

AVJennings Ltd (AVJ)

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

27 March 2024

Phil Kearns AM, CEO and Managing Director



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.

Introduction to AVJennings

We're a leading residential **property development company** operating across Australia and New Zealand.

We've been at the forefront of the industry for over **90 years**.

We have a committed focus to **sustainability** and **innovation**.

We have **30 geographically diverse projects** comprising ~14k lots which includes **master-planned residential communities**, **apartments** and **integrated housing** developments across greenfield and infill sites.

Importantly, we are **not a contract builder**. We develop communities and build homes only in AVJ communities.



Investment Highlights

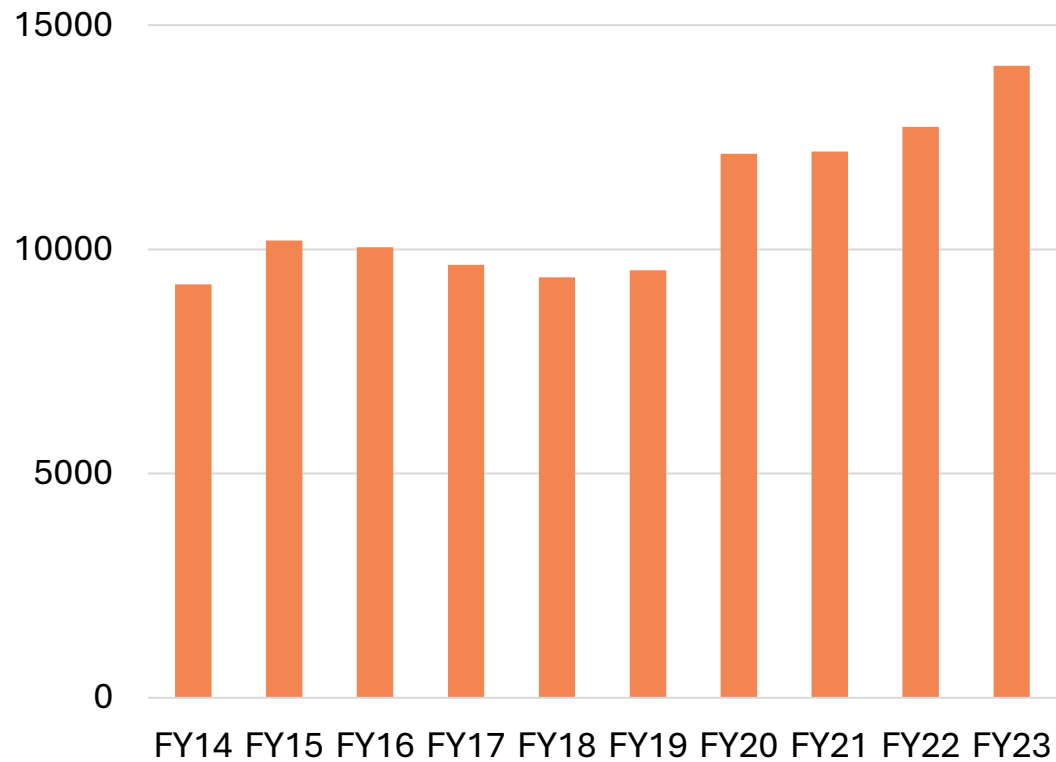
AVJennings is well positioned to benefit from the increasing need for more diverse housing options

- 1 Large and diversified residential landholding portfolio**
- 2 Supportive market tailwinds driven by favourable supply-demand dynamics**
- 3 Unique and flexible product offering via AVJ Turnkey and Stellar Collection (Pro9) homes**
- 4 Focused on delivering our ESG objectives and innovation as we modernise the business**
- 5 Prudent capital management**

