Beansprout

LHN Limited

(SGX: 41O)

Ticker	41O
Rating	Non Rated
Price (21 Nov)	S$0.69
52-week range	S$0.37 – S$1.08
Market Cap	S$289M

Research Analyst

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Integrated real estate management services

- **Established property management group.** Established in 1991 and listed on the Singapore Stock Exchange in 2015, LHN is an integrated real estate management services provider across Asia. LHN manages a diverse range of properties across residential, industrial and commercial segments. As of 31 March 2025, LHN managed 47 properties of which 15 owned properties, 6 joint ventures and 26 master leased properties. These include 26 properties in co-living segment, under the Coliwoo brand.

- **Space optimisation is core strength.** Space optimisation is the main revenue contributor, accounting for 69% and 92% of FY2024 revenue and profit before tax, respectively. LHN differentiates itself through focusing on transforming old and under-utilised properties into productive spaces. LHN's portfolio consists a diverse range of industrial, commercial and residential properties. Of which the residential properties consists of co-living rental residencies managed under the Coliwoo franchise.

- **Spin-off Coliwoo in November 2025.** LHN has completed the spin-off of the co-living assets managed under the Coliwoo brand name. On 6 November 2025, Coliwoo was listed with a market cap of S$288.5 million. Coliwoo is the first SGX-listed property developer and operator focused on communal co-living space rental. Coliwoo's portfolio of nine owned properties and five leased properties is valued at S$368.6 million. Post listing, LHN remains the single largest shareholder with 65% shareholding in Coliwoo.

- **Property development**. LHN is opportunistic with the aim to acquire, develop and sell properties. The latest project is the LHN Food Chain located at 55 Tuas South Avenue 1. In 1H2025, the Group registered revenue and profit before tax of S$12.1 million and S$1.4 million, respectively, for the sale of certain strata-title units.

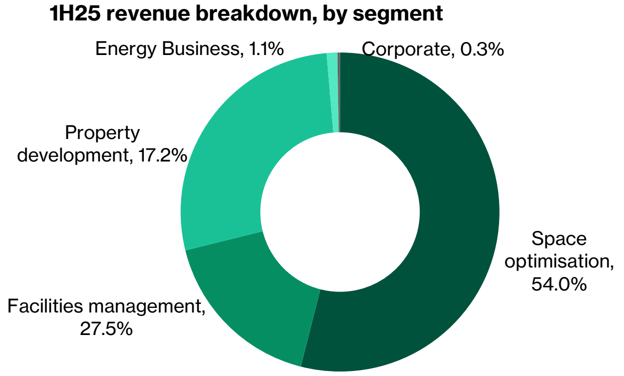
- **Other segments – Facilities management and energy services**. Facilities management, which is complementary to space optimisation, refers to the maintenance of the properties. LHN provide cleaning and related serves to 126 customers, of which 27 are within the Group. Energy business is a new segment and LHN offers green energy solutions including electric vehicle charging stations and solar energy system. LHN owns approximately 9.6 MW of solar energy capacity and operates 19 electric vehicle charging points.

- **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.

- **Trading at FY2024 PE 5.8x**. Currently trading at S$0.69, LHN is trading at market cap of S$289 million and FY2024 PE 5.6x. Excluding fair value gain on investment properties, LHN is trading at FY2024 core PE 7.9x.

