

**BUY**
**TP: SGD 0.85**
**▲ 26.6%**

## Sasseur REIT

SASSR SP

### DPU at inflection point

**1Q26 EMA rental income was finally up by +5.1% YoY to S\$34.2m (~27% of our FY26E forecast), underpinned by strong variable component as its portfolio tenant sales grew significantly by +11.4% YoY, while RMB depreciation moderated to -0.6% YoY. SASSR further lowered its funding costs by -0.5ppt to 3.9% in Mar26. In view of improving FX dynamics and resilient demand conditions, we lifted our FY26-28E DPU forecasts by 3-5%. SASSR trades attractively at 9.1% FY26E yield. Reiterate BUY with higher TP.**

- Inline 1Q26 EMA rental income:** 1Q26 EMA rental income increased by +5.1% YoY to S\$34.2m, attaining ~27% of our FY26E forecast, underpinned by robust variable rents (+11.5% YoY) and 3% escalation rate of the fixed component. Meanwhile, RMB depreciation moderated to -0.6% YoY in 1Q26, resulting in less adverse effect on its EMA rental income. We think that improving FX dynamics and resilient demand conditions are becoming conducive to stronger DPU growth going forward.
- Upswing in portfolio tenant sales:** Its 1Q26 portfolio tenant sales increased by ~11% YoY to RMB1,390m, driven by robust tenant sales contributions from Chongqing Liangjiang (+11.1% YoY), Hefei (+14.5% YoY) and Chongqing Bishan (+16.4% YoY) Outlets, which benefitted from strong consumer demand during Chinese New Year promotional campaigns. Meanwhile, Kunming Outlet saw moderate tenant sales growth in 1Q26 (at +5.3% YoY), largely due to ongoing tenant repositioning.
- Occupancies poised to increase:** Its 1Q26 portfolio occupancies was -0.3ppt QoQ to 98.5%, mainly due to ongoing AEI at Hefei Outlet (occupancy at 97.2%), which is scheduled for completion prior to the Anniversary Sales event to capture stronger sales momentum. Upon completion of AEI, SASSR plans to introduce new F&B offerings at Hefei Outlet to cater to the demand of the surrounding residential population. As a result, we expect its portfolio occupancies to rebound in 2H26.
- No refinancing needs until FY30:** SASSR has refinanced its onshore bank loans well before maturity and extended the debt tenor from FY28 to FY31 at competitive rate. Consequently, SASSR has no refinancing requirements until FY30, and its funding costs further reduced by -0.5ppt YoY to 3.9% in Mar26, which is in line with our FY26E forecast at 3.8%. SASSR has low gearing ratio at 25.1% in Mar26.
- Reiterate BUY:** TP is raised to S\$0.85/unit as we adjusted our FY26-28E DPU forecasts upwards by 3-5% mainly to take into account higher tenant sales, favourable FX move and changes in funding costs for FY27E and FY28E. SASSR trades attractively at 0.8x P/B and 9.1% FY26E yield, with DPU growing by 2.9% CAGR from FY25-27E.

#### Financial highlights

Y/E 31 Dec (SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	124	121	128	134	140
Distribution income	83	86	86	91	95
Outstanding shares (M)	1,251	1,260	1,272	1,285	1,298
DPU (SGD cts)	6.1	6.1	6.1	6.5	6.8
DPU growth (%)	-2.7%	0.9%	-0.3%	6.2%	4.3%
Yield (%)	9.1%	9.2%	9.1%	9.7%	10.1%
BV per share	0.83	0.79	0.80	0.79	0.79
P/B (x)	0.8	0.8	0.8	0.8	0.8

Source: Company, SSCM Research; as of 14 May 2026

15 May 2026



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PRICE CLOSE (13 May 2026)

