

20 August 2020

## Waypoint REIT HY20 Results

### HY20 Key Highlights

- Statutory net profit of \$137.0 million, compared with \$56.9 million in HY19 (+140.8%), largely due to independent valuations being performed in June this year compared to December in the prior year
- Distributable Earnings of \$57.8 million, a 3.8% increase over HY19 (\$55.7 million)
- Distributable Earnings per security<sup>1</sup> of 7.41 cents, a 3.2% increase over HY19 (7.18 cents)
- Net tangible assets per security as at June 2020 was \$2.38, a 3.9% increase since December 2019 (\$2.29)
- Valuation uplift of \$86.6 million<sup>2</sup> following independent and director valuations of Waypoint REIT's properties as at 30 June 2020, with a portfolio weighted average capitalisation rate (**WACR**) of 5.79%
- \$39.7 million invested across five properties at a weighted average yield of 6.34%, with a further \$10.9 million committed across seven development projects
- Gearing as at June 2020 was 30.5% (30.4% at December 2019) and remains at the low end of the 30-45% target range<sup>3</sup>
- \$325 million of debt refinanced and a US\$178m (c.A\$250m) US Private Placement (**USPP**) priced year-to-date, extending Waypoint REIT's weighted average debt maturity from 2.9 years to 4.3 years<sup>4</sup> and resulting in a pro forma liquidity position of \$370.6 million<sup>5</sup>
- \$196.5 million of swaps extended to August 2025, increasing the weighted average swap maturity to 2.9 years and reducing the hedge rate from 2.10% to 1.88%
- Unconditional terms agreed with Viva Energy Australia on internalisation of management, with completion expected by 30 September 2020
- 99.9% of rent collected during HY20, with the majority of Waypoint REIT's tenant base not qualifying for government-mandated rental relief
- Management expense ratio of 28bp remains one of the lowest in the S&P/ASX 200 REIT Index

Hadyn Stephens, Chief Executive Officer of VER Manager, said, "Waypoint REIT has delivered another solid result in HY20 with a 3.2% increase in Distributable Earnings per security underpinned by contracted rental escalations and enhanced via acquisitions and development fund-through expenditure.

A 3.9% increase in net tangible assets per security was driven primarily by an \$86.6 million valuation uplift across the portfolio. This valuation uplift also resulted in gearing of 30.5%, at the low end of Waypoint REIT's 30-45% target range.

<sup>1</sup> Based on weighted average number of stapled securities on issue during the reporting period.

<sup>2</sup> Includes 3% annual rent review effective 8 August 2020 on IPO portfolio of 425 properties, adjusted to reflect the 38-day period between 30 June and 8 August 2020.

<sup>3</sup> Net debt to total assets (excluding cash). Covenant gearing as at 30 June 2020 was 33.2%, calculated as total liabilities to total tangible assets, but excluding any mark-to-market valuations of derivative assets/liabilities.

<sup>4</sup> Figures as at 30 June 2020, proforma to include replacement \$50m bilateral facility announced on 13 July 2020 and c.\$250m USPP issuance announced on 14 August 2020 which will be funded on 29 October 2020 (subject to standard investor due diligence and documentation).

<sup>5</sup> Pro forma undrawn debt.

Despite the debt review event triggered by Viva Energy Australia's sell-down in February 2020, Waypoint REIT's liquidity position remains very strong, with \$325 million of debt refinanced and a c.A\$250 million USPP issuance priced year-to-date. The overall impact of the USPP issue and the capital management work undertaken has seen Waypoint REIT's weighted average debt maturity increase from 2.9 years in December 2019 to 4.3 years at June 2020 (pro forma basis) with the nearest maturity in June 2022."

### Distribution

VER Limited as the responsible entity of the Waypoint REIT Trust confirms that the interim distribution for the six months ended 30 June 2020 is 7.41 cents per security.

### Outlook

As announced to the market on 14 August 2020, Waypoint REIT's updated guidance for Distributable Earnings per security growth in FY20 over FY19 is 4.00-4.25%<sup>6</sup>, provided there are no material changes in market conditions as a result of COVID-19 or other events and no other factors adversely affecting financial performance.

Mr. Stephens said, "The remainder of FY20 will see Waypoint REIT focusing on its existing property portfolio, with further acquisitions or development fund-throughs to be selectively considered. With the USPP transaction now priced, Waypoint REIT is comfortable with its current liquidity, gearing and maturity profile, but will continue to explore initiatives to diversify funding sources and extend the tenor of its debt and swap books."

Waypoint REIT will hold a conference call to discuss the HY20 results today at 10am. Please see below for registration details.

### Conference Call

Date: Thursday, 20 August 2020

Time: 10:00am (AEST)

Webcast: [WPR HY2020 Results Call](#)

To participate in the call please use the dial-in and conference details outlined below.

| Dial-in Details  |                 |                |               |
|--|-----------------|----------------|---------------|
| Conference ID  | 6952679         |                |               |
| Participants Numbers   |                 |                |               |
| Participants can dial either of the numbers below to join the call. You will need to quote the conference ID provided above. |                 |                |               |
| Participant toll:  | +61 2 8038 5221 |                |               |
| Participant toll-free:   | 1800 123 296    |                |               |
| International Dial-in Details  |                 |                |               |
| If you are dialing in from outside Australia, please use one of the below international numbers.                             |                 |                |               |
| Canada   | 1855 5616 766   | China          | 4001 203 085  |
| Hong Kong  | 30 08 20 34     | India          | 1800 2666 836 |
| Japan  | 0120 994 669    | New Zealand    | 0800 452 782  |
| Singapore  | 800 616 2288    | United Kingdom | 0808 234 0757 |
| Unites States  | 1855 293 1544   |                |               |

A copy of the HY20 results presentation is available on our website at [waypointreit.com.au](http://waypointreit.com.au)

<sup>6</sup> Based on weighted average number of stapled securities on issue during the financial year.

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**Authorised by:**

Waypoint REIT Limited Board of Directors

**For further information, please contact:**

Natalie Barrington - Investor Relations Manager

Waypoint REIT

T: +61 2 9392 1400

E: [natalie.barrington@vivaenergy.com.au](mailto:natalie.barrington@vivaenergy.com.au)

**About Waypoint REIT**

Waypoint REIT is Australia's largest listed REIT owning solely service station and convenience retail properties with a high quality portfolio of properties across all Australian States and mainland Territories. Waypoint REIT's objective is to maximize the long-term income and capital returns from its ownership of the portfolio for the benefit of all security holders.

Waypoint REIT is a stapled entity in which one share in Waypoint REIT Limited (ABN 35 612 986 517) is stapled to one unit in the Waypoint REIT Trust (ARSN 613 146 464). This ASX announcement is prepared for information purposes only and is correct at the time of release to the ASX. Factual circumstances may change following the release of this announcement.

Please refer to the Waypoint REIT website for further information [waypointreit.com.au](http://waypointreit.com.au)

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