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ASX ANNOUNCEMENT
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Aspen Group FY26 Results

Open Road Ahead – Upgraded FY27 Guidance and New Development Approvals

Aspen Group (ASX: APZ) is pleased to report strong operational and financial results for FY26 ahead of guidance, upgraded guidance for FY27, and significant new development approvals that help underpin continued strong growth in FY28 and beyond.

FY26 Pre Tax Comprehensive Income[1] per security increased 17% to $0.45, equating to 18% return on equity[2].

Housing Affordability

About 35% of households rent, mostly because they cannot afford to buy or prefer the flexibility. Most cannot afford the economic rent for new supply which is why rental stock is predominantly older apartments. Currently, the bottom 40% of households by income can afford only 10% of advertised rentals[3].

Over the past few decades private investors have accounted for the entire increase in this essential housing[4]. Meanwhile, State & Territory governments have supplied less and taxed it more. In FY25 alone they collected $54b in stamp duty and land tax (up 81% in 5 years)[5] and spent only $11b on their social housing programs[6]. Currently, the bottom 25% of households by income cannot afford any advertised rentals[3] yet social housing is only 4% of total housing stock[7].

The Federal Government recently increased tax on existing rentals through negative gearing and CGT changes and banned SMSFs from funding new housing investment with debt. This increases the cost and constraints of supplying housing which can only lead to higher rents and prices, particularly at the more affordable end of the market which is already acutely undersupplied and trading well below the cost of new production. Affordability will not cap the increase as wealthier households will continue seeking better value-for-money housing, squeezing other households out of the market.

Aspen's opportunities continue to grow as the supply of affordable housing continues to dwindle.

Financial Results Summary

	FY25	FY26	Increase
Pre Tax Comprehensive Income per Security (cents)	38.0	**44.6**	17%
Net Rental Income (NRI)	$35.0m	**$42.4m**	21%
Realised Development Profit	$12.7m	**$21.7m**	71%
Underlying EBITDA[8]	$41.4m	**$54.2m**	31%
Underlying Pre Tax EPS[8] (cents)	16.8	**21.8**	30%
Underlying Post Tax EPS[8] (cents)	16.8	**21.6**	29%
DPS[9] (cents)	10.0	**11.0**	10%
NAV per Security (excluding DTL)[10]	$2.54	**$2.88**	13%

Rentals

	FY25	FY26	Increase
Average Dwellings & Sites - #	3,984	**4,222**	6%
Average Weekly Gross Rent per Dwelling/Site[11]	$325	**$346**	6%
Total Revenue	$67.4m	**$76.0m**	13%
Net Rental Income (NRI)	$35.0m	**$42.4m**	21%
NRI Margin	52%	**56%**	4ppt

- Rental pool growing through acquisition and development
- Long stay essentially full, with rents generally ~10% below market and increasing 3-5% per annum
- Short stay mixed, but somewhat due to disruptive refurbishment at some of our Parks, and we pushed for higher rents to improve profitability at the expense of occupancy
- Average weekly gross rent per dwelling/site increased 6% to $346 and remains affordable and competitive: Residential $379pw (up 4%), Lifestyle $223pw (up 5%), Parks $380pw (up 11%)
- NRI margin expanded from 52% to 56% through excellent operational management, refurbishment that has improved our properties and reduced costs, better marketing and portfolio mix
- Excellent start to our new Residential BTR program at Australind WA with strong corporate demand for furnished and serviced houses for their local workers materially increasing expected NRI and ROIC[12]

Development

	FY25	FY26	Increase
Contracted Sales - #	116	**252**	117%
Settlements - #	111	**161**	45%
Total Revenue	$39.5m	**$65.2m**	65%
Average Price – Lifestyle House	$464k	$469k	1%
Average Price – Residential Land	$226k	$341k	51%
Total Development Profit (DP)	$12.7m	**$21.7m**	71%
DP Margin	32%	**33%**	1ppt
ROIC	18%	**20%**	2ppt
Closing Contracts on Hand - #	39	**128**	228%

- Average price of Lifestyle houses was $469k which is $642k or 58% below Australia's average residential dwelling price of $1.11m[13]
- Realised Development Profit from the sale of Lifestyle houses exceeded the total cost of producing the newly leased land sites that Aspen retains – this releases equity and increases debt funding capacity for use in other parts of our business including growing Development which generated 20% ROIC – up 2ppts on FY25
- Development Profit excludes $2.9m of NAV uplift - the difference between our book value of newly leased Lifestyle sites (at WACR[14] of 6.4%) and total cost of production (some competitors assume 5.00-5.25% cap rate, make a loss on this component, and don't account for the loss in their definition of underlying earnings)
- Development Profit Margin expanded to 33% – production costs are mostly under control, and we have been able to pass on cost increases given our compelling value for money proposition
- Significant DA wins with 716 new dwellings/sites approved at Adelaide Caravan Park, Paralowie and Wallaroo in SA, and Australind, Ravenswood, Meadowbrooke and Glendalough in WA
- Approved and planned[15] development sites in our pipeline increased by 33% to 2,904 across 25 projects

