

Starhill Global REIT

(SGX: P40U)

Modest revenue and net property income growth

- Underlying resilient operating momentum.** For 3Q FY25/26, Starhill Global REIT posted S\$47.9 million in gross revenue, up 0.7% year-on-year. Net property income was S\$37.9 million in 3Q FY25/26, unchanged from 3Q FY24/25 despite modestly higher revenue, due to higher operating expenses at the China property associated with the new tenant fit-out. On a like-for-like basis, net property income would have increased by 1.2% year-on-year.
- Proactive capital management lowered refinancing risks till FY28/29.** Starhill Global REIT has confirmed a S\$70 million unsecured sustainability-linked committed revolving credit facility. The revolving credit facility will be drawn in October 2026, to refinance the outstanding S\$70 million unsecured medium term notes maturing. Separately, a unsecured sustainability-linked term loan facility of A\$70 million was confirmed. This facility will be utilised to settle the A\$ term loan maturing in FY27/28. There is sufficient credit facility to cover the debt maturing to FY28/29.
- Portfolio occupancy improved.** Portfolio occupancy improved to 96.4% as at 31 March 2026, from 94.6% as at 30 June 2025. China continued to hold occupancy at 100% after the new lease commenced with the replacement tenant in March 2026.
- Strong balance sheet when compared to peers.** As of 31 March 2026, 80% of the total debt is fixed or hedged. It could benefit from lower interest expenses as hedges roll off over. The three-month compounded SORA (Singapore Overnight Rate Average) has decline to 1.0182%, -17 basis points year-to-date. As of 31 March 2026, the weighted average debt maturity has shortened to 3.5 years. It has addressed the debt maturing till FY28/29, reducing the refinancing risks.
- Asset enhancement initiative to support asset competitiveness.** Currently, the two key asset enhancement initiatives in the pipeline are : (1) The S\$2.2 million Wisma Atria façade upgrade to be completed by mid-2026; and (2) a A\$6 million (~S\$5.5 million) Myer Centre Adelaide food court refurbishment to be completed by end-2026. The targeted investments in these assets would maintain the asset competitiveness and support occupancy retention.
- Maintain BUY and target price at S\$0.65.** Starhill Global REIT is trading at S\$0.55, implying FY2026E distribution yield of 7.0%. In comparison, Lendlease Global Commercial REIT and Suntec REIT are trading at FY2026f distribution yield of 6.5% and 4.9%, respectively. Starhill Global REIT is also trading at more compelling discount to net asset value. It is trading at FY2025 price-to-book 0.71x, below the sector average PB of 0.86x.
- Key Risks.** Key risks include concentrated exposure to single tenant, foreign exchange risk, exposure to economic cyclical, amongst others.

Ticker	P40U
Rating	BUY
Price Target*	S\$0.65
Price (30 Apr)	S\$0.55
Upside/Downside:	+9.2%
52-week range	S\$0.49 – 0.60
Market Cap	S\$1.27B

