

**LHN
GROUP**
SPACE OPTIMISED

LHN Group 1H2023 Results Briefing

MAY 2023



Disclaimer

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Information disclosed in this presentation are derived from the publication of the Company, including announcements, interim reports, annual reports and circulars. Please refer to these documents, which are available on the Company's website at lhngroup.com, the SGX-ST website at sgx.com and The Stock Exchange of Hong Kong Limited website at www.hkexnews.hk, for the detailed information.

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Corporate Overview




Real estate management services company providing integrated real estate management services across Asia.



**SGX: 410/
SEHK: 1730**
Stock Code



~\$137m
Market Cap on SGX
(As of 22 May 2023)



45%
Free Float

Shareholders



OUR BUSINESSES



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 relating to the business of property development, property investment and property management.

Provide a full spectrum of integrated facilities management services, car park management services and renewable energy services to our clients.

COMMERCIAL SPACE



55 TUAS PROJECT - FOOD FACTORY

INDUSTRIAL SPACE



CLEANING & RELATED SERVICES



RESIDENTIAL SPACE



CAR PARK MANAGEMENT



Countries where we operate



Singapore



Indonesia



Myanmar



Cambodia



China



Singapore



Singapore



Hong Kong SAR (China)

OUR BUSINESSES

ENERGY RESOURCES

LOGISTICS SERVICES

What We Do

Countries where we operate

Provide efficient and innovative renewable energy and expertise for our clients.

Provide comprehensive logistics management services from transportation to container depot management to meet the needs of our clients.

**RENEWABLE ENERGY
(SOLAR PANELS,
EV CHARGING STATIONS)**



TRANSPORTATION



**CONTAINER DEPOT
MANAGEMENT**



Singapore



Malaysia



Singapore



Thailand



Myanmar



Malaysia

SPACE OPTIMISATION

14 Owned Properties

5 Joint Venture Properties

23 Master Leased Properties

COMMERCIAL

Contributed
10.7%
to 1H2023
Space Op.
Revenue



- Manage a diversified portfolio of commercial spaces consisting of offices, serviced offices, sports & recreation centres, lifestyle hubs and food & beverages establishments.
- 6** properties in Singapore.
- 1** property in Indonesia.
- Approx. 364,000 sqft of space managed.



- 2** offices worldwide.

INDUSTRIAL

Contributed
49.5%
to 1H2023
Space Op.
Revenue



- Manage B1 and B2 business spaces, including self storage spaces, supporting companies engaging in light to medium industrial and e-commerce activities.
- 16** properties in Singapore
- Approx. 2,230,000 sqft of space managed.

work+store

- 7** Self Storage facilities in Singapore with over 1,300 storage units.

RESIDENTIAL

Contributed
39.8%
to 1H2023
Space Op.
Revenue



- Manage co-living white collar & student hostels, hotels, serviced apartments.

colivoo

- 17** locations in Singapore with over 1,600 keys.

85 SOHO

- 4** locations in Myanmar, Cambodia and China with over 350 keys.

FACILITIES MANAGEMENT

Consisting of full spectrum of integrated facilities management services and car park management, our facility management business group complements and strengthens the space optimisation core business.



- One-stop Facilities Management (FM) Services for properties we manage or for external clients. With years of experience and expertise, our team of specialised FM personnel ensures properties are always in good condition to provide productive and healthy environments for our space users to work and live in.

75
Customers

49
External Customers

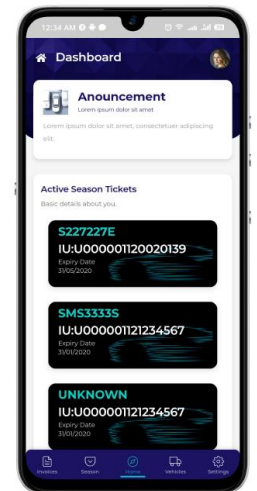
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Within the Group



- With the intelligent use of cutting-edge technologies and fully equipped Operations Team, LHN Parking provides the most efficient and reliable parking management service to all our clients.

Managed 74
Carparks
73 (SG) | 1 (HK)

With over 20,000
Vehicle Parking Lots



ENERGY RESOURCES

As LHN's sustainable energy focused subsidiary, LHN Energy has been a core part of the Group's sustainability efforts; finding efficient and innovative solutions for renewable energy production. Using the experience gained from internal servicing, LHN Energy also provides this expertise to the open market.



**LHN
ENERGY**

**RENEWABLE
ENERGY**

- We currently have a portfolio of 18 solar projects in Singapore
- Provision of Electric Vehicle (EV) charging stations at 8 carpark locations across the island.



LOGISTICS SERVICES

The logistics management business unit includes transportation in Singapore and Malaysia and container depot services in Singapore, Thailand and Myanmar. On 29 April 2022, the Group successfully spun-off its Logistics Services Business with LHN Logistics Limited shares (SGX stock Code: GIH) being listed and commenced trading on the Catalist Board of the SGX-ST on the same day.

LHN GROUP LOGISTICS TRANSPORTATION

- We offer a wide range of services, from bulk transportation of chemicals in ISO Tanks, containers and Flexitanks, oversized project cargo transportation to transit yard provision.



