

HY24 Results Presentation



February 2024

DESANE
GROUP HOLDINGS LIMITED



Acknowledgement of Country

Desane acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners and Custodians of the lands and waters of Australia, and we offer our respect to their Elders past, present and emerging.

Artwork by Rashmisingh

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For further information, please contact:

Phil Montrone
Managing Director & CEO
Desane Group Holdings Limited
(02) 9555 9922
philmontrone@desane.com.au

Jack Sciara
Company Secretary
Desane Group Holdings Limited
(02) 9555 9922
jacksciara@desane.com.au



HY24 Results Snapshot

NPAT
\$2.2m

EPS
5.36c

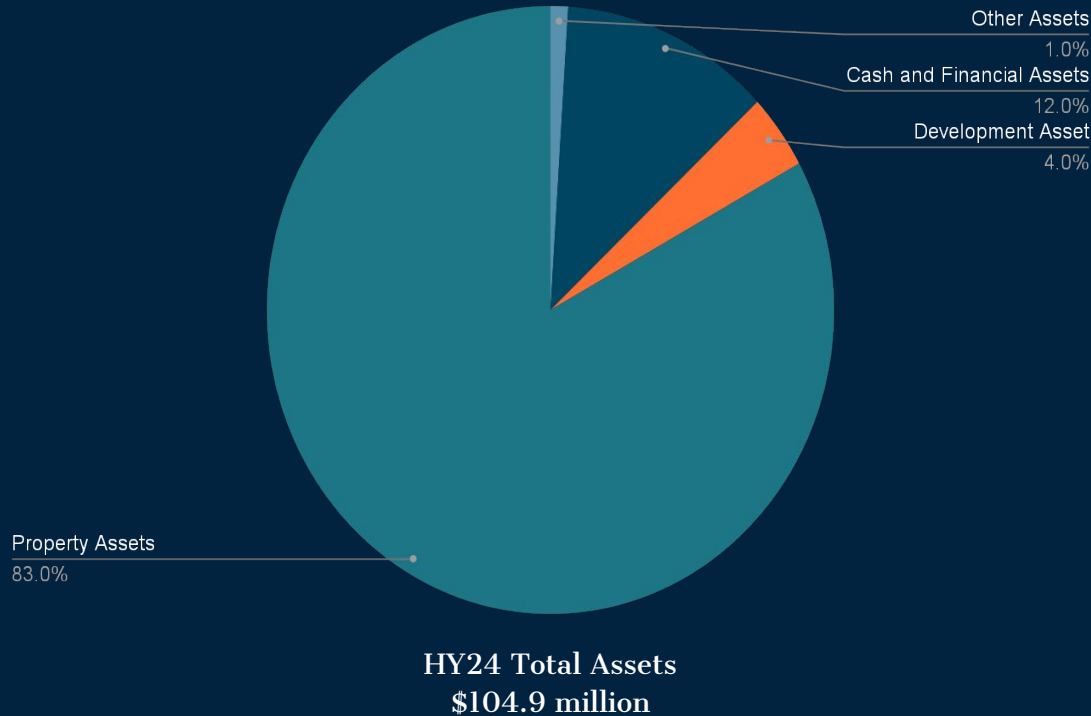
EBIT
\$3.6m

TOTAL
ASSETS
\$104.9m

NTA
per share
\$1.64

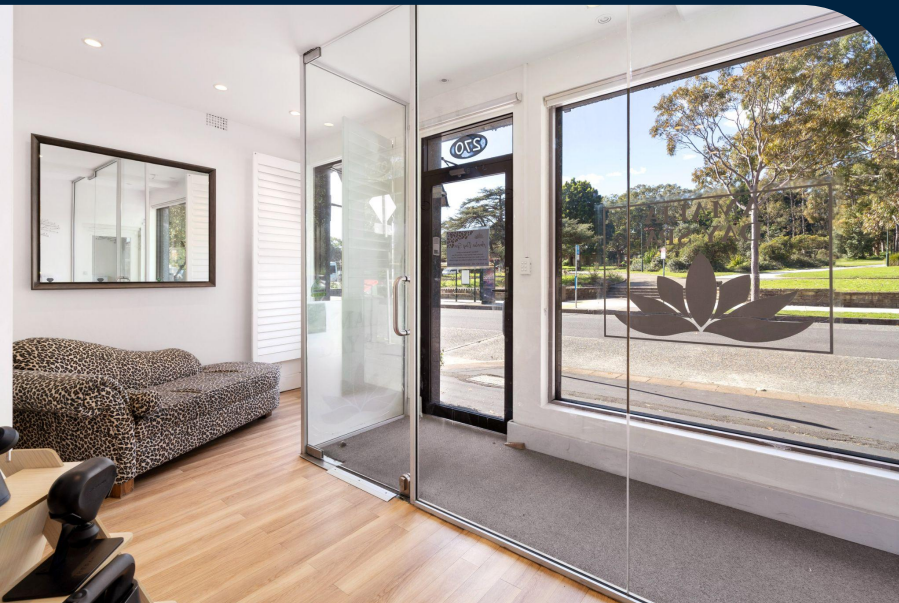
All figures based on 31 December 2023 Half Year audited financial report.

