

## ASX Release

# Charter Hall Social Infrastructure REIT 2025 Full Year Results

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Charter Hall Social Infrastructure REIT (ASX:CQE) today announces its full year results for the year ending 30 June 2025 (FY25). Key financial and operating highlights for the year are:

### Financial highlights:

- Operating earnings of \$57.0 million, or 15.3 cents per unit (cpu);
- Distributions paid of 15.2 cpu;
- NTA of \$3.86 per unit, an increase from 1.0% from 30 June 2024;
- Statutory profit of \$71.0 million; and
- Successful refinancing in July 2025 of CQE's debt facilities of \$900<sup>1</sup> million including new Asian Term Loan facilities of \$450 million resulting in an extended weighted average debt maturity of 4.9<sup>2</sup> years and improved terms.

### Operating highlights:

- Acquisition of a modern pathology laboratory in Perth, Western Australia for \$47.0 million at an initial yield of 6.4%<sup>3</sup> which settled in January 2025;
- Acquisition of a 22.5% interest in a university campus in Parramatta fully leased to Western Sydney University in July 2025 for \$68.4 million at an initial yield of 6.2%;
- \$151.1 million of early learning asset divestments achieving an 8.3% premium to book value and average yield of 4.4%<sup>4</sup>;
- \$2.1 billion property portfolio with a long WALE of 11.6 years and 100% occupancy<sup>5</sup>;
- Weighted average rent reviews of 4.2%<sup>6</sup> for the 12 months to 30 June 2025;
- 10.5% increase achieved on 69 early learning market rent reviews completed during the year; and

<sup>1</sup> Facility was increased by \$50 million from \$850 million to \$900 million as part of the refinancing

<sup>2</sup> As at June 2025 pro forma for the debt refinance completed in July 2025

<sup>3</sup> Calculated on the basis of the 3.5% annual rental increase achieved in April 2025

<sup>4</sup> 30 divestments contracted during FY25. Three divestments are due to settle in 1H FY26 amounting to \$21.0 million. Excludes \$7.5 million assets contracted in FY24 and settled in FY25.

<sup>5</sup> Excludes one vacant early learning centre which has been contracted for divestment in July 2025

<sup>6</sup> Weighted average rent review on like-for-like properties for FY25

- 28% of rental income subject to market rent reviews in the next 3 years.

Charter Hall Social Infrastructure REIT's Fund Manager, Travis Butcher said: "The key focus over the past year has been to position the Fund for sustainable income and distribution growth. Active portfolio curation remains a key part of this strategy with the acquisition of a pathology laboratory, university campus and a further interest in the Geosciences Australia property. These acquisitions which amounted to \$144.1 million were acquired on a combined yield of 6.7% and are all leased to well capitalised tenants providing essential services to the community. These were funded through the divestment of 30 early learning assets throughout the year for total consideration of \$151.1 million at an average yield of 4.4%.

Recent market rent reviews on 69 properties delivered a 10.5% increase, highlighting the under-rented nature of CQE's early learning portfolio and provides future income growth with further market reviews in the next three years comprising 28% of the portfolio's income.

The Fund is in a strong position with an 11.6 year WALE, 100% occupancy and a robust capital position with a weighted average debt maturity of 4.9 years following the successful debt refinancing."

### **Portfolio update**

CQE continues to enhance the quality of its portfolio with further acquisitions of long-WALE social infrastructure assets during the year and subsequent to 30 June 2025. These totalled \$144.1 million at an average initial yield of 6.7%.

#### *Pathology Laboratory (Osborne Park, WA) - \$47.0 million (January 2025)*

In January 2025, CQE completed the acquisition of a specialised pathology laboratory leased to Clinipath Pathology, located in Osborne Park, Western Australia for a total consideration of \$47.0 million on an initial yield of 6.4%. Clinipath Pathology is a 100% owned subsidiary of ASX-listed Sonic Healthcare Group with a market capitalisation of over \$13 billion.

The property is secured by a long-term triple-net lease (8.2 years remaining at time of acquisition) and includes annual CPI-linked rent reviews (capped at 3.5%) with ratchet provisions, ensuring strong and sustainable returns.

This state-of-the-art facility, refurbished in 2014, is situated in a prominent mixed-use business park 8.2 kilometres northwest of Perth's CBD. The property features approximately 5,000 sqm of NLA, with 82% dedicated to laboratory space, and offers 245 on-grade car spaces. Occupying a 1.5-hectare site, it presents significant future development and expansion potential.

#### *Western Sydney University campus (Parramatta, NSW) - \$68.4 million (July 2025)*

In July 2025, CQE increased its higher education exposure through the acquisition of an 22.5% interest in the university campus fully leased to Western Sydney University, located at 1 Parramatta Square, Parramatta.

