Stockland

3Q21 update

20 April 2021

WHITEMAN, WA

Delivering outcomes that drive long-term value

Quarter ended 31 March 2021

Continued strategy execution maximising returns through community creation, our commercial property development pipeline and rebasing and remixing our retail portfolio		
Safety and wellbeing	COVIDSafe plans	• Operational plans remain active across our assets as we continue to protect our tenants, customers, contractors and teams
Innovation and technology	Customer experience and retailer support	• Digitisation of our residential customer experience and omni-channel home buying which is driving over 80% of our customer enquiry • Supported our retailers to connect their physical product offerings to our online product visualisation capability, driving incremental sales
Residential	Market leading business with ~81,000 lot landbank[1]	• Strong sales for the quarter up 69% on pcp, enquiry levels demonstrate ongoing appeal for masterplanned communities beyond HomeBuilder • Full year target of ~6,300 settlements with an average operating margin of ~19% in FY21 with 4,611 lots settled (3Q21: 1,510, 1H21: 3,101)
Retirement Living	Continued strength in established sales	• Established net sales of 190 units reflects the strongest quarter in 4 years • Demonstrates continued increase in the value customers place on village living and strong housing market conditions • First land lease product launched at Aura (QLD) in late February 2021 with 25 sales to date
Retail	Resilience demonstrated through increased productivity	• 70%+ low and non-discretionary retailer/service mix delivering strong 3Q21 comparable total sales growth of 3.2% • Retail rent collected financial year to 14 April 2021 has risen to 94% of billings, net of abatements[2] from 87% reported in the 1H21 disclosures • COVID tenant support arrangements are almost complete, with unresolved negotiations representing less than 4% of retail monthly billings • Settled non-core divestments of Traralgon (VIC) for $85 million on 31 March 2021 and The Pines (VIC) for $155 million on 8 January 2021
Workplace and Logistics	Progressing major projects to upgrade our portfolios	• Maintained solid operational metrics and 98% rent collection, net of abatements[2] • Executed leases of over 230,000sqm financial year to date in Logistics • $5.9bn[3,4] development pipeline progressing in line with expectations • Strong Logistics land trading performance; 89%[5] of land exchanged at Gregory Hills (NSW), 45%[5] of Stage 1 land at Melbourne Business Park (VIC) exchanged or reserved for FY22 settlement
Capital management	Strong balance sheet provides confidence in accessing debt markets	• Maintained investment grade credit ratings of A-/A3 with stable outlook from S&P and Moody's respectively • $2.2bn available liquidity[6], likely to reduce our liquidity profile in the medium term • $366m long-term debt issued; $300m 7 year AUD medium term note, AUD equivalent $66m 15 year HKD private placement

1. Lots controlled by Stockland.
2. Relating to FY21 total outstanding debt at 14 April 2021.
3. Stockland share of expected incremental development spend, excluding land cost and subject to planning approval.
4. Development commencements are subject to a continuing review of acceptable financial metrics, pre-commitment levels and market conditions.
5. By gross sellable area.
6. Comprising cash and committed undrawn bank debt facilities at 31 March 2021.

Communities

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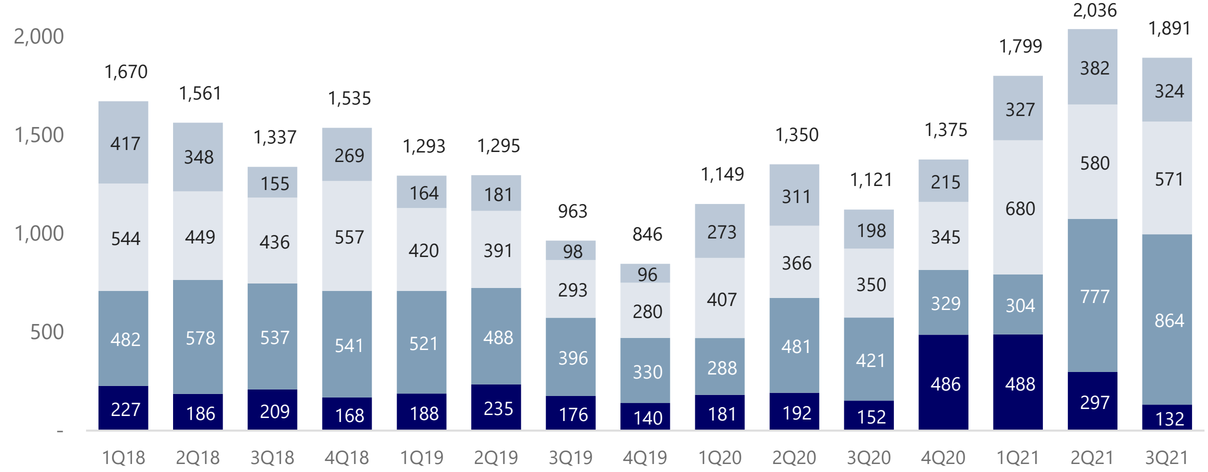
ELARA, NSW

