

ASX Announcement

18 August 2021

STRONG FY21 EARNINGS GROWTH AND PORTFOLIO VALUATION GAINS

Aventus Group (ASX: AVN) today announced its results for the full year ended 30 June 2021.

Financial Highlights:

- Funds from operations of \$110 million, up 9.6% on 30 June 2020.
- Funds from operations of 19.4 cents per security, up 7.1% on 30 June 2020, equating to 5% outperformance from initial FY21 guidance.
- Distributions of 17.5 cents per security.
- Net valuation gain of \$297 million up 15.4% since 30 June 2020, lifting the value of the portfolio to \$2.3 billion.
- Gearing of 30.3%, down 5.7% since 30 June 2020 and at the bottom of the target gearing range.
- Net Tangible Asset Value of \$2.69 per share up 25.7% from \$2.14 on 30 June 2020.
- FY21 Total Shareholder Return of 53.4%, outperforming the S&P ASX200 A-REIT Accumulation Index return by 20.2%.
- Sale of MacGregor Home for a 56% or \$15 million premium to book value.

Operational Highlights:

- High occupancy of 98.8% up 0.8% since 30 June 2020 which is 3.9% above the national average.
- 119 leasing deals across 75,000 sqm of GLA with positive leasing spreads and low incentives.
- Income underpinned by 88% national retailers including Bunnings, Officeworks, Harvey Norman and JB Hi-Fi.
- Strong rent collection of 98% across FY21.
- Strong fixed reviews of 3.8% per annum¹ for 77% of the portfolio².
- Centre traffic growth of 6% across FY21³ with a total of 44 million visitors to Aventus centres.
- Portfolio capitalisation rate of 6.01%, a compression of 72 basis points since 30 June 2020.
- Sustainable average gross rent of \$336 psqm and a WALE of 3.7 years.

Capital Management

- Substantial refinancing completed in FY21 with \$660 million (or 80%) of the debt portfolio refinanced.
- Debt duration extended to 4.4 years, with no expiries till January 2025.
- Interest Coverage Ratio of 6.6x from 5.2x.
- Cost of debt reduced to 2.8% from 3.1%.

¹ Fixed weighted average rent review by income excludes CPI.

² By gross income.

³ For the 12 months ended 30 June 2021 (excl. VIC) vs the 12 months ended 30 June 2020 (excl. VIC).

Outlook

- Aventus is in a stronger financial position than pre COVID-19 with most key metrics improved over the year.
- Due to uncertainty as to the duration of the current restrictions, Aventus has not provided specific FY22 FFO per security guidance. This position will be reassessed as circumstances change.
- Aventus confirms that FY22 distributions will be consistent with the payout ratio policy of 90%-100% of FFO.

Aventus Group CEO Darren Holland commented:

"The Aventus team has worked incredibly hard over the last year to deliver these outstanding results today and I am very proud of our performance. We have ended FY21 in a stronger financial position than pre-COVID, outperforming our guidance with FFO per security growth of 7.1%, underpinned by strong cash collection, higher occupancy, continued expense management and lower finance costs.

As flagged in June, the Group has achieved \$297 million of net valuation gains, which is up 15.4% compared to 12 months ago. Pleasingly, this has resulted in lower gearing of 30.3% which is at the bottom of our targeted gearing range, or 29% including the sale of MacGregor.

This leaves us well positioned to improve and enhance the portfolio and to pursue our growth strategy. Diligent capital management will enable us to deploy our balance sheet to accelerate the development pipeline, make accretive acquisitions that meet our investment criteria and expand our funds management platform. Aventus is also excited to share our renewed sustainability commitment and the goals we have set for our 'plan for better'.

Our solid position enables us to manage the current uncertainty and to use the experience gained over the last 12 months to ensure the business maintains the support of its tenants and customers as conditions evolve.

Our portfolio has large store sizes that allow social distancing and Click & Collect facilities across 100% of centres. Currently 80% of the portfolio remains trading of which 32% are providing Click and Collect⁴. In addition, our retailers have proved resilient and have been the beneficiaries of resurgent demand following the easing of previous restrictions, redirection of travel expenditure and Australians cocooning at home.

Unfortunately, given the uncertainty surrounding the duration of the current lockdowns, we are unable to provide specific FY22 FFO per security guidance today. We will continue to monitor circumstances and reassess this position with the aim of providing guidance at a later date. However, we are committed to providing FY22 distributions to investors in line with the distribution policy payout ratio of 90-100% of FFO." said Mr Holland.

⁴ By GLA as at 16 August 21.

Dial in details for the investor briefing call are as follows:

Aventus Group Full-Year 2021 Results Investor Briefing	
Date:	Wednesday, 18 August 2021
Time:	10:00am AEDT
Participants: Participants will pre-register for the call at the link. They will receive a calendar invite and a unique code which is to be quoted when dialling into the call. To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.	https://s1.c-conf.com/diamondpass/10015065-847f63.html
Webcast Details:	https://webcast.openbriefing.com/7614/

This announcement has been authorised by the Board for release.

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