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14 March 2018

# Finbar Group Limited – Company Presentation & Project Update



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# Agenda



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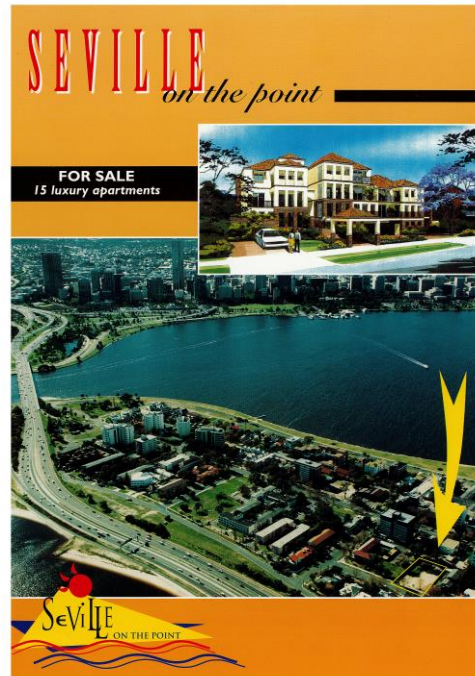
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## About Finbar



Finbar is Western Australia's **largest and most trusted** residential apartment developer. Since its **establishment in 1995**, Finbar has **completed over 5,300 units** and proudly continues to shape the landscape and lifestyles of Western Australia. Affiliating with equity partners and landowners enables Finbar to Leverage on the growth associated with larger development projects, allowing greater economies of scale while spreading project risk.

Finbar has achieved **21 years of consecutive profit** and has rewarded shareholders with a **fully franked dividend for the past 20 years**.



*Seville on the Point - 1995*



*Concerto - 2017*

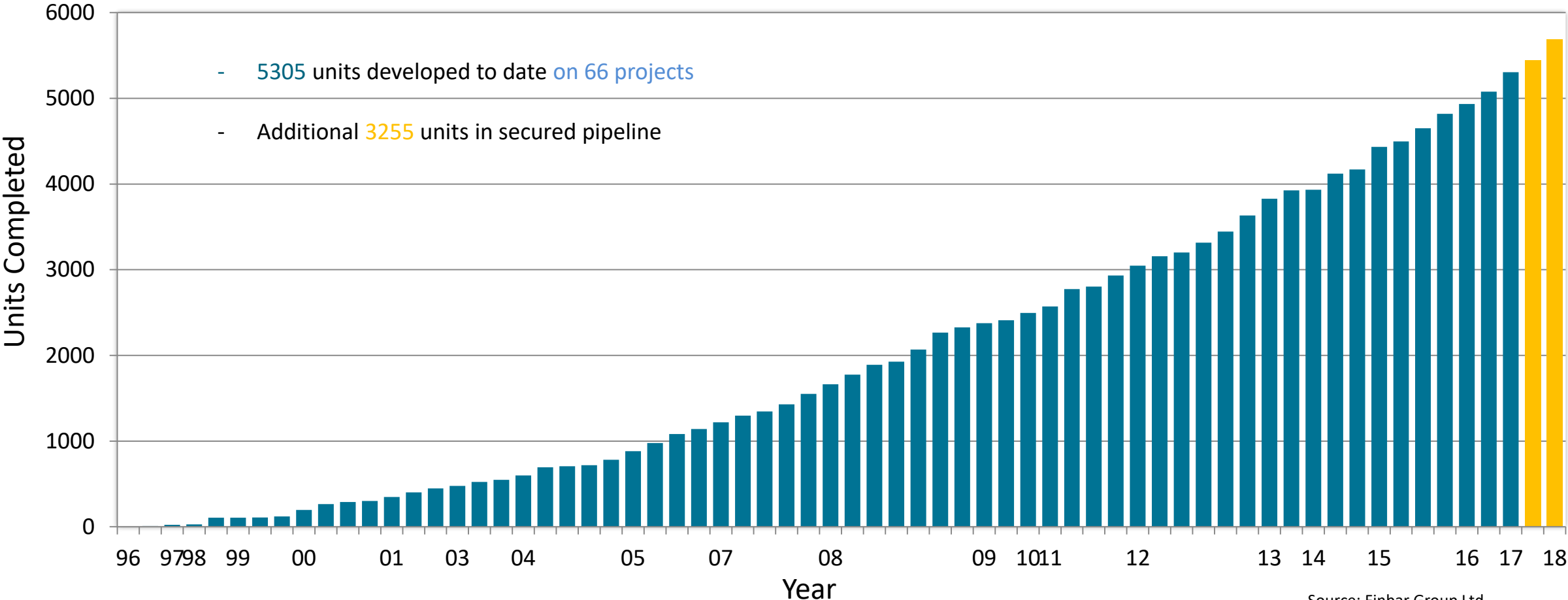


# Finbar Completed Projects





# Cumulative Units Developed



## FRI - Snapshot

13 March 2018



### Shares:

Share Price: \$0.95

NTA: \$0.90

52 Week High/Low: \$0.76 - \$1.10

Market Cap: \$220 million

Shares Issued: 231.3 million

Options Outstanding: Nil

Shareholders: 2,372

### Other:

Staff: 18

Completed Projects with Stock For-Sale: \$74 million

Projects Under Construction: \$172 million

Projects in Marketing: \$198 million

Development Approval Received: \$447 million

In Planning and Design: \$663 million

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## Executive Management

An experienced management team with long term view and commitment to the business



**Mr John Chan – Executive Chairman (BSc, MBA, MAICD)**

**Joined Finbar in 1995**  
**Director since 27 April 1995**  
**Chairman since 15 July 2010**

**Mr Darren John Pateman – Managing Director (EMBA, GradDipACG, ACSA, AGIA, MAICD, AFAIM)**

**Joined Finbar in 1995**  
**Director since 2008**  
**Chief Executive since 2008**

**Mr Ronald Chan – Executive Director and Chief Operations Officer**

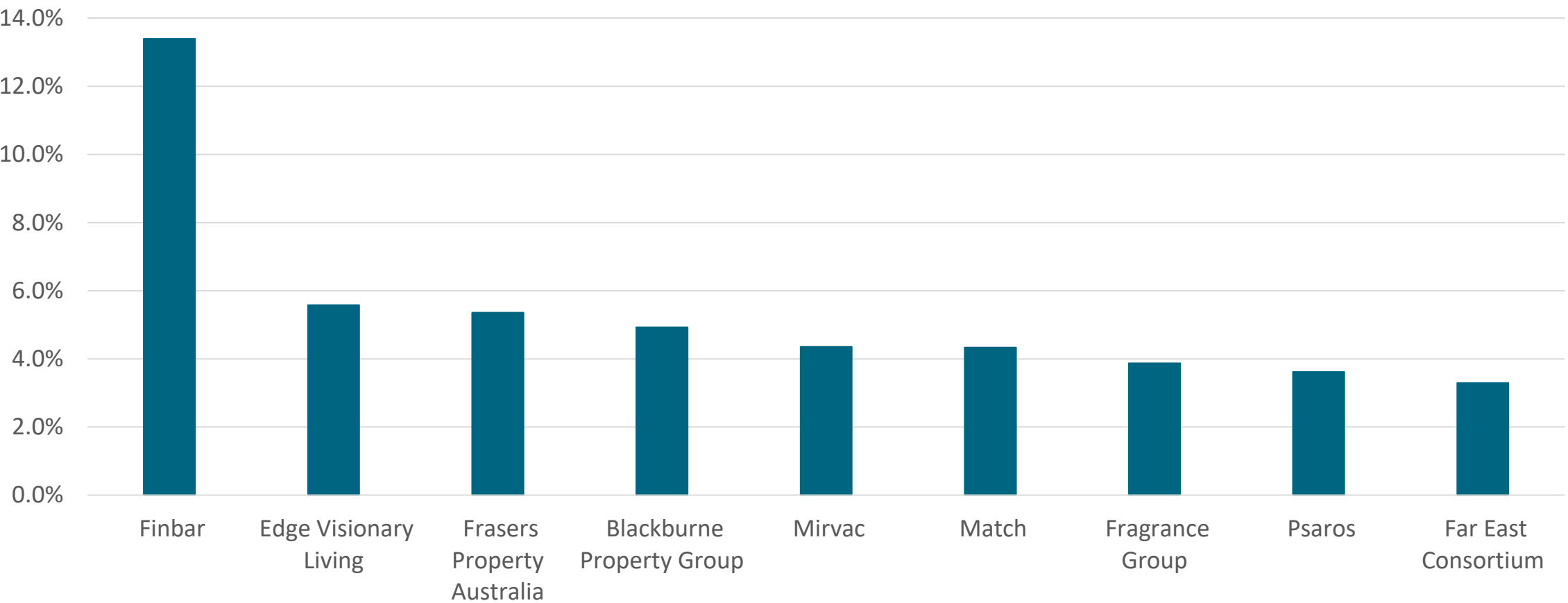
**Joined Finbar in 2004**  
**Director since 24 February 2017**  
**COO since 18 January 2013**

