GARDA Property Group

Buy

Real Estate | Industrial REITs
06 February 2026

Price	Target price	12mth return
A$1.15	A$1.62	48.8%

(40.9% forecast capital return | 7.9% forecast dividend yield)

Near-term earnings upgrades fuelled by private lending

What You Need To Know

Management expects lending to make up 46% of group revenue in FY26, with more growth likely in FY27. Increased lending deployment drove a 10% FY26 EPS guidance upgrade. More growth should follow as vacant industrial space is leased up. Attractively valued; 27% NTA discount; 7.2% dividend yield.

Estimate Changes

We increase our medium-term earnings profile in line with upgraded guidance, driven by larger lending book, offset by a slower let-up period at Acacia Ridge. Our target price remains $1.62 and we maintain our Buy rating.

Investment View

Management expects lending revenue to more than double in FY26 to 46% of group revenue. The relatively high returns from this business should continue to drive EPS growth in FY27, noting that average deployment is expected to increase during CY26. The addressing of industrial vacancy over the course of the year should contribute to further EPS growth in FY27.

Garda trades at a 27% NTA discount, with an 8.5% EPS yield in FY26. We continue to view the current entry point as highly attractive.

Event Highlights

The industrial portfolio remains 15% vacant, with the one year old Acacia Ridge warehouse remaining unleased. Management notes several vacant assets in the area competing for tenancy, with leasing now more likely in FY27. GDF has also outlined plans to redevelop part of its Morningside asset when one of its tenants vacates in July'26. While this will reduce FY27 NOI, management expects a 12.8% yield on cost upon completion of the $10.5m project when leased up in CY2027.

Lending Business: Loans receivable increased from $44m to $69m during 1H26, with further net deployment likely in 2H26 as existing facilities are drawn down. Undrawn facilities totalled close to $50 at Dec'25. The book's average return rate is currently at 19%, with the senior/junior split is 44%/56%. With an average tenor currently at 11 months, we would expect some medium-term volatility in drawn value, and therefore in EPS.

Capital Management: Gearing fell from 42.7% at Jun’25 to 14.7% (Jun'25 pro forma) following the sale of the Cairns Office & North Lakes development. It has since risen to 20.8% at Dec’25 following increased lending deployment. **NTA** was broadly stable over the half, at $1.60 per security (Jun’25: $1.61).

ANALYST

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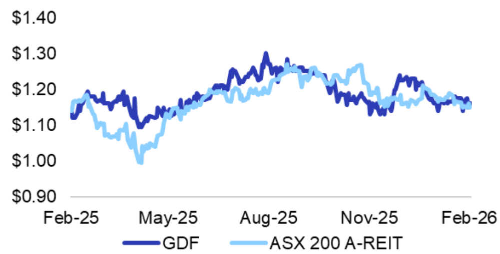
MARKET DATA

Ticker	GDF-AU
Market cap ($m)	230.6
Free float (%)	71.00%
Enterprise value ($m)	315.8
Shares on issue (m)	200.5
52wk range	$1.077 - $1.3

ESTIMATE CHANGES	2025A	2026E	2027E	2028E
NPAT - new	15.0	20.1	21.9	22.6
NPAT - old	15.3	18.3	20.9	20.5
% Change	(2.0%)	10.2%	4.5%	10.2%
EPS (Dil.) - new	7.5	10.0	10.9	11.3
EPS (Dil.) - old	7.6	9.1	10.4	10.2
% Change	(2.0%)	10.2%	4.5%	10.2%
DPS - new	7.2	8.5	9.3	9.6
DPS - old	7.2	8.0	9.2	9.2
% Change	0.0%	6.3%	1.1%	4.3%

SHARE PRICE PERFORMANCE



Source: Company data, FactSet, MA Moelis Australia
Note: All figures are in AUD unless otherwise specified

