

LHN Limited

(SGX: 410)

Strong results for 1H2026, boosted by Coliwoo

- 1H FY26 net profit jumps 18.6% year-on-year.** LHN Limited reported a strong set of results for 1H2026, with pre-tax profit rising 43.6% year-on-year. The Group's co-living business delivered stellar occupancy and the Coliwoo IPO provided a significant capital boost. Net profit attributable to equity holders rose 18.6% to S\$16.8 million, while total net profit including non-controlling interests jumped 55.4% to S\$23.2 million - boosted by non-controlling interest profit from the Coliwoo Holdings IPO.
- Space optimisation business drives core growth.** Space Optimisation Business, which encompasses industrial, commercial, and residential properties, remains the Group's core earnings engine. Revenue from this segment rose 10.7% year-on-year to S\$42.1 million in 1H2026, contributing 69.1% of total group revenue.
- Residential sub-segment, which represents Coliwoo co-living operations was the standout performer.** 1H FY26 revenue grew 16.6% year-on-year to S\$26.9 million. This was driven by full-period contributions from properties that opened in 2H2025, a new property that commenced operations in 1H2026, and a new third-party management contract. Coliwoo achieved an impressive occupancy rate of 97.0% as at 31 March 2026, improving from 96.1% as at 30 September 2025. Coliwoo remains Singapore's leading co-living operator with 3,568 rooms across 28 locations.
- Coliwoo IPO boosts balance sheet.** A significant milestone in 1H2026 was the successful listing of Coliwoo Holdings Limited on the SGX Mainboard on 6 November 2025. The IPO raised gross proceeds of approximately S\$101 million, with LHN retaining approximately 65% of Coliwoo. Cash and cash equivalents rose to S\$139.1 million as at 31 March 2026, from S\$68.9 million as at 30 September 2025. The gearing ratio improved from 57.3% to 53.2%, while net gearing fell sharply from 46.2% to 36.0%.
- Trading at trailing twelve-month PE 10.9x.** At S\$0.58, LHN has a market capitalisation of around S\$233 million and trades at 0.84 times book value, based on its reported NAV of 69.3 cents as at 31 March 2026. The company declared an interim ordinary dividend of 1 cent per share, implying an interim yield of about 1.7%, and maintains a dividend payout policy of at least 30% of underlying net profit.
- Key Risks.** Key risks include ability to renew master leases on managed projects, prolonged earnings decline during economic cycle downturn and limited growth potential within Singapore.

Ticker	410
Rating	Non Rated
Price (29 Jun)	S\$0.58
52-week range	S\$0.55 – S\$1.08
Market Cap	S\$233M

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1H26 Profit jumps 18.6% as Coliwoo co-living shines

LHN Limited reported a strong set of results for 1H2026, with pre-tax profit rising 43.6% year-on-year. The Group's co-living business delivered stellar occupancy and the Coliwoo IPO provided a significant capital boost.

Figure 1: Performance highlights



Source: LHN Limited 1H26 results

1H26 revenue declined 13.7% year-on-year to S\$60.9 million, primarily due to the absence of property development sales. To recap, LHN booked S\$12.1 million in 1H2025 from strata-titled units at 55 Tuas South Avenue 1.

Separately, revenue from Facilities Management Business fell 7.8% year-on-year to S\$17.9 million. These were partially offset by growth in the revenue from Space Optimisation Business, which was up 10.7% year-on-year to S\$42.1 million.

Figure 2: Financial highlights

FYE Mar, S\$ million	1H FY26	1H FY25	change, % yoy
Revenue	60.9	70.6	-13.7%
Cost of sales	-23.8	-29.9	-20.4%
Gross profit	37.1	40.6	-8.7%
Finance cost - net	-4.1	-6.0	-31.3%
Fair value gain/(loss) on investment properties, net	0.9	-10.4	nm
Profit before taxation	25.9	18.0	43.6%
Profit attributable to owners of the company	16.8	14.1	18.6%
Gross profit margin	60.9%	57.6%	3.3 ppt
Shares outstanding, million (end of period)	427.2	418.3	2%
Earnings per share (cents)	3.92	3.38	16%
Dividend per share (cents)	1.00	1.00	0%

Source: LHN Limited 1H26 results

Despite the lower revenue, gross profit margin expanded by 3.3 percentage points to 60.9%, reflecting a favourable shift in revenue mix away from lower-margin property development and car park operations.

