

5 February 2025

The Manager
Market Announcements Office
Australian Securities Exchange
20 Bridge St
Sydney NSW 2000

Dear Sir

BWP Trust results for the half-year ended 31 December 2024

In accordance with ASX Listing Rule 4.2A, the following documents are attached for release to the market:

- > Appendix 4D – Half-year results to 31 December 2024; and
- > Half-year results announcement.

Released separately, but immediately following, will be the:

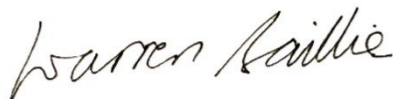
- > Half-year Report to Unitholders (contains the Business Review and Financial Statements)
- > Half-year Results Investor Presentation.

It is recommended that the Half-year Report is read in conjunction with the Annual Report of BWP Trust for the year ended 30 June 2024, together with any public announcements made by BWP Trust in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

An investor/analyst briefing teleconference call, with a question and answer session, will be held on **5 February 2025 at 7.30am AWST** (10:30am AEDT).

The briefing will be webcast live and accessible via our website at www.bwptrust.com.au. If you wish to join the telephone conference call only, please email investorrelations@bwptrust.com.au for pre-registration details.

Yours faithfully



Warren Baillie
Company Secretary

This announcement was authorised to be given to the ASX by the Company Secretary of BWP Management Limited.

ASX release

5 February 2025

APPENDIX 4D

FINANCIAL HALF-YEAR ENDED 31 DECEMBER 2024

		6 months to 31 Dec 2024	6 months to 31 Dec 2023	Variance %
Results for announcement to the Market				
Revenue from ordinary activities	\$000	100,574	82,313	22
Profit before fair value movements	\$000	66,080	57,460	15
Gains/(losses) in fair value movements	\$000	91,030	(4,232)	n.m
Profit from ordinary activities attributable to unitholders	\$000	157,110	53,228	195
Net tangible assets per unit	\$	3.92	3.74	5
DISTRIBUTIONS				
Interim distribution paid	\$000	65,643	57,943	13
Interim distribution per unit	cents	9.20	9.02	2

Record date for determining entitlements to the final distribution 31 December 2024

Payment date for the final distribution 26 February 2025

There is no conduit foreign income included in the distribution above.

Distribution Reinvestment Plan

The Distribution Reinvestment Plan ("DRP") was in effect for the half-year ended 31 December 2024 and will apply to future distributions unless notice is given of its suspension or termination.

Commentary on the results for the year

The commentary on the results for the year is contained in the ASX release dated 5 February 2025 accompanying this statement.

This report should be read in conjunction with the annual financial report of the Trust and any announcements made in the period by or on behalf of the Trust in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

For further information please contact:

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ASX release

5 February 2025

HALF-YEAR RESULTS TO 31 DECEMBER 2024

The directors of BWP Management Limited ("BWPM"), the responsible entity for the BWP Trust ("the Trust"), today announced the results of the Trust and its controlled entities (collectively the "Group") for the six months to 31 December 2024.

Half-year summary

- > Total income for the period ended 31 December 2024 was \$100.6 million, up 22.2 per cent on the prior corresponding period
- > Distributable amount of \$65.6 million for the six months, an increase of 13.3 per cent from the prior corresponding period
- > Interim distribution of 9.20 cents per unit, up 2.0 per cent on the prior corresponding period
- > Portfolio valuation of \$3.6 billion at 31 December 2024 (\$3.0 billion at 31 December 2023)
- > Weighted average capitalisation rate for the portfolio at 31 December 2024 was 5.43 per cent (December 2024: 5.53 per cent; June 2024: 5.54 per cent).
- > Weighted average lease expiry of 4.4 years at 31 December 2024 with 98.7 per cent leased
- > Like-for-like rental growth of 3.3 per cent for the 12 months to 31 December 2024
- > Five market rent reviews of Bunnings Warehouse properties finalised during the period, with an average 2.7 per cent increase on prevailing rent
- > Net tangible assets of \$3.92 per unit at 31 December 2024
- > Gearing (debt/total assets) of 21.4 per cent at 31 December 2024
- > Weighted average cost of debt of 4.4 per cent per annum for the six month period