Well positioned to capitalise on strong market conditions

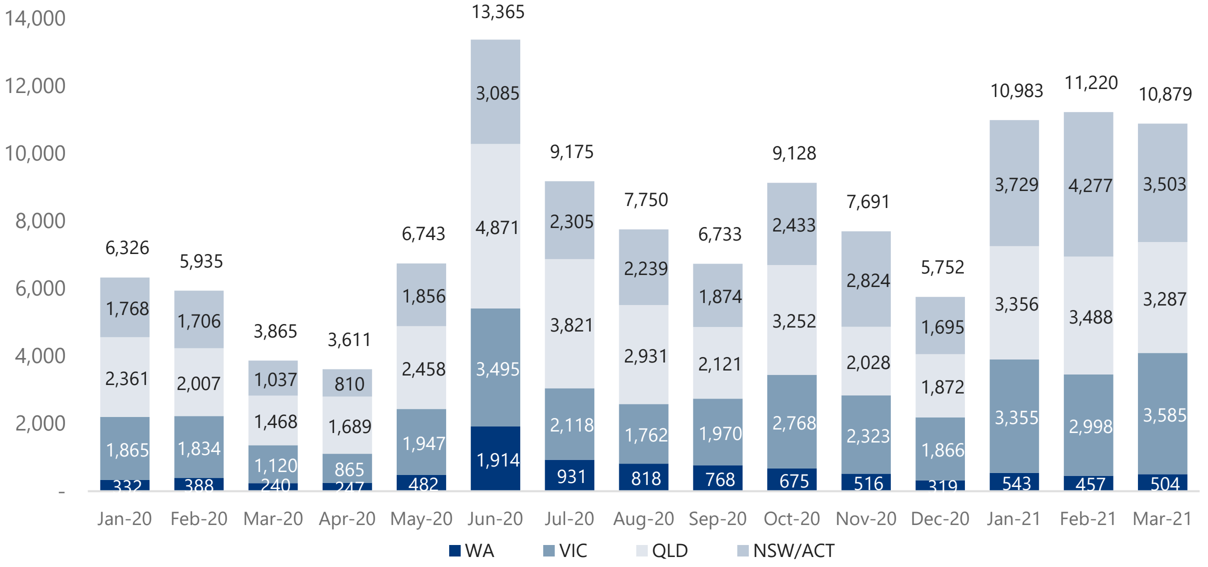
Residential

- 3Q21 sales of 1,891 lots ahead of expectations and 69% above pcp
- Continued sales momentum over February 2021 and March 2021 reflects underlying strength of demand with continued price growth across the eastern seaboard
- Elevated enquiry levels demonstrates ongoing appeal for masterplanned communities product beyond HomeBuilder
- Contracts on hand of 4,739 with ~3,100 contracts due to settle in FY22 provides good earnings visibility
- Restocking of ~1,950 lots[1] over the quarter including 900 lots from recent acquisitions at Wantirna (VIC) and Piara Waters (WA)
- FY21 target of ~6,300 settlements with 1,510 settlements completed in 3Q21
- FY21 target operating profit margin of ~19%, with the consolidation of Clydesdale and Elara (NSW) delaying the release of approximately $15m FFO into FY22 and FY23