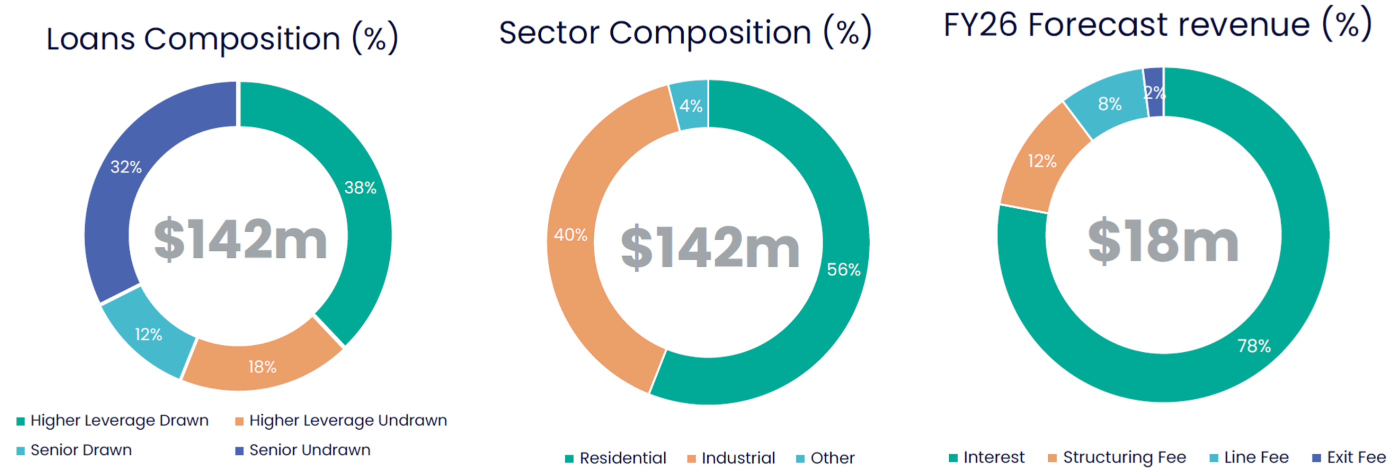
KEY METRICS	2024A	2025A	2026E	2027E	2028E
NPAT	13.3	15.0	20.1	21.9	22.6
EPS (Diluted) (c)	6.4	7.5	10.0	10.9	11.3
P/E	17.8	15.4	11.5	10.5	10.2
EPS growth	(10.0%)	16.0%	34.2%	8.8%	3.1%
DPS (c)	6.3	7.2	8.5	9.3	9.6
Yield	5.5%	6.3%	7.4%	8.1%	8.3%
DPS Growth	(12.5%)	14.3%	18.1%	9.4%	3.2%
Net Tangible Assets ($/share)	1.71	1.61	1.64	1.69	1.75

Lending book overview

Management expects lending revenue to increase to 46% of group revenue in FY26, with the likelihood of further growth in FY27 as existing facilities are drawn down. We note that gearing is currently at 20.8%, providing headroom.

- $142m in lending facilities, across 23 loans. $90.5m of this has been drawn down, with Garda owning $68.7m, and $21.8m owned by third party funders.
- Given the size of the facility, further draw-down is likely without GDF needing to secure additional loans.
- The average term is 11 months, with an average return of 19% p.a. This may translate to some earnings volatility for GDF as loans area repaid and recycled into new facilities.

Figure 1: Lending composition



Source: GDF

Brisbane Industrial update (source: CBRE)

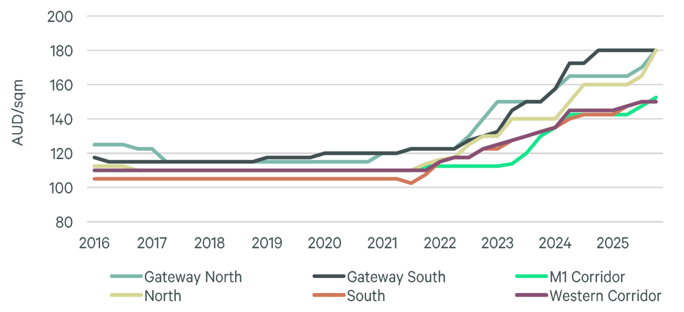
The market remains tight but is beginning to normalise following the elevated supply delivered through CY25:

