

ASX Release

Charter Hall Long WALE REIT 2025 Full Year Results

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Charter Hall Long WALE REIT (ASX: CLW) (the REIT) today announces its full year results for the period ending 30 June 2025 (FY25). Key financial and operational highlights for the period are:

Financial and portfolio highlights:

- Operating earnings of \$178.6 million, or 25.0 cents per security (cps)
- Distributions of 25.0 cps
- Net tangible assets (NTA) of \$4.59 per security
- Statutory earnings of \$118.3 million
- 3.0% like-for-like Net Property Income (NPI) growth
- Portfolio weighted average lease expiry (WALE) of 9.3 years
- Portfolio occupancy of 99.9%

Operating highlights:

- 100% of the portfolio has been independently valued during the financial year, with overall portfolio valuations remaining broadly flat
- Continued to actively curate the portfolio with a total of \$338.8 million of net property divestments completed during the financial year
- Post balance date, the REIT has completed \$222.9 million of net property acquisitions, which will be portfolio enhancing and accretive to the REIT's future operating earnings
- Executed agreements with Coles for an expansion and lease extension at its Perth Airport Distribution Centre, WA
- Completed \$50 million on market security buy-back program
- \$310 million of balance sheet debt was refinanced and extended by 2.8 years from FY27 to FY30
- \$715 million of new interest rate swaps were entered into across CLW and its joint ventures

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Avi Anger, Charter Hall Long WALE REIT Fund Manager commented: "Through proactive and strategic management of both our property portfolio and debt profile, we have managed to remain agile in a rising interest rate environment. We have successfully navigated the sharpest increase in interest rates that the market has experienced in decades. This has been achieved through active curation of our asset portfolio, including several recent earnings accretive acquisitions, concurrent with active management of our debt book, reducing interest rate volatility for the REIT. Today, we are pleased to share that the REIT's earnings outlook has returned to a growth trajectory, with operating earnings forecast to increase as we move into FY26."

"The REIT today offers a distribution yield that is materially above the average yield of the ASX 200 A-REIT index. With 54% of the portfolio's leases being triple net, our annual capital expenditure is significantly lower than peers. As a result of the REIT having an occupancy of 99.9% and a WALE of 9.3 years, CLW is less impacted by the material cost of tenancy vacancy and turnover compared to peers. CLW's asset and income profile is well positioned as we move into the next recovery phase of the valuation cycle."

Portfolio enhancing and earnings accretive transactions

During the financial year, CLW completed a total of \$11.5 million of new acquisitions and \$350.3 million in asset divestments.

- **FY25 completed transactions**

- Acquisition of the Narrabeen Sands Hotel for \$9.5 million (CLW's 50% interest);
- Acquisition of the BWS Crows Nest for \$2.0 million (CLW's 50.0% interest);
- Divestment of the Inghams agri-logistics portfolio for \$225.3 million;
- Divestment of the Australian Red Cross building, Sydney NSW for \$74.0 million (CLW's 50% interest);
- Divestment of three bp Australia convenience retail properties for \$3 million (CLW's 24.5% interest); and
- Divestment of 85 George Street, Brisbane QLD for \$48.0 million (CLW's 50% interest).

Post balance date, the REIT has completed a total of \$229.3 million in asset acquisitions and \$6.4 million of divestments. The acquisitions include a number of critical Commonwealth Government leased, social infrastructure properties.

- **Post balance date transactions:**

- Acquisition of a 49.9% interest in the Department of Defence (DoD) facility in Campbell Park, Canberra ACT. DoD has occupied the property since it was constructed with the building being of critical importance as part of Canberra's Defence Precinct. The asset retains a 2 year lease term with significant land for expansion and / or redevelopment optionality (for Defence purposes) and was acquired for \$44 million reflecting a passing yield of 14.9%;
- Acquisition of the Australian Border Force ('ABF') facility located in Bulla, Melbourne VIC, with a remaining lease term of 11.4 years and fixed annual rent reviews of 4%. The ABF facility was acquired for \$62 million reflecting a passing yield of 8.1%;
- Acquisition of an additional 8.3% interest in the Geoscience Australia building in Canberra ACT, increasing CLW's ownership from 25.0% to 33.3%. The asset is leased to the Commonwealth Government's Geoscience department with a 6.9 year lease term and fixed annual rent reviews of 3%. The incremental investment in the asset was acquired for \$28.7 million reflecting a passing yield of 8.4%;

- Acquisition of the remaining 49.9% interest in the Westpac building in Kogarah, Sydney NSW, increasing the REIT's total stake in the asset from 50.1% to 100%. The property has a lease term of 9.1 years remaining and annual CPI rent reviews. The incremental investment was acquired for \$94.6 million reflecting a passing yield of 7.3%; and
- Divestment of the Brunswick Hotel, Brisbane QLD for \$6.4 million (CLW's 49.9% interest).

Portfolio valuations

Over the course of FY25, 100% of the portfolio was independently valued with the portfolio recording a small net decline of \$9 million or 0.1% across a \$5.5 billion portfolio. This reflects a stabilisation of asset values over the period with the portfolio weighted average capitalisation rate remaining unchanged at 5.4%.

The REIT's NTA per security declined from \$4.66 to \$4.59 (or 1.5%) over the financial year due to the movement in MTM value of interest rate swaps.

Capital position

As at 30 June 2025, CLW's balance sheet gearing is 31.4%, within the target range of 25% – 35% and look through gearing is 38.8%.

During the financial year, \$310 million of balance sheet debt was refinanced and extended by 2.8 years from FY27 to FY30. As at 30 June 2025, the REIT has a weighted average debt maturity of 3.6 years with staggered maturities over a six year period from FY27 to FY32.

The REIT also entered into \$715 million of new interest rate swaps (of which \$704 million was completed in 2H FY25), resulting in 89% of total debt being hedged as at 30 June 2025 and average forecast hedging for FY26 of 72%.

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

FY26 guidance

Based on information currently available and barring any unforeseen events, CLW provides FY26 operating earnings per security guidance of 25.5 cents and distribution per security guidance of 25.5 cents. Based upon yesterday's closing price, this represents a 6.1% 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 FY26 DPS of 25.5c divided by the CLW security price of \$4.18 as at 5 August 2025.