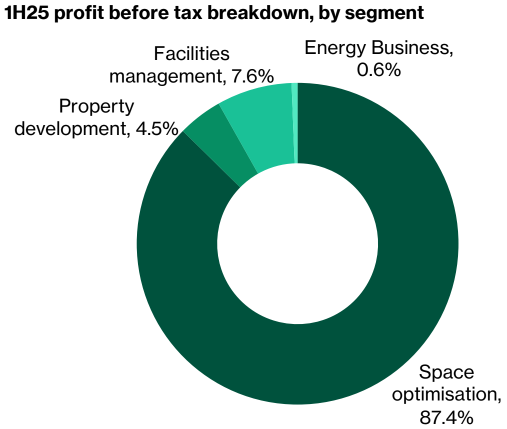
Focus charts and tables

Figure 1: LHN 1H25 revenue breakdown



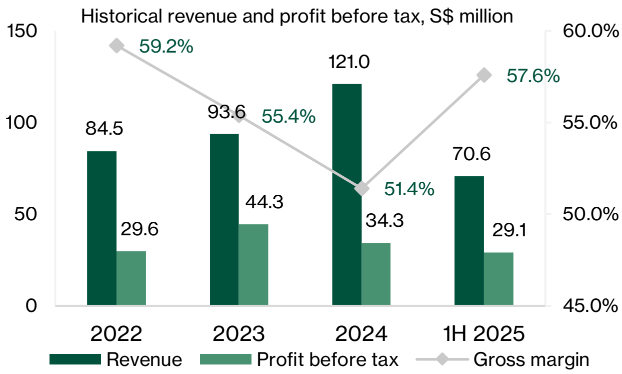
Source: *Company Data*

Figure 2: LHN 1H25 profit before tax breakdown



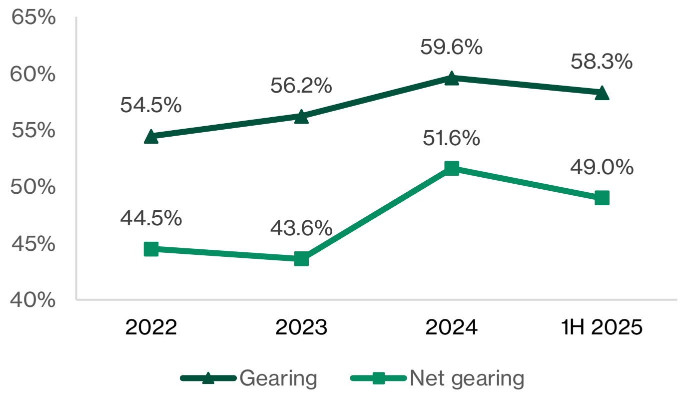
Source: *Company data*

Figure 3: Historical revenue and profit before tax



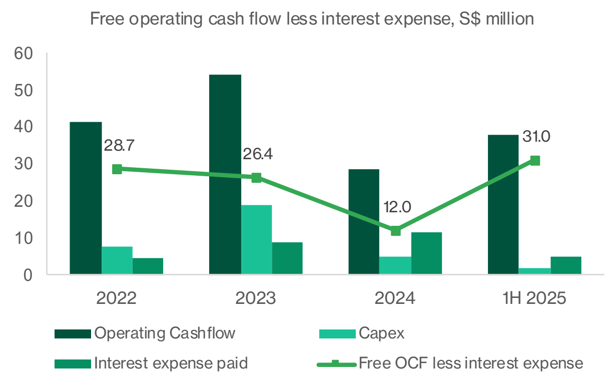
Source: Company data

Figure 4: Gearing and net gearing



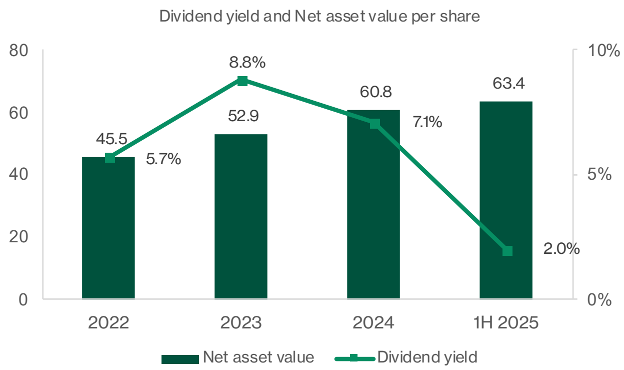
Source: Company data. Note : (Net) Gearing ratio is equal to (net) interest-bearing debt divided by total capital and multiplied by 100%.

Figure 5: Free operating cash flow less interest expense



Source: Company data, Beansprout research

Figure 6: Dividend yield and net asset value per share



Source: Company data. Note : Dividend yield is calculated as dividend per share divided by share price based on the business day immediately preceding the announcement of results.

