Stockland

# 1H22 Annexure

23 February 2022



Whiteman Edge, WA

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Calleya, WA

Stockland · 70 YEARS

Figures are rounded to nearest million, unless otherwise stated.
Percentages are calculated based on the figures rounded to one decimal place.
Percentage changes are calculated on the prior corresponding period unless otherwise stated.
Note: All relevant Group financials include Retirement Living, which is classified as a discontinued operation.

# Stockland quick facts

## Trust – $10.5bn[1]

### Town Centres

39%
portfolio weighting[3]

24[4]
assets

Ownership interests valued at
$5.6bn

### Logistics

21%
portfolio weighting[3]

23
assets

Ownership interests valued at
$2.9bn

### Workplace

14%
portfolio weighting[3]

10[5]
assets

Ownership interests valued at
$2.1bn

## Corporation – $3.9bn[2]

### Residential

16%
portfolio weighting[3]

Around 82,000
lots remaining

Net funds employed
$2.1bn

End market value
$23.2bn

### Retirement Living

7%
portfolio weighting[3]

59
established villages

1
Aspire village

1
Development village

### Land Lease Communities

3%
portfolio weighting[3]

33
Land Lease Communities

~9,000
lots remaining

| 1H22 Income Mix | Target | Commercial Property | Residential | Retirement Living | Land Lease Communities | Unallocated corporate overheads | Total |
|---|---|---|---|---|---|---|---|
| Recurring FFO[6] | **60%** | 65% | -% | 5% | -% | (5)% | **65%** |
| Development FFO[6] | **40%** | 7% | 31% | -% | 1% | (4)% | **35%** |

1. Net Funds Employed (NFE). Excludes WIP and sundry properties of $0.4bn.
2. Includes NFE of: Residential $2.1bn, Retirement Living $1.0bn, Land Lease Communities $0.5bn and other assets $0.3bn.
3. Includes WIP and sundry properties of $0.4bn. Cost to completion provision, deferred land payments and option payments are excluded.
4. Includes assets held for sale and Stockland Townsville (excluding Nathan Street disposed December 2021).
5. Reflects reclassification of six assets into Workplace from Logistics.
6. The reported recurring profit methodology has been updated to align to FFO (excluding amortisation and straight-line rental income).

Note: All relevant Group financials include Retirement Living, which is classified as a discontinued operation.

# We are well positioned with a diverse portfolio

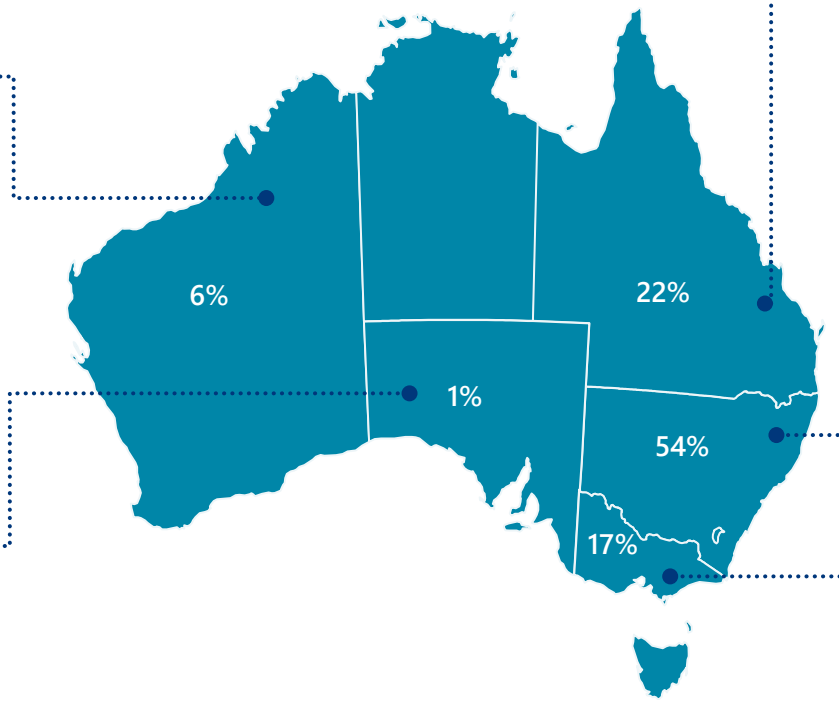
## Book value by state[1,2]

### WA - $0.9bn, 6% of portfolio

- 5 Commercial
- 11 Residential
- 2 Retirement
- 4 Land Lease[3]

### SA & ACT - $0.1bn, 1% of portfolio

- - Commercial
- 1 Residential
- 12 Retirement
- - Land Lease




### QLD - $3.6bn, 22% of portfolio

- 13[4] Commercial
- 13 Residential
- 9 Retirement
- 17 Land Lease[3]

### NSW - $8.9bn, 54% of portfolio

- 29 Commercial
- 9 Residential
- 20 Retirement
- 3 Land Lease

### VIC - $2.9bn, 17% of portfolio

- 10 Commercial
- 20 Residential
- 18 Retirement
- 9 Land Lease[3]

1. Includes WIP & sundry properties of $0.4bn. Includes cost to complete provisions, deferred land payments and options payments.
2. RL established and development assets at same location are treated as a single property/project.
3. Includes sites in planning and under review.
4. Includes assets held for sale and Stockland Townsville (excluding Nathan Street disposed December 2021).

Note – Percentages may not add due to rounding. All relevant Group financials include Retirement Living, which is classified as a discontinued operation.

# Financial results and capital management

Annexure




89 Quarry Road, Erskine Park, NSW

# Profit summary

| $m | 1H22 | 1H21 | Change |
|---|---|---|---|
| Segment EBIT (before interest in COGS): | | | |
| Residential Communities EBIT | 147 | 172 | (14.5)% |
| Commercial Property EBIT | 273 | 280 | (2.5)% |
| Retirement Living EBIT | 18 | 38 | (52.6)% |
| Land Lease Communities EBIT | 6 | - | -% |
| Consolidated segment EBIT (before interest in COGS) | 444 | 490 | (9.4)% |
| Amortisation of lease fees | 7 | 6 | 16.7% |
| Unallocated corporate overheads | (35) | (28) | (25.0)% |
| Group EBIT (before interest in COGS) | 416 | 468 | (11.1)% |
| Net interest expense: | | | |
| - Interest income | 2 | 1 | (100)% |
| - Interest expense | (94) | (102) | (7.8)% |
| - Interest capitalised to inventory | 47 | 49 | (4.1)% |
| - Interest capitalised to investment properties under development | 8 | 8 | -% |
| Net interest in Profit & Loss before capitalised interest expensed | (37) | (44) | 15.9% |
| Capitalised interest expensed in Profit & Loss[1] | (29) | (38) | 23.7% |
| Net interest expense | (66) | (82) | 19.5% |
| Funds from operations | 350 | 386 | (9.3)% |
| Statutory profit adjustments | 500 | (47)[2] | 1163.8% |
| **Statutory profit** | **850** | **339[2]** | **150.7%** |

1. Lower capitalised interest expenses in Profit & Loss as a result of lower settlements in 1H22.
2. Reflects restated accounts and impact of the change in accounting treatment per IFRIC on SaaS costs.

Note: All relevant Group financials include Retirement Living, which is classified as a discontinued operation.

# Statutory profit to FFO and AFFO reconciliation

The table below shows the reconciliation of statutory profit to FFO and AFFO with reference to the definitions outlined in the Property Council of Australia (PCA) white paper "Voluntary best practice guidelines for disclosing FFO and AFFO"

| $m | | 1H22 | 1H21 | Change |
|---|---|---|---|---|
| PCA reference | Statutory profit | 850 | 339 | 150.7% |
| | Adjusted for: | | | |
| D1/D4 | Amortisation of lease incentives and lease fees | 47 | 43 | |
| D5 | Straight-line rent | 3 | 1 | |
| A3/A4 | Net change in fair value of Commercial investment property[1] | (551) | (24) | |
| A3/A4 | Net unrealised change in fair value of Retirement Living investment properties and obligation | 29 | 45 | |
| F2 | Unrealised DMF revenue | (28) | (20) | |
| C2 | Net loss/(gain) on financial instruments | (75) | 10 | |
| F2 | Net loss/(gain) on other financial assets | (1) | (1) | |
| A1/A2 | Net loss/(gain) on sale of other non-current assets | (8) | 15 | |
| A6 | Net reversal of impairment of inventories | - | 5 | |
| E | Tax (benefit)/expense (non-cash)[2] | 19 | (38) | |
| F2 | One-off costs[3] | 65 | (11) | |
| G | Funds from operations (FFO) | 350 | 386 | (9.3)% |
| G2 | Maintenance capital expenditure[4] | (18) | (19) | |
| G3 | Incentives and leasing costs for the accounting period[5] | (39) | (30) | |
| | Adjusted funds from operations (AFFO) | 293 | 337 | (13.1)% |
| | AFFO per security | 12.3 | 14.1 | (12.8)% |

1. Includes Stockland's share of revaluation relating to properties held through joint ventures (1H22: $13m gain; 1H21: $5m loss) and fair value unwinding of ground leases recognised under AASB 16 (1H22: $0.4m; 1H21: $0.4m).
2. The Group has accumulated tax losses of $1.4bn and as result does not have any near-term material income tax expense that will be settled in cash.
3. One-off costs include transaction costs relating to the acquisition of Halcyon Land Lease Communities business, restructuring costs and provisions for expected onerous contract costs. To be classified as a one-off, these costs were assessed to be highly unlikely to reoccur in future years.
4. Includes $2m (1H21: $3m) Retirement Living maintenance capital expenditure.
5. Excludes assets under construction.

# Net interest gap

| $m | 1H22 | | | 1H21 | | |
|---|---|---|---|---|---|---|
| | Interest | Deferred interest[1,2] | Total | Interest | Deferred interest[1,2] | Total |
| Interest income | (2) | - | (2) | (1) | - | (1) |
| Interest expense | 78 | 16 | 94 | 81 | 21 | 102 |
| Less: capitalised interest | | | | | | |
| - Commercial Property development projects | (7) | - | (7) | (7) | - | (7) |
| - Residential | (27) | (16) | (43) | (28) | (21) | (49) |
| - Retirement Living | (1) | - | (1) | (1) | - | (1) |
| - Land Lease Communities | (4) | - | (4) | - | - | - |
| Total capitalised interest | (39) | (16) | (55) | (36) | (21) | (57) |
| Sub-total: Borrowing cost in P&L | 37 | - | 37 | 44 | - | 44 |
| Add: capitalised interest expensed in P&L[3] | 29 | - | 29 | 38 | - | 38 |
| **Total interest expense in P&L** | **66** | **-** | **66** | **82** | **-** | **82** |

1. Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms.
2. Discount initially booked through balance sheet (inventory and land creditors).
3. Made up of Residential $24m (1H21: $36m), Retirement Living $1m (1H21: $2m), Land Lease Communities $1m (1H21:nil) and Commercial Property $3m (1H21:nil). This differs to statutory reporting by nil (1H21:$2m) as interest expense in Retirement Living is reported through fair value adjustment of investment properties.

# Cost management

| $m | 1H22 | 1H21 |
|---|---|---|
| Residential | 93 | 88 |
| Retirement Living | 19 | 20 |
| Land Lease Communities | 9 | - |
| Commercial Property | 18 | 10 |
| Unallocated corporate overheads | 35 | 28 |
| **Total sales, general and administration costs[1]** | **174** | **146** |

## Diligent approach to managing cost embedded across the Group

Increased overheads represent investments in enhancing technology and systems, normalisation of cost base post-COVID-19 and increased insurance premiums

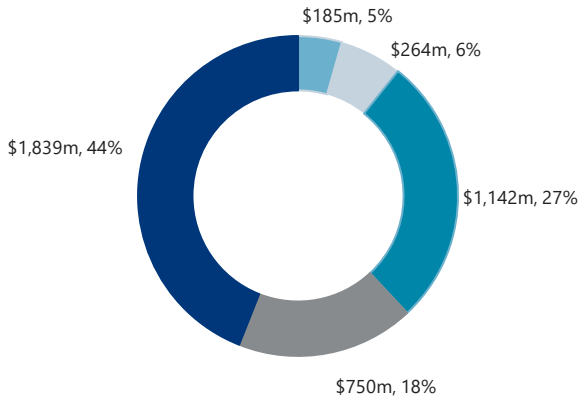
1. Net of recoveries, costs capitalised to development projects and property management fee income.

