

Growthpoint Properties Australia

# 1H21

half year results

25 February 2021

Space to thrive.

**GROWTH-POINT**  
PROPERTIES



# Agenda.

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**Timothy Collyer**  
Managing Director

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**Michael Green**  
Chief Investment Officer

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**Dion Andrews**  
Chief Financial Officer

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**Timothy Collyer**  
Managing Director

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# Overview.

Timothy Collyer  
Managing Director



# 1H21 highlights.

- Delivered robust financial results, against challenging economic backdrop
- Strong valuation uplift, driven by leasing success and yield compression on our long-WALE and industrial assets
- Secured Bunnings as the key tenant for Botanicca 3
- Refinanced two debt facilities and now have no debt maturing before December 2022
- Reduced distribution payout ratio, reflecting decision to adopt a more conservative approach going forward
- Maintained high CDP and GRESB scores

## Profit after tax

**\$205.8m**

1H20: \$202.0m, +1.9%

## WALE

**6.2yrs**

30 June 2020: 6.2yrs

## FFO

**12.7cps**

1H20: 12.6cps, +0.8%

## Property portfolio value

**\$4.3b**

30 June 2020: \$4.2b, +2.4%

## Distribution

**10.0cps**

1H20: 11.8cps, -15.3%

## NTA per security

**\$3.82**

30 June 2020: \$3.65, +4.7%





# Strong position maintained through **COVID-19** and positive outlook supports provision of earnings guidance.

## Increased occupancy

**95%**

with no material tenant defaults

## Strong rent collections<sup>1,2</sup>

**>98%**

maintained through pandemic

## Significant liquidity

**\$408m**

of undrawn debt lines

## Conservative gearing

**29.9%**

well below the Group's target range

**FY21 FFO  
guidance  
provided**

**FY21  
distribution  
guidance  
reaffirmed**

**FY21  
guidance**

**FFO:  
25.2–25.5 cps  
Distribution:  
20.0cps**

1. Proportion of total billings collected April 2020 – December 2020. As at 17 February 2021. Rent abatements are not included in total billings. Rent that has been deferred is included.
2. Granted \$0.4 million of rent abatements and deferred \$0.2 million of rental payments in 1H21. Total rent relief granted since beginning of pandemic \$3.4 million, of which \$2.2 million has been deferred and will be repaid between October 2020 and June 2023.

# Long-term track record of delivering out-performance.

Growthpoint trading at  
**20%**  
discount to NTA<sup>1</sup>

**Buy-back announced,**  
opportunity to increase:

- FFO per security
- NTA per security

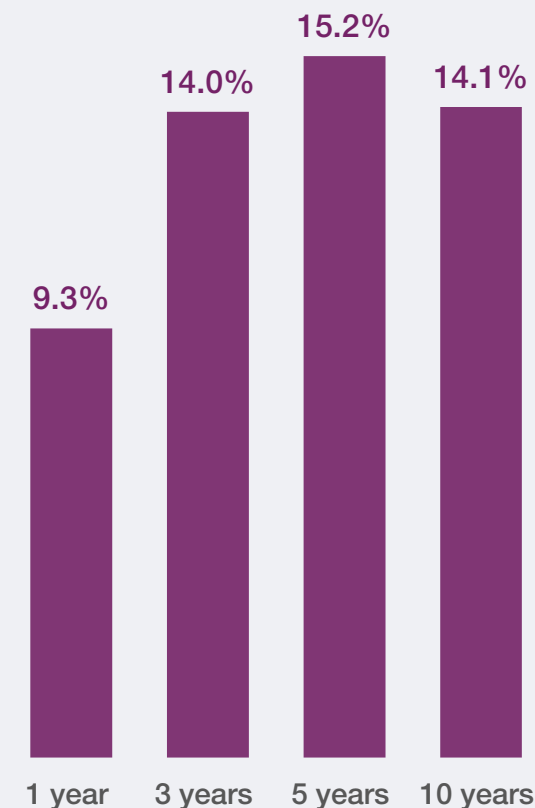
1. NTA of \$3.82 to closing ASX price as at 23 February 2021 of \$3.06.

## Total securityholder return<sup>1</sup> to 31 December 2020



1. UBS Investment Research. Annual compound returns to 31 December 2020.

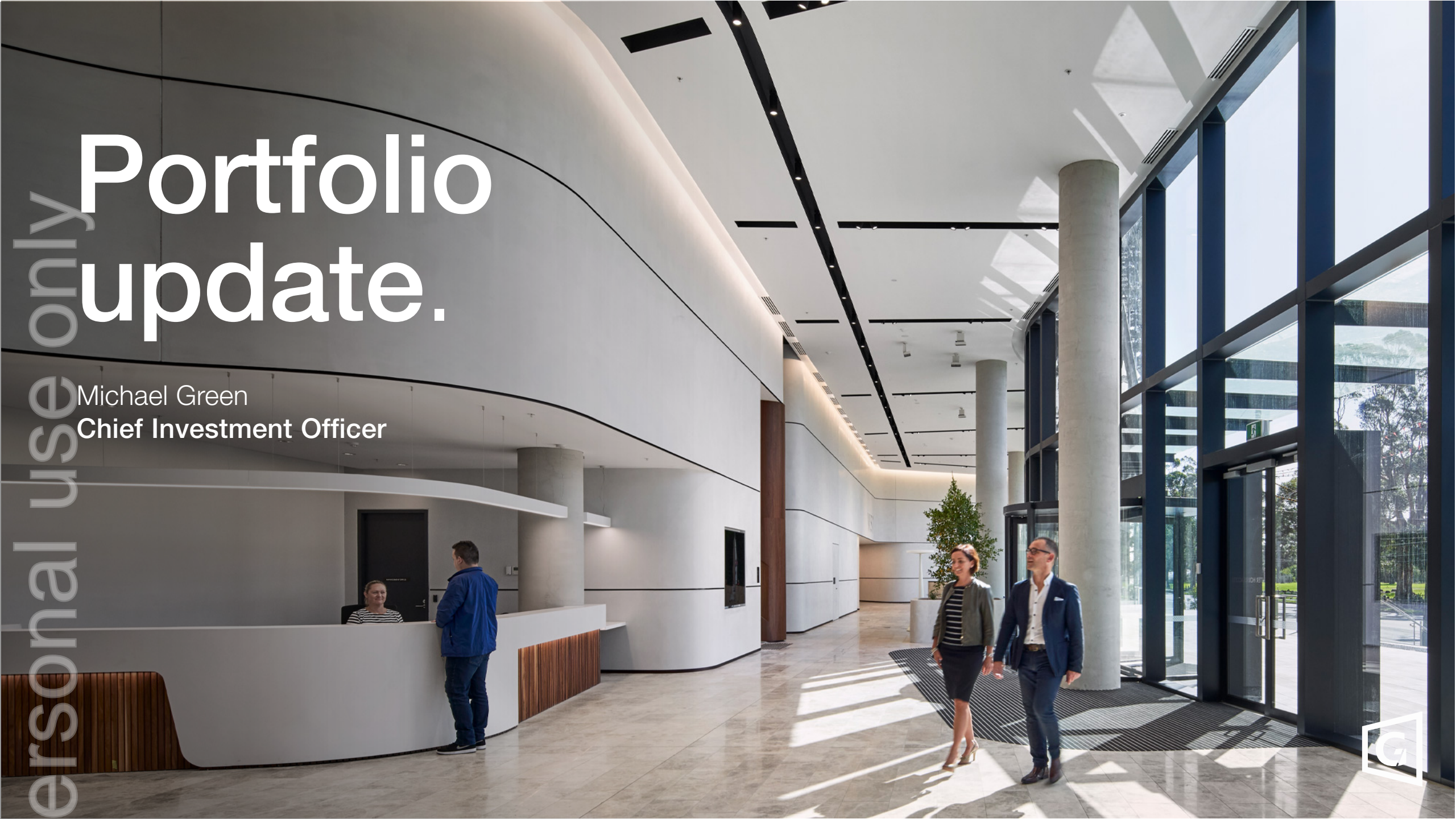
## Return on equity to 31 December 2020 (per annum)





