



Directors' Comments

Half Year Ended 30 June 2020

18 August 2020

The Directors of Devine Limited (**Devine**) announce the following results for the half year ended 30 June 2020:

	Six month period ended	
	June 2020 (\$'millions)	June 2019 (\$'millions)
Total revenue	12.8	15.1
Net loss before tax ¹	(0.9)	(3.4)
Net loss after tax ¹	(0.9)	(3.4)
Net Tangible Assets - \$ per share	\$0.43	\$0.55
EPS – cents per share	(0.6) cents	(2.1) cents

Review of operations

Devine recorded revenue of \$12.8 million for the period. The change from the previous period was primarily due to the:

- Settlement of fewer lots in Victoria during the current period due to the timing of land stage titling; and
- Development and Construction business units recording nil revenues during the current period (previous year: \$0.4m) due to no revenue generating transactions occurring during the period.

Devine reported a loss before tax for the six months to 30 June 2020 of \$0.9m (June 2019 \$3.4m).

During the period to 30 June 2020, Devine achieved the following outcomes:

- The settlement of 189 land allotments in total, with more than 80% of those settlements forecast to be delivered in 2020 either already completed, or secured and subject to contract.
- The construction of all remaining stages at the Newbridge Wallan project are well advanced which should enable the settlement of up to 175 additional allotments prior to 31 December 2020.

¹ Includes losses from discontinued operations. Refer note 7 in the 30 June 2020 Interim Report.

- At Stonehill in Bacchus Marsh, Victoria, Devine progressed the delivery of the project, completing the construction of three (3) stages which generated 193 allotments in the period. These allotments have commenced settlement and are expected to continue to settle through the remainder of 2020. The project management team also progressed the planning approval of a further four stages (which should yield a further 275 allotments), with the first of these stages expected to commence construction in the second half of 2020.
- Devine's Orleana Waters community, north of Adelaide, has performed well in what was a challenging property market for much of the period. The project is expected to exceed our initial full year sales and settlements forecast, buoyed by the introduction of the Federal Government's Homebuilder Grant and the decision to bring forward construction of a stage.
- The River Parks development in Townsville is benefitting as the market recovers, supported by government incentives, with sales activity providing the catalyst for the project to commence construction of its next stage early in the second half of 2020.

Financing facilities

Devine's existing Multi Option Facility, expiring 31 March 2022, remains in place.

Outlook

Devine continues to progress the existing projects in its Communities land development business and further position itself for the purchase of new development sites where good value exists.

Devine continues to pursue the resolution of the remaining contractual and insurance claims in the construction business.

Devine will continue to monitor the commercial opportunities within its portfolio, particularly with respect to the KSD2 site in the Brisbane suburb of Hamilton.

Devine will continue to monitor and respond to developments in the economy, especially the impacts of Covid-19 restrictions.

These Directors' Comments form an integral part of the Directors' Report within the half year ended 30 June 2020 financial report.

ENDS

Issued by Devine Limited ABN 51 010 769 365 www.devinegroup.com.au

Authorised by the Devine Limited Board

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