- **Vacancy** edged lower to 3.1% in the second half of CY25, supported by improving leasing demand and limited availability of super prime and prime stock, particularly in smaller formats.
- **Rent growth** has re-accelerated. Net face rents increased across all asset grades in 4Q CY25, up 3.3% for super prime, 3.1% for prime and 1.2% for secondary assets q-o-q, with incentives broadly stable over the quarter. Net effective rents continued to rise, with super prime averaging $155/sqm, up 6.8% y-o-y.
- **New supply** in CY2025 totalled c.614k sqm, well above historical averages. However, the outlook points to a meaningful slowdown, with CY2026 supply forecast at c.416k sqm, below the long-run average. Developers are becoming more selective due to higher construction costs and feasibility constraints, with a growing preference for pre-commitment. This is expected to limit speculative starts over the next 12–24 months.
- **Land values** continued to increase. Average values rose 4.3% q-o-q for 0.25 ha lots and 5.9% for 1.6 ha lots in 4Q CY25. Only 5% of zoned industrial land is undeveloped and serviced, underpinning ongoing upward pressure on land values.

Figure 2: Average net face rent growth y-o-y by grade

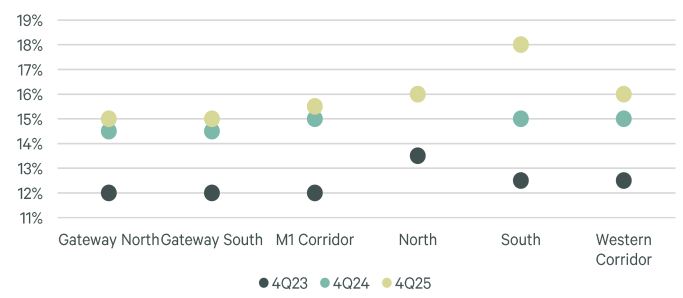
Source: CBRE

Figure 3: Average prime net face rent by precinct



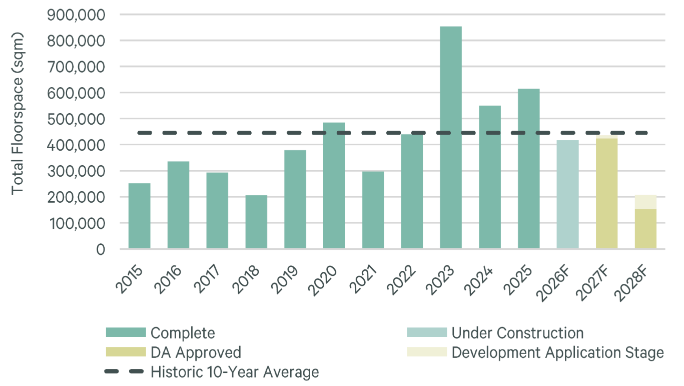
Source: CBRE

Figure 4: Prime incentives by precinct



Source: CBRE

Figure 5: Development supply pipeline



Source: CBRE

GARDA PROPERTY GROUP (GDF-AU) | PRICE: A$1.15 | TARGET PRICE: A$1.62 | BUY

PROFIT & LOSS (A$)	2024a	2025a	2026e	2027e	2028e
Net Property Income	20.7	18.3	14.1	14.7	17.2
Other Operating Income	4.3	8.4	18.2	20.5	20.5
Equity Accounted Profit	0.0	0.0	0.0	0.0	0.0
Other	(4.6)	(3.4)	(5.1)	(6.2)	(6.3)
EBITDA	**20.4**	**23.2**	**27.2**	**29.0**	**31.5**
Dep'n & Amort.	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
EBIT	**20.3**	**23.1**	**27.0**	**28.8**	**31.3**
Net Interest Income / (Expense)	(7.1)	(7.6)	(6.0)	(5.7)	(7.5)
Profit Before Tax	**13.1**	**15.4**	**21.0**	**23.1**	**23.8**
Tax	0.1	(0.4)	(0.9)	(1.2)	(1.2)