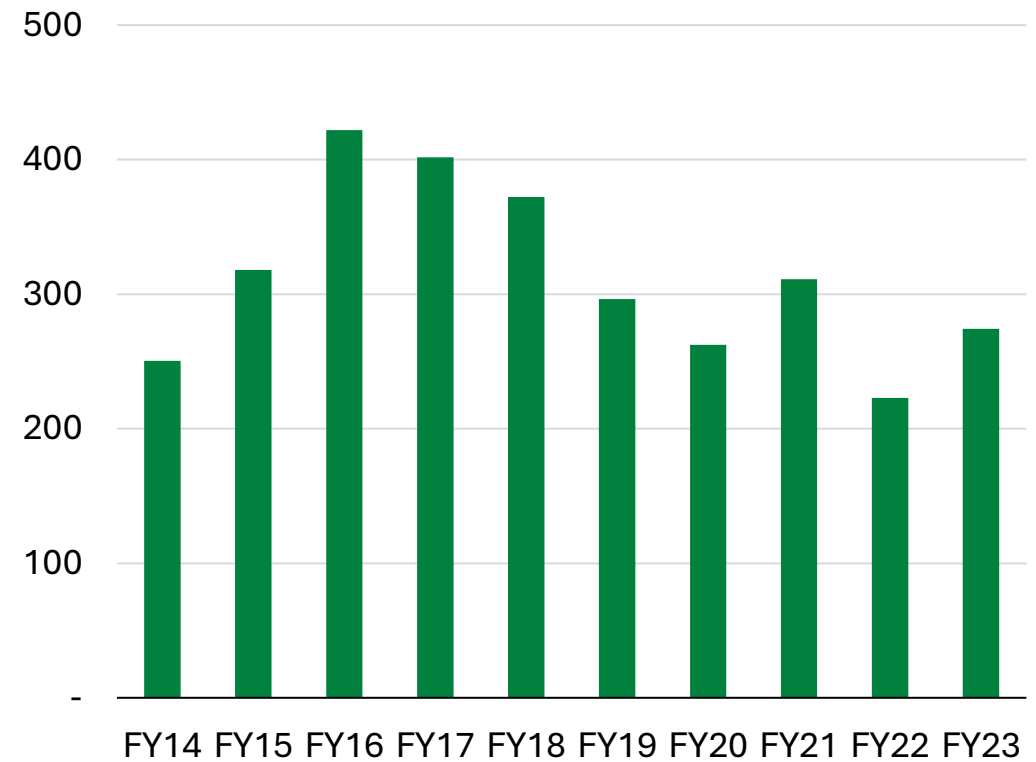


AVJennings land bank and revenue last 10 years

Lots under control



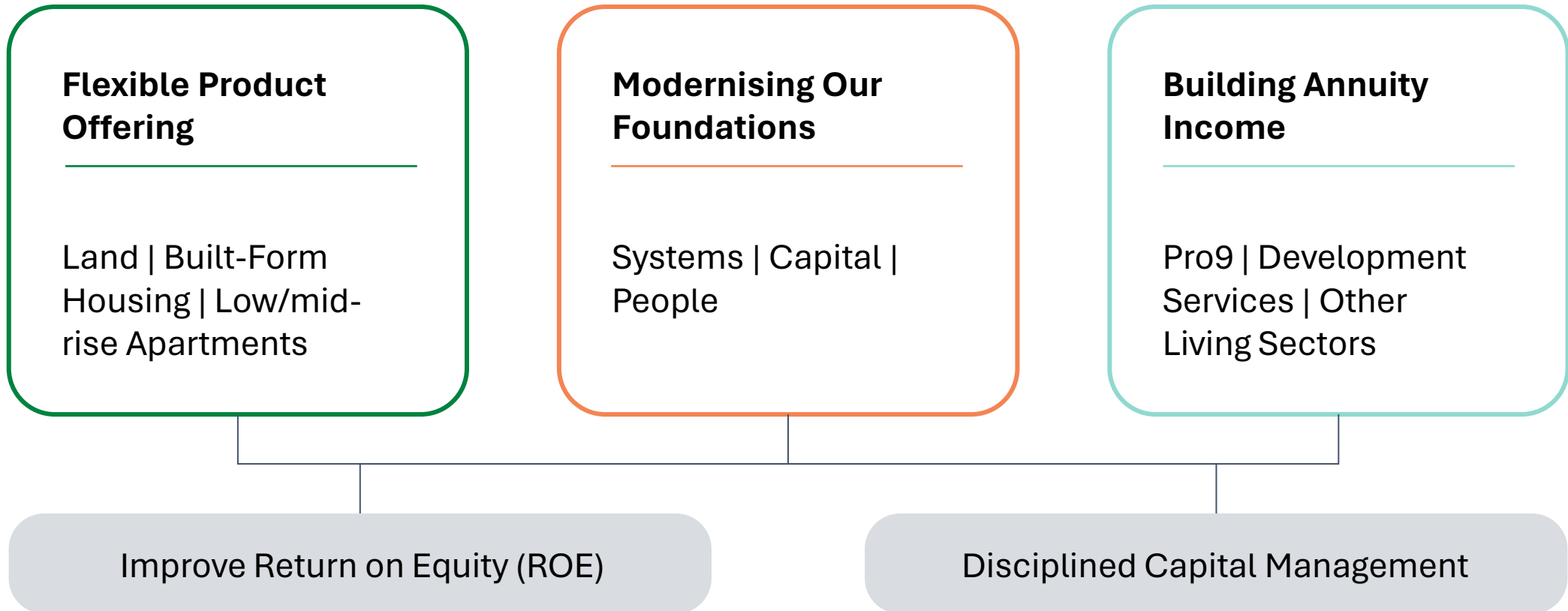
Revenue (\$m)