NET SALES BY STATE



MONTHLY ENQUIRIES



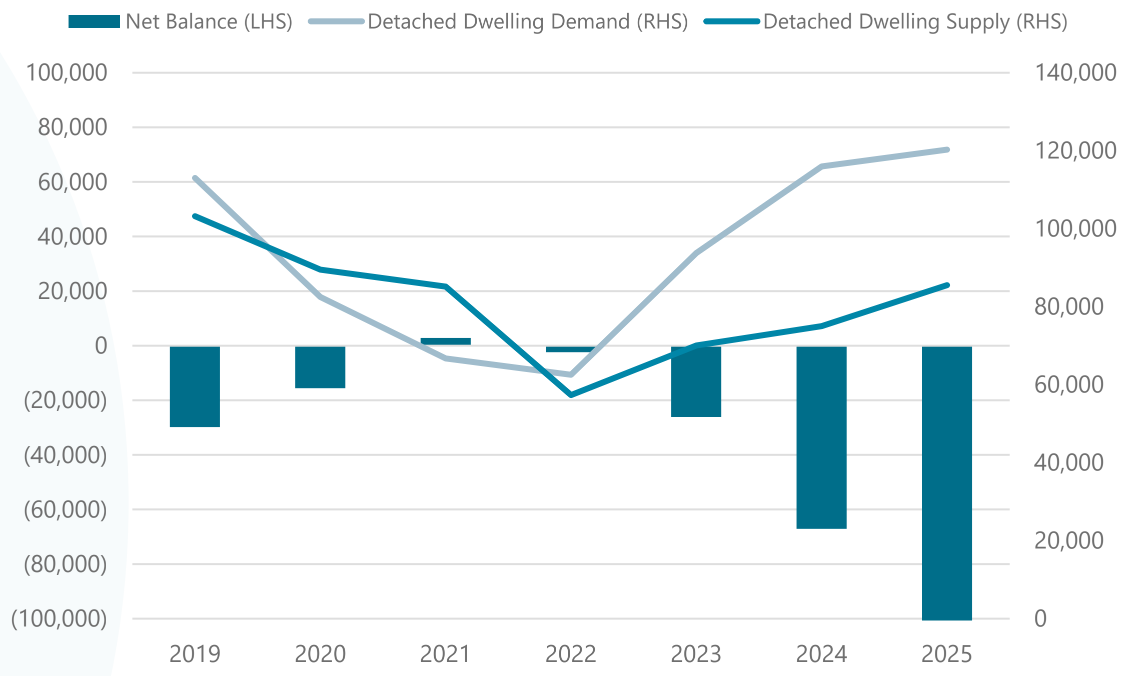
1. Includes previously disclosed acquisitions of Grand Central (VIC) ~500 lots, The Gables consolidation (NSW) ~200 lots, and Clydesdale (NSW) ~350 lots which settled in the quarter. A total of 10,100 lots were acquired in the financial year to date.

Supply and demand outlook for detached housing

Vacant land market to remain supply constrained

- Detached dwelling segment (vacant land) to reach equilibrium in 2021 post a prolonged period of undersupply[1]
- Low interest rates, access to credit and shift in customer preferences has released pent up demand and brought forward future demand, largely offsetting net negative overseas migration in 2021
- Pull forward of demand to be partially offset by population growth as borders reopen in 2022
- 255,000 Australians (net) have returned for the short term since March 2020 and have the potential to increase dwelling demand over the short to medium term
- Supply to remain low in 2021 and fall further in 2022 due to easing of demand, with shortages of englobo land in Greater Sydney and SEQ to limit supply over the medium term
- Overall, the 2021-2025 period is expected to be characterised by material undersupply in Greater Sydney and SEQ, market equilibrium in Greater Melbourne and moderate oversupply in WA