Pre-tax profit surged 43.6% to S\$25.9 million, driven by fair value gains on investment properties. LHN recorded S\$0.9 million gain in Investment properties versus S\$10.4 million loss in 1H2025. Space Optimisation Business also recorded higher pretax profit, at S\$27.5 million, up 4.3% year-on-year.

Net profit attributable to equity holders rose 18.6% to S\$16.8 million, while total net profit including non-controlling interests jumped 55.4% to S\$23.2 million - boosted by non-controlling interest profit from the Coliwoo Holdings IPO.

Space Optimisation business drives core growth

Figure 3: Revenue by business segment

S\$ million	1H FY26	1H FY25	change, % yoy	weights %
Space Optimisation	42,118	38,046	10.7%	69.1%
Industrial	12,402	12,920	-4.0%	20.4%
Commercial	2,276	1,478	54.0%	3.7%
Residential	27,440	23,648	16.0%	45.0%
Property development	-	12,110	<i>nm</i>	0.0%
Facilities management	17,901	19,419	-7.8%	29.4%
Energy Business	741	768	-3.5%	1.2%
Corporate	169	226	-25.2%	0.3%
Total	60,929	70,569	-13.7%	100.0%

Source: LHN Limited 1H26 results

The Space Optimisation Business, which encompasses industrial, commercial, and residential properties, remains the Group's core earnings engine. Revenue from this segment rose 10.7% year-on-year to S\$42.1 million in 1H2026, contributing 69.1% of total group revenue.

Residential sub-segment, which represents Coliwoo co-living operations was the standout performer. Revenue grew 16.6% year-on-year to S\$26.9 million. This was driven by full-period contributions from properties that opened in 2H2025, a new property that commenced operations in 1H2026, and a new third-party management contract.

Coliwoo achieved an impressive occupancy rate of 97.0% as at 31 March 2026, improving from 96.1% as at 30 September 2025. Coliwoo remains Singapore's leading co-living operator with 3,568 rooms across 28 locations.

Commercial Properties sub-segment saw revenue surge 54.0% year-on-year to S\$2.3 million, benefiting from fewer subleases being classified as finance leases in the period.

Industrial Properties revenue dipped 4.0% year-on-year to S\$12.4 million as more subleases were similarly reclassified.

On the adjusted segmental profit basis (excluding fair value movements and one-off items), the Space Optimisation Business contributed S\$27.5 million in pre-tax profit, up 4.3% year-on-year.

Figure 4: Profit before tax, by business segment

1H2026 FINANCIAL RESULTS

Adjusted Segmental Profit before Taxation Breakdown

	1H2026 S\$'000	1H2025 S\$'000	VARIANCE	
			S\$'000	%
- INDUSTRIAL	9,776	8,885	891	10.0
- COMMERCIAL	6,359	635	5,724	>100
- RESIDENTIAL	11,414	16,894	(5,480)	(32.4)
SPACE OPTIMISATION	27,549	26,414	1,135	4.3
PROPERTY DEVELOPMENT BUSINESS	(1,070)	1,355	(2,425)	NM
FACILITIES MANAGEMENT BUSINESS	2,751	2,292	459	20.0
ENERGY BUSINESS	(7)	182	(189)	NM
CORPORATE	(2,729)	(1,192)	(1,537)	>(100)
ADJUSTED PROFIT BEFORE TAXATION	26,494	29,051	(2,557)	(8.8)
ADJUSTING FOR/(DEDUCTING):				
FV GAIN/(LOSS)	124	(11,002)	11,126	NM
OTHER ONE-OFF ITEMS*	(697)	-	(697)	NM
GROUP TOTAL	25,921	18,049	7,872	43.6
BASIC EARNINGS PER SHARE (SG CENTS)	3.92	3.38	0.54	16.0