Singapore



Malaysia

70+ Prime Movers

360+ Trailers

HLA CONTAINER DEPOT SERVICES

- Our Container Depot Services Division provides a wide range of container depot services for major shipping lines and container leasing companies. We provide our customers fast turnaround for their containers with the support of our experienced workforce and advanced automated technologies.

Up to

19,000

TEUs
in Thailand

Up to

4,000

TEUs
in Myanmar

Up to

4,500

TEUs
in Singapore

1H2023 Financial Highlights



1H2023 FINANCIAL RESULTS

48.71

NET ASSET VALUE
PER SHARE
SINGAPORE CENTS



\$18.3M

PROFIT AFTER TAX
SINGAPORE DOLLARS



\$16.9M

PROFIT
ATTRIBUTABLE TO
SHAREHOLDERS
SINGAPORE DOLLARS



\$10.4M

SPACE OPTIMISATION PROFIT
BEFORE TAXATION
SINGAPORE DOLLARS



\$55.6M

GROUP REVENUE
SINGAPORE DOLLARS



\$10.4M

FACILITIES
MANAGEMENT
PROFIT BEFORE
TAXATION
SINGAPORE DOLLARS



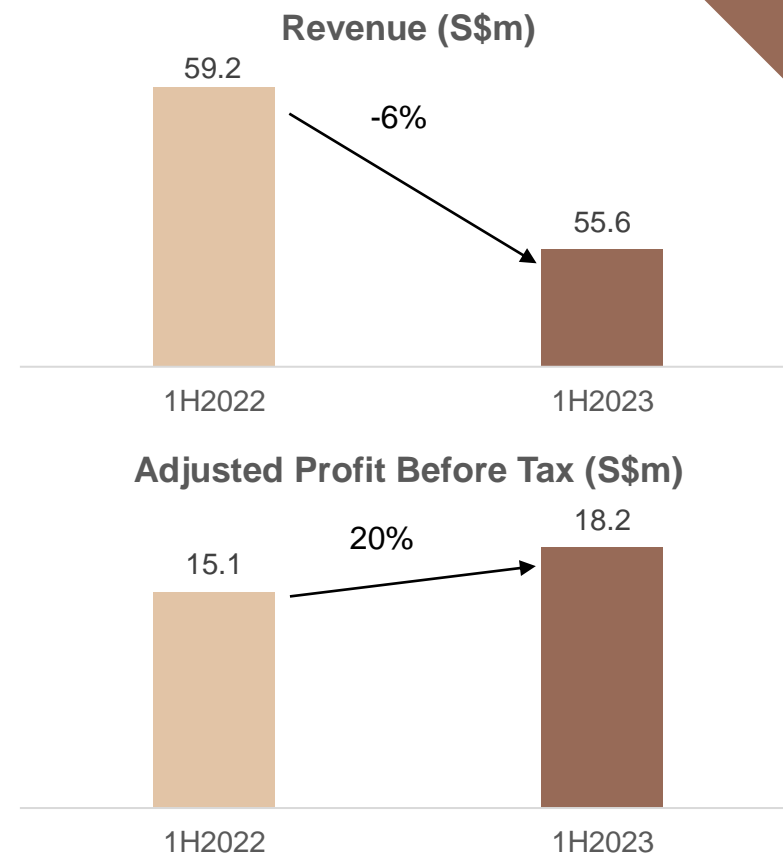
\$2.4M

LOGISTICS
SERVICES
PROFIT BEFORE
TAXATION
SINGAPORE DOLLARS



1H2023 Income Highlights

S\$ MILLION (except per share)	1H2023	1H2022	Y-o-Y % change
Revenue	55.6	59.2	-6%
Gross Profit	33.0	31.2	6%
Gross Profit Margin	59.4%	52.8%	
Profit Attributable to Shareholders	16.9	32.2	-47%
Adjusted Profit Before Tax*	18.2	15.1	20%



*Excludes fair value gain/(loss) on the Group's investment properties and joint ventures' investment properties, gain on disposal of associate and dormitory business.

1H2023 FINANCIAL RESULTS

Adjusted Segmental Revenue Breakdown

	1H2023	1H2022	VARIANCE	
	S\$'000	S\$'000	S\$'000	%
- INDUSTRIAL	13,581	9,454	4,127	43.7
- COMMERCIAL	2,936	3,735	(799)	(21.4)
- RESIDENTIAL	10,917	7,381	3,536	47.9
SPACE OPTIMISATION	27,434	20,570	6,864	33.4
FACILITIES MANAGEMENT	15,183	12,481	2,702	21.6
ENERGY	267	-	267	NM
LOGISTICS SERVICES	12,734	13,567	(833)	(6.1)
ADJUSTED REVENUE	55,618	46,618	9,000	19.3
DORMITORY BUSINESS	-	12,563	(12,563)	(100.0)
GROUP TOTAL	55,618	59,181	(3,563)	(6.0)

