



23 October 2023

## ASX Announcement

### **RGN Operational Update**

Region Group (ASX: RGN) announces an operational update for the period ended 30 September 2023. Details of the update are attached.

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

ENDS

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# Market Update

## Q1 FY24

23 October 2023

Essentially local

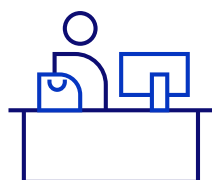


# Tenant Performance

Non-discretionary tenants driving resilient sales and low arrears



**4.2%**  
Supermarket MAT sales growth



**6.2%**  
Non-discretionary specialty tenant MAT sales growth



**1.3%**  
Arrears consistent with June 2023

## Comparable Total Portfolio Sales Growth (%)

	Sept 2023 MAT growth <sup>1</sup>	Jun 2023 MAT growth <sup>1</sup>	Q1 FY24 vs Q1 FY23
Supermarkets	4.2%	3.4%	3.6%
Discount Department Stores	4.1%	9.4%	(0.7%)
Mini Majors	0.6%	2.2%	2.0%
Specialties	4.3%	7.5%	1.2%
<b>Total</b>	<b>4.1%</b>	<b>4.5%</b>	<b>2.8%</b>

## Comparable Specialty Sales Growth (%)

	Sept 2023 MAT growth <sup>1</sup>	Jun 2023 MAT growth <sup>1</sup>	Q1 FY24 vs Q1 FY23
Non-discretionary	6.2%	8.2%	4.1%
Discretionary	1.7%	7.1%	(2.9%)
<b>Total</b>	<b>4.3%</b>	<b>7.5%</b>	<b>1.2%</b>

1. Moving annual turnover measures the growth in sales over the last 12 months compared to the previous 12-months. Includes comparable sales reporting tenants trading over 24 months

# Specialty Leasing Activity

Continued momentum in deals with positive leasing spreads

	Renewals	New Leases	Total
Deals	52	55	107
Average uplift (%)	4.7%	(1.2%)	1.4%



**107**

Total deals completed in Q1 FY24



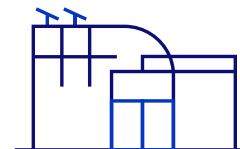
**4.7%**

Consistent leasing spreads from renewals



**4.3%**

Average fixed rent reviews on achieved deals



**97.8%**

Portfolio occupancy



Pakenham Central, VIC

# Capital Recycling and Guidance

## Capital Recycling

- 10 properties worth circa \$200m identified for sale
  - Collingwood Park Shopping Centre (QLD) recently contracted for sale at book value with a cap rate of 5.25%
  - An on-market campaign will shortly be commencing for Leura Shopping Centre (NSW) and Drouin Central (VIC)
- Proceeds from these sales will initially be used to pay down debt. Further capital management initiatives are being considered

## Earnings guidance

- FY24 guidance is maintained at:
  - FFO of 15.6 cps
  - AFFO of 13.7 cps
  - Target distribution payout ratio of approximately 100% of AFFO
- Guidance assumes:
  - No balance sheet acquisitions or growth in funds management platform
  - No material change in market conditions



Collingwood Park Shopping Centre,  
QLD



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