



**Charter Hall** 

**Charter Hall**  
**Social Infrastructure REIT**  
Full Year Results 2024

ASX:CQE



# Agenda

1. Key Highlights and Strategy
2. Financial Performance
3. Portfolio Update
4. Outlook and Guidance
5. Additional Information

## Acknowledgement of Country

Charter Hall acknowledges the Traditional Custodians of the lands on which we work and gather. We pay our respects to Elders past and present and recognise their continued care and contribution to Country.

Cover: Only About Children  
Camberwell, Vic

# 1

## Key Highlights and Strategy

Geoscience Australia  
Narrabundah, ACT

Charter Hall Social Infrastructure REIT  
2024 Full Year Results



## A diversified social infrastructure property portfolio delivering essential community services

Operations	Balance Sheet	Property Portfolio
EPU / DPU <b>16.0cpu</b>	NTA per Unit <b>\$3.82</b>	WALE <b>12.4yrs</b>
Divestments <sup>1</sup> <b>\$40.0m</b>	Debt Maturity <b>3.9yrs</b>	Occupancy <b>99.8%</b>
Acquisitions <sup>2</sup> <b>\$10.8m</b>	Drawn Debt Hedged <b>86%</b>	WARR <sup>3</sup> <b>3.4%</b>

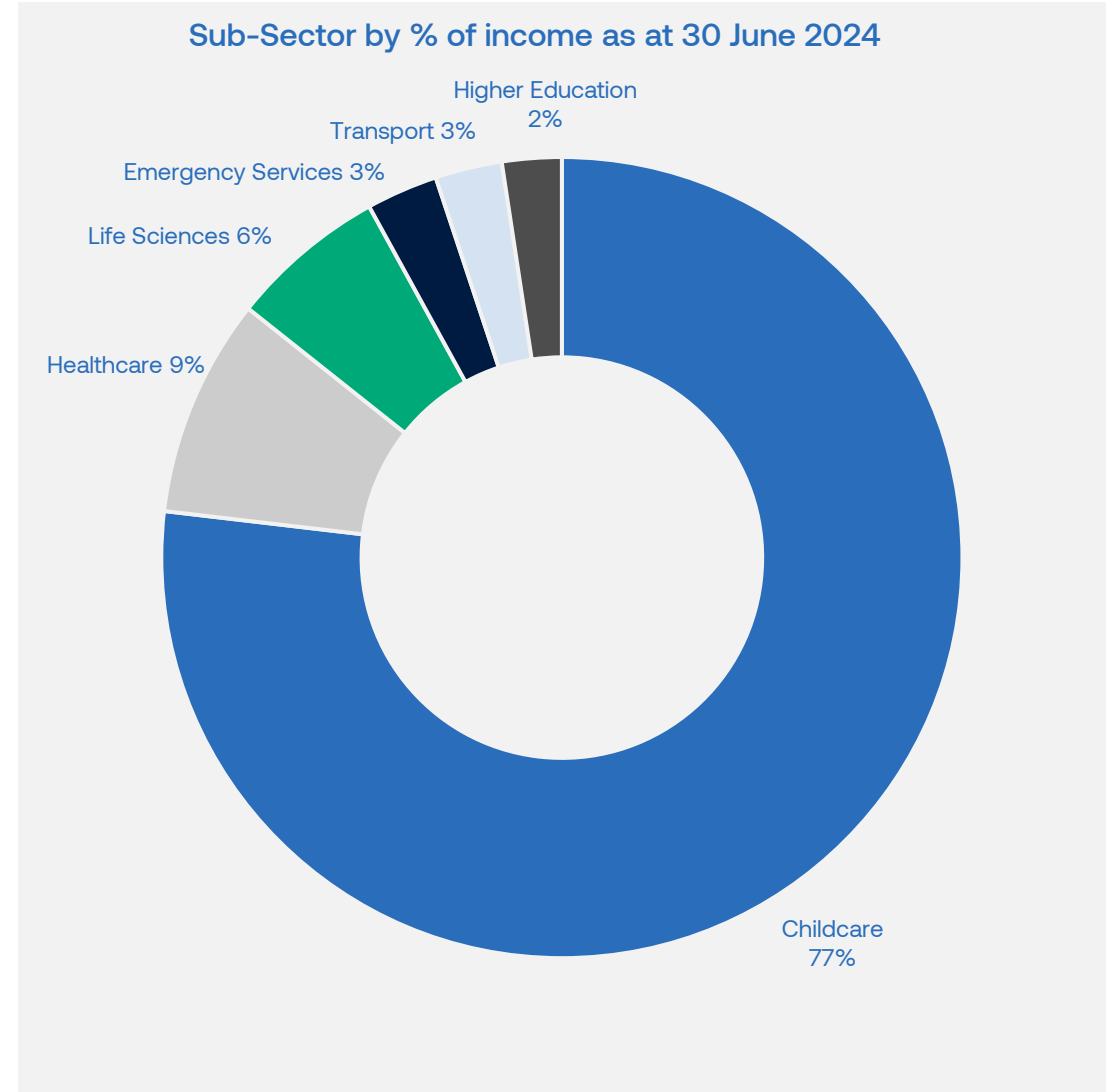
1. Twelve divestments contracted during FY24. Two divestments are due to settle in FY25 amounting to \$7.5 million.

2. Two childcare acquisitions contracted in FY24 due to settle in 1H FY25. One operating centre for \$4.6 million and one fund through development for a total consideration of \$6.2 million. Average yield of 6.1%. Excludes two operating childcare centres contracted in FY23 and settled in FY24.

