



12 August 2024

## ASX Announcement

### Region Group (RGN) Announces FY24 Results

#### Financial highlights

- Statutory net profit after tax of \$17.3 million
- FFO of 15.4 cents per security
- AFFO of 13.6 cents per security
- Distribution of 13.7 cents per security representing a payout ratio of 89% of FFO and 101% of AFFO
- Net tangible assets of \$2.42 per security
- Gearing of 32.9% is at the lower end of our target range of 30–40%
- Issued \$300m 7 year Medium Term Note and completed a \$300m interest rate hedge restructure at zero cost
- No debt expiries until FY27 with \$262.4 million of available liquidity

#### Operational highlights

- Portfolio occupancy has improved from 97.8% to 98.1% with specialty tenant vacancy reducing from 5.0% to 4.7%
- 552 total leasing deals completed with 4.0% average specialty leasing spreads and 83% of expiring tenants retained
- Comparable Net Operating Income growth of 3.0%
- Comparable portfolio MAT growth of 2.5% driven by supermarket sales growth of 3.0% and non-discretionary specialty sales growth of 4.1%
- Tenant arrears at 1.0% of billings

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[regiongroup.au](http://regiongroup.au)



## Value creation achievements

- Significantly increasing the scale of our funds management platform through the establishment of the \$393.9 million Metro Fund 2 with a global institutional investor in August 2024
- \$74.0 million acquisition of Cooleman Court in Canberra, ACT at an implied initial yield of 6.73%
- Divested \$176.7 million of properties since May 2023 at an average passing yield of 5.3% which largely concludes our \$200 million capital recycling program.
- Continued construction on the 11,000 sqm expansion of Delacombe Town Centre, with an estimated completion date of December 2024

## 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.

We are targeting comparable NOI growth of 3%, whilst undertaking selective capital transactions and centre repositioning strategies. We will continue to maintain an appropriate and flexible capital management structure to enable the execution of these priorities.

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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