

Growthpoint Properties Australia

November 2022

Space to thrive.

GROWTH-POINT
PROPERTIES AUSTRALIA



About Growthpoint Properties Australia

Growthpoint at a glance.

Leading integrated property group with \$7.2 billion AUM, including \$5.3 billion on balance sheet and \$1.9 billion on behalf of third-party investors.¹

Directly owned
portfolio value¹

\$5.3b

Total
assets¹

59

Portfolio
occupancy²

96%

Weighted average
lease expiry ²

6.3yrs

Constituent
of S&P/ASX 200
index

Moody's credit
rating of Baa2 for
domestic senior
secured debt

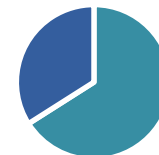
Sector by value²

Office 67%

Largest portfolio of A-grade
metro offices in Australia

Industrial 33%

Assets predominately used for
logistics and warehousing



Top tenants



1. \$5.3 billion directly owned property (valuations as at 30 June 2022), which includes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022. \$1.9 billion FUM as at 30 June 2022.

2. At 30 September 2022.

Strong start to FY23

Good leasing results, with strong portfolio WALE of 6.3 years maintained at 30 September

- 60,000 square metres leased, 2.6% portfolio income, with weighted average rent review 3.5%
- Office: 6.6 year WALE, 94% occupancy
- Industrial: 5.7 year WALE, 100% leased

Completion of strategic growth opportunities, acquiring Fortius Funds Management for \$45 million¹ and GSO Dandenong office asset² for \$165 million

Divested office asset 333 Ann Street, Brisbane, Queensland for \$141.1 million, with settlement expected by year end, subject to FIRB

Recognised byGRESB as Regional Sector Leader³ in their 2022 Sustainability Benchmark

FY23 guidance reaffirmed

- FFO of 25.0 to 26.0 cps
- Distribution 21.4 cps
- A key assumption to guidance is in respect of rising interest rates, with the Group assuming an average FY23 floating cash rate of 2.8% p.a.

1. Initial purchase price, with net asset adjustment. 2. GSO (Government Service Office) Dandenong, 165-169 Thomas Street, Dandenong, Victoria
3.. Overall Regional Sector Leader - Diversified – Office/Industrial

Rising Interest Rates



Source: RBA, NAB floating rate average

- RBA has lifted cash rate to 2.85% with further increases expected
- RBA expects inflation to peak around 8% at the end of 2022, before starting to decline early 2023 and over 2024
- RBA forecasts inflation to remain outside target zone to 2025

FY22 performance¹

- Delivered strong performance and FFO growth for Securityholders
- Invested in strategic, accretive acquisitions to support Group's growth ambitions, including high-quality office assets
- Achieved like-for-like portfolio valuation uplift of 7.9% or \$356 million over 12 months to 30 June 2022
- Maintained high portfolio occupancy of 97% and WALE of 6.3 years at 30 June, predominantly leased to government, listed or large organisations



Profit after tax

\$459.2m

FY21: \$553.2m, -17.0%

Distribution

20.8cps

FY21: 20.0cps, +4.0%

Hedging

60.9%

Debt fixed at 30 June 2022

FFO

27.7cps

FY21: 25.7cps, +7.8%

NTA per security

\$4.56

30 June 2021: \$4.17, +9.4%

Gearing

35.2%

At 30 Sep 2022 ²
Target 35-45%

1. FY22 data excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022

2. Pro forma gearing at 30 September is 33.7% on disposal of 333 Ann Street in Brisbane, Queensland. Settlement is anticipated by the end of 2022, subject to FIRB approval being obtained. Net proceeds from the sale will be used to repay debt.

Performance

Delivering on our strategy in FY22.

Our goal is to provide Securityholders with sustainable income returns and capital appreciation over the long term.



Invest in high-quality assets

Long track record of delivery
Over \$320m invested in high-quality assets:

- Acquired three high-quality office assets in NSW, ACT and VIC with blended WALE 7.2 years, yield 5.0%¹
- Invested \$60.3m in additional DXI² securities, maintaining circa 15% holding, increasing exposure to industrial assets



Maximise value

Achieved like-for-like valuation uplift of \$356m, or 7.9%, over FY22 (office: 4.3%, industrial: 15.1%)

Invested \$23m in asset expansions, creating value and supporting lease extensions – BMW South Melbourne and Symbion

Continued reinvestment in refurbishment, including enhancing building amenities



Maintain high-occupancy

Industrial portfolio 100% occupied, 97% across total portfolio. 86% tenant retention³

Leasing success with over 234,000 sqm of leasing completed, 17% of portfolio income over FY22

Opportunities for growth:



Property acquisition



Funds management



Securities buy-back



M&A



1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022
2. Dexus Industria REIT
3. Weighted by income, includes tenant renewals in future periods

Strategic property acquisitions.