An integrated real estate management services provider

LHN Limited was established in 1991 and listed on the Singapore Stock Exchange in 2015. LHN is an integrated real estate management services provider across Asia. Its major shareholder is the Lim family, who owns 55.5% in the company.

LHN manages a diverse range of properties across residential, industrial and commercial segments. Previously, LHN has a dual primary listing on the Stock Exchange of Hong Kong. For economic reasons, LHN has decided to delist from the Stock Exchange of Hong Kong in July 2025.

Although LHN has expanded into the region, Singapore remains the core market, contributing to 96% of revenue in FY2024. Beyond Singapore, LHN has existing business in Hong Kong, Myanmar, Indonesia and Cambodia.

The business segments are – space optimisation, property development, facilities management and energy resources. For the period

LHN focuses on space optimisation – acquiring or leasing old, unused, and underutilised properties and transforming them into modern co-living spaces. Coliwoo manages the co-living spaces under the Coliwoo brand or lease to third-party operators.

As of 31 March 2025, LHN managed 47 properties of which 15 owned properties, 6 joint ventures and 26 master leased properties. These include 26 properties in co-living segment, under the Coliwoo franchise.

Figure 7: LHN's business segments

	SPACE OPTIMISATION	PROPERTY DEVELOPMENT
What We Do	Redesign unused, old and under-utilised spaces to maximise their leasable area and create productive environments for our space users.	Engage in property development activities such as the acquisition, development and/or sale of various types of properties and property investment activities.
	COMMERCIAL SPACE GREENHUB **INDUSTRIAL SPACE** work+store **RESIDENTIAL SPACE** coliwoo SOHO	**LHN FOOD CHAIN** 55 Tuas South Avenue 1, Singapore 637462
Where We Operate	Singapore, Indonesia, Myanmar, Cambodia, China	Singapore

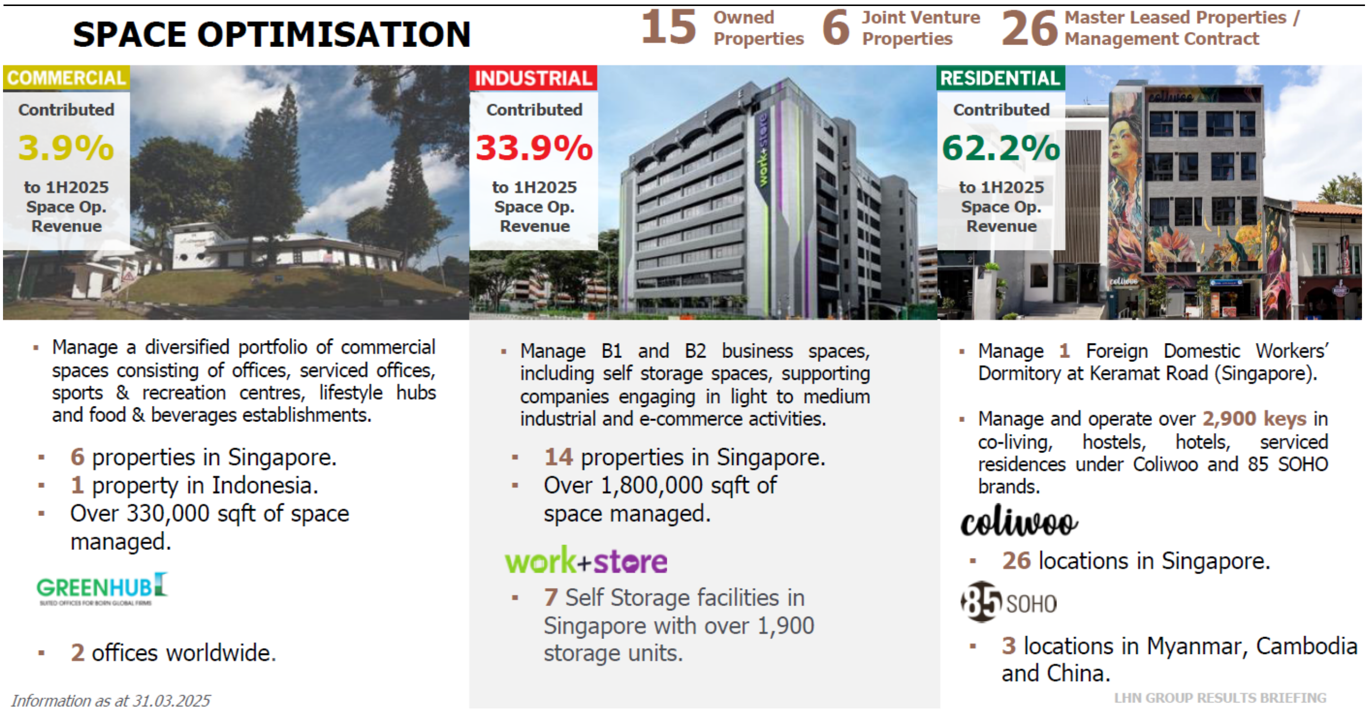
	FACILITIES MANAGEMENT	ENERGY RESOURCES
What We Do	Provide a full spectrum of integrated facilities management services and car park management services to our clients.	Provide efficient and innovative renewable energy and expertise for our clients.
	CLEANING & RELATED SERVICES cfm No. of external customers: 99 No. of internal customers: 27 **CAR PARK MANAGEMENT** LHN PARKING Total no. of carparks under management: 100 Total no. of carpark lots under management: over 27,000	**RENEWABLE ENERGY (SOLAR PANELS, EV CHARGING STATIONS, ELECTRICITY RETAILING)** LHN ENERGY Total solar energy portfolio capacity: approximately 9.6 MW Total no. of EV charging points under management: 19
Where We Operate	Singapore	Singapore