Capital

	30 June 25	30 June 26	Increase
Total Dwellings & Sites (approved & planned) - #	6,344	**7,222**	14%
Book Value of Rental Pool (excluding spare land)	$588m	$701m	19%
WACR	6.9%	**7.0%**	6bps
Book Value of Development Assets	$93m	$122m	32%
Book Value of Head Office - Surry Hills	$0m	$10m	NA
Book Value of Property and Inventory	$681m	**$834m**	22%
Net Financial Debt	($87m)	**($153m)**	76%
Provision for Deferred Tax Liability (DTL)	($30m)	**($55m)**	84%
Net Other Liabilities	($18m)	**($24m)**	33%
Net Asset Value	$546m	**$601m**	10%
Net Asset Value excluding DTL	$576m	**$656m**	14%
NAV (excluding DTL) per Security	$2.54	**$2.88**	14%
Loan to Value Ratio (LTV)[16]	17%	**22%**	5ppt
Interest Cover Ratio (ICR)[16]	4.6x	**6.2x**	1.6x

- Portfolio conservatively valued in our opinion:
  - WACR 6.0% (excluding AKV) is more than double the average yield on residential housing in Australia[17], and our portfolio is land rich with significant development opportunities
  - Development pipeline is only $35k per approved/planned site
- Development assets are only 13% of total assets by book value, are diversified, and have alternative uses
- Conservative leverage - debt is supported by solid and diversified rental streams and low corporate overheads. Aspen does not need to realise development profits to remain in compliance with debt covenants – we have the option of renting or selling newly developed dwellings and land to maximise returns
- Ample balance sheet capacity to fund our organic growth ambitions and take advantage of increasing acquisition opportunities
- Subsequent to year end, Aspen entered into conditional contracts to acquire a portfolio of 198 residential villas in Adelaide for $40.5m, and to sell Barlings Beach and Black Dolphin Parks in NSW for $42.0m, and Lynn Street Trigg WA for $6.4m, thereby increasing portfolio weighting to Residential and Lifestyle. Settlement is expected to occur in September-October 2026

FY27 Guidance Upgraded

We expect continued strong growth and are pleased to announce upgraded earnings guidance for FY27[18] well above our excellent FY26 results:

Underlying Earnings[8]	FY26	FY27 Guidance	Increase
Net Rental Income	$42m	**$44m**	4%
Realised Development Profit	$22m	**$33m**	52%
Operating EBITDA	$54m	**$66m**	22%
Pre Tax EPS	21.8 cents	**26.1 cents**	20%
DPS	11.0 cents	**12.0 cents**	9%

We expect Aspen Group to pay an effective tax rate of 10-15% of the group's total pre-tax Underlying Earnings in FY27 after exhausting historic tax losses in FY26, and a higher proportion of distributions to be franked in future.

Please refer to Aspen's FY26 Financial Report and Results Presentation released on ASX today for further information including assumptions underlying the guidance.

Aspen Group has massive opportunities for profitable growth due to its highly competitive cost of production and the structural shortages of quality accommodation for the majority of Australian households

Announcement authorised by the Board of Aspen Group Limited.

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1. Pre Tax Comprehensive Income (PTCI) per statutory accounts excluding tax payable and provision for Deferred Tax Liability (DTL)
2. Return on equity – PTCI divided by NAV (excluding DTL) at start of period
3. Source; Realestate.com.au and Australian Bureau of Statistics (ABS) based on households spending 25% of pre-tax income on rent
4. Source: ABS Census Data to 2021 and Aspen's estimates to 2026
5. Source: ABS - Taxation Revenue, Australia. Stamp duty is on all conveyances
6. Source: ABS - State and Territory government expenditure on social housing
7. Source: Australian Productivity Commission – Report on Government Services 2026
8. Underlying Operating Earnings is a non-IFRS measure that is determined to present, in the opinion of the directors, the operating activities of Aspen in a way that appropriately reflects Aspen's underlying operating performance – refer to financial report for full definition
9. DPS – Distribution per Security
10. NAV – Net Asset Value excluding DTL provision of $54.6m ($0.24 per security) at 30 June 2026 for tax that would be payable by Aspen Group Limited if it sold all its assets at book value (Trust accounts do not provision for tax liabilities)
11. Rent includes ancillary and deferred management fee revenue at some of our properties. Average rent = total rent revenue divided by average number of available dwellings/sites in the rental pool for the period
12. ROIC - Return on Invested Capital = Realised Development Profit divided by the average of opening and closing book value of all development assets including civils inventory, new lifestyle house inventory, spare raw land in investment properties and residential land inventory
13. ABS – average price of all residential dwellings (houses and units) – Australia March 2026
14. WACR – weighted average of capitalisation rate applied to value Aspen's investment properties for accounting purposes
15. Planned sites are not yet approved for development
16. LTV and ICR as defined in Aspen's debt facility covenants
17. Average Australian residential cap rates – Cotality June 2026 gross rental yield of 3.7% multiplied by 65% net rental income margin = 2.4% net rental yield
18. Subject to no material change in Aspen's operating environment

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