



First REIT

Earnings stability tempered by FX

SINGAPORE | REAL ESTATE (REIT) | 3Q25 UPDATE

- 3Q25/9M25 DPU of 0.52/1.65 Singapore cents (-10.3%/-7.3 YoY) was slightly below our estimates, forming 23%/73% of our FY25e forecast. The YoY decline in DPU was due to depreciation of the IDR and JPY against the SGD, partially offset by higher rental income in local currency terms.
- Rental income for 9M25 from Indonesia and Singapore grew 5.5% and 2% respectively in local currency terms, while Japan remained stable. On 17 October, FIRT announced the proposed divestment of Imperial Aryaduta Hotel & Country Club (IAHCC) for Rp.322.2bn (S\$25.9mn), representing a 22% premium over its original purchase price and 0.65% above the latest valuation.
- We downgrade from BUY to ACCUMULATE with an unchanged DDM-derived target price of S\$0.31 due to the recent share price performance. FY25e/26e DPU estimates are trimmed by 4%/2% to reflect the weaker Indonesian Rupiah and Japanese Yen. The strategic review of Siloam's letter of intent (LOI) to acquire FIRT's Indonesian hospital assets remains ongoing, with no material updates as of 3Q25. In the meantime, organic growth will be driven by more Indonesian hospitals transitioning to performance-based rent (currently three). FIRT trades at an FY25e DPU yield of 7.8%.

Results at a glance

(S\$'mn)	9M25	9M24	YoY	Comments
Gross revenue	75.5	77.0	-2.0%	Impacted by the stronger SGD against the IDR and JPY, partially offset by higher rental income in local currency terms.
Net property income	73.3	74.4	-1.4%	
Distributable Income	34.8	37.0	-6.1%	
DPU (S cents)	1.65	1.78	-7.3%	3Q25 DPU was 0.52 Scts (2Q25: 0.55 Scts).

Source: Company, PSR

The Positives

+ Divestment of IAHCC. The net proceeds of c.S\$25.5mn may be used to repay debt, redeem perpetual securities, or fund working capital. The divestment unlocks value from a non-core, non-healthcare asset that does not align with its healthcare portfolio. Additionally, the 31-year-old hospitality asset would have required significant capital expenditure for maintenance and upkeep.

+ Stable capital management. The cost of debt declined by 20bps QoQ and 40bps YoY to 4.6%, while gearing and adjusted ICR remained healthy at 41.4% and 3.8x, respectively. FIRT has no refinancing needs until May 2026, and with 49.5% of debt hedged to fixed rates, a marginal decline in interest costs is expected in 4Q25.

The Negative

- Rentals continue to be owed by MPU. However, rentals owed by MPU declined QoQ from S\$7mn to S\$6mn following a S\$2.1mn repayment in 3Q25.

Outlook

While the strategic review remains in progress, FIRT continues to benefit from the 4.5% base rent escalation at its Indonesian hospitals, partially offsetting the c.5% YoY depreciation of the IDR against the SGD for 9M25. Currently, 40% of income from Indonesia is hedged under short-term contracts, while income from Japan is fully hedged.

Maintain BUY with an unchanged DDM TP of S\$0.31.

FIRT's long WALE of 9.8 years and built-in base rental escalations continue to provide earnings visibility while the market awaits the outcome of the strategic review.

5 November 2025

ACCUMULATE (Downgraded)

LAST CLOSE PRICE	SGD 0.28
FORECAST DIV	SGD 0.02
TARGET PRICE	SGD 0.31
TOTAL RETURN	16.9%

COMPANY DATA

BLOOMBERG CODE:	FIRT SP
O/S SHARES (MN):	2,107
MARKET CAP (\$ mn / SGD mn):	456 / 590
52 - WK HI/LO (SGD):	0.29 / 0.24
3M Average Daily T/O (mn):	2.03

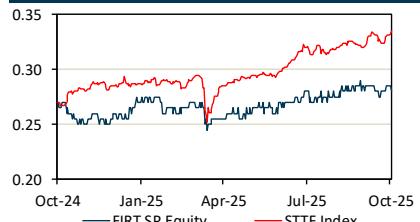
MAJOR SHAREHOLDERS (%)

OUE REALTY PTE LTD	35.1%
FIRST REIT MGMT LIMITED	9.9%
VANGUARD GROUP INC	1.9%

TOTAL RETURN (%)

COMPANY	1MTH	3MTH	YTD
COMPANY	0.0	3.9	19.2
STTF	3.8	6.2	22.2

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec (S\$m)	FY23	FY24	FY25e	FY26e
Gross Revenue	108.6	102.2	99.7	100.6
NPI	105.3	98.5	96.1	96.9
Dist. Inc.	51.4	49.3	45.9	51.3
P/NAV (x)	0.93	0.98	0.97	0.96
DPU (S cents)	2.48	2.36	2.17	2.41
Dist. Yield (%)	8.86	8.43	7.75	8.60

Source: Company, PSR

VALUATION METHOD

DDM (Cost of Equity: 10.5%; Terminal g: 2%)

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Financials

Income statement

Y/E Dec, (S\$'000)	FY22	FY23	FY24	FY25e	FY26e
Gross revenue	111,275	108,568	102,211	99,722	100,566
Property expenses	(2,716)	(3,234)	(3,758)	(3,666)	(3,698)
Net property income	108,559	105,334	98,453	96,055	96,868
Net Finance (Expense)/Inc.	(19,157)	(22,191)	(22,411)	(22,240)	(21,369)
Manager's fees	(4,041)	(3,713)	(3,729)	(3,607)	(3,684)
Other items	73,043	(8,202)	(7,875)	(7,712)	(7,770)
FV change, derivatives & ppties	(106,450)	6,988	(13,862)	-	-
Net income before tax	51,954	78,216	50,576	62,496	64,046
Taxation	(18,369)	(14,877)	(13,822)	(13,749)	(14,090)
Net income after Tax	33,585	63,339	36,754	48,747	49,956
Distribution adjustments	18,765	(11,890)	12,562	(2,893)	1,311
Income available for distribution	52,350	51,449	49,316	45,854	51,267