Source: Company data

Space optimisation is core strength

Space optimisation is the main revenue contributor, accounting for 69% and 92% of FY2024 revenue and profit before tax, respectively. LHN differentiates itself through focusing on transforming old and under-utilised properties into productive spaces. LHN's portfolio consists a diverse range of industrial, commercial and residential properties. Of which, the residential properties consists of co-living rental residencies managed under the coliwoo franchise.

Figure 8: Space optimisation



Source: Company data

GREENHUB is a serviced office coworking space. Currently, LHN has only two properties – one at Raeburn Park, Singapore and the other at Casablanca Tower, Jakarta. The coworking space concept offers flexiable lease terms and all-inclusive amenities including WiFi, cleaning and reception.

work+store is a hybrid space combining workspace and storage. Targeting at small-to-medium enterprises (SMEs), especially e-commerce operators who need both a working space and a store for inventory. LHN also provides self-storage units with attractive pricing.

LHN has expanded its offering - adding air-conditioned storage spaces to serve customers who need climate-controlled units. Located at 202 Kallang Bahru, this is LHN's first climate-controlled storage facility.

It is also preparing to launch a dedicated wine storage facility in the new financial year, creating a new revenue stream for the business. In response to rising demand for climate-controlled spaces, LHN has launched a second air-conditioned storage facility at 38 Ang Mo Kio location.

Figure 9: Industrial space concept

AIR-CONDITIONED STORAGE AND WINE STORAGE

- Launched the first climate-controlled storage facility at Work+Store @ 202 Kallang Bahru.
- Services including:
  - Air-conditioned Storage Spaces
  - Walk-In Wine Cellars
  - Wine Lockers
- Recently launched another air-conditioned storage facility at Work+Store @ Ang Mo Kio.

Source: Company data

Strong operating track record

With many years of operating experience, LHN has consistently maintained a high level of occupancy rates across the various properties.

As of 31 March 2025, the Industrial and commercial segment achieved high occupancy rate of 98.2% and 91.0% respectively. Work+Store storage solutions under the Industrial properties achieved a high occupancy rate of 99.8%.

Figure 10: Historical occupancy rate

BUSINESS SEGMENT	OCCUPANCY* (%)		
	AS AT 30 SEP'23	AS AT 30 SEP'24	AS AT 31 MAR'25
INDUSTRIAL			
- Work+Store space:	100.0	99.0	99.8
- Industrial space:	98.3	98.5	98.2
COMMERCIAL	95.9	96.5	91.0
RESIDENTIAL - Co-living space (Singapore):	94.7	97.5	97.7

* Exclude joint venture properties and those under progressive handover.