NM - Not Meaningful

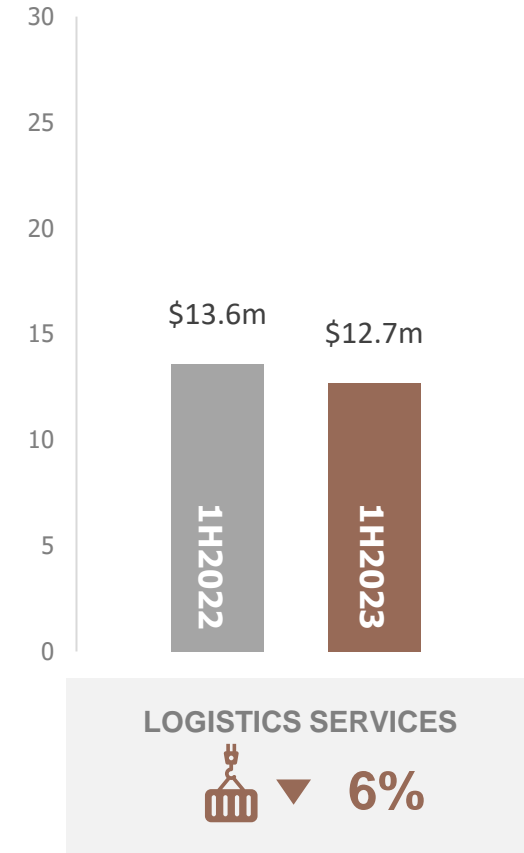
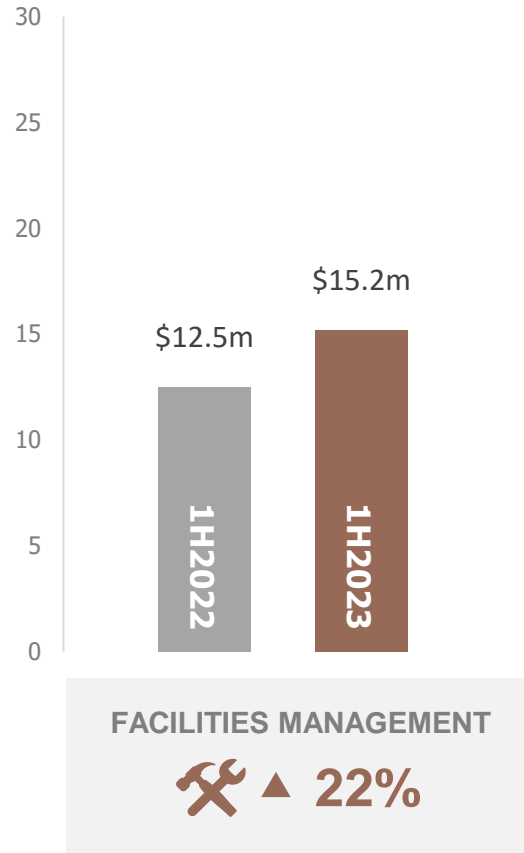
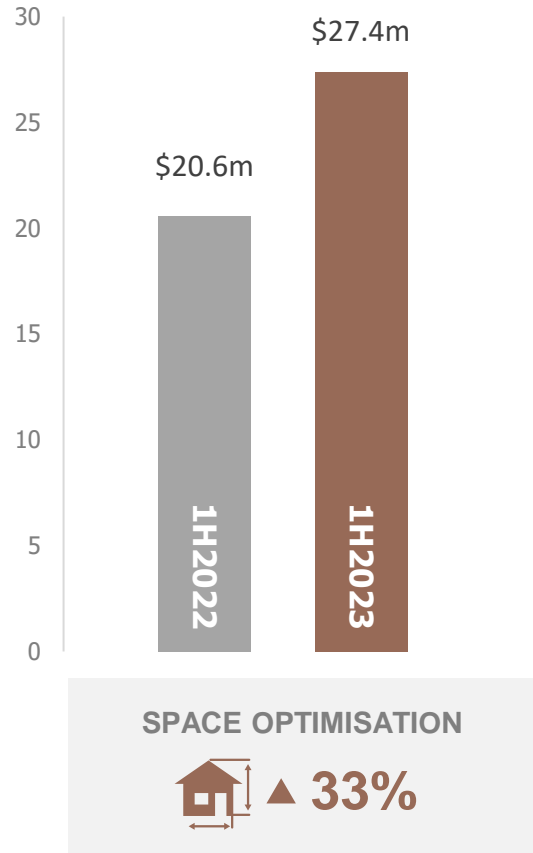
1H2023 FINANCIAL RESULTS