# Debt and hedging profile

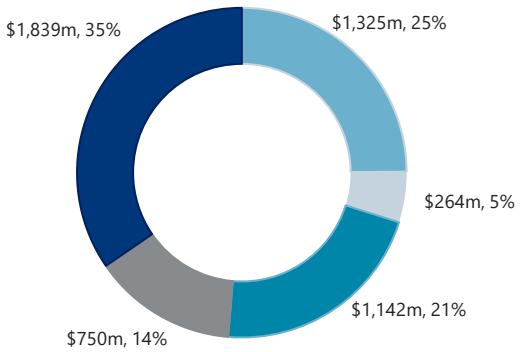
## Cost of debt for 1H22

| | Debt[1] | Total debt[2] | Interest rate |
|---|---|---|---|
| Hedged debt | $2,952m | 70% | 2.1% |
| Floating debt | $1,269m | 30% | -% |
| **Total debt** | **$4,221m** | | **2.1%** |
| Margin | | | 1.2% |
| Fees | | | 0.3% |
| **All-in cost of funds for 1H22** | | | **3.6%** |

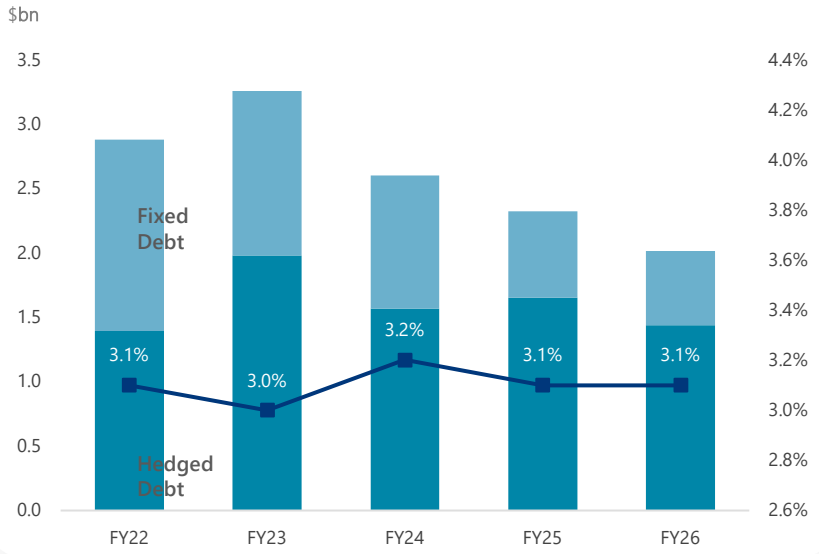
## Drawn debt of $4.2bn[4]



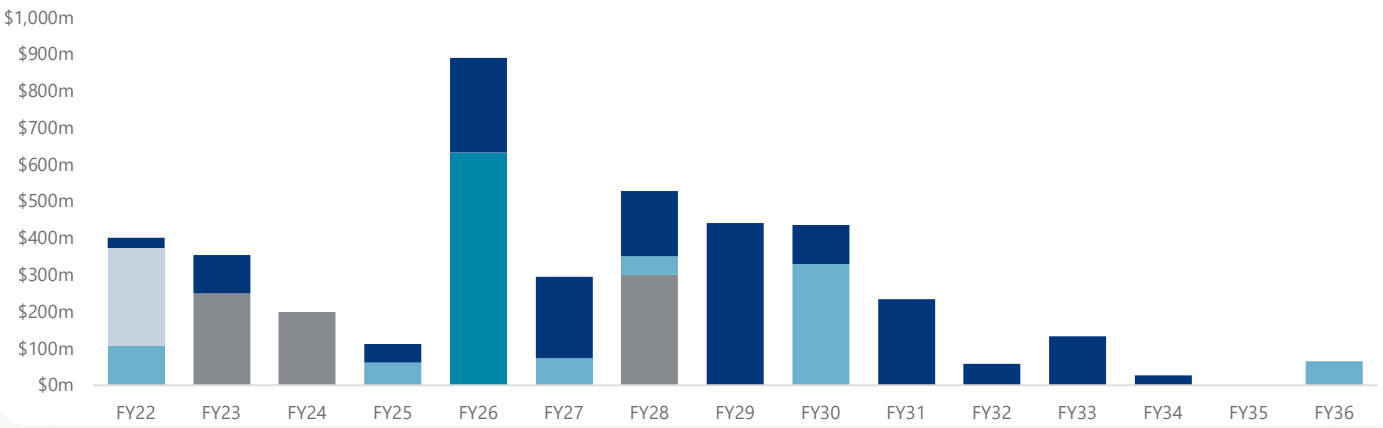

## Committed facilities of $5.3bn[4]




## Forecast hedge rate[3]




## Long dated drawn debt maturity profile (WADM 5.2 years)[4]




1. Represents average debt balance over 1H22. Balances as at 31 December 2021 were hedged debt: $2,855m and floating debt: $1,325m.
2. Average % for 1H22.
3. Refers to fixed rate debt and fixed rate hedges, excluding fees and margins.
4. Face value as at 31 December 2021. Excludes bank guarantees of $521m.

# Covenant calculations

| At 31 December 2021 | Statutory Balance Sheet $m | Adjustments $m | | Gearing Covenant Balance Sheet $m |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | 277 | - | | 277 |
| Real estate related assets | 16,404 | - | | 16,404 |
| Retirement Living Gross-Up | 2,628 | (2,628) | B | - |
| Intangibles | 68 | (68) | | - |
| Other financial assets | 284 | (269) | A | 15 |
| Other assets | 355 | - | | 355 |
| **Total assets** | 20,016 | (2,965) | | 17,051 |
| **Financial indebtedness** | | | | |
| Borrowings | (4,439) | 272 | A | (4,167) |
| Other financial liabilities | (167) | 167 | | - |
| Other liabilities[1] | (172) | - | | (172) |
| **Total Financial Indebtedness** | (4,778) | 439 | | (4,339) |

## All lenders have consistent covenants

- Financial Indebtedness/Total Tangible assets (FI/TTA): less than 50%
- Interest cover: more than 2:1 (write-downs and provisions are excluded from calculation)

## Gearing covenant limited to Stockland's balance sheet liabilities and excludes

- MTM of hedges and interest-bearing liabilities **A**
- Retirement Living obligation for existing residents **B**

| | Interest cover | FI /TTA | D/TTA (net of cash)[2] |
|---|---|---|---|
| 31 December 2021 | 6.04 | 25.4% | 23.3% |
| 31 December 2020 | 6.4:1 | 26.7% | 24.2% |

1. Represents operating leases, bank guarantees and insurance bonds and borrowing costs.
2. Debt = adjusted interest bearing debt ($4,167m) + transaction cost ($13m) - cash $277m. TTA=total tangible asset $17,051m - cash $277m.

# Stockland Corporation income tax reconciliation

| | | 1H22 | 1H21 |
|---|---|---|---|
| Net profit before tax | | 869 | 297[2] |
| Less: Trust profit and Intergroup eliminations | | (835) | (266) |
| Corporation profit/(loss) before tax | B | 34 | 46 |
| Prima facie tax expense @ 30% | | (10) | (14) |
| Tax effect of permanent differences: | | | |
| Non-deductible expenses for the period | | (9) | - |
| Other deductible expenses for the current period | | | 5 |
| Over recognised DTL in prior years | | - | 46 |
| Other assessable income for the year | | | - |
| Tax benefit/(expense) | A | (19) | 42[2] |
| Effective tax rate ( A / B )[1] | | 56% | (83)% |
| Effective tax rate (excluding benefit from tax losses recognised) | | 56% | (80)% |

1. The effective tax rate in the current period is primarily driven by the treatment of non-deductible stamp duty expense in relation to the Halcyon acquisition as a permanent difference. Ignoring this non-recurring item, the effective tax rate for the current period is 30%. The effective tax rate in 1H21 was affected by the recognition of previously unrecognised deferred tax relating to the increase in cost base of three recently developed retirement villages. Ignoring these adjustments, the effective tax rate for the prior period was 33%.
2. Reflects reclassification and the impact of the IFRIC agenda decision on SaaS costs.

# Commercial Property

Annexure



Artist impression, M_Park, Macquarie Park, NSW

# Commercial Property

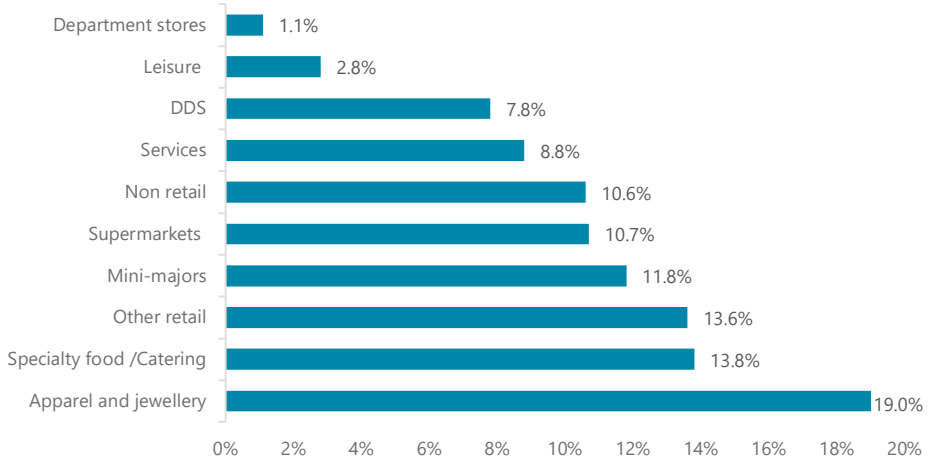
## Funds from operations

| | Town Centres | | Logistics | | Workplace | | Net overhead costs | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| $m | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 |
| Operating EBIT | 122 | 159 | 77 | 46 | 47 | 47 | (18) | (10) | 228 | 242 |
| Adjust for: | | | | | | | | | | |
| Amortisation of fit out incentives and lease fees | 28 | 24 | 7 | 6 | 9 | 7 | - | - | 44 | 37 |
| Amortisation of rent-free incentives | - | - | 1 | 3 | 2 | 3 | - | - | 3 | 6 |
| Straight-line rent | 3 | 2 | 2 | - | (2) | (1) | - | - | 3 | 1 |
| **Funds from operations** | **153** | **185** | **87** | **55** | **56** | **56** | **(18)** | **(10)** | **278** | **286** |

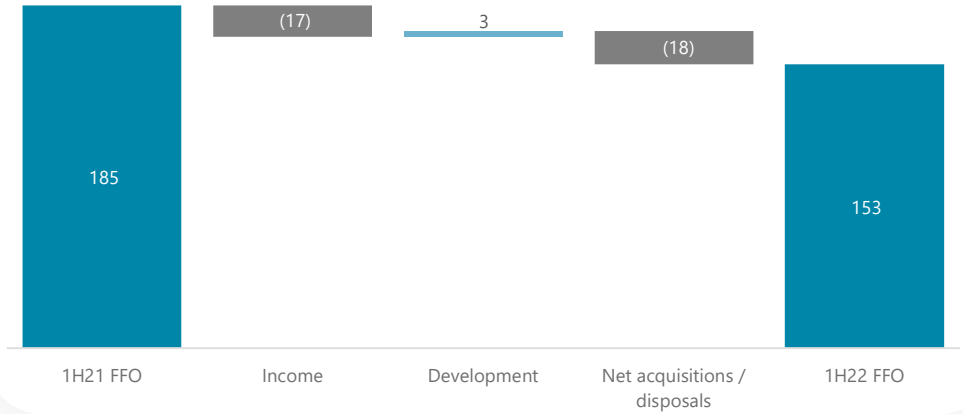
# Town Centres

## Performance

### Diversified rental income, non-discretionary focus[1]
### Low reliance on leisure and department store income




### FFO movement driven by asset disposals and COVID-19 impact




| To 31 December 2021 | Total portfolio[2] | | Comparable centres[3] | | | | |
|---|---|---|---|---|---|---|---|
| Retail sales by category | MAT $m | MAT growth | MAT growth | MAT growth pre COVID-19 (Feb 20) | 1H22 growth | 1Q22 growth | 2Q22 growth |
| Total | 5,444 | 0.6% | 0.4% | (2.8)% | (7.1)% | (14.9)% | (0.9)% |
| Specialties | 1,671 | 3.3% | 2.9% | (7.0)% | (14.3)% | (31.5)% | (1.0)% |
| Supermarkets | 1,980 | (0.8)% | (1.4)% | 2.9% | (1.6)% | (1.8)% | (1.4)% |
| DDS/DS | 772 | (3.1)% | (2.3)% | (3.2)% | (11.2)% | (22.1)% | (3.7)% |
| Mini majors | 750 | 4.3% | 3.9% | 20.6% | (6.3)% | (13.8)% | (1.0)% |

