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AVJennings: Bell Potter Conference

Creating communities for
over 90 years that people
love to call home.

17 October 2024

Phil Kearns AM, MD and CEO



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This Presentation has been prepared in relation to the Bell Potter Foundations Conference on 17 October 2024.

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Acknowledgement of country

AVJennings acknowledges the Traditional Custodians of Country throughout Australia and New Zealand and recognises their distinct cultural and spiritual connections to the land, waters and seas and their rich contribution to society. We pay our respects to ancestors and Elders, past, present and emerging.

What we do: AVJennings develops communities for the way people want to live today.

- We develop and sell communities in sought after locations across the eastern states, SA and NZ.
- To do this we buy land or obtain a controlling interest in it.
- We're primarily a horizontal developer of stand-alone and medium density homes – we can scale production up and down to meet the market.
- We have a JV with Pro9 Global (Pro9) to manufacture its highly durable and energy-efficient Pro9 walling systems in Australia.
- Pro9 has the potential to transform our business model and revolutionise the home building industry.



Cadence (QLD) – a case study of what we do

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Diversified product mix generates enquiries

- 'Turnkey' homes and land packages
- Detached, terrace and townhomes

Different price points

- Pay upon completion offers price and completion certainty for buyers
- Land from \$315k, Homes from \$560k

Broad customer appeal

- FHB
- Investors
- Upgraders
- Downsizers

Strong market fundamentals

- Strong online enquiries and foot traffic
- Margin uplift across stages
- SE QLD is a strong market, with growth corridors and other AVJ communities

Disciplined capital management

- Low rates of unsold stock
- Staged development and the use of Pro9 walls improves working capital efficiency

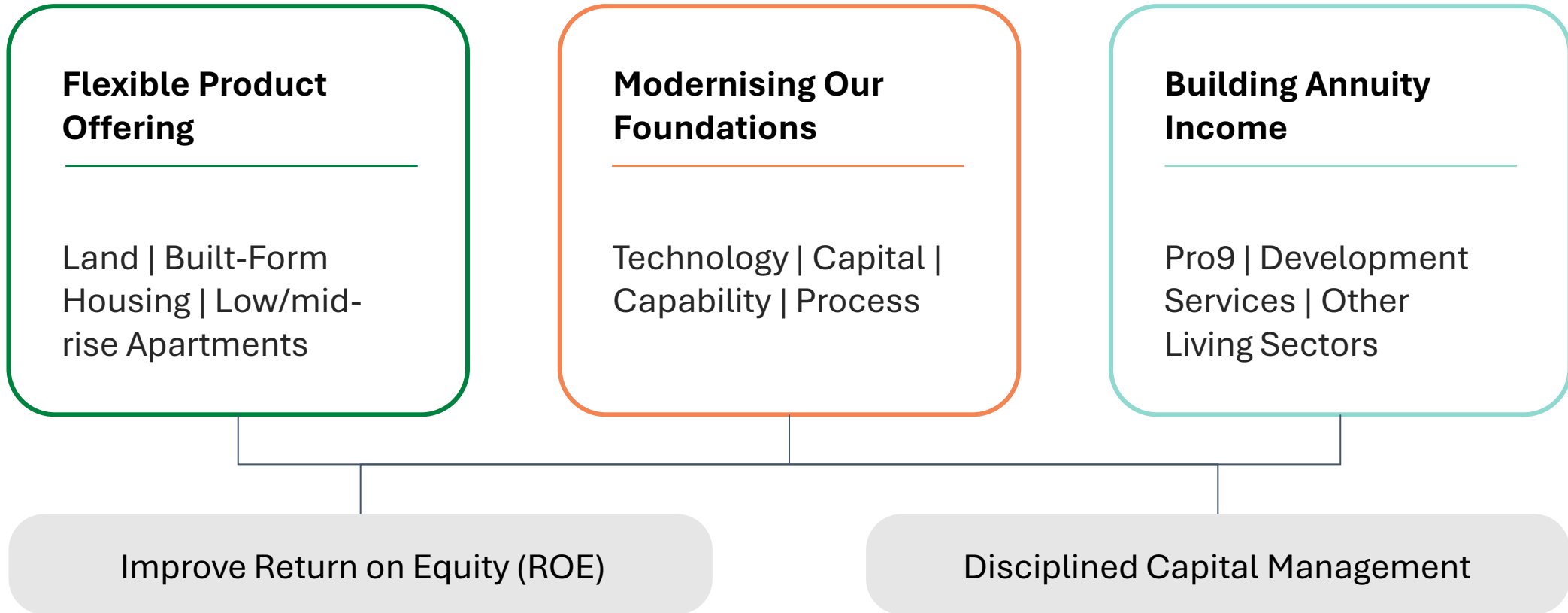


Located at: Ripley, QLD
Total project lots: 335

Our Strategy is to Transform, Modernise and Grow

Developing communities for a sustainable future.

