

FULL YEAR RESULTS 2021

(TO BE READ IN CONJUNCTION WITH THE GROUP'S ANNUAL FINANCIAL REPORT)

Sunland Group

GROUP STRATEGIC PLAN

PROGRAM FOR REALISING NET ASSET VALUE

FINANCIAL PERIOD SEES THE CONTINUOUS IMPLEMENTATION OF THE STRATEGIC PLAN

The Strategy* implemented is to:

- › Sell certain inventory not currently under development.
- › Complete development of certain other projects.
- › Convert assets to cash to repay all liabilities.
- › Return net assets to Shareholders by way of dividends and capital distributions.
- › Dividends to be fully franked to the extent franking credits are available.

SUBJECT TO MARKET CONDITIONS, SATISFACTION OF FINANCIERS, REGULATORY AND LEGISLATIVE REQUIREMENTS.

** GROUP STRATEGIC PLAN*

GROUP RESULTS AND
OPERATIONAL HIGHLIGHTS

GROUP RESULTS AND OPERATIONAL HIGHLIGHTS

COMPLETION OF VARIOUS PROJECTS GENERATED A HIGH LEVEL OF SETTLEMENTS

- › Statutory Net Profit After Tax of \$24.9 million (2020: \$2.4 million).
- › Earnings per share 19 cents¹ (2020: 2 cents)
- › Total value of fully franked dividends 50cps (2020: 10cps) comprising:
 - Interim dividend 30cps paid 18 March 2021 (22cps special)
 - Final dividend 20cps payable 30 September 2021 (16cps special)
- › 596 sales and 458 settlements (2020: 357 sales and 236 settlements).
- › Contracted unconditional lots in hand total \$438.5 million (2020: \$258.2 million).
- › Group consolidated Net Tangible Assets per share of \$2.34 (2020: \$2.56)¹.

CAPITAL RETAINED TO COMPLETE PROJECTS

- › Availability of debt lines will decrease as projects are completed and settled.
- › An appropriate amount of capital will be retained to assist delivery of new projects.
- › Intention is to return surplus capital in accordance with the Strategy, subject to maintaining sufficient liquidity to manage operational and delivery requirements.
- › Significant dividend payment reflecting the distribution of surplus capital.
- › Value of future dividends will depend on the continued delivery of projects and the generation of cash with continued asset sales.

1. BASED ON CONSOLIDATED ISSUED SHARES AS AT BALANCE DATE

KEY OPERATIONAL HIGHLIGHTS FOR PERIOD ENDING 30 JUNE 2021

NOTE: BALANCE SHEET COMPARATIVES RELATE TO 30 JUNE 2020

	UNIT	FY21	FY20	% CHANGE
STATUTORY NPAT	\$M	24.9	2.4	+925
EARNINGS PER SHARE ¹	CENTS	19	2	+850
ORDINARY DIVIDENDS PER SHARE	CENTS	12	7	
SPECIAL DIVIDENDS PER SHARE	CENTS	38	3	
INTEREST BEARING DEBT	\$M	168.9	188.3	
TOTAL ASSETS	\$M	522.3	574.0	
EQUITY	\$M	311.7	341.8	
NET TANGIBLE ASSETS PER SHARE	\$	2.34	2.56	
GEARING [DEBT TO TOTAL ASSETS]	%	32	33	
GEARING [DEBT TO EQUITY]	%	54	55	
SALES				
VALUE	\$M	436.9	236.9	+84
VOLUME	#	596	357	+67
AVERAGE PRICE	\$K	733	664	
SETTLEMENTS				
VALUE	\$M	274.4	159.8	+72
VOLUME	#	458	236	+94
AVERAGE PRICE	\$K	599	677	

GROUP PROJECTS
AND FINANCIAL PERFORMANCE

GROUP PROJECTS AND FINANCIAL PERFORMANCE

Active Development Projects

- › Current and New development activities represent 73% of the Group's inventory value.
- › These projects include housing and medium-rise developments which typically target the owner-occupier market, with a particular focus on downsizers.
- › Projects completed include The Heights, Arbour Residences, The Hills, Kirkdale Residences, Magnoli Apartments and Maraylya.
- › Stock available as at balance date has been largely sold or is progressively being delivered for settlement.
- › Completed projects contributed a return on cost of 24% which is above the Group's 20% target.