**Mr Edward Guy Bank– Company Secretary and Chief Financial Officer (B Bus, ASCPA)**

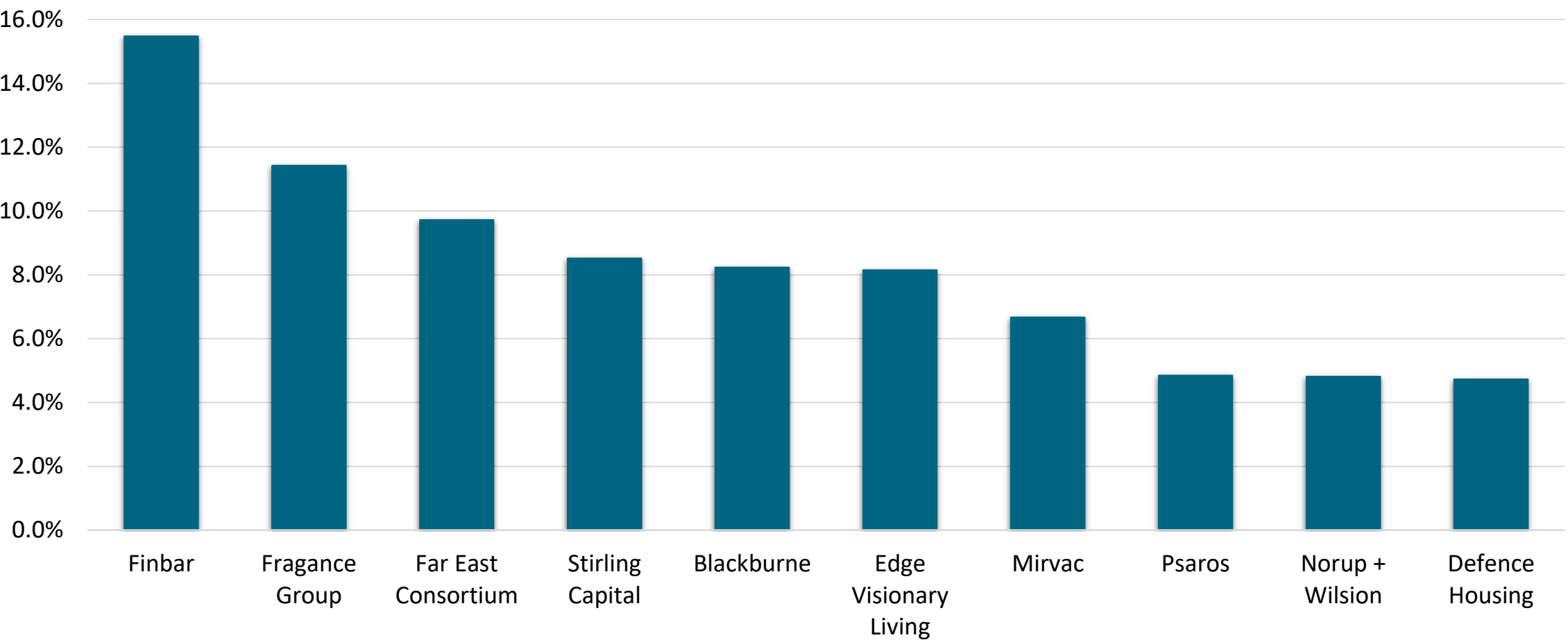
**Joined Finbar in 2005**  
**Company Secretary since 2 December 2016**  
**CFO since 15 July 2005**



# Finbar's Market Share of Active Projects (in units) in WA



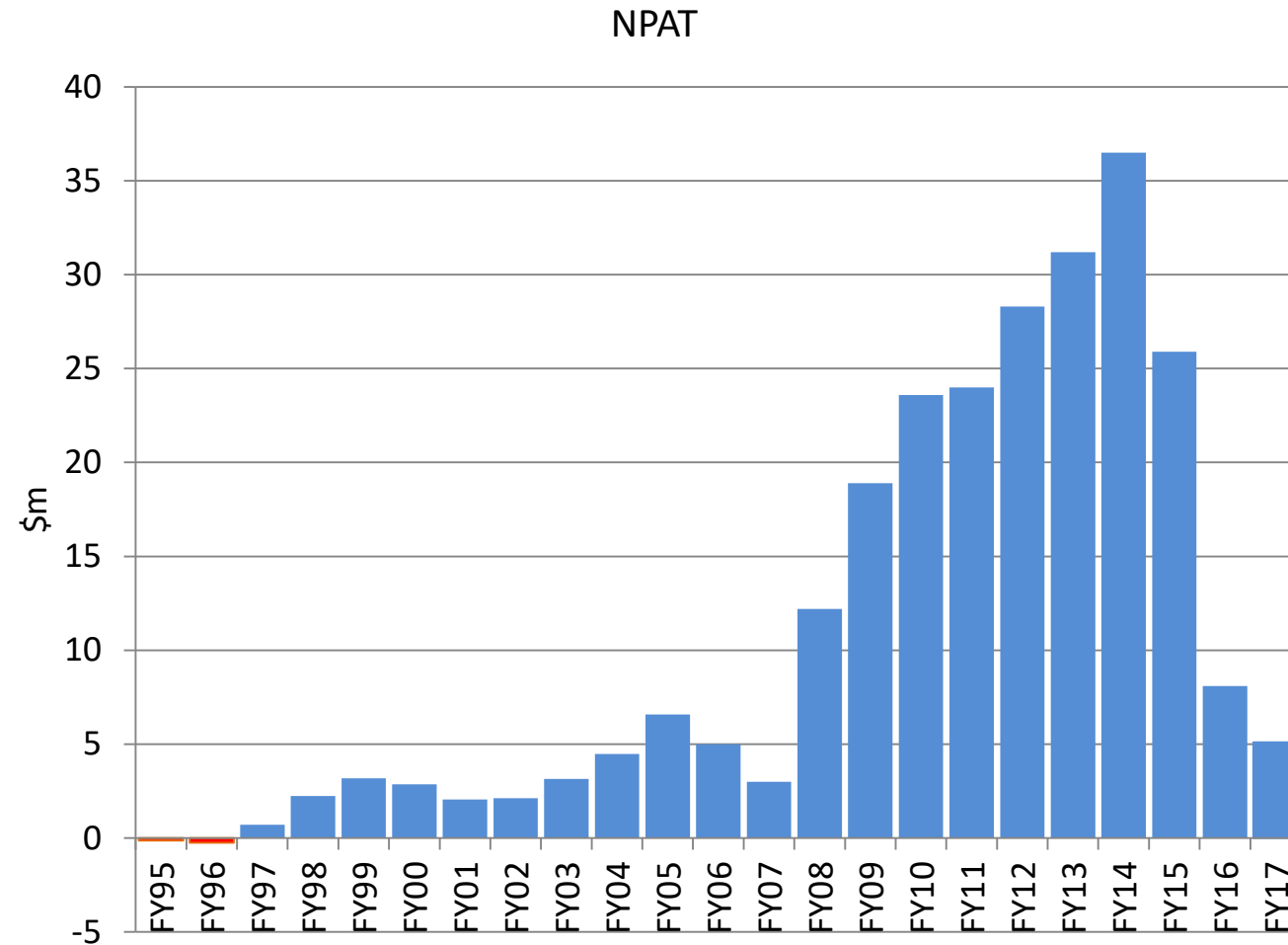
# Finbar's Market Share of Units in WA Under Construction



## Net Profit

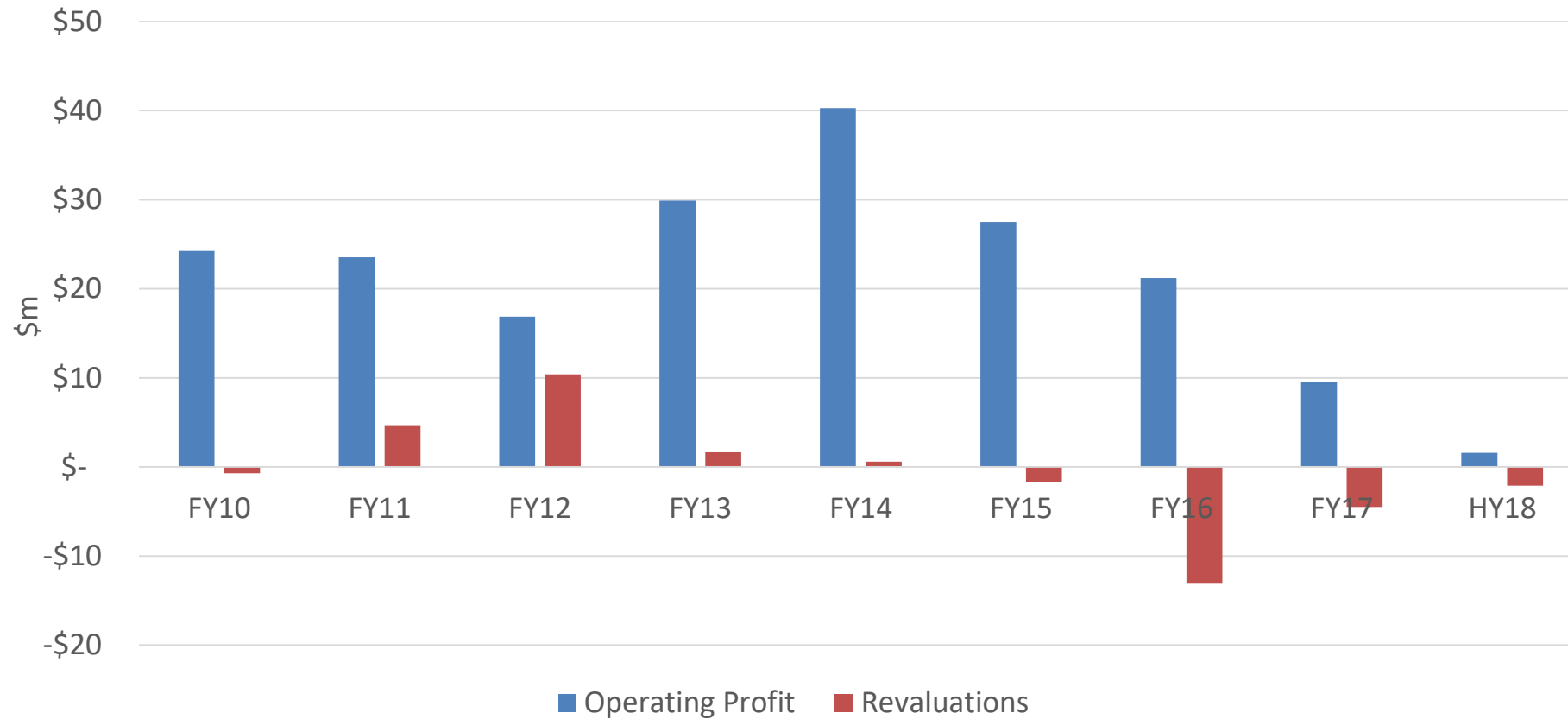


- 21 consecutive years of profitability.
- FY18 Guidance: “full year results to substantially exceed 2017”