*Target price is for 12 months

Research Analyst

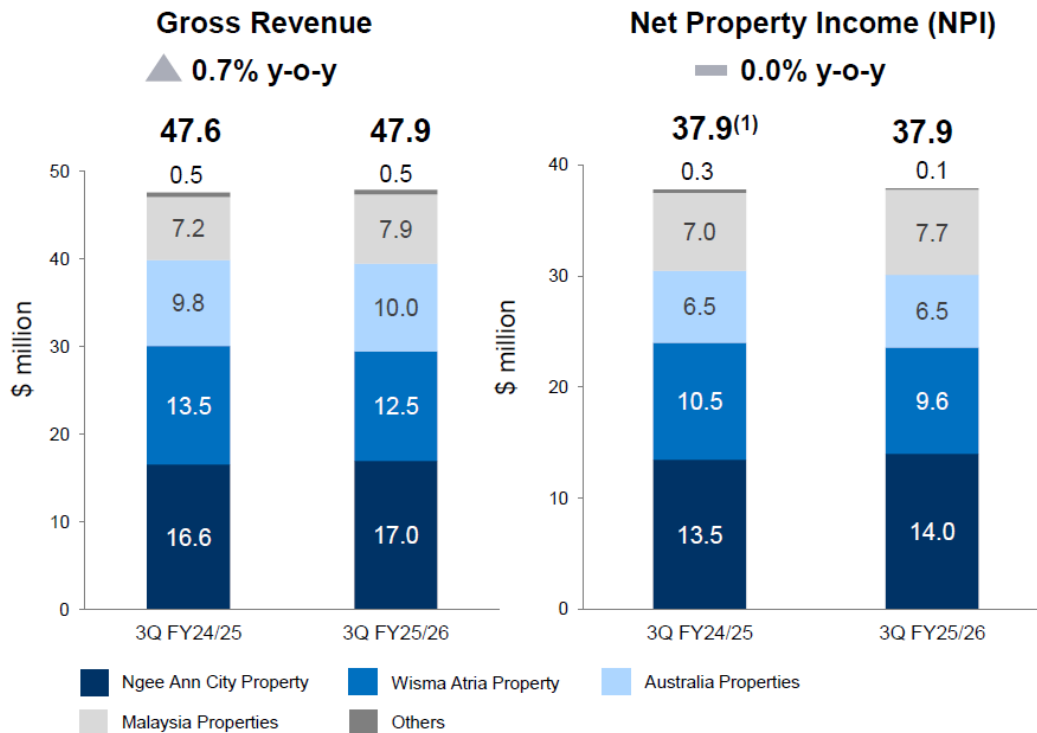
Goh Lay Peng, CFA

laypeng@growbeansprout.com

Revenue and net property income registered modest growth

Figure 1: 3Q FY25/26 Financial highlights

3Q FY25/26 Financial Performance



Source: Company data

Announcing the business updates for 3Q FY25/26, Starhill Global REIT posted S\$47.9 million in gross revenue, up 0.7% year-on-year. The positive revenue movement was driven by stronger contributions from Ngee Ann City and Lot 10 in Malaysia. In addition, the higher revenue was driven by the appreciation of the Australian dollar and Malaysian ringgit against the Singapore dollar. These were partly offset by lower contribution from Myer Centre Adelaide Office and Wisma Atria Retail.

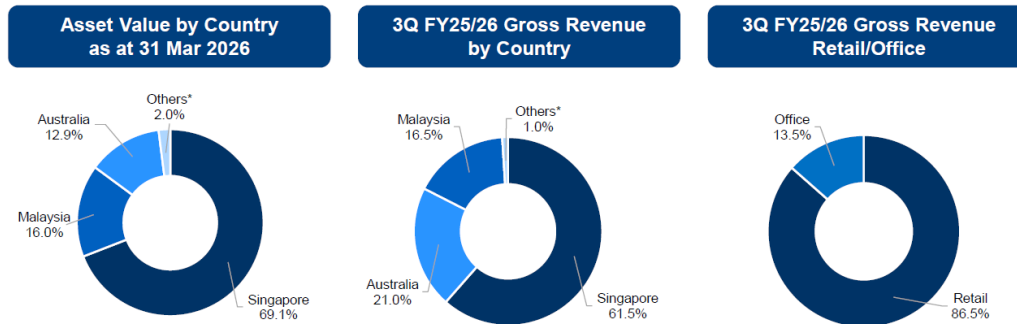
To recap, in January 2026, Starhill Global REIT has won its arbitration against Myer. This means Myer must remain as tenant and rental income from the asset is preserved, removing a major downside risk to the earnings going forward

Net property income was S\$37.9 million in 3Q FY25/26, unchanged from 3Q FY24/25 despite modestly higher revenue, due to higher operating expenses at the China property associated with the new tenant fit-out. On a like-for-like basis, net property income would have increased by 1.2% year-on-year.

Net property income (NPI) margin remain healthy at 79.1% in 3Q FY25/26 (79.6% in 3Q FY24/25), supported by the master/anchor lease structure which partially mitigates rising operating costs. Master and anchor leases representing 54.3% of gross rental income (GRI).

Figure 2: Gross revenue by country and asset type

Diversified Portfolio Across Geography and Sector



*Others comprise one property each in Tokyo, Japan and Chengdu, China

Source: Company data

Singapore remains the dominant earnings contributor at ~61.5% of revenue. Ngee Ann City delivered its strongest quarter, while Wisma Atria Retail saw slightly softer performance amid 0.8% lower year-to-date shopper traffic. Tenant sales was flat in 3Q FY25/26 versus 3Q FY24/25.

