



10 February 2025

ASX Announcement

Region Group (RGN) Announces 1H FY25 Results

Financial highlights

- Statutory net profit after tax of \$81.8 million
- FFO of 7.6 cents per security
- AFFO of 6.7 cents per security
- Distribution of 6.7 cents per security representing a payout ratio of 89% of FFO and 100% of AFFO
- Assets Under Management have increased 8.0% from 30 June 2024 to \$5.2 billion
- Net tangible assets of \$2.42 per security with a portfolio weighted average market capitalisation rate of 6.08%
- Gearing of 32.8% is at the lower end of our target range of 30-40%
- WACD of 4.3% pa with 100% of debt hedged or fixed
- \$1.4 billion of forward-starting interest rate derivative transactions completed relating to FY26-FY29

Operational highlights

- Portfolio occupancy is stable at 98.1%
- 256 total leasing deals completed with 2.1% average specialty leasing spreads and 85% of expiring tenants retained
- Comparable portfolio MAT growth of 2.0% driven by supermarket sales growth of 2.5% and non-discretionary specialty sales growth of 3.2%
- Tenant arrears at 1.4% of billings

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Value creation achievements

- Funds management platform has increased to more than \$680 million following the establishment of Metro Fund 2 with a global institutional investor in November 2024
- Completion of initial \$200 million capital recycling program with proceeds reinvested into a \$36.8 million co-investment in Metro Fund 2 and \$138.5 million of acquisitions to improve the quality of the core portfolio. This includes the purchase of Kallo Town Centre for \$64.5 million in January 2025. Additional proceeds have been used for capital expenditure and temporary debt reduction.
- Exchanged on the divestment of Warrnambool Shopping Centre for \$17.9 million in early February 2025 with settlement expected in March 2025
- Key tenants at the 10,691 sqm expansion of Delacombe Town Centre are now open and trading, with practical completion for the development expected in early 2025
- \$43.2 million of capital expenditure invested in centre repositioning, developments, sustainability and partnering with our anchor tenants

Outlook and Earnings Guidance

We remain focused on executing our core strategy of delivering defensive, resilient cashflows to support secure and growing long-term distributions to our security holders.

The resilient Australian consumer and declining retail floorspace per capita should drive opportunities in our existing centres, which is supported by our centre repositioning program.

We will continue to maintain a disciplined approach to acquisitions and divestments.

Assuming no significant change in market conditions, our FY25 earnings guidance is FFO of 15.5 cents per security and AFFO of 13.7 cents per security. The distribution payout ratio is expected to be approximately 90% of FFO and 100% of AFFO.

This document has been authorised to be given to the ASX by the Board of RGN.

ENDS

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