3. Weighted average rent review on like-for-like properties for FY24

# Social Infrastructure sector has strong industry fundamentals providing future growth opportunities

<p><b>SI sector has strong fundamentals</b></p>	<ul style="list-style-type: none"> <li>– Positive industry fundamentals providing future growth opportunities</li> <li>– Provides greater sector and tenant diversification</li> </ul>
<p><b>Tenants providing essential services</b></p>	<ul style="list-style-type: none"> <li>– Sector leading corporate and Government tenants providing essential services and social impact</li> <li>– Strategic locations result in long leases and high tenant retention</li> <li>– Ongoing Government support for Childcare sector</li> </ul>
<p><b>Stable and resilient property returns</b></p>	<ul style="list-style-type: none"> <li>– Lower correlation to economic cycles than other property classes with predictable and growing rental income</li> <li>– Highly sought after asset class with strong liquidity</li> </ul>



## Properties delivering predictable and growing returns

Properties

**355**

NNN leases<sup>1</sup>

**75%**

Metropolitan locations

**83%**

Lease income with average fixed increases of 3%

**79%**<sup>2</sup>

Land rich portfolio with future alternative uses

**108**<sub>ha</sub>

Lease income subject to market reviews in the next 5 years

**48%**<sup>3</sup>



# Our Strategy

Providing investors with secure income and capital growth through exposure to Social Infrastructure property



## Enhancing income sustainability and resilience



## Targeting stable and ongoing capital growth






## Portfolio curation

- Building a diversified social infrastructure portfolio leased to sector leading corporate and Government tenants
- Targeting sectors providing essential services underpinned by Government support

- Focus on assets with the following attributes:
  - Modern or specialised buildings with lower capital expenditure and redundancy risks
  - Low substitution risk, driving high tenant retention rates
  - Strategic locations with high underlying land values
  - Predominantly triple net lease structures

- Active portfolio curation through acquisitions, developments and strategic divestments
- Increased weighting to premium assets with high quality tenant covenants

# ESG Leadership

	Achievements in FY24			Looking Forward
 <p><b>Environment</b></p>	<p><b>Achieved Net Zero carbon</b></p> <p>Net Zero carbon emissions achieved for CQE assets in operational control, ahead of Net Zero by 2025 target. Supported by our approach to renewables and execution of our nature-based offset strategy.<sup>1</sup></p>	<p><b>Clean energy</b></p> <p>Installed 945kW of solar across 51 childcare centres, resulting in total solar installed across the portfolio of 1.5mW.</p>	<p><b>Performance rating tool</b></p> <p>Progressed Australia's first Green Star rating tool for childcare centres in partnership with the one of our tenant customers and Green Building Council of Australia.</p>	<p><b>Scope 3 emissions</b></p> <p>Partner with tenant customers to reduce our Scope 3 emissions and increase tenant data coverage.</p>
 <p><b>Social</b></p>	<p><b>Fee-free learning</b></p> <p>Delivered fee-free learning for over 40 families in partnership with Goodstart's Early Learning Fund. Extended the partnership for a further two years.</p>	<p><b>Active tenant engagement</b></p> <p>Achieved an +81 Net Promoter Score. Up from +52 and Customer Engagement Index improved to 92, up from 87.</p>	<p><b>First Nations</b></p> <p>Donated a copy of the children's book <i>Finding Our Heart</i> to each of our 215 Goodstart centres as part of NAIDOC week in August 2023 in partnership with Goodstart.</p> <p>Charter Hall achieved Innovate RAP status, endorsed by Reconciliation Australia.</p>	<p><b>Social inclusion and impact</b></p> <p>Achieve Charter Hall target of 1,200 employment outcomes for vulnerable young Australians by 2030.</p> <p>Increase social procurement spend within our operations.</p> <p>Engage with First Nations organisations to create employment opportunities throughout our value chain.</p>
 <p><b>Governance</b></p>	<p><b>ESG performance</b></p> <p>Achieved a GRESB Public Disclosure Level of A as well as an improved score of 29 out of 30 in our second year of reporting in the Management component of GRESB Real Estate Assessment.</p>	<p><b>Diversity, equity and inclusion</b></p> <p>Governed by an independent Board which prioritises diversity, equity and inclusion of all types and currently reports 33% female directors.</p>	<p><b>Modern Slavery</b></p> <p>Charter Hall maintained independent screening of suppliers, rolled out updated training on modern slavery for all employees and continued industry collaboration to support knowledge sharing.</p>	<p><b>Climate-related financial disclosure</b></p> <p>Mature our approach to the management of climate related risks and opportunities and integrating into risk management and financial reporting.</p>

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of the responsible entity for CQE, and is subject to final assurance and surrender of carbon offsets and large scale renewable energy certificates



# 2

## Financial Performance

Brisbane Bus Depot  
Eagle Farm, Qld

Charter Hall Social Infrastructure REIT  
2024 Full Year Results



## Earnings Summary

- Net property income increased by 5.8% driven by like-for-like rental growth of 3.4% with the balance generated from property acquisitions, development and disposal activity
- Increase in finance costs driven by higher average interest rates during the year
- Operating earnings of \$59.5 million, representing a 0.5% increase on prior corresponding period

\$m	FY23	FY24	% change
Net Property Income <sup>1</sup>	100.5	106.3	5.8
Distribution Income	1.0	-	-
Operating Expenses	(13.8)	(13.5)	2.2
Finance Costs <sup>2</sup>	(28.5)	(33.3)	(16.8)
<b>Operating Earnings</b>	<b>59.2</b>	<b>59.5</b>	<b>0.5</b>
<b>EPU (cpu)</b>	<b>16.1</b>	<b>16.0</b>	<b>(0.6)</b>
<b>DPU (cpu)</b>	<b>17.2</b>	<b>16.0</b>	<b>(7.0)</b>

1. Inclusive of 50% share of Net Property Income (NPI) from Brisbane Bus Terminal (\$2.9m) , 49.9% share of Innovation Quarter NPI (\$3.0m) and 25% share of Geosciences Australia NPI (\$6.9m)
2. Net of Interest Income and inclusive of 50% share of Finance Costs from Brisbane Bus Terminal Joint Venture debt facility

## Balance Sheet

- In FY24, CQE settled a total of \$44.1 million of childcare property divestments
- Independently valued 100%<sup>1</sup> of the portfolio with a net property revaluation decrement of \$65.8 million
- NTA per unit of \$3.82 representing a 5.4% decrease from 30 June 2023

1. Excludes investment properties held for sale

\$m	30 June 2023	30 June 2024
Cash	14.5	11.6
Investment Properties	2,015.9	1,970.5
Investment in JVs	200.5	173.9
Other Assets	34.8	21.1
<b>Total Assets</b>	<b>2,265.7</b>	<b>2,177.1</b>
Distribution Payable	15.8	14.9
Debt	739.0	727.0
Unamortised borrowing costs	(4.1)	(4.8)
Other Liabilities	24.9	17.9
<b>Total Liabilities</b>	<b>775.6</b>	<b>755.0</b>
<b>Net Tangible Assets</b>	<b>1,490.1</b>	<b>1,422.1</b>
No. of Units	368.4	372.5
<b>NTA Per Unit</b>	<b>\$4.04</b>	<b>\$3.82</b>