Minorities	0.0	0.0	0.0	0.0	0.0
NPAT (Underlying)	**13.3**	**15.0**	**20.1**	**21.9**	**22.6**
Revaluations	(39.3)	(13.6)	5.6	8.1	9.4
Profit / (Loss) on Assets	(11.2)	0.0	(2.2)	0.0	0.0
IFRS Adjustments	(5.0)	(5.6)	(0.3)	0.0	0.0
Amort. of Incentives	0.0	(1.4)	(1.7)	(0.5)	(0.6)
Straight-line rents	(0.7)	(0.6)	0.0	0.0	0.0
NPAT (Reported)	**(42.9)**	**(6.1)**	**21.6**	**29.5**	**31.4**

BALANCE SHEET (A$)	2024a	2025a	2026e	2027e	2028e
Cash	17.0	24.1	21.9	22.1	21.9
Investments	508.7	522.1	338.5	357.5	367.5
Inv. In Associates	26.2	44.1	105.7	110.7	110.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other	13.8	9.2	11.4	11.2	11.1
Total Assets	**565.6**	**599.6**	**477.4**	**501.5**	**511.2**
Current Creditors	2.1	2.5	1.6	1.6	1.6
Debt	216.6	269.5	141.9	154.6	151.8
Provisions	3.2	3.2	4.5	4.7	4.8
Other	1.2	2.2	1.4	1.4	1.4
Total Liabilities	**223.0**	**277.4**	**149.4**	**162.3**	**159.6**
Net Assets	**342.6**	**322.2**	**328.0**	**339.2**	**351.6**
Equity & Reserves	347.1	347.4	347.7	347.7	347.7
Retained Profit	(4.5)	(25.2)	(19.7)	(8.5)	3.9
Shareholders' Equity	**342.6**	**322.2**	**328.0**	**339.2**	**351.6**
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total Equity	**342.6**	**322.2**	**328.0**	**339.2**	**351.6**

CASH FLOW (A$)	2024a	2025a	2026e	2027e	2028e
Net Property Income	20.7	18.3	14.1	14.7	17.2
Interest Received	0.6	0.7	0.8	0.5	0.5
Interest Paid	(10.5)	(10.2)	(7.8)	(6.3)	(8.1)
Other	(4.3)	(14.4)	(15.3)	12.6	12.5
Operating Cash Flow	**6.6**	**(5.7)**	**(8.2)**	**21.5**	**22.1**
Capex	0.0	(37.4)	(2.4)	(11.0)	(0.6)
Acquisitions	(54.8)	0.0	(38.0)	(5.0)	0.0
Divestments	106.1	13.5	191.1	0.0	0.0
Other	(20.8)	(1.7)	(1.7)	0.0	0.0
Investing Cash Flow	**30.5**	**(25.6)**	**149.0**	**(16.0)**	**(0.6)**
Equity Raised	0.0	0.0	0.0	0.0	0.0
Dividend Paid	(13.5)	(12.7)	(15.2)	(18.0)	(18.9)
Net Borrowings	(8.0)	52.7	(127.2)	12.7	(2.8)
Other	(11.7)	(1.7)	(0.6)	0.0	0.0
Financing Cash Flow	**(33.2)**	**38.4**	**(143.0)**	**(5.4)**	**(21.8)**
FX / Non Cash	0.0	0.0	0.0	0.0	0.0
Chg. In Cash	**3.8**	**7.1**	**(2.3)**	**0.2**	**(0.2)**
Free Cash Flow	**6.6**	**(43.1)**	**(10.6)**	**10.6**	**21.6**