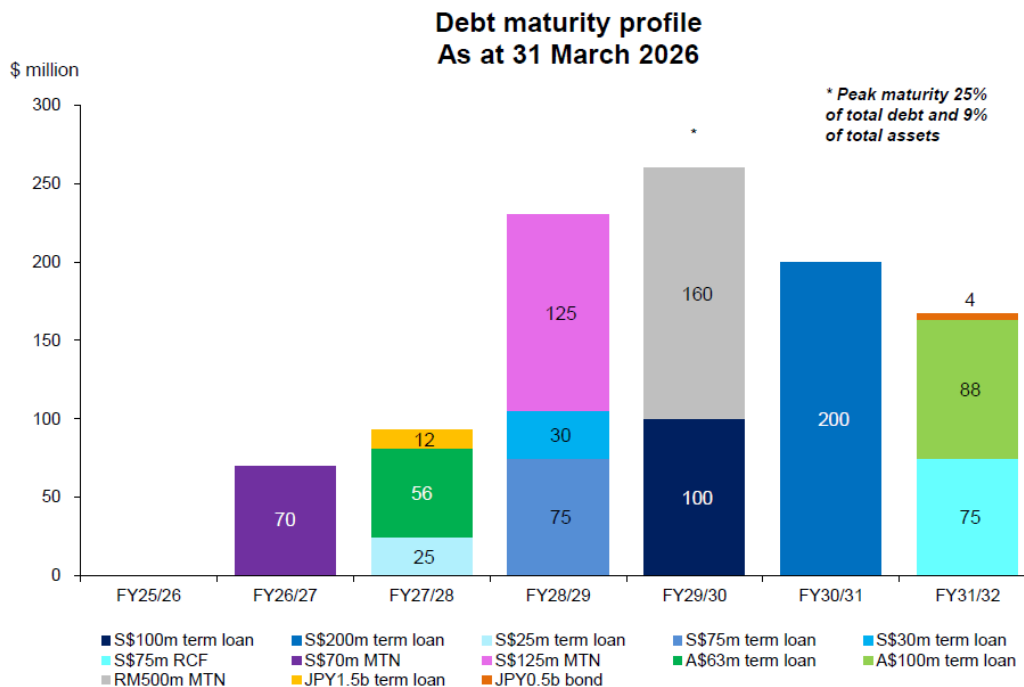
Malaysia delivered a standout performance with net property income (NPI) rising from S\$7.0 million to S\$7.7 million in 1Q FY25/26, +10.0% year-on-year. This was supported by periodic rental step-ups under master tenancy agreements at The Starhill and Lot 10. Both properties maintained 100% occupancy.

Australia NPI was flat at S\$6.5 million. Occupancy improved to 91.6% from 86.9% a year ago, reflecting active leasing at Myer Centre Adelaide. Perth and Adelaide super-prime CBD retail rents rose 10.0% and 5.5% respectively in 1Q 2026 – positive read-through for the David Jones upward-only rent review due in August 2026.

Proactive capital management lowered refinancing risks till FY28/29

Figure 3: Debt maturity profile

Staggered Debt Maturity Profile Averaging 3.5 years



Source: Company data

Starhill Global REIT has confirmed a S\$70 million unsecured sustainability-linked committed revolving credit facility. The revolving credit facility will be drawn in October 2026. The full amount is expected to refinance the outstanding S\$70 million unsecured medium term notes maturing in October 2026.

Separately, a unsecured sustainability-linked term loan facility of A\$70 million was confirmed. This facility will be utilised to settle the A\$ term loan maturing in FY27/28.

Excluding the above, Starhill Global REIT has S\$350 million in available long-term committed and undrawn revolving credit facility (RCF). This is sufficient to cover the remaining maturing debts up to FY28/29.

