



Managed by  
HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257)  
as responsible entity of the  
HomeCo Daily Needs REIT (ARSN 645 086 620)

## ASX RELEASE

7 June 2024

### HOME CO DAILY NEEDS REIT RECORDS VALUATION GAINS

#### KEY HIGHLIGHTS

- June 2024 preliminary unaudited valuation gain of \$77m, representing a ~2% increase on the December 2023 portfolio value<sup>1</sup>, comprised of:
  - \$27m net valuation gain (~1%) driven primarily by strong net operating income growth partially offset by minor capitalisation rate easing of ~6bps to 5.64%
  - \$50m of capital expenditure in the period
- Strong balance sheet maintained with gearing at the midpoint of the 30-40% target range<sup>1</sup>
- Distribution of 2.075 cents per unit for the quarter ended 30 June 2024 declared
- FY24 DPU guidance of 8.3 cents reaffirmed
- FY24 FFO guidance of 8.6 cents per unit reaffirmed

HMC Capital Head of Real Estate & HomeCo Daily Needs REIT (**ASX: HDN**) CEO, Sid Sharma said, “*The positive revaluation gains for the half reflects HDN’s high exposure to defensive and non-cyclical expenditure and megatrends driving tenant and customer demand for our assets. Whilst the existing asset base is generating strong underlying net income growth, HDN’s accretive development pipeline continues to create additional value for our unitholders. Our tenant demand led development strategy remains a key focus for HDN and continues to deliver attractive risk adjusted returns.*”

<sup>1</sup> Pro-forma for unaudited net valuation impact at 30 June 2024 and contracted net acquisitions in 2H FY24 & 1H FY25.

## JUNE 2024 PRELIMINARY UNAUDITED PORTFOLIO VALUATION

In accordance with the stated valuation policy of HDN, preliminary unaudited valuations for all 53<sup>2</sup> owned properties in the portfolio have been completed. This comprised 27<sup>3</sup> independent valuations representing ~53% of the properties by value with the remaining 26 properties completed by internal valuation.

The preliminary unaudited portfolio valuation, which remains subject to year-end audit, has increased by \$77 million (1.6%) to \$4,869 million (vs. 31 December 2023). Net of acquisitions and capital expenditure incurred during the period of \$50 million, this represents a net valuation increase of \$27 million (0.6%).

Preliminary unaudited portfolio valuation	Independent valuations	Internal valuation	Acquisitions / Held for Sale / Disposals <sup>4</sup>	Total	Portfolio WACR (%)
# properties	25	26	2	53	
<b>31 December 2023 valuation<sup>5</sup></b>	<b>\$2,277m</b>	<b>\$2,247m</b>	<b>\$200m</b>	<b>\$4,724m</b>	<b>5.61%</b>
Acquisitions <sup>6</sup>	\$54m	\$60m	-	\$114m	
Disposals	-	-	(\$46m)	(\$46m)	
<b>Pro forma 31 December 2023 valuation</b>	<b>\$2,392m</b>	<b>\$2,247m</b>	<b>\$153m</b>	<b>\$4,792m</b>	<b>5.58%</b>
Capital expenditure	\$39m	\$11m	\$0m	\$50m	
Net valuation increase / (decrease) <sup>7</sup>	\$27m	\$0m	\$0m	\$27m	
<b>30 June 2024 valuation</b>	<b>\$2,458m</b>	<b>\$2,257m</b>	<b>\$153m</b>	<b>\$4,869m</b>	<b>5.64%</b>
<b>Gross increase / (decrease)</b>	<b>2.8%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>1.6%</b>	
<b>Net increase / (decrease)</b>	<b>1.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>	

## JUNE 2024 QUARTER DISTRIBUTION DECLARATION

HMC Funds Management Limited as Responsible Entity of HDN has declared the quarterly distribution for the period 1 April 2024 to 30 June 2024 of 2.075 cents per unit. The Distribution Reinvestment Plan is activated for this quarter with no discount. The key dates and details for the June 2024 distribution are:

Event	Date
Distribution amount	2.075 cents per unit
Ex-distribution date	27 June 2024
Record date	28 June 2024
Last date to elect to participate in DRP	1 July 2024
VWAP Period	2 July 2024 to 8 July 2024
DRP Price Announcement	9 July 2024
Discount	Nil
Payment date and despatch of statements	On or about 22 August 2024

<sup>2</sup> Includes McGraths Hill and Menai which are equity accounted at their respective ownership portions of 25.33% and 50.1%.

<sup>3</sup> Includes Kellyville and Leppington acquisitions.

<sup>4</sup> Includes Kellyville and Leppington, which are expected to settle in 2H FY24 & 1H FY25, respectively.

<sup>5</sup> Excludes Caringbah ROU asset.

<sup>6</sup> Represents the acquisition of West Ryde & Williams Landing at acquisition value.

<sup>7</sup> Net movements exclude straight lining, amortisation and capitalised transaction costs.

This announcement is approved for release by the Board of the Responsible Entity.

For further information please contact:

## **INVESTORS**

**Andrew Dodds**  
**HMC Capital Corporate Finance &  
IR Manager**  
+61 423 810 851  
[andrew.dodds@hmccapital.com.au](mailto:andrew.dodds@hmccapital.com.au)

**Sid Sharma**  
**HMC Capital Head of Real Estate &  
HDN CEO**  
+61 434 361 318  
[sid.sharma@hmccapital.com.au](mailto:sid.sharma@hmccapital.com.au)

## **MEDIA**

**John Frey**  
**Corporate Communications**  
+61 411 361 361  
[john@brightoncomms.com.au](mailto:john@brightoncomms.com.au)

### ***About HomeCo Daily Needs REIT***

*HomeCo Daily Needs REIT (HDN) is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. HDN aims to provide unitholders with consistent and growing distributions.*

*HDN is Australia's leading daily needs REIT with total assets of approximately \$4.9bn spanning over 2.5 million square metres of land in Australia's leading metropolitan growth corridors of Sydney, Melbourne, Brisbane, Perth and Adelaide. HDN is also a strategic investor in the Last Mile Logistics (LML) unlisted fund, a complementary mandate which targets core plus transition assets with upside via repositioning into essential last mile real estate infrastructure.*

### ***Important Notice - Forward-Looking Statements***

*This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HomeCo Daily Needs REIT. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.*

*No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HomeCo Daily Needs REIT as at the date of this announcement. Except as required by applicable laws or regulations, HomeCo Daily Needs REIT does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.*