## Capital Management

- Facilities refinanced in January 2024 to a new unsecured platform with a weighted average debt maturity of 3.9 years
- Balance sheet gearing of 33.0% within target gearing range of 30–40% with considerable headroom to gearing covenant
- Diversified funding sources with no debt maturity until July 2027
- Weighted average cost of debt increased to 5.1% following zero cost swap restructure completed to better position CQE for future growth.
- Average hedging of 81% for FY25 at averaged hedged rate of 3.1% providing protection against rising interest rates and ICR covenant

1. Balance sheet level only – Excludes debt and hedging at BBD level

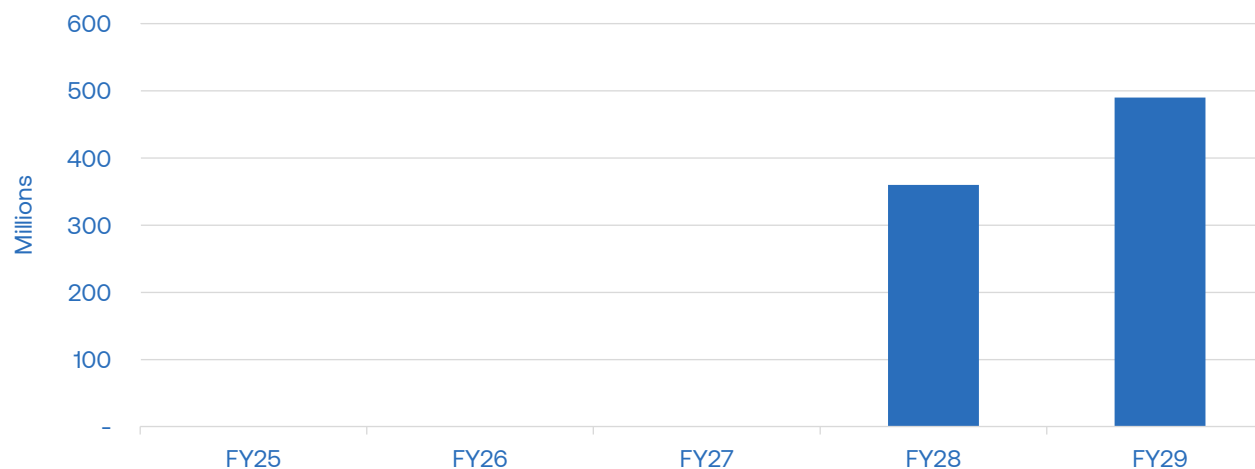
2. Calculation based upon BBSY of 4.4% as at 30 June 2024, an average FY25 hedge rate of 3.1% and drawn debt of \$727.0 million. All in cost of debt (including amortisation of borrowing costs) is 5.3%

3. Hedged debt comprises \$525 million of interest rate swaps and a \$100 million interest rate cap at 3.0%

### Key metrics as at 30 June 2024<sup>1</sup>

Debt summary		Hedging summary	
Facility Limit (\$m)	850.0	Debt Hedged (\$m) <sup>3</sup>	625.0
Drawn Debt (\$m)	727.0	Debt Hedged (%)	86%
Weighted average debt maturity	3.9 years	Average FY25 hedge rate	3.1%
Weighted average cost of debt <sup>2</sup>	5.1%	Weighted average hedge maturity	2.0 years
Balance sheet gearing	33.0%		
Look-through gearing	33.7%		

Debt Maturity Profile (by facility limit)<sup>1</sup>



# 3

## Portfolio Update



Eden Academy  
Elwood, Vic

Charter Hall Social Infrastructure REIT  
2024 Full Year Results

# Portfolio Summary

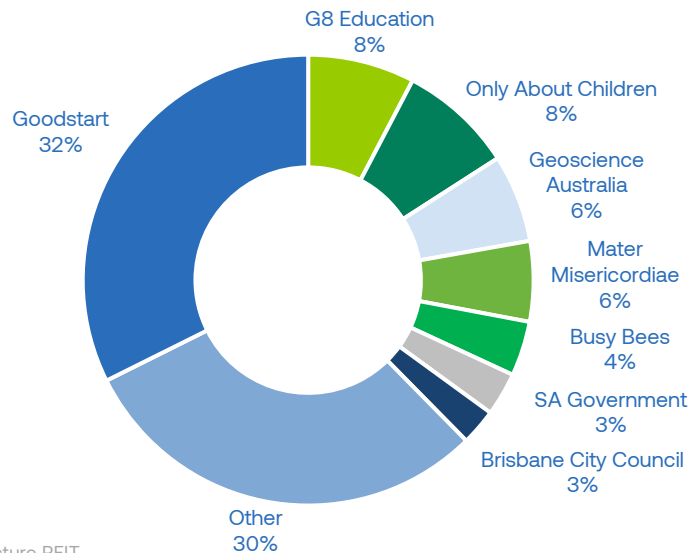
Portfolio metrics remain strong with 99.8% occupancy and WALE of 12.4 years

- 67% of income with annual fixed rent reviews (average 3.0%), 19% of income linked to CPI and 14% subject to market reviews in FY25
- During the year, CQE has contracted to divest 12<sup>1</sup> childcare assets for \$40.0 million at an average yield of 4.7%<sup>2</sup> and a 4.1% premium to book value
- A further three childcare assets have been contracted to divest for \$27.9 million at an average yield of 4.5% and a 4.8% premium to June 24 book value
- Two<sup>3</sup> acquisitions contracted in FY24 totalling \$10.8 million at an average yield of 6.1% due to settle in 1H FY25.

