

ersonal use only

# Aspen Group Bell Potter Emerging Leaders Conference

27 MAY 2025



# Aspen Group

## Owner

Proprietary approach maximising sustainable returns for Aspen securityholders – we own 100% of all our properties and projects - no JV or Fund interests and conflicts to consider

## Operator

Maximising profitability through intensive management of properties and offering a variety of lease terms and additional services to customers – not a passive rent collector

## Developer

Cost effective creation of quality accommodation through brownfield and greenfield development that is well suited to our target customer base

## Capital Manager

Disciplined acquisitions, offering rentals + shared equity + ownership options to customers, recycling capital to optimise portfolio, profits and equity value, and reduce risk



**Specialist Provider of Quality Rental Accommodation on Competitive Terms**



**Dwellings and Land Sites**



**Target Market**

**The c.40% of Australian Households with Income <\$100k per annum**

# Acute Undersupply of Affordable Housing is Getting Worse

Affordable Share of Rentals by Household Income

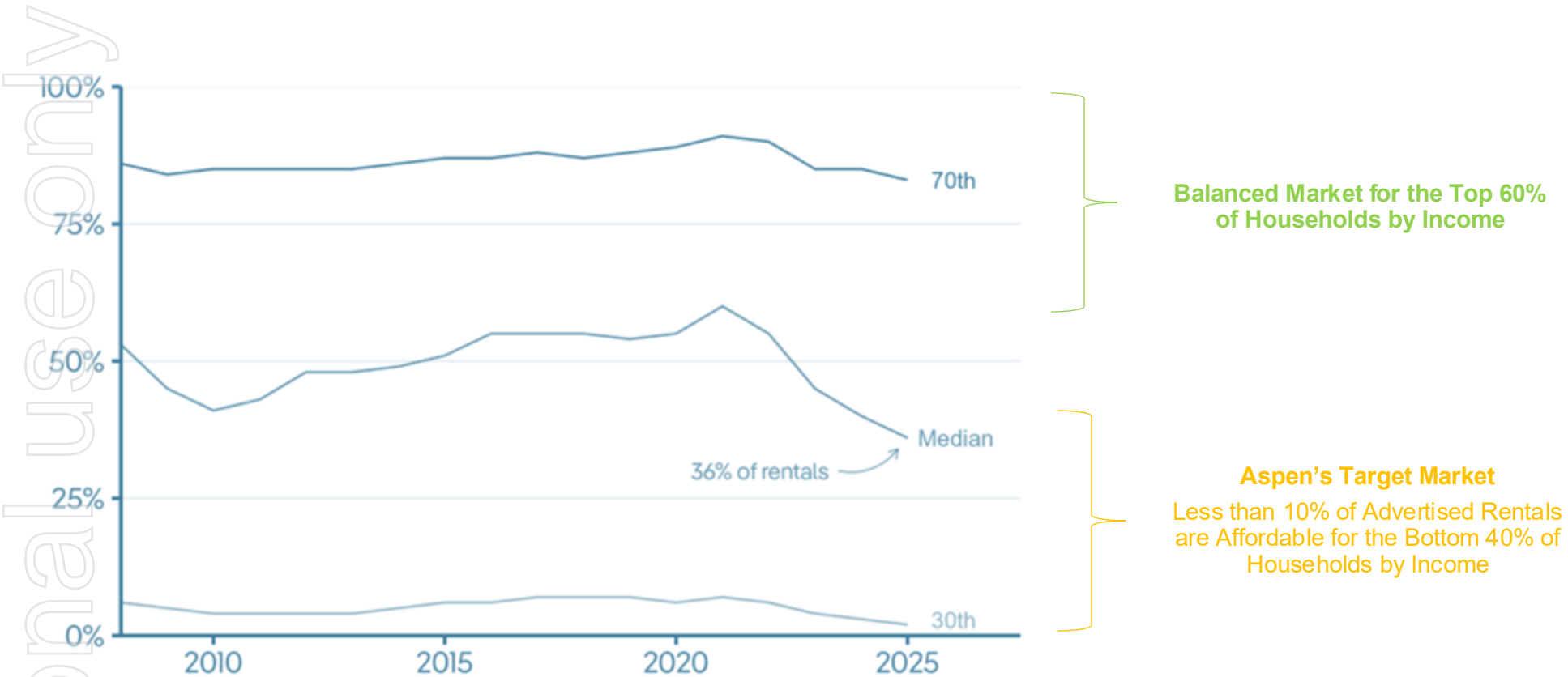
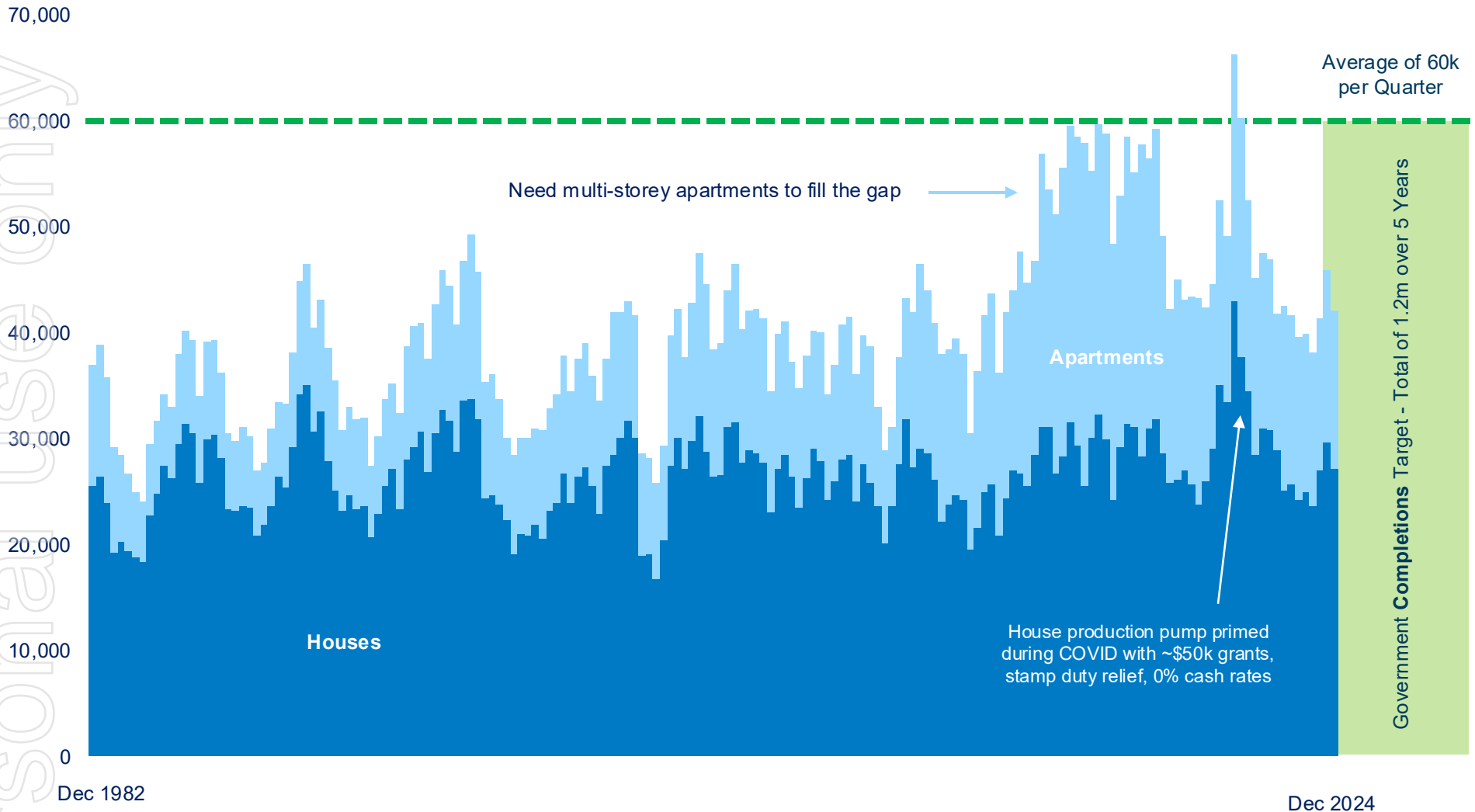


