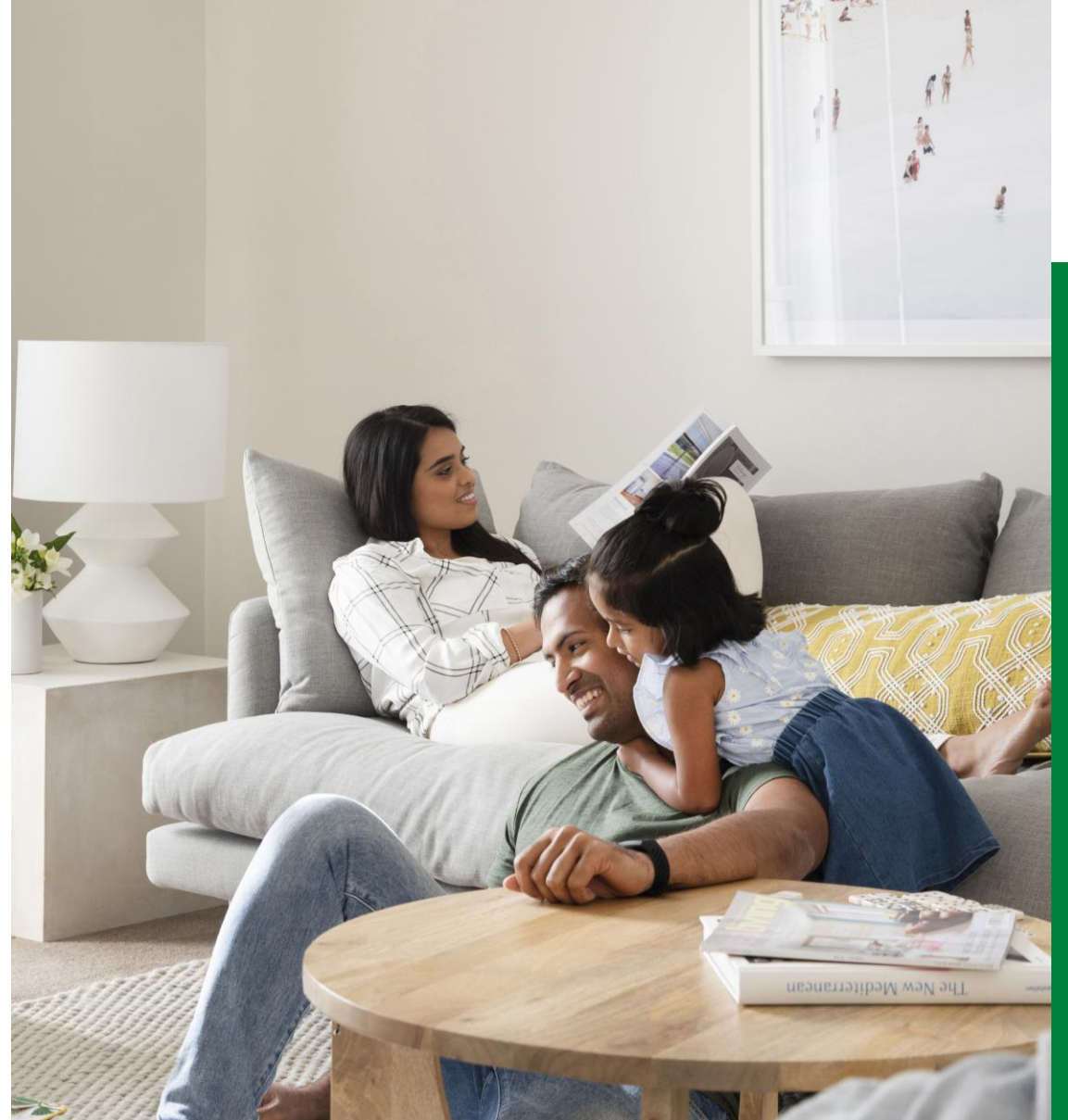


AVJennings 1H25 Financial Results

Creating communities for
over 90 years that people
love to call home.

25 February 2025

Phil Kearns AM, MD and CEO
Shanna Souter, CFO



Acknowledgement of country

AVJennings acknowledges the Traditional Custodians of Country throughout Australia and New Zealand and recognises their distinct cultural and spiritual connections to the land, waters and seas and their rich contribution to society.

We pay our respects to ancestors and Elders, past, present and emerging.