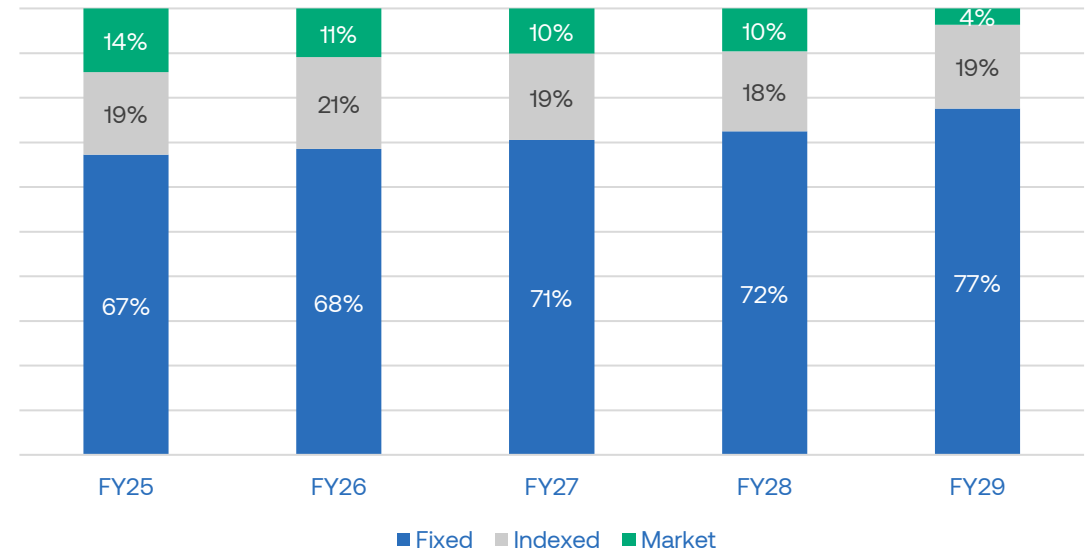
	June 23	June 24
Number of properties	366	355
Occupancy (%)	100	99.8
Weighted average lease expiry (yrs)	13.2	12.4
Weighted average rent review (%)	3.7	3.4
Market rent reviews in next 5 years (%)	47	48
Property valuation (\$m)	2,216.9	2,167.9
Passing yield (%) <sup>4</sup>	5.0	5.2

1. Eleven operating childcare assets and one development site no longer proceeding
2. The yield on these 12 properties to CQE after deducting non-recoverable, multiple holding land tax is 4.4%
3. One operating centre for \$4.6 million and one fund through development for a total consideration of \$6.2 million
4. Passing yield is 5.1% after deducting non-recoverable, multiple holding land tax of \$3.2 million paid at Fund level

Tenant profile by % of income as at 30 June 2024



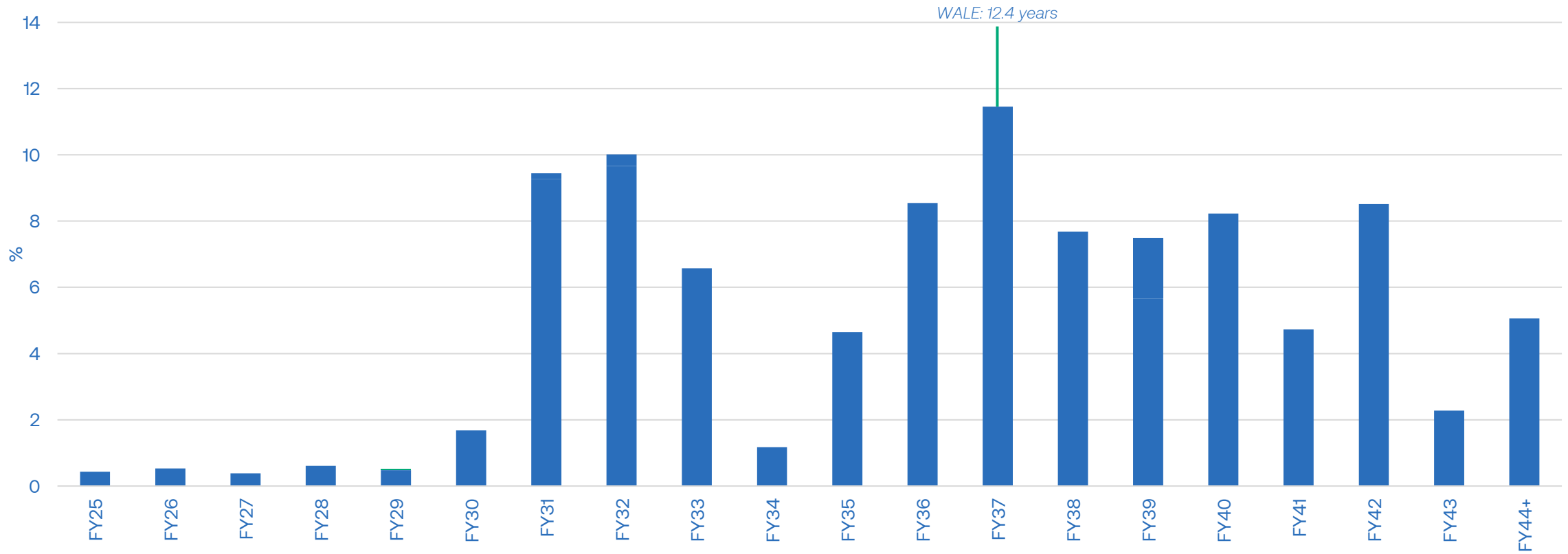
CQE Annual Rent Review Schedule by Rental Income



## Portfolio WALE remains strong at 12.4 years

- Only 2.4% of lease income expiring within the next 5 years (only 0.6% without further options)
- Typical notice periods of 3 – 5 years from expiry

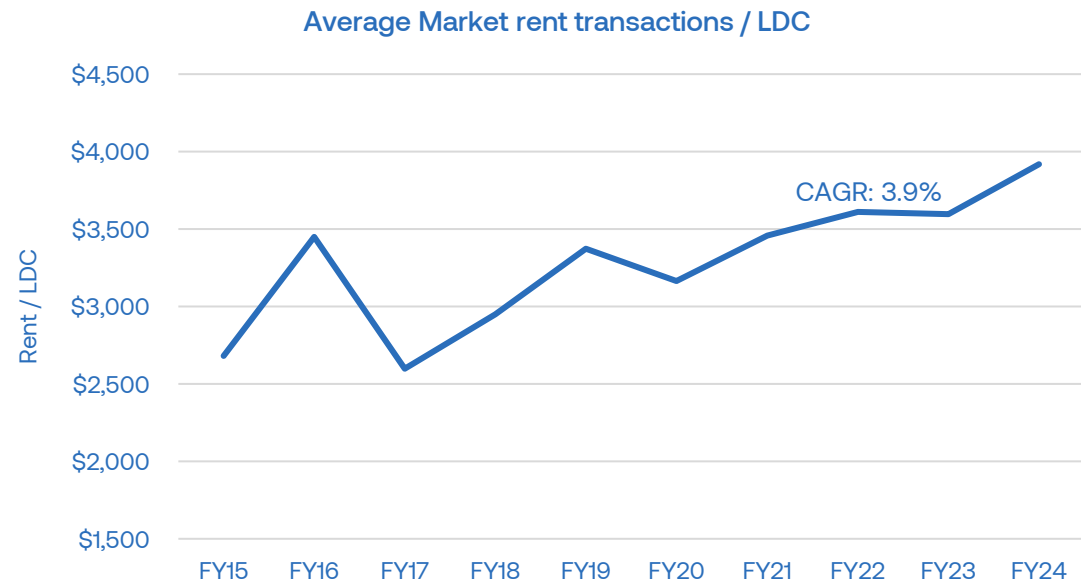
Lease expiry profile by % of annual rent: FY25 – FY44+