SGD 0.670

MARKET CAP

SGD 847.4 mln

USD 665.8 mln

SHARES O/S

1,264.7 mln

FREE FLOAT

55.8%

3M AVG DAILY VALUE

SGD 0.751 mln / USD 0.582 mln

52 WK HIGH

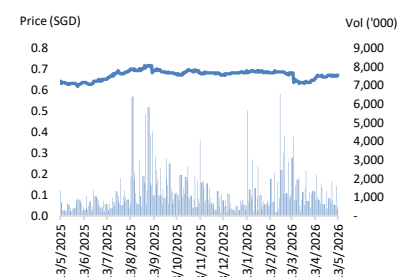
SGD 0.716

52 WK LOW

SGD 0.611

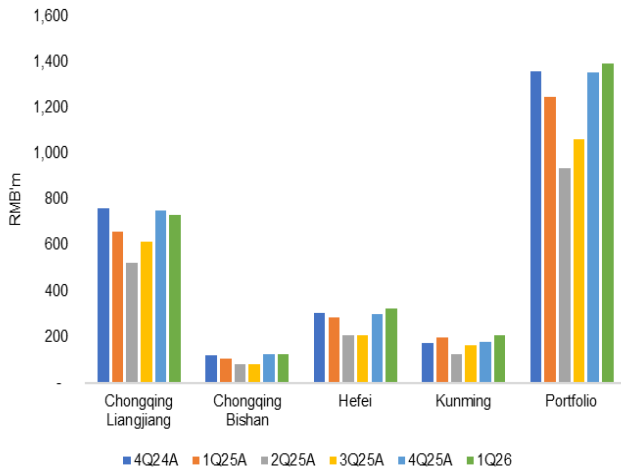
Target Price

SGD 0.85



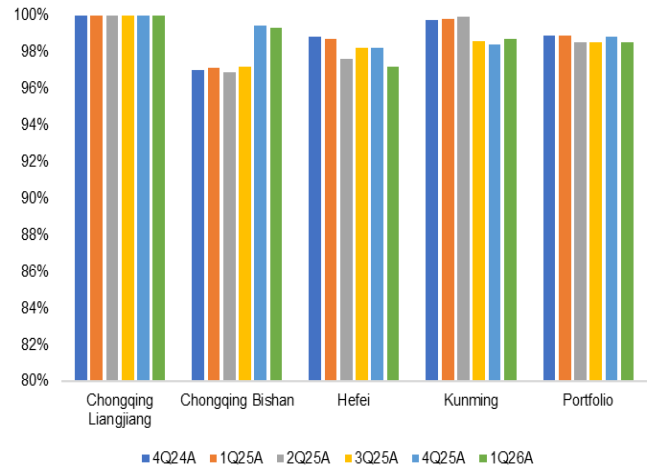
**Operational Review**

**Fig 1 - Portfolio tenant sales +11.4% YoY/+2.7% QoQ in 1Q26**



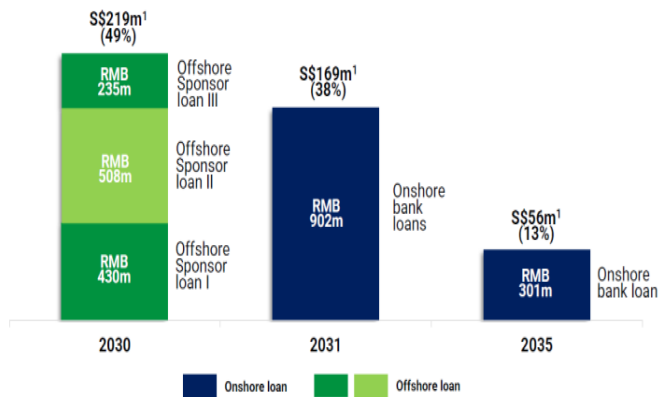
Source: Company

**Fig 2 - Portfolio occupancies at 98.5% in 1Q26**



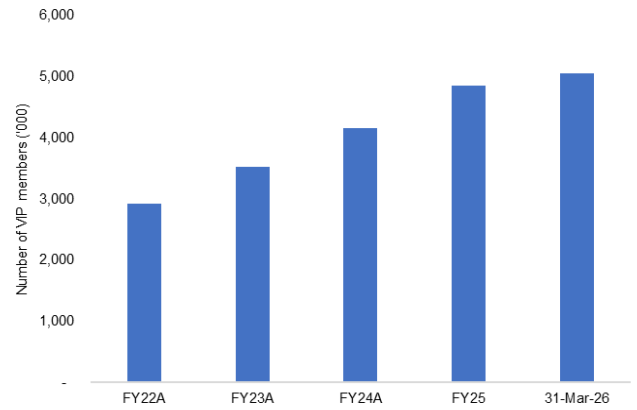
Source: Company

**Fig 3 - There is no refinancing requirement until FY30**



Source: Company

**Fig 4 - VIP members increased by +4% from FY25 to 1Q26**



Source: Company

**BUY**

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**Sasseur REIT**

SASSR SP

Company Update

Singapore

REITs

**Peer Comparison****Fig 5 - Peer Comparison Table for Singapore and China Retail REIT**

Ticker	Name	Market Cap (S\$m)	P/B (x)	FY25-27E DPU Growth (%)	Dividend yield (%)	
					FY26E	FY27E
SASSR SP	SASSEUR REIT	847	0.85	2.9	9.1	9.7
<b>Singapore Retail REITs Avg.</b>			<b>0.85</b>	<b>3.3</b>	<b>6.0</b>	<b>6.2</b>
CICT SP Equity	CapitaLand Integrated Commercial Trust	18,050	1.09	3.0	5.3	5.4
FCT SP Equity	Frasers Centrepoint Trust	4,565	1.00	3.7	5.4	5.8
LREIT SP Equity	Lendlease Global Commercial REIT	1,855	0.79	4.1	6.6	7.0
MPACT SP Equity	Mapletree Pan Asia Commercial Trust	6,605	0.72	0.7	6.5	6.6
SGREIT SP Equity	Starhill Global REIT	1,277	0.77	2.7	6.9	7.1
SUN SP Equity	Suntec Real Estate Investment Trust	4,349	0.72	5.6	5.1	5.3