Figure 4: Financial highlights

As of end of period	31-Mar-26	31-Dec-25	Change, %
Gross borrowings, S\$ mil	1,020	1,015	0.5%
Aggregate leverage	35.5%	35.4%	+0.1 ppt
Weighted average debt maturity	3.5 years	3.8 years	-0.3 years
Weighted average cost of debt	3.65%	3.55%	+0.1 ppt
Fixed rate borrowings	80%	80%	-
Interest coverage ratio	3.0x	2.9x	+0.1

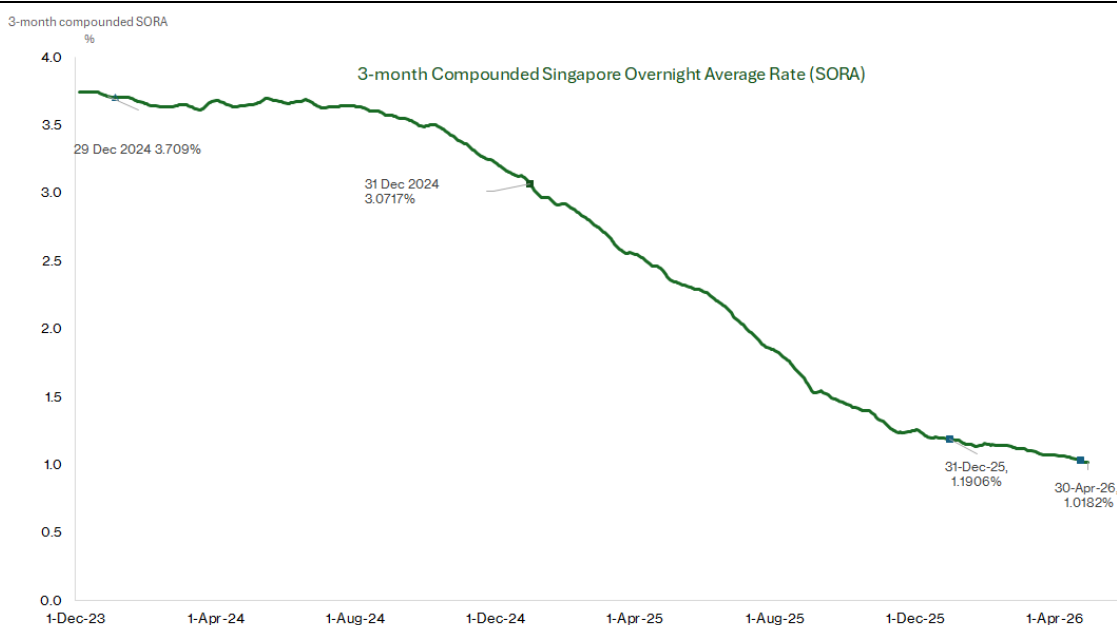
Source: Company data

As of 31 March 2026, 80% of the total debt is fixed or hedged. With easing interest rates in 2026, Starhill Global REIT could benefit from lower interest expenses as hedges roll off over FY2026 and FY2027. The three-month compounded SORA (Singapore Overnight Rate Average), Singapore's key benchmark interest rate, has decline to 1.0182%, -17 basis points year-to-date.

As of 31 March 2026, the weighted average debt maturity has shortened to 3.5 years. Starhill Global REIT has addressed the debt maturing till FY28/29, reducing the refinancing risks.

Interest coverage ratio of 3.0 times is higher than the average peers' ratio of 2.7x and sits comfortably above the regulatory minimum of 1.5 times.

Reflecting the healthy balance sheet, Fitch Ratings affirmed Starhill Global REIT's credit rating at "**BBB**" with a stable outlook.

Figure 5: 3-month compounded Singapore Overnight Average Rate (SORA)

Source: Company data

Portfolio occupancy improved

Figure 6: Portfolio occupancy

Prime Assets in Strategic Locations with Excellent Connectivity

STARHILL
GLOBAL REIT

SGREIT Portfolio Occupancy ⁽¹⁾					
As at	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	31 Mar 26
Singapore Retail	98.6%	100.0%	99.4%	100.0%	99.6%
Singapore Office ⁽²⁾	96.9%	100.0%	98.8%	100.0%	99.5%
Singapore	97.9%	100.0%	99.2%	100.0%	99.6%
Australia	93.0%	94.5%	94.8%	86.9%	91.6%
Malaysia	100.0%	100.0%	100.0%	100.0%	100.0%
Japan	100.0%	100.0%	100.0%	100.0%	100.0%
China	100.0%	100.0%	100.0%	100.0%	100.0%
SGREIT portfolio	96.6%	97.7%	97.7%	94.6%	96.4%

Source: Company data

Notes:

1. Based on committed leases as at reporting date.
2. A total of 13 strata units in Wisma Atria Property (Office) were divested during the 9 months ended 31 March 2026. Following this, the Group's share value of the strata lots in Wisma Atria is 64.34% as at 31 March 2026

Portfolio occupancy improved to 96.4% as at 31 March 2026, from 94.6% as at 30 June 2025. China continued to hold occupancy at 100% after the new lease commenced with the replacement tenant in March 2026.