# Portfolio update.

Michael Green  
Chief Investment Officer





# Portfolio snapshot — secure income with strong tenant base.

Total assets

57

30 June 2020: 58

Number of tenants

163

30 June 2020: 163

Portfolio occupancy

95%

30 June 2020: 93%

Weighted average lease expiry

6.2yrs

30 June 2020: 6.2yrs

97%

of portfolio leased to government, listed or large organisations<sup>1</sup>

Property portfolio value

\$4.3b

30 June 2020:  
\$4.2b, +2.4%

Industrial  
31%

Office  
69%

## Top ten tenants

Woolworths



Australian Government

BOQ

COUNTRY ROAD GROUP



BUNNINGS



SAMSUNG

1. Growthpoint estimate of tenants with revenue above \$50 million per annum.



# Industrial overview — outperformance expected to continue.

Portfolio occupancy

95%

30 June 2020: 96%

Weighted average lease expiry

4.5yrs

30 June 2020: 5.0yrs

Leased to government, listed or large company

98%

30 June 2020: 100%

Asset used for logistics or warehousing

90%

30 June 2020: 93%

Industrial portfolio value

\$1.3b

30 June 2020: \$1.3b

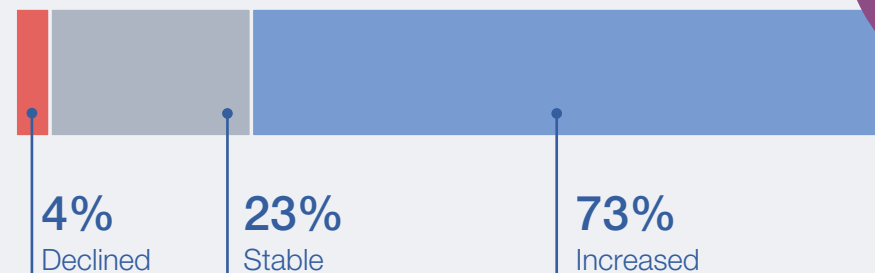
Weighted average cap rate

5.7%

30 June 2020: 6.0%

## Change in industrial property valuation<sup>1</sup>

30 June 2020 to 31 December 2020  
(by value)



On a like-for-like basis, industrial portfolio increased by \$50.2m or **+3.9%**

## Industrial market outlook

- Rapid growth in e-commerce expected to drive tenant demand for well-located assets
- Significant unmet investor appetite for industrial assets likely to continue, leading to further yield compression
- Acquisition pipeline expected to increase in CY21

1. Decline – valuation reduced more than 1%. Stable – valuation change between -1% and 1%. Increased – valuation increased by more than 1%.

