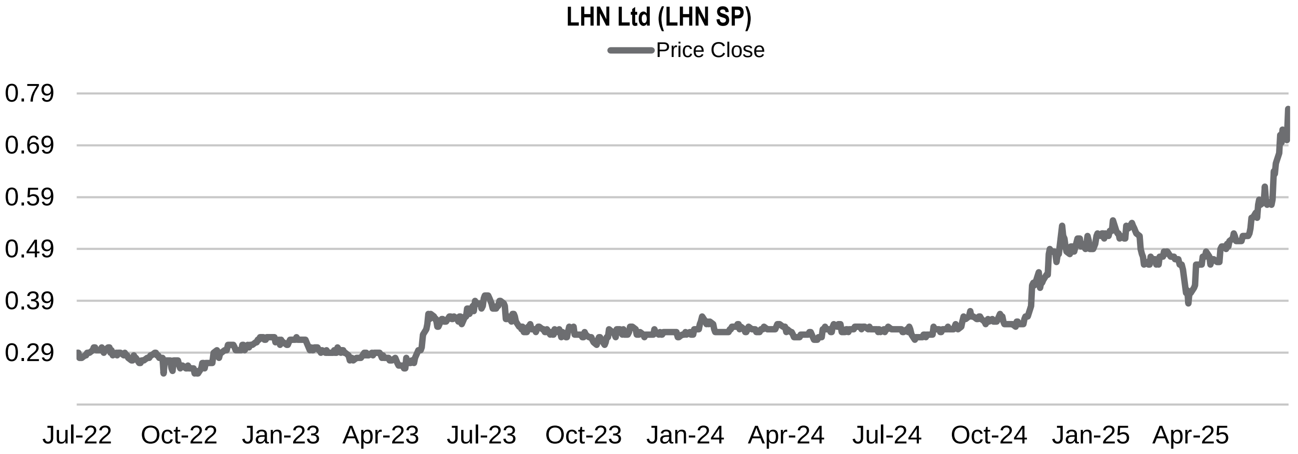
Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2025 561 companies under coverage for quarter ended on 30 June 2025		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.6%	1.1%
Hold	20.5%	0.5%
Reduce	8.9%	0.5%

Spitzer Chart for stock being researched (2-year data)



Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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