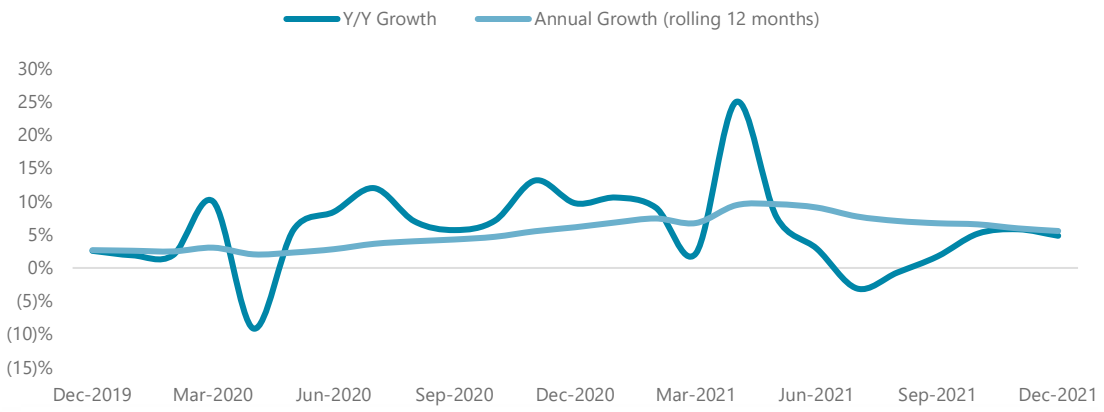
| To 31 December 2021 | Total portfolio[2] | | Comparable centres[3] | | | | |
|---|---|---|---|---|---|---|---|
| Specialty sales by category | MAT $m | MAT growth | MAT growth | MAT growth pre COVID-19 (Feb 20) | 1H22 growth | 1Q22 growth | 2Q22 growth |
| Apparel | 409 | 7.9% | 7.3% | (7.7)% | (18.7)% | (48.1)% | 2.4% |
| Food catering | 312 | 10.2% | 10.3% | (9.4)% | (7.8)% | (21.1)% | 3.1% |
| Homewares | 63 | (6.8)% | (8.0)% | (0.0)% | (24.5)% | (46.8)% | (10.0)% |
| Retail services | 255 | 11.5% | 11.7% | 2.8% | (12.2)% | (30.1)% | 3.6% |

1. Total gross rent for the period.
2. Sales data includes all Stockland managed retail assets, including joint venture assets.
3. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months.

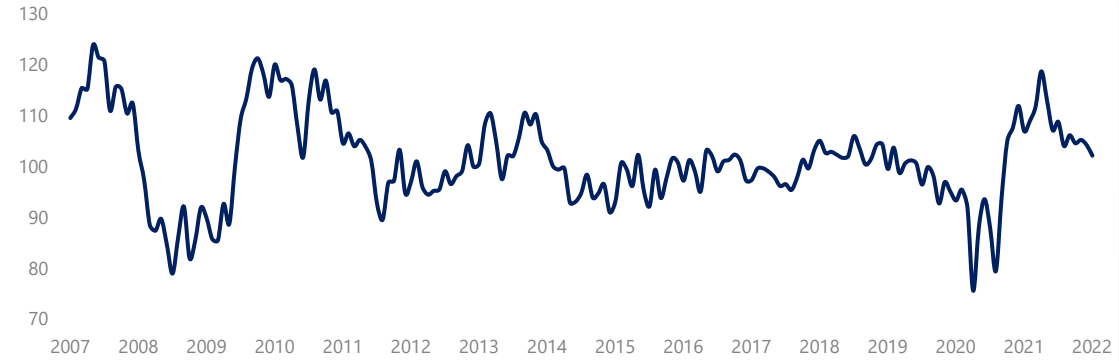
# Town Centres

## Performance – Spending improved over 1H22 in line with COVID-19 recovery cycles

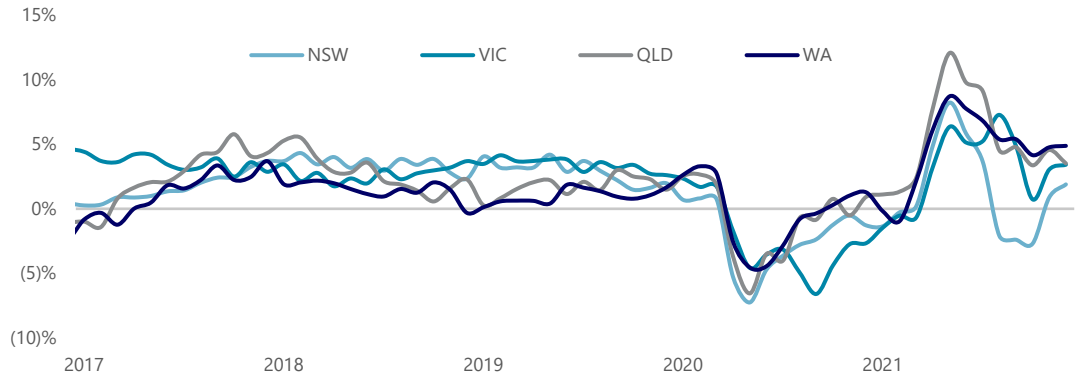
### Retail trade[1]



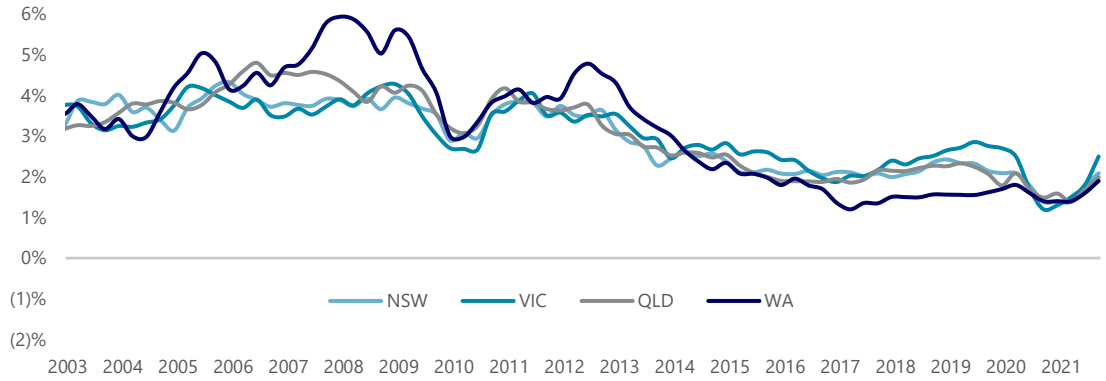

### Consumer sentiment above pre COVID-19 levels[2]




### Employment growth strong in most states[3]
### Employment growth (annual % change)




### Wage growth rising[4]




1. ABS Retail Trade 8501.0.
2. Westpac - University of Melbourne Consumer Sentiment Survey Jan 2022
3. ABS 6202.0 - Labour Force, Australia, Dec 2021.
4. ABS 6345.0 - Wage Price Index, Australia, Sep 2021.

# Town Centres development

## Pipeline – Focused on greenfield opportunities

| | Neighbourhood activity centre | Sub-regional | Regional | Major regional |
|---|---|---|---|---|
| **Next wave of commencements** | | Aura, QLD | | |
| **Future projects** | Sienna Wood, WA<br>The Gables, VIC<br>Providence, QLD | Cloverton, VIC | | |
| **Typical GLA** | ~10,000 sqm | 10,000 sqm to 40,000 sqm | 40,000 sqm to 60,000 sqm | 60,000 sqm to 85,000 sqm |

**DA approvals received**

- Glendale, NSW
- Forster, NSW
- Baldivis, WA
- Harrisdale, WA
- Cairns, QLD
- Rockhampton, QLD

**Development rationale**

Greenfield

| | Est. total incremental cost ($m) | Est. cost to complete ($m) |
|---|---|---|
| Future pipeline | 525 | 521 |

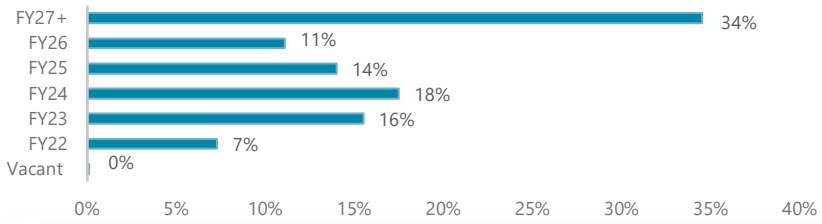
# Logistics

## Performance

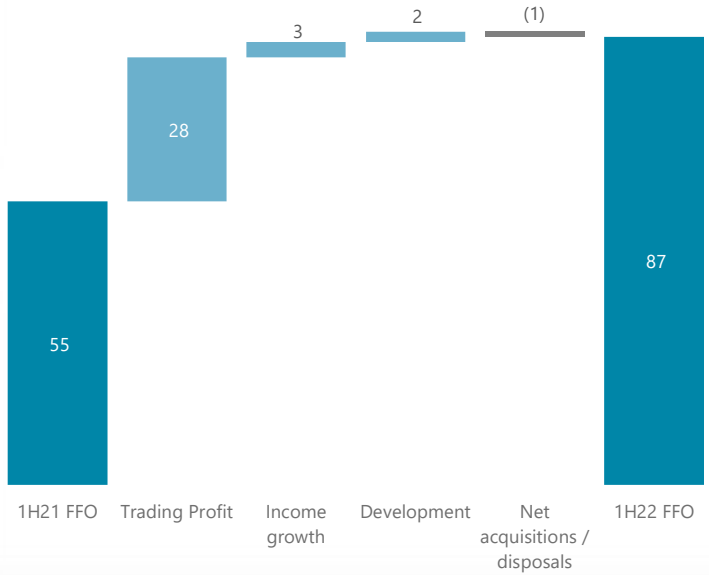
### Occupancy and lease expiry by income[1]

| | 1H22 | 1H21 |
|---|---|---|
| Occupancy | 99.9% | 95.6% |
| WALE | 3.6 yrs | 3.5 yrs |

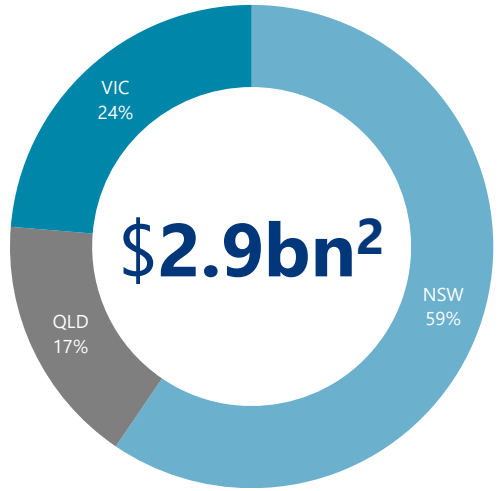
### Lease expiry profile[1]




### FFO movements between 1H21 and 1H22 $32m




### Assets by location




| | Total leased[3] | | | Retention[3,4] | | | New leases[3] | | |
|---|---|---|---|---|---|---|---|---|---|
| | GLA leased (sqm) | Weighted average base rent growth %[5] | Weighted average incentives[6] | Retention (sqm) | Weighted average base rent growth %[5] | Weighted average incentives[6] | New leases (sqm) | Weighted average base rent growth %[5] | Weighted average incentives[6] |
| **Logistics** | 142,586 | 4.1%[7] | 11.4 | 49,284 | 2.7[7] | 9.1 | 93,302 | 5.1 | 12.6 |

1. Includes executed leases and signed heads of agreement at 31 December 2021.
2. Book value, excludes WIP and sundry properties.
3. Includes executed leases only.
4. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period. Excludes new leases on vacant space.
5. Excludes leases at new developments.
6. Incentives based on net rent.
7. Excluding a single deal at Yennora Distribution Centre, NSW.