Source: Company data

Spin-off Coliwoo in November 2025.

LHN has completed the spin-off of the co-living assets managed under the Coliwoo brand name. On 6 November 2025, Coliwoo was listed with a market cap of S$288.5 million. Coliwoo is the first SGX-listed property developer and operator focused on communal co-living space rental. Coliwoo's portfolio of nine owned properties and five leased properties is valued at S$368.6 million. Post listing, LHN remains the single largest shareholder with 65% shareholding in Coliwoo.

Figure 11: Co-living and serviced residence

Urbanised living space concepts in strategic and tranquil locations that cater to the emerging needs of savvy locals, expats and young professionals, integrating aspects of work, life, and play.

Table - No. of Rooms by Projects

Coliwoo IPO

	Coliving - Singapore Projects			85 SOHO - Overseas Projects		TOTAL
	Master Lease	Management Contract	Owned / Joint Venture	Management Contract	Owned / Joint Venture	
AS AT 30 JUN'25	1,855	408	697	221	108	
TOTAL	2,960			329		3,289*

*Out of 3,289 rooms, 776 rooms are under renovation, with majority expected to be ready by FY2026.

Source: Company data

Property development

LHN is opportunistic with the aim to acquire, develop and sell properties. The latest project is the LHN Food Chain located at 55 Tuas South Avenue 1. In 1H2025, the Group registered revenue and profit before tax of S$12.1 million and S$1.4 million, respectively, for the sale of certain strata-title units.

Figure 12: Property development

PROPERTY DEVELOPMENT

REGISTERED ITS MAIDEN REVENUE CONTRIBUTION

LHN FOOD CHAIN

55 Tuas South Avenue 1

- Saleable area of 112,000 sqft.
- The Group registered its maiden revenue contribution of S$12.1 million from the sale of certain strata-titled units, recording a profit before taxation of S$1.4 million.

Source: Company data

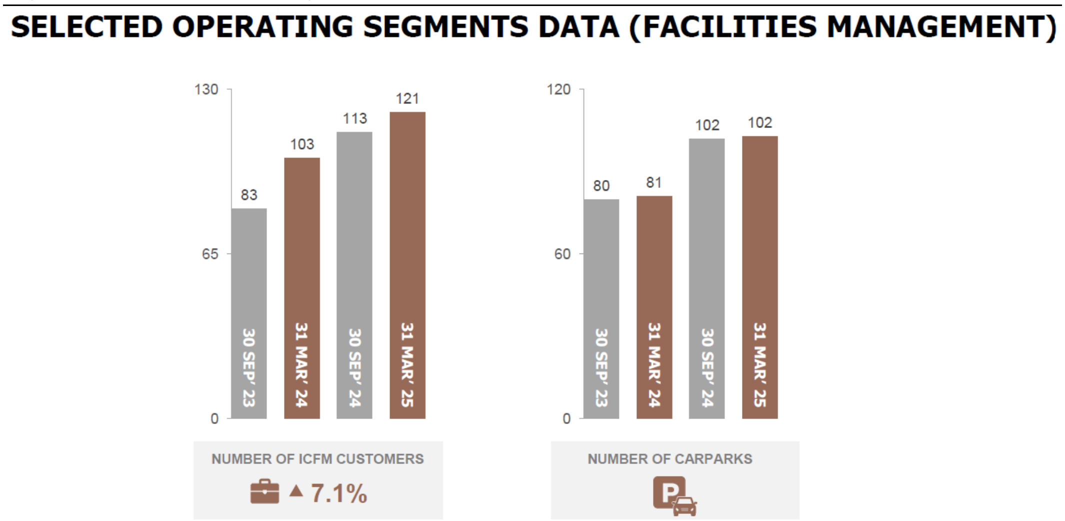
Other segments – Facilities management and energy services.

Facilities management is the second core business segment, accounting for 29% and 7% of FY2024 revenue and profit before tax, respectively. Facilities management, which is complementary to space optimisation, refers to the maintenance of the properties.