\$426.6 million in property acquisitions since 30 June 2021 with blended WALE of 8.1 years and yield of 5.1%²




\$52.0m¹
Aug 2021

**11 Murray Rose Avenue,
Sydney Olympic Park, NSW**

Lettable area: 5,684 sqm

Occupancy: 100%

WALE: 4.8 years

Initial yield: 5.5%

Major tenant: B2G Consortium

Metrics as at settlement Aug 2021




\$84.6m¹
Dec 2021

**2-6 Bowes Street,
Phillip, ACT**

Lettable area: 12,376 sqm

Occupancy: 96%

WALE: 9.3 years

Initial yield: 5.0%

Major tenant: ACT Government

Metrics as at settlement Dec 2021




\$125.0m¹
Feb 2022

**141 Camberwell Road,
Hawthorn East, VIC**

Lettable area: 10,233 sqm

Occupancy: 99%

WALE: 6.7 years

Initial yield: 4.8%

Major tenant: Miele Australia

Metrics as at settlement Feb 2022




\$165.0m¹
Jul 2022

**GSO Dandenong, 165-169
Thomas St, Dandenong, VIC**

Lettable area: 15,071 sqm

Occupancy: 100%

WALE: 9.4 years

Initial yield: 5.3%

Major tenant: VIC Government

Metrics as at settlement July 2022

1. Net sale price, excluding acquisition costs

2. Includes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022

Strategic growth opportunity.

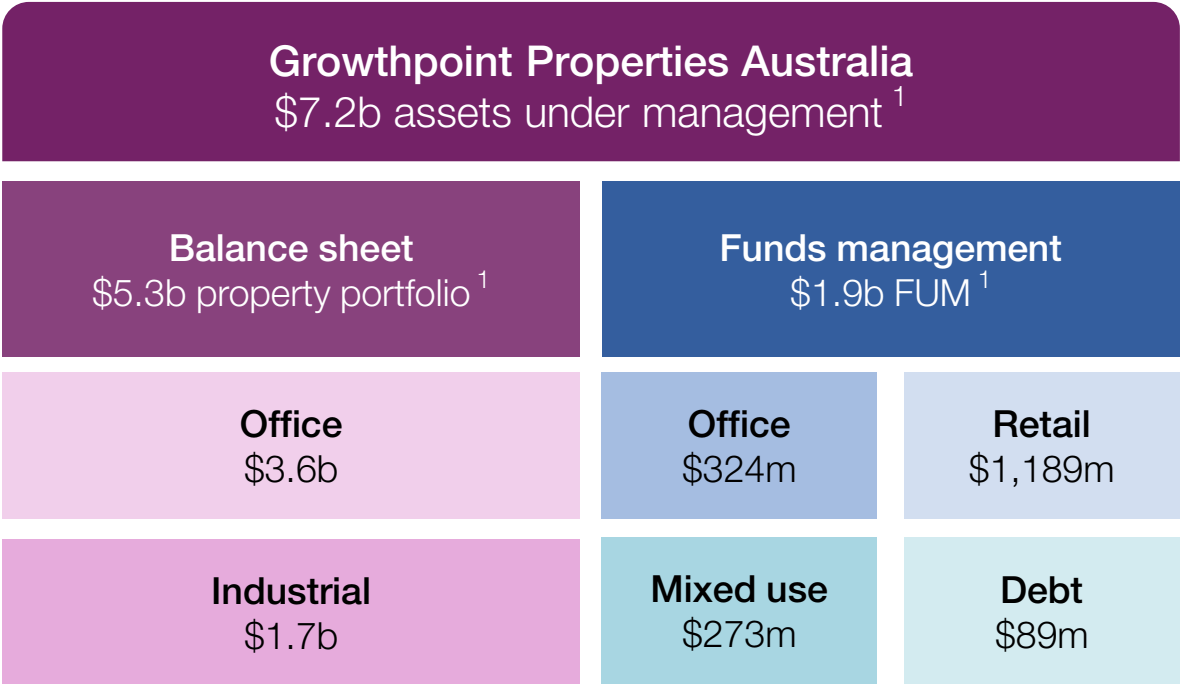
Delivers on a strategic growth opportunity for the Group, adding \$1.9 billion third party FUM to Growthpoint and bringing total AUM to \$7.2 billion¹

Fortius has an established track record of investing in Australian real estate markets, generating strong returns for its investors with an average IRR of 17% per annum² over thirty years

