

23 August 2023

ASX Market and Media Announcement

Finbar Group reports \$2.78 million net profit

Highlights

- Finbar reports a net profit of \$2.78 million for the 12 months to 30 June 2023
- AT238 apartment tower completed in second half of FY2023
- Dianella apartment project fully sold
- Projects valued at approximately \$680m currently under construction to be delivered in FY2024 and FY2025

Perth, 23 August 2023: Western Australia's leading apartment development company, Finbar Group Limited (ASX: FRI), is pleased to report a net profit after tax of \$2.78 million for the financial year ended 30 June 2023, compared with \$10.98 million the previous year.

In a year focused on the ongoing construction of major projects Civic Heart in South Perth, Aurora in Applecross, and The Point in Rivervale, Finbar apartment settlements were limited to the Dianella apartment project, which has now sold out, and the recently completed AT238 tower in the Perth CBD.

The Company also wrote down the value of its Fairlanes commercial investment property by \$3 million.

Finbar's other investment property, the Pelago apartment complex in Karratha, continues to perform well. It is 98% per cent occupied and generated rental income in FY2023 of \$6.0 million.

CAPITAL MANAGEMENT

The company ended the financial year with \$18.2 million in cash. Coupled with the cash commitments from joint venture partners for joint venture projects, the company is adequately capitalised to fulfill all working capital commitments and contingency provisions for all projects currently under construction.

SALES UPDATE

The current sales pipeline is as follows:

| PROJECT | SOLD \$M | NOT SOLD \$M | EST. COMPLETION DATE |
|---------------|-------------|-----------------|-------------------------|
| AT238 | \$56.3 | \$44.6 | Completed |
| CIVIC HEART | \$226.0 | \$201.7 | 2H FY2024 |
| AURORA | \$55.0 | \$91.0 | 2H FY2024 |
| THE POINT | \$74.8 | \$30.6 | 1H FY2025 |
| GARDEN TOWERS | \$96.0 | \$160.5 | TBC |

Finbar Managing Director, Darren Pateman, commented: “The company continues to face challenging trading conditions, with higher than forecast construction costs and sales dampened by the current cycle of rising interest rates.”

“However, construction costs have begun to stabilise and there is increasing confidence that interest rates are nearing their peak.”

“Finbar has approximately \$680 million in project value under construction, expected to be delivered to market later this financial year and the first half of FY2025. Although apartment prices have not risen significantly in recent years, we are confident that the chronic shortage of accommodation in Perth, combined with population growth and interest rate stability, means our projects will be well received when they are delivered to the market.”



OUTLOOK

The company currently holds a pre-sale book of \$452 million which is the highest level of unsettled sales since 2015.

Based on the completion timing of projects, the Company anticipates revenue for FY2024 will be second half weighted with the anticipated completion of Civic Heart and Aurora resulting in a significant settlement revenue contribution from these projects.

FY2025 will likely see ongoing settlements from Civic Heart, Aurora, and first settlements from The Point in the first half of the 2025 financial year.

DIVIDEND

The Finbar Board has resolved to conserve capital and no dividend will be paid for the 2023 financial year. The Board is investigating best options for returning capital to shareholders upon completion and settlement of the current major apartment projects.

ENDS

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