

## ASX Release

# CQR acquires Ampol portfolio and upgrades guidance

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Charter Hall Retail REIT (ASX: CQR) announces the acquisition of a 49% interest in a portfolio of 20 triple net leased (NNN) Ampol Fuel & Convenience Retail Centres for \$50.5 million<sup>1</sup> on an attractive 5.0% cap rate. The remaining 51% interest will be retained by Ampol.

The portfolio of 20 NNN long WALE convenience retail centres provides CQR with a long-term stable and growing income stream underpinned by the portfolio's 15.6 year WALE and CPI-linked annual rent escalations (2% floor; 5% cap). The portfolio is heavily weighted to metropolitan locations (75% metro and commuter metro) with all sites enjoying prominent main road locations underpinning existing land values and providing flexibility for alternate uses in the future.

Following the acquisition, Ampol will be CQR's eighth largest tenant and represent approximately 1% of portfolio income, adding another major tenant to CQR's tenant mix and further improving the resilience of portfolio income.

Charter Hall Retail CEO, Greg Chubb, commented: "We are delighted to announce today's acquisition and introduce another major convenience retailer to the CQR portfolio. Today's acquisition is consistent with our strategy of growing our exposure to market leading convenience retailers and further enhancing the resilience, growth and stability of CQR's income. The NNN leased nature of these assets and Ampol's ongoing co-ownership of this portfolio provides CQR investors with an attractive and capital efficient lease structure, while introducing a new partnership with a leading operator in the fuel and convenience sector. The high underlying land value and predominantly metropolitan location of the portfolio also provides significant long-term capital value upside."

The acquisition will be funded from existing debt facilities and is expected to settle in February 2022. Post-acquisition, proforma look-through gearing is expected to be approximately 34%, comfortably within the 30-40% range.

### Earnings and Distribution Guidance Upgrade

CQR's previous earnings guidance provided on 19 October 2021 was for FY22 earnings per unit (EPU) to be between 27.8 and 28.2 cents per unit (cpu) representing growth of 1.8% - 3.3% on FY21 earnings per unit and distributions per unit (DPU) to be between 23.9 and 24.3 cpu representing growth of 2.1% - 3.8% on FY21 distributions per unit.

In light of today's acquisition and underlying performance of the portfolio, CQR issues new earnings and distribution guidance.

Barring any further unforeseen events, FY22 earnings per unit (EPU) is expected to be no less than 28.2 cents per unit (cpu) representing growth of no less than 3.3% on FY21 earnings per unit.

FY22 distributions per unit (DPU) are expected to be no less than 24.3 cpu representing growth of no less than 3.8% on FY21 distributions per unit.

<sup>1</sup> CQR share. Total portfolio value of \$103.1 million

It is expected that the 2H FY22 distribution will be greater than the 1H FY22 distribution, reflecting the timing impacts of COVID-19 tenant support.

*Announcement Authorised by the Board*

**Charter Hall Retail REIT (ASX: CQR)**

Charter Hall Retail REIT is the leading owner of property for convenience retailers.

Charter Hall Retail REIT is managed by 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 \$55.3 billion portfolio of 1,413 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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For further enquiries, please contact

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