Brings enhanced sector and product capabilities, including office, retail, mixed-use and debt investments across value-add and opportunistic strategies

Provides ability to scale up the platform significantly to drive incremental growth to earnings for the Group’s Securityholders

Growthpoint intends to grow the funds business, targeting 10-20% of Group EBIT, over the medium term

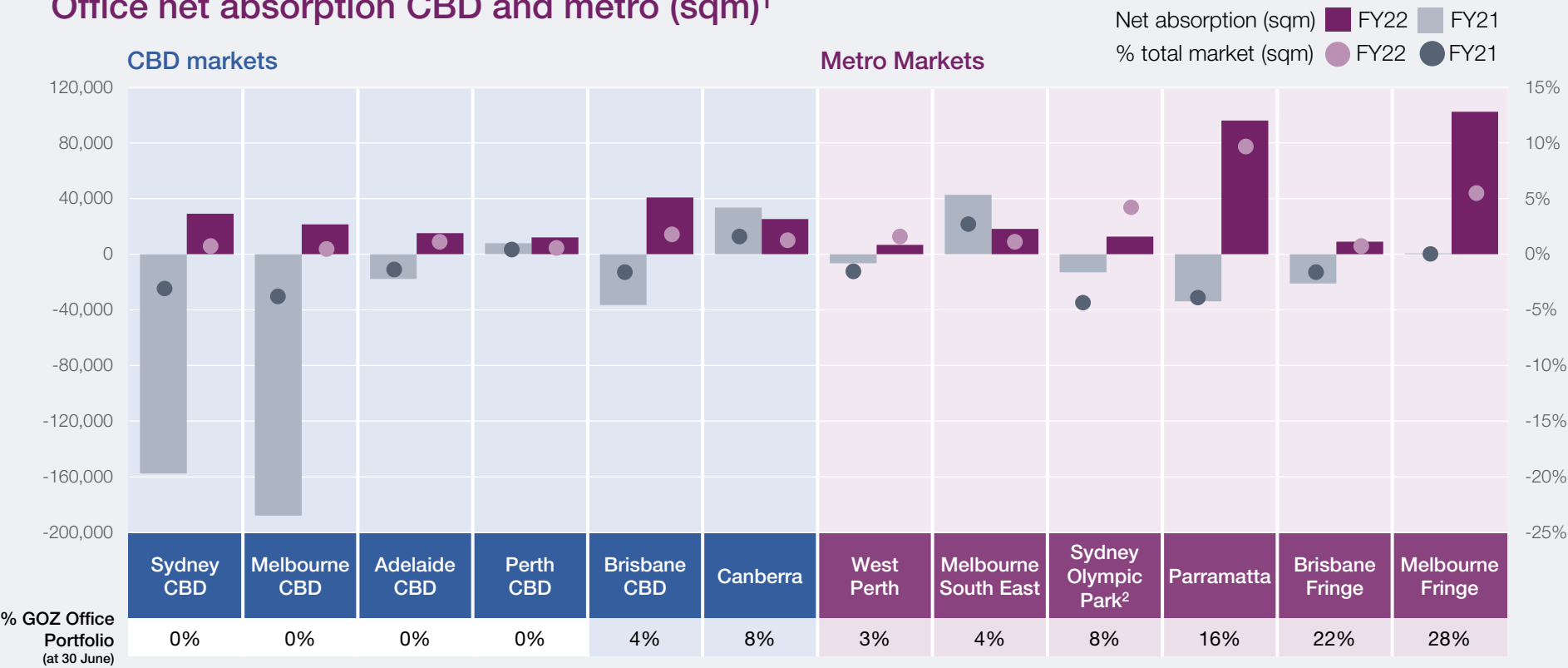


1. \$5.3 billion directly owned property (valuations as at 30 June 2022), includes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022. \$1.9 billion FUM as at 30 June 2022
2. Past performance is not an indication of future performance



Returning confidence and positive trends in metro markets

Office net absorption CBD and metro (sqm)¹



FY22 CBD net absorption
143,550 sqm
0.8% of the market¹

FY22 Metro net absorption
246,077 sqm
2.4% of the market¹

Positive net absorption in Group's markets reflects strengthening demand, improved tenant confidence