# Office overview — modern metro offices well placed to adapt to changing market.

Portfolio  
occupancy

95%

30 June 2020: 92%

Weighted average  
lease expiry

6.9yrs

30 June 2020: 6.7yrs

Leased to government,  
listed or large company

96%

30 June 2020: 96%

Portfolio located in fringe  
or metropolitan markets

89%

30 June 2020: 89%

Office  
portfolio value

\$3.0b

30 June 2020: \$2.9b

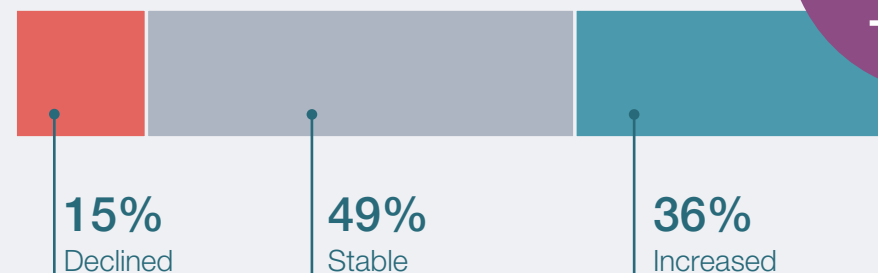
Weighted  
average cap rate

5.4%

30 June 2020: 5.6%

## Change in office property valuation<sup>1</sup>

30 June 2020 to 31 December 2020  
(by value)



On a like-for-like  
basis, office  
portfolio increased  
by \$82.6m or

+2.9%

## Office market outlook

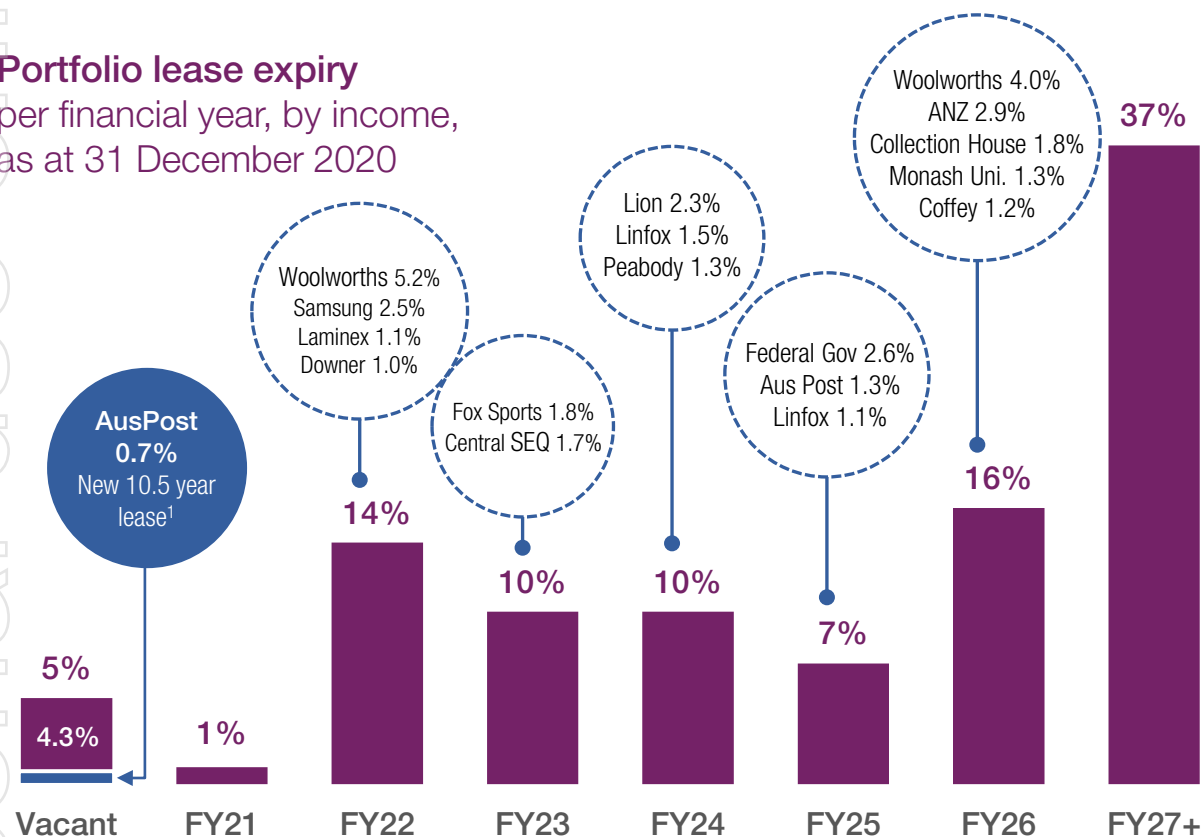
- Subdued tenant demand in short term, driven by economic environment
- Office to remain central to working life, with more flexibility
- Increased focus on modern building design and tenant amenities - 'flight to quality'
- High-quality metropolitan offices expected to be more resilient than CBD counterparts

1. Decline – valuation reduced more than 1%. Stable – valuation change between -1% and 1%. Increased – valuation increased by more than 1%.



# Leasing update — high-quality, modern portfolio continuing to appeal to preeminent tenants.

**Portfolio lease expiry**  
per financial year, by income,  
as at 31 December 2020



1. Post 31 December 2020.



## Significant leases signed in 1H21

### Bunnings

Term: 10 years, 7 months  
NLA: 13,886 sqm

Botanicca 3, Richmond, VIC

### SA Government

Term: 10 years  
NLA: 3,476 sqm

33-39 Richmond Rd, Keswick, SA

### Monash University

Term: 5 years  
NLA: 10,837 sqm

Building B, 211 Wellington Rd,  
Mulgrave, VIC

# Botanicca 3 — Creating significant value through re-development.



Bunnings commenced a 10 year and seven month lease across 71% of the building

Book value

**\$162.0m**

31 December 2020

Net valuation uplift<sup>1</sup>

**\$42.6m**

IRR<sup>2</sup>

**18.6%**

per annum

1. Valuation increase between 30 June 2018 and 31 December 2020, after development costs.  
2. Average annual return since acquisition (30 June 2011 to 31 December 2020).







# Financial results.

Dion Andrews  
Chief Financial Officer





# Financial summary — 1H21 financial results.

## Components of FFO

|   |            | 1H21         | 1H20         | % change      |
|---|------------|--------------|--------------|---------------|
| NPI   | \$m        | 117.4        | 121.4        | (3.3%)        |
| Add back amortisation of incentives                         | \$m        | 12.5         | 9.9          | 26.3%         |
| <b>NPI excluding amortisation of incentives</b>             | <b>\$m</b> | <b>129.9</b> | <b>131.3</b> | <b>(1.1%)</b> |
| Net finance costs   | \$m        | (24.2)       | (23.1)       | 4.8%          |
| Operating and trust expenses (less depreciation)            | \$m        | (7.2)        | (7.9)        | (8.9%)        |
| Income tax expense (excluding deferred tax expense/benefit) | \$m        | (0.1)        | (3.5)        | (97.1%)       |
| <b>FFO<sup>1</sup></b>                                      | <b>\$m</b> | <b>98.4</b>  | <b>96.8</b>  | <b>1.7%</b>   |
| Weighted average securities                                 | m          | 772.0        | 770.2        | 0.2%          |
| FFO per security  | cents      | 12.7         | 12.6         | 0.8%          |
| Distribution per security                                   | cents      | 10.0         | 11.8         | (15.3%)       |
| Payout ratio  | %          | 78.5         | 94.1         | (15.7%)       |

Decrease primarily driven by no contribution from Broadmeadows asset in 1H21 and lower rent received from NSW Police Force, under new lease agreement

Increase driven by long leases agreed with NSW Police Force and Bunnings

Interest expense increased as interest no longer capitalised on development projects, partially offset by reduced cost of debt

Lower operating costs largely due to tight cost control

No taxable management fees following completion of profit making developments in 2H20

