



## **ASX RELEASE**

11 August 2022

### **FY22 Financial Results and Outlook**

Following the listing of Newmark Property REIT (**NPR**) in December 2021, NPR is pleased to announce its results for the year ended 30 June 2022.

NPR's stated objective is to provide Stapled Securityholders with exposure to a high-quality real estate portfolio targeting consistent and growing income. It is pleasing for our foundational financial year-end result to be able to confirm that we have delivered on our PDS forecasts for FY22.

#### **Financial performance for the period ended 30 June 2022**

- Statutory net profit of \$51.8m for FY22 with \$46.5m attributable to the period 8 December 2021 to 30 June 2022
- FFO for FY22 of \$13.3m with \$8.9m attributable to the period 8 December 2021 to 30 June 2022 is in line with PDS forecasts.
- Distributions of 5.5 cents per unit for the period 8 December 2021 to 30 June 2022 was paid and in line with PDS forecasts.
- During the year, NPR executed its capital management strategy refinancing its debt facility for a 3-year term, through to December 2024.
- NPR has a robust balance sheet with gearing of 25.5%<sup>1</sup> and \$100.0m of its debt facility hedged.

#### **Operational and portfolio highlights**

- Newmark Property REIT is a portfolio of eight high-quality properties with a total portfolio value of \$487.4m<sup>2</sup>.
- NPR is well placed to provide investors with defensive and growing income:
  - Occupancy of 100%, up from 99% at 31 December 2021 with the leasing of 1,300 sqm at Chadstone in early 2022.
  - 90%+<sup>3</sup> of the portfolio's tenants being leading national tenants and 81% of the portfolio underpinned by Bunnings, Officeworks and other Wesfarmers Group entities<sup>4</sup>.
  - A strong WALE of 7.2 years<sup>3</sup> and no near-term expiries with no income expiring in FY23.
  - Built in growth with a combination of fixed (85%), CPI (11%) and turnover based leases (4%) with a weighted average of 2.88%<sup>3</sup>.

1. Gearing calculated as interest bearing liabilities less cash divided by total tangible assets less cash.

2. As at 30 June 2022. Includes Preston valued on an 'as is' basis.

3. By anticipated gross passing income as at 30 June 2022.

4. Subsidiaries of the Wesfarmers Parent entity - predominantly Bunnings Group Limited and are not guaranteed by Wesfarmers Limited.

#### **Newmark Property REIT**

Stapled Group comprising:

Newmark Hardware Trust (ARSN 161 274 111)

Newmark Capital (Chadstone) Property Trust (ARSN 648 280 219)

Responsible Entity: Newmark REIT Management Limited

(ACN 644 715 382) (AFSL 526 690)

Level 17, 644 Chapel Street  
South Yarra Vic 3141  
Australia

+61 3 9820 3344  
[newmarkcapital.com.au](http://newmarkcapital.com.au)

- Preston development is scheduled for completion in December 2022 and settlement in January 2023 and will provide for future income growth.

Managing Director, Chris Langford, said “We are confident that the strong underlying asset values and reliable income streams that our properties receive from the likes of Bunnings, Officeworks and other leading national retailers will increasingly appeal to investors.”

## **Outlook**

### **FY23 distribution guidance of 8.9 – 9.1 CPU, which will include 5.0 CPU in 1H FY23 (Consistent with NPR IPO PDS)<sup>5</sup>**

Fund Manager, Ed Cruickshank said “NPR has delivered on its IPO forecast distribution guidance for FY22, against a complex environment. NPR’s continued performance is underpinned by a high-quality strategically located portfolio leased to leading national tenants with growing income streams that we believe puts NPR in a strong position to weather current macro challenges and deliver on its objectives for investors”.

## **Teleconference**

An investor teleconference will be held to provide an overview of the operating activities and financial results for the financial year ended 30 June 2022. Details of the teleconference are as follows:

Title: Newmark Property REIT FY22 Results

Date: Thursday 11th August 2022

Time: 10:00 AEST

To register for the teleconference please click [here](#) or go enter <https://webcast.openbriefing.com/9013/> in your browser.

## **Authorised for release by the Board**

For further information please contact:

### **Ed Cruickshank**

Fund Manager

Tel: +61 3 9066 3966

Email: [investor@newmarkcapital.com.au](mailto:investor@newmarkcapital.com.au)

5. Guidance is estimated assuming an average 90-day BBSY of 2.75% - 3.00%, no new acquisitions or disposals, all acquisitions are completed in line with forecast assumptions (including buyback on terms as announced on 6 June 2022 and Preston Settlement), tenants comply with their existing lease obligations and is based on Newmark’s assessment of the current macro environment and its impact. Guidance is subject to unforeseen circumstances and material changes in operating conditions. Refer to the Important Notice.

**Important Notice**

This document has been prepared by Newmark REIT Management Limited ACN 644 715 382 AFSL No. 526690 (**NRML**) as responsible entity of Newmark Property REIT (**NPR**), comprising Newmark Hardware Trust ARSN 161 274 111 and Newmark Capital (Chadstone) Property Trust ARSN 648 280 219. The information contained in this document is current only as at the date of this document or as otherwise stated herein. It is a summary and is not a complete representation of the affairs or prospects of NPR. This document contains selected information and should be read in conjunction with the Financial Report for the year ended 30 June 2022 lodged with ASX on 11 August 2022 (**Full Year Report**) and other ASX announcements released from time to time. The information contained in this document is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. NRML has not considered the investment objectives, financial circumstances or particular needs of any particular recipient. You should consider your own financial situation, objectives and needs, conduct an independent investigation of, and if necessary, obtain professional advice in relation to, this document and the Full Year Report. Past performance is not an indicator or guarantee of future performance.

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