## Strong rental growth potential with 48% of income subject to market reviews in next 5 years

- Childcare market rent<sup>1</sup> growth of 3.9% (CAGR) for the 10 year period to FY24 while CQE’s portfolio saw a 2.9% CAGR<sup>2</sup>
- Average childcare market rents for FY24 were \$3,918 / LDC compared to CQE’s average childcare rent of \$2,859 / LDC
- 244 market rent reviews (48% of CQE’s total income) in the next 5 years, weighted towards FY25 - FY28
  - Passing rent for childcare portfolio assessed at approximately 15% below open market rents<sup>3</sup>
  - Majority of market reviews are structured to be upwards only with a cap 7.5%
- 4 market reviews completed in FY24 achieving uplift of 5.8%
- Based on tenant provided data as at 31 March 2024:
  - The average daily fees increased by 9.5% over the last 12 months from \$126 to \$138
  - Net rent to revenue for operators reduced to 10.0%, below market parameters

	June 23	June 24	% Variance
Rent per LDC(\$)	2,723	2,859	5.0
Net Rent to Revenue (%) <sup>4</sup>	10.7	10.0	(0.7)
Average Daily Fee (\$) <sup>4</sup>	126	138	9.5



1. CQE Data
2. Like-for-like basis
3. Average of CBRE external review of 227 assets on an open market basis, completed as part of the June valuation process
4. Twelve month period to March 2023 and 2024 respectively

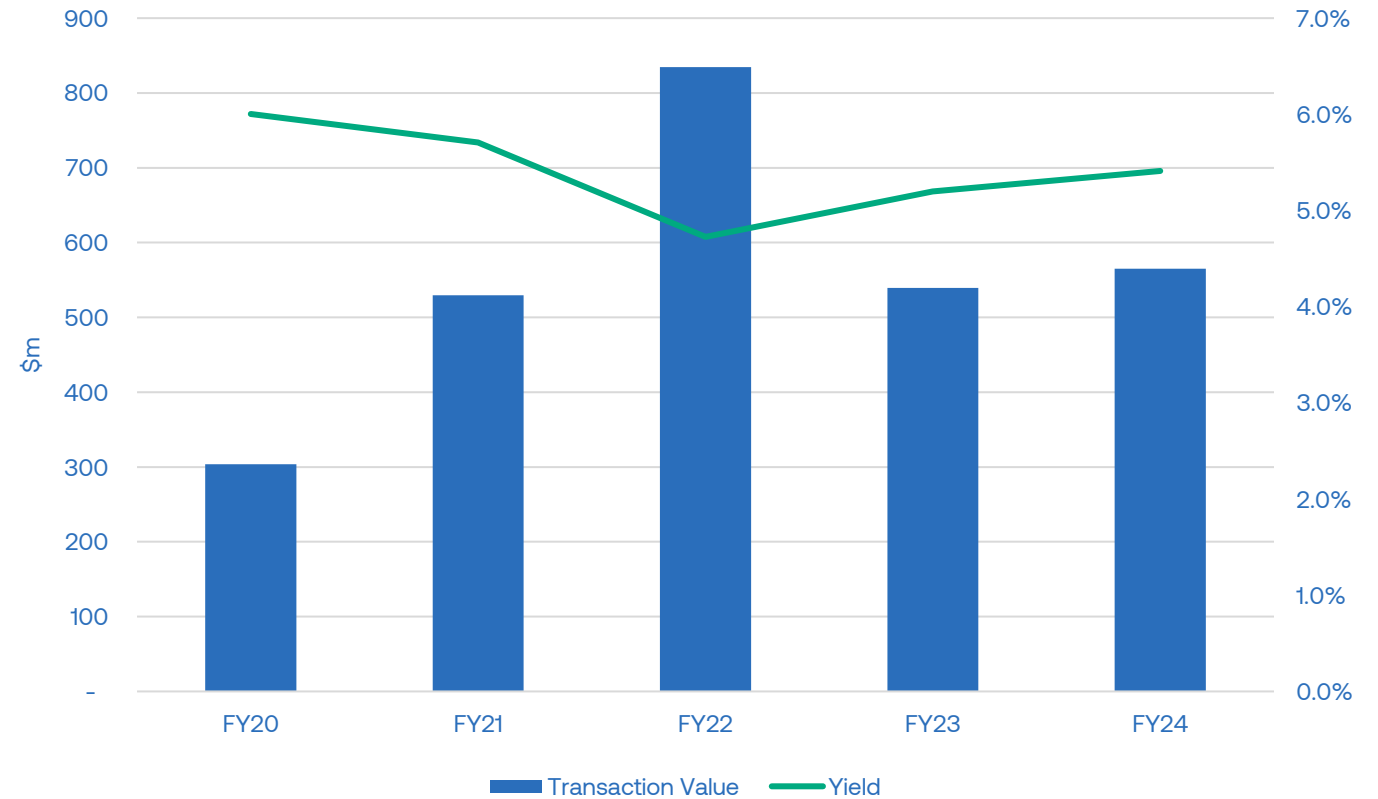


## Portfolio Valuations

- 353<sup>1</sup> operating assets were independently valued as at 30 June 2024 resulting in a passing yield of 5.2% (June 2023: 5.0%)
- This resulted in a 2.2%, or \$48.5 million decline on like-for-like June 2023 book values<sup>2</sup> reflecting the resilient nature of CQE’s portfolio
- As at 30 June 2024, average capitalisation rate for childcare assets is 5.3% and 5.7% for the balance of long-WALE social infrastructure assets
- Childcare transactions<sup>3</sup> in FY24 totalled \$565 million (FY23: \$539 million) with an average yield of 5.4% (FY23: 5.2%) and average centre price of \$6.1 million (FY23: \$5.1 million) highlighting the continued liquidity and demand for childcare centres
- Net childcare supply growth has moderated in FY24 to 3.2%<sup>4</sup> (FY23: 3.5% )
  - Property level vacancy estimated at <1%