1H25 Snapshot

325

Settlements¹

270 Lots PCP¹

\$131m

Revenue

\$120m PCP

22%

Gross Margin

26% PCP

\$3.6m

Profit Before Tax

\$4.2m PCP

Enquiries

-1%

on PCP

**Sales
Conversions**

3.6%

5.2% PCP

**Contract
Signings**

228

294 PCP

Presales

\$62m

\$159m PCP

**Facility
Headroom**

\$104m

WIP Lots

951

1,299 PCP

**Lots Under
Control**

9,586

1H25 Financial Results

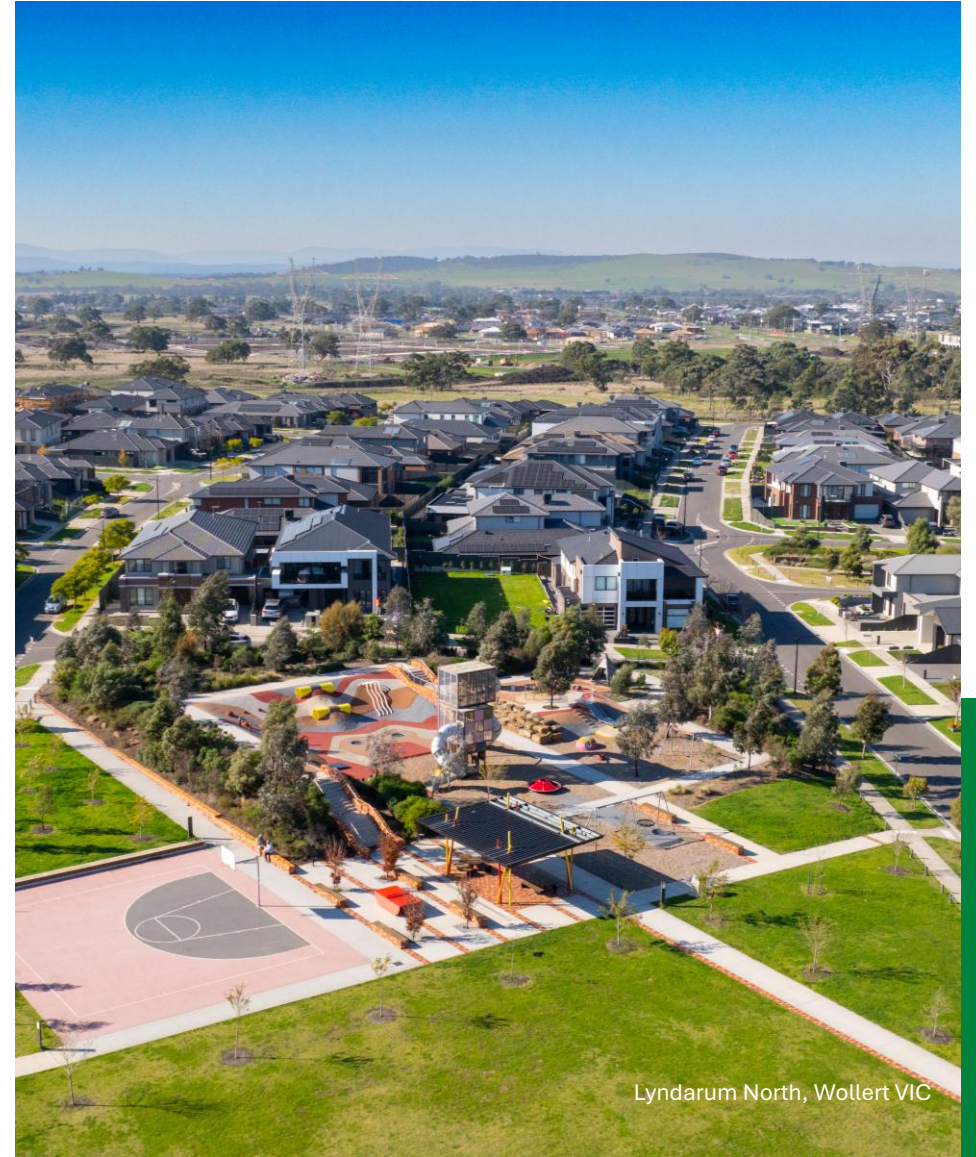
	1H25	1H24	% Change ¹	
Revenue (\$m)	131.4	120.4	9.1%	Revenue increased due to higher apartment settlements during this period.
Gross Margin (GM) (\$m)	29.2	31.1	(6.1%)	GM impacted by product mix, cost escalation in built-form housing and capital recycling initiatives.
Gross Margin (%)	22.2%	25.8%	(3.6pp)	
Employee, Management & Admin Expenses (\$m) ²	19.1	19.6	(2.6%)	Disciplined overhead management despite cost inflation.
Profit Before Tax (PBT) (\$m)	3.6	4.2	(14.3%)	High 2H25 earnings skew expected.
Earnings Per Share (cents)	0.43	0.61	(29.5%)	
Dividends (cents per share)	-	-	-	Dividend declaration pending due diligence process.
NTA (\$ per share)	0.82	0.82	-	