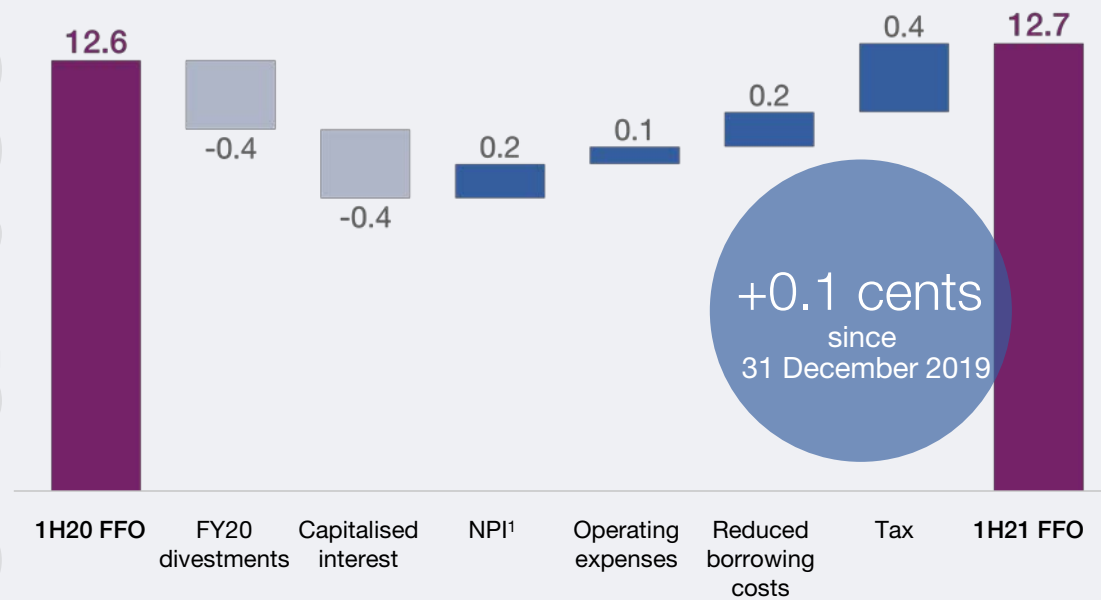
Lower distribution, reflecting the Group's decision to maintain a more conservative payout ratio going forward