At Adelaide office property, around one-third of the office space vacated by the Tecnicolor remains unfilled.

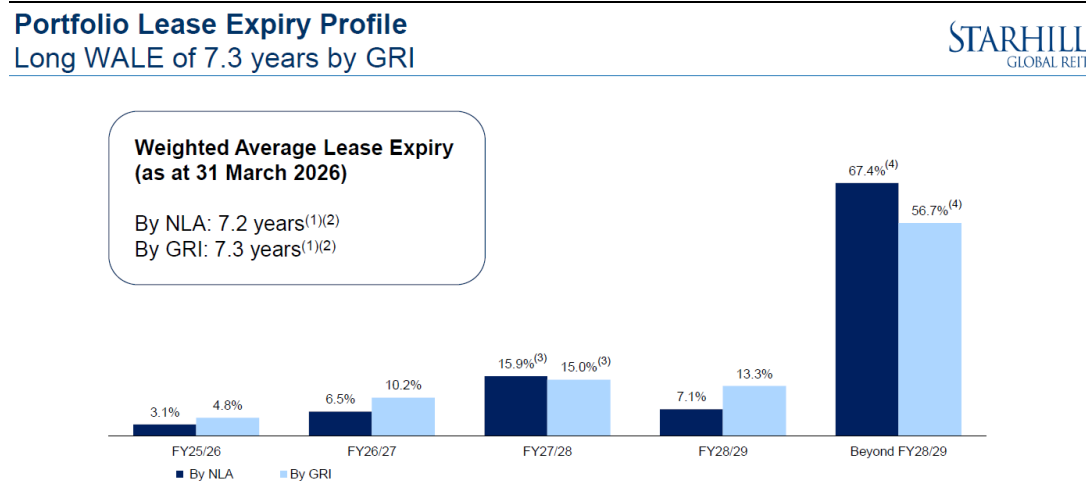
Figure 7: Portfolio metrics

As of end of period	31-Mar-26	31-Dec-25	Change, %
AUM, S\$ bn	2.8	2.8	-
Portfolio Occupancy	96.4%	91.9%	+4.5 ppt
Portfolio WALE, by net leasable area	7.2 years	7.4 years	-0.2 year

Source : Company data

Weight average lease expiry (WALE) remains high at 7.2 years, providing higher income visibility than industry average. The long-dated lease structure remains unique to Starhill Global REIT and could be attributed to the new Toshin master lease which runs to June 2043.

Figure 8: Portfolio lease expiry profile



Source: Company data

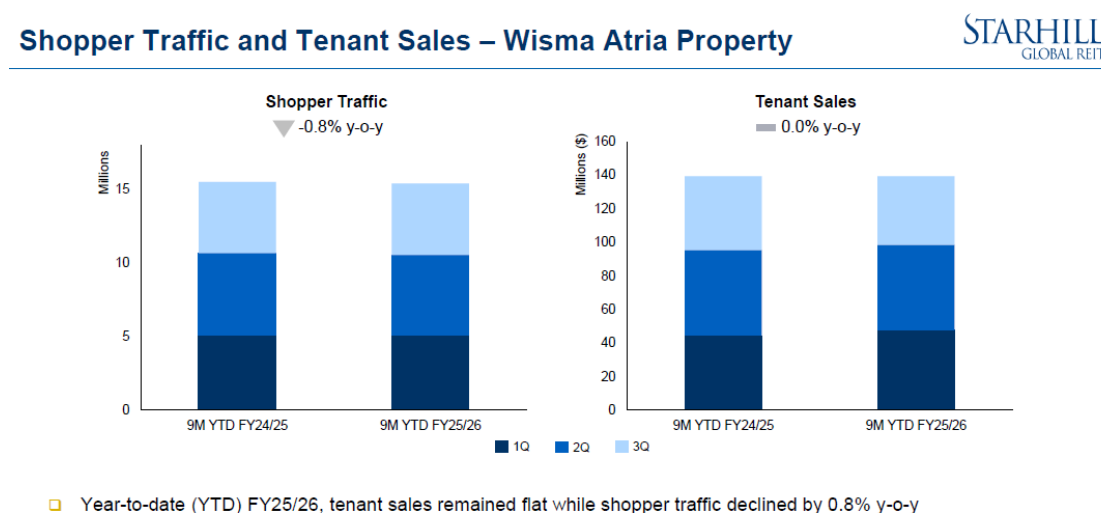
Notes:

- Based on committed leases as at 31 March 2026, including leases commencing after 31 March 2026. Based on the date of commencement of leases, portfolio WALE was 7.0 years by NLA and 7.2 years by GRI.
- Excludes tenants' option to renew or pre-terminate. Assumed options to renew the master/anchor leases for Toshin and David Jones have been exercised.
- Includes master tenancy agreement for Lot 10 Property.
- Includes master/anchor tenancy agreements for Toshin, The Starhill, Myer and David Jones.

Singapore property reported stable tenant sales

Year-to-date, tenant sales at the Wisma Atria Property was flat and shopper traffic slowed by 0.8% year-on-year in 1Q 2026.

Figure 9: Wisma Atria - tenant sales and shopper traffic



Source: Company data

Asset enhancement initiative to support asset competitiveness

Figure 10: Asset enhancement initiative at Wisma Atria, Singapore

Asset Enhancement Works – Singapore



Wisma Atria Façade Upgrading

- ❑ Façade enhancement works are being undertaken at the Orchard Road-facing Level 2 and Level 3 units to deliver a more cohesive, contemporary and welcoming streetscape
- ❑ The \$2.2 million project commenced in March 2026 and is targeted for completion by mid-2026, subject to authority approvals
- ❑ The scope includes structural provisions to support future double-storey façade panels for tenants, together with cosmetic enhancements, upgraded lighting to the covered corridor ceiling, and recladding of corridor-side columns



Source: Company data

Figure 11: Asset enhancement initiative at Myer Centre Adelaide, Australia

Asset Enhancement Works – Australia



Myer Centre Adelaide Lower Ground Food Court

- ❑ Refurbishment works to modernise Myer Centre Adelaide’s ageing food court, to enhance its attractiveness in response to newer and more contemporary food court concepts nearby
- ❑ The ~A\$6 million project includes the upgrading of amenities and the creation of new food kiosks (estimated NLA increase of ~1,000 sq ft)
- ❑ Construction will be carried out in phases to minimise disruption to mall operations, with overall completion in end 2026
- ❑ Following upgrades to the northern amenity corridor and a new food kiosk, the next phase of works, covering the east seating zone and southern amenities, including nursing rooms and accessible toilets, is slated for completion in June 2026



Source: Company data

Currently, the two key asset enhancement initiatives in the pipeline are : (1) The S\$2.2 million Wisma Atria façade upgrade to be completed by mid-2026; and (2) a A\$6 million Myer Centre Adelaide food court refurbishment to be completed by end-2026. The targeted investments in these assets would maintain the asset competitiveness and support occupancy retention.

Maintain BUY and target price at S\$0.65.

Starhill Global REIT is trading at S\$0.55, implying FY2026E distribution yield of 7.0%. In comparison, Lendlease Global Commercial REIT and Suntec REIT are trading at FY2026f distribution yield of 6.5% and 4.9%, respectively. Starhill Global REIT is offering investors a higher and stable distribution yield.

It is trading at FY2025 price-to-book 0.71x, below the sector average PB of 0.86x. Given the wider discount to net asset value (NAV), Starhill Global REIT is relatively attractive when compared to its peers

Figure 12: Valuation comparison

Name	Ticker	Fiscal Period	Currency	Price	Market cap, S\$ million	Revenue, S\$ million	DPU yield FY2026E, %	DPU yield FY2027E, %	Price/Book 2025	Aggregate leverage
Starhill Global Real Estate Investment Trust	P40U	06/2025	SGD	0.55	1,276	193	7.0%	7.7%	0.71	35.5%
Lendlease Global Commercial REIT	JYEU	06/2025	SGD	0.57	1,872	207	6.5%	6.9%	0.70	38.4%
Suntec Real Estate Investment Trust	T82U	12/2025	SGD	1.50	4,438	489	4.9%	5.2%	0.71	41.6%
Frasers Centrepoint Trust	J69U	09/2025	SGD	2.36	4,809	390	5.2%	5.5%	0.99	40.0%
CapitalLand Integrated Commercial Trust	C38U	12/2025	SGD	2.39	19,004	1,635	5.0%	5.2%	1.12	38.5%
CDL Hospitality Trusts	J85	12/2025	SGD	0.80	1,023	268	6.3%	6.7%	0.59	35.3%
Keppel REIT	K71U	12/2025	SGD	0.90	4,460	282	5.7%	5.8%	0.77	40.2%
Average							5.6%	5.8%	0.81	