VALUATION RATIOS (A$)	2024a	2025a	2026e	2027e	2028e
EPS Adjusted (c)	**6.4**	**7.5**	**10.0**	**10.9**	**11.3**
EPS Yield	**5.6%**	**6.5%**	**8.7%**	**9.5%**	**9.8%**
EPS Reported (Basic) (c)	(20.8)	(3.0)	10.8	14.7	15.7
DPS (c)	**6.3**	**7.2**	**8.5**	**9.3**	**9.6**
DPS Yield	**5.5%**	**6.3%**	**7.4%**	**8.1%**	**8.3%**
Growth	(12.5%)	14.3%	18.1%	9.4%	3.2%
NTA/Share	**1.71**	**1.61**	**1.64**	**1.69**	**1.75**
Prem / (Disc) to NTA	**(32.8)%**	**(28.4)%**	**(29.7)%**	**(32.0)%**	**(34.4)%**
Gearing (Debt / Property)	38.3%	45.0%	29.7%	30.8%	29.7%
Gearing (Debt / Assets)	38.3%	45.0%	29.7%	30.8%	29.7%
ROE	4.1%	5.0%	6.6%	6.9%	6.8%
Interest Cover (x)	1.9	2.1	3.7	4.6	3.9
12Mth Estimated Total Return					48.8%
12Mth Fwd Dividend Yield					7.9%
Target Price (A$)					1.62

SOTP VALUATION (A$)			
Current Trust Properties			402.0
Stated Cap Rate			5.83%
Moelis Cap Rate			5.65%
Market Valuation Incr. / (Decr.)			10.7
Currency Adjustment			0.0
Mark-to-Mkt Trust Valuation			**412.7**
Equity Acc. Investments			0.0
Trust EV			**418.1**
Property & Funds Management	3.8	4.0x	15.3
Development Earnings	0.0	0.0	0.0
Trust Expenses	-6.8	5.0x	-34.0
Manager Fee	0.0	0.0	0.0
Corporate EV	**-3.0**	**6.3x**	**-18.8**
Add Other Assets / Liabilities			4.5
Add Deferred Tax			0.0
Less Intangibles			0.0
Less Minorities			0.0
Group EV			**403.8**
Less Group Net Debt			(85.2)
Group Equity Valuation			**318.6**
Group Valuation / Share ($)			**1.59**

DCF VALUATION (A$)	
Bond Rate	4.25%
Equity Risk Premium	6.00%
Beta	0.7
WACC	8.60%
Terminal Growth	3.00%
Perpetuity Percentage	54.29%

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GARDA Property Group (GDF-AU) | Price A$1.15 | Target price A$1.62 | Rating Buy;

Price, target price and rating as at 06 February 2026 (not covered)*

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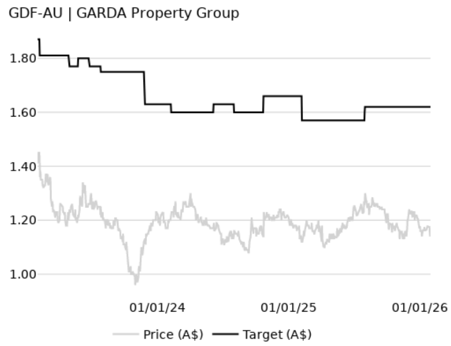

Date (UTC)	Price (A$)	Target (A$)	Recommendation
01/08/25	1.28	1.62	Buy
31/07/25	1.26	1.61	Buy
31/07/25	1.26	1.60	Buy
06/02/25	1.12	1.57	Buy
22/10/24	1.14	1.66	Buy
01/08/24	1.16	1.60	Buy
05/06/24	1.18	1.63	Buy
08/02/24	1.22	1.60	Buy
27/11/23	1.13	1.63	Buy
27/07/23	1.25	1.75	Buy
26/06/23	1.26	1.77	Buy
25/05/23	1.22	1.80	Buy
01/05/23	1.24	1.77	Buy
07/02/23	1.38	1.81	Buy

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Distribution of Ratings as at 12 January 2026

BUY	HOLD	SELL
69.5%	28.0%	1.2%

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