Chart source: PropTrack, ABS – assumes households can afford to pay 25% of gross household income on rent

# New Supply around Decade Low with Limited Solutions in Sight

National New Dwelling Commencements – Quarterly<sup>1</sup>



1. Source: ABS – Apartments includes all dwelling types except Houses

# Mass Production Cost is Unaffordable for Below-Median Income Households

## Mass Apartment Production in Metro Locations

Building Cost (ex. land) ~\$8,000psm  
Timeframe 3-4 years



## Aspen Production in Attractive Locations

Building Cost (ex. land) ~\$3,000-4,000psm  
Timeframe 9-15 months



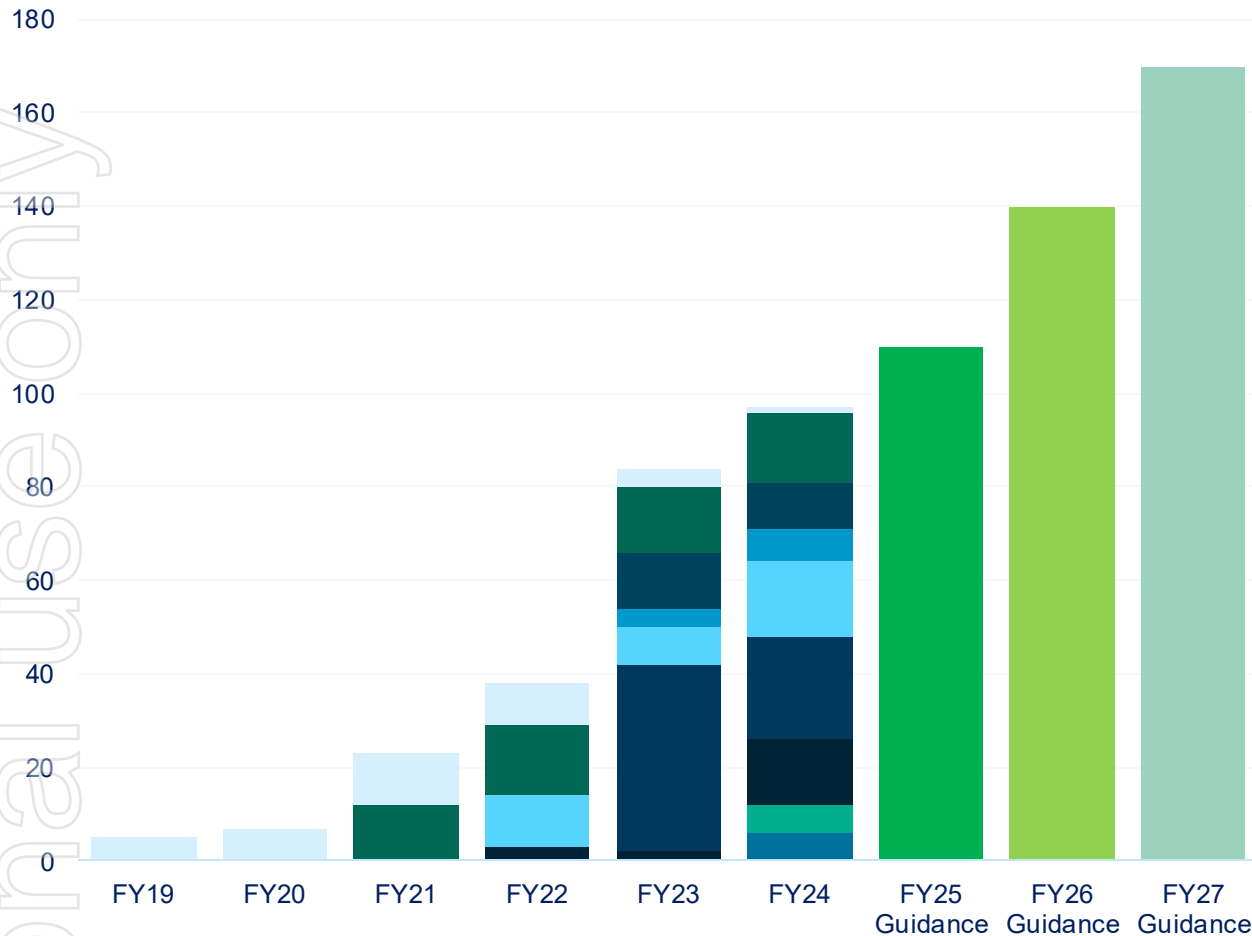
### What is Land Worth in these Markets?