## Operating Profits and Revaluations on Investment Properties



# Investment Properties

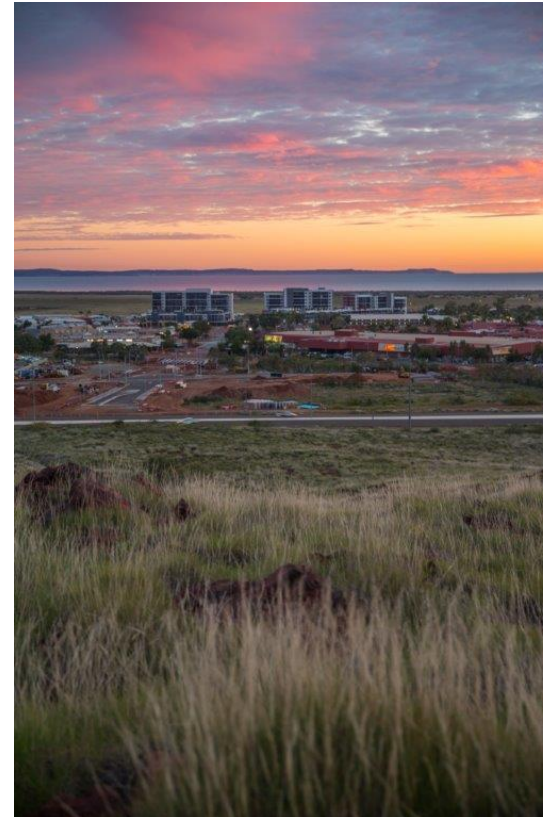
FAIRLANES  
181 Adelaide Terrace East Perth



- 7,586 sqm of office building
- Leased to Downers, Broadspectrum, Finbar's corporate office, & smaller office and food tenancies
- Wholly owned



PELAGO  
23 & 26 Sharpe Avenue Karratha



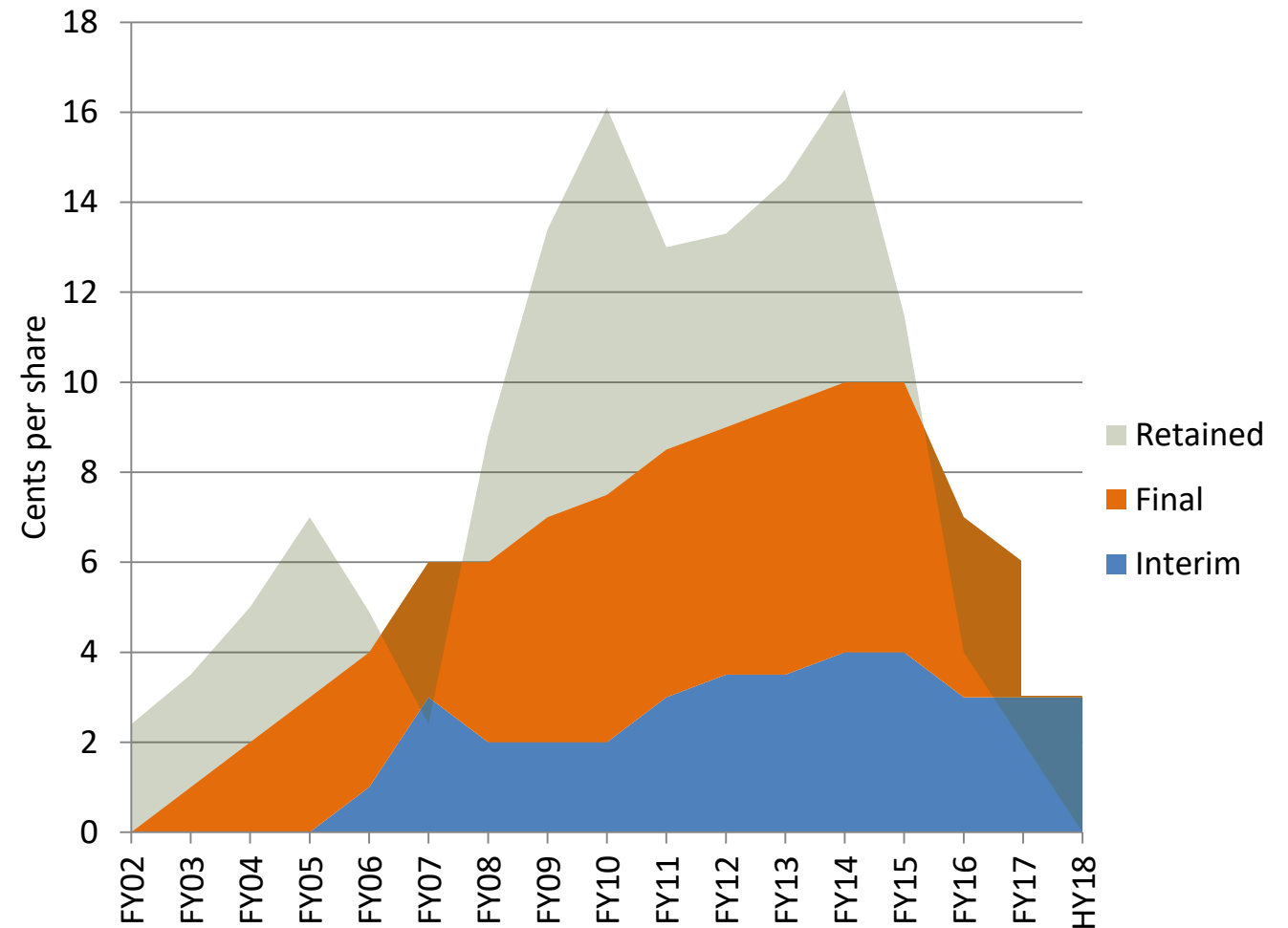
- 101 apartments & 21 commercial lots
- Leased to small business & predominantly corporate residential tenants
- Wholly owned



## Dividend History



- Fully franked interim dividend of \$0.03 per share
- 20 consecutive years of franked dividends
- \$51m in retained earnings

