

31 December 2021

Peet moves to 100% ownership of Flagstone City project

Peet Limited (ASX:PPC) (“Peet” or the “Group”) today announces that it has agreed to acquire Spirit Super’s (formerly MTAA Super) 50% shareholding in the Flagstone City project in Queensland. This follows a strategic review undertaken by Spirit Super of its development portfolio.

Peet has agreed to acquire Spirit Super’s share in the project for \$46.15 million, with settlement to occur 19 January 2022 and the purchase price to be paid in four instalments over three years commencing on the settlement date. In addition to this payment, Peet will assume an additional \$21 million of debt, representing Spirit Super’s share of the project’s development loan.

“This acquisition will give Peet 100% ownership of the more than 10,500 remaining lots with a GDV of circa \$3.4 billion in Flagstone, in Brisbane’s south east growth corridor,” said Peet Managing Director and CEO, Brendan Gore.

The acquisition is being funded from existing cash and debt facilities. The Group’s gearing¹ on its interest-bearing debt is expected to be in the range of 30% to 40% during the next 18 months. The Group’s gearing¹ including Flagstone and University of Canberra land vendor liabilities for the same period is expected to be in the range of 35% to 45% which is within the Group’s existing banking covenant. The Group’s interest cover ratio is expected to be a strong 4 to 8 times during this period.

The Group’s liquidity is expected to remain strong with cash and available debt facilities forecast to average approximately \$93 million over the next 18 months.

“Flagstone is a developing asset that is currently generating profits and operating cash. This additional investment is therefore expected to be earnings accretive from settlement,” said Mr Gore.

This announcement is authorised for release to the market by the Directors of Peet Limited.

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¹ Gearing based on June 2021 bank mortgage valuations.