# Logistics development

## Pipeline – Accelerating Logistics developments

| | Completed | Active development | Planning underway | Future wave |
|---|---|---|---|---|
| **NSW** | Gregory Hills | Leppington Business Park – stages 1-2<br>Ingleburn – stage 3 | Kemps Creek 1 | Padstow<br>Kemps Creek 2<br>Kemps Creek 3 |
| **VIC** | | Melbourne Business Park – stage 1<br>Melbourne Business Park – Lot 45[1]<br>Cranbourne West[1]<br>Leakes Road, Truganina[1] | Altona Industrial Estate<br>Melbourne Business Park – stage 2[1] | Melbourne Business Park – future stages |
| **QLD** | | Yatala Distribution Centre – stage 3<br>Silica Street Industrial Park, Carole Park – stage 2<br>Yatala, 77 Darlington Drive<br>Willawong Distribution Centre – stage 3 | Willawong Distribution Centre – stage 4-5<br>Willawong Joint Venture Project | |

### DA approvals received

- Leppington, NSW
- Willawong, QLD
- Yatala, QLD

### Development type

Greenfield | Brownfield

1. Subject to approvals and where applicable, the acquisition and/or completion of the property.

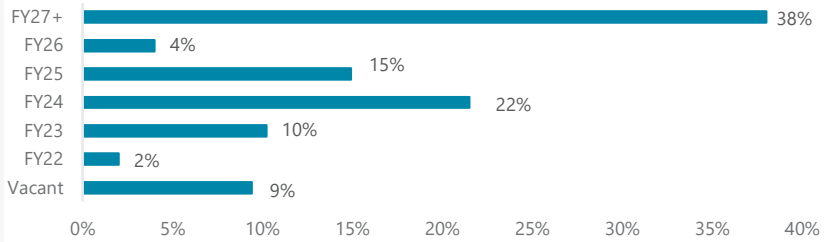
# Workplace

## Performance

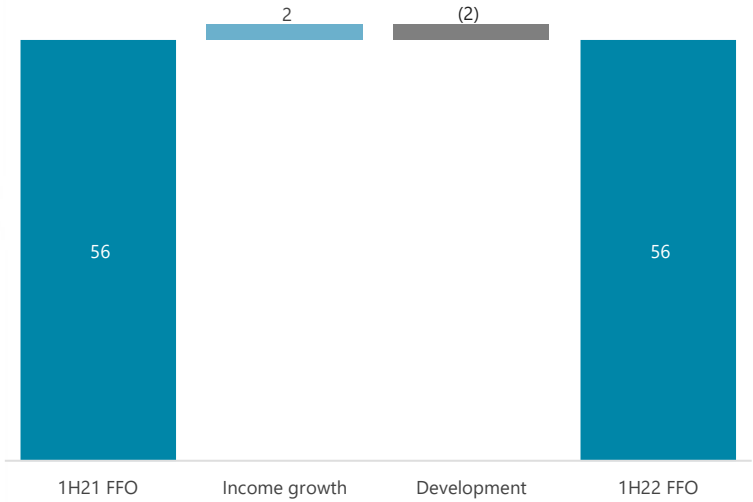
### Occupancy and lease expiry by income[1]

| | 1H22 | 1H21 |
|---|---|---|
| Occupancy | 90.6% | 95.2% |
| WALE | 4.8 yrs | 4.7 yrs |

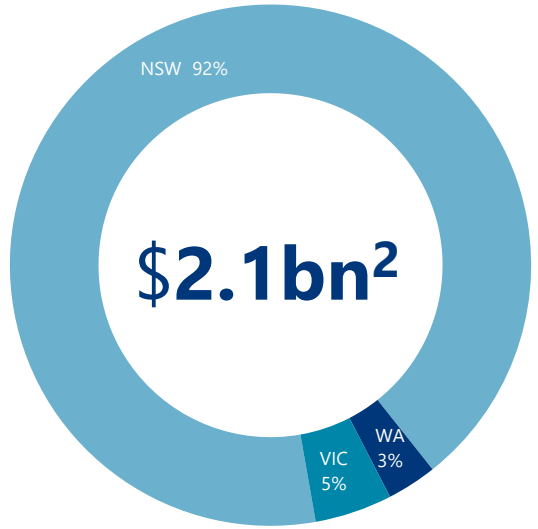
### Lease expiry profile[1]




### FFO movements between 1H21 and 1H22




### Assets by location




| | Total leased[3] | | | Retention[3,4] | | | New leases[3] | | |
|---|---|---|---|---|---|---|---|---|---|
| | GLA leased (sqm) | Weighted average base rent growth % | Weighted average incentives[5] | Retention (sqm) | Weighted average base rent growth % | Weighted average incentives[5] | New leases (sqm) | Weighted average base rent growth % | Weighted average incentives[5] |
| **Workplace** | 11,321 | 1.0 | 28.1 | 10,034 | 0.6 | 28.2 | 1,287 | 5.1 | 27.4 |

1. Includes executed leases and signed heads of agreement at 31 December 2021.
2. Based on book value. Excludes WIP and sundry properties.
3. Includes executed leases only and represents 100% property ownership.
4. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period. Excludes new leases on vacant space.
5. Workplace excluding Life Sciences and Technology assets incentives are based on gross rent. Life Sciences and Technology assets incentives are based on net rent.

# Workplace development

## Pipeline – Activating Life Sciences and Technology developments, with long-dated Workplace projects

| | Completed | Active development | Planning underway | Future wave |
|---|---|---|---|---|
| **NSW** | Optus Campus | M_Park Stage 1 (Building A & B) | M_Park Stage 1 (Building C & D)<br>Affinity Place, North Sydney<br>Piccadilly, Sydney | M_Park Stage 2 Johnson & Johnson Family of Companies Site |

**DA approvals received**

- M_Park Buildings C & D, NSW

**Development type**

Brownfield

Note: Commencement of development works is subject to approvals and, where applicable, acquisition of land assets and incremental development from completion.

# Commercial Property

## Acquisitions and disposals

| Property disposed[1] | Asset class | Settlement date | Disposal value[2] $m |
|---|---|---|---|
| Bundaberg, QLD | Retail | Sep-21 | 140 |
| Townsville (Nathan Street), QLD[3] | Retail | Dec-21 | 24 |
| Cairns, QLD[4] | Retail | Mar-22 | 146 |

| Property acquired[1] | Asset class | Settlement date | Acquisition value[2] $m |
|---|---|---|---|
| 96-112 Gow Street, Padstow, NSW | Logistics | Dec-21 | 97 |
| 122 Canterbury Road, Bankstown, NSW | Logistics | Dec-21 | 32 |

1. Settled from September 2021.
2. Excludes associated acquisition / disposal costs.
3. Represents Stockland's 50% share of proceeds.
4. Asset held for sale with settlement estimated to occur in 2H22.

# Commercial Property

## Logistics and Workplace development work-in-progress

| | Asset Class | Development type | Est. total incremental cost ($m) | Est. end value ($m) | Gross lettable area (sqm) | Cost spent to date ($m) | Est. cost to complete ($m) | Est. completion date | Est. fully leased year one yield[1] | Est. return[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| **Under construction** | | | | | | | | | | |
| Leppington, NSW - Stage 1 | Logistics | Greenfield | ~33 | ~66 | 21,400 | ~10 | ~23 | FY22 | 5.1% | ~7%-8% |
| M_Park, NSW - Stage 1 (Building A & B) | Workplace | Brownfield | ~298 | ~445 | 41,900[3] | ~36 | ~262 | FY23 | 5.8% | ~9%-10% |
| **Land trading projects under construction** | | | **Est. total incremental cost ($m)** | **Stockland est. share of gross revenue ($m)** | **Net saleable area (ha)** | **Cost spent to date ($m)** | **Est. cost to complete ($m)** | **Est. completion date** | **Number of lots** | **Operating profit** |
| Gregory Hills, NSW[4] | Logistics | Land trading | ~23 | ~107 | 11 | ~23 | - | FY22 | 39 | 27.9% |
| Melbourne Business Park, VIC[5] | Logistics | Land trading | ~77 | ~133 | 61 | ~26 | ~51 | FY22 | 23 | 23.2% |
| **Future pipeline[6]** | | | **~6,099** | | | | **~6,018** | | | |
| **Total Logistics and Workplace** | | | **~6,530** | | | | **~6,354** | | | |

1. Stabilised incremental FFO yield, includes property management fees.
2. Forecast unlevered 10 year IRR on development from completion (incremental development for brownfield).
3. Represents Net Lettable Area (NLA).
4. Gregory Hills has reached practical completion and all but four of the lots have settled. All lots are expected to settle in FY22.
5. Project development agreement partly owned. Lots expected to settle in FY22 and FY23.
6. Represents Stockland's ownership interest.

# Commercial Property

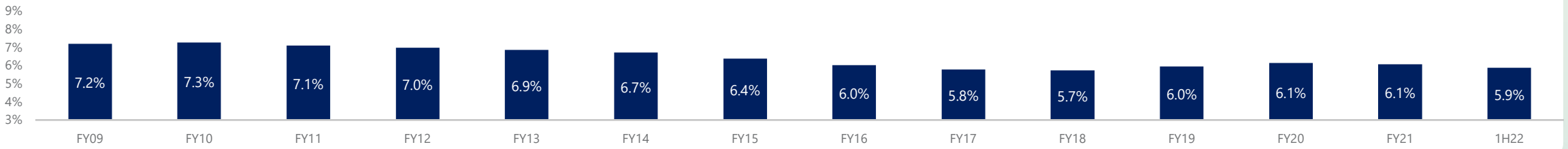
## Top 10 tenants by income

| | Town Centres | | Logistics | | Workplace | |
|---|---|---|---|---|---|---|
| **Rank** | **Tenant** | **Portfolio** | **Tenant** | **Portfolio** | **Tenant** | **Portfolio** |
| 1 | Woolworths | 8.4% | Toll Transport Pty Limited | 6.4% | Optus Administration Pty Ltd | 18.8% |
| 2 | Wesfarmers | 5.1% | Qube Logistics (SB) Pty Ltd | 5.8% | Stockland Development Pty Ltd | 10.2% |
| 3 | Coles Supermarkets Australia Pty Ltd | 4.5% | Linfox Pty Ltd | 4.7% | Jacobs Group (Australia) Pty Ltd | 5.3% |
| 4 | Cotton on Clothing Pty Ltd | 1.7% | Austpac Logistics Pty Ltd | 4.1% | Downer EDI Services Pty Ltd | 4.1% |
| 5 | Mosaic Group | 1.6% | New Aim Pty Ltd | 4.0% | Kmart Australia Limited | 3.7% |
| 6 | API (Priceline) | 1.4% | AWH Pty Ltd | 3.5% | The Uniting Church in Australia Property Trust | 3.7% |
| 7 | Just Group | 1.4% | Gerard Lighting Pty Ltd | 3.3% | GHD Services Pty Limited | 3.5% |
| 8 | The Reject Shop | 1.3% | Daikin Australia Pty Ltd | 3.1% | University of Sydney | 3.1% |
| 9 | JPL Group | 1.3% | Icehouse Logistics Pty Ltd | 2.2% | Laverty Pathology | 2.9% |
| 10 | Retail Apparel Group Pty Ltd | 1.3% | Silk Contract Logistics Pty Ltd | 2.0% | Smartgroup Benefits Pty Ltd | 2.9% |
| **Total** | | **28.1%** | | **39.1%** | | **58.2%** |