AVJennings Strategy and Portfolio Update

What differentiates AVJennings

- AVJennings only builds homes for ourselves - no reliance on third-party builders (excluding apartments).
- Low market concentration risk through a portfolio approach with developments across many markets.
- Price growth is maximised by bringing product to market later in the construction cycle.
- Enhanced capital management flexibility through staged land and home development.
- Innovation with Pro9 walling system.
- Future recurring revenue model and enhanced sustainability credentials through Pro9.



Lyndarum North, Wollert VIC

Our Strategy to Transform, Modernise and Grow remains

Developing communities for a sustainable future.



Flexible Product Offering

- Land
- Built-Form Housing
- Low/ Mid-rise Apartments



Modernising Our Foundations

- Technology
- Capital
- Capability
- Process



Building Annuity Income

- Pro9
- Development Services
- Other Living Sectors

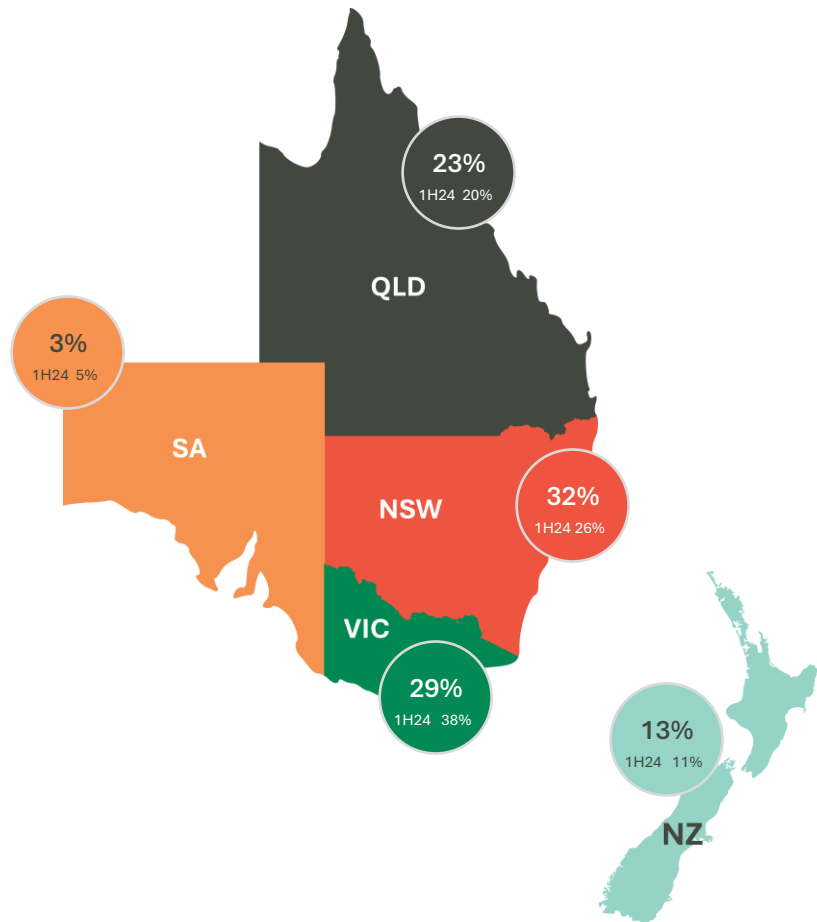


**Improve
Return on Equity
(ROE)**

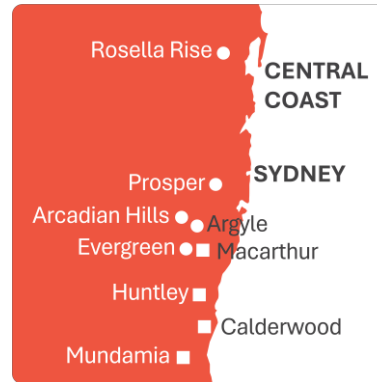
← **Disciplined Capital Management** →

Our 24 communities are located across five diverse markets

Net Funds Employed (NFE) Distribution



NSW 9 projects



VIC 6 projects



NZ 1 project



SA 2 projects



QLD 6 projects

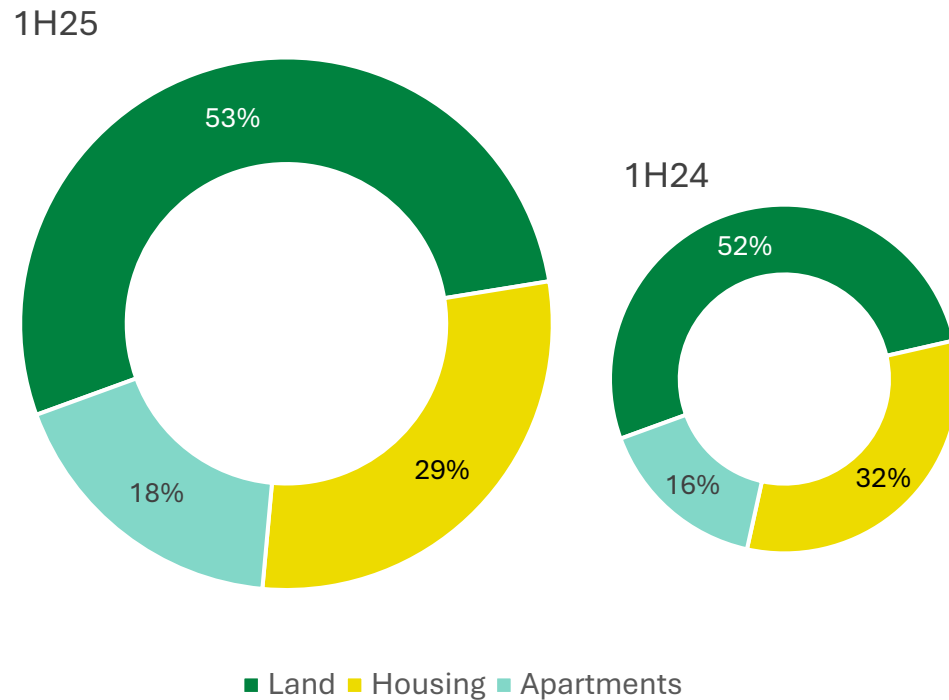


Legend ● Active Communities ■ Future Communities

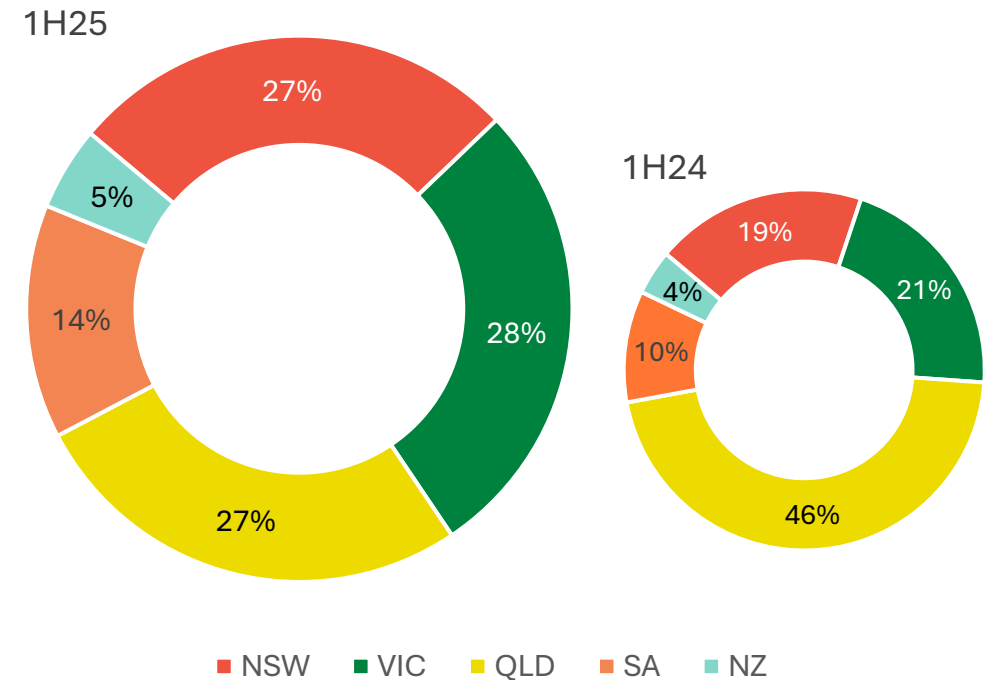
Product and geographic diversity unlocks future growth

12% of the pipeline is 'activated' (in WIP & completed stock).

