

21 August 2019

AVENTUS DELIVERS STRONG FULL YEAR RESULTS

Aventus Group (ASX: AVN) (Aventus) today announced its results for the year ended 30 June 2019.

Portfolio Highlights

- Like-for-like Net Operating Income (NOI) growth of 3.5%
- High occupancy of 98.4% achieved, including centres under development
- Diversified tenancy mix with 38% of the portfolio by income in the Everyday Needs Category
- Active leasing management with 141 leases negotiated across 108,000 sqm of Gross Lettable Area (GLA) achieving positive leasing spreads and low incentives
- High exposure to national tenants, comprising 87% of the portfolio by GLA

Financial Highlights

- Funds from Operations (FFO) of \$96 million or 18.4 cents per security (up from \$89m; 18.1 cents per security)
- Distributions of 16.6 cents per security
- Revaluation gains of \$85 million¹
- Profit of \$110 million
- Gearing of 38.7% within target range of 30% - 40%.
- Weighted average debt maturity of 4.1 years (up from 3.3 years)

Valuation Increases through Income Growth

Property valuation gains of \$85 million were achieved over the year, bringing the value of the portfolio to \$2.1 billion². The Weighted Average Capitalisation Rate (WACR) of the portfolio remained steady at 6.7%.

This brings the total of valuation gains over the last two years to \$202 million which has been driven by income growth and development.

Driving Solid Asset Performance

Opportunities to improve the range of offerings for shoppers through tenant remixing resulted in the negotiation of 141 leases covering 108,000 sqm and an occupancy rate of 98.4% across the portfolio. These leases were achieved with positive leasing spreads, low incentives and delivered strong like-for-like NOI growth of 3.5%.

In introducing new tenants, the focus has been on everyday needs, products and services such as food, health and wellbeing, services and childcare. These tenants contribute to increased weekday traffic and improve customer linger time. Pleasingly, more than 70% of our 33 new tenants introduced to the portfolio in FY19 were from the Everyday Needs Category and we have expanded the food offering by attracting 12 new operators in FY19.

¹ Movement excludes capitalised expenditure and non-cash accounting adjustments over the 12 months to 30 June 2019.

² Including Kotara North.



Growth Through Development

Aventus continues to deliver its development projects and achieve attractive returns. In FY19 Aventus spent \$30 million in line with its strategy to add value, increase the GLA of centres, improve the shopping experience and investor returns. Development spend for FY20 is forecast to be more than \$40 million, with Caringbah in Sydney being the major project.

Outlook

Mr Darren Holland, Aventus CEO said “I am proud of what my team has again achieved this year. We have achieved strong gains because we remain focused on delivering the strategy that we set out when Aventus listed nearly four years ago.

Our core strategy of delivering organic growth through intensive asset management remains clear and drives real results.

The pillars of Aventus’ strategy are unchanged and our focus for the next 12 months is:

- to actively diversify our tenant base with a priority on increasing everyday-needs to continue to drive weekday traffic and energise our centres;
- to continue to invest in the expansion and development of the portfolio to enhance the shopper experience and capitalise on attractive development returns; and
- to maintain disciplined capital management to allow for the execution of our strategy.

Based on the continued momentum from the portfolio, the FY20 guidance of FFO per security is expected to grow by 3 – 4% which is equal to 19.0 – 19.2 cents per security.”³

“This coming year our focus will be no different. We will continue to proactively drive asset performance, deliver strong returns from our development pipeline, assess selective capital transactions that improve the quality of the portfolio and execute capital management initiatives to ensure the Group is well-positioned,” commented Mr. Holland.

Further details on the performance of AVN are provided in the Appendix 4E accompanying this release and in the full year investor presentation. A second Appendix 4E will also be lodged this year for Aventus Holdings Limited as a result of the company being incorporated during the course of FY19.

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held on **21 August 2019 at 10:30am AEST**.

Investors and analysts wishing to participate should dial **1800 123 296** and ask to join the **Aventus Group June 2019 Full-Year Results Investor Presentation** (conference ID number **6170069**).

For further information:

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³ Based on current operating environment and excludes abnormal items