FINANCIAL SUMMARY

Half-year ended 31 December			2024	2023
INCOME AND EXPENSES				
Total income	\$m		100.6	82.3
Total expenses	\$m		(34.5)	(24.9)
Profit before fair value movements	\$m		66.1	57.4
Amounts (retained)/released from undistributed income reserve	\$m		(0.4)	0.5
Distributable amount for the period	\$m		65.6	57.9
Management expense ratio ¹ (annualised)	%		0.67	0.65
PORTFOLIO VALUATION AND DISTRIBUTION				
Property and derivative revaluation gains/(losses)	\$m		91.0	(4.2)
Net profit including fair value movements	\$m		157.1	53.2
Number units on issue	m		714	642
Distribution per unit	interim cents		9.20	9.02
Number of unitholders			23,856	22,521
Unit price at 31 December	\$		3.28	3.53
INVESTMENT AND CASH GENERATION				
Capital expenditure	\$m		4.7	8.4
Acquisitions of investment properties	\$m		-	32.0
Free cash flow	\$m		47.5	13.1
CAPITAL STRUCTURE				
Total assets	\$m		3,682.4	2,997.7
Borrowings	\$m		786.9	513.5
Unitholders' equity	\$m		2,798.9	2,401.0
Net tangible assets per unit	\$		3.92	3.74
Weighted average cost of debt	% pa		4.4	4.2
Weighted average cap rate	%		5.43	5.53
Gearing (debt to total assets)	%		21.4	17.1

Figures above are subject to rounding

¹ Expenses other than property outgoings and borrowing costs as a percentage of average total assets.

BWP obtained control of its subsidiary trusts, NPR Trust No. 1, NPR Trust No. 2, NPR Trust No. 3 and NPR Trust No. 4, on 28 March 2024, therefore the results presented for 1H FY25 are for the consolidated group.



OVERVIEW

The six months to 31 December 2024 reflected continued portfolio momentum focused on further optimisation of the portfolio and profitable growth. BWP's primary focus areas during the half included progressing the repurposing of ex-Bunnings properties, filling any vacancies, progressing and completing store upgrades, extending existing leases with Bunnings through the exercise of options, completing market rent reviews, and the continued rollout of energy efficiency improvements at Group properties.

Portfolio optimisation

In optimising the portfolio, the Group recorded like-for-like rental growth of 3.3 per cent, five Bunnings market rent reviews were completed achieving a 2.7 per cent average increase, the weighted average lease expiry of the portfolio increased to 4.4 years (from 3.6 years at 31 December 2023) and occupancy increased 1.3 percentage points to 98.7 per cent. Bunnings also exercised nine lease options expiring during the half, with the Northland (VIC) lease not exercised. The Trust continued to make good progress in the repurposing activities in the reduced number of stores vacated by Bunnings, including the current sales process for Port Kennedy (WA), and development application lodgements and leasing campaigns advanced for Noarlunga (SA), Fountain Gate (VIC) and Northland (VIC).

Profitable growth

In support of profitable growth, agreement was reached with Bunnings (subject to development approval and completion of legal documentation) for a \$14.0 million expansion of the Pakenham (VIC) warehouse and an agreement was also reached with an unrelated third party tenant for a \$11.0 million redevelopment and car showroom expansion at Midland (WA).

Portfolio renewal

Specific to portfolio renewal, the Port Kennedy (WA) divestment was advanced during the half, with sale completion expected in the second half of the 2025 financial year. During the half-year, a non-deal Asian debt roadshow was undertaken to further enhance investor engagement to assist in funding BWP's operations over the medium to long term. Increased engagement with the large format retail sector was another key focus area to support customer store network expansion activity, including BWP site repurposing collaboration (Noarlunga (SA) and Fountain Gate (VIC)).

FINANCIAL RESULTS

Total income for the period was \$100.6 million, an increase of 22.2 per cent over the prior corresponding period. The \$18.1 million increase in rental income was largely due to the acquisition of NPR Property REIT ("NPR") in March 2024, together with annual rent increases.