Capital & Balance Sheet Position



- » Gearing* remains stable at 40%
- » Financial assets performing well - generating circa 7.0% pa interest revenue for the Group in FY24
- » Ample capacity to deploy existing cash, debt or capital initiatives, to secure additional property acquisitions

* Gearing of total liabilities vs total assets



- » Uplift of 6% in Group total assets to \$104.9m for the six months
- » Significant revaluation uplift of 35% for Penrith property now being valued at \$13.5m
- » Investment property holdings bolstered with acquisition of 35 Norton Street, LEICHHARDT
- » Strong balance sheet position provides capacity for continued growth

HY24 Balance Sheet Summary

As at
31 Dec 2023

Assets

Cash and financial assets	\$12.9m
Property portfolio	\$91.4m
Other assets	\$0.6m
TOTAL ASSETS	\$104.9m

Liabilities

Interest bearing loans	\$13.9m
Deferred tax & other liabilities	\$20.6m
Other liabilities	\$3.4m
TOTAL LIABILITIES	\$37.9m
NET ASSETS	\$67.0m
NTA per share	\$1.64

HY24 Profit & Loss Summary

6 months ending
31 Dec 2023

Property Income	\$1.1m
Interest Income	\$0.4m
Property Revaluations (net gain)	\$3.4m
All other income	\$0.1m
TOTAL REVENUE	\$5.0m
Expenses	(\$1.5m)
Interest and borrowing costs	(\$0.4m)
Deferred tax	(\$0.9m)
EBIT	\$3.6m
NPAT	\$2.2m
EPS	5.36c



Investments & Properties



Investment	Value as at 31 Dec 23	Property Size	Borrowings	Strategy
Cash & financial assets	\$13.0m	N/A	N/A	Re-deploy into the construction of the Penrith Central Industrial estate and acquisitions of property assets
91 Thornton Drive PENRITH NSW	\$13.5m	11,650 m ²	unencumbered	Sub-divide property into two lots. Lot 1 (7,000 m ²) & Lot 2 (4,650 m ²) Progress the construction of the industrial development project
13 Sirius Road LANE COVE NSW	\$8.7m	2,181 m ²	\$2.95m	For Sale
7 Sirius Road LANE COVE NSW	\$10.5m	2,778 m ²	\$2.95m	Leased Long term hold industrial
16 Industrial Avenue WACOL QLD	\$16.0m	21,750 m ²	\$8.0m	Leased Long term hold industrial Develop Stage 2 DA approved industrial facility
159 Allen Street LEICHHARDT NSW	\$23.0m	2,782 m ²	unencumbered	Leased Progress to select a joint venture partner (developer/builder) to construct the DA approved 46 residential apartment project
270-278 Norton Street LEICHHARDT NSW	\$9.2m	929 m ²	unencumbered	Leased Long term hold commercial
322 Norton Street LEICHHARDT NSW	\$4.3m	607 m ²	unencumbered	Engage builder and develop DA approved 9 residential apartments with ground floor retail suite and basement car park
35 Norton Street LEICHHARDT NSW	\$3.6m	436 m ²	unencumbered	Leased Long term hold commercial
Suite 4, 26-32 Pirrama Road PYRMONT NSW	\$2.3m	190 m ²	unencumbered	Desane Group Holdings Ltd Corporate Head Office



Property & Investment Summary



Property Portfolio

Portfolio Summary	HY24
Portfolio total value	\$91.3m
NSW properties	\$75.3m
QLD property	\$16.0m
Total site/land area	41,554 m ²

Portfolio acquisition provides scope for growth

- » 9% uplift in investment property holdings for the six months
- » 25% uplift in property rental income over the previous corresponding period
- » Three DA approved sites ready for development

Re-stocking Continues



Acquisition of 436 m² freestanding E1 Zoned (Local Centre) property at 35 Norton Street, Leichhardt for \$3.5m.