New Releases

- › The Lanes Residences - West Village has commenced with strong pre-sales.
- › Lanes Retail Village experiencing strong pre-leasing.

Undeveloped Projects for Sale

- › Revenue from sale of Mariners Cove, Lakeview Childcare, Archer St and Abian office \$40.1 million; NPAT \$13.6 million.
- › Unconditional sales total \$132.3 million generating NPAT \$25.8 million as the projects settle during FY22.
- › Conditional sales forecast to total \$69.3 million although contracts are subject to various conditions.

Other Group Activities

- › New building to be constructed and occupied by childcare operator significantly increasing rental income.
- › Lanes Retail is in preleasing phase and construction of the centre to commence early calendar 2021.

FINANCIAL PERFORMANCE FOR PERIOD ENDING 30 JUNE 2021

	\$M	FY21	FY20
TOTAL REVENUE		282.3	167.2
REVENUE - SALE OF PROPERTY		274.4	159.8
STATUTORY NET PROFIT BEFORE TAX		34.0	1.0
STATUTORY NET PROFIT AFTER TAX		24.9	2.4
EBIT		51.2	27.1
INTEREST COVER (TIMES)		4.7	4.1
FINAL DIVIDENDS			
ORDINARY (CENTS)		4	7
SPECIAL (CENTS)		16	3
INTERIM DIVIDENDS			
ORDINARY (CENTS)		8	-
SPECIAL (CENTS)		22	-
TOTAL DIVIDENDS FOR YEAR		50	10
PERFORMANCE INDICATORS			
DEVELOPMENT RETURN ON COST			
- LAND AND HOUSING		19%	32%
- MULTI-STOREY		28%	16%
- OVERALL		24%	25%

OUTLOOK

OUTLOOK

THE PROPERTY MARKET is performing above expectations and is supporting the "Strategy" of returning net asset value to the Group's shareholders.

ASSET SALES completed and forecast are supporting net tangible asset value.

THERE IS A LIMITED number of new projects to be delivered and capital will be retained for delivery.

DIRECTORS will continue to balance debt and capital retention for project and operational requirements when assessing future dividend and capital distributions.

DIRECTORS have an intention to pay special dividends quarterly.

PORTFOLIO DETAILS

ACTIVE AND NEW PROJECTS

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YIELD

SETTLED LOTS

UNSETTLED LOTS

CONTRACTED LOTS¹

UNSOLD LOTS

	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI- STOREY										
THE LANES RESIDENCES - EAST VILLAGE, QLD	150	125	-	-	150	125	141	118	9	7
THE LANES RESIDENCES - WEST VILLAGE, QLD	157	129	-	-	157	129	1	1	156	128
272 HEDGES AVENUE, QLD	98	255	-	-	98	255	97	251	1	4
SUB-TOTAL	405	509	-	-	405	509	239	370	166	139
HOUSING										
MONTAINE RESIDENCES, NSW	139	93	-	-	139	93	137	92	2	1
SUB-TOTAL	139	93	-	-	139	93	137	92	2	1
TOTAL PROJECTS COMPLETED OR UNDER CONSTRUCTION	544	602	-	-	544	602	376	462	168	140

1. CONTRACTED LOTS INCLUDES BOTH CONDITIONAL AND UNCONDITIONAL CONTRACTS.

RETAIL

LANES RETAIL VILLAGE, QLD

COMPRISES TWO STAGES TOTALLING A NET LET AREA OF 12,500 SQM.
CURRENTLY UNDER PRE-LEASING NEGOTIATIONS WITH PROSPECTIVE TENANTS.

Sunland Group