<b>China Retail REITs Avg.</b>			<b>0.66</b>	<b>3.0</b>	<b>6.9</b>	<b>7.1</b>
CLCT SP Equity	CapitaLand China Trust	1,169	0.66	3.0	6.9	7.1

Source: SSCM Research, Bloomberg, Prices as of 14May26

## Financial Statements

## Income Statement

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Revenue	123.7	121.0	127.7	133.7	140.3
<b>Gross Revenue Growth Rate</b>	<b>-2.4%</b>	<b>-2.2%</b>	<b>5.6%</b>	<b>4.7%</b>	<b>4.9%</b>
Property Expenses	0.0	0.0	0.0	0.0	0.0
<b>Net Property Income</b>	<b>123.7</b>	<b>121.0</b>	<b>127.7</b>	<b>133.7</b>	<b>140.3</b>
Trustee-Manager's fees	(8.3)	(8.8)	(8.6)	(10.3)	(10.4)
Trustee's fee	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Trust and administrative expenses	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)
<b>EBIT</b>	<b>114.2</b>	<b>110.5</b>	<b>117.5</b>	<b>121.8</b>	<b>128.2</b>
<b>EBIT Margin</b>	<b>92.3%</b>	<b>91.3%</b>	<b>92.0%</b>	<b>91.1%</b>	<b>91.4%</b>
Interest Income	0.3	0.1	0.2	0.2	0.2
Interest Expense	(24.7)	(23.6)	(21.6)	(19.9)	(19.9)
Exceptional Gains/(Losses)	(2.4)	(0.7)	0.0	0.0	0.0
<b>EBT</b>	<b>87.4</b>	<b>86.3</b>	<b>96.1</b>	<b>102.1</b>	<b>108.5</b>
Tax	(17.2)	(15.2)	(18.9)	(20.0)	(22.3)
<b>Net Income</b>	<b>70.2</b>	<b>71.1</b>	<b>77.2</b>	<b>82.1</b>	<b>86.2</b>
Net Gains from revaluation of properties	(14.2)	(7.8)	3.2	3.2	3.2
<b>Total Return for the year</b>	<b>56.1</b>	<b>63.3</b>	<b>80.4</b>	<b>85.3</b>	<b>89.4</b>
<b>Income available for distribution</b>	<b>83.3</b>	<b>85.7</b>	<b>85.6</b>	<b>90.7</b>	<b>95.1</b>
<b>DPU (cents)</b>	<b>6.08</b>	<b>6.14</b>	<b>6.12</b>	<b>6.50</b>	<b>6.78</b>
<b>DPU Growth Rate</b>	<b>-2.7%</b>	<b>0.9%</b>	<b>-0.3%</b>	<b>6.2%</b>	<b>4.3%</b>