Source: Factset, Beansprout research, as at 30 April 2026

Financial summary

Y/E Jun (\$ million)	FY24	FY25	FY26E	FY27E	FY28E	Y/E Jun (\$ million)	FY24	FY25	FY26E	FY27E	FY28E
Income Statement						Cash Flow					
Revenue	190	192	194	196	198	Operating cash flow					
Property expenses	-41	-42	-45	-45	-46	Pretax profit	72	118	99	109	110
Net property income	149	150	149	151	152	Adjustments	61	16	56	48	48
Other income	2	11	2	2	2	Working capital changes	9	-2	2	0	0
Manager's fees	-14	-14	-14	-14	-14	Others	-6	-5	-4	-4	-4
Other expenses	-4	-6	-6	-6	-6	Cash flow from operations	136	126	153	152	154
Change in value of derivatives	-1	0	0	0	0	Investing cash flow					
Change in value of investment properties	-17	19	14	14	14	CAPEX	-15	-11	-0	-0	-0
EBIT	115	160	145	147	148	Others	2	43	2	2	2
Net finance expenses	-43	-42	-46	-38	-38	Cash flow from investments	-13	32	2	2	2
Profit before tax	72	118	99	109	110	Financing cash flow					
Tax	-6	-5	-4	-4	-4	Dividends paid	-83	-70	-89	-98	-99
Minority interests	-4	-4	-3	-3	-3	Proceeds from borrowings	60	382	300	0	0
Profit attributable to owners	62	109	92	101	102	Others	-107	-444	-149	-241	-41
Balance sheet						Cash flow from financing	-131	-132	61	-339	-141
Assets						Net change in cash	-7	26	216	-185	15
PPE	0	0	0	0	0	Beginning cash	70	61	86	302	117
Others	2,773	2,757	2,769	2,783	2,797	Currency translation	-1	-1	0	0	0
Total non-current assets	2,773	2,757	2,769	2,783	2,797	Ending cash	61	86	302	117	132
Cash & cash equivalents	61	84	301	116	131	Per share data (\$ cents)					
Trade & other receivables	45	32	5	6	7	Book value per unit	71.8	72.5	72.2	73.2	74.2
Others	-41	-28	-0	-1	-2	Distribution per unit	3.6	3.7	3.9	4.2	4.3
Total current assets	65	89	306	121	136	Earnings per unit	2.8	4.8	4.0	4.4	4.4
Total assets	2,838	2,846	3,075	2,904	2,933	Valuation					
Liabilities						P/E (x)	19.0	10.4	12.5	12.6	12.5
ST borrowings	196	64	64	64	64	P/B (x)	0.7	0.7	0.7	0.8	0.7
Trade & other payables	46	36	39	39	39	EV/NPI (x)	14.9	14.3	15.9	15.2	15.1
Others	1	1	4	4	4	Dividend yield (%)	6.9	7.3	7.7	7.7	7.8
Total current liabilities	243	101	107	108	108	Ratios					
LT borrowings	846	956	1,156	956	956	ROE (%)	3.8	6.7	5.5	6.0	5.9
Others	30	48	54	47	47	ROA (%)	2.2	3.8	3.0	3.5	3.5
Total non-current liabilities	876	1,003	1,209	1,002	1,002	Aggregate leverage	37%	37%	36%	37%	37%
Total liabilities	1,119	1,105	1,316	1,110	1,110	Interest cover ratio	3.1	2.9	2.8	3.4	3.5
EQUITY						Margins (%)					
Share Capital	2,266	2,299	2,307	2,314	2,322	EBIT margin	60.8	83.3	74.9	74.9	74.9
Total equity	1,619	1,642	1,659	1,695	1,723	Net margin	32.8	56.9	47.3	51.5	51.7
Perpetual securities	100	100	100	100	100						
Total equity and liabilities	2,838	2,846	3,075	2,904	2,933						

Disclosure Appendix

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