

## ASX Release

# Charter Hall Group Upgraded Earnings Guidance and 1H FY22 Results

25 February 2022

Charter Hall Limited  
ACN 113 531 150

Charter Hall  
Funds Management Limited  
ABN 31 082 991 786

Level 20, No.1 Martin Place  
Sydney NSW 2000  
GPO Box 2704 Sydney NSW  
2001

T +61 2 8651 9000  
F +61 2 9221 4655

[www.charterhall.com.au](http://www.charterhall.com.au)

Charter Hall Group (ASX:CHC) today announces its 1H FY22 results for the period ending 31 December 2021. Key financial and operational highlights for the period are:

### Financial Highlights:

- Operating earnings of \$263.9 million, or OEPS post-tax of 56.6cps
- Statutory profit of \$517.8 million, after tax attributable to stapled securityholders
- Distributions of 19.7cps
- Return on Contributed Equity of 24.4%

### Operating Highlights:

- Access: \$2.8 billion of gross equity allotted
- Deploy: \$6.8 billion of gross transactions
- Manage: \$79.5 billion of FUM at 31 December 2021, with \$61.3 billion of Property FUM and \$27.2 billion of FUM growth in the 6-month period
- Invest: Property Investments up 18% or \$432 million to \$2.85 billion, delivering a 25.5% return

Charter Hall's Managing Director and Group CEO, David Harrison said: "Charter Hall's strategy of partnering with tenant and investor customers continues to deliver strong returns for securityholders. Investors continue to endorse our investments in long WALE strategies and look to benefit from our ability to access off-market opportunities. The current period has seen us experience strong inflows across our strategies, with \$2.8 billion of gross equity allotted. We've also successfully deployed \$5.4 billion in acquisitions across 18 funds and partnerships, a record 6-month period. Importantly, our development pipeline continues to grow and now stands at \$13.2 billion, providing valuable opportunities to deploy our investment capacity into new product.

"During the period we also created a new partnership with a 50% investment in Paradise Investment Management. This partnership expands our Funds Management capability and allows us to service investor customers across multiple equity segments. We see good opportunities to grow the PIM partnership utilising our large retail investor community and our strong wholesale investor relationships.

"With investment capacity of \$6.7 billion across the platform, continued strong demand from capital partners to deploy equity, a growing development pipeline and significant retained earnings, we continue to see a strong pathway of growth for the group."

## Property Investment

During the period, the Property Investment portfolio increased by \$432 million, or 18% to \$2.85 billion and generated a 25.5% Total Property Investment Return<sup>1</sup>.

The earnings resilience and diversification of the Property Investment portfolio continues to remain a key strength. No single asset represents more than 5% of portfolio investments, Government covenants make up 20.1% of net income and the portfolio enjoys 3.3% fixed annual rent reviews while 24% of net-income comes from inflation-linked leases.

Portfolio occupancy remains strong at 97.4% and the Weighted Average Lease Expiry (WALE) is 8.6 years.

## ESG Leadership

Charter Hall continues to advance its sustainability initiatives across the platform. During the period, we completed \$1.3 billion of sustainable finance transactions linked to the environmental performance and Green Building ratings of our assets. We've made strong progress in our commitment to Net Zero by 2030<sup>2</sup>, advancing our solar energy rollout with 46 Megawatts of solar PV installed across the platform, a 5 megawatt increase since June 30, 2021.

The Group remains on track for 100% of operations to be supplied by renewable energy by 2025. 61% of our operations are now powered by grid supplied renewable electricity, up from 21% since June 30, 2021. Combined solar, grid supplied renewables and operational efficiencies have delivered a 47% reduction in emissions intensity since FY17.

Further, Charter Hall continues to recognise the important role we play in the communities in which we operate. During the period, we donated 55,900 COVID-19 vaccinations to underprivileged countries through UNICEF's "Give the world a shot" program, while partnering with Food Bank to feed 7,500 families impacted by COVID-19 with food for a week. Charter Hall is also pleased to announce our Reconciliation Action Plan has been approved and we are actively working on building our relationships and capacity with First Nations businesses.

## Funds Management

The Group's managed funds grew by \$27.2 billion to \$79.5 billion, or 52% growth in the half, driven by Property FUM growth of \$9 billion or 17.2%. The Paradise Investment Management (PIM) partnership represents \$18.2 billion of new FUM in the period.

The Group's \$2.8 billion of gross equity inflows allotted continues the momentum of recent years, comprising inflows of \$650 million in Wholesale Pooled Funds, \$801 million in Wholesale Partnerships, \$632 million in Listed Funds and \$672 million in Direct managed funds.

## Development activity and pipeline

Development activity continues to drive asset creation and attract capital. Development completions totalled \$1.2 billion during the last 12 months. Notwithstanding completions, the pipeline continues to be re-stocked and has grown 50% to \$13.2 billion in the last 6 months.

The Group continues to use its cross-sector tenant relationships and the scale of its portfolio to create development opportunities. This reach and development capability generates significant value through enhancing both income yield and total returns for our funds. Development activity is predominantly undertaken by funds/partnerships with the majority of committed projects being de-risked through pre-leases and fixed price building contracts. 88% of Industrial and Logistics and 78% of Office committed development projects were pre-leased as at 31 December 2021.

## Capital Management

Capital management remains a key focus. During the period, the Group completed \$9.4 billion of financings in managing the more than \$23 billion of debt across the fund portfolio. The Group

<sup>1</sup> Total Property Investment Return is calculated as distributions received from funds plus growth in investment value divided by opening investment value of the PI portfolio. This excludes investments held for less than one year.

<sup>2</sup> Scope 1 and Scope 2 emissions.

maintains financial flexibility and substantial funding capacity across the fund's platform with \$6.7 billion of available investment capacity<sup>3</sup> including \$429 million at the Group's balance sheet.

## Outlook

The Group's previous FY22 guidance provided 13 December, 2021 was for post-tax operating earnings per security (OEPS) growth of no less than 105 cents per security (cps).

Based on no material adverse change in current market conditions, FY22 guidance is for post-tax operating earnings per security of no less than 112 cents.

FY22 distribution per security guidance is unchanged at 6% growth over FY21.

*Announcement Authorised by the Board*

### Charter Hall Group (ASX: [CHC](#))

With over 30 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$61.3 billion property portfolio of 1,516 high quality properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$13.2 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

Charter Hall has also extended its Fund Management capability into another asset class with the 50% acquisition of the \$18.2 billion listed equities Fund Manager Paradise Investment Management (PIM), which invests on behalf of wholesale and retail investors across domestic and global listed equities.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with attractive returns for a better retirement, we're powered by the drive to go further.

---

For further enquiries, please contact  
**David Harrison**  
Managing Director and Group CEO  
Charter Hall  
T +61 412 259 751  
david.harrison@charterhall.com.au

For investor enquiries, please contact  
**Philip Cheetham**  
Head of Listed Investor Relations  
Charter Hall  
T +61 403 839 155  
philip.cheetham@charterhall.com.au

For media enquiries, please contact  
**Sarah Bamford**  
Communications & Media Manager  
Charter Hall  
T + 61 499 685 738  
sarah.bamford@charterhall.com.au

---

<sup>3</sup> Investment capacity calculated as cash plus undrawn debt facilities for CHC and the funds management platform. At 31 December 2021, cash was \$1.5bn.