Adjusted Segmental Profit before Taxation Breakdown

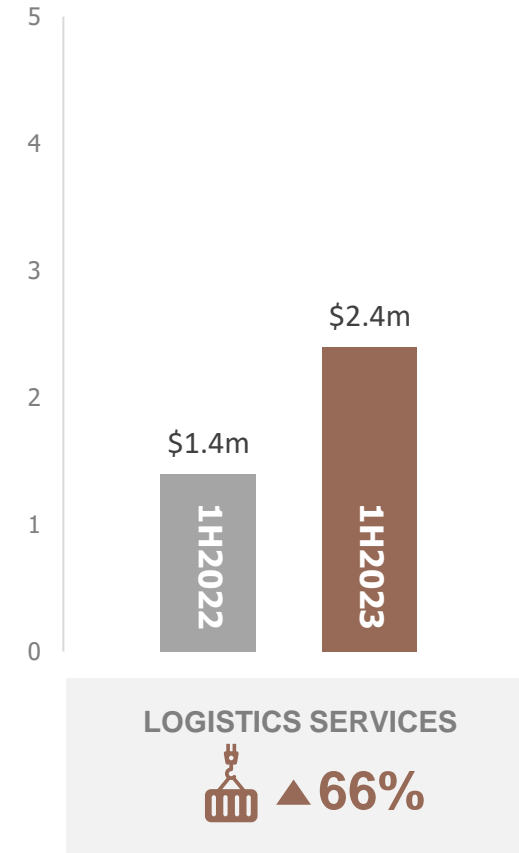
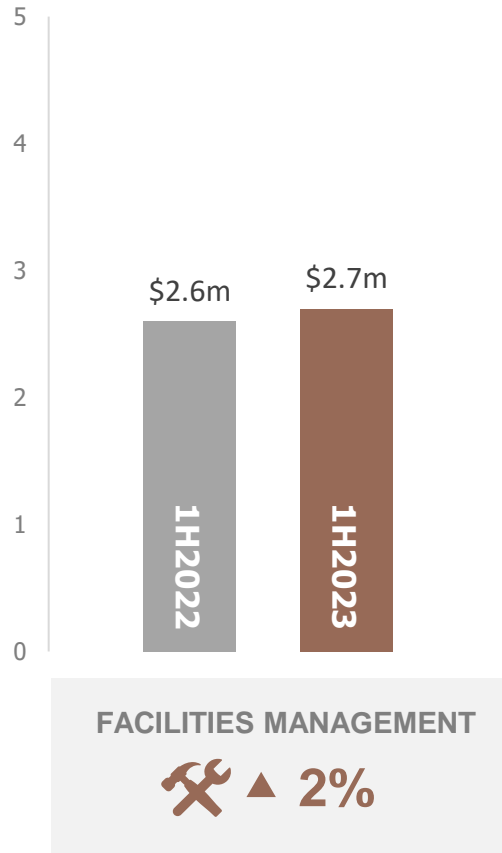
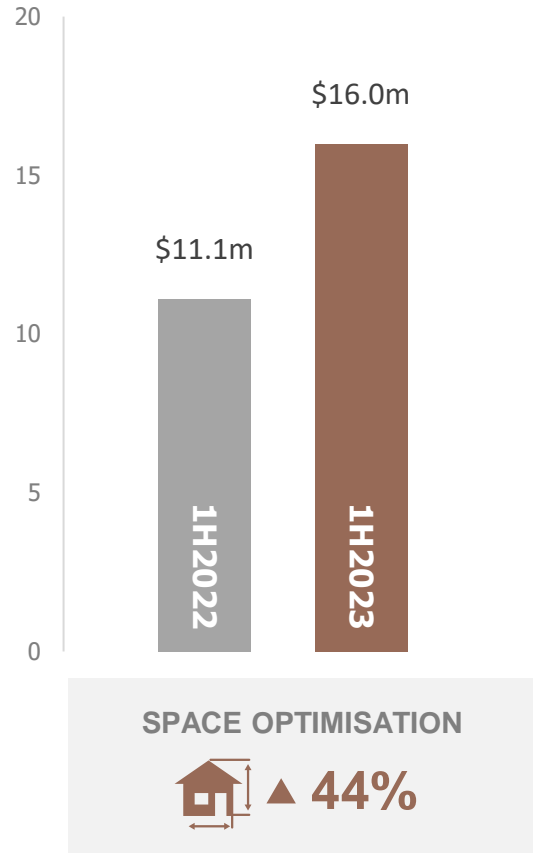
	1H2023	1H2022	VARIANCE	
	S\$'000	S\$'000	S\$'000	%
- INDUSTRIAL	12,520	4,096	8,424	205.7
- COMMERCIAL	1,278	5,408	(4,130)	(76.4)
- RESIDENTIAL	2,180	1,615	565	35.0
SPACE OPTIMISATION	15,978	11,119	4,859	43.7
FACILITIES MANAGEMENT	2,685	2,625	60	2.3
ENERGY	165	-	165	NM
LOGISTICS SERVICES	2,387	1,438	949	66.0
CORPORATE	(3,029)	(58)	(2,971)	(5,122.4)
ADJUSTING FOR/(DEDUCTING):				
FV GAIN/(LOSS)	(5,537)	16,782	(22,319)	NM
GAIN ON DISPOSAL OF ASSOCIATE	7,753	-	7,753	NM
DORMITORY BUSINESS (LOSS)/PROFIT BEFORE TAX	(66)	3,989	(4,055)	NM
GROUP TOTAL	20,336	35,895	(15,559)	(43.3)

NM - Not Meaningful

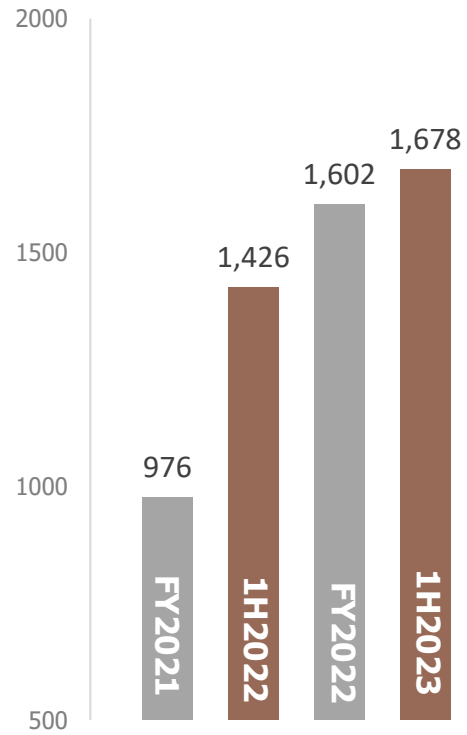
SEGMENTAL REVENUE (ADJUSTED)