NM - Not Meaningful

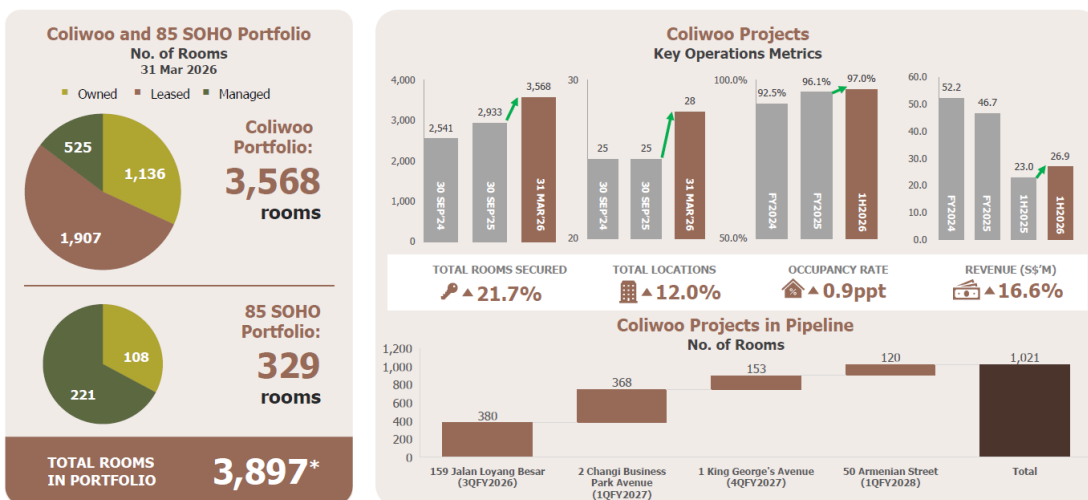
FV Gain/(Loss) - net fair value gains/losses associated with the Group's and joint ventures' investment properties

* Other one-off items consist of listing expenses, gain on disposal of a subsidiary and loss on disposal of a property.

Source: LHN Limited 1H26 results

Figure 5: Residential portfolio operations metrics

Residential Portfolio Operations Metrics



Source: LHN Limited 1H26 results

Coliwoo IPO boosts balance sheet

A significant milestone in 1H2026 was the successful spin-off and separate listing of Coliwoo Holdings Limited on the SGX Mainboard on 6 November 2025. The IPO raised gross proceeds of approximately S\$101 million, with LHN retaining approximately 65% of Coliwoo. Coliwoo is the first SGX-listed property developer and operator focused on communal co-living space rental.

As of 31 March 2026, Coliwoo's portfolio consists of 12 owned properties and 11 leased properties. In all, Coliwoo manages 3,568 rooms.

Investment properties grew significantly to S\$527.7 million from S\$405.2 million, primarily due to Coliwoo's acquisition of a hotel property at 2 Changi Business Park Avenue 1 in March 2026. This added 368 rooms expected to open in 1QFY2027.

Coliwoo also entered into a joint venture acquisition of a commercial property at 1 King George's Avenue for mixed-use co-living conversion.

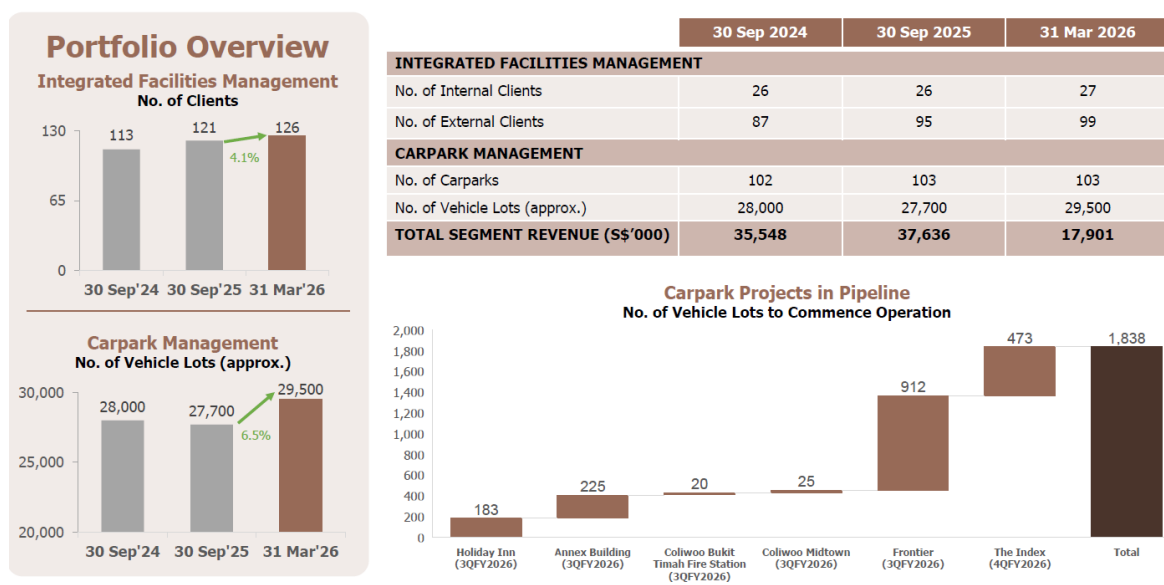
Facilities Management : Carpark headwinds offset by IFM growth