1. Excludes two assets held for sale for a total value of \$7.5 million  
 2. Like-for-like valuation movement excludes development sites, assets contracted for sale, acquisitions and developments completed in the period  
 3. CQE data  
 4. Based on ACECQA data as at 30 June 2024, there are 9,132 LDC centres in Australia with a net increase in supply of 283 for FY24

Australian childcare property transaction volume and yields<sup>3</sup>



# 4

## Outlook and Guidance

Only About Children  
Hawthorn, Vic

Charter Hall Social Infrastructure REIT  
2024 Full Year Results



## Outlook and Guidance

- Continue to execute on CQE's strategy to actively manage the diversified social infrastructure property portfolio delivering essential community services
- Positive industry and demographic fundamentals will continue to provide further opportunities in the social infrastructure sector
- Based on information currently available and barring any unforeseen events, the FY25 forecast distribution guidance is 15.0 cpu
- The FY25 forecast distribution guidance incorporates the impact of the FY25 and FY26 hedge restructure
- The DRP has been suspended until further notice



FY25 forecast distribution  
guidance of 15.0 cpu

# 5

## Additional Information

Innovation Quarter  
Westmead, NSW

Charter Hall Social Infrastructure REIT  
2024 Full Year Results



## Statutory Earnings Reconciliation

	FY23 (\$m)	FY24 (\$m)
<b>Operating Earnings</b>	<b>59.2</b>	<b>59.5</b>
Net fair value movements on investment properties	(6.4)	(65.8)
Net movements on derivative financial instruments	1.4	(12.4)
Loss on debt extinguishment	-	(3.5)
Straight lining of rental income, amortisation of lease fees and incentives	3.8	1.5
Ground rent on leasehold properties	1.4	1.3
Other	(0.7)	(0.2)
<b>Statutory Earnings</b>	<b>58.7</b>	<b>(19.6)</b>

## CQE and joint venture summary - FY24

### Investment in property joint ventures – operating earnings and balance sheet breakdown

\$m	CQE	CH BBD Trust	LWR GSA	PFA Westmead	Total
Ownership interest	100.0%	50.0%	25.0%	49.9%	
Properties	Multiple	Brisbane Bus Terminal	Geoscience Australia	iQ Westmead	
<b>FY24 operating earnings</b>					
Net property income	93.5	2.9	6.9	3.0	106.3
Finance costs	(32.2)	(1.1)	-	-	(33.3)
Operating expenses	(13.5)	-	-	-	(13.5)
<b>Share of operating earnings</b>	<b>47.8</b>	<b>1.8</b>	<b>6.9</b>	<b>3.0</b>	<b>59.5</b>
% of operating earnings	80%	3%	12%	5%	100%
<b>June 2024 balance sheet</b>					
Cash and cash equivalents	11.6	1.1	0.5	0.4	13.6
Investment properties	1,970.5	56.5	85.8	57.9	2,170.7
Derivative financial instruments	14.4	0.1	-	-	14.5
Borrowings	(727.0)	(26.1)	-	-	(753.1)
Unamortised borrowing cost	4.8	0.1	-	-	4.9
Net other	(26.1)	(0.5)	(1.7)	(0.2)	(28.5)
<b>CQE net investment</b>	<b>1,248.2</b>	<b>31.2</b>	<b>84.6</b>	<b>58.1</b>	<b>1,422.1</b>

Note: totals may not add due to rounding.

## CQE and joint venture summary - FY23

### Investment in property joint ventures – operating earnings and balance sheet breakdown

\$m	CQE	CH BBD Trust	LWR GSA	PFA Westmead	Total
Ownership interest	100.0%	50.0%	25.0%	49.9%	
Properties	Multiple	Brisbane Bus Terminal	Geoscience Australia	iQ Westmead	
<b>FY23 operating earnings</b>					
Net property income	91.6	2.8	4.8	1.3	100.5
Distribution income	1.0	-	-	-	1.0
Finance costs	(27.5)	(1.0)	-	-	(28.5)
Operating expenses	(13.8)	-	-	-	(13.8)
<b>Share of operating earnings</b>	<b>51.3</b>	<b>1.8</b>	<b>4.8</b>	<b>1.3</b>	<b>59.2</b>
% of operating earnings	87%	3%	8%	2%	100%
<b>June 2023 balance sheet</b>					
Cash and cash equivalents	14.5	1.1	1.4	0.9	17.9
Investment properties	2,015.9	69.3	89.3	66.9	2,241.4
Derivative financial instruments	26.3	0.6	-	-	26.9
Borrowings	(739.0)	(26.1)	-	-	(765.1)
Unamortised borrowing cost	4.1	0.1	-	-	4.2
Net other	(32.2)	(0.6)	(1.7)	(0.7)	(35.2)
<b>CQE net investment</b>	<b>1,289.6</b>	<b>44.4</b>	<b>89.0</b>	<b>67.1</b>	<b>1,490.1</b>

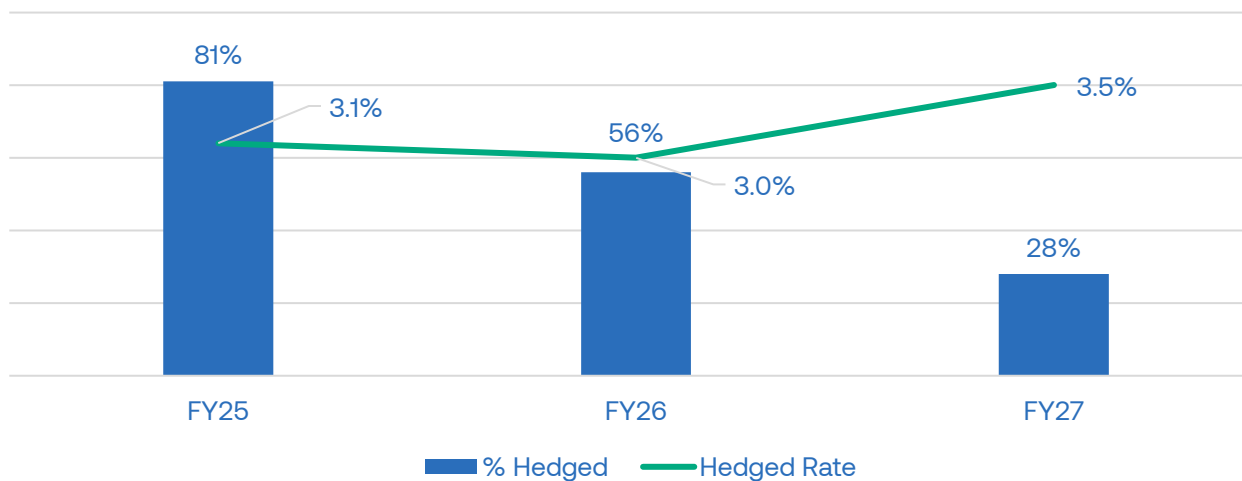
Note: totals may not add due to rounding.