NFE % by Product



Lot Allocation by Region



Pro9 domestic production capacity is growing

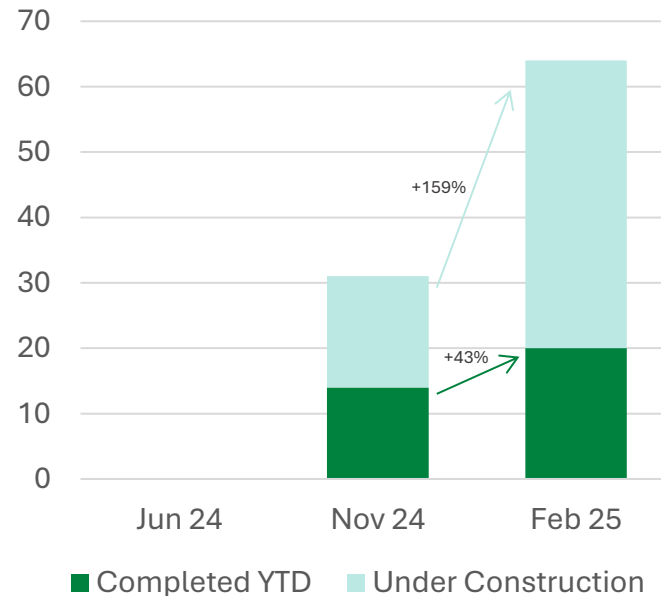
Pro9 is strategically important for AVJennings, delivering many benefits including:

- Increased revenue diversification
- Faster capital recycling
- Sustainability outputs
- Risk minimisation

Initial teething challenges at the factory have been resolved and production capacity is growing.

Over 90 homes with Pro9 walls are already in the pipeline across FY25-FY26.

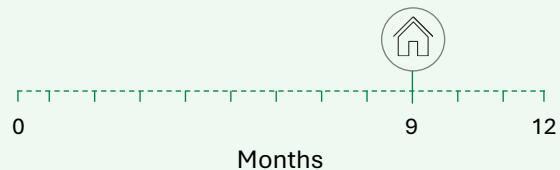
AVJ homes with Australian manufactured Pro9 walls



Pro9's potential to accelerate capital recycling and grow returns

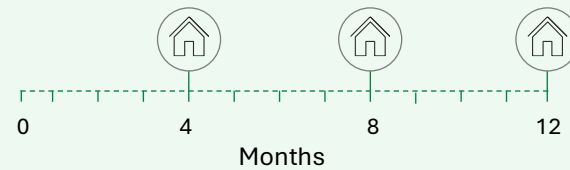
Traditional build

Capital Deployed*	\$500k
Homes Built P.A.	1
Sale Price*	\$625k
Annual Profit	\$125k
Annualised Return ¹	25%



Pro9 build

Capital Deployed*	\$500k
Homes Built P.A.	3
Sale Price*	\$625k
Annual Profit	\$375k
Annualised Return ¹	75%



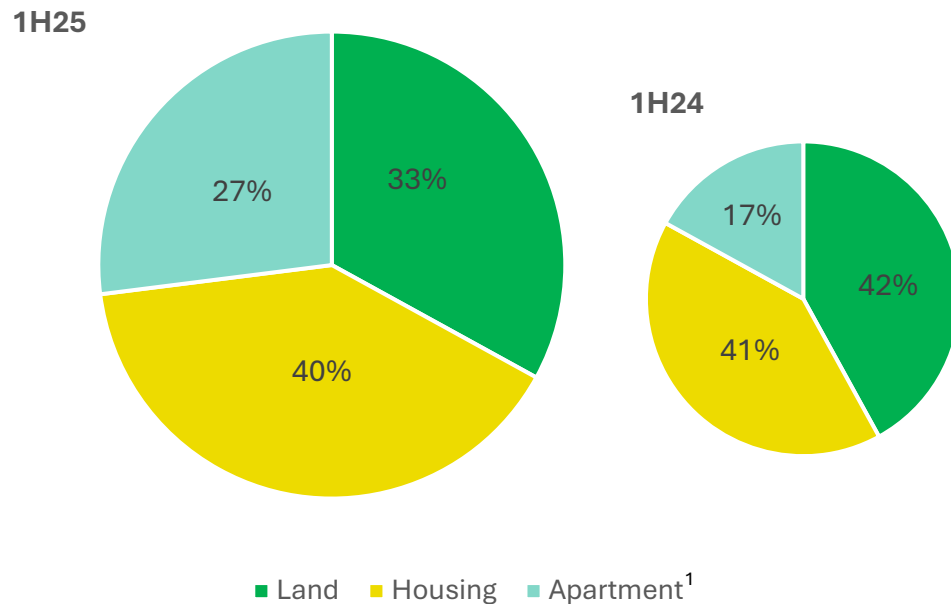
*Indicative for illustrative purposes only.
¹ Excludes financing costs