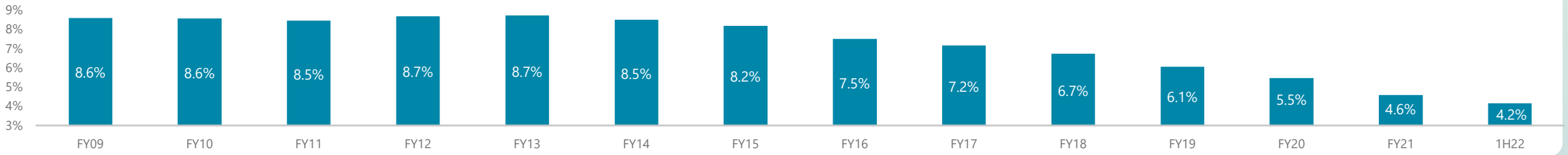
# Commercial Property

## Average weighted cap rates – steady compression over time

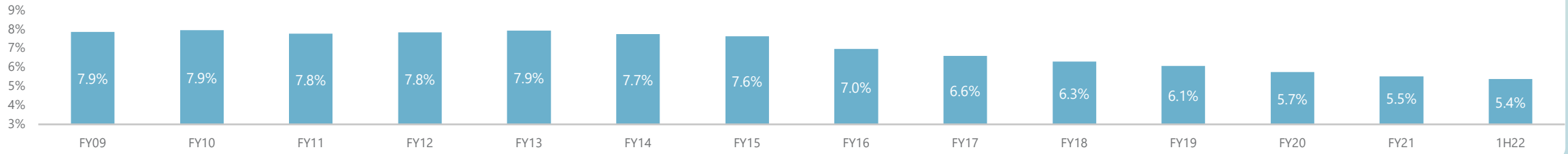
### Retail




### Logistics




### Workplace[1]




1. Reflects reclassification of six assets into Workplace from Logistics.

# Communities

Annexure



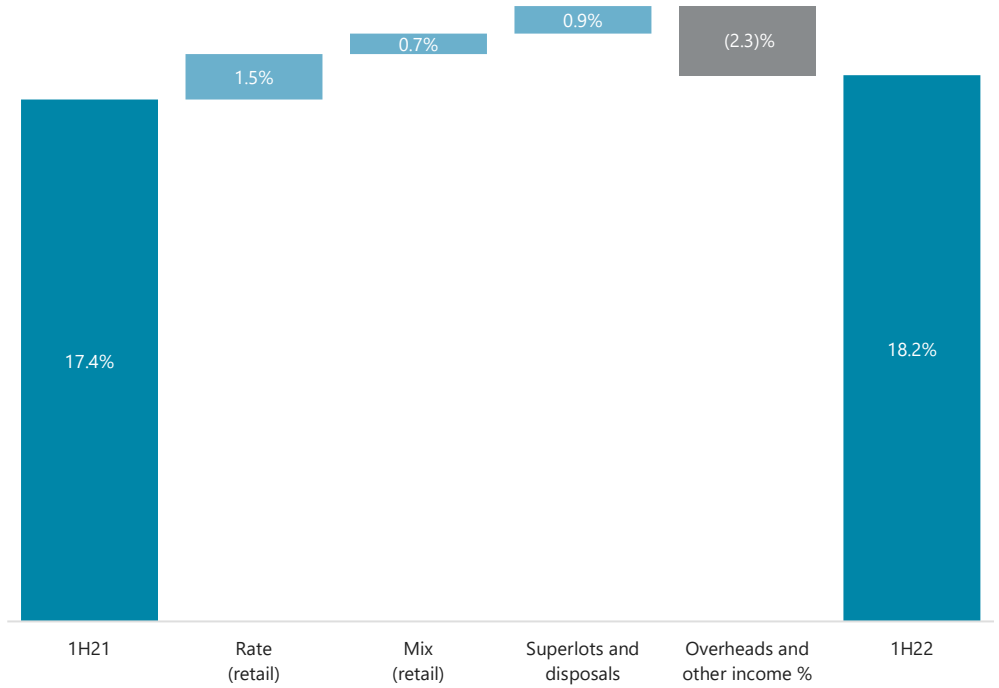
Halcyon Waters, QLD

# Residential

## Performance – Operating profit margin increase driven by price growth and settlement mix

| Key metrics | 1H22 | 1H21 | Change |
|---|---|---|---|
| Total lots settled | 2,329[1] | 3,101 | (24.9)% |
| Total revenue | $670m | $781m | (14.2)% |
| - Includes superlot revenue | $22m | $3m | 633.3% |
| Operating profit | $122m | $136m | (10.3)% |
| Operating profit margin | 18.2% | 17.4% | 0.8 bps |

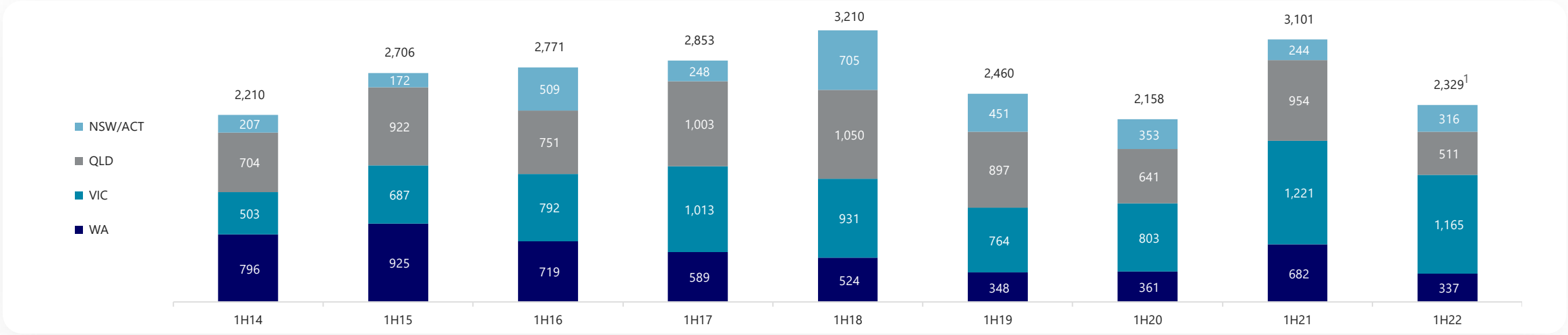
### Operating profit margin

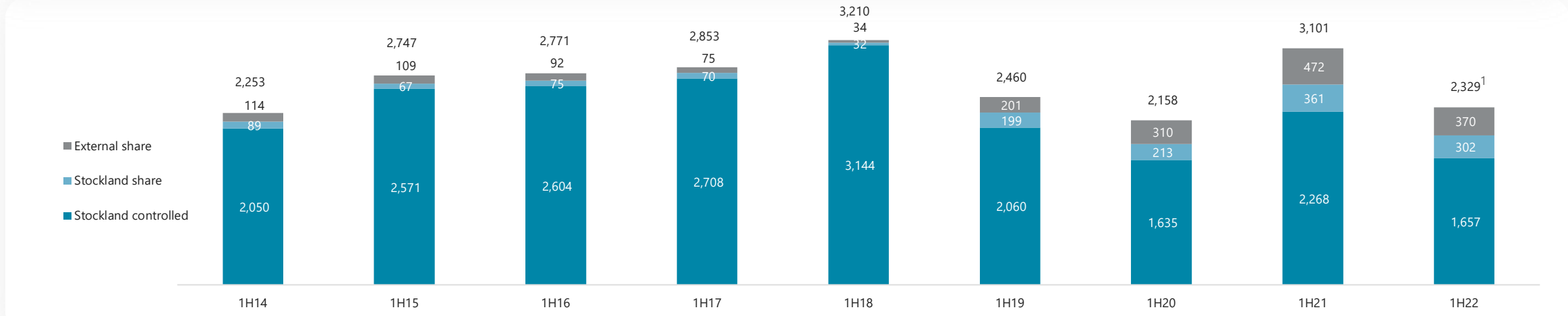



1. Includes 672 settlements under joint venture/project development agreements (1H21:826).

# Residential

## Lots settled by location and ownership




1. There were 672 lots settled under joint arrangements. The split between Stockland share and external share represents the varying levels of interest in those arrangements.

# Residential

## Development Pipeline – major projects

| State | Project | State percentage [1] | Total project lots | Approximate settlements per annum [2] | Approximate remaining project lots | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| QLD | Aura [3] | | 20,000 | 760 | 16,498 | | | | | | |
| | Providence | | 6,508 | 240 | 6,392 | | | | | | |
| | North Shore | | 5,514 | 110 | 3,256 | | | | | | |
| | Newport | | 1,894 | 200 | 458 | | | | | | |
| | All Other Projects | | 7,891 | | 7,045 | | | | | | |
| | **Sub-total** | **41%** | **41,807** | | **33,649** | | | | | | |
| VIC | Highlands | | 11,867 | 540 | 3,112 | | | | | | |
| | Cloverton [3] | | 11,541 | 490 | 9,586 | | | | | | |
| | Mt Atkinson [3] | | 4,400 | 410 | 3,310 | | | | | | |
| | Grandview [3] | | 1,722 | 220 | 1,259 | | | | | | |
| | Minta | | 1,620 | 220 | 977 | | | | | | |
| | Katalia [3] | | 1,548 | 210 | 1,401 | | | | | | |
| | All Other Projects | | 8,789 | | 6,234 | | | | | | |
| | **Sub-total** | **32%** | **41,487** | | **25,879** | | | | | | |
| WA | Sienna Wood [3] | | 3,798 | 150 | 2,690 | | | | | | |
| | Vale | | 3,429 | 160 | 203 | | | | | | |
| | Amberton [3] | | 2,580 | 170 | 1,262 | | | | | | |
| | Whiteman Edge | | 2,402 | 100 | 225 | | | | | | |
| | Calleya | | 1,842 | 80 | 49 | | | | | | |
| | All Other Projects | | 10,441 | | 10,441 | | | | | | |
| | **Sub-total** | **18%** | **24,492** | | **14,870** | | | | | | |
| NSW | Elara | | 4,676 | 310 | 791 | | | | | | |
| | Willowdale | | 3,720 | 110 | 239 | | | | | | |
| | The Gables | | 2,576 | 310 | 2,496 | | | | | | |
| | Altrove | | 1,305 | 10 | 864 | | | | | | |
| | All Other Projects | | 2,972 | | 2,947 | | | | | | |
| | **Sub-total** | **9%** | **15,249** | | **7,337** | | | | | | |
| | | **100%** | **123,035** | | **81,735** | | | | | | |

1. State percentage is calculated as the share of remaining project lots.
2. Average number of lots estimated for three years for FY22 - FY24, numbers are annualised and vary depending on timing and completion of projects.
3. Projects under joint ventures or project delivery agreements.