SEGMENTAL PROFIT BEFORE TAX (ADJUSTED)

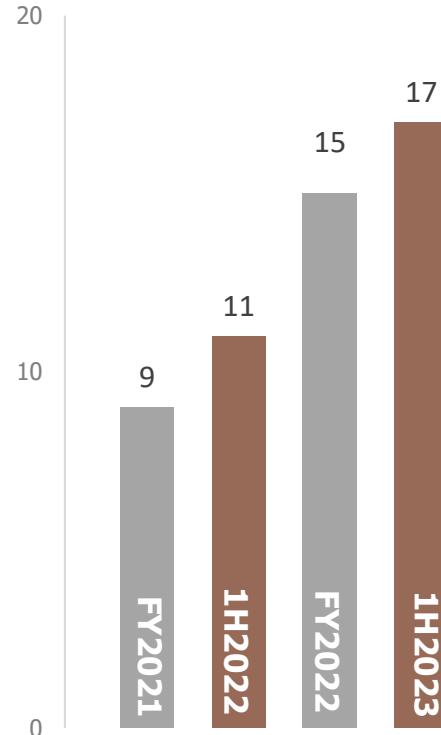


SELECTED OPERATING SEGMENTS DATA (COLIWOO)



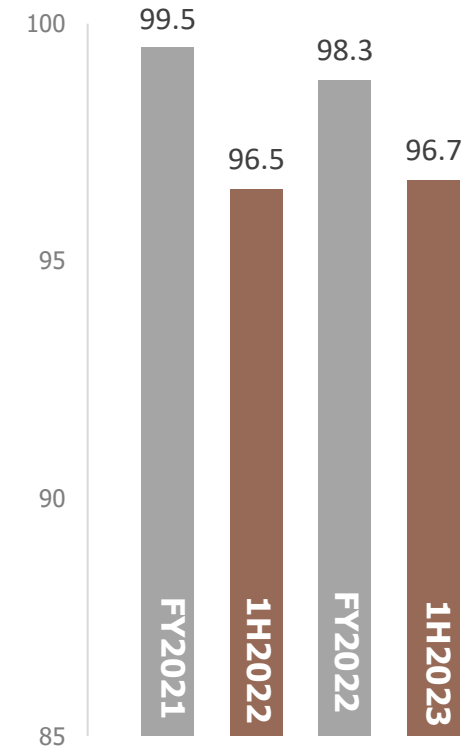
TOTAL KEYS SECURED

▲ 5%



TOTAL PROPERTIES

▲ 13%

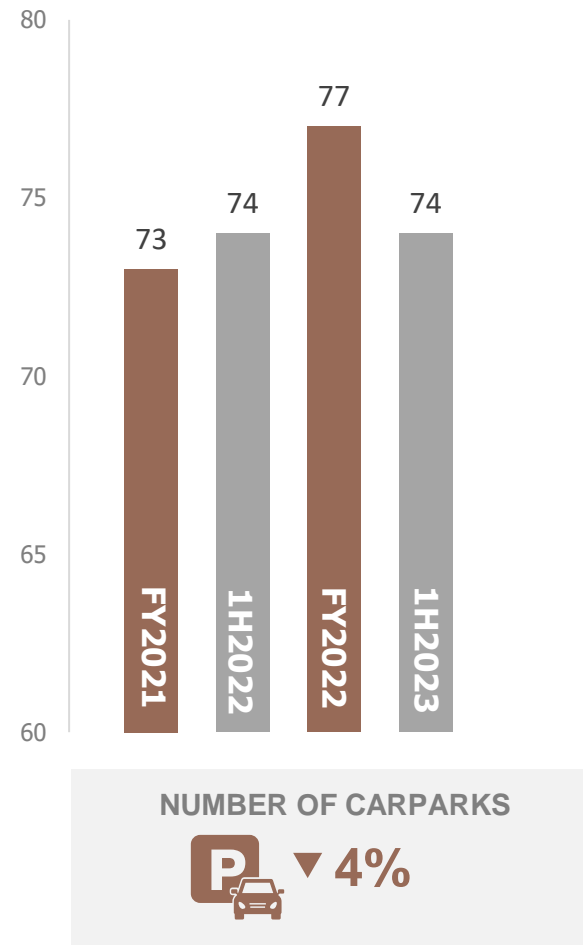
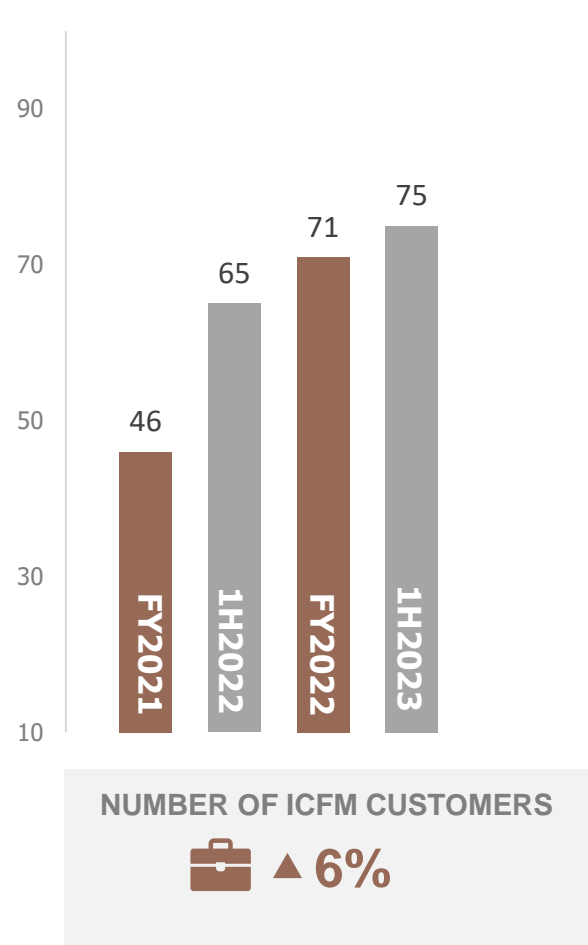