Revenue from the Facilities Management Business fell 7.8% year-on-year to S\$17.9 million, mainly due to the cessation of Hong Kong carpark operations from end-April 2025 and the expiry of certain Singapore carpark leases.

This was partially offset by growth in the integrated facilities management (IFM) segment, which now serves 126 clients with 306 active contracts.

The carpark business manages 103 carparks with approximately 29,500 lots as at 31 March 2026. A pipeline of approximately 1,838 additional lots is expected to commence operations in 2H2026, with six new carparks secured for the second half of the financial year.

Figure 6: Facilities management



Source: LHN Limited 1H26 results

Stronger liquidity and financial flexibility

As part of its long-term strategy, LHN has been actively recycling capital to adopt a more asset-light model. In 1H2026, it completed the disposal of its subsidiary owning 404 Pasir Panjang Road alongside a sale-and-leaseback arrangement.

Building on this, Coliwoo launched a portfolio of seven stabilised freehold hospitality and living assets for sale in March 2026, with a combined indicative price of S\$218.5 million. The properties span River Valley Road, Balestier Road, and Rangoon Road. The Group has indicated that several expressions of interest have been received and negotiations are underway.

Proceeds from potential divestments are intended to be redeployed into master leases, management contracts, and selective acquisitions.

Cash and cash equivalents rose to S\$139.1 million as at 31 March 2026, from S\$68.9 million as at 30 September 2025.

The gearing ratio improved from 57.3% to 53.2%, while net gearing fell sharply from 46.2% to 36.0%.

Figure 7: Balance sheet highlights

As of end of period, S\$ million	31-Mar-26	30-Sept-25	change
Cash and cash equivalents	139.1	68.9	102.1%
Total debt	432	336	28.8%
Total equity	381	269	41.7%
No. of shares issued, million	427	427	0.0%
Net asset value per share, S\$	0.693	0.619	11.9%
Total debt/ total capital	53.2%	57.3%	-4.1ppt

Source: LHN Limited 1H26 results

The Board has declared an interim dividend of 1.0 Singapore cent per share, unchanged from 1H2025. Based on a share price of 58.0 cents, this represents an interim dividend yield of approximately 1.7%.

LHN has stated its intention to distribute dividends of not less than 30% of profit attributable to equity holders (excluding fair value movements, impairments, and one-off items) for the full financial year ending 30 September 2026.

Outlook

LHN is well-positioned to grow across its core segments.

Coliwoo is targeting 4,000 rooms by end-2026, with its first resort-style co-living chalet at 159 Jalan Loyang Besar (380 rooms) slated to open in 2H2026. The Group is also exploring regional co-living expansion.

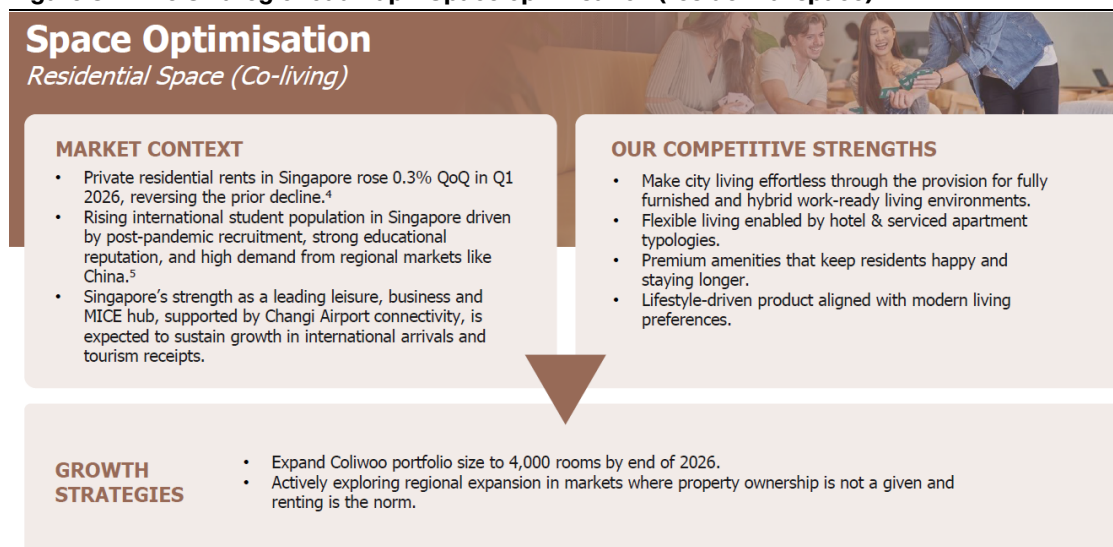
Singapore's residential rental market remains supportive, with private residential rents edging up 0.3% quarter-on-quarter in Q1 2026.

