

## ASX Release

# Charter Hall Group FY24 Results

21 August 2024

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Charter Hall Group (ASX: CHC) today announces its FY24 results for the period ending 30 June 2024. Key financial and operational highlights for the period are:

### Financial Highlights:

- Operating earnings of \$358.7 million, reflects operating earnings per security (OEPS) post-tax of 75.8 (cps)
- Statutory earnings of (\$222.1) million
- Distributions of 45.1cps

### Operating Highlights:

- Access: \$1.6 billion of gross equity allotted
- Deploy: \$4.1 billion of gross transactions
- Manage: \$80.9 billion of FUM, including \$65.5 billion of Property FUM
- Invest: Property Investments of \$2.8 billion

Charter Hall's Managing Director and Group CEO, David Harrison said: "FY24 has seen us focus on the on-going curation of the portfolios we manage, selective development, partnering with our tenant and investor customers to meet their needs and closely managing our cost base. This has seen us deliver a good result set against a tough real estate environment."

### Funds Management

Group FUM reduced \$6.5 billion to \$80.9 billion, consisting of \$65.5 billion of Property FUM and \$15.4 billion of Paradise Investment Management (PIM) FUM.

Property FUM contracted by \$6.3 billion, driven by devaluations of \$6.1 billion and divestments of \$2.4 billion offset by acquisitions of \$1.7 billion and capex and development spend of \$0.5 billion.

The Group's \$1.6 billion of gross equity inflows during the period, comprised inflows of \$305 million in Wholesale Pooled Funds, \$1,140 million in Wholesale Partnerships, \$11 million in Listed Funds and \$148 million in Direct managed funds. Outflows impacting net inflows were predominantly driven by secondary unit sales in pooled funds, where selling demand was met by inflows from existing and new investors.

## Property Investment

At the end of the period, the Property Investment portfolio value was \$2.8 billion or 4.3% of the Group's property platform of \$65.5 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 4% of portfolio investments, Government covenants are the largest tenant exposure and make up 29% of portfolio income, whilst 17% 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 97.4% occupancy rate, Weighted Average Lease Expiry (WALE) of 7.2 years and the Weighted Average Rent Review (WARR) is an attractive 3.4%, whilst the portfolio cap rate has risen 80 bps to 5.70% over the past 12 months.

## Development Activity and Pipeline

Development activity continues to drive modern asset creation, enhancing returns which continues to attract new capital to our funds and deliver on strategies. Development completions totalled \$1.3 billion in the last 12 months. Notwithstanding completions, the pipeline continues to be re-stocked and is currently \$12.5 billion with \$4.9 billion in committed developments, with 69% of committed office developments pre-leased and 90% 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 \$10.7 billion in new and refinanced debt facilities across the Platform. Platform facility limits exceed \$30.0 billion, with \$6.6 billion of available liquidity and further additional committed and uncalled equity. The Group balance sheet held \$383 million of cash as at 30 June 2024 and low balance sheet gearing of 3.0%.

## ESG Leadership

Sustainability remains integral to Charter Hall's operations and management. We remain on track to meet our commitment to Net Zero carbon emissions<sup>1</sup> by 2025, with a more than 70% reduction in Scope 1 and Scope 2 absolute emissions compared to our FY17 baseline. Across the platform we now have 80MW of solar installed. More than 80% of power is coming from renewable energy for assets under our operational control. We also increased our sustainable financing by \$3.0 billion during the period and now have \$6.4 billion of sustainable finance facilities or approximately 21% of total platform finance facilities.

## Outlook

Charter Hall's Managing Director and Group CEO, David Harrison said: "With evidence emerging of a slowing economy and inflation trends moderating, we consider ourselves well positioned to take advantage of a lower interest rate environment as it emerges. We see current market pricing as offering attractive long-term returns for stabilised core real estate products and value-add development and opportunistic strategies and it's our expectation that capital deployment will increase to take advantage of market conditions.

"We also remain close to our tenant customers. Our sale and leaseback capabilities combined with our development experience make us uniquely positioned to partner with our tenants and help them meet

<sup>1</sup> Scope 1 and Scope 2 emissions for assets under our operational control.

their property needs. We look forward to working with both our investor and tenant customers in the year ahead as partnership remains central to our ongoing success and the growth of the business.”

Based on no material change in current market conditions, FY25 earnings guidance is for post-tax operating earnings per security of approximately 79 cents per security.

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

*Announcement Authorised by the Board*

**Charter Hall Group (ASX: CHC)**

Charter Hall is one of Australia’s leading fully integrated property investment and funds management groups. 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 grow.

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