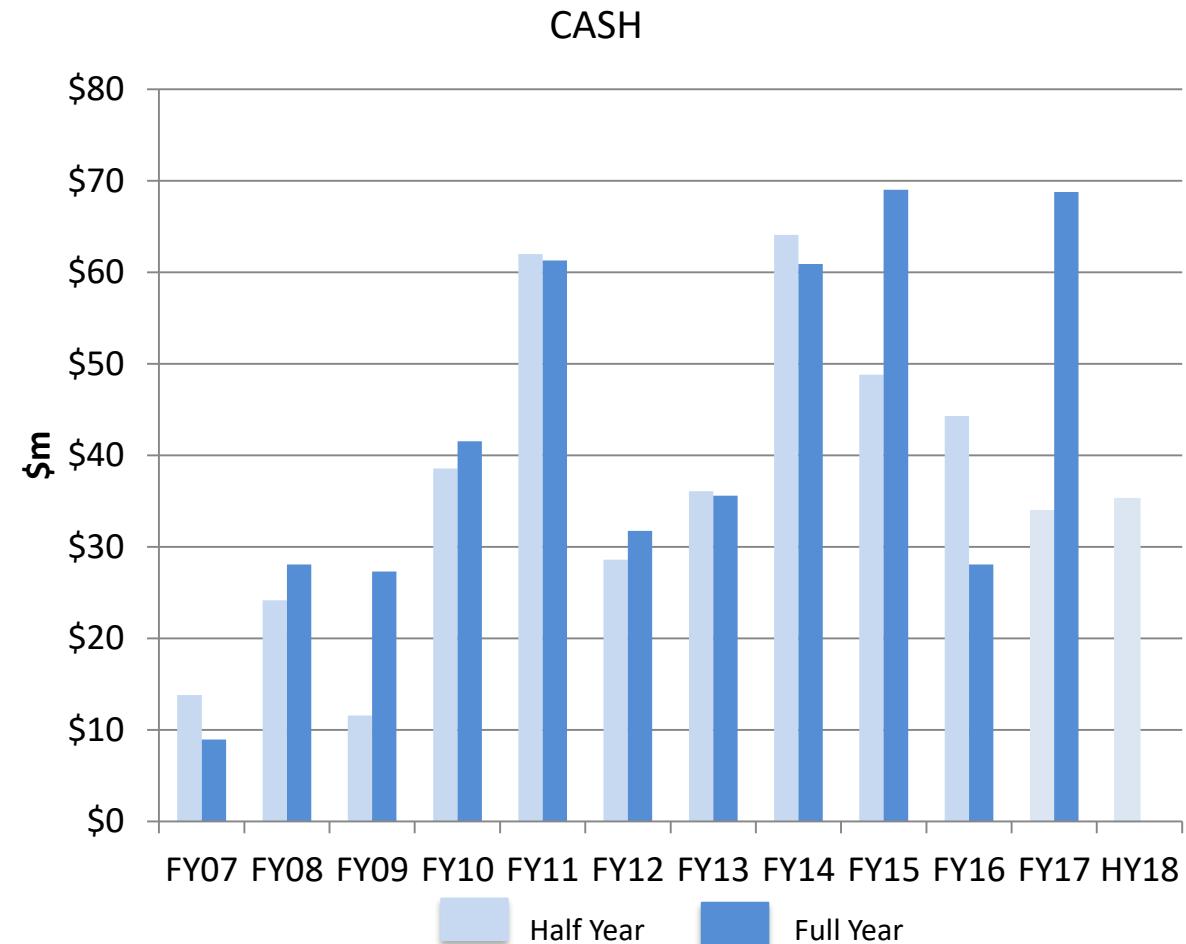




## Cash Position

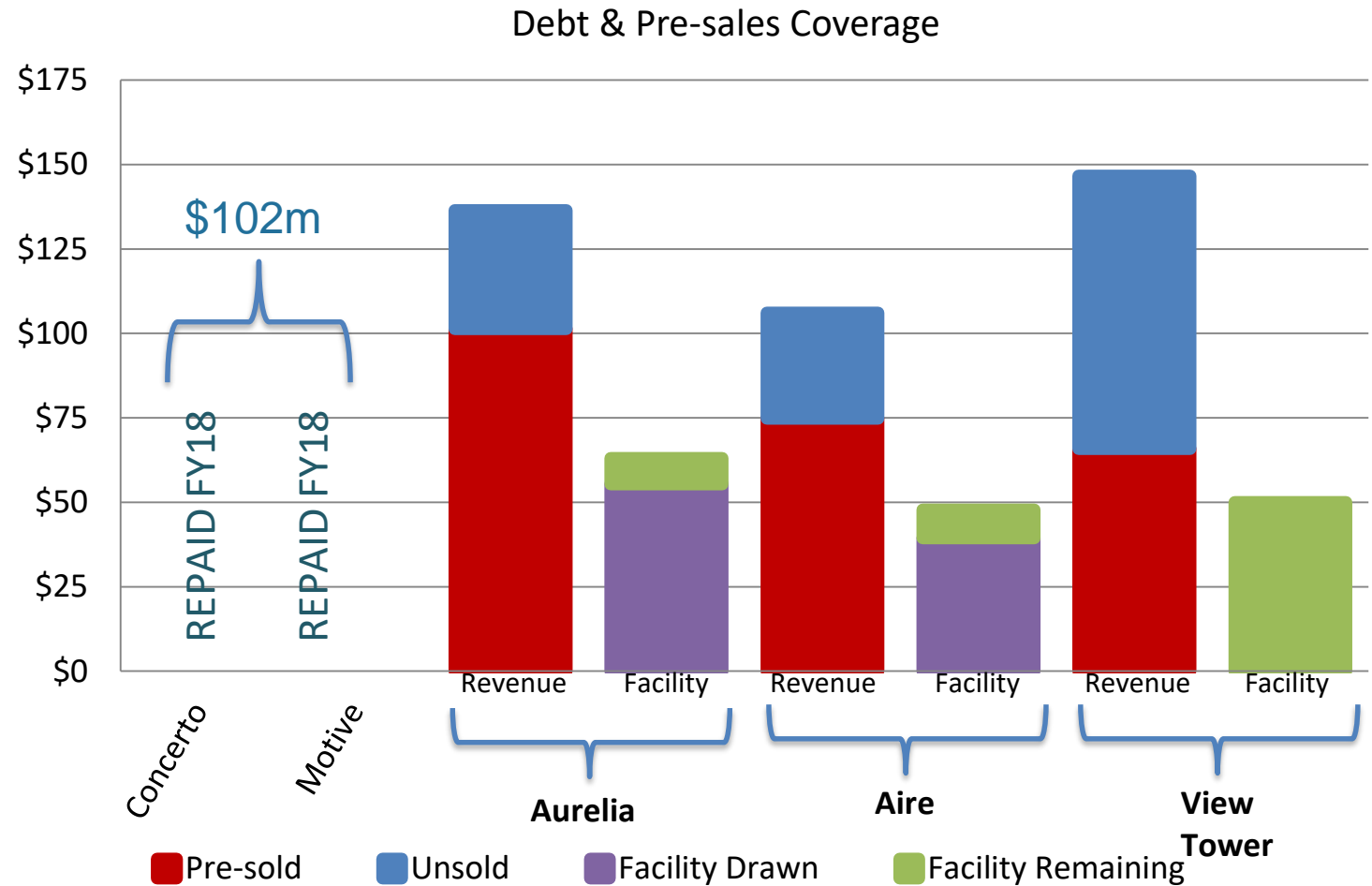


- Half year cash position of **\$35.2m**.
- Committed to working capital requirements and equity contributions for project commencements.
- **No debt on residual stock** with settlement cashflow to bolster working capital for redeployment into construction commencement activity and future pipeline



## Project Debt & Pre-Sale Coverage

- \$102m in finance facilities were repaid in HY18 from settlement proceeds.
- No debt on residual stock.
- Strong presales coverage on remaining project facilities.
- All debt project specific
- No corporate line
- No fixed and floating charge over parent



## Development Update





## Completed Projects with Stock For Sale





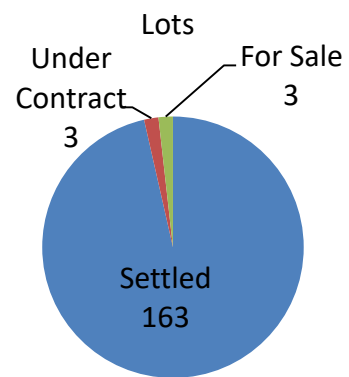
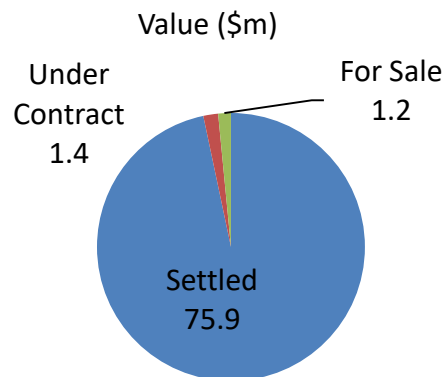
# Unison on Tenth

2 Tenth Avenue, Maylands



**Project:** Unison on Tenth comprises 167 one, two and three bed apartments plus 2 commercial lots. Average price \$464,497.

- **Status:** Construction Completed
- **Ownership:** 50% JV with land owner
- **Value:** ~\$78.5 million
- **Completed:** FY16
- **Sales:**



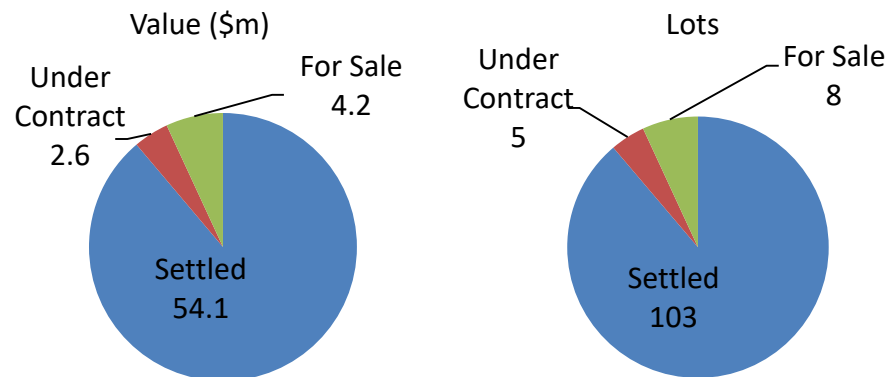
# Linq

269 James Street, Northbridge



**Project:** Linq comprises 112 one and two bedroom apartments plus 4 commercial lots. The average price is \$525,000.

- **Status:** Construction Completed
- **Ownership:** Wholly owned through subsidiary
- **Value:** ~\$60.9 million
- **Completed:** FY16
- **Sales:**





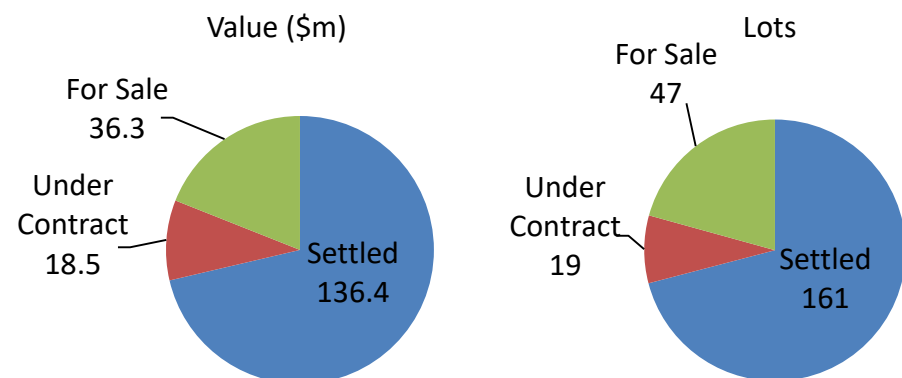
# Concerto

189 Adelaide Terrace, East Perth



**Project:** Concerto consists of 226 studio, one, two, and three bedroom apartments plus 1 commercial unit. Concerto is East Perth's tallest residential building at 38 stories. Average price \$842,291.