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Significant progress to date on strategic execution

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Disciplined capital management	<ul style="list-style-type: none">• Rocksberg (QLD) option terminated with funds to be redeployed to activate existing pipeline opportunities, driving improved financial performance• Glenrowan (QLD) divested• Superlot sales at St Clair (SA)• 67 lots settled at Waterline Place in June 24, with a value of ~\$60m• Capital allocation to strong and recovering markets
Improved capital structure	<ul style="list-style-type: none">• Secured \$30m increase to the Club facility; new limit \$330m• Completed \$30m equity raise• Small holdings totaling ~500k shares and over 630 holders were removed from the register via a dedicated share sale facility
Governance enhancements	<ul style="list-style-type: none">• Board refresh underway
Pro9 achievements	<ul style="list-style-type: none">• Factory entered production• First domestically produced walls manufactured in August 24• Six two-storey attached terrace homes under construction at Elderslie (NSW)• Over 80 AVJ homes in the pipeline
AVJennings modernisation	<ul style="list-style-type: none">• Strong employee engagement (4.03 out of 5) with an 85% participation rate• Technology modernisation work progressing• Brand refresh work commenced• Significant headway made in banking covenant updates

FY25 Strategic Priorities

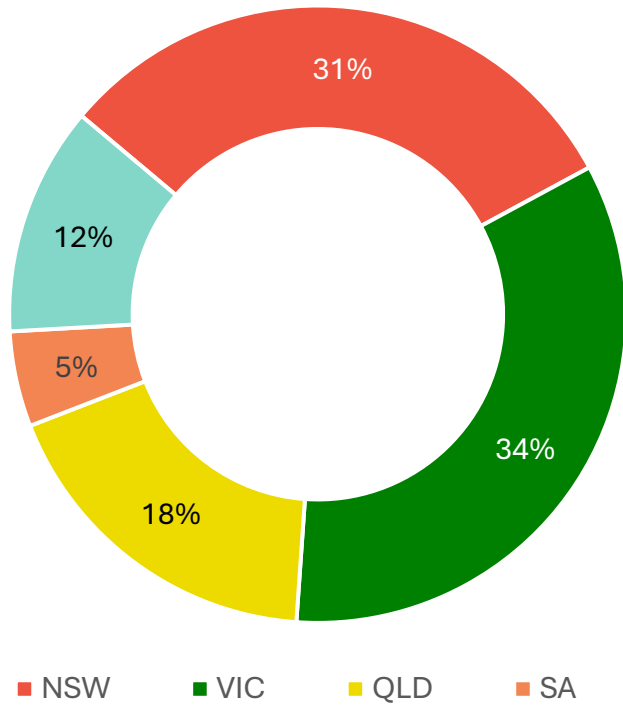


- Continued disciplined approach to capital deployment.
- Pro9: grow external sales and scale manufacturing.
- Implement Board refresh.
- Progress business modernisation: brand & technology focus.
- Actively pursue capital partnering opportunities.
- Finalise debt facility modernisation.

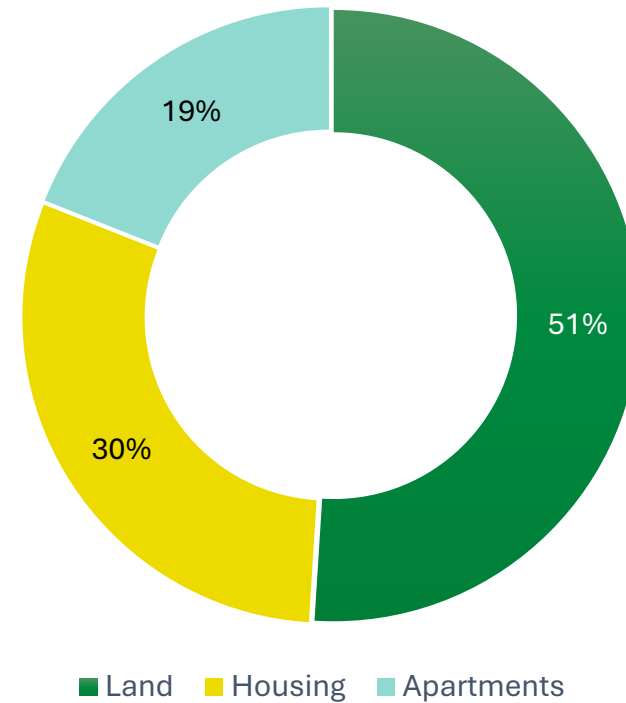
Capital allocation supports future market opportunities

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Net Funds Employed (NFE) % by Region (FY24)



NFE % by Product (FY24)



Pro9 JV: Our investment in prefabricated solutions

- First Australian factory on the NSW Central Coast established through our JV with Pro9 Global.
- The factory will be able to produce up to 1,000 homes annually, supporting our expanding use of Pro9 walls across the portfolio and external sales.
- Contributes to faster build times and improved working capital.
 - External walls for a single storey home erected in 1 day.
 - Full structure for six two-storey terrace homes up in 15 days.
- Growing industry and government interest as Pro9 has the potential to assist Australia's housing shortage and climate change goals.