1. Reconciliation of FFO to profit after tax is provided on page 25.

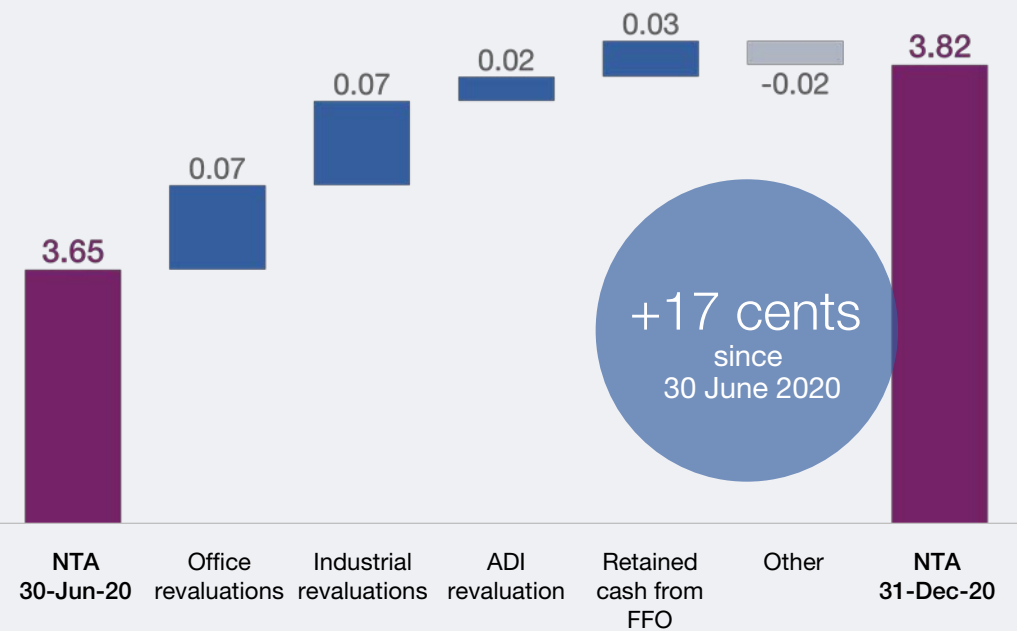


# Financial summary — resilient performance during COVID-19 pandemic.

**FFO per security movement**  
(cents per security)



**NTA per security movement**  
(cents per security)



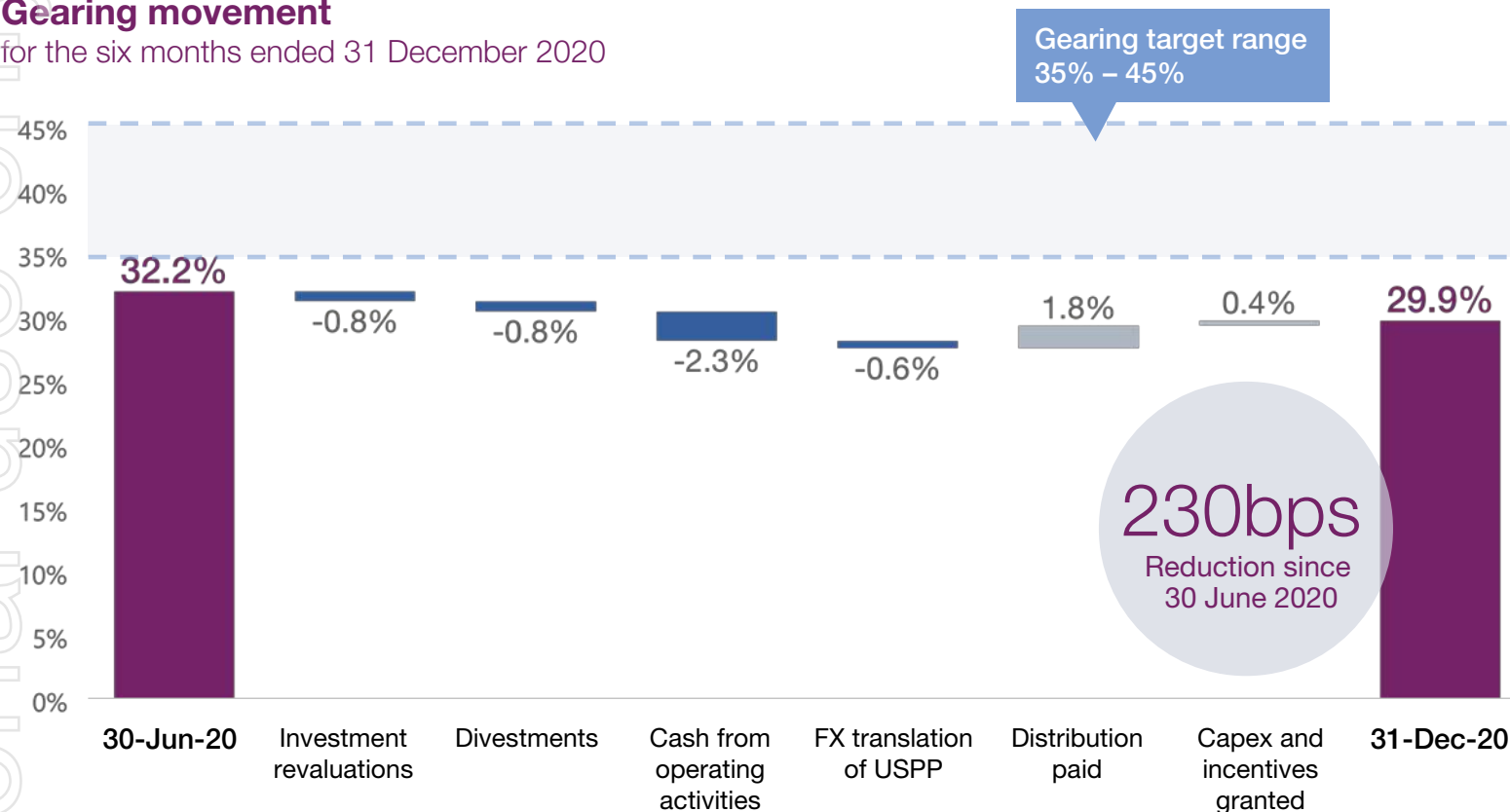
1. Excluding divestments.



# Capital management — robust balance sheet with significant headroom.

## Gearing movement

for the six months ended 31 December 2020



1. As at 31 December 2020. For illustrative purposes only. Assumes no change to other inputs that could impact the calculation of this metric.

## Stress testing covenants

**LVR <60%**  
**GOZ: 32.1%**

To breach this covenant, GOZ cap rate would need to rise by 450 bps<sup>1</sup>

**ICR >1.6x**  
**GOZ: 4.8x**

To breach this covenant, NPI would need to fall by 65%<sup>1</sup>

**Secured property percentage >85%**

**GOZ: 98%**

Percentage must remain above 85%

**Able to deploy ~\$408m of uncommitted debt at a rate of 0.99% and remain at bottom of target gearing range**



# Outlook and summary.

Timothy Collyer  
Managing Director





# Outlook — summary.

## Strong 1H21 performance

Immaterial impact from COVID-19 pandemic

Delivered FFO growth

Valuation uplift across industrial and office portfolios

## Positioned to capitalise on future opportunities

Strong capital position with gearing well below target range

Experienced management team with long-term successful track record

## FY21 guidance

FFO guidance of 25.2 – 25.5 cps

DPS guidance of 20.0 cps

Forecast distribution yield<sup>1</sup>

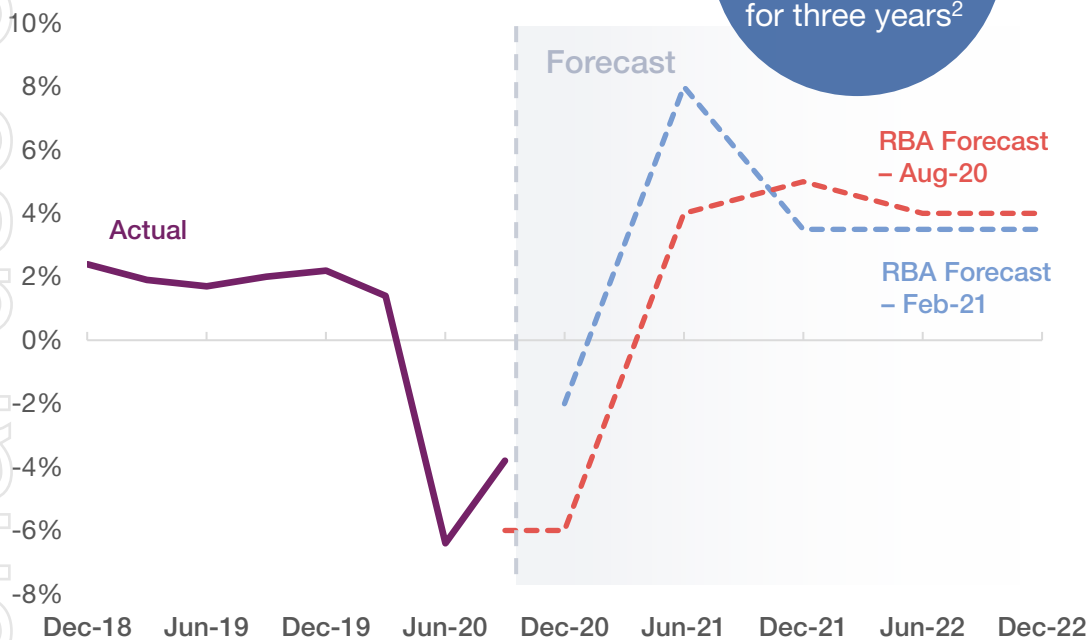
6.5%

<sup>1</sup>. Distribution yield is the FY21 DPS guidance of \$0.20 per security divided by the closing ASX price as at 23 February 2021 of \$3.06.