## Debt Summary

- \$0.9 billion of look through debt facilities across CQE’s head trust and joint venture partnerships
- Weighted average debt maturity of 3.9 years following the successful re-finance from secured to unsecured debt platform in January 2024
- Considerable headroom to balance sheet and joint venture debt facility covenants
- Average hedging of 81% through to June 2025

Debt summary (\$m)	Limit	Drawn	Maturity	Gearing (covenant)	ICR (covenant)
<b>Balance sheet debt</b>					
Domestic bank bilateral debt facilities	260.0	260.0	Jul-27		
International bank bilateral debt facility	100.0	100.0	Jul-27	35.4%	2.8x
Domestic bank bilateral debt facilities	250.0	227.0	Jan-29	(50%)	(2.0x)
International bank bilateral debt facilities	240.0	140.0	Jan-29		
<b>Total balance sheet debt</b>	<b>850.0</b>	<b>727.0</b>			
<b>Joint venture debt (CQE interest)</b>					
				<b>LVR</b>	
Bus Bus Terminal debt facility	26.1	26.1	Aug-27	46.2% (60%)	2.7x (1.6x)
<b>Total joint venture debt</b>	<b>26.1</b>	<b>26.1</b>			
<b>Total look through debt</b>	<b>876.1</b>	<b>753.1</b>			

Average Hedging Profile & Average Hedged Rate





## Portfolio Overview

- Majority of leases in the portfolio are triple net
- Total land holdings of 108.4 hectares:
  - 83% metropolitan location
  - 62% residential zoning
- Bank guarantees typically 6 months, totalling \$47.6 million in aggregate

As at 30 June 2024	No.	Value (\$m)	% Portfolio	Passing Yield (%)
QLD	115	553.9	25.5	4.8
VIC <sup>1</sup>	84	511.2	23.6	5.0
NSW / ACT	76	303.5	14.0	5.5
WA	43	224.5	10.4	5.1
SA	25	97.8	4.5	5.4
TAS / NT	4	14.4	0.7	4.9
<b>Total Childcare<sup>1,2</sup></b>	<b>347</b>	<b>1,705.3</b>	<b>78.7</b>	<b>5.1</b>
Mater Headquarters & Training Facilities	1	119.0	5.5	5.5
Geoscience Australia	1	85.8	3.9	8.3
SA Emergency Command Centre	1	78.5	3.6	4.4
iQ Westmead	1	57.8	2.7	5.3
Brisbane Bus Terminal <sup>3</sup>	1	56.5	2.6	5.2
Robina (TAFE and Wise Medical)	2	35.5	1.6	5.2
Heidelberg (Healius)	1	29.5	1.4	5.3
<b>Total Long WALE SI</b>	<b>8</b>	<b>462.6</b>	<b>21.3</b>	<b>5.7</b>
<b>Total Portfolio</b>	<b>355</b>	<b>2,167.9</b>	<b>100.0</b>	<b>5.2<sup>4</sup></b>

1. Includes two divestments that are due to settle in FY25 amounting to \$7.5 million.

2. Includes 26 leasehold properties with a value of \$21.8 million with passing yield of 19.0%

3. Equity value of CQE 50% interest in Brisbane Bus Terminal is \$31.2 million, net of asset level debt of \$26.1 million and other net assets of \$0.8 million

4. Passing Yield is 5.1% after deducting non-recoverable outgoings of \$3.2 million paid at Fund level

## Social Infrastructure: Properties delivering essential community services

- Strong industry and demographic trends resulting in increasing demand and future growth opportunities for social infrastructure assets
  - Population growth of 3.9 million people or 15% over the next 10 years<sup>1</sup>
  - The number of Australians aged 65 and over will more than double over next 40 years<sup>2</sup>
- Government budgetary constraints increasing need for private capital to fund both existing and future requirements
- Due to essential nature, social infrastructure properties provide long leases, high tenant retention and low correlation to other property classes



### Childcare

Importance continues as an essential part of Australia's education system and integral to Australia's economic prosperity to increase workforce participation



### Education

By 2050 it is estimated that 55% of all employed persons will require a higher education qualification, up from 36% of Australia's working population at present<sup>3</sup>



### Health

Ageing population to continue to drive increased demand for care and support services



### Government Services

Areas of focus include those that are providing an essential community service (e.g. justice and emergency facilities)



### Transport

Increased road, rail and air infrastructure is required to service Australia's growing population

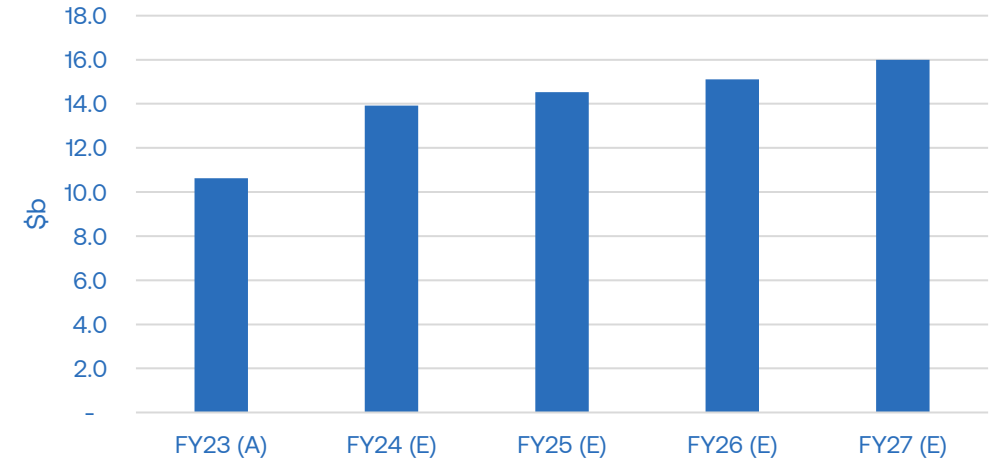
1. Australian Government | Centre for Population - Budget 2023-24: population projections, Australia, 2022-23 to 2033-34  
2. Intergenerational Report 2023 at a glance  
3. Australian Universities Accord - Interim Report, 30 June 2023