OCCUPANCY RATE * (%)

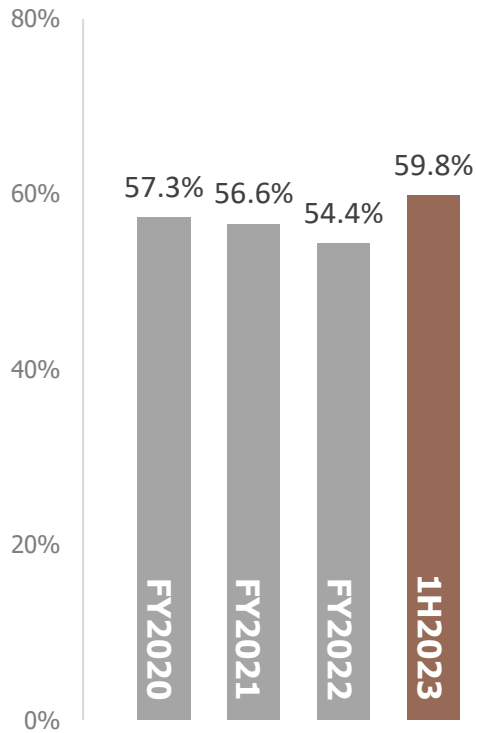
▼ 1.6ppt

*excluding joint venture properties and properties that are under progressive handover.
ppt - percentage points

SELECTED OPERATING SEGMENTS DATA (FACILITIES MANAGEMENT)