Finance costs of \$17.2 million were 63.7 per cent higher than the prior corresponding period, largely due to a higher level of average borrowings. The average level of borrowings was 58.0 per cent higher than the prior corresponding period (\$793.9 million compared to \$502.4 million), which was largely due to the NPR debt assumed as part of the acquisition.

Other operating expenses increased from \$5.6 million in the prior corresponding period to \$6.7 million in the current period, mainly due to increases in property outgoings related to the NPR assets, increased land tax payable and increased insurance costs.

Net profit for the period was \$157.1 million, after including \$91.0 million of net gains in fair value movements. This compares with net profit for the prior corresponding period of \$53.2 million which included unrealised losses of \$4.2 million in fair value movements. Net profit excluding fair value movements was \$66.1 million for the period, being an increase of 15.0 per cent from the prior corresponding period.



At 31 December 2024, the Group's total assets were valued at \$3.7 billion, with unitholders' equity of \$2.8 billion and total liabilities of \$0.9 billion.

The underlying net tangible asset backing of the Trust's units increased during the period, from \$3.79 per unit as at 30 June 2024, to \$3.92 per unit at 31 December 2024, reflecting the unrealised gains on revaluation of investment properties.

For the half-year the Trust reported a distributable amount of \$65.6 million, an increase of 13.3 per cent from the previous corresponding period.

An interim distribution of 9.20 cents per ordinary unit has been declared, an increase of 2.0 per cent from the previous corresponding period (9.02 cents per unit). The interim distribution will be made on 26 February 2025 to unitholders on the Trust's register at 5:00 pm AWST on 31 December 2024.

PROPERTY PORTFOLIO

Extension of lease with Bunnings

In December 2024, the Group entered into a new 10-year lease with three, five-year options exercisable by Bunnings at Scoresby (VIC) following completion of car park works costing \$1.4 million. The annual rent will increase by the Consumer Price Index ("CPI") with market rent reviews every 10 years. There are no caps or collars on CPI or market rent reviews.

In December 2024, the Group agreed to an early surrender of the existing Bunnings lease at Northland (VIC) and entered into a new three-year lease, with a five-year option, with an emerging retailer. Work continues on the rezoning of the property.

At Fountain Gate (VIC) the Group has agreed to a 5.5 month lease extension with Bunnings post its lease expiry in January 2025. The short term lease extension will allow time for the Group to finalise both the design and planning approval for the redevelopment of the property for large format retail.

Occupancy and Average Lease Expiry

At 31 December 2024, the portfolio was 98.7 per cent leased with a weighted average lease expiry term of 4.4 years (30 June 2024: 3.8 years, 31 December 2023: 3.6 years).

RENT REVIEWS

The rent payable for each leased property is increased annually, either by a fixed percentage or by CPI, except when a property is due for a market rent review.

Annual Escalations

Rental growth of 3.4 per cent per annum was recorded for 74 of the Group's leases which were subject to annual fixed or CPI reviews during the period. The rental growth achieved included weighted average increases in annual rent of 3.9 per cent for the 24 CPI reviews and 3.0 per cent for the 50 fixed reviews.



Market Rent Reviews

The market rent reviews completed during the half-year are shown in the following table, recording a weighted average increase in rent of 2.7 per cent for the five reviews completed.

Property location	Passing rent (\$ pa)	Market review (\$ pa)	Variance (%)	Effective date
Balcatta (WA) ^{1,2}	2,477,363	2,550,000	2.9	24-Sep-23
Tuggeranong (ACT) ^{1,2}	2,036,300	2,178,841	7.0	1-Dec-23
Bayswater (VIC) ^{1,3}	2,316,558	2,310,000	(0.3)	21-Apr-24
Bibra Lake (WA) ²	1,946,104	2,030,000	4.3	1-Nov-24
Mornington (VIC) ²	2,110,399	2,110,399	-	13-Dec-24
Total/ Weighted average	10,886,723	11,179,240	2.7	

¹ The market rent review was due during the year ended 30 June 2024, but the outcome was only finalised during the current financial year.

² The market rent review was agreed between the parties.

³ The market rent review was determined by an independent valuer.