Aspen has accumulated a large land bank in attractive locations at <\$40k per site

ersonal use only

# Aspen's Low-Cost Development Business – Scaling Up and Diversifying

Development - # Settlements



- ✓ Increasing diversity of projects
  - Currently 10 active projects
  - Aiming to commence sales at Normanville SA, Ravenswood WA and Australind WA from FY27 (STCA)
  
- ✓ Generally aiming for ~12 sales per annum in initial stages of a project, then ~24 sales per annum
  - Optimal order sizes for our house and civils contractors
  - Manageable sales program which supports pricing and minimises selling costs (~2% of sales proceeds)
  - Limits disruption for existing residents
  - Risk mitigation
  
- ✓ Book value of approved raw sites for Lifestyle development is ~\$40k each which enables total developed land cost of ~\$100k
  - Value of newly leased sites is above developed land cost = NAV uplift
  - Development Profit on the house sale is also above developed land cost = capital release
  
- ✓ Aiming to grow sales toward 200 per annum over the medium term while maintaining an approved development pipeline of at least 10x sales rate and ROIC of 20%

# Aspen's Portfolio Positioned for Growth

\$m (unless stated)	31 Dec 2024	Current <sup>1</sup>	Change
<b>Total Dwellings &amp; Sites #</b>	<b>5,099</b>	<b>6,434</b>	<b>26%</b>
<b>Rentals</b>			
Dwellings & Sites #	3,995	4,120	3%
<b>Book Value (ex. spare land)</b>	<b>\$530</b>	<b>\$552</b>	<b>3%</b>
<i>Per Approved Dwelling/Site</i>	<i>\$133k</i>	<i>\$134k</i>	<i>1%</i>
WACR <sup>2</sup>	6.8%		
<b>Development Assets<sup>3</sup></b>			
Total Sites <sup>4</sup> #	1,628	2,314	42%
Book Value of Land (inc. civils)	\$44	\$66	50%
<i>Per Site</i>	<i>\$27k</i>	<i>\$29k</i>	<i>6%</i>
Manufactured House Inventory	\$19	\$25	32%
<b>Total Book Value</b>	<b>\$63</b>	<b>\$91</b>	<b>44%</b>
<i>ROIC<sup>5</sup></i>	<i>20%</i>		
<b>Total Property and Inventory</b>	<b>\$593</b>	<b>\$643</b>	<b>8%</b>
<i>Per Approved Dwelling/Site</i>	<i>\$116k</i>	<i>\$100k</i>	<i>(14%)</i>

**Scale, quality, suitability and growth prospects of portfolio continues to improve without commensurate increase in cost**