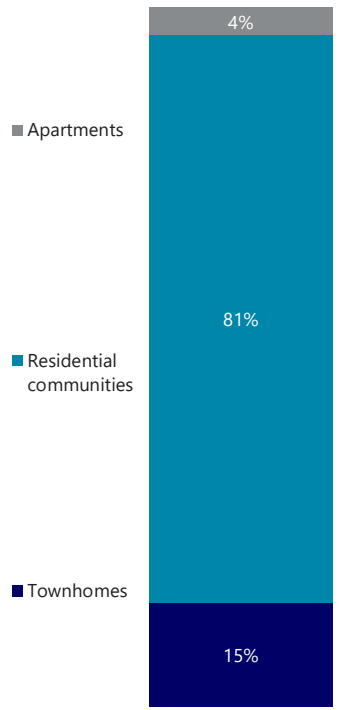
# Residential

## Composition of residential landbank[1] – focused in undersupplied markets across the eastern seaboard

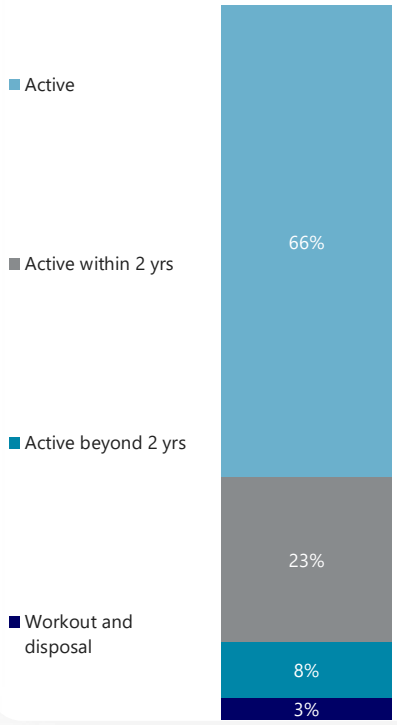
**Net funds employed: $2.1bn[2]**

**Book value: $3.5bn[2]**

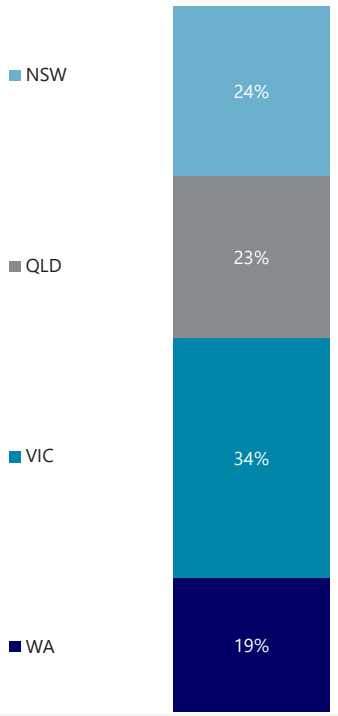
### NFE by product



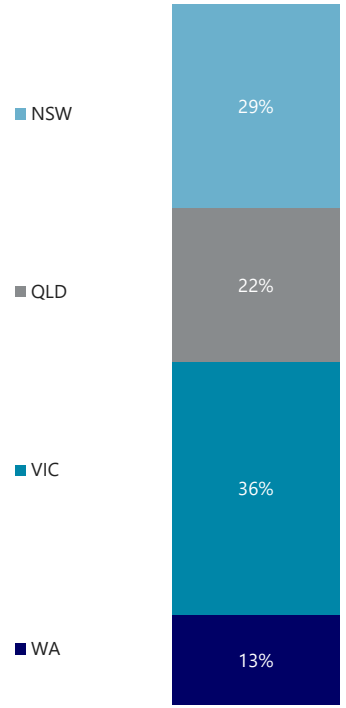

### NFE by pipeline




### NFE by state




### Book value by state



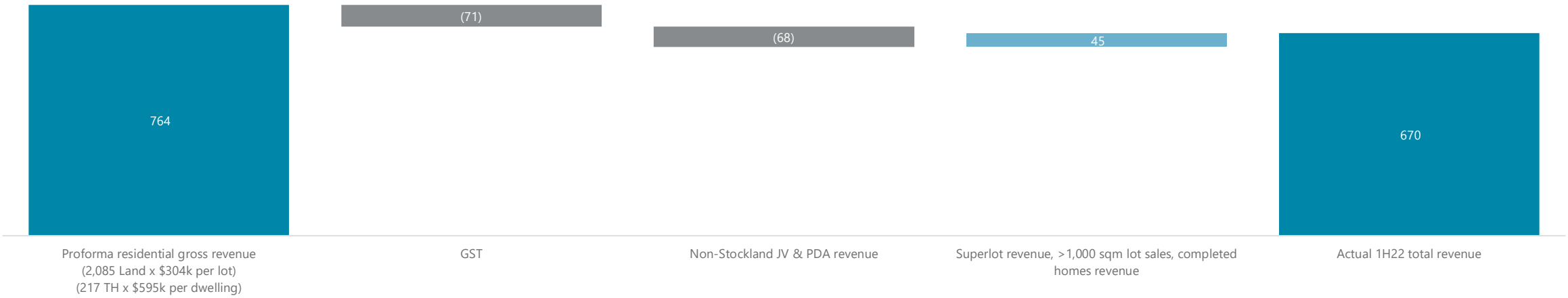

1. At 31 December 2021.
2. NSW includes Red Hill, ACT.

# Residential

## Sales Price[1] – average price per lot across states

| | 1H22 settlements | | | | 1H21 settlements | | | |
|---|---|---|---|---|---|---|---|---|
| State | No. lots[2] | Av. size per lot sqm | Av. price per lot $k | $/sqm | No. lots | Av. size per lot sqm | Av. price per lot $k | $/sqm |
| NSW | 287 | 336 | 456 | 1,355 | 188 | 405 | 461 | 1,139 |
| QLD | 456 | 426 | 323 | 757 | 879 | 392 | 260 | 664 |
| VIC | 1,017 | 327 | 284 | 869 | 1,145 | 351 | 287 | 816 |
| WA | 325 | 353 | 206 | 584 | 679 | 342 | 215 | 629 |
| **Total land** | **2,085** | **354** | **304** | **859** | **2,891** | **365** | **273** | **748** |
| **Total townhomes** | **217** | **N/A** | **595** | **N/A** | **201** | **N/A** | **573** | **N/A** |

### Revenue reconciliation ($m)

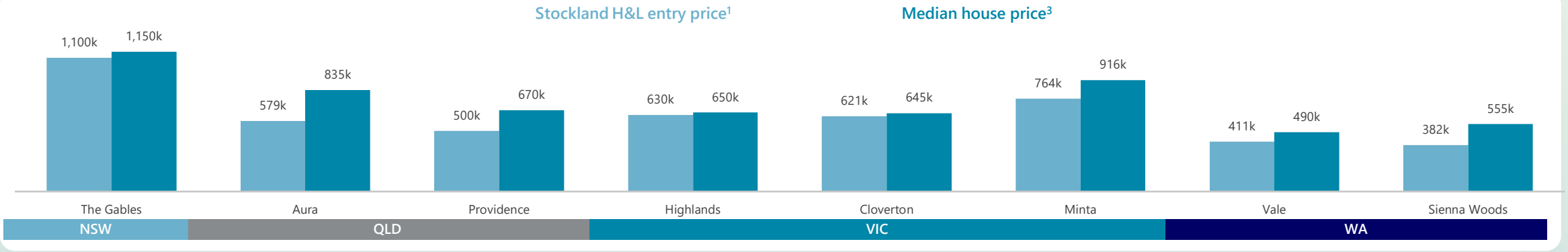


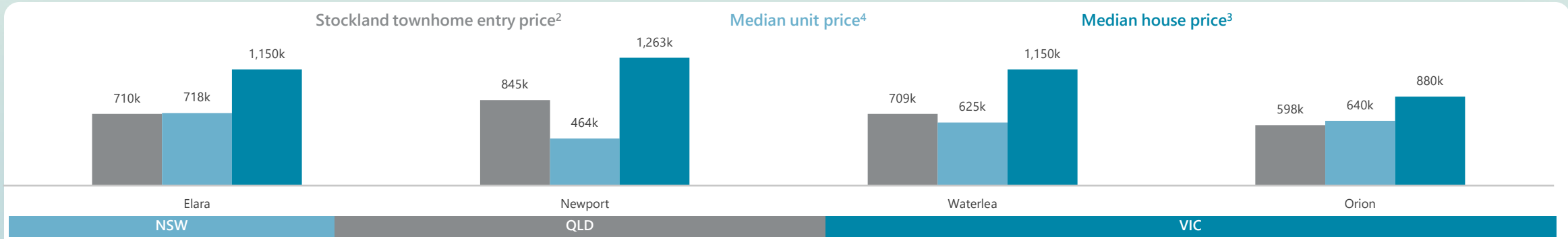

1. Average price of retail settlements excludes settlements of all lots over 1,000 sqm, superlot settlements and disposal proceeds. Average price includes GST. Includes Joint Ventures (JV) and Project Development Agreements (PDAs) for which Stockland receives a part-share.
2. Excludes superlots and lots larger than 1,000 sqm.

# Residential

## Providing affordable product within our catchments

### Stockland pricing relative to local median house and unit price ($)



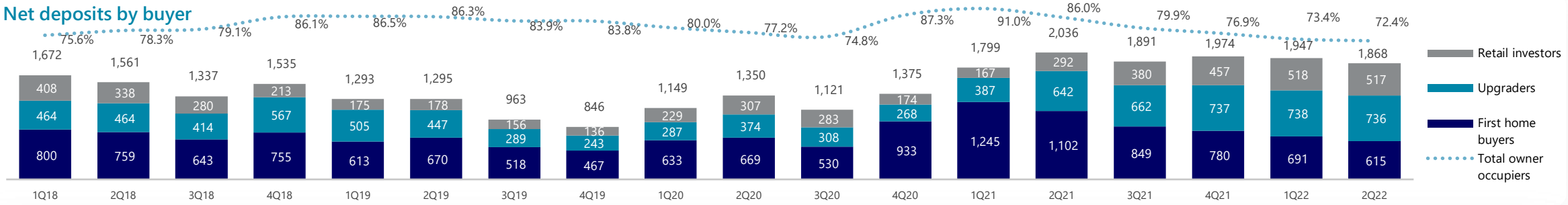




1. Stockland data, House and Land packages (4b,2b,2c) for sale/recently sold December 2021.
2. Stockland data, Townhome product available for sale/recently sold December 2021.
3. Corelogic Median value of established houses (4b) in surrounding suburb as at December 2021.
4. Corelogic Median value of established units in surrounding suburb as at December 2021.

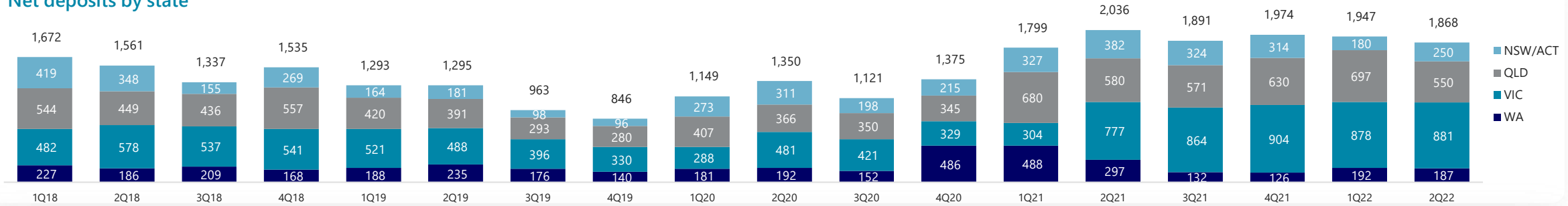
# Residential

## Net deposits, leads and enquiries remain elevated

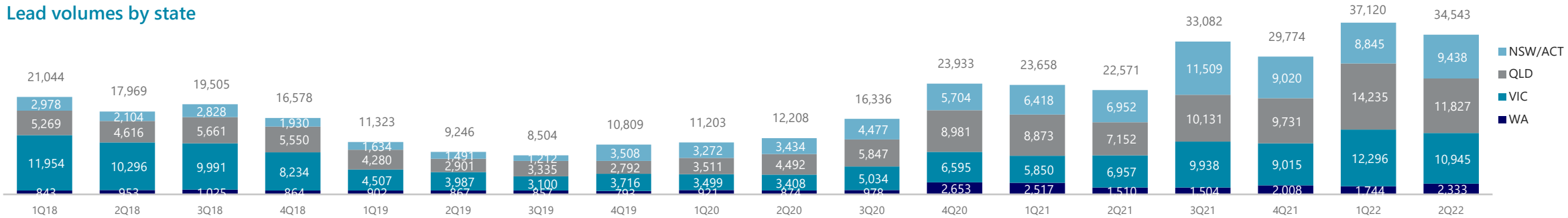
### Net deposits by buyer




### Net deposits by state




### Lead volumes by state



# Residential

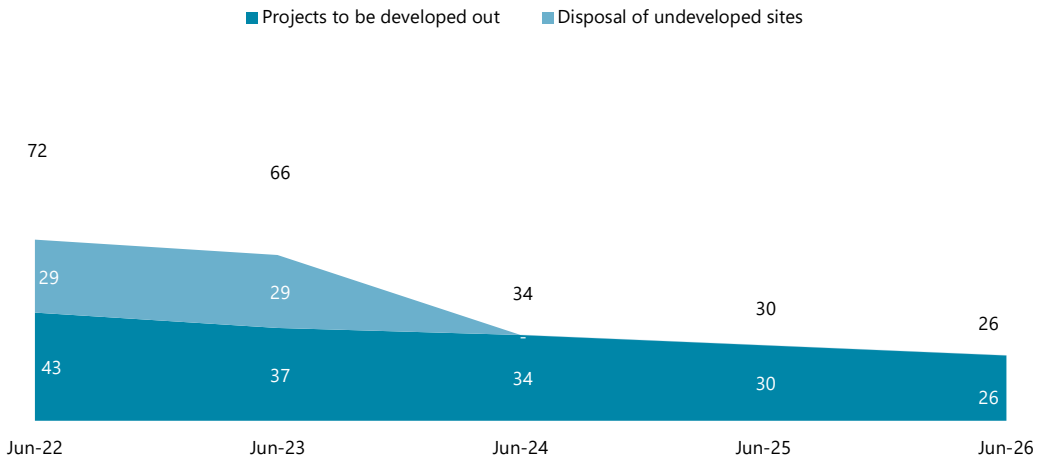
## Workout contribution and impairment provision balance

