13 July 2021

ASX Market and Media Announcement

Strong sales push Finbar Group to higher profit

Highlights

- Finbar anticipates reporting a net profit of $8.4 million for the 12 months to 30 June 2021, representing a 18 per cent increase over the previous financial year.
- Finbar will pay a second half dividend of $0.02 per share, fully franked. Combined with the interim dividend of $0.02 per share the full year dividend is $0.04 per share.
- Strong cash position of $52.6 million at 30 June, bolstered from strong sales of completed stock, and positioning the company to conclude equity funding requirements of planned projects & commence construction of two new projects.
- Finbar completed 486 sales during the financial year with a value of $296 million.
- The total completed stock value at 30 June 2021 was $59.9 million, which is a sell down of $137 million in debt free stock completed during the financial year.

Perth, 13 July 2021: Western Australia's leading apartment development company, Finbar Group Limited (ASX: FRI), is pleased to confirm it expects to report a net profit after tax of approximately $8.4 million for the financial year ended 30 June 2021, an increase of 18 per cent on the previous year.

The improved profit was built upon improved sales, with 486 completed and off-the-plan apartments sold during the financial year with a total value of $296 million.

As at 30 June, Finbar had $52.6 million in cash. The company's total completed stock value was $59.9 million, which equates to a sell down of $137 million in debt free stock completed the financial year.

The strong cash position, bolstered by strong cashflow from completed stock settlements and increased confidence of improving operating conditions, has allowed Finbar to announce a second half dividend of $0.02 per share, fully franked. This follows an interim dividend of $0.02 per share announced in February and brings the full year dividend to $0.04 per share.

Finbar managing director Mr Darren Pateman said the company was benefiting from the strong demand for completed apartments in the Perth market and was focused on delivering its existing projects under construction.

"We continue to operate in a strong completed apartment stock sale environment and are therefore committed to bring new completed stock to the market to resupply our diminishing stock pipeline," Mr Pateman said.

"Considering our current sales rates, we have approximately three months' of completed residential apartments supply available in the Perth market so are very keen to see the completion of Dianella over the next few months and are committed to see Civic Heart and AT238 delivered as quickly as possible.

"Our strong cash position of $52.6 million, bolstered by the continued sell down of completed stock, puts us in position to conclude all equity funding requirements of our major current apartment projects Civic Heart and AT238, and allows us to also commit to the commencement of both Aurora in Applecross and The Point in Rivervale this financial year."

Finbar's 128-apartment development in Dianella, in Perth's inner northern suburbs, is nearing completion with settlements of the wholly owned project expected to begin in September. Sales at Dianella have reached $27 million.

Construction at the company's and Western Australia's largest residential project to date, the 335-lot Civic Heart, is on track with the below ground structural engineering works reaching completion and basement excavation works now underway.

Sales at Civic Heart stand at $105 million with Finbar holding a 55 per cent interest in the project.

Construction at AT238, a 121-lot apartment building in the east of Perth's CBD, is also progressing well, with ground floor raft works complete and the structure now commencing above ground floor level. Pre-sales at the development are currently at $21 million.

In light of the cash position and continued debt free selldown of completed stock, the Finbar board has resolved to increase the final dividend with the payment of a $0.02 fully franked dividend, increased from 1c from the previous corresponding period.

Finbar's audited results are expected to be announced on or around 25 August.



ABOVE: Civic Heart



ABOVE: AT238



ABOVE: DIANELLA

Ends

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