## Balance Sheet

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	174.3	182.1	197.7	212.3	227.4
Trade Receivables	4.8	5.4	5.8	6.1	6.5
Other Current Assets	15.2	16.8	16.8	16.8	16.8
<b>Current Assets</b>	<b>194.4</b>	<b>204.3</b>	<b>220.3</b>	<b>235.2</b>	<b>250.7</b>
Investment Properties	1,582.3	1,536.3	1,536.3	1,536.3	1,536.3
Plant & Equipment	0.5	0.4	0.4	0.4	0.4
<b>Non-Current Assets</b>	<b>1,582.8</b>	<b>1,536.6</b>	<b>1,536.6</b>	<b>1,536.6</b>	<b>1,536.6</b>
<b>Total Assets</b>	<b>1,777.2</b>	<b>1,740.9</b>	<b>1,756.9</b>	<b>1,771.8</b>	<b>1,787.3</b>
Trade Payables	141.2	139.3	147.8	155.7	164.3
OD & ST Debt	5.5	7.0	7.0	7.0	7.0
Current Tax Liabilities	42.8	40.3	40.3	40.3	40.3
Other ST Liabilities	0.1	0.0	0.0	0.0	0.0
<b>Current Liabilities</b>	<b>189.5</b>	<b>186.7</b>	<b>195.2</b>	<b>203.0</b>	<b>211.6</b>
LT Debt	372.3	214.1	213.8	213.6	213.4
Deferred Tax Liabilities	119.5	119.5	119.5	119.5	119.5
Other LT Liabilities	57.9	215.5	215.5	215.5	215.5
<b>Non-Current Liabilities</b>	<b>549.7</b>	<b>549.1</b>	<b>548.8</b>	<b>548.6</b>	<b>548.4</b>
<b>Total Liabilities</b>	<b>739.2</b>	<b>735.7</b>	<b>744.0</b>	<b>751.7</b>	<b>760.0</b>
<b>Total Unitholders' Equity</b>	<b>1,038.0</b>	<b>1,005.2</b>	<b>1,012.9</b>	<b>1,020.2</b>	<b>1,027.3</b>
<b>Total Liabilities and Equity</b>	<b>1,777.2</b>	<b>1,740.9</b>	<b>1,756.9</b>	<b>1,771.8</b>	<b>1,787.3</b>

## Cash Flow Statement

Y/E 31 Dec (in SGD'm)	FY24A	FY25A	FY26E	FY27E	FY28E
Pre-tax Profit	87.4	86.3	96.1	102.1	108.5
Interest received	0.2	0.2	0.2	0.2	0.2
Tax Paid	(9.4)	(10.4)	(18.9)	(20.0)	(22.3)
Other Non-Cash Adjustments	34.2	35.3	29.8	28.4	28.6
Changes in Non-Cash Work Cap	3.4	(4.9)	8.1	7.5	8.2
<b>Cash From Operations</b>	<b>115.9</b>	<b>106.5</b>	<b>115.3</b>	<b>118.2</b>	<b>123.2</b>
Acquisition of Investment Properties	0.0	0.0	0.0	0.0	0.0
CapEx on investment properties	(1.1)	(1.1)	0.0	0.0	0.0
Addition of Plant & Equipment	(0.5)	0.0	0.0	0.0	0.0
<b>Cash from Investing Activities</b>	<b>(1.6)</b>	<b>(1.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Distribution to Unit Holders	(56.9)	(75.0)	(77.9)	(83.5)	(88.0)
Net Change in Gross Debt	(5.4)	(156.4)	(0.2)	(0.2)	(0.2)
Issue of Units (net of Expenses)	0.0	0.0	0.0	0.0	0.0
Other Financing Activities	(20.0)	143.2	(21.6)	(19.9)	(19.9)
<b>Cash from Financing Activities</b>	<b>(82.3)</b>	<b>(88.3)</b>	<b>(99.7)</b>	<b>(103.6)</b>	<b>(108.1)</b>
<b>Net Changes in Cash</b>	<b>32.0</b>	<b>17.2</b>	<b>15.6</b>	<b>14.6</b>	<b>15.1</b>

## Per Share Data

Y/E 31 Dec (SGD)	FY24A	FY25A	FY26E	FY27E	FY28E
EPU	0.04	0.05	0.06	0.07	0.07
DPU	0.06	0.06	0.06	0.06	0.07
BVPU	0.83	0.79	0.80	0.79	0.79

## Valuation Ratios

Y/E 31 Dec (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	14.9	13.3	10.5	10.0	9.7
P/B	0.8	0.8	0.8	0.8	0.8

## Financial Ratios

Y/E 31 Dec	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Profitability &amp; Return Ratios (%)</b>					
EBIT margin	92.3	91.3	92.0	91.1	91.4
Net profit margin	56.8	58.8	60.5	61.4	61.4
ROE	6.8	7.1	7.6	8.0	8.4
ROCE	7.2	7.1	7.5	7.8	8.1
<b>Working Capital &amp; Liquidity Ratios</b>					
Receivables (days)	1.0	1.1	1.1	1.2	1.2
Payables (days)	1.0	1.1	1.1	1.2	1.2
Current ratio (x)	0.9	1.0	1.0	1.0	1.1
<b>Turnover &amp; Leverage Ratios (x)</b>					
Total asset turnover	0.07	0.07	0.07	0.08	0.08
Gearing Ratio	0.25	0.25	0.25	0.25	0.24

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