SUPPLY-DEMAND BALANCE FOR DETACHED DWELLINGS[1,2] - AUSTRALIA



1. Stockland Research.
2. Forecasts include allowance for net demolitions and withdrawals.

Leveraging housing market strength
Retirement Living

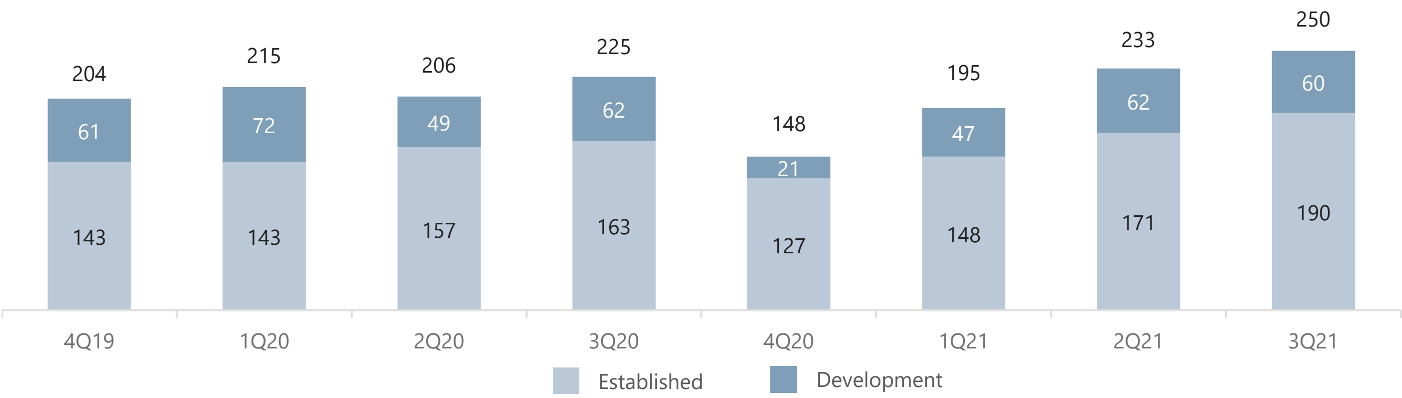
Strong established sales performance

- 3Q21 established net sales of 190 units reflects the strongest quarter in over 4 years
- Result reflects the increased appeal of village living and improving residential market conditions

Continued land lease momentum

- Aura (QLD) land lease launched in late February 2021 resulting in 25 sales to date
- Our second land lease community at Minta (VIC) will be launched in June 2021
- Focussed on unlocking incremental pipeline opportunities from our masterplanned communities landbank
- Further acquisition opportunities currently under consideration

NET SALES – TOTAL PORTFOLIO[1]



1. Excludes land lease sales.

Commercial Property

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ARTIST IMPRESSION OF AFFINITY PLACE, NORTH SYDNEY, NSW

Continued improvement in performance

Retail Town Centres

- Improving productivity and rent collection demonstrates the resilience of our portfolio, the success of our rebasing and remixing strategy and the location of our assets with less COVID related disruption
- 2H21 leasing spreads are forecast to be in line with 1H21 rental reversions
- 3Q21 comparable total sales growth of 3.2% and specialty sales growth of 9.4% demonstrating a continuing recovery in sales
- March 2021 comparable specialty sales growth of 31.0% reflects COVID restrictions in place in March 2020
- Specialty occupancy cost[1] improved relative to 1H21 to 15.2%, reflecting stronger sales
- Continuing the successful remixing strategy, H&M backfill at Townsville (QLD) and Rockhampton (QLD) was leased to on-trend brands including Timezone, TK Maxx, Pivot and Cotton On
- Anticipate and forecast abatements[2] of less than 2% will be applied to 3Q21 billings which is significantly lower than the abatements of 12% and 3% applied to 4Q20 and 1H21 respectively
- Some localised COVID lockdowns had a minor impact on sales, most notably at our centres in Balgowlah and Shellharbour in NSW, Point Cook in Victoria, and Bull Creek, Riverton and Baldivis in WA
- 129 tenants on holdover at 31 March 2021, compared to 182 holdovers at 31 December 2020
- JobKeeper and the Commercial Code of Conduct has now concluded
  - 3Q21 shows improving tenant sales rates
  - Our earnings forecast for the retail business includes provisions for vacancy, let up periods and estimated credit losses commensurate with current market conditions

TO 31 MARCH 2021	TOTAL PORTFOLIO[3]		COMPARABLE CENTRES[4]	
Retail sales by category	MAT $m	MAT growth	MAT growth	3Q21 growth
Total	**5,717**	**(0.3)%**	**(1.2)%**	**3.2%**
Specialties	1,710	(4.5)%	(5.7)%	9.4%
Supermarkets	2,103	5.0%	4.4%	(1.7)%
DDS/DS	897	13.2%	13.7%	18.9%
Mini-majors	775	19.6%	18.4%	20.7%
Other retail[5]	233	(53.8)%	(55.5)%	(42.0)%