Acquisition is part of the Group's investment property re-stocking (as part of the CGT rollover deferral) and will bolster future revenue streams and provide development upside in the long term.



Currently tenanted on medium term leases to a diversified tenancy mix.



The property has ample onsite secure basement parking and is located on the doorstep of well-serviced bus routes to Sydney's CBD and is within a walking distance from Petersham train station. Norton Street is known for its vibrant multicultural restaurant and cafe culture as well as boutique shops.



Investment Property Portfolio Re-stocking

Penrith Central Industrial Estate Development



The 2024 and 2025 financial years will present an opportunity for Desane to progress the development of the 11,650 m² Thornton Estate property, located in the heart of Penrith.



Stage 1 will create the opportunity to develop Lot 1 into a 7,000 m² industrial facility, comprising 23 industrial units and 82 storage units. The Stage 1 construction will be funded internally and will be sold on completion. The successful development and sale of Stage 1 will determine the best way to progress the 4,650 m² Stage 2.

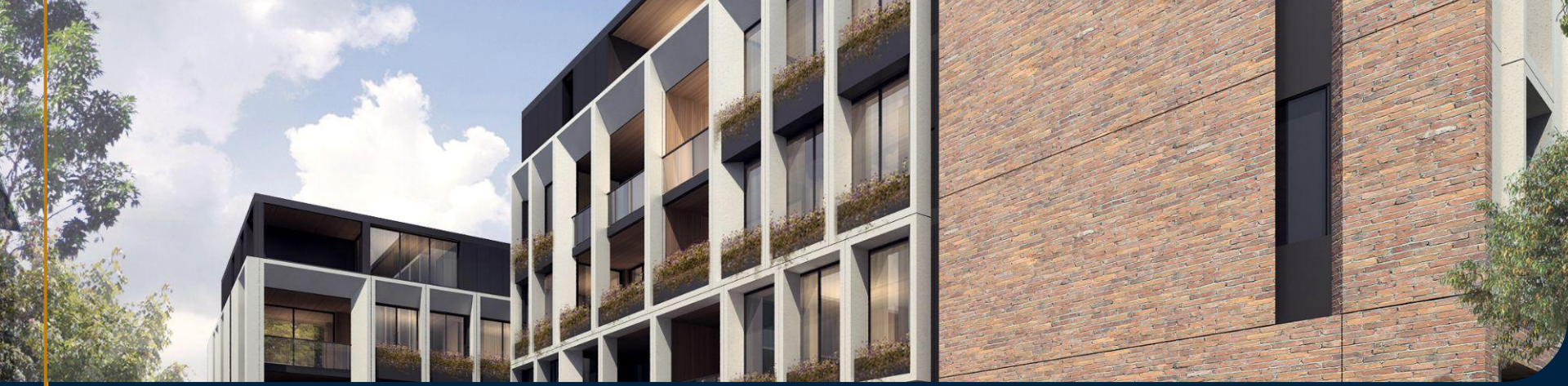


Management has engaged a design and construct builder to scope and design the subdivision of the property into two separate lots.



The construction of the Western Sydney Airport continues to drive the strong demand for industrial and commercial land in western Sydney. The successful development of this property will make a substantial contribution to Desane's balance sheet.





2024 & Beyond

Desane is a diverse property group listed on the ASX with extensive experience in property investment and development in Australia.

Desane will continue to focus on its 3 main objectives:

- » Strategic investment acquisitions which will bolster ROE and rental income streams
- » Evaluate its development pipeline, with an eye to achieving maximum value outcomes
- » Review capital management strategies to ensure the Group's asset growth and reward shareholders with dividends



Questions?

Reach out anytime

E: info@desane.com.au

P: 02 9555 9922

W: <https://www.desane.com.au/>

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