- **Status:** Construction Completed
- **Ownership:** 50% JV with land owner
- **Value:** ~\$191.2 million
- **Completed:** FY17
- **Sales:**



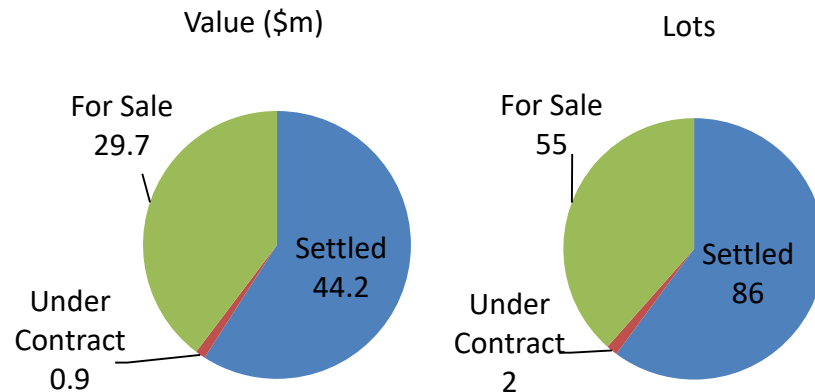
# Motive

172 Railway Parade, West Leederville



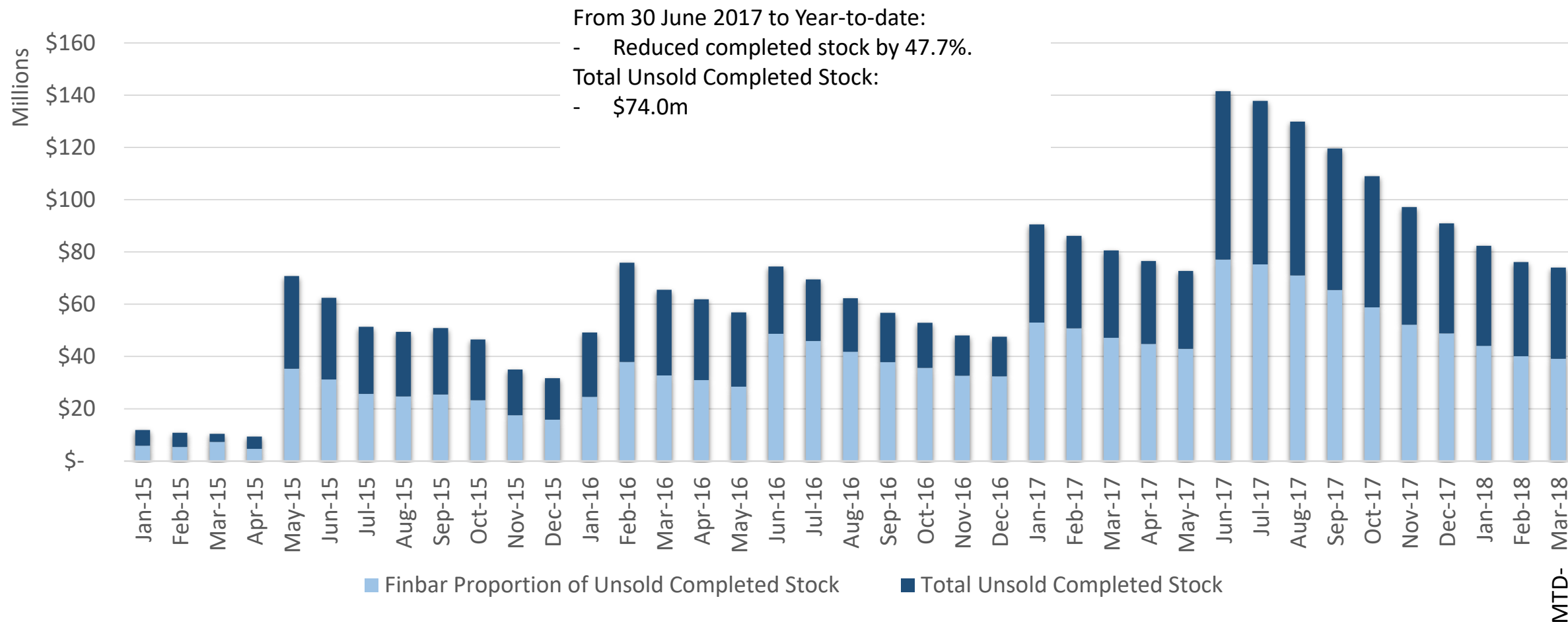
**Project:** Motive consists of 143 one and two bedroom apartments with an average price of \$523,076.

- **Status:** Construction Completed
- **Ownership:** 50% JV with land owner
- **Value:** ~\$74.8 million
- **Completed:** FY17
- **Sales:**





## Completed Unsold Stock



## Projects Under Construction



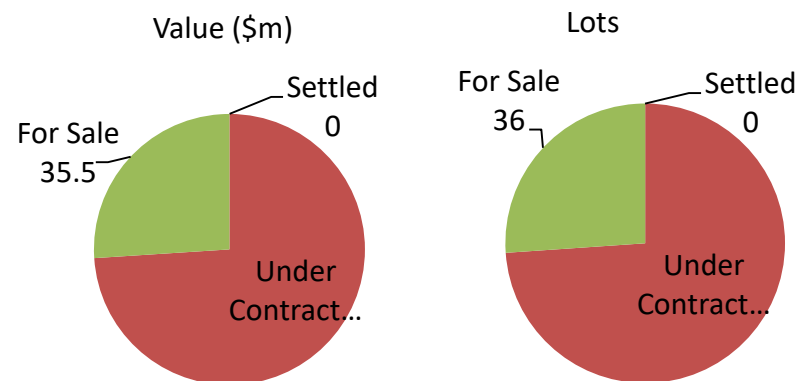
# Aurelia

96 Mill Point Road, South Perth



**Project:** Aurelia will consist of 118 one, two and three bedroom apartments plus 6 commercial units and 14 office spaces. Average price \$988,406.

- **Status:** Under Construction
- **Ownership:** 50% JV with land owner
- **Value:** ~\$136.4 million
- **Est. Completion:** FY18
- **Sales:**





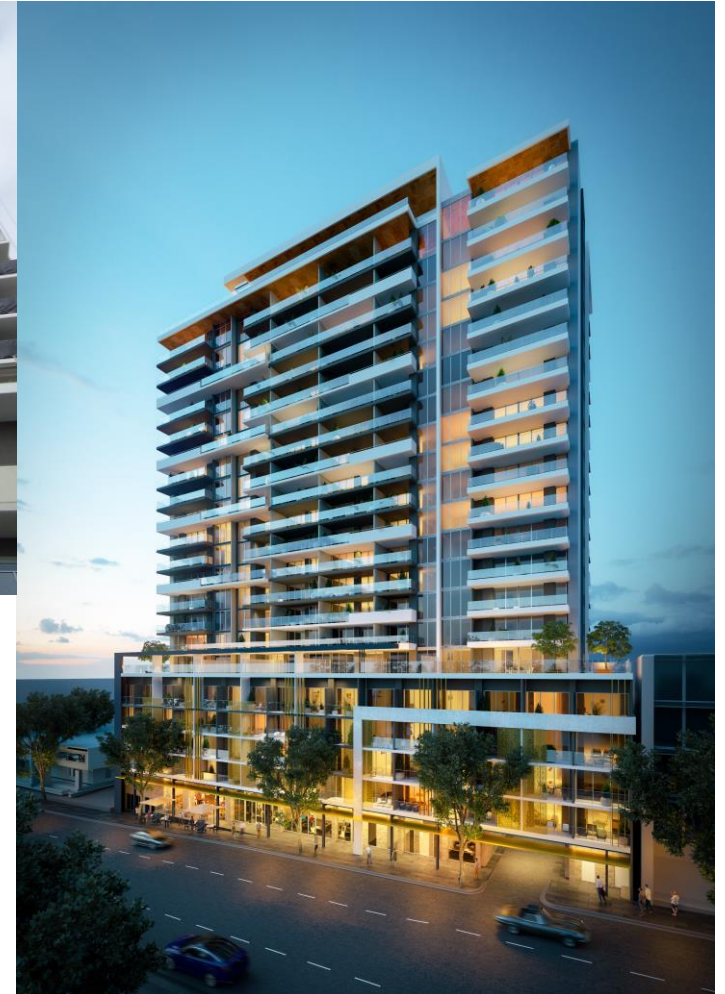
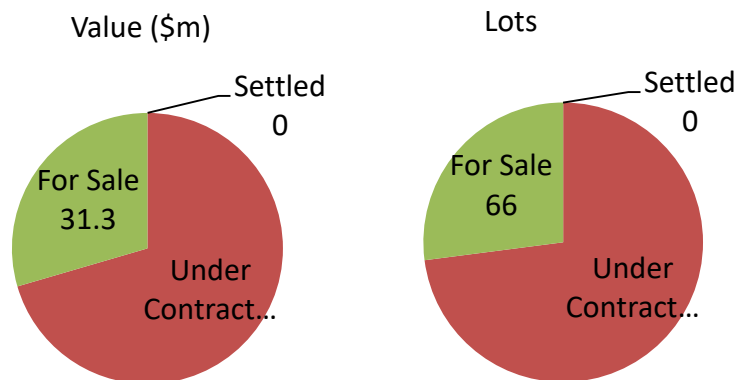
# Aire West Perth

647-659 Murray Street, West Perth



**Project:** Aire West Perth will consist of 178 one, two and three bedroom apartments plus 64 serviced apartments as well as 2 ground floor commercial units. Approximate average price of \$434,426.

- **Status:** Under Construction
- **Ownership:** 50% JV through SPV
- **Value:** ~\$106 million
- **Est. Completion:** FY18
- **Sales:**



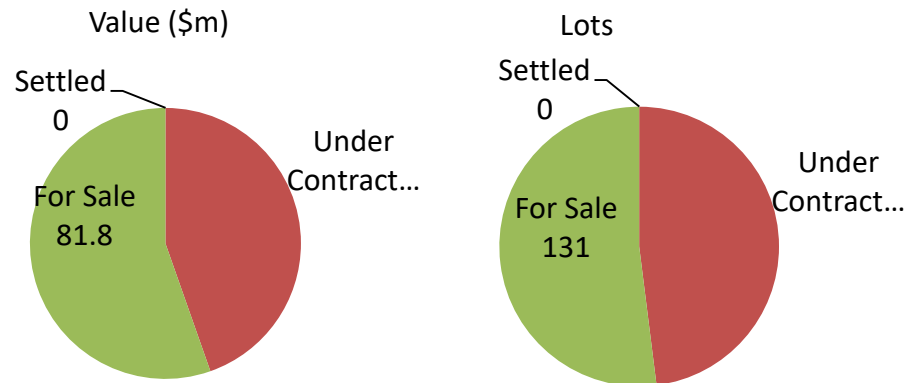
# Vue Tower

63 Adelaide Terrace, East Perth



**Project:** Vue Tower will consist of 247 one, two and 3 bedroom apartments plus 3 commercial units and 2 office units. Approximate price of \$582,143.

