

Media Release

Charter Hall's \$6 billion wholesale flagship industrial fund CPIF acquires a \$269 million industrial portfolio leased to national food distributor PFD Food Services

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Charter Hall's leading \$6.0 billion wholesale industrial and logistics fund, CPIF, has announced the acquisition of a portfolio of 25 cold store and food distribution centres on an average 13.8 year sale and leaseback to leading food business, PFD Food Services Pty Ltd ("PFD Food Services"), for \$269.4 million.

The Portfolio is located across Australia, with the majority of income derived from Victoria (55%) followed by Queensland (23%) and South Australia (10%), and 90% of the Portfolio (by value) is located in metropolitan industrial precincts. The Portfolio has a site area of approximately 292,665sqm and ~82,331sqm of GLA and has a low overall site coverage ratio of 28% providing CPIF with future expansion capability.

PFD Food Services is the largest, privately owned food service distributor in Australia delivering an extensive range of dry goods, frozen and chilled products, fresh seafood and meat, confectionery, paper products and cleaning solutions to business customers across Australia including pubs and clubs, cafés, airlines, hotels, restaurants, aged care and retirement villages, resorts, theme parks, convenience outlets, venue and field caterers, fast food outlets, schools, kindergartens, sporting, child care and correctional facilities. Woolworths has agreed to make a strategic investment alongside the Smith family to acquire a 65% equity interest in the business which is subject to regulatory approval.

Charter Hall's Managing Director and Group CEO, David Harrison, said "We are delighted to secure the PFD Food Services portfolio off-market. This acquisition continues our momentum in securing sale and leaseback portfolios from leading corporates and demonstrates the Group's ability to close large transactions, swiftly and efficiently within the desired timeframes of vendors. The properties were acquired off-market and is a testament to our ability to work with corporates to develop tailored deal structures that support their broader investment strategies and release capital back into their business."

PFD Food Services founder, Rick Smith commented "We are pleased to partner with such an experienced owner of warehouse and logistics property. It provides a key new relationship to facilitate the further growth that we are enthusiastically planning for the business."

Charter Hall continues to be extremely active in the industrial market acquiring more than \$2.5 billion in industrial and logistics facilities so far in FY21 and \$6.3 billion in the past 3 years. Charter Hall's total industrial portfolio now stands at \$12.7 billion with a \$2.3 billion development pipeline.

CPIF Fund Manager, Richard Mason, said "The portfolio provides access to a secure and growing income stream over the long term which is underpinned by a 13.8-year WALE with a double net lease structure and annual rent reviews of 2.8%. The acquisition also increases CPIF's sector leading weighted average lease expiry (WALE) to 10.7 years."

"The PFD Food Services acquisition also adds to CPIF's substantial portfolio in the food logistics sector, with 54% of the portfolio now leased to high quality food and beverage companies including Coles, Woolworths, Metcash, ALDI, Coca-Cola Amatil, Lion Dairy and Arnotts," said Mr Mason.

CPIF's \$6.3 billion portfolio is one of Australia's largest industrial and logistics portfolios comprising a geographically diverse, high quality portfolio of industrial and logistics assets, underpinned by long-term leases and strong tenant covenants, with a further \$1.1 billion WALE accretive committed development pipeline.

CPIF's investors include Australian superannuation funds, global pension funds, insurance companies and sovereign wealth funds.

(Ends)

Charter Hall Group (ASX: CHC)

With over 29 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors - office, industrial & logistics, retail and social infrastructure.

Operating with prudence, we've carefully curated a \$46.4 billion plus diverse portfolio of over 1,395 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$7.0 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

For further enquiries, please contact

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