Per unit data

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
NAV (S\$)	0.31	0.30	0.29	0.29	0.29
DPU (cents)	2.64	2.48	2.36	2.17	2.41

Cash Flow

Y/E Dec, (S\$'000)	FY22	FY23	FY24	FY25e	FY26e
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CFO

Net income before tax	51,954	78,216	50,576	62,496	64,046
Adjustments	27,386	3,731	28,771	20,225	22,558
WC changes	28,339	136	(1,182)	8,852	(8,693)
Cash generated from ops	107,679	82,083	78,165	91,574	77,911
Others	(14,599)	(12,128)	(12,392)	(13,749)	(14,090)
Cashflow from ops	93,080	69,955	65,773	77,825	63,821

CFI

Acquisitions	(25,777)	-	(75)	-	-
Capex, net	(4,306)	(4,923)	(5,859)	(5,749)	(5,824)
Others	12,424	300	420	435	398
Cashflow from investments	8,118	(4,623)	(5,439)	(5,314)	(5,426)

CFF

Proceeds from issuance of units	-	-	-	-	-
Loans, net of repayments	(14,532)	2,365	4,446	-	-
Distributions	(49,489)	(52,136)	(50,109)	(45,854)	(51,267)
Others	(38,630)	(19,489)	(19,255)	(19,086)	(18,215)
Cashflow from financing	(102,651)	(69,260)	(64,918)	(64,940)	(69,482)
Net change in cash	(1,453)	(3,928)	(4,584)	7,571	(11,086)
Cash at the start of the period	51,203	46,103	40,266	34,674	42,245
FX changes	(3,647)	(1,909)	(1,008)	-	-
Ending cash	46,103	40,266	34,674	42,245	31,158

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

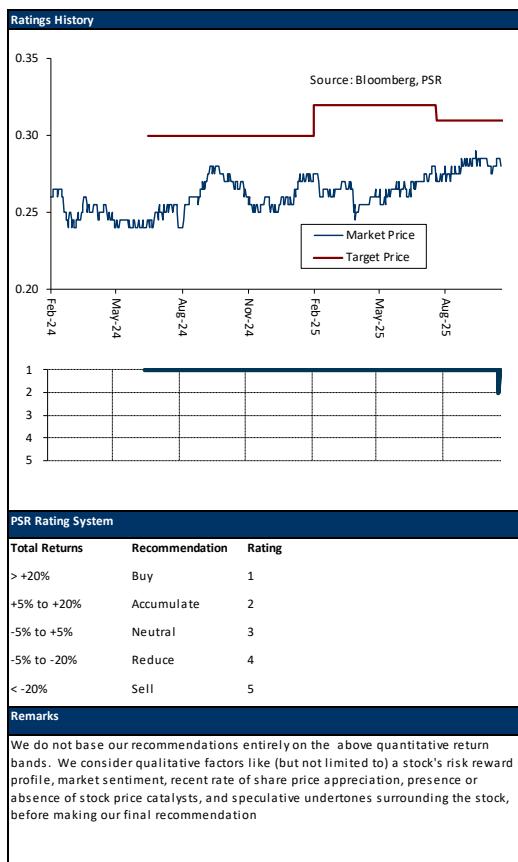
Y/E Dec, (S\$'000)	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Investment properties	1,145,343	1,139,468	1,118,008	1,132,674	1,144,269
Others	1,262	1	64	-	-
Total non-current assets	1,146,605	1,139,469	1,118,072	1,132,674	1,144,269
Trade receivables	5,027	6,249	6,724	3,633	6,812
Cash	46,103	40,266	34,674	42,245	31,158
Others	890	1,347	1,031	1,047	1,047
Total current assets	52,020	47,862	42,429	46,925	39,017
Total Assets	1,198,625	1,187,331	1,160,501	1,179,599	1,183,286
LIABILITIES					
Loans and borrowings	1,453	920	880	880	880
Trade payables	14,994	12,402	12,641	18,419	12,904
Others	4,744	4,369	4,668	4,668	4,668
Total current liabilities	21,191	17,691	18,189	23,967	18,452
Loans and borrowings	449,613	448,926	452,602	452,602	452,602
Others	62,459	60,548	57,438	57,438	57,438
Total non-current liabilities	512,072	509,474	510,040	510,040	510,040
Total Liabilities	533,263	527,165	528,229	534,007	528,492
Net assets	665,362	660,166	632,272	645,592	654,795
Represented by:					
Unitholders' funds	665,362	660,166	632,272	645,592	654,795

Valuation Ratios

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/NAV (x)	0.91	0.93	0.98	0.97	0.96
Distribution Yield (%)	9.4	8.9	8.4	7.8	8.6
NPI yield (%)	10.3	9.2	8.7	8.5	8.5

Growth & Margins

Growth					
Revenue	8.7%	-2.4%	-5.9%	-2.4%	0.8%
Net property income (NPI)	8.3%	-3.0%	-6.5%	-2.4%	0.8%
Distributable income	24.5%	-1.7%	-4.1%	-7.0%	11.8%
DPU	1.2%	-6.1%	-4.8%	-8.0%	10.9%
Margins					
NPI margin	97.6%	97.0%	96.3%	96.3%	96.3%
Key Ratios					
Net Debt or (Net Cash)	404,963	409,580	418,808	411,237	422,324
Gearing	37.6%	37.9%	39.1%	38.4%	38.3%



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