- **Status:** Under Construction
- **Ownership:** 50% JV with land owner
- **Value:** ~\$146.7 million
- **Est. Completion:** FY19
- **Sales:**





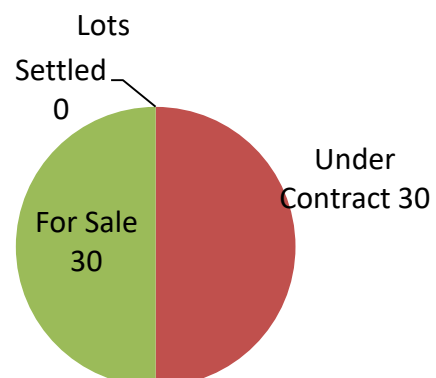
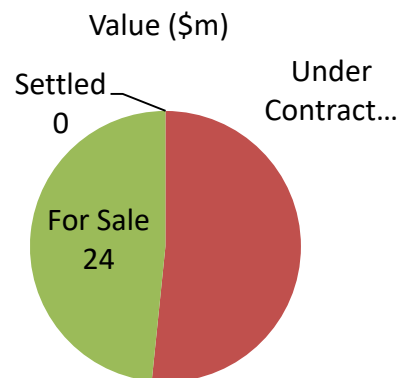
# Reva

5-7 Harper Terrace, South Perth



**Project:** Reva will consist of 42 luxury apartments plus 18 commercial lots of ground floor retail and level one office space. Average price of \$826,666.

- **Status:** Under Construction
- **Ownership:** Wholly owned through subsidiary
- **Value:** ~\$49.6 million
- **Est. Completion:** FY19
- **Sales:**





## Pre Construction Marketing





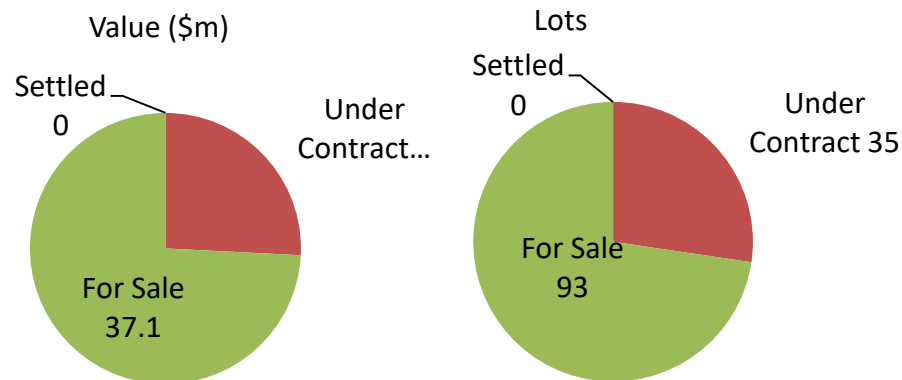
# Palmyra East

45 McGregor Road, Palmyra



**Project:** Palmyra East will consist of 128 one, two and three bedroom apartments. Average price of \$390,063.

- **Status:** In Marketing
- **Ownership:** 50% JV with land owner
- **Value:** ~\$50 million
- **Est. Completion:** TBC
- **Sales:**



# Sabina

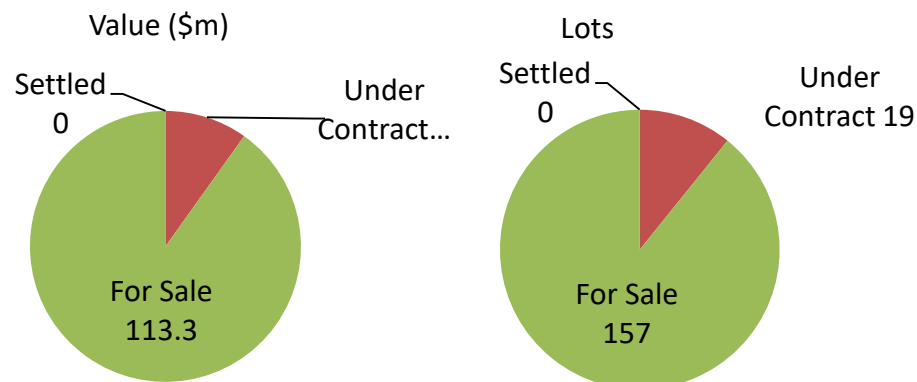
910 Canning Highway, Applecross



**Project:** Sabina is the first stage of the Canning Hwy development and will consist of approximately 173 one, two, three bed apartments, and 3 ground floor commercial lots.

Average price of \$714,205.

- **Status:** Launched on the 10 February 2018
- **Ownership:** 50% JV with landowner
- **Value:** ~\$125.7 million
- **Est. Completion:** TBC
- **Sales:**





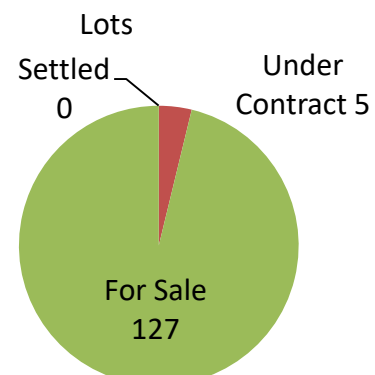
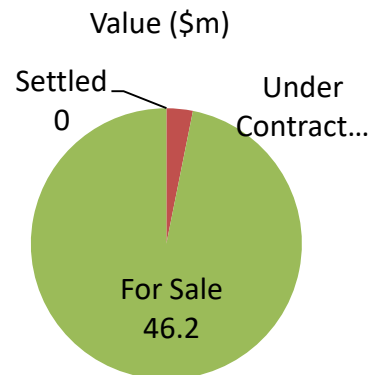
# Circa Apartments

5-7 Rowe Avenue, Rivervale



**Project:** Circa will consist of 132 one and two bedroom apartments. Approximate price of \$361,363.

- **Status:** Launched on the 3 March 2018
- **Ownership:** 50% JV through SPV
- **Value:** ~\$47.7 million
- **Est. Completion:** TBC
- **Sales:**



## Off-the-Plan Unsold Stock Being Marketed

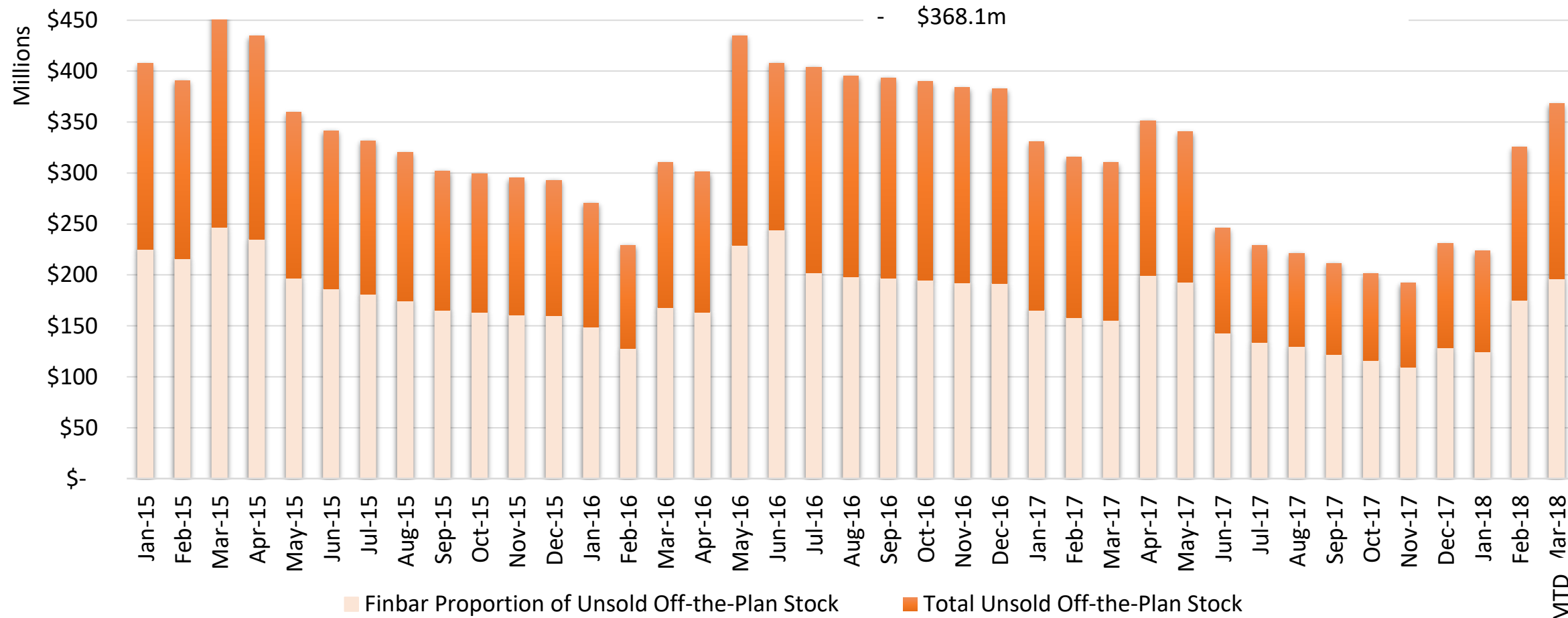


From 30 June 2017 to Year-to-date:

- Launched Palmyra East, Sabina and Circa.