AVJennings Strategy Update

We are executing against our strategy

Developing communities for a sustainable future.



Modernising our foundations



Systems

The first phase of upgrading our financial and operating systems is well progressed.



Capital

Modernisation of our capital structure is progressing post equity raise and dialogue with our lenders.

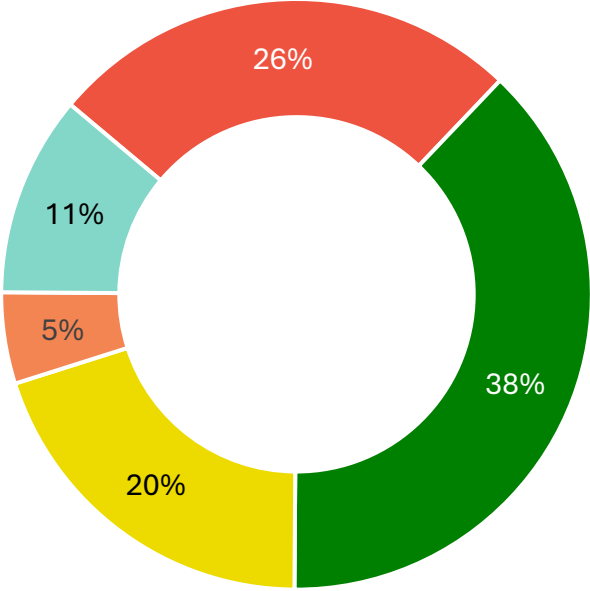


People

Initiatives focused on people, leadership and organisational values to deliver AVJ's strategy.

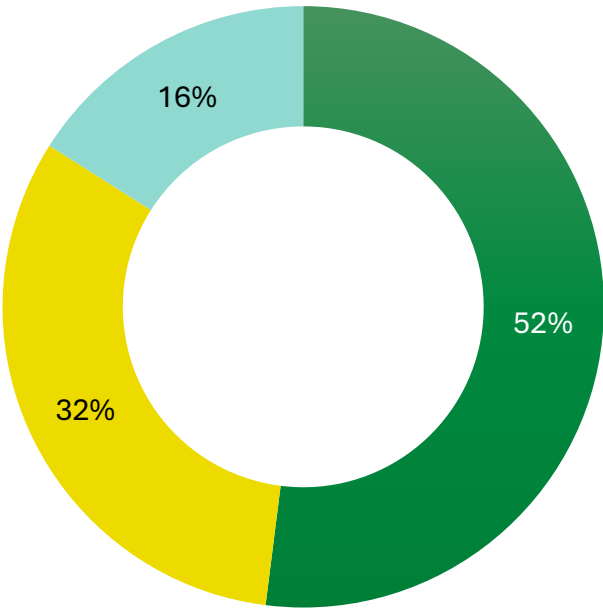
Net Funds Employed (NFE) allocation remains diverse

