

ASX/Media Release

1 July 2022

AVJennings Guidance Update for FY22 Results

Australian and New Zealand residential community developer AVJennings Limited (ASX:AVJ, the Company) today advised that it expects Profit Before Tax (PBT) for the year ended 30 June 2022 to fall within the range \$16M - \$18M. This compares with PBT of \$26.7M for FY21 and \$13.2M for FY20.

The Company's results have been significantly affected by several factors which have caused approximately 250 sale contracts, which were expected to settle within the second half of FY2022, to fall into the post-June 2022 period.

The major factor has been the persistent and abnormal wet weather on the east coast, in particular affecting Sydney and Brisbane and to a lesser extent Melbourne, as well as in Auckland, New Zealand. In addition, production delays linked to supply chain blockages, materials shortages and shortages of labour as well as lingering COVID-19 related interruptions have delayed timing of settlements.

The combination of these factors has delayed bulk earthworks and installation of services as well as completion of roading, installation of street lighting, and landscaping. Affected projects include Warnervale (NSW), Ara Hills (NZ), Lyndarum-North (VIC) and Riverton (QLD) among others. The majority of these sales are now expected to settle in the first half FY2023 (H1 FY23).

In addition to the abovementioned sales expected to settle in H1 FY23, which represent revenue (excl GST) of approximately \$98M, the Company has a further 340 sale contracts on hand which are expected to settle through FY23. The pipeline of forecast settlements contributes to the Company's continuing strong financial position.

This announcement was authorised for release to the market by the Board of Directors of AVJennings Limited.

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