

For immediate release

Finbar half year profit up 138% per cent to \$9.6 million

HIGHLIGHTS

- **Half year net profit \$9.6 million**
- **Karratha investment asset value increased \$4.96 million after tax to \$62.2 m**
- **Interim dividend of \$0.02 declared**
- **\$642 million in end value apartments currently under construction**
- **Strong sales performance to start second half**

Perth 23 February 2022: Western Australia's leading apartment development company Finbar Group Limited (ASX:FRI) (Finbar or the Company) is pleased to report a net profit after tax of \$9.6 million for the first half of the 2022 financial year, an increase from \$4.023 million in the previous corresponding period.

The 2022 result was boosted by an increase in value of Finbar's Pelago investment asset in Karratha which was completed by the Company in 2012.

The value of its Pelago investment increased by \$4.96 million after tax compared with the previous corresponding period and the \$62.2 million asset remains fully leased with rental rates also increasing 9 per cent since the previous corresponding period.

Finbar's operating net profit was \$4.6 million for the six months, with contributions from the sell down of the remaining completed stock at Sabina in Applecross, and Riverena in Rivervale, supplemented by the completion and the settlement of 66 units in the 128 unit Dianella Apartments development during the reporting period.

Construction at two major projects, AT238 in the Perth CBD and Civic Heart in South Perth, continues to progress with AT238 expected to be completed in the first half of FY23 and Civic Heart in FY24.

Construction at Aurora commenced recently with earthworks currently underway and practical completion also estimated to occur in FY24.

Finbar launched The Point, an apartment project in Rivervale, during the first half of the 2022 financial year and has reported pre-sales of 87 apartments, valued at \$48.4 million in the \$99 million project. With AT238 expected to reach completion in September this year, the transfer of construction resources will move to The Point where earthworks are scheduled to commence in March.

Construction at the landmark Civic Heart project in South Perth has reached level 1 of the above ground podium with work continuing on the four-level podium before commencement of both residential tower cores.

Finbar Managing Director Darren Pateman said the result was pleasing considering the challenging trading conditions with the greatest challenge being supply chain disruptions to the building industry, including constraints in building contractor labour brought about by almost 700 days of WA's strict COVID border policies.

"I do however see this improving after 3 March as the State moves to relax these policies," Mr Pateman added.

Finbar is benefiting from being in position to develop product and deliver it into the market at a time when some competitors are struggling to commence projects with constraints on supplies and a reduced pool of viable construction contractors.

"The mere fact that we can commence construction on projects with fewer pre-sales than our competitors means that we also have stock that can be progressively repriced during construction, which helps insulate our margins in an inflationary market for both the value of apartments and building costs," Mr Pateman said.

"It is a major competitive advantage for us in the current market, being well funded and able to launch and commence projects with our cashflows and with the support of our long-standing joint venture investment partners and bankers."

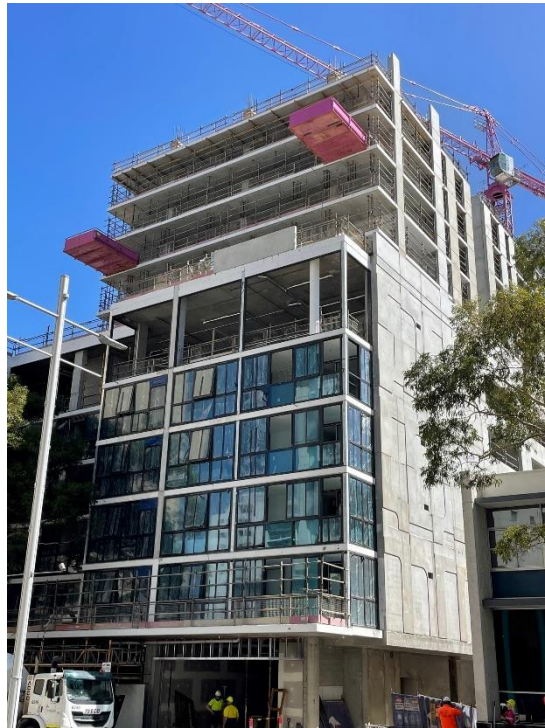
Sales in the first two months of 2022 had been strong, with 57 sales worth \$33.5 million being achieved across all projects, Mr Pateman said.

“The Housing Industry of Australia estimates more than 10,000 apartments, that have either been proposed or approved, have been deferred indefinitely in WA, and Finbar has been able to continue to deliver quality apartments into this increasingly constrained market and one where population growth is expected to increase from 20,000 to 30,000 per annum over the next year after borders re-open.”

The Company declared an interim dividend of \$0.02 per share, unchanged from the first half of FY2021.



ABOVE: Civic Heart construction progress



ABOVE: AT238 construction progress



ABOVE: Aurora earthworks



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