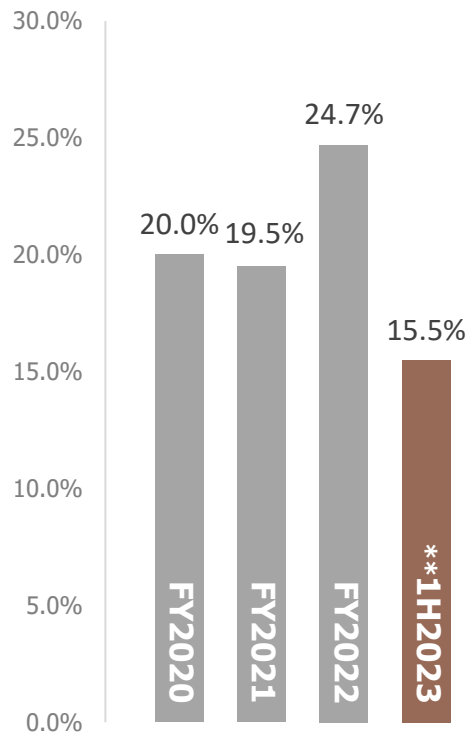


OTHER KEY RATIOS/METRICS



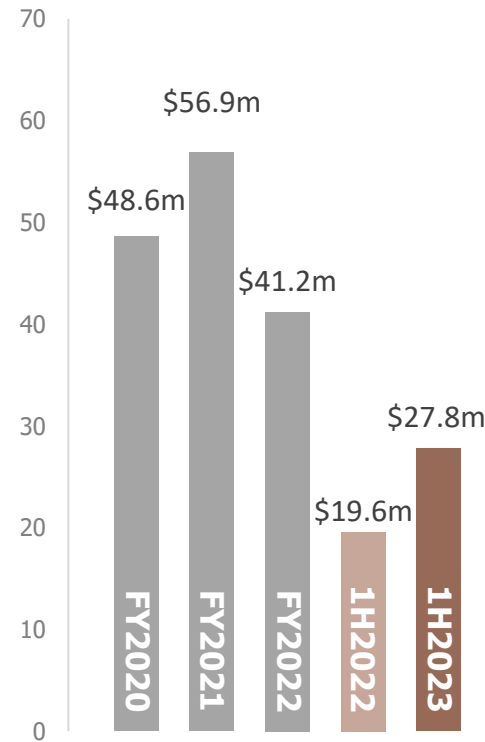
GEARING*

▲ 6ppt



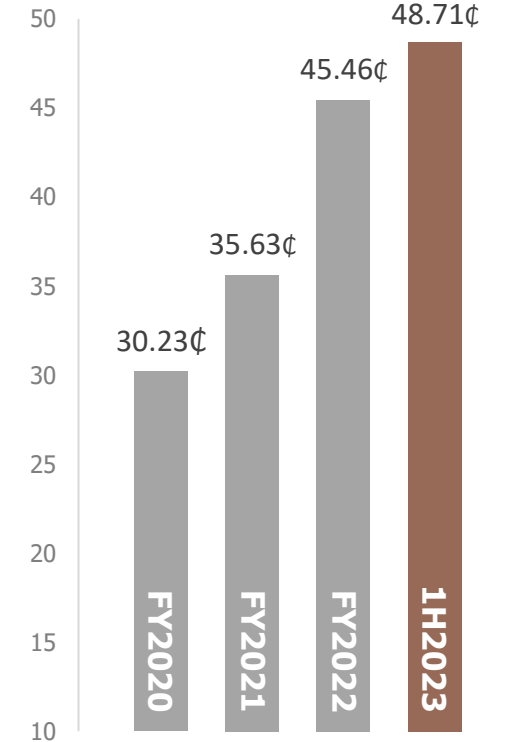
RETURN ON EQUITY ***

▼ 9.2ppt



OPERATING CASH FLOW

▲ 42%



NET ASSET VALUE PER SHARE

▲ 7%

* Gearing ratio is equal to interest-bearing debt divided by total capital and multiplied by 100%. Interest-bearing debt is calculated as the sum of bank borrowings and lease liabilities. Total capital is calculated as interest-bearing debt plus total equity.

** Trailing 12 months

*** Return on equity is calculated as profit after tax divided by total equity and multiplied by 100%.

ppt - percentage points

FINANCIAL PERFORMANCE 1H2023

STOCK PRICE PERFORMANCE & DIVIDENDS

Stock Prices on SGX

HOME > 410 · SGX

LHN Ltd

\$0.34 ↑ 97.06% +0.17 5 Y

22 May, 17:15:22 UTC+8 · SGD · SGX · Disclaimer

1 D 5 D 1 M 6 M YTD 1 Y 5 Y MAX



Source: <https://www.google.com/finance>

Stock Prices on SEHK

HOME > 1730 · HKG

LHN Ltd

\$1.79 ↑ 90.43% +0.85 5 Y

22 May, 16:08:05 GMT+8 · HKD · HKG · Disclaimer

1 D 5 D 1 M 6 M YTD 1 Y 5 Y MAX



	FY2019	FY2020	FY2021	FY2022	1H2023
DIVIDEND PER SHARE (S'PORE CENTS)	0.5	1.25	1.75	1.75	1.00
DIVIDEND YIELD*	4.2%	7.5%	4.7%	5.7%	3.7%

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

GROUP VALUATION

5-YEAR P/E (NTM) & 5-YEAR P/B CHART



Source: Bloomberg. Data as of 22 May 2023

- Trading at an undemanding 4.7x P/E (NTM) and 0.76x P/B.
- Trailing 12-mth dividend yield of approx. 6% (based on share price of S\$0.335).

HISTORICAL OCCUPANCY RATE

BUSINESS SEGMENT	OCCUPANCY* (%)			
	FY2021 (AS AT 30 SEP'21)	1H2022 (AS AT 31 MAR'22)	FY2022 (AS AT 30 SEP'22)	1H2023 (AS AT 31 MAR'23)
INDUSTRIAL				
- Work+Store space:	98.9	97.9	94.9	97.9
- Industrial space:	93.5	95.4	94.9	95.6
COMMERCIAL	84.8	92.7	97.9	91.1
RESIDENTIAL				
- Co-living space (Singapore):	99.5	96.5	98.3	96.7

* Exclude joint venture properties and those under progressive handover.

**LHN
GROUP**
SPACE OPTIMISED

Business Outlook & Growth Strategies



CO-LIVING AND SERVICED RESIDENCES

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 Keys by Projects

	Coliving - Singapore Projects		85 SOHO - Overseas Projects		Total
	Master Lease	Owned / Joint Venture	Master Lease	Owned / Joint Venture	
FY2023*	1,387	291	275	108	2,061

* Include properties that are in FY2023 pipelines based on current projects secured.

Our Growth Strategies:

- Target to add at least 800 rooms every year for 3 years.
- Exploring capital recycling and move towards asset-light (AUM) model.