Under its ICFM business, 43 new contracts were secured during 1H2025 while 92 existing contracts were successfully renewed. ICFM expanded its client base to 121 as at 31 March 2025, increasing from 103 clients a year ago.

As at 31 March 2025, the Group managed 101 car parks in Singapore with over 27,500 lots, and 1 car park with over 500 lots in Hong Kong under its car park management business. Following the lease expiry of the last car park in Hong Kong as at the end of April 2025, the Group had exited the car park business in Hong Kong due to less efficient car park management in Hong Kong.

Figure 13: Facilities management

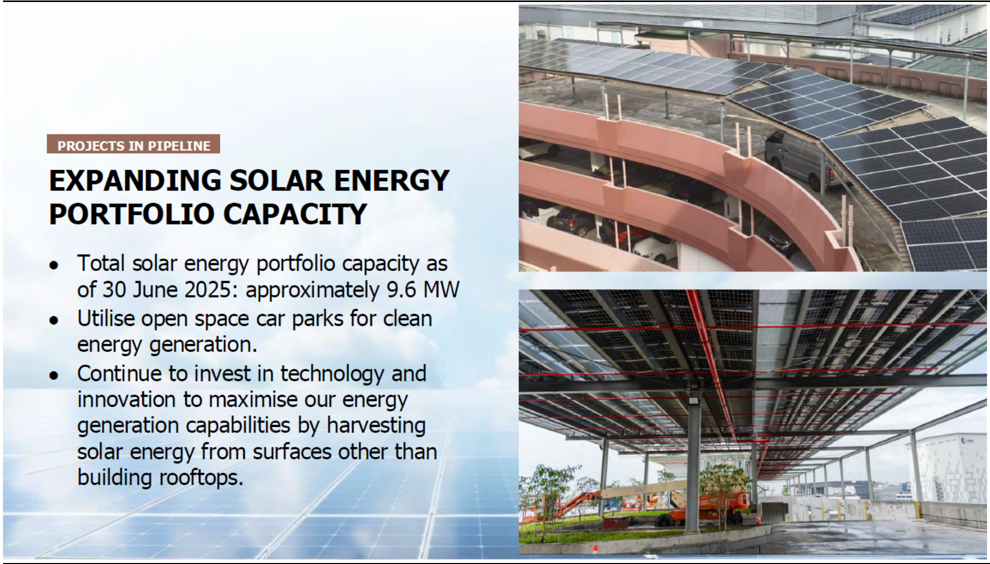


Source: Company data

Energy business is a new segment and LHN offers green energy solutions including electric vehicle charging stations and solar energy system.

During 1H2025, the Group secured three solar energy contracts with a combined capacity of approximately 0.4 MW of renewable energy, which sums up to the Group's total solar energy capacity of 9.2 MW as at 31 March 2025. The Group have a total of 19 EV charging points as at 31 March 2025.

Figure 14: Energy resources



Source: Company data

Financial highlights

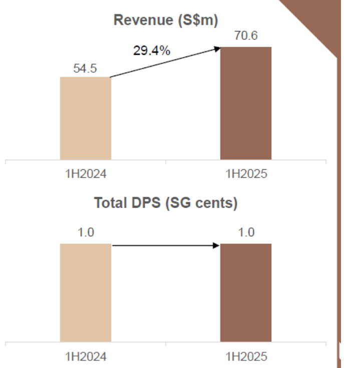
For the period 1H FY025 ending 31 March 2025, LHN recorded revenue growth of 29.4% year-on-year to S$70.6 million. Gross profit increased by 23.2% year-on-year to S$40.6 million. Space optimisation and property development segments are the main contributors to the higher revenue and gross profit.