Comparable sales growth[4]	1H21	3Q19	3Q20	3Q21	JAN-21	FEB-21	MAR-21
Total	2.6%	1.7%	1.2%	3.2%	1.5%	(0.1)%	8.5%
Specialties	(0.8)%	2.4%	(4.5)%	9.4%	0.4%	1.5%	31.0%

1. Occupancy cost reflects those tenants with active leases of 12 months or more and rental abatements.
2. Majority of the abatements are for SMEs, non-SME is 0.7%.
3. Sales data includes all Stockland managed retail assets – including Unlisted Property Fund and joint venture assets.
4. Comparable basket of assets per SCCA guidelines excludes centres which have been redeveloped within the past 24 months.
5. Other includes pad sites, non-retail, and cinemas.

Solid operational metrics

Workplace

- Portfolio occupancy[1] of 94.1% and expiry profile of 2.7 years are aligned to the redevelopment strategy
- $2.6bn[2,3] future development pipeline targeting tenant pre-commitments and capital partners in place at project commencement
  - Affinity Place, North Sydney (NSW); DA lodged in January 2021, targeting construction commencement ~1H23
  - Piccadilly, Sydney (NSW); proceeding to Central Sydney Planning Committee

	3Q21 9 months ended 31 March 2021	1H21 6 months ended 31 December 2020
Leases executed	3,231sqm	2,797sqm
Leases under HOA[5]	4,851sqm	1,103sqm
Portfolio occupancy[1]	94.1%	93.2%
Portfolio WALE[4]	2.7 years	2.8 years

Logistics – including Business Parks

- Portfolio occupancy of 97.8%[1]
- WALE[2] of 4.6 years typically reflects our tenants' client contract terms with ~50% of our portfolio leased to pure logistics providers
- 2.6% of leases (by income) expire in 4Q21
- $3.3bn[2,3] future development pipeline is progressing to plan
  - M_Park Macquarie Park (NSW); 60% of Stage 1 terms agreed
  - Leppington Business Park (NSW); Stage 1 built form DA lodged in January 2021 for 21,400sqm, targeting construction commencement ~1Q22

	3Q21 9 months ended 31 March 2021	1H21 6 months ended 31 December 2020
Leases executed	230,897sqm	182,019sqm
Leases under HOA[5]	86,280sqm	71,954sqm
Portfolio occupancy[1]	97.8%	96.3%
Portfolio WALE[4]	4.6 years	4.8 years

1. By income.
2. Stockland share of expected incremental development spend, excluding land cost and subject to planning approval.
3. Development commencements are subject to a continuing review of acceptable financial metrics, pre-commitment levels and market conditions.
4. Weighted average lease expiry, by income.
5. At 31 March 2021.

Outlook[1]

Key priorities

- Seamless leadership transition with new MD&CEO to commence 1 June 2021
- Optimise customer experience, continue strong focus on safety and wellbeing
- Upweight Logistics exposure through development and capital partnerships
- Undertake Residential land acquisitions to restock pipeline
- Maintain Communities' leading market share
- Continue acceleration of innovation, digital and data capabilities
- Delivery of 2030 Sustainability strategy and the transition to a low carbon economy

FY21 guidance

We continue to target:

- FFO per security of 32.5c to 33.1c, currently trending towards the top end of the range
- Distribution per security within our target payout ratio of 75% to 85% of FFO, albeit at the lower end of the range

Assumptions:

- Residential settlements ~6,300 lots
- Residential operating profit margin ~19%
- Continuing recent rent collection trends in Commercial Property

1. Due to gaining more certainty around our business performance and market conditions, guidance was re-established in February 2021. All forward-looking statements are subject to the continuation of recent trends in rental collection and residential settlements and no material change in market conditions; including the level of community transmission, the impact of restrictions including state border closures and other impacts from COVID on the economy, broader community and business performance.

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This announcement is authorised for release to the market by Ms Katherine Grace, Stockland's Company Secretary.