PIPELINE CONTRIBUTION IN 2H2023

COLIWOO ORCHARD

No. of keys:
411

Target occupancy rate:
95% by end of FY2023

Rental rate:
\$2,900 - \$5,800/mth

Usages:
Serviced apartment



COLIWOO LAVENDER

No. of keys:
105

Target occupancy rate:
95% by end of FY2023

Rental rate:
\$2,100 - \$4,800/mth

Usages:
Coliwoo co-living space



PROJECTS IN PIPELINE

404 PASIR PANJANG

No. of keys:
63

Commercial Area:
approx. 2,800 sqft

Usages:
L1 - F&B
L2-4 - Guest House

Expected
Operational Date:
1Q2024



48 & 50 ARAB STREET

No. of keys:
26

Commercial Area:
approx. 1,345.5 sqft

Usages:
L1 - Shop/F&B
L2-4 - Hotel

Expected
Operational Date:
1Q2024



PROJECTS IN PIPELINE

GSM BUILDING

No. of keys:
187

Commercial Area:
approx. 12,000 sqft

Usages:
L1-2 - Shops
L3-6 - Serviced
Apartment

**Expected
Operational Date:**
3Q2025



PROJECTS IN PIPELINE

55 TUAS SOUTH

No. of units:
49

Saleable Area:
112,000 sqft

Usages:
9-Storey Multi-User
Food Processing
Industrial
Development

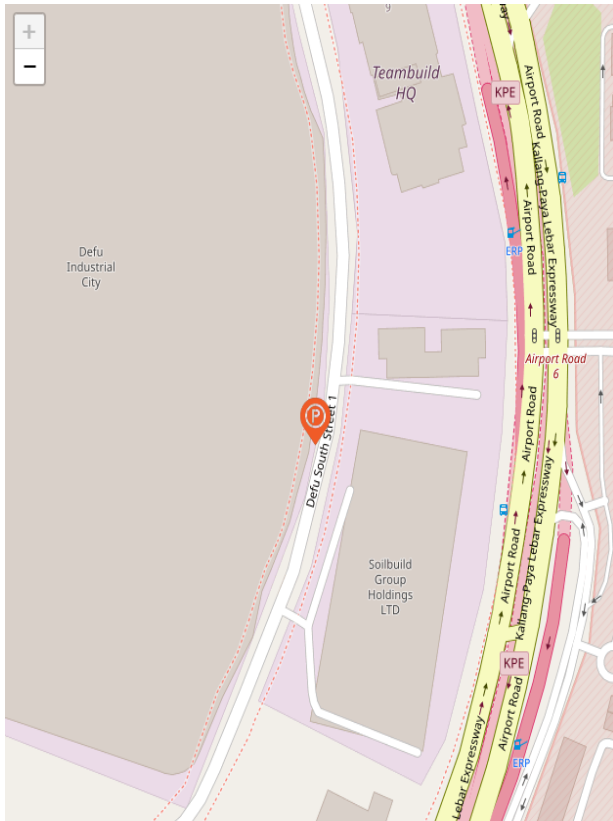
**Expected
Operational Date:**
3Q2024



CAR PARK MANAGEMENT

LHN Parking employs the intelligent use of cutting-edge technologies, such as Online Portal and season parking mobile application to manage car parks and monitor activities remotely.

Defu Industrial City Car Park



Latest Addition to Portfolio

- Commenced operations in April 2023.
- Approx. 2,800 Vehicle Parking Lots (13.0% of total vehicle parking lots managed).



Construction Progress at 7 Gul Avenue (May 2023)

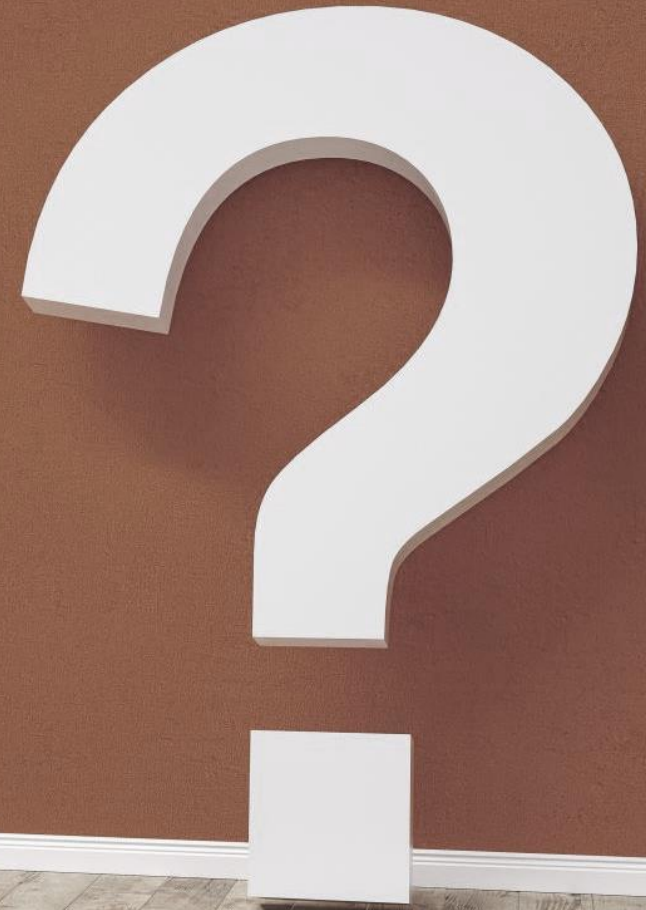


LOGISTICS SERVICES

ISO TANK DEPOT UPDATES

- The construction of the ISO tank depot is expected to be completed in FY2023.
- Upon completion, we would be able to provide empty ISO tank storage services and laden ISO tank storage services for hazardous substances, petroleum and flammable materials.
- The chemical cleaning and repair services for ISO tanks will be undergoing trial runs in 4QFY2023 or 1QFY2024, depending on the delivery of equipment.

Q&A



**LHN
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THANK YOU