### Workout contribution to residential

| Residential | Core | Workout[1] | Total |
|---|---|---|---|
| Lots settled | 2,329 | - | 2,329 |
| **Revenue** | **$670m** | **-** | **$670m** |
| Revenue | 100% | -% | 100% |
| **EBIT** | **$146m** | **$1m** | **$147m** |
| EBIT margin | 21.9% | -% | 21.9% |
| **Operating profit** | **$121m** | **$1m** | **$122m** |
| Operating profit margin | 18.2% | -% | 18.2% |
| **Remaining lots** | **99%** | **1%** | **100%** |
| **Number of projects** | **50** | **4** | **54** |

| | Impairment provision balance ($m) | Final settlement |
|---|---|---|
| Projects to be developed | 29 | ~9 yrs |
| Disposal of undeveloped sites | 43 | ~2 yrs |
| Total | 72 | |

### Residential forecast utilisation of provision ($m)[2]

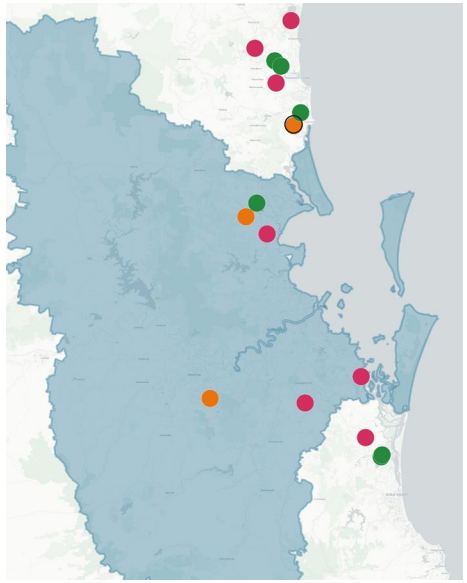



1. Includes all impaired projects.
2. Forecast utilisation of impairment provision as at 31 December 2021, based on forecast settlement dates, revenue and costs by project.

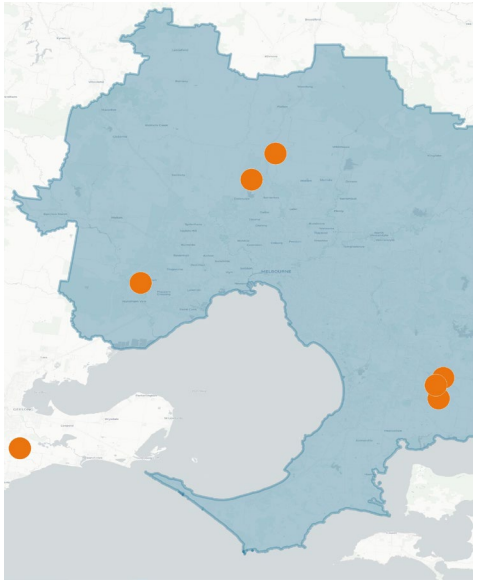
# Land Lease Communities

Scaled footprint to ~9,000 home sites with presence skewed to lifestyle markets on the Eastern seaboard

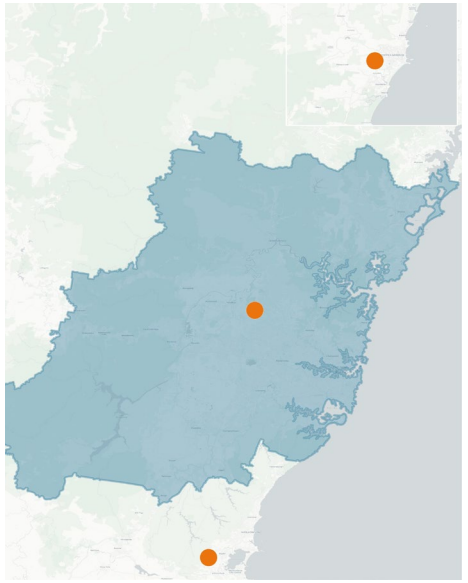
### South East Queensland



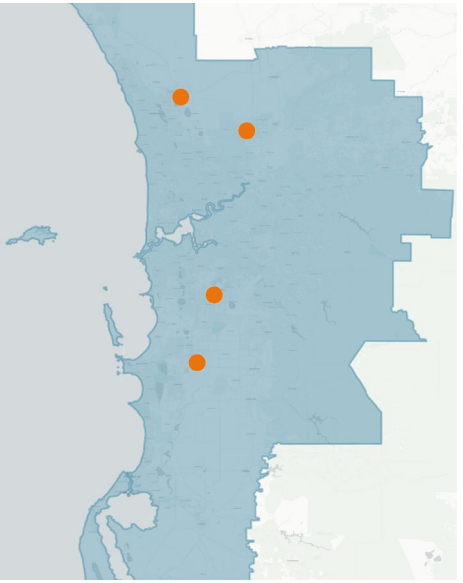
### Greater Melbourne



### New South Wales



### Western Australia



| Occupied home sites | 1,620 sites |
|---|---|
| Halcyon | 1,600 |
| Stockland | 20[1] |

| In development | 7,380 sites |
|---|---|
| Stockland | 5,180 |
| Halcyon | 2,200 |

**Total**

33 communities
~9,000 home sites

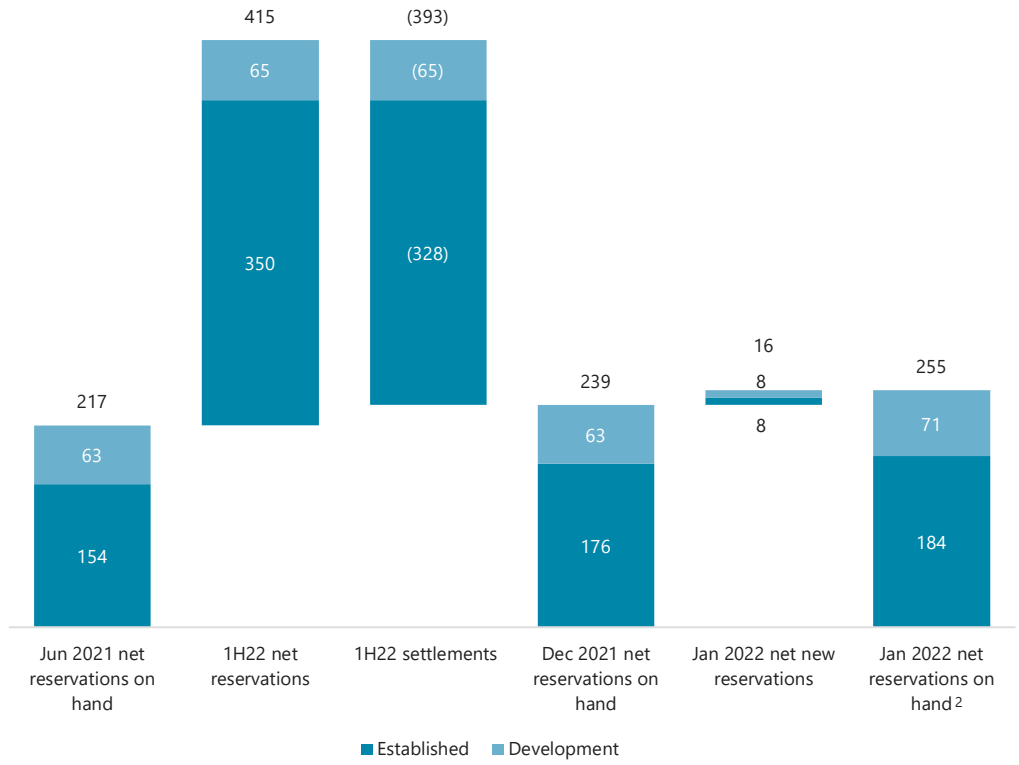
1. Occupied home sites within communities that are under development.

# Retirement Living

## Performance – Strong established settlements and net reservations

| Key metrics | 1H22 | 1H21 | Change |
|---|---|---|---|
| FFO | $17m | $36m | (53.1)% |
| Occupancy | 94.2% | 94.4% | |
| **Established portfolio** | | | |
| Established settlements | 328 | 289 | 13.5% |
| Withheld settlements (units)[1] | - | - | - |
| Total settlements (units) | 328 | 289 | 13.5% |
| Average re-sale price ($k) | 389 | 371 | 4.9% |
| Turnover cash per unit ($k) | 95 | 97 | (2.1)% |
| Turnover cash margin | 24.3% | 26.2% | |
| Reservations on hand | 176 | 163 | 8.0% |
| **Development portfolio** | | | |
| Development settlements | 65 | 97 | (33.0)% |
| Average price per unit ($k) | 532 | 574 | (7.3)% |
| Average margin (excludes DMF) | 6.0% | 12.4% | |
| Reservations on hand | 63 | 61 | 3.3% |

### Net reservations




1. Units withheld from sale for redevelopment upon which profit has been recognised.
2. Excludes January 2022 settlements.

# Retirement Living

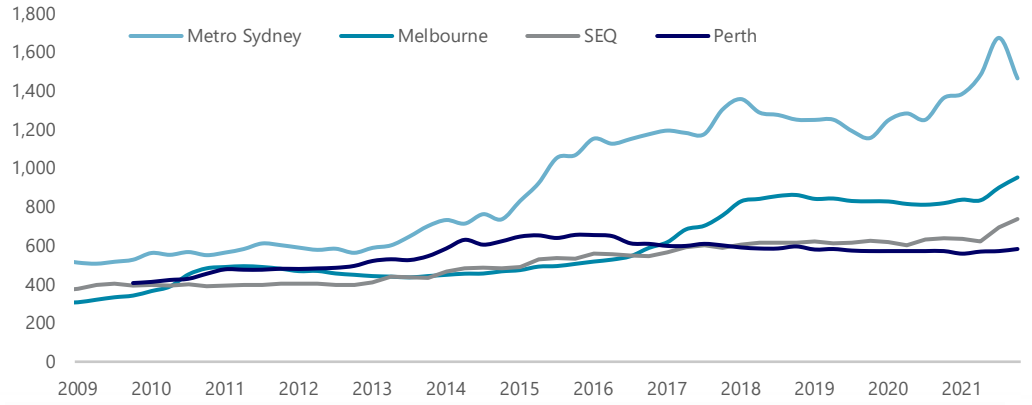
## Development Pipeline

| Construction timeframe | | Future settlements | FY22 | FY23 | FY24 | FY25 | FY26+ |
|---|---|---|---|---|---|---|---|
| **Completed** | Newport, QLD | | | | | | |
| | Shine Birtinya, QLD | | | | | | |
| | **Sub-total** | **45** | | | | | |
| **Current** | Willowdale, NSW | | | | | | |
| | Affinity, WA | | | | | | |
| | Lightsview, SA | | | | | | |
| | Calleya Aspire, WA | | | | | | |
| | Somerton Park, SA | | | | | | |
| | **Sub-total** | **150** | | | | | |
| **To start within 18 months** | Pine Lake, QLD | | | | | | |
| | **Sub-total** | **50** | | | | | |
| **Master planning/ future projects** | Epping, NSW | | | | | | |
| | **Sub-total** | **170** | | | | | |
| **Redevelopments** | Lourdes, NSW | | | | | | |
| | Castleridge, NSW | | | | | | |
| | **Sub-total** | **260** | | | | | |
| **Total future settlements** | | **675** | | | | | |

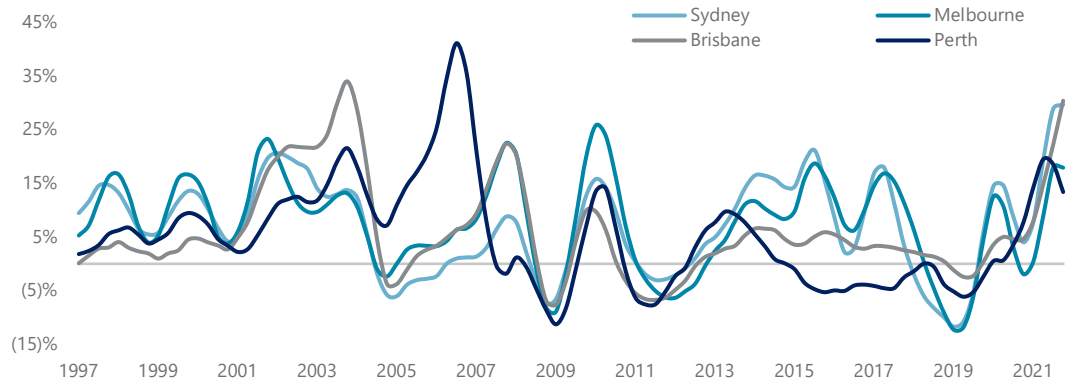
# National house and land prices

Pricing remains elevated for both land and established houses, with stock of available land at historic lows