1H FY24 NFE by Region



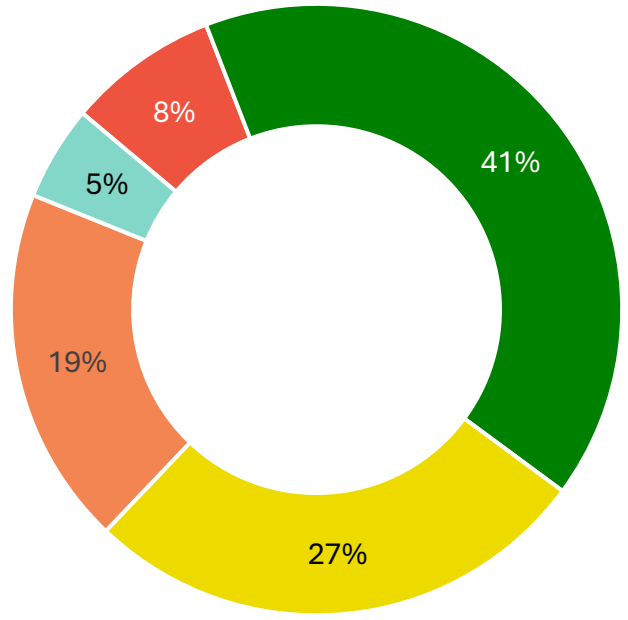
■ NSW ■ VIC ■ QLD ■ SA ■ NZ

1H FY24 NFE by Product



■ Land ■ Housing ■ Apartments

1H FY24 NFE by Planning Stage



■ Completed Stock ■ WIP
 ■ Planning Approved ■ Zoned no Planning
 ■ Unzoned

Pro9 Investment enabling a range of benefits

- Considerable time savings to achieve lock-up stage enhances capital recycling.
- Significantly reduced onsite trade visits reducing safety risks and community traffic.
- Significant improvements in the energy efficiency of homes in advance of regulated National Construction Code (NCC) changes.
- Increased certainty of program delivery.
- Enhanced sustainability positioning in the market.
- Pro9 JV has the potential to redefine AVJennings' earnings and growth profile in the future.



Pro9 Update: our investment in prefabricated solutions

Establishing an Australian factory

- Equipment is onsite and ready for assembly.
- Production testing scheduled for April 2024 with production by mid-CY2024.

Expanding AVJennings' Stellar Collection homes featuring Pro9 walling technology

- 18 Stellar Collection homes completed or under construction.
- A further 36 in the pipeline.

Demonstrated ability to erect external walls for a single storey home in one day

Stakeholder feedback

- Extensive interest from industry participants, potential partners and customers including Government.
- Broader potential to assist in housing shortage and affordability challenges.



Pro9 walling being installed for a Stellar Collection home at Riverton, Jimboomba



Construction of home with Pro9 walling system

Stellar collection delivers on sustainability

- AVJennings' Stellar Collection homes are a premium offering with a minimum 8-star energy efficiency rating, in excess of the new minimum standard of 7 stars[^].
- Includes Pro9 walling system, double-glazed windows, quality fixtures and fittings.
- The homes can deliver up to a ~50%* savings in heating and cooling costs.
- Higher quality, more durable, fire-resistant product.



12 [^] Minimum 7-star standard per National Construction Code (NCC)
*based on average cost difference between an 8.0 and 6.0 NatHERS rated home



Diverse active pipeline of 6,608 lots to drive growth



Arcadian Hills
Cobbitty, New South Wales
33 remaining IH lots



Argyle
Elderslie, New South Wales
92 remaining L & IH lots



Rosella Rise
Warnervale, New South Wales
457 remaining L & IH lots



Evergreen
Spring Farm, New South Wales
348 remaining L & IH lots



Prosper
Kogarah, New South Wales
56 remaining APT lots



Ara Hills
Orewa, New Zealand
508 remaining L lots



Waterline Place
Williamstown, Victoria
184 remaining IH & APT lots



Aspect
Mernda, Victoria
150 remaining L & IH lots



Somerford
Clyde North, Victoria
188 remaining L & IH lots



Harvest Square
Brunswick West, Victoria
87 remaining IH & APT lots



Lyndarum North
Wollert, Victoria
1,386 remaining L & IH lots



St Clair
St Clair, South Australia
124 remaining L lots



Eyre
Eyre, South Australia
1,200 remaining L & IH lots



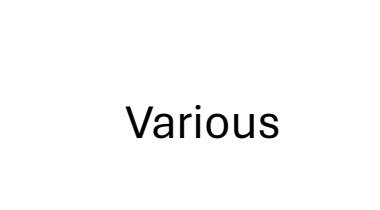
Cadence
Ripley, Queensland
430 remaining L & IH lots