1. Source: JLL 2. Sydney Olympic Park/Rhodes

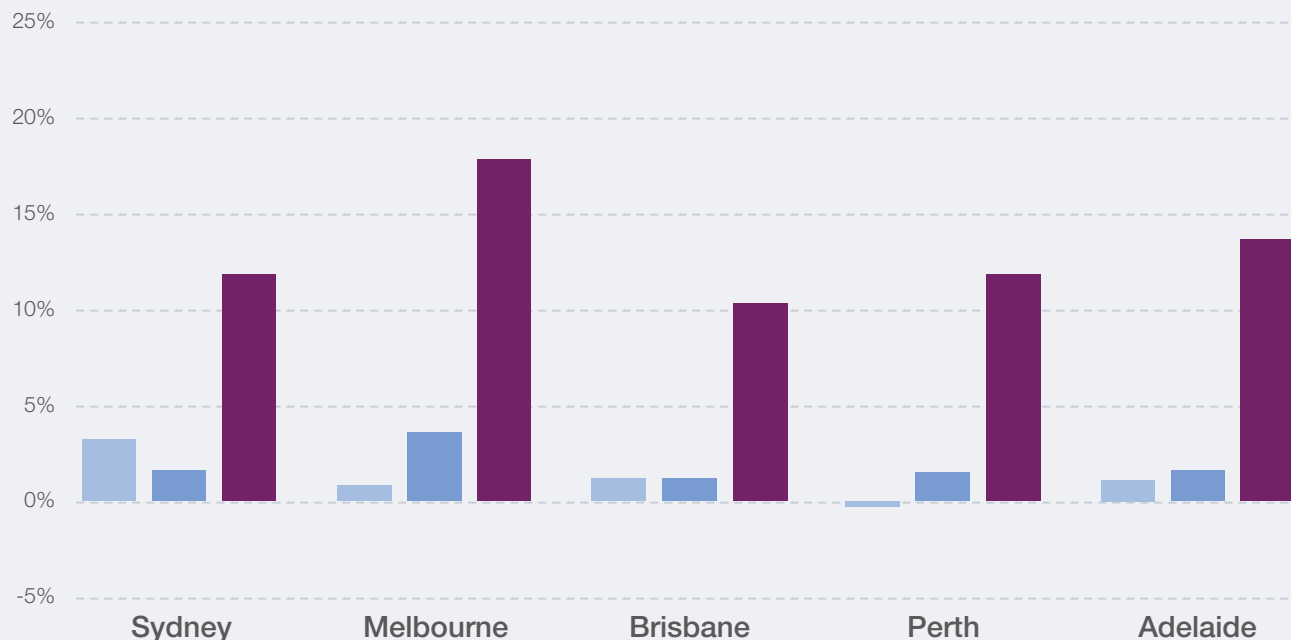


Strong rental growth

0.8% market vacancy rate across five capital cities at June 2022, at historic national low and lowest worldwide²

Net face rent growth¹ (%)

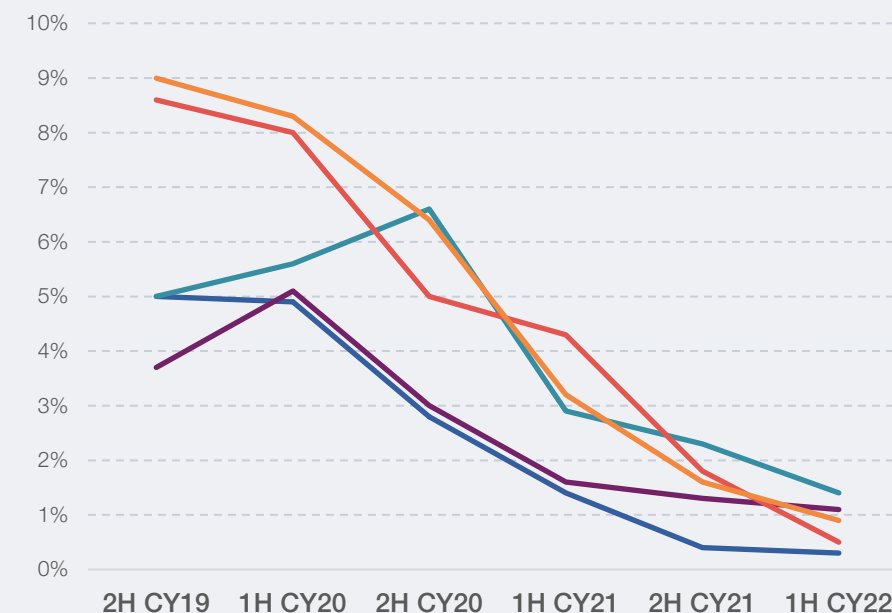
Prime net face rent growth FY20 FY21 FY22



1. Source: JLL

Industrial vacancy rates² (%)