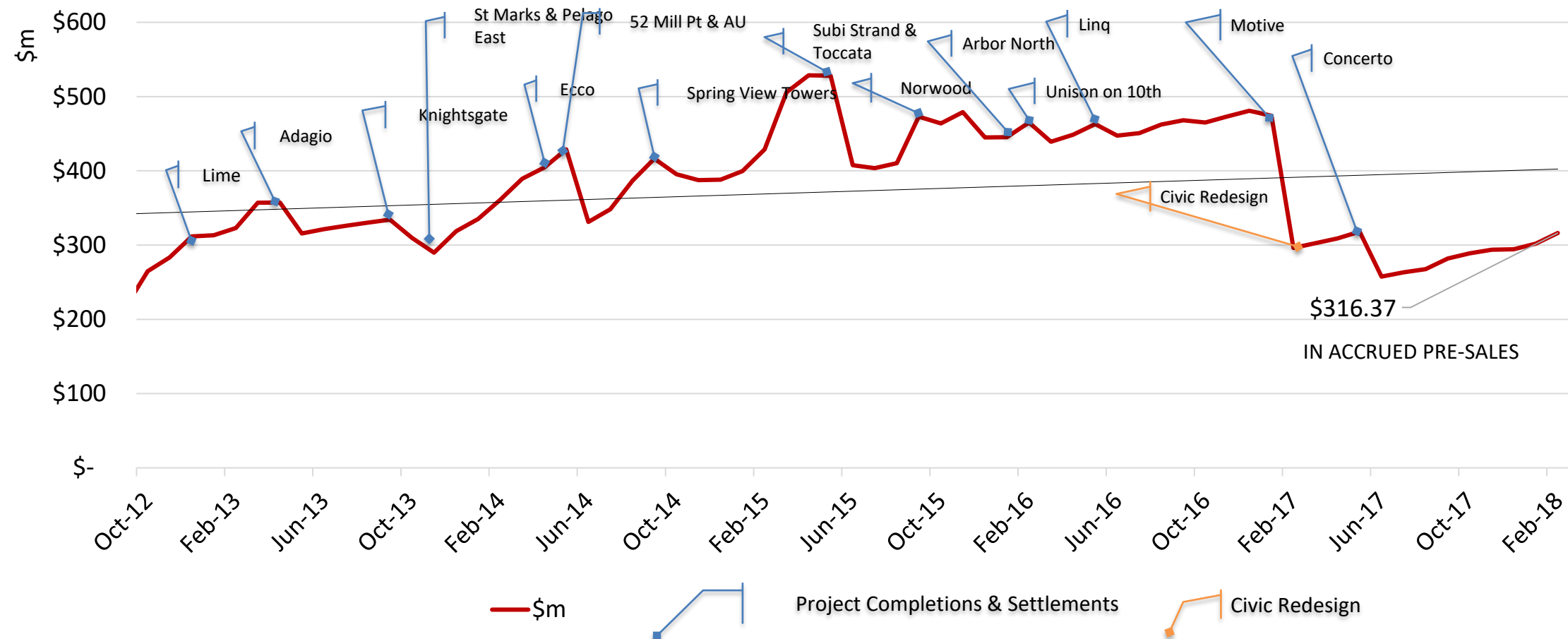
Total Unsold Off-the-Plan Stock:

- \$368.1m



Source: Finbar Group Ltd

# Residential Pre-sales Contracts Activity





## Development Approvals Received





# Canning Highway Applecross (stage 2 & 3)

910 Canning Highway, Applecross



**Project:** The Canning Hwy developments remaining two stages will consist of approximately 273 one, two, three bed apartments, and 6 ground floor commercial lots that will be developed over three stages.

- **Status:** Development approval received
- **Ownership:** 50% JV with landowner
- **Value:** ~\$219.7 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
219.7

Future  
Release\*  
279



\*Indicative lots and project values only

# Unison on Kennedy

1 Kennedy Street, Maylands



**Project:** Unison on Kennedy is the second stage to the Unison development. Unison on Kennedy will consist of 180 one, two and three bedroom apartments plus 2 commercial lots.

- **Status:** Development approval received
- **Ownership:** 50% JV with landowner
- **Value:** ~\$85 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
85

Future  
Release\*  
180



\*Indicative lots and project values only



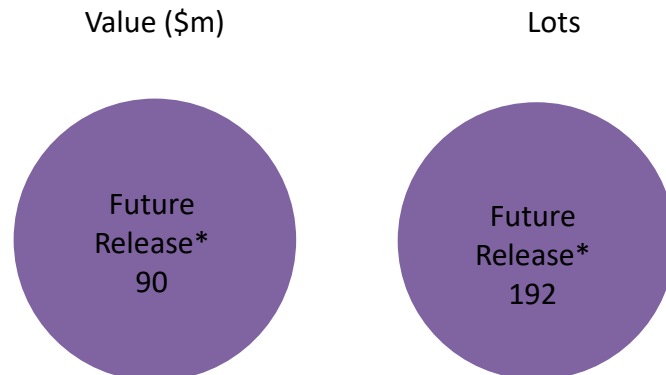
# The Point

31 Rowe Avenue, Rivervale



**Project:** The Point will consist of 183 one, two and three bedroom apartments plus 9 ground floor commercial units to be constructed on 4,000m<sup>2</sup> development site situated at the main entrance to the Springs precinct.

- **Status:** Development approval received
- **Ownership:** 50% JV with landowner
- **Value:** ~\$90 million
- **Est. Completion:** TBC
- **Sales:**



\*Indicative lots and project values only



# Palmyra West

43 McGregor Road, Palmyra



**Project:** Palmyra West will consist of 130 one, two and three bedroom apartments.

- **Status:** Development approval received
- **Ownership:** 50% JV with landowner
- **Value:** ~\$52 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
52

Future  
Release\*  
130



\*Indicative lots and project values only



## In Planning and Design



# 1 Mends Street

1 Mends Street, South Perth



**Project:** 1 Mends Street will consist of approximately 335 one, two, three bed apartments plus commercial units.

- **Status:** In Scheme Amendment Process
- **Ownership:** 50% JV with landowner
- **Value:** ~\$300 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
300

Future  
Release  
\*335



\*Indicative lots and project values only



# 1 Mends Street (continuing)

1 Mends Street, South Perth

Proposed scheme amendment – massing diagram





# 61 Waverley Street

61 Waverley Street, Dianella



**Project:** 61 Waverley Street will consist of approximately 165 one, two and three bedroom apartments.

- **Status:** In revised development application process
- **Ownership:** 50% JV through SPV
- **Value:** ~\$66 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
66

Future  
Release\*  
165



\*Indicative lots and project values only



# 239 Great Eastern Highway

239 Great Eastern Highway, Belmont



**Project:** Entry level residential project currently in redesign.

- **Status:** In planning and design
- **Ownership:** Wholly owned through subsidiary
- **Value:** ~\$75m
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
75

Future  
Release  
\*TBC

\*Indicative lots and project values only





## 2 Homelea Court

Cnr Rowe Avenue and Homelea Court, Rivervale



**Project:** 2 Homelea Court will consist of approximately 140 apartments within a 8 level building. The site is comprised of four vacant blocks totaling 3,770 square meters.

- **Status:** In planning and design
- **Ownership:** Wholly owned through subsidiary
- **Value:** ~\$77million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
77

Future  
Release\*  
140



\*Indicative lots and project values only



# Lot 1000

32 Riversdale Road, Rivervale



**Project:** Lot 1000 comprises 4,069 square metres of absolute waterfront land with expansive views of the Swan River, Stadium Precinct, and Perth CBD. Will consist of approximately 150 residential apartments.

- **Status:** In planning and design
- **Ownership:** Wholly owned through subsidiary
- **Value:** ~\$65 million
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
65

Future  
Release\*  
150



\*Indicative lots and project values only



# Lot 888 The Springs

Lot 888 Rowe Avenue, Rivervale



**Project:** Lot 888 comprises of 2370 square meters of land within The Springs, Rivervale Precinct. For future development.

- **Status:** Office development approval received
- **Ownership:** 50% JV through SPV
- **Value:** ~\$40m
- **Est. Completion:** TBC
- **Sales:**

Value (\$m)

Lots

Future  
Release\*  
40

Future  
Release  
\*TBC



\*Indicative lots and project values only



# Harmony

187 Adelaide Terrace, East Perth



**Project:** Harmony comprises the former ABC Radio Studios heritage building with a GFA of 3,711sqm over 3 levels. The Company is currently exploring the design and construction of a inner city hotel building.

- **Status:** In planning and design
- **Ownership:** 50% JV with landowner
- **Value:** ~\$40 million
- **Est. Completion:** TBC
- **Sales:**

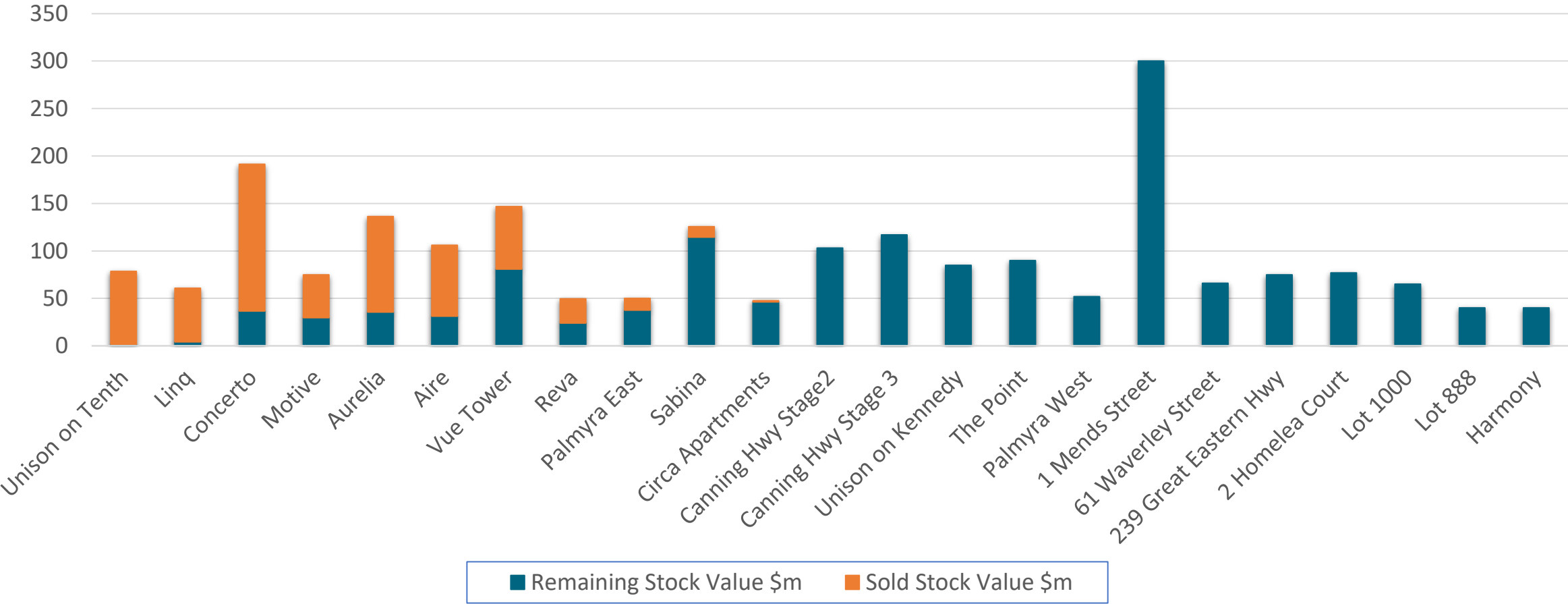
Value (\$m)