Pro9 investment enabling a range of benefits for AVJ

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- Considerable time savings to construct homes enhances capital recycling.
- Significantly reduced onsite trade visits reducing safety risks and community traffic.
- Total cost comparable with traditional construction methods.
- Significant improvements in energy efficiency above regulated National Construction Code (NCC) levels without costly additions.
- Increased certainty of program delivery.
- Enhanced sustainability positioning in the market.
- Less exposure to labour shortages and wage growth.



Stellar Collection delivers on sustainability and quality

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- AVJennings' Stellar Collection homes are a premium offering with a minimum 8-star energy efficiency rating, more than the new minimum NatHERS standard of 7 stars¹.
- Will include⁵ Pro9 walling system, double-glazed windows, quality fixtures and fittings, solar panels, EV chargers, all-electric appliances, electric hot water, enhanced ceiling insulation, and 6-star WELS-rated tapware.
- The homes can deliver up to a ~50%² savings in heating and cooling costs.
- Higher quality, quieter, and more durable and fire-resistant homes.
- 70%⁴ of buyers are willing to pay at least \$10k for energy efficient inclusions in a new home.



¹ Minimum 7-star standard per National Construction Code (NCC)

² Based on average cost difference between an 8.0 and 6.0 NatHERS rated home

³ 9.4 star energy rating achieved at Riverton (QLD)

⁴ AVJennings 2024 survey data

⁵ Subject to market demand and customer preferences

Diverse pipeline driving future growth

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Arcadian Hills
Cobbitty, New South Wales
18 remaining IH lots



Argyle
Elderslie, New South Wales
34 remaining L & IH lots



Rosella Rise
Warnervale, New South Wales
439 remaining L & IH lots



Evergreen
Spring Farm, New South Wales
337 remaining L & IH lots



Prosper
Kogarah, New South Wales
56 remaining APT lots



Ara Hills
Orewa, New Zealand
507 remaining L lots



Waterline Place
Williamstown, Victoria
105 remaining IH & APT lots



Aspect
Mernda, Victoria
132 remaining L & IH lots



Somerford
Clyde North, Victoria
173 remaining L & IH lots



Harvest Square
Brunswick West, Victoria
87 remaining IH & APT lots



Lyndarum North
Wollert, Victoria
1,336 remaining L & IH lots



St Clair
St Clair, South Australia
93 remaining L lots



Eyre
Penfield, South Australia
1,281 remaining L & IH lots



Cadence
Ripley, Queensland
394 remaining L & IH lots



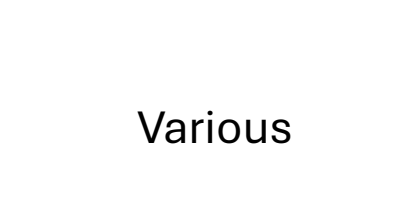
Deebing Springs
Deebing Heights, Queensland
205 remaining L lots



Riverton
Jimboomba, Queensland
861 remaining L & IH lots



Kerry Rd
Beaudesert, Queensland
1,146 remaining L lots



Other
61 remaining L and IH lots

Various

Product type: L = Land, IH = Integrated Housing, APT = Apartments.
Notes: 1. As at 30 June 2024; 2. Does not include pipeline lots dependent on planning outcomes.

Solid market fundamentals, lead indicators are slowly improving

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Indicator	Status
Population Growth (Source ABS)	Above long trend of ~1.5%, currently ~2.5% driven by high net overseas migration but forecast to moderate
Interest Rates (RBA)	Forecast bias to easing in H1 CY25
Price Growth (CoreLogic/ANZ Research)	Housing price growth has moderated and forecast to be ~5% across 2025-26
Rental Vacancy Rates (CoreLogic)	Continued tightness between 1% - 1.5%.
Material Costs (ABS)	Elevated, but escalation rates normalising
Enquiry Levels (AVJ)	Correlate closely with product volumes for sale rather than market conditions
Demand & Supply (ABS)	Continuing low supply is insufficient to meet forecast demand
Unemployment (ABS)	Low and stable unemployment

Thank you.

AVJennings®

**Your community
developer.**