

ASX Release

Charter Hall Long WALE REIT 2025 Half Year Results

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Charter Hall Long WALE REIT (ASX:CLW) (the REIT) today announces its results for the six months ending 31 December 2024 (1H FY25). Key financial and operational highlights for the period are:

Financial and portfolio highlights:

- Operating earnings of \$89.8 million, or 12.5 cents per security (cps)
- Distributions of 12.5 cps
- Net tangible assets (NTA) of \$4.62 per security
- Statutory earnings of \$51.3 million
- 3.5% like-for-like Net Property Income (NPI) growth
- Portfolio weighted average lease expiry (WALE) of 9.7 years
- Portfolio occupancy of 99.8%

Operating highlights:

- Overall portfolio valuation remains broadly unchanged from prior book value
- Completed \$50 million on market security buy-back program
- Completed a total \$289 million of net property divestments including:
 - divested \$300.4 million of assets including divestments previously announced as part of the REIT's strategic asset sale program; and
 - acquired two Endeavour Group leased, long WALE, hospitality assets for a total \$11.5 million.
- Executed agreements with Coles for an expansion and lease extension at its Perth Airport Distribution Centre, WA

Avi Anger, Charter Hall Long WALE REIT Fund Manager commented: "CLW has successfully completed its \$50 million on market security buy-back program. The portfolio is in an excellent position with 53% of leases in the portfolio being triple-net, occupancy of 99.8% and a weighted average lease expiry of 9.7 years. Like for like property income growth of 3.5% resulted from an attractive mix of fixed and CPI linked annual increases".

Portfolio update

During the half year period, a total of \$300.4 million in asset divestments were completed with \$11.5 million of new acquisitions. The acquisitions were strategic in nature, consolidating adjoining sites to existing assets owned in CLW's convenience retail hospitality portfolio.

- **Divestments (previously announced and now completed during the half year period):**
 - \$225.3 million of Agri-Logistics assets with the sale of the Inghams portfolio;
 - \$74.0 million (CLW's 50% share) of Australian Red Cross, Sydney, NSW; and
 - \$1.1 million (CLW's 24.5% share) bp Australia Armadale Service Centre, WA.
- **Acquisitions:**
 - Strategic acquisition of the accommodation that adjoins CLW's existing investment in the Narrabeen Sands Hotel (CLW 50% ownership). The asset, which is located in northern Sydney is leased to the Endeavour Group with a 9.3 year lease term; and
 - BWS Crows Nest (CLW 50% ownership), leased to Endeavour Group with a new 10 year lease term. This asset adjoins the REIT's existing Crows Nest Hotel investment located in a rapidly densifying area of inner northern Sydney.
- **Major Lease Expansion:**
 - CLW and its joint venture partners have agreed with Coles to expand its Western Australian Distribution Centre at Perth Airport, in conjunction with a reset 12 year lease. The expansion future-proofs the property and demonstrates the active and collaborative approach of CLW to achieve mutually beneficial outcomes for investors and tenant customers.

At the end of the period, the REIT's \$5.5 billion diversified portfolio is 99.8% occupied with a long WALE of 9.7 years.

Portfolio valuations

CLW had 82% of the portfolio independently valued with the portfolio valuation predominantly flat over the six month period after adjusting for divestments and the valuation impact of the upcoming lease expiry at the Telstra Canberra Head Office. The net valuation movement at the end of the period was \$15 million or a 0.3% reduction. This reflects stabilisation of asset values over the period with the portfolio weighted average capitalisation rate remaining unchanged at 5.4%.

Capital position

With the completion of the asset divestment program, CLW has balance sheet gearing of 31.8%, within the target range of 25% – 35% and look through gearing of 39.0%.

During the period, \$310 million of balance sheet debt was refinanced and extended by 2.8 years. As at 31 December 2024 the REIT has a weighted average debt maturity of 4.0 years with staggered maturities over a six-year period from FY27 to FY32. CLW's look-through drawn debt is 64% hedged with a weighted average hedge maturity of 1.6 years. CLW has \$266 million of cash and undrawn debt.

In December 2024, Moody's reaffirmed CLW's Baa1 investment grade rating.

FY25 Guidance

Based on information currently available and barring any unforeseen events, CLW reaffirms its FY25 operating earnings per security guidance of 25.0 cents and distributions per security guidance of 25.0 cents. Based upon yesterday’s closing price, this represents a 6.4% distribution yield¹.

Announcement Authorised by the Board

Charter Hall Long WALE REIT (ASX: CLW)

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust (REIT) listed on the ASX and investing in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX: [CHC](#)). Charter Hall is one of Australia’s leading fully integrated property investment and funds management groups. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We’ve curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities to grow.

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¹ Based on CLW forecast FY25 DPS of 25.0c divided by the CLW security price of \$3.90 as at 6 February 2025.

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