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Upgraded FY22 earnings guidance

1 November 2021

Charter Hall Group (ASX:CHC) (Group) today announces upgraded earnings guidance for FY22.

The Group has upgraded post tax operating earnings per security (OEPS) to no less than 83 cents per security (CPS) for FY22. This upgrade represents a minimum 36% growth rate over FY21 OEPS of 61 cps.

This earnings upgrade has regard for FUM growth and transactional activity to date during FY22, together with the independent valuations now completed for the Direct Industrial Fund 3 (DIF 3) and the Direct Industrial Fund 4 (DIF 4) that has resulted in the achievement of performance fees due and payable at 31 October 2021. The Group has valued \$3.4 billion of industrial assets which resulted in net gains of \$329 million or a 9.6% increase (reflecting 40bps of cap rate compression) over the 4-month period since 30 June 2021. This earnings guidance does not include any forecast transactional activity yet to become un-conditional and is based upon no material adverse change in current market conditions.

The Group acknowledges further independent valuations at 31 December 2021 and 30 June 2022 across the Group's platform are likely to drive further valuation growth and performance fees payable for funds and partnerships being tested, in particular, the Long WALE Hardware Partnership (LWHP) and the Charter Hall Prime Industrial Fund (CPIF). Both LWHP and CPIF, which have not been revalued since 30 June 2021, are expected to exceed their performance fee IRR hurdles as both funds have long WALE portfolios and own assets in highly sought-after sectors, secured with strong tenant customer covenants.

Group FUM now exceeds \$54 billion.

Group Managing Director and CEO David Harrison added "the Charter Hall team continues to deliver on its strategy for fund investors and securityholders. Our total development pipeline has expanded beyond \$9 billion as we replenish new sites across industrial and office markets and our committed developments grow through further pre-leased development commencements. This growth from development has complemented the selective stabilised asset acquisitions across all sectors. While the Group continues to deploy investment capacity, we actively refresh and expand this capacity via strong equity inflows across the diversity of our capital channels".

Announcement authorised by the Board

Charter Hall Group (ASX: [CHC](#))

With over 30 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$54 billion portfolio of 1,404 high quality, long leased properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$9 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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