The university campus is a modern, purpose-built vertical-style building completed in 2017 with NLA of approximately 26,500 sqm (80% educational uses) and offers strong ESG benefits through 5-Star Green Star and 5-star NABERS ratings. The asset is critical education infrastructure within Parramatta's CBD, providing university services and benefiting from strong transport connectivity and access to a comprehensive range of civic, health and commercial amenities.

The property is underpinned by a long-term lease of 16.6 years with further options periods totalling 15 years and annual rent reviews of 3.75%. The 22.5% interest in the property was acquired for \$68.4 million on an initial yield of 6.2%.

### *Geosciences Australia facility (Canberra, ACT) - \$28.7 million (July 2025)*

In July 2025, CQE upweighted its interest in the Geoscience Australia facility in Canberra by 8.3% to 33.3% for total consideration of \$28.7 million at an initial yield of 8.4%. This unique social infrastructure asset is fully leased to a Federal Government agency and incorporates specialised laboratory facilities with a net lease structure of 6.9 years and 3% fixed annual increases.

### *Early Learning Divestments*

During the year, CQE contracted 30 early learning assets for divestment totalling \$151.1 million at a yield of 4.4% and a premium to book value of 8.3%. The active divestment program combined with the properties acquired contributes to improving portfolio quality, tenant covenant strength and earnings and distribution growth.

### **Market rent reviews**

Management has finalised 69 market reviews during the year resulting in an increase of 10.5% or \$1.6 million per annum across these leases. Fifty of the market reviews which had caps of either 5% or 7.5% achieved an average increase of 6.7%. The remaining 19 uncapped market reviews achieved an increase of 17.7%, demonstrating that CQE's current passing income is below market rents.

There are 149 early learning centre market rent reviews (28% of CQE's total income) in the next 3 years.

### **Portfolio valuations**

All properties were independently valued during FY25 which resulted in a net \$28.0 million increase or 1.4% on June 2024 book values.

As at 30 June 2025, the portfolio property yield was 5.4%<sup>7</sup> compared with 5.2% as at 30 June 2024. The increase in yield has been driven by a combination of portfolio curation, recycling lower yielding early learning properties into higher yielding long-WALE social infrastructure assets and strong passing rental growth in the early learning portfolio.

### **Capital position**

In July 2025, the successful refinancing of CQE's debt facilities of \$900<sup>8</sup> million was completed which included a new Asian Term Loan facilities of \$450 million. This has resulted in the following positive outcomes for CQE moving forward:

- Increased diversification of CQE's debt sources with the introduction of the Asian Term Loan facilities which are capable of extension and upsizing in the future;
- Extended debt maturity with a weighted average debt maturity of 4.9<sup>9</sup> years;
- Improved terms from both a pricing and covenant perspective; and
- Increased debt platform size from \$850 million to \$900 million

As a result of the refinancing, CQE now has diversified funding sources with no debt maturities until July 2029.<sup>10</sup>

As at 30 June 2025, balance sheet gearing of 30.5% is at the lower end of the target 30 – 40% range and look-through gearing is 31.3%.

<sup>7</sup> Passing yield is split between early learning assets of 5.1% and long-WALE social infrastructure assets of 6.0% on book values as at 30 June 2025. Total property passing yield is 5.2% after deducting non-recoverable outgoings of \$3 million paid at Fund level

<sup>8</sup> Facility was increased by \$50 million from \$850 million to \$900 million as part of the refinancing

<sup>9</sup> As at 30 June 2025 pro forma for the debt refinance completed in July 2025

<sup>10</sup> Excluding JV Brisbane Bus Terminal debt facility which expires in August 2027

During the year and subsequent to 30 June 2025, CQE has entered into additional hedging which has increased CQE's hedging exposure in FY26 through FY28. CQE has 72% of its debt hedged in FY26 at an average hedged rate of 3.0% and 51% of its debt hedged in FY27 at an average hedged rate of 3.3%.

In February 2025, CQE announced its intention to conduct an on-market buy-back of units in CQE for up to \$25 million. The buy-back period is for 12 months and remains open until 26 February 2026. CQE has currently acquired and cancelled 2.5 million units for total consideration of \$7.0 million.

### **Outlook and FY26 distribution guidance**

CQE will continue to execute on its strategy and actively manage the portfolio of high quality social infrastructure assets to maintain income security and capital growth. We expect that there will continue to be significant growth opportunities in social infrastructure assets, driven by favourable demographic trends and the essential nature of the industry, including government backing.

Based on information currently available and barring any unforeseen events, CQE is pleased to advise FY26 distribution guidance of 16.8 cents per unit, up 10.5% from 15.2 cents per unit paid in FY25.

CQE will continue to pay quarterly distributions.

### *Announcement Authorised by the Board*

#### **Charter Hall Social Infrastructure REIT (ASX: CQE)**

Charter Hall Social Infrastructure REIT is the largest Australian ASX-listed real estate investment trust (A-REIT) that invests in social infrastructure properties.

Charter Hall Social Infrastructure 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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