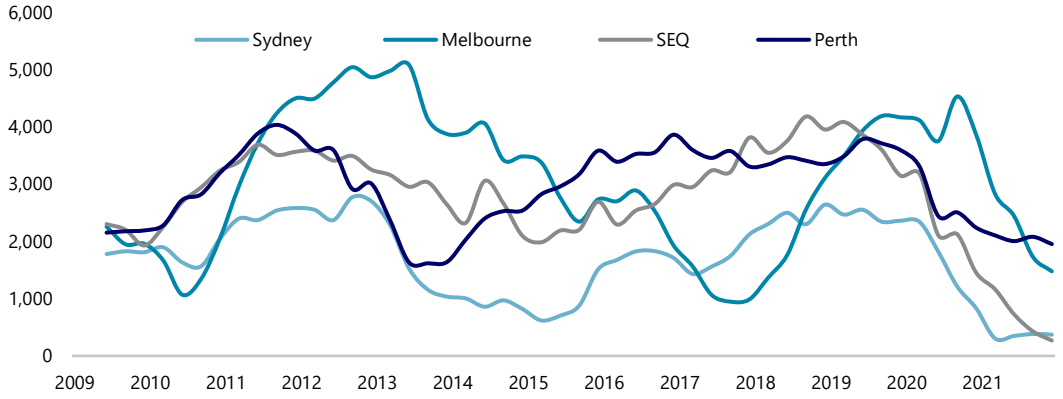
## Land price per sqm[1]



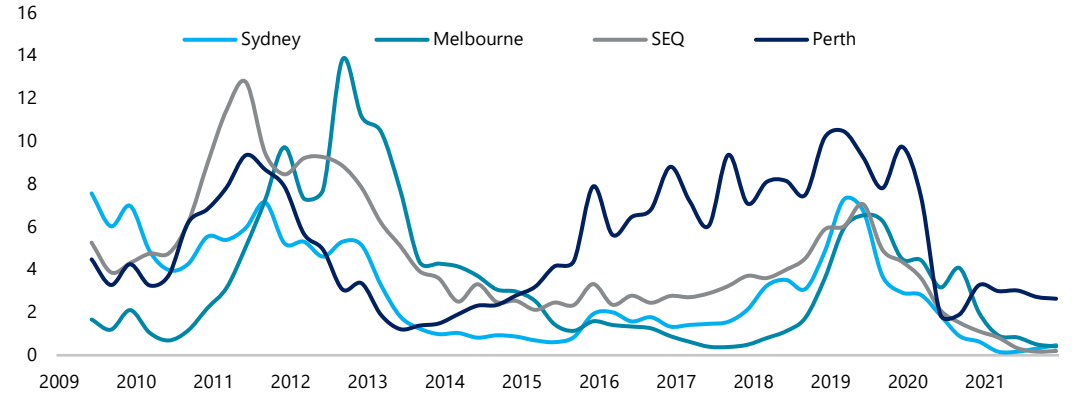

## Capital city house prices – Rolling annual change[2]




## Closing stock of land lots[1]




## Months of stock available for sale at current rates[1]

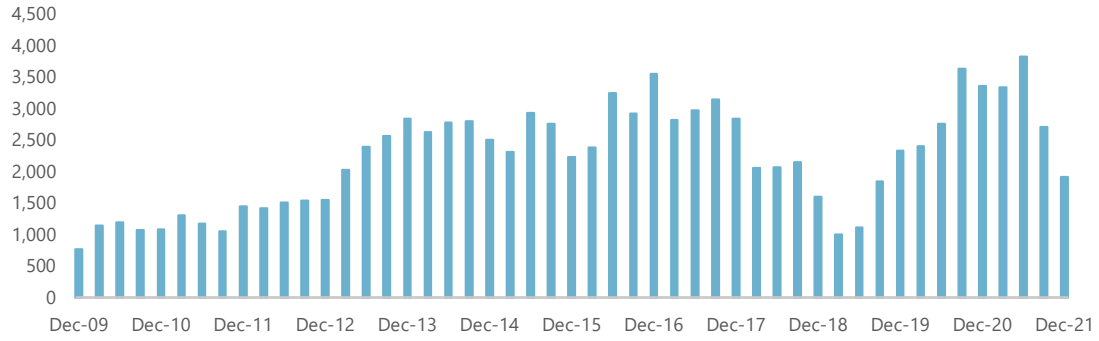



1. National Land Survey December Qtr. 2021, Research4.
2. CoreLogic December 2021.

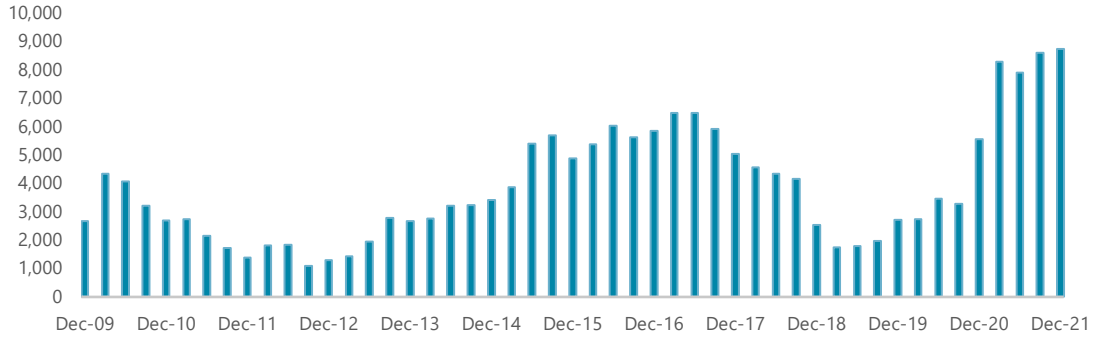
# Vacant land sales

## Sales easing from historic highs in Sydney and SEQ; elevated at record highs in Melbourne

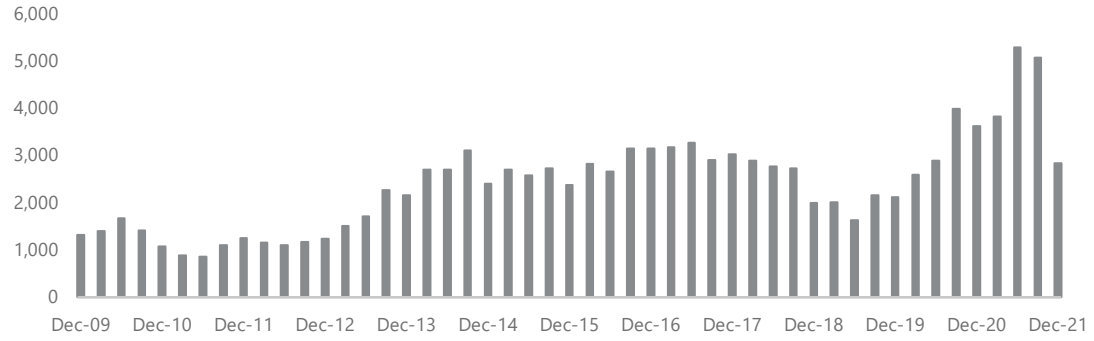
### NSW vacant land quarterly sales



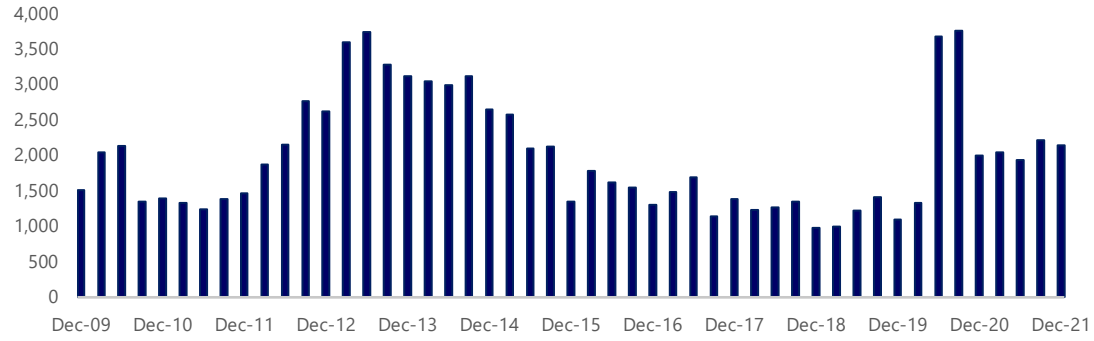

### VIC vacant land quarterly sales




### SEQ vacant land quarterly sales



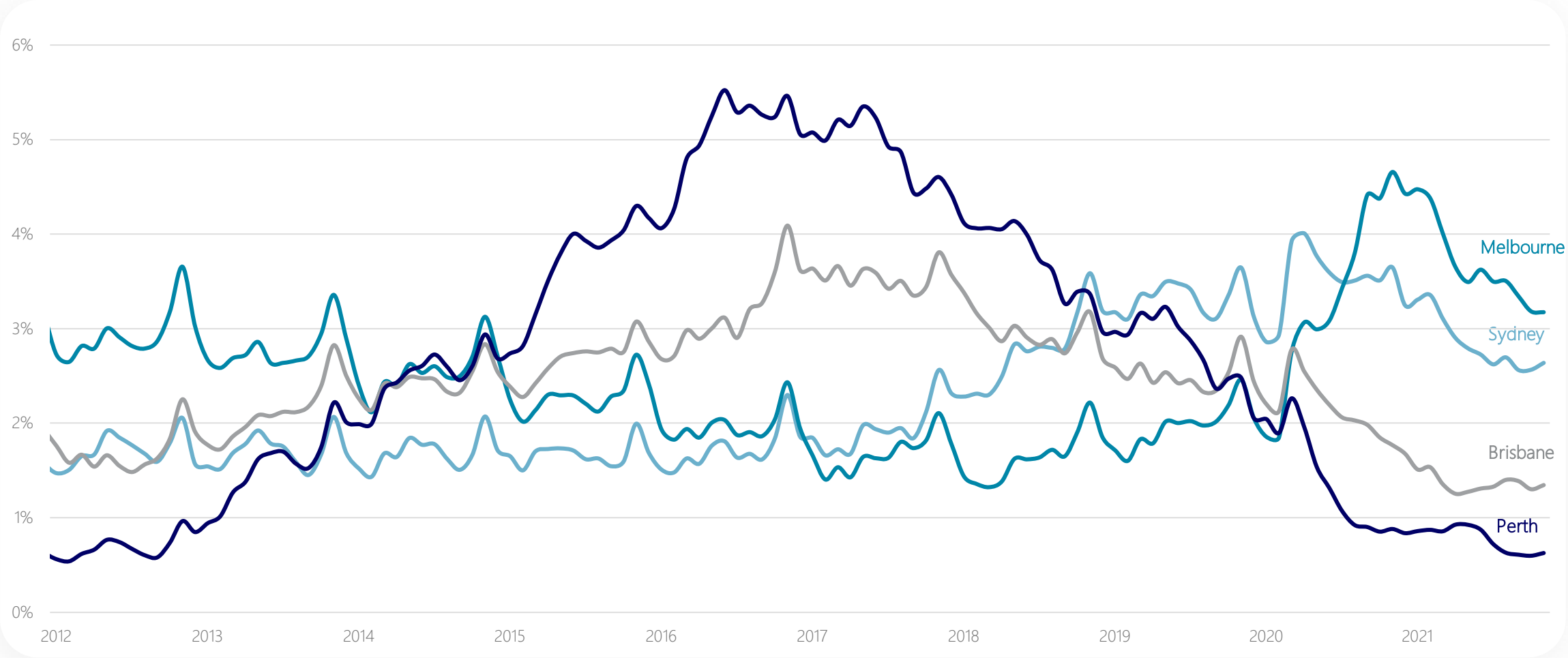

### PERTH vacant land quarterly sales




Source: National Land Survey December Qtr. 2021, Research.

# Residential vacancy rates

Falling in Sydney and Melbourne and historically low in Brisbane and Perth




Source: SQM Research December 2021.

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