1H25 Financial Insights

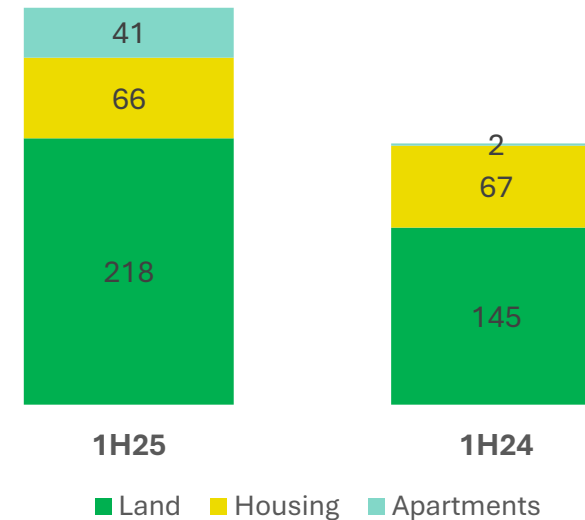


Increasing revenue diversification consistent with our strategy

Revenue by Segment (%)

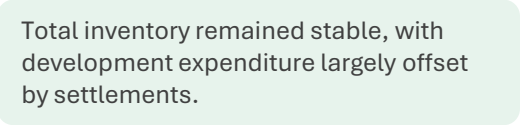
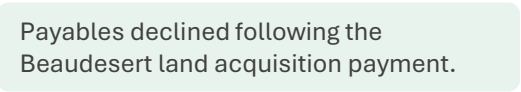
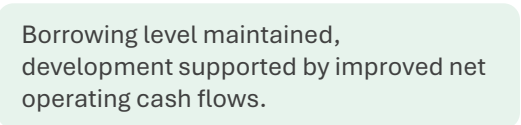


Retail Settlements by Product (lots)



¹ Revenue earned in 1H24 period includes development management revenue from the development of Harvest Square (VIC) on behalf of the Victorian Government. Development management revenue is not associated with lot settlements.

Stronger balance sheet provides increased financial flexibility

\$m ¹	December 2024	June 2024	Change	
Current Assets				
Cash and cash equivalents	9.9	15.1	(5.2)	
Receivables	2.9	5.8	(2.9)	
Inventories	214.7	195.2	19.5	
Total Current Assets	235.7	236.4	(0.7)	
Non-Current Assets				
Inventories	584.4	608.8	(24.4)	
Total Non-Current Assets	614.1	626.7	(12.6)	
Total Assets	849.9	863.2	(13.3)	
Current Liabilities				
Payables	107.0	69.4	37.6	
Total Current Liabilities	122.4	79.3	43.1	
Non-Current Liabilities				
Payables	25.5	82.0	(56.5)	
Borrowings	218.3	221.7	(3.4)	
Total Non-Current Liabilities	269.4	327.3	(57.9)	
Total Liabilities	391.7	406.6	(14.9)	
Net Assets	458.2	456.6	1.6	

Operating cashflows funding increased built form

\$m	1H25	1H24	Change
Cash Flows from Operating Activities			
Receipts from customers	147.8	145.9	1.9
Payments for land acquisitions	(20.3)	(57.5)	37.2
Payments to other suppliers and employees	(113.1)	(178.9)	65.8
Net Cash from / (used in) Operating Activities	2.0	(105.6)	107.6
Net Cash used in Investing Activities	(3.0)	(3.8)	0.8
Cash Flows from Financing Activities			
Proceeds from borrowings	38.9	132.1	(93.2)
Repayment of borrowings	(42.2)	(57.1)	14.9
Net proceeds from issue of shares	-	29.6	(29.6)
Net Cash (used in) / from Financing Activities	(4.1)	104.0	(108.1)
Net Decrease in Cash Held	(5.2)	(5.4)	0.2

Land acquisition payments:
1H25: Beaudesert only
1H24: Clyde North and Beaudesert

Significant expenditure in 1H24 for construction of apartments.