# Childcare Industry

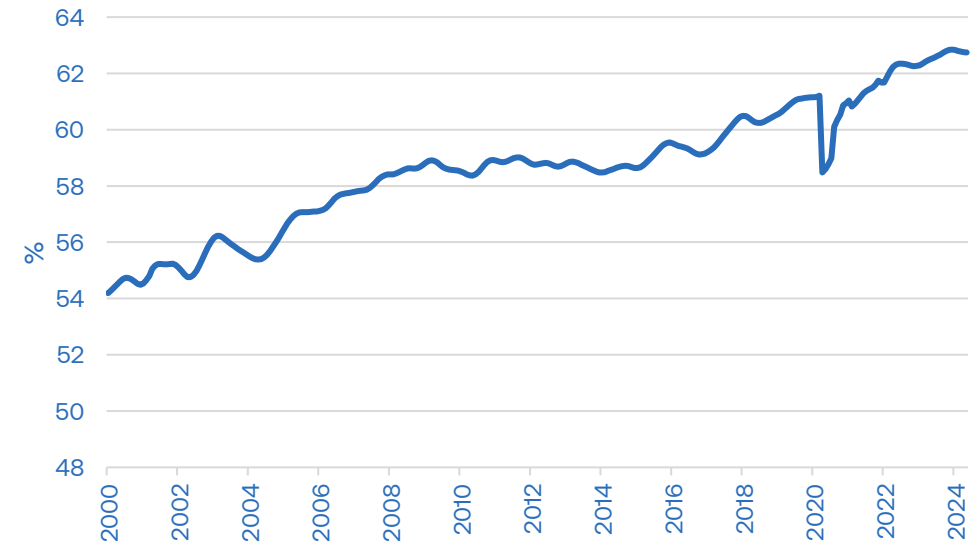
## Government funding forecast to increase to \$16.0 billion per annum<sup>1</sup> in FY27

- Importance of sector remains crucial to Australia’s education system and economic prosperity, driving workforce participation and overall growth
- Female labour force participation remains close to record highs at 62.9%<sup>1</sup>
- Annual Government funding is expected to increase to \$16.0<sup>2</sup> billion in FY27 primarily due to commencement of the Government's 'Cheaper Child Care' plan in July 2023
- In August 2024, Federal Government has announced they will fund 15% wage increases to workers over the next two years with 10% increase in December 2024 and the balance of 5% in December 2025
- Current Government reviews into childcare market to improve operation and effectiveness of the current model
  - Australian Competition and Consumer Commission: Childcare Price Inquiry - January 2024. Recommendations include both proposed refinements to existing system and reforms that require broader and fundamental policy change to improve accessibility and affordability for all children
  - Productivity Commission: Path to Universal Early Childhood Education - Draft report (November 2023) recommended Government provide three days a week of quality early education for every child. Final report delivered to the Government on June 28, 2024
- As at 30 June 2024, there are 9,132<sup>3</sup> LDC centres in Australia with a net increase in supply of 283 (3.2%) for FY24

Childcare Subsidy – Federal Government Spending<sup>1</sup>



Female Participation Rate



1. As at June 2024  
2. Commonwealth of Australia – Budget Strategy and Outlook - Budget Paper No.1, 2024-25  
3. ACECQA data

# Key Statistics

<b>Financial &amp; Capital Management Metrics</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
NTA (\$)	2.92	3.25	4.08	4.04	3.82
NTA Growth (%)	(1.4)	11.3	25.5	(1.0)	(5.4)
DPU (c) – Ordinary	16.0	15.7	17.2	17.2	16.0
DPU (c) – Special	-	4.0	-	-	-
DPU Growth (%) – Ordinary	-	(1.9)	9.6	-	(7.0)
Gearing (%)	16.4	24.5	29.8	32.2	33.0
Weighted Average Cost Of Debt (%)	2.6	2.8	3.2	4.3	5.1
Weighted Average Debt Maturity (Years)	4.1	4.1	3.9	2.9	3.9
Interest Cover Ratio (x)	5.6	8.6	6.8	3.1	2.8
<b>Portfolio Metrics</b>					
Weighted Average Lease Expiry (Years)	12.7	15.2	14.3	13.2	12.4
% Of Lease Income Expiring In Next 5 Years	4.4	3.4	4.6	3.5	2.4
Major Customer % Of Income (Goodstart) (%)	47	42	39	34	32
Like-for-like Rental Growth (%)	2.8	2.3	3.4	3.7	3.4
<b>Market Rent Reviews</b>					
Completed Number	4	1	2	8	4
Average Rental Growth (%)	3.4	2.6	3.5	5.4	5.8
<b>Geographic Spread (% Rental Income)</b>					
NSW/ACT	22.8	20.9	17.7	24.5	23.6
QLD	36.9	41.2	36.6	34.3	33.8
VIC	23.5	24.6	24.6	23.3	24.0
WA	5.9	6.5	10.8	9.5	10.2
SA	6.9	6.0	9.6	7.8	7.8
TAS/NT	0.9	0.8	0.7	0.6	0.6
NZ	3.1	-	-	-	-

1. Calculation based upon BBSY of 4.4% as at 30 June 2024, an average FY25 hedge rate of 3.1% and drawn debt of \$727.0 million. All in cost of debt (including amortisation of borrowing costs) is 5.3%

# Glossary

ACECQA	Australian Children's Education and Care Quality Authority
ASX	Australian Securities Exchange
Balance sheet gearing	Calculated as the ratio of net drawn debt less cash to total tangible assets, less cash
CPI	Consumer Price Index
CPU	Cents per unit
CQE	Charter Hall Social Infrastructure REIT
DPU	Distributions per unit
EPU	Earnings per unit
LDC	Long day care
Look-through gearing	Calculated as the ratio of net drawn debt less cash to total tangible assets, less cash, based on the non-IFRS pro forma proportionately consolidated statement of financial position, which adjusts for the REIT's share of the debt, assets and cash held in equity accounted investments
NPI	Net property income
NTA	Net tangible assets
NNN	Triple Net Lease. Tenant responsible for 100% of outgoings, including single holding land tax, management fees and repairs and maintenance, including of a capital nature.
PCP	Previous corresponding period
REIT	Real estate investment trust
WALE	The average lease term remaining to expiry across the portfolio or a property or group of properties, weighted by net passing income or as noted

# Further information



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