Future  
Release\*  
40



\*Indicative lots and project values only

# Project Pipeline - Summary



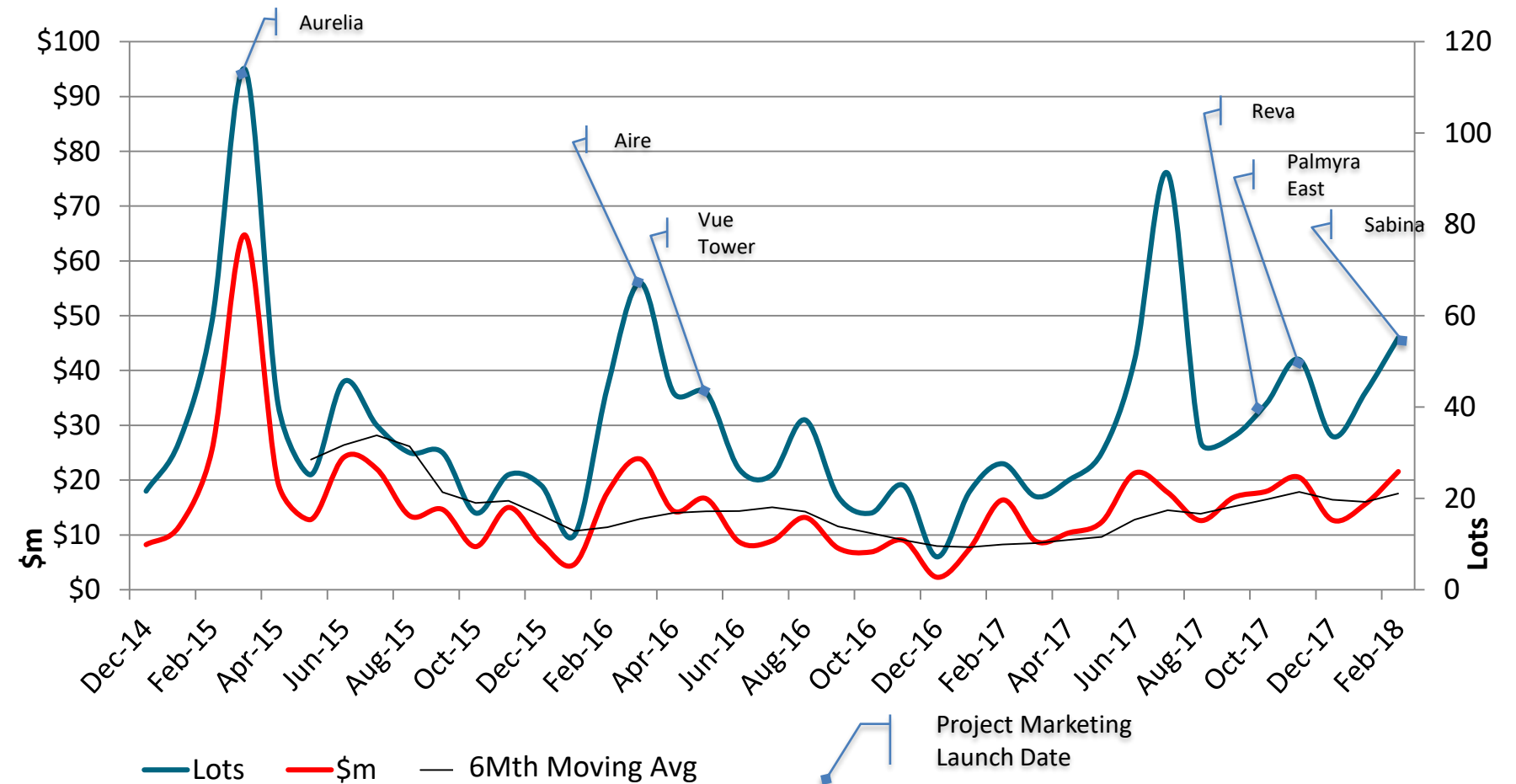


## Overall Sales Activity



## Residential Sales Contracts Activity

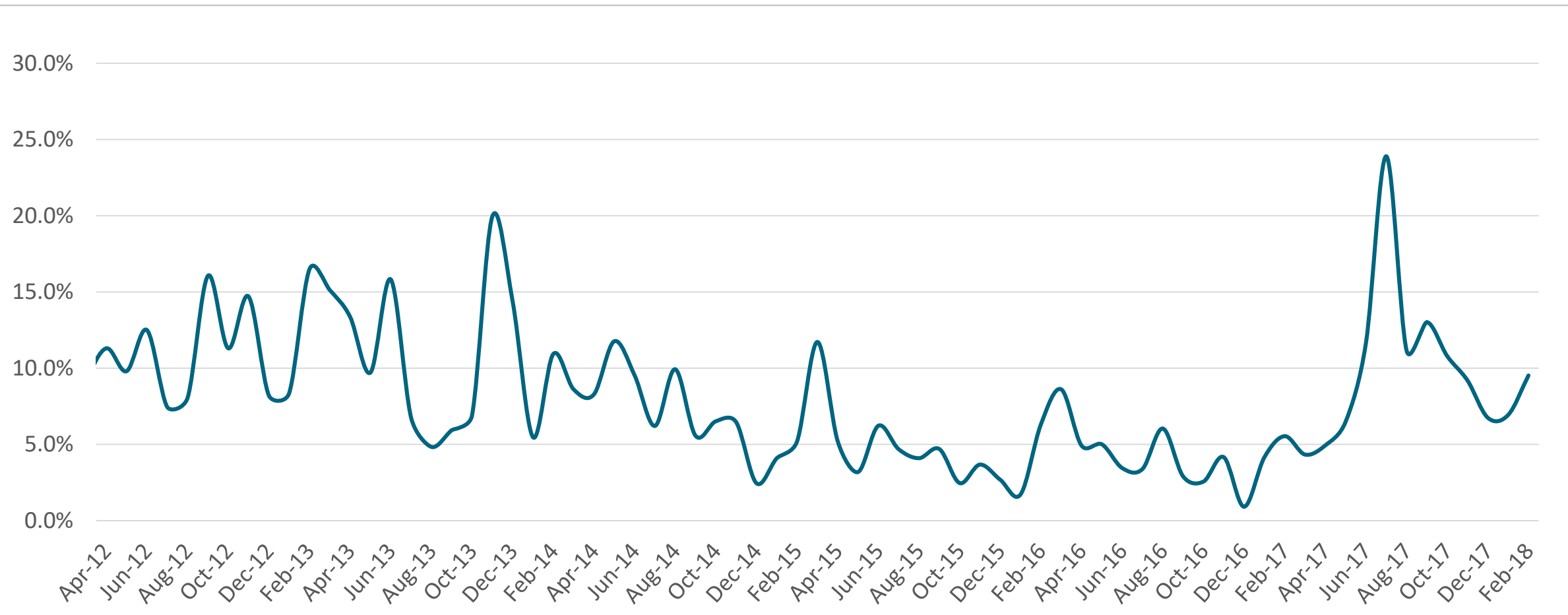
- 329 sales worth \$169.4m in financial year to date being average of 1.30 sales / \$0.67m per day average.



\*Excluding Civic Heart Sales

# Conversion Rate

The number of sales per month against stock available for sale (completed & off-the-plan)





## First Half of FY18 Highlights



Finbar achieved **\$118.1 million in sales** during the first half of FY18, representing a **41.1% increase** from first half of FY17.

The retail value of completed stock held at the end of FY17 has been reduced by **35.8% or \$50.6 million** to 31 December 2017.

Finbar currently holds **\$312.4 million** in presales.

Debt facilities on all completed stock have been retired, the retail value of **\$78.8 million in debt free completed stock** available to bolster future cashflow and capital.

**Vue Tower and Reva** both commenced construction during the first half of FY18, equating **~\$196.2m in retail value** to contribute to FY19 results.

Full Year Results expected to **substantially exceed** FY2017.

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## Important Notice



Some of the information contained in this presentation may contain forward-looking revenue, timeline, and general statements that are subject to various risks, uncertainties, and changes. Forward-looking statements include those containing such words as 'estimate', 'should', 'may', 'forecast', 'anticipates', 'expects', 'plans', 'approximately', 'circa', or similar expressions. Finbar's actual results, performance, approvals, project composition, values, sales, or achievements could be significantly different from the results or objectives expressed in, anticipated or implied by, those forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which refer to circumstances, estimates, and projections only as at the date of this release and which are subjected to changes as a result of changing market conditions, construction timelines, amended project planning, and revisions to company strategies.

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