On the commercial side, CBD office vacancy fell to a 17-year low of 3.3% in Q1 2026, driving demand for LHN's flexible, fitted office solutions.

For the Facilities Management Business, LHN plans to expand into the eldercare sector, leveraging its property management expertise.

The Energy Business, with total solar capacity of 11.3 MW and 19 EV charging points, is expected to benefit from accelerating solar and EV adoption in Singapore.

Figure 8: FY26 Strategic roadmap – Space optimisation (residential space)



Source: LHN Limited 1H26 results

Figure 9: FY26 Strategic roadmap – Space optimisation (Industrial & commercial space)



Source: LHN Limited 1H26 results

Trading at trailing twelve-month PE 10.9 x

At S\$0.58, LHN is valued at a market capitalisation of around S\$233 million. This translates to a trailing twelve-month P/E ratio of 10.9 times, based on TTM earnings per share of 5.3 cents.

The stock is also trading below book value. Based on LHN's reported NAV of 69.3 cents as at 31 March 2026, its price-to-book ratio stands at 0.84 times.

The company declared an interim ordinary dividend of 1 cent. LHN maintains a consistent dividend payout ratio of at least 30% on the underlying net profit.

Figure 10: Dividend distribution

	FY2024	FY2025	1H2026
DIVIDEND PER SHARE (S'PORE CENTS)	3.00	4.00	1.00
SHARE PRICE (S'PORE CENTS)	42.5	66.5	68.0
DIVIDEND YIELD*	7.1%	6.0%	1.5%

DIVIDEND DISTRIBUTION FOR FY2026

On 28 November 2025, the Board resolved that, subject to the Dividend Consideration Factors, the Board intends to recommend and distribute dividends of **not less than 30.0% of the Group's profit attributable to equity holders of the Company after excluding fair value gains/losses on owned and joint venture investment properties, impairment/write-off of assets, non-recurring and one-off items**, for the financial year ending 30 September 2026.

* Dividend yield is calculated as dividend per share divided by share price based on the business day immediately preceding the announcement of results.

Source: LHN Limited 1H26 results

Key Risks

Ability to renew master leases on managed projects

Many of its sites are secured through master leases. If any of these leases are not renewed or the Group fails to win them again, it will need time and money to find new properties, secure them, and refurbish them before launch. It also takes time to rebuild occupancy at new sites. This can disrupt operations, increase replacement costs, and negatively affect the Group's performance and financial position.

Ability to recover the renovation, refurbishment, and maintenance costs

The Group usually renovates and refurbishes properties before leasing them out. If a lease ends earlier than expected, the Group may need to accelerate depreciation or record additional fair value losses. Older properties may also require significant ongoing maintenance. The Group needs to manage these renovation, refurbishment, and maintenance costs, in order to protect the profit margins.

Earnings volatility amid economic uncertainty

LHN is exposed to the property market which is highly cyclical and dependent on the economic growth.

Limited growth potential within Singapore and country concentration risk

The property industry in Singapore is tightly regulated, covering zoning, usage, taxes, and environmental matters. These rules are reviewed often to keep up with shifting needs, and any changes can affect LHN's operations. Due to the scarcity of land, LHN's ability to grow may be limited by the availability of properties for leased.

Disclosure Appendix

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