Like-for-Like Rental Growth

Excluding rental income from properties acquired, upgraded or vacated and re-leased during or since the previous corresponding period, rental income increased by approximately 3.3⁴ per cent for the 12 months to 31 December 2024 (compared to 4.8 per cent for the 12 months to 31 December 2023).

REVALUATIONS

During the half-year, the Group's entire investment property portfolio was revalued, with property revaluations performed by independent valuers for 13 properties (11 properties in the prior corresponding period). The remaining 69 properties were subject to directors' revaluations.

Following the revaluations, the Group's weighted average capitalisation rate for the portfolio at 31 December 2024 was 5.43 per cent (30 June 2024: 5.54 per cent; 31 December 2023: 5.53 per cent).

The value of the Group's portfolio increased by \$96.4 million to \$3,641.0 million during the half-year largely reflecting unrealised gains of \$93.2 million, in addition to capital expenditure of \$4.7 million and adjustments for the straight-lining of rent and capitalised interest of \$1.5 million.

⁴ The unresolved market reviews at 31 December 2024 are not included in the calculation of like-for-like rental growth.



CAPITAL MANAGEMENT

The Trust's debt facilities as at 31 December 2024 are summarised below:

	Limit (\$m)	Amount drawn (\$m)	Expiry date
Bank debt facilities			
Sumitomo Mitsui Banking Corporation	100.0	100.0	24 Jan 2026
Westpac Banking Corporation	135.0	68.6	30 Apr 2026
Westpac Banking Corporation	85.0	51.0	31 Jul 2026
Sumitomo Mitsui Banking Corporation	110.0	85.0	15 March 2027
Commonwealth Bank of Australia	150.0	108.2	31 July 2027
Bank of China	50.0	50.0	26 Jun 2028
Institutional term loan	75.0	75.0	29 Nov 2030
Corporate bonds			
Fixed term seven-year corporate bonds	150.0	150.0	10 Apr 2026
Fixed term seven-year corporate bonds	100.0	100.0	24 Mar 2028
	955.0	787.8	

The weighted average duration of the facilities as at 31 December 2024 was 2.3 years (31 December 2023: 3.1 years). The Group's gearing ratio (debt to total assets) as at 31 December 2024 was 21.4 per cent (30 June 2024: 21.5 per cent, 31 December 2023: 17.1 per cent) which is at the lower end of the Board of BWPM's preferred range of 20 to 30 per cent. The lower gearing provides flexibility for the Group to take advantage of investment opportunities to create long-term value when they arise.

The Group has a policy of hedging the majority of its borrowings against interest rate movements. As at 31 December 2024, the Group's interest rate hedging cover was 52.4 per cent of gross borrowings, with \$412.5 million of fixed rate corporate bonds and interest rate swaps against gross borrowings of \$787.8 million. The weighted average term to maturity of hedging was 1.4 years (30 June 2024: 1.8 years, 31 December 2023: 3.0 years).

OUTLOOK

For the balance of the 2025 financial year BWP will continue to focus on optimising the portfolio whilst remaining active in assessing opportunities to grow the portfolio that create value. This activity will focus on reinvesting in the core retail portfolio to support tenant optimisation plans, acquiring accretively to grow the core portfolio and partnering with tenants to potentially, over time, participate in adjacent parts of the retail value chain.

Rent reviews are expected to contribute incrementally to property income for the half-year to 30 June 2025, with 73 leases to be reviewed to CPI or by a fixed percentage increase during the second half (77 completed in the first half). In addition, nine⁵ market rent reviews of Bunnings Warehouses are in the process of being finalised and are expected to be completed during the second half.

In renewing the portfolio, the Group will look to recycle actively by potentially divesting non-core assets, including the completion of the divestment of the Port Kennedy (WA) site, and reinvesting in growth initiatives to complement its core portfolio. Maintaining a strong and flexible balance sheet will be a key focus, including the potential refinancing of medium-term bond maturities and the broadening of debt providers (type and geography).

Subject to there being no major economic disruptions, the Trust provides distribution guidance of 9.46 cents per unit for the second half of the 2025 financial year. Capital profits may be utilised to support the distribution.

⁵ Three relating to FY24 and six relating to FY25.



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