## Acquired:

- Australind transportables – aiming to convert 386 rooms into self-contained units (STCA)
- Australind land – aiming for Lifestyle development with 250 houses (STCA)
- Ravenswood land – aiming for Lifestyle development with 250 houses and Residential land development with 190 lots (STCA)

**Deliberate increase manufactured house inventory** as a springboard for growth - developed over 200 houses/sites in FY25 v. expected settlements of 110 in FY25 – can now increase settlements to ~200 per annum without increasing inventory level

**Sold** some existing houses with relatively high rents

**Average book value of only \$100k per dwelling/site**

1. Management accounts – not audited. 2. Weighted Average Capitalisation Rate 3. Development Assets is all development assets including civils inventory, new lifestyle house inventory, spare land in Lifestyle and Park properties and residential land inventory 4. Sites includes approved and planned (not yet approved). 5. ROIC = Development Profit divided by average of opening and closing Total Development Assets

# Aspen's Balance Sheet Supports Significant Growth Prospects

\$m (unless stated)	31 Dec 2024	Current <sup>1</sup>	Change
<b>Total Property and Inventory</b>	<b>\$593</b>	<b>\$643</b>	<b>8%</b>
Eureka Group (EGH) Stake	\$34	\$0	(100%)
Net Financial Debt	(\$134)	(\$92)	(31%)
Net Other Assets (Liabilities)	(\$36)	(\$22)	(39%)
<b>Net Assets</b>	<b>\$457</b>	<b>\$529</b>	<b>16%</b>
Securities	200.8	225.0	12%
<b>NAV per Security (pre DTL provision)<sup>2</sup></b>	<b>\$2.39</b>	<b>\$2.44</b>	<b>2%</b>
<b>Gearing<sup>3</sup></b>	<b>21%</b>	<b>14%</b>	<b>(7ppt)</b>
<b>Undrawn / Unused Debt Capacity</b>	<b>\$65</b>	<b>\$155</b>	<b>138%</b>

## Aspen's balance sheet has strengthened materially:

- Raised \$68m in new equity - broadened the register and improved stock liquidity
- Sold residual minority stake in EGH – entire stake sold at 56cps v. cost of 45cps (profit on sale not included in Underlying EPS)
- Renegotiated syndicated debt facility – extended duration to September 2028, increased limit to \$260m, reduced drawn margin to 185bps
- Current gearing ~14% (55% covenant) and pro forma ICR >5.0x (covenant 2.0x)
- Balance sheet can support >\$200m of additional assets through acquisition and development

1. Management accounts – not audited. 2. Net Asset Value per Security excludes deferred tax liability (DTL) provision relating to capital gains tax that would be payable by Aspen Group Limited if it were to sell all its assets at book value 3. Gearing = financial debt less cash / total assets less cash less retirement village resident loans and deferred revenue.

Use only

## Disclaimer

This presentation has been prepared by Aspen Group Limited on behalf of Aspen Group Limited and Aspen Property Trust ("Aspen") and should not be considered in any way to be an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, and neither this document nor anything in it shall form the basis of any contract or commitment. Prospective investors should make their own independent evaluation of an investment in Aspen. Nothing in this presentation constitutes investment, legal, tax or other advice. The information in this presentation does not take into account your investment objectives, financial situation or particular needs. The information does not purport to constitute all of the information that a potential investor may require in making an investment decision.

Aspen has prepared this presentation based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Aspen, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation contains forward looking information. Indications of, and guidance on, future earnings, distributions and financial position and performance are forward looking statements. Forward looking statements are based on Aspen's current intentions, plans, expectations, assumptions, and beliefs about future events and are subject to risks, uncertainties and other factors which could cause actual results to differ materially. Aspen and its related bodies corporate and their respective directors, officers, employees, agents, and advisers do not give any assurance or guarantee that the occurrence of any forward-looking information, view or intention referred to in this presentation will actually occur as contemplated. All references to dollar amounts are in Australian currency.