Deebing Springs
Deebing Heights, Queensland
205 remaining L lots



Riverton
Jimboomba, Queensland
901 remaining L & IH lots



Various

Other
259 L, IH and APT lots

1H FY24 Snapshot

1H FY24 Snapshot

\$120m

Revenue

-14% on PCP

26%

Gross Margin

-9pp on PCP

294

Contract Signings

+75% on PCP

\$159m

Presales

+34% on PCP

Profit Before Tax

\$4.2m

-81% on PCP

WIP Lots

1,299

Lots under Control

13,905

Settlements

270

-35% on PCP

Sales Conversions

+38%

on PCP

Enquiries

+26%

on PCP

Acquisitions

0

Outlook

Demand for 'Turnkey' offerings remains strong

Turn the key, walk in and start enjoying your new home.



Move-In ready.

Turn the key, walk in,
unpack and relax.



No surprises.

Fixed price.



No progress payments.

Sign one fixed-price contract
and pay at the end.



You get more.

Finishing touches included.



Great locations.

Carefully planned community in
a great location.

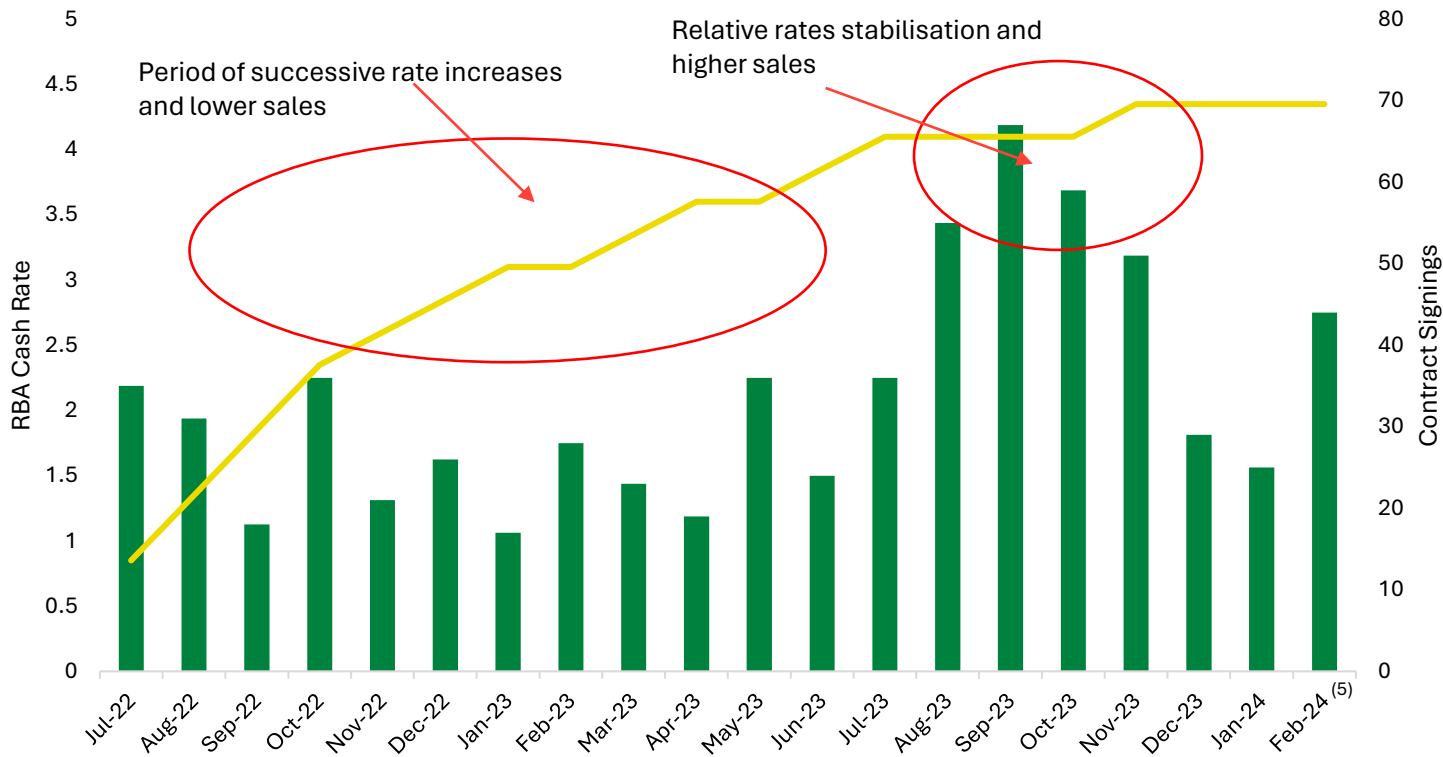


Peace of mind.

Trusted, reputable
brand.

Lead market and economic indicators, on balance, have improved

Monthly Contract Signings and RBA Cash Rate

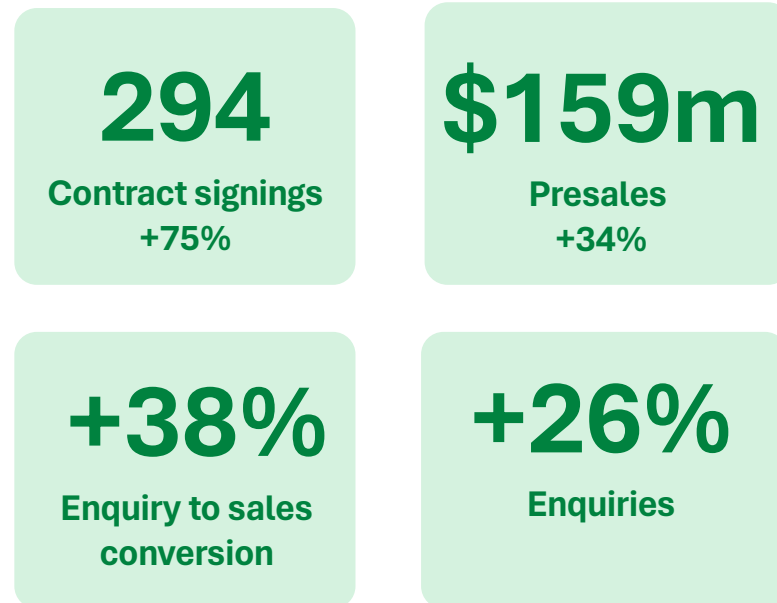


- Forecast population growth to range between 1.2% and 1.7%¹ p.a. to 2032.
- Migrant arrivals increased 73%² to 737,000 from a year ago although driven by students, rather than skilled labour.
- Australia’s labour market remains tight, with low, but rising, unemployment.
- National rental vacancy rates fell to a record low of 1.1%³.
- Australian Government has set an ambitious target for 1m⁴ new homes in 5 years.
- Interest rate outlook has stabilised.
- Raw materials pricing and availability risk is abating.
- Labour availability and pricing is a key focus across the industry.
- Purchaser cancellation rates have declined.

Outlook- AVJennings FY24

- FY24 PBT will be down on FY23 due to extended impact of interest rate cycle through FY23 and 1H FY24.
- Significant Q4 FY24 settlements and earnings skew.
- Merchant apartments at Waterline Place expected to commence settlement in late FY24.
- The Company is maintaining a prudent approach to capital management with no new acquisitions forecast in 2H FY24 and prudent deployment of capital to existing projects.
- Dividend position to be revisited at end of FY24.
- The Company looks forward to providing a Q3 trading update during April 2024 and remains focused on executing its strategy.

Lead Indicators: 1H FY24 versus PCP



Thank you.

AVJennings®

**Your community
developer.**