Equity raise completed in November 2023.

Debt facility modernisation completed

- No new acquisitions in 1H25.
- Waterline Place, Williamstown and Harvest Square, Brunswick apartment projects completed and capital recycled to fund increased built-form housing construction and committed acquisition payments.
- WACD up due to an increase in variable rate and associated borrowing costs.
- Facility modernisation work completed to better align facility covenants and terms with AVJennings' strategy. Key covenants include Loan to Valuation Ratio and Cash Cover Ratio⁶.
- Change to a three-year evergreen facility with facility maturity extended from September 2025 to September 2027.
- Gearing has increased marginally but is at the midpoint of the 15-35% target range and comfortably within covenant level.

Key capital metrics

	Dec 2024	Jun 2024	Change ⁵
Cash at Bank (\$m)	9.9	15.1	(5.2)
Bank Loans (\$m)	218.3	221.7	(3.4)
Borrowing Cost (\$m) ¹	20.5	20.3	0.2
Undrawn Available Limit (\$m) ²	104	102	2
Weighted Average Cost of Debt ³	8.1%	7.8%	0.3pp
Debt Maturity	Sep 2027	Sep 2025	2 years
Gearing ⁴	24.5%	23.9%	0.6pp
Covenant Compliance	✓	✓	

¹ Borrowing cost is for the prior 12mth period and includes Line fees

² Excludes undrawn Bank Guarantee limits

³ WACD is 12-month average to date and includes base rate, margin, line fees and annual facility extension fees. Weighted average cost of interest is 5.9% for 12 months to Dec 2024 compared to 5.70% for 12 months to Jun 2024

⁴ Calculated as (Borrowings Less Cash) / Total Assets

⁵ Rounded

⁶ Cash Cover Ratio relates to cash cover over financing costs.

Transaction Update



Transaction Update

Due diligence remains ongoing

- Both Ho Bee Land and AVID Property Group remain in active due diligence and working towards a binding offer.
- The exclusivity period for both parties has now expired.
- AVJennings is in active discussions with both parties.
- Further updates will be provided as available.



Outlook



Mixed and divergent market conditions

The variable performance of our markets should improve from the interest rate cutting cycle and as planning is unlocked.

Sydney ◆◆

Price and volume changes

Price Dec QTR'24 ¹	-1.4%
Price CY24 ²	2.3%
Change in listings Dec'24 ³	11.1%
National Housing Accord Target Shortfall ⁴	-40.4%

Market Conditions

Price growth moderated in late 2024. There continues to be a significant housing shortfall against targets.

Melbourne ◆

Price and volume changes

Price Dec QTR'24 ¹	-1.8%
Price CY24 ²	-3.0%
Change in listings Dec'24 ³	6.5%
National Housing Accord Target Shortfall ⁴	-0.1%

Market Conditions

Weakest capital city market. Prices have softened across CY24.

Brisbane ◆◆◆

Price and volume changes

Price Dec QTR'24 ¹	1.3%
Price CY24 ²	11.2%
Change in listings Dec'24 ³	5.4%
National Housing Accord Target Shortfall ⁴	-33.4%

Market Conditions

Strong market by comparison to Syd/Mel. Dwelling prices are at record levels. Significant housing shortfall against targets.

Adelaide ◆◆◆

Price and volume changes

Price Dec QTR'24 ¹	2.1%
Price CY24 ²	13.1%
Change in listings Dec'24 ³	0.7%
National Housing Accord Target Shortfall ⁴	-25.9%

Market Conditions

Strong market by comparison to Syd/Mel. Dwelling prices at record levels, total listings are flat YoY at Dec 2024 indicating supply is tight and 'days on market' have reduced.

Auckland ◆

Price and volume changes

Price Dec QTR'24 ¹	-0.4%
Price CY24 ²	-6.2%
Change in listings Dec'24 ³	~10%
National Housing Accord Target Shortfall ⁴	n/a

Market Conditions

Listings are high and net migration has slowed; prices have softened but affordability is improving with lower interest rates.

