

ASX Release

Charter Hall Group FY25 1st Half Results

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Charter Hall Group (ASX: CHC) today announces its 1H FY25 results for the 6 month period ending 31 December 2024.

Financial Highlights:

- Operating earnings of \$196.4 million, reflects operating earnings per security (OEPS) post-tax for the half of 41.5 (cps)
- Statutory earnings post-tax of \$61.1 million
- Distribution per security of 23.4 cents

Operating Highlights:

- Access: \$1.6 billion of gross equity allotted
- Deploy: \$4.1 billion of gross transactions
- Manage: \$83.4 billion¹ of funds under management (FUM), including \$66.4 billion of Property FUM
- Invest: Property Investment portfolio of \$2.8 billion

Charter Hall's Managing Director and Group CEO, David Harrison said: "Our investment strategies are poised to deliver attractive growth in earnings and asset values which we expect to generate compelling IRRs for existing and new investment capital partners. Our investment management and asset services platform is performing strongly, whilst we have retained strong investor relationships during recent years. We expect investor customers to continue to be more constructive toward deployment of new capital invested in the Platform. The first half secured \$1.6bn in gross equity inflows, which is equivalent to the total gross equity raised for the 12 months in FY24. This half has seen acquisitions of \$2.2bn, which significantly exceeds the \$1.7bn in acquisitions over the 12 months in FY24.

Looking 10 years ahead Australia is forecast to see its population grow by 3.9 million people. To accommodate this growth, Australia will need to build additional supply across all real estate sectors, the size of Brisbane and Adelaide combined to accommodate this population growth. Our tenant customers will need solutions to cater for this growth in the economy and our investor customers will see attractive investment opportunities. We are clearly now at an inflection point in the market and as

¹Includes Paradise Investment Management (PIM) \$17.0bn (31 Jan) and HPI \$1.3bn of FUM.

Australia's largest owner and manager of commercial real estate, Charter Hall is well positioned to deliver for our investor and tenant customers as our nation and economy continues to grow."

Funds Management

Group FUM increased \$2.5 billion to \$83.4 billion¹, consisting of \$66.4 billion of Property FUM whilst listed equities FUM at Paradise Investment Management (PIM) has grown to \$17 billion.

Property FUM increased by \$0.9 billion, driven by acquisitions of \$2.2 billion and capex and development investment of \$1.0 billion, partially offset by devaluations of \$0.3 billion and divestments of \$2.0 billion.

The Group's \$1.6 billion of gross equity inflows during the half, comprised inflows of \$451 million in Wholesale Pooled Funds, \$1.0 billion in Wholesale Partnerships and \$102 million in Direct managed funds.

Property Investment

At the end of the period, the Property Investment portfolio value was \$2.8 billion or 4% of the Group's property platform of \$66.4 billion.

The earnings resilience and diversification of the Property Investment portfolio continues to remain a key strength, combined with a high-quality tenant covenant profile. No single asset represents more than 6% of portfolio investments and Government covenants are the largest tenant exposure at approximately 25% of portfolio income. 16% of net income is derived from leases with CPI-linked rent reviews, complementing market rent reviews, fixed annual rent escalations and turnover growth driven rental increases.

Portfolio occupancy remains healthy with a 97% occupancy rate, Weighted Average Lease Expiry (WALE) of 7.1 years and the Weighted Average Rent Review (WARR) is an attractive 3.2%. The portfolio cap rate has remained stable at 5.7% over the past 6 months.

Development Activity and Pipeline

Development activity continues to drive modern asset creation, providing property solutions for our tenant customers, enhancing returns and attracting new capital to our funds and partnerships to deliver on strategic goals and enhance total returns and portfolio quality. Development completions totalled \$0.8 billion in the last 12 months. Notwithstanding completions, the pipeline continues to be re-stocked and is currently \$13.3 billion, a \$0.7 billion increase over the half. There are currently \$5.3 billion in committed developments, with 73% of committed office developments pre-leased and 91% of committed industrial and logistics developments pre-leased.

The Group continues to use its cross-sector tenant relationships and the scale of its portfolio to create development opportunities for both tenants and investors. The breadth of this market reach generates significant market intelligence thereby enhancing our value-add capacity.

Capital Management

During the period, the Group completed \$7.4 billion in new and refinanced debt facilities across the Platform. Platform facility limits of \$29.6 billion, with \$6.1 billion of available liquidity and further additional committed and uncalled equity. The Group balance sheet held \$289 million of cash as at 31 December 2024 and maintains low balance sheet gearing of 5.9%.

ESG Leadership

Sustainability remains integral to Charter Hall's operations and management. We remain on track to meet our commitment to Net Zero carbon emissions² by 2025, with more than a 70% reduction in Scope 1 and Scope 2 absolute emissions compared to our FY17 baseline. Across the platform we now

² Scope 1 and Scope 2 emissions for assets under our operational control.

have 83MW of solar installed. More than 80% of power is coming from renewable energy for assets under our operational control.

Outlook

Charter Hall's Managing Director and Group CEO, David Harrison said: "We see current market pricing as offering attractive long-term returns for stabilised core real estate products and our investment strategies. It is our expectation that capital deployment will accelerate to take advantage of market conditions and typically accelerates further as the upward cycle gathers pace.

Based on no material change in current market conditions, FY25 earnings guidance has been upgraded to 81.0 cents per security for post-tax operating earnings per security (up from the previously communicated 79.0 cents per security), representing 6.9% growth over FY24. Guidance continues to assume no performance fees in FY25.

FY25 distribution per security guidance is for 6% growth over FY24.

Announcement Authorised by the Board

Charter Hall Group (ASX: CHC)

Charter Hall is Australia's leading fully integrated diversified property investment and funds management group. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities to grow.

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