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

Figure 15 : 1H 2025 Financial highlights

1H2025 Income Highlights

S$ MILLION (except per share)	1H2025	1H2024	Y-o-Y % change
Revenue	70.6	54.5	29.4%
Gross Profit	40.6	33.0	23.2%
Gross Profit Margin	57.6%	60.5%	(2.9) ppt
Profit Attributable to Shareholders	14.1	13.0	8.8%
Total DPS (SG cents)	1.0	1.0	-

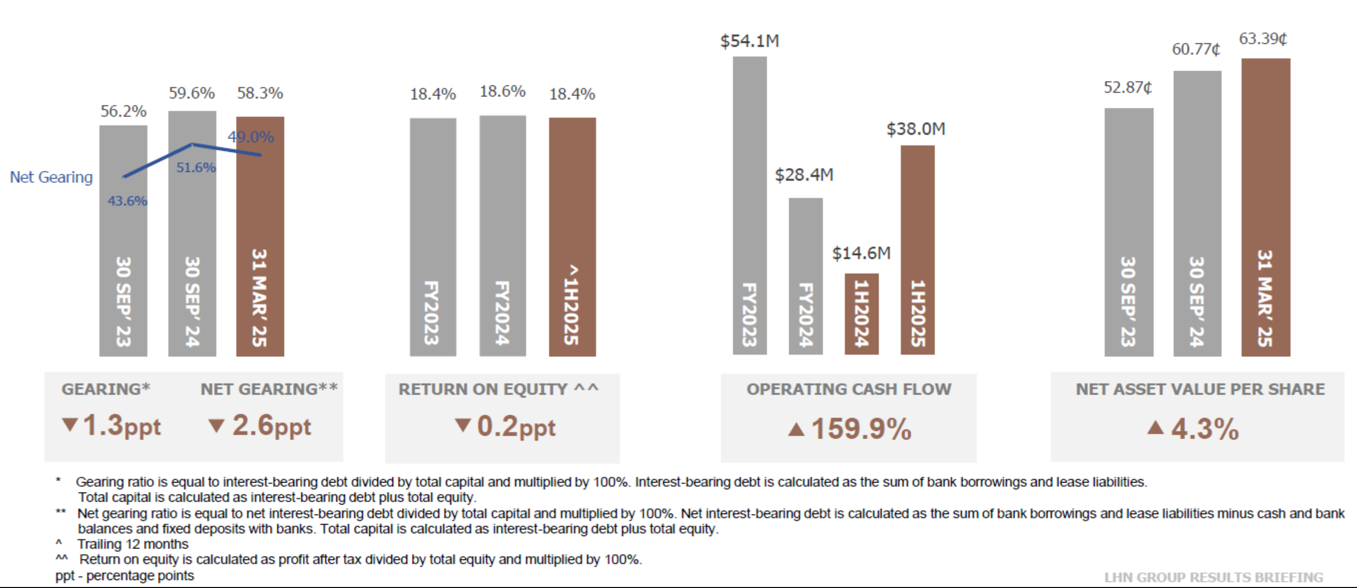


ppt – percentage points

Source: Company data

As of 31 March 2025, LHN reported gearing at 58.3%, a slight improvement from 59.6% as of 30 September 2024. Return on equity remains relative stable at 18.4% for the period 1H FY2025.

Figure 16: Financial ratios



Source: Company data

Key Risks

Ability to renew master leases on managed projects

The space optimisation business is the Group's main segment, and 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

For its space optimisation business, 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. If the Group cannot manage these renovation, refurbishment, and maintenance costs, its margins and overall financial performance could be negatively affected.

Earnings volatility amid economic uncertainty

LHN is exposed to the property market which is highly cyclical and dependent on the economic growth. During periods of economic downturn, LHN may face prolonged earnings decline.

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.

Trading at FY2024 PE 5.8x

Currently trading at S$0.69, LHN is trading at market cap of S$293 million and FY2024 PE 5.6x. Excluding fair value gain on investment properties, LHN is trading at FY2024 core PE 7.9x.

Based on the reported NAV of 63.39 cents as of 31 March 2025, LHN is trading at Price-to-book ratio 1.1x.

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

Figure 17: Dividend history

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	1H2025
DIVIDEND PER SHARE (S'PORE CENTS)	0.5	1.25	1.75	1.75	3.00	3.00	1.00
DIVIDEND YIELD*	4.2%	7.5%	4.7%	5.7%	8.8%	7.1%	2.0%

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

Source: Company data

Disclosure Appendix

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