



Managed by  
HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257)  
as responsible entity of the  
HomeCo Daily Needs REIT (ARSN 645 086 620)

## ASX RELEASE

17 December 2021

### STRONG VALUATION GAINS DRIVE 14% GROWTH IN PROFORMA NTA PER UNIT<sup>2</sup>

#### Valuation update and December 2021 distribution

- Preliminary December 2021 valuation increase of 8.4% (\$150 million) and 6.8% (\$121 million) net of capex versus June 2021
- Weighted average portfolio cap rate compressed by 30bps to 5.34% supported by strong recent transaction evidence across both Neighbourhood and Large Format Retail centres
- HDN also declares the distribution for the three months ending 31 December of 2.08 cents per unit
- Reaffirming merged HDN group<sup>1</sup> proforma FY22 FFO/unit guidance of 8.9 cents<sup>2</sup> and standalone FY22 DPU guidance of 8.25 cents<sup>3</sup>
- Including the revaluation gains separately announced by Aventus, the combined portfolio is expected to increase by \$346 million (+9%) on a net basis resulting in HDN's proforma NTA per unit increasing from \$1.24 to \$1.41 (+14%)<sup>2</sup>

#### December 2021 Valuations

In accordance with the stated valuation policy of HomeCo Daily Needs REIT (ASX:HDN), preliminary unaudited valuations for all 34 properties in the portfolio (including the 6 acquisitions announced in September 2021) have been completed. This comprised 9 independent valuations representing 35% of the 31 December 2021 draft portfolio valuation with the remaining 25 properties completed by internal valuation<sup>4</sup>.

The high proportion of internal valuations undertaken this period reflects that 85% of the portfolio by number was independently valued in June 2021. The preliminary unaudited portfolio valuation, which remains subject to half-year end audit, has increased by \$150 million (8.4%) to \$1,926 million (from 30 June 2021 to 31 December 2021). Net of capital expenditure incurred during the period of \$29 million, this represents a net

---

<sup>1</sup> The merged HDN Group refers to the combination of HomeCo Daily Needs REIT and the entities it controls and the Aventus Retail Property Fund and the entities it controls.

<sup>2</sup> Assuming implementation of the proposed merger between HomeCo Daily Needs REIT and Aventus Retail Property Fund on 1 July 2021. Refer to the Aventus securityholder Scheme Booklet and HomeCo Daily Needs REIT Notice of General Meeting for further information (both released on 7 December 2021).

<sup>3</sup> Outlook statements have been made assuming no unforeseen circumstances or further extended COVID 19 lockdowns and government mandated restrictions.

<sup>4</sup> Armstrong Creek pad site (VIC) and Coomera pad site have been internally valued at acquisition price (supported by independent valuations). Armstrong Creek pad is expected to settle in December 2021.

valuation increase of \$121 million (6.8%). Of the \$121m net valuation increase, \$23m was derived from income growth and \$98 million was driven by cap rate compression.

Preliminary unaudited portfolio valuation <sup>5</sup>	Independently valued property (\$m)	Internally valued property (\$m)	Acquisitions internally valued at cost (\$m)	Pro forma Valuation (\$m)
# of properties valued	9	23	2	34
<b>Pro forma 30 June 2021 balance<sup>6</sup></b>	<b>\$588m</b>	<b>\$1,160m</b>	<b>\$29m</b>	<b>\$1,777m</b>
Capital expenditure <sup>7</sup>	\$19m	\$10m	-	\$29m
Net valuation increase <sup>7</sup>	\$67m	\$54m	-	\$121m
<b>31 December 2021 preliminary balance</b>	<b>\$674m</b>	<b>\$1,224m</b>	<b>\$29m</b>	<b>\$1,926m</b>
Gross increase % (versus 30 June 2021)	<b>+14.6%</b>	<b>+5.5%</b>	-	<b>+8.4%</b>
Net increase % (versus 30 June 2021)	<b>+11.4%</b>	<b>+4.7%</b>	-	<b>+6.8%</b>
<b>31 December 2021 WACR</b>				<b>5.34%</b>

## December 2021 Distribution

HMC Funds Management Limited as Responsible Entity of HDN has declared the quarterly distribution for the period 1 October 2021 to 31 December 2021 of 2.08 cents per unit.

The distribution is consistent with guidance provided on 13 September 2021.

The key dates for the December 2021 distribution are:

Event	Date
Ex-distribution date	Thursday, 30 December 2021
Record date	Friday, 31 December 2021
Distribution payment date	Friday, 25 February 2022

HDN advises that the Distribution Reinvestment Plan will not be available for the December 2021 distribution.

-ENDS-

<sup>5</sup> Row and column totals may not sum due to rounding

<sup>6</sup> Includes 6 acquisitions announced Sep-21 and Parafield ROU asset (\$11m)

<sup>7</sup> Excludes adjustments relating to straight lining and capitalised management fees.

For further information, please contact:

## INVESTORS

**Misha Mohl**  
Group Head of Strategy and Investor Relations  
+61 422 371 575  
[misha.mohl@home-co.com.au](mailto:misha.mohl@home-co.com.au)

**Will McMicking**  
Group Chief Financial Officer  
+61 451 634 991  
[william.mcmicking@home-co.com.au](mailto:william.mcmicking@home-co.com.au)

## MEDIA

**John Frey**  
Corporate Communications Counsel  
+61 411 361 361  
[john@brightoncomms.com.au](mailto:john@brightoncomms.com.au)

Authorised for release by the Board of the Responsible Entity

### **About HomeCo Daily Needs REIT**

*HomeCo Daily Needs REIT is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. HomeCo Daily Needs REIT aims to provide unitholders with consistent and growing distributions.*

### **Important Notice - Forward-Looking Statements**

*This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HomeCo Daily Needs REIT. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HomeCo Daily Needs REIT as at the date of this announcement. Except as required by applicable laws or regulations, HomeCo Daily Needs REIT does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances. Past performance and pro forma historical financial information is given for illustrative purposes only. It should not be relied on and it is not indicative of future performance, including future security prices.*

19 Bay Street  
Double Bay NSW 2028  
1300 466 326  
info@home-co.com.au

HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257) as  
responsible entity of the HomeCo Daily Needs  
REIT (ARSN 645 086 620)