Sydney Melbourne Brisbane Perth Adelaide

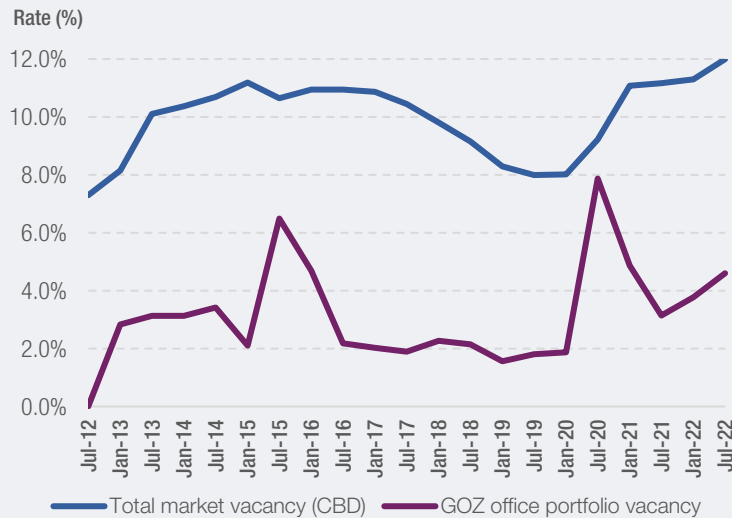


2. Source: CBRE

Changing environment, well positioned portfolio

Office

National office vacancy

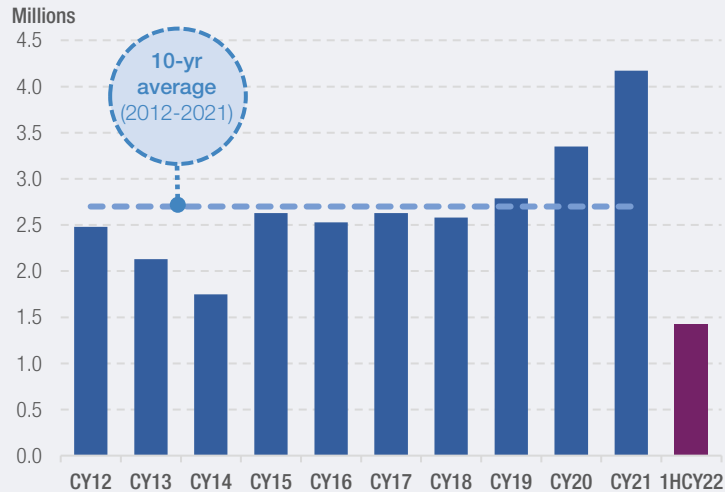


Source: Property Council Australia, Growthpoint

- National vacancy 12.0%, July 2022
- Close to ten year national average of 10.0%
- Resilience seen in metro markets, GOZ office portfolio 95% leased at 30 June 2022

Industrial

Industrial floorspace gross take-up across Australia (sqm)

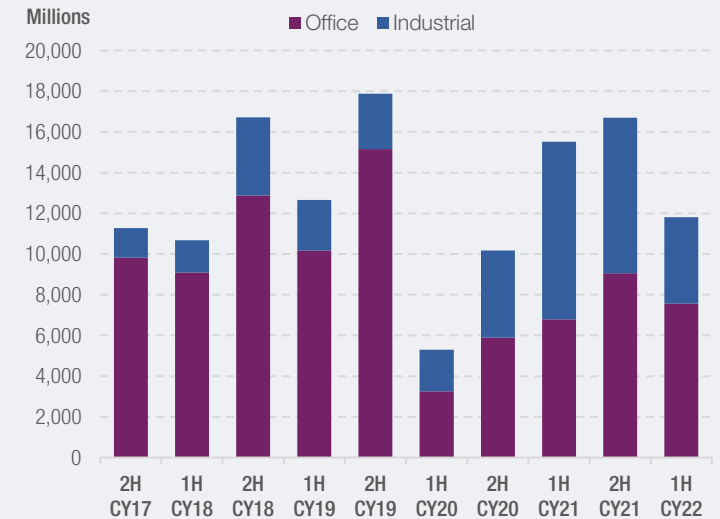


Source: JLL

- Record levels gross floor space take-up
- Historic low national vacancy rate, occupier demand driving rental growth
- GOZ industrial portfolio 100% leased

Investment market

Commercial real estate investment volume (AU\$)



Source: Cushman & Wakefield

- Transaction volumes remain strong, with off-shore investors ~33% volumes Q2 2022
- Short term slowing expected as investors consider market
- Significant capital awaiting clearer view of market

Thank you for joining us.

Questions



141 Camberwell Road, Hawthorn East, VIC



Additional information

Important information.

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