Sources: CoreLogic Home Value Index, 2 January 2025; CoreLogic AU & NZ Monthly Housing Chart Pack Report, January 2025

¹ Compared with Dec Qtr'23

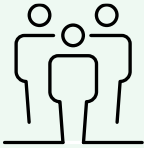
² Compared with CY23

³ Listing volumes as compared to Dec'23

⁴ ABS Building Activity, September 2024. Analysis published by Property Council of Australia on 22/01/25 against National Housing Accord state targets.

◆ Market Strength

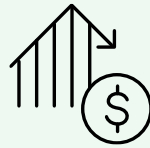
Residential market presents a structural growth opportunity



Population Growth

ABS forecast, Australia's population to hit **27.7 million by 2025**. Growth has moderated to ~2%.

Demand Impact: **Positive**



Interest Rate Cycle

Australian rates cut cycle started Feb '25.
NZ rate cut cycle started Aug' 24.

Demand Impact: **Positive**



Unemployment Rate

RBA forecast unemployment to **remain** at historically low levels, albeit forecast to increase moderately in 2025.

Demand Impact: **Positive**



Falling Housing Supply

ABS data shows Australia is already **>25% behind-the-pace of the National Housing Accord's 1.2 million new homes by 2029 target**.
Australian monthly dwelling approvals also remain 12% below the decade average.

Demand Impact: **Positive**



Construction Costs

Residential construction costs have stabilised but remain **relatively high** due to competition for labour and materials from public infrastructure projects.

Demand Impact: **Neutral**

FY25 Outlook

- Segmentation across regional markets is expected to persist throughout FY25. Queensland and South Australia are likely to continue outperforming, while affordability constraints may impact New South Wales, Victoria, and NZ. The recent commencement of interest rate cuts in NZ has already led to improved buyer sentiment, with similar trends anticipated in Australia following the recently announced interest rate cuts.
- Our expectations for a significant revenue and earnings skew to the second half of FY25 remain with ongoing risks related to recovery in the Victorian and NZ markets and achieving timely full production within the Pro9 factory.
- FY25 gross margin (%) is expected to be down on FY24 due to the greater skew towards apartments and built-form housing.
- Three new projects on track to start development in the next 12 months providing greater future earnings visibility.
- Both parties who have issued non-binding indicative offers remain in active due diligence working towards a binding proposal.



Appendices






AVJennings Pipeline

	Remaining Lots (#)	Product Type	Structure	FY25	FY26	FY27	FY28	FY29+
New South Wales	Argyle, Elderstrie	27	L,IH	100% AVJ				
	Evergreen, Spring Farm (East Village)	316	L,IH	100% AVJ				
	Arcadian Hills, Cobbitty	18^	L,IH	100% AVJ				
	Rosella Rise, Warnervale	423	L,IH	PDA				
	Prosper, Kogarah	56	APT	100% AVJ		◆		
	Huntley	181	L	100% AVJ				◆
	Calderwood	390	L	100% AVJ				◆
	Mundamia	338	L	PDA			◆	
	Macarthur	793	APT	100% AVJ				◆
Queensland	Arbor, Rochedale	5	IH	100% AVJ		◆		
	Riverton, Jimboomba	853	L,IH	100% AVJ				
	Deebing Springs, Deebing Heights	157	L,IH	100% AVJ				
	Cadence, Ripley	58	L,IH	100% AVJ				
	Cadence II, Ripley	333	L,IH	PDA		◆		
	Kerry Rd, Beaudesert	1146	L	100% AVJ		◆		
New Zealand	Ara Hills, Orewa	507	L	100% AVJ				
Victoria	Lyndarum North, Wollert	1,274	L,IH	JV				
	Aspect, Mernda	111	L,IH	100% AVJ				
	Harvest Square, Brunswick West	71	IH, APT	PDA	◆			
	Waterline Place, Williamstown	72	IH, APT	100% AVJ				
	Clyde	942	L	100% AVJ				◆
	Somerford, Clyde North	169	L,IH	100% AVJ				
South Australia	St Clair*	29	L	100% AVJ				
	Eyre, Penfield	1,266	L,IH	PDA				
Western Australia	Various	42	IH	Other				
Other	Various	9	L,IH					

^ Includes 6 residual lots to be developed at a future date

* Balance superlots

9,568

24  Pre-delivery phase  Delivery / Settlement phase  Settlements Commence

Product Type: L = Land, IH = Integrated Housing, APT = Apartments

Thank you.

AVJennings®

**Your community
developer.**