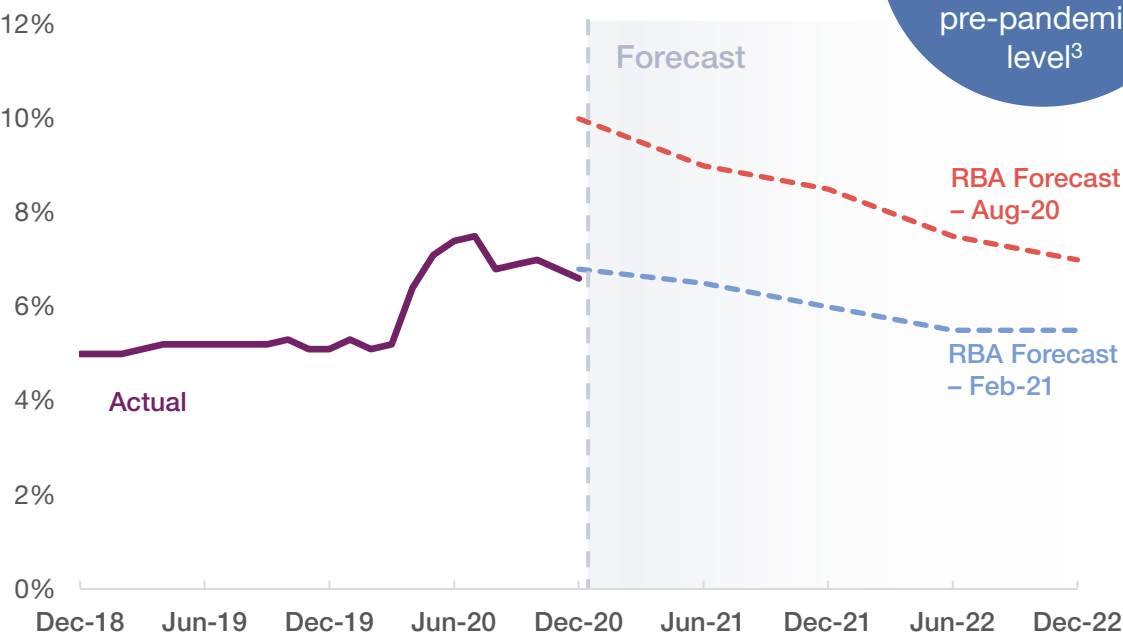


# Outlook – faster-pace economic recovery now expected in Australia.

## RBA forecasts for GDP Growth<sup>1</sup>



## RBA forecasts for unemployment rate<sup>1</sup> (average % rate in the quarter)



1. Actuals – ABS. Forecasts – RBA.  
2. RBA.  
3. Westpac.



# Outlook — exploring opportunities for future growth.

## Key investment considerations:

FFO accretive

Ability to leverage  
Growthpoint expertise

Risk/reward ratio

Long-term potential

## Opportunities:

Office or industrial  
property  
acquisition



Funds  
management



Security  
buy-back



M&A





Thank you for joining us.

Questions.





# Supplementary information.

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# Financial information.





# Summary financials

|  |       | 1H21              | 1H20              | Change | % Change |
|--|-------|-------------------|-------------------|--------|----------|
| NPI <sup>1</sup>                         | \$m   | 117.4             | 121.4             | (4.0)  | (3.3)    |
| Like-for-like NPI                        | \$m   | 115.5             | 117.5             | (2.0)  | (1.7)    |
| Statutory accounting profit              | \$m   | 205.8             | 202.0             | 3.8    | 1.9      |
| Statutory accounting profit per security | ¢     | 26.7              | 26.2              | 0.5    | 1.9      |
| FFO                                      | \$m   | 98.4              | 96.8              | 1.6    | 1.7      |
| Distributions                            | \$m   | 77.2              | 91.1              | (13.9) | (15.3)   |
| Payout ratio                             | %     | 78.5              | 94.1              | (15.6) |          |
| FFO per security                         | ¢     | 12.7              | 12.6              | 0.1    | 0.8      |
| Distributions per security               | ¢     | 10.0              | 11.8              | (1.8)  | (15.3)   |
| ICR                                      | times | 4.8               | 4.6               |        |          |
| MER                                      | %     | 0.32              | 0.38              | (0.06) |          |
|  |       | As at 31 Dec 2020 | As at 30 Jun 2020 | Change | % Change |
| NTA per stapled security                 | \$    | 3.82              | 3.65              | 0.17   | 4.7      |
| Gearing                                  | %     | 29.9              | 32.2              |        | (2.3)    |

1. Net property income plus distributions from equity related investments.





# Reconciliation from statutory profit to FFO

|  | 1H21         | 1H20         | Change     | Change     |
|--|--------------|--------------|------------|------------|
|  | \$m          | \$m          | \$m        | %          |
| <b>Profit after tax</b>  | <b>205.8</b> | <b>202.0</b> | <b>3.8</b> | <b>1.9</b> |
| <b>Less FFO items:</b>   |              |              |            |            |
| - Straight line adjustment to property revenue                                   | (5.7)        | 8.1          | (13.8)     |            |
| - Net loss in fair value on sale of investment properties                        | 0.3          | 0.0          | 0.3        |            |
| - Net gain in fair value of investment properties                                | (102.1)      | (139.9)      | 37.8       |            |
| - Net gain in fair value of investment in securities                             | (15.1)       | (0.6)        | (14.5)     |            |
| - Net gain / (loss) in fair value of derivatives                                 | 52.6         | (3.8)        | 56.4       |            |
| - Net loss / (gain) on exchange rate translation of interest-bearing liabilities | (41.1)       | 19.2         | (60.3)     |            |
| - Amortisation of incentives and leasing costs                                   | 12.5         | 9.9          | 2.6        |            |
| - Deferred tax expense / (benefit)   | (10.5)       | 0.1          | (10.6)     |            |
| - Other  | 1.7          | 1.8          | (0.1)      |            |
| <b>FFO</b>   | <b>98.4</b>  | <b>96.8</b>  | <b>1.6</b> | <b>1.7</b> |

# Financial position

|                           | 31 December 2020 | 30 June 2020   |
|---------------------------|------------------|----------------|
|                           | \$m              | \$m            |
| <b>Assets</b>             |                  |                |
| Cash and cash equivalents | 33.8             | 42.7           |
| Investment properties     | 4,406.0          | 4,325.7        |
| Investment in securities  | 90.3             | 69.9           |
| Other assets              | 29.4             | 62.4           |
| <b>Total assets</b>       | <b>4,559.5</b>   | <b>4,500.7</b> |
| <b>Liabilities</b>        |                  |                |
| Borrowings                | 1,357.7          | 1,446.0        |
| Distributions payable     | 77.2             | 77.2           |
| Lease liabilities         | 107.2            | 111.2          |
| Other liabilities         | 65.6             | 43.7           |
| <b>Total liabilities</b>  | <b>1,607.7</b>   | <b>1,678.1</b> |
| <b>Net assets</b>         | <b>2,951.8</b>   | <b>2,822.6</b> |
| Securities on issue       | m                | 772.2          |
| NTA per security          | \$               | 3.82           |
| Balance sheet gearing     | %                | 29.9%          |





# Additional financial information

## Impact of COVID-19 pandemic on FY21 results and balance sheet

|   | FFO          | Cashflows    | Receivables |
|---|--------------|--------------|-------------|
|   | \$m          | \$m          | \$m         |
| Provided \$0.4m rental abatements   | (0.4)        | (0.4)        | –           |
| Provided \$0.2m rental deferrals <sup>1</sup> : discounted by \$0.0m to present value for non-current portion | (0.0)        | (0.2)        | 0.2         |
| FY20 Expected Credit Loss allowance reversed  | 0.2          | 0.0          | 0.2         |
| <b>Total impact</b>   | <b>(0.2)</b> | <b>(0.6)</b> | <b>0.4</b>  |

## Reconciliation of operating cashflow to FFO

|  | 1HY21       |
|--|-------------|
|  | \$m         |
| <b>Operating cashflow</b>  | <b>82.0</b> |
| Lease incentives and leasing costs                               | 20.9        |
| Net (prepaid)/accrued operating activities                       | (5.7)       |
| Provision for income tax   | (1.5)       |
| Lease liability repayments classified as financing cashflows     | (0.4)       |
| Unamortised upfront costs  | 0.1         |
| <b>FFO</b>   | <b>98.4</b> |
| <b>1H21 distributions provided for or paid during the period</b> | <b>77.2</b> |

1. Deferred rent to be paid between November 2020 and December 2023.



# Lease incentives

Lease incentives includes fit out, rent free, rental abatement and cash payments. The tables on this page show the financial impact of incentives on Growthpoint's financial statements<sup>1</sup>

1. The financial impact includes all relevant historical impacts but not necessarily all future ones. For example, a cash payment would be captured here regardless of when a lease commences but rent free for a future period would not be captured until the relevant period.
2. Includes cash incentives and fit out incentives only. Other non-cash tenant incentives provided in 1H21 were rent abatement of \$3.5 million and rent free incentives of \$4.2 million. These two amounts form part of the unamortised lease incentives balance in the Consolidated Statement of Financial Position. Leasing costs of \$1.4 million were also paid in 1H21.
3. Includes establishment costs such as legal costs and agent fees.

| Consolidated Statement of Profit and Loss                            | 1H21         | 1H20         |
|--|--------------|--------------|
|  | \$m          | \$m          |
| Property revenue (excluding incentives)                              | 158.0        | 145.7        |
| Amortisation of tenant incentives                                    | (12.5)       | (9.9)        |
| <b>Property revenue</b>  | <b>145.5</b> | <b>135.8</b> |
| Net changes in value of investment properties (excluding incentives) | 93.7         | 134.9        |
| Net value of tenant incentive changes during the period              | 8.4          | 5.0          |
| Net changes in value of investment properties                        | 102.1        | 139.9        |

| Consolidated Cash Flow Statement                              | 1H21        | 1H20         |
|---|-------------|--------------|
|   | \$m         | \$m          |
| Cash generated from operating expenses (excluding incentives) | 93.8        | 121.0        |
| Incentives paid <sup>2</sup>                                  | (11.8)      | (0.3)        |
| <b>Cash generated from operating activities</b>               | <b>82.0</b> | <b>120.7</b> |

| Consolidated Statement of Financial Position   | 1H21 | 1H20 |
|--|------|------|
|  | \$m  | \$m  |
| Unamortised lease incentives, recognised within investment property as a reconciling item          | 63.2 | 60.7 |
| Unamortised leasing costs recognised within investment property as a reconciling item <sup>3</sup> | 4.4  | 3.5  |



# Operating and capital expenses

## Operating expenses

|   |     | CY20        | CY19    |
|---|-----|-------------|---------|
| Total operating expenses                          | \$m | 13.7        | 15.7    |
| Average gross assets value                        | \$m | 4,219.2     | 4,101.6 |
| <b>Operating expenses to average gross assets</b> | %   | <b>0.32</b> | 0.38    |

Average  
**0.37%**  
CY16 – CY20

## Capital expenditure

|  |     | CY20        | CY19    |
|--|-----|-------------|---------|
| Total portfolio capex  | \$m | 25.8        | 16.4    |
| Average property asset value                                   | \$m | 4,313.5     | 4,018.3 |
| <b>Capital expenditure to average property portfolio value</b> | %   | <b>0.60</b> | 0.41    |

Expected to  
average  
**0.3%-0.5%**  
over medium-term  
based on current  
portfolio

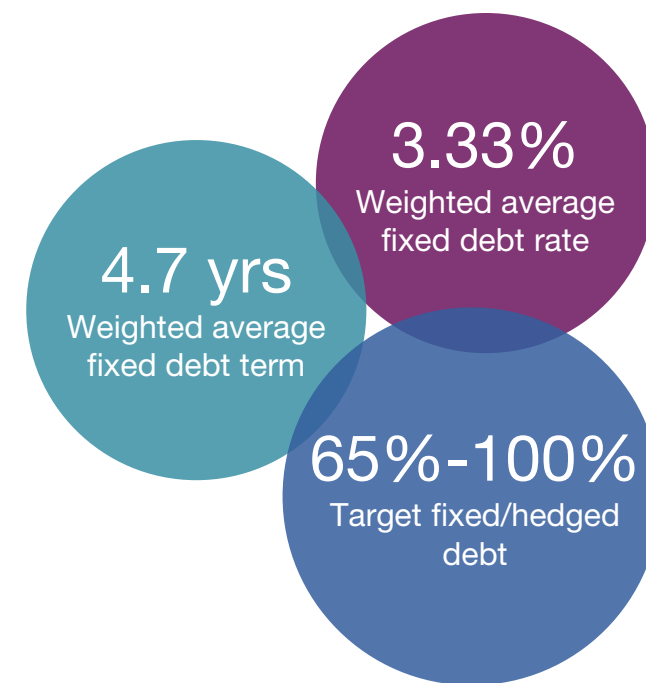
CY20 capex to average property portfolio value above Growthpoint's guidance range due to two significant one-off projects:

- The replacement of aluminium composite panels at 333 Ann St, Brisbane, Queensland. This project is now complete.
- \$3.8 million of capital works at 1 Charles St, Parramatta, New South Wales, required under the lease to the New South Wales Police Force. The Group used restricted cash to fund these works.

# Capital management

| Maturity date                               | Time to maturity | Fixed rate   | Face value of swap |
|---|------------------|--------------|--------------------|
| <b>Interest rate swaps</b>                  |                  |              |                    |
| Jun-2023                                    | 2.5 years        | 1.15%        | \$75m              |
| Jun-2023                                    | 2.5 years        | 1.15%        | \$25m              |
| Dec-2023                                    | 3.0 years        | 0.22%        | \$20m              |
| Dec-2023                                    | 3.0 years        | 0.21%        | \$15m              |
| Jun-2024                                    | 3.5 years        | 1.21%        | \$100m             |
| Jun-2025                                    | 4.5 years        | 1.29%        | \$100m             |
| <b>Weighted average interest rate swaps</b> | <b>3.4 years</b> | <b>1.11%</b> | <b>\$335m</b>      |

|  |                  |              |               |
|--|------------------|--------------|---------------|
| <b>Fixed rate debt facilities</b>                  |                  |              |               |
| Dec-2022   | 2.0 years        | 4.40%        | \$60m         |
| Mar-2025   | 4.2 years        | 4.67%        | \$200m        |
| Dec-2026   | 6.0 years        | 3.27%        | \$100m        |
| Jun-2027   | 6.5 years        | 5.28%        | \$130m        |
| Jun-2029   | 8.5 years        | 5.45%        | \$52m         |
| Jun-2029   | 8.5 years        | 5.35%        | \$26m         |
| <b>Weighted average fixed rate debt facilities</b> | <b>5.4 years</b> | <b>4.64%</b> | <b>\$568m</b> |
| <b>Weighted average fixed debt</b>                 | <b>4.7 years</b> | <b>3.33%</b> | <b>\$903m</b> |
| <b>Debt fixed at 31 December 2020</b>              | <b>66%</b>       |              |               |



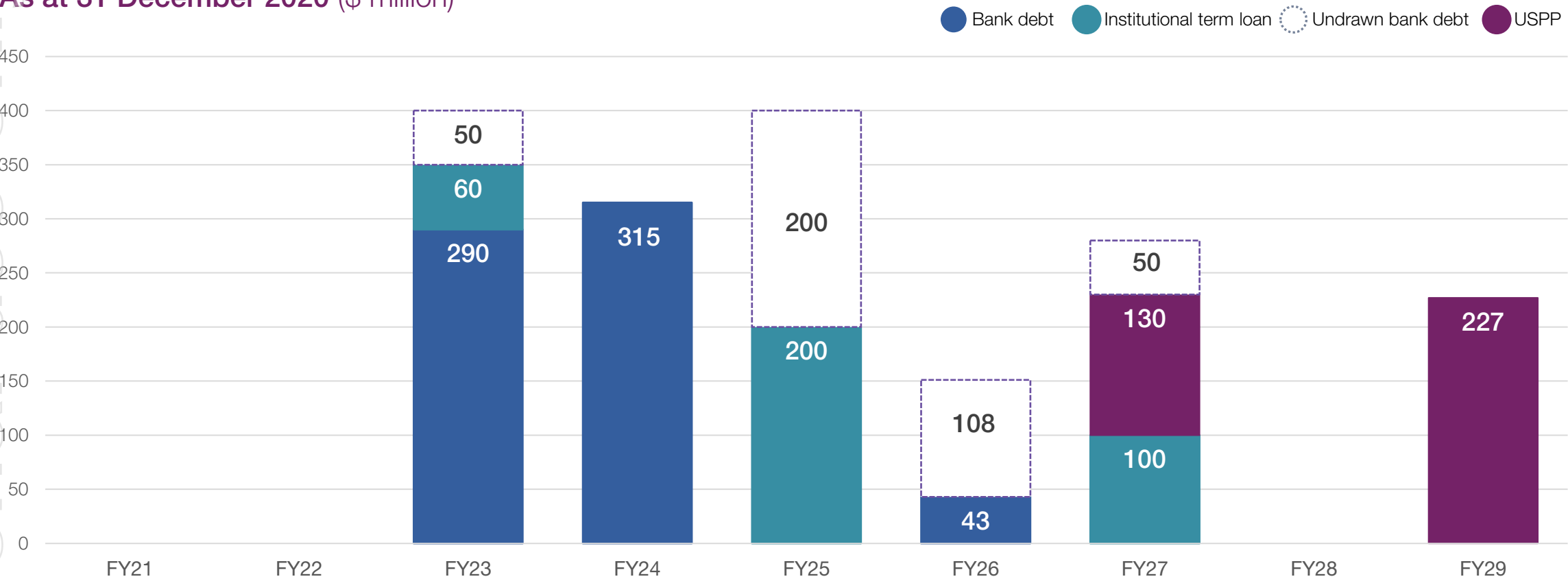


# Key debt metrics and changes during 1H21

|   |       | 31 Dec 2020 | 30 Jun 2020 | Change    |
|---|-------|-------------|-------------|-----------|
| Gross assets  | \$m   | 4,559.5     | 4,500.7     | 58.8      |
| Interest bearing liabilities                        | \$m   | 1,357.7     | 1,446.0     | (88.3)    |
| Total debt facilities                               | \$m   | 1,771.9     | 1,813.0     | (41.1)    |
| Undrawn debt  | \$m   | 407.5       | 360.0       | 47.5      |
| Gearing   | %     | 29.9        | 32.2        | (2.3)     |
| Weighted average cost of debt (based on drawn debt) | %     | 3.4         | 3.4         | 0.0       |
| Weighted average debt maturity                      | years | 4.5         | 4.7         | (0.2)     |
| Annual interest coverage ratio (ICR) / covenant ICR | times | 4.8 / 1.6   | 4.6 / 1.6   | 0.2 / -   |
| Actual loan to value ratio (LVR) / covenant LVR     | %     | 32.1 / 60   | 33.5 / 60   | (1.4) / - |
| Weighted average fixed debt maturity                | years | 4.7         | 5.0         | (0.3)     |
| % of debt fixed                                     | %     | 66          | 67          | (1)       |
| Debt providers                                      | no.   | 21          | 21          | 0         |

# Group debt maturity profile

As at 31 December 2020 (\$ million)





