



Aspen Group Limited  
ABN 50 004 160 927

Aspen Property Trust  
ARSN 104 807 767

Suite 21, 285A Crown Street  
Surry Hills NSW 2010

Telephone: 02 9151 7500

Email: [homemail@aspengroup.com.au](mailto:homemail@aspengroup.com.au)

## ASX ANNOUNCEMENT

16 April 2024

# Aspen Group Guidance FY25

## Strong Growth Expected to Continue

Aspen Group (ASX: APZ) (**Aspen** or **APZ**) is pleased to announce continued strong momentum across the group, and positive initial earnings and distribution guidance for FY25.

Aspen intends to declare its takeover offer for Eureka Group Holdings Limited (**Eureka**) (the **Offer**) unconditional today.

### Earnings and Distributions Guidance:

Aspen	FY23 Actual	FY24 Guidance	% Change (midpoint)	FY25 Guidance	% Change (midpoint)
Underlying EBITDA (\$m)	24.60	30.50-31.50	26%	<b>38.25-39.25</b>	<b>25%</b>
Underlying EPS (cents)	12.00	13.00-13.50	10%	<b>14.50-15.00</b>	<b>11%</b>
Minimum DPS (cents)	7.75	8.50	10%	<b>9.50</b>	<b>12%</b>

FY24 guidance assumptions were provided with Aspen's HY24 financial results.

Aspen's FY25 guidance assumes:

- No material changes in Aspen's operating environment
- Continued high occupancy and increase in rents to current market levels as leases roll across Aspen's Residential properties, full occupancy and 3-5% increase in site rents across Aspen's Lifestyle properties, and continued maximisation of net income from Aspen's Park properties through dynamic yield management - optimising the mix of lease duration, occupancy, rental rate, and operating costs
- Aspen owns 35.7% of Eureka, being the minimum shareholding in Eureka, based on the 301,747,603 Eureka shares on issue as at the date of this announcement, that Aspen will own after declaring its Offer unconditional, based on the Offer acceptances Aspen has received to date. Aspen will issue 17.3 million new Aspen Securities in accordance with the terms of its replacement bidder's statement dated 15 March 2024 to Eureka shareholders that have accepted the Aspen Offer as at the date of this announcement based on the Offer consideration of 0.26 Aspen Securities per Eureka Share. The number of new Aspen Securities issued as consideration under the Offer is subject to change should

further Eureka shareholders accept the Offer. Aspen's underlying earnings include its share of Eureka's underlying earnings which Aspen estimates at 3.00 cents per Eureka share in FY25 in the absence of any specific guidance from Eureka

- Stable volume of 100 development sales compared to the expected FY24 result, but continuing to skew more to Lifestyle houses which generate development profits on the sale of houses plus ongoing annuity land rents
- Maintaining a measured balance of Property Net Operating Income and Development Profit of roughly 80% and 20% respectively
- No material property acquisitions
- Continued recycling of capital from properties with relatively high rent and value (eg. sale of Burleigh Heads townhouses at an average price of about \$1 million and net income yield of about 2.5%)
- Interest rates and hedging remain at current levels.

Aspen will own a minimum stake of 35.7% in Eureka, based on the 301,747,603 Eureka shares on issue as at the date of this announcement, which is valued at approximately \$53 million based on Eureka's Net Asset Value of \$0.49 per share, representing only approximately 8% of Aspen's total asset value.

Aspen acknowledges that given Eureka's comparatively weaker earnings, in the absence of any synergies, the Offer will be marginally dilutive to Underlying EPS. However, it is Aspen's view that Aspen's FY25 Guidance for Underlying EPS will remain above 14.50 cents even after completion of the Offer as set out below:

Aspen ownership % of Eureka	Estimated FY25 Underlying EPS (midpoint)
100% ownership scenario	<b>14.92 cents</b>
50.1% ownership scenario	<b>14.59 cents</b>
35.73% ownership scenario	<b>14.75 cents</b>

#### **Guidance for Eureka Shareholders who accept Aspen's Offer at the Bid Ratio of 0.26x**

Eureka shareholders who accept Aspen's Offer will enjoy a **10% increase in NAV<sup>2</sup>** and material increases in expected EPS and DPS in FY25:

	Aspen's Estimates		
	Eureka Standalone FY24	Aspen's EPS and DPS per EGH Share FY25	% Change (midpoint)
<b>Underlying EPS (cents)</b>	3.00 <sup>3</sup>	<b>3.77-3.90</b>	<b>28%</b>
<b>Minimum DPS (cents)</b>	1.40 <sup>4</sup>	<b>2.47</b>	<b>76%</b>

**Aspen's securities are very attractively priced at \$1.73<sup>5</sup> per security in Aspen's opinion**

<b>Price / 31 December 2023 NAV Ratio</b>	<b>0.82x</b>
<b>Price / FY25 Earnings Ratio</b>	<b>11.7x</b>
<b>FY25 Distribution Yield</b>	<b>5.5%</b>

Aspen intends to announce today that it declares the Offer unconditional. The second supplementary bidder's statement accompanying that announcement (**Second Supplementary Bidder's Statement**) will contain further details of Aspen's FY25 Guidance and the pro-forma FY25 Underlying EPS forecast financial information for the year ending 30 June 2025 in the event Aspen acquires 50.1% of Eureka or 100% of Eureka. Please refer to Aspen's Second Supplementary Bidder's Statement released on ASX today for further information.

Announcement authorised by the Board of Aspen Group Limited.

**END**

<i>For further information, please contact:</i> David Dixon Joint Chief Executive Officer Phone: (+61) 2 9151 7584 Email: <a href="mailto:davidd@aspengroup.com.au">davidd@aspengroup.com.au</a>	John Carter Joint Chief Executive Officer Phone: (+61) 2 9151 7586 Email: <a href="mailto:johnc@aspengroup.com.au">johnc@aspengroup.com.au</a>
--	---

1. 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 reports for full definition
2. NAV – Net Asset Value per security as at 31 December 2023
3. Eureka has provided FY24 EPS guidance of 3.00 cents per share. This excludes some marketing and information technology expenses that Aspen regards as normal underlying expense for its business. Aspen estimates these expenses at about 0.2 cents per Eureka Share and they have been treated as underlying expenses in Aspen's FY25 EPS guidance. Eureka has not provided earnings guidance for FY25
4. Based on Eureka's HY24 distribution of 0.70 cents per share annualised. Eureka has not provided distribution guidance for FY24 or FY25
5. Closing price of APZ securities on ASX on 15 April 2024

## Disclaimer

This announcement 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 announcement constitutes investment, legal, tax or other advice. The information in this announcement 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 announcement 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 announcement. 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 announcement or its contents or otherwise arising in connection with it.

This announcement 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 announcement will actually occur as contemplated. All references to dollar amounts are in Australian currency.

This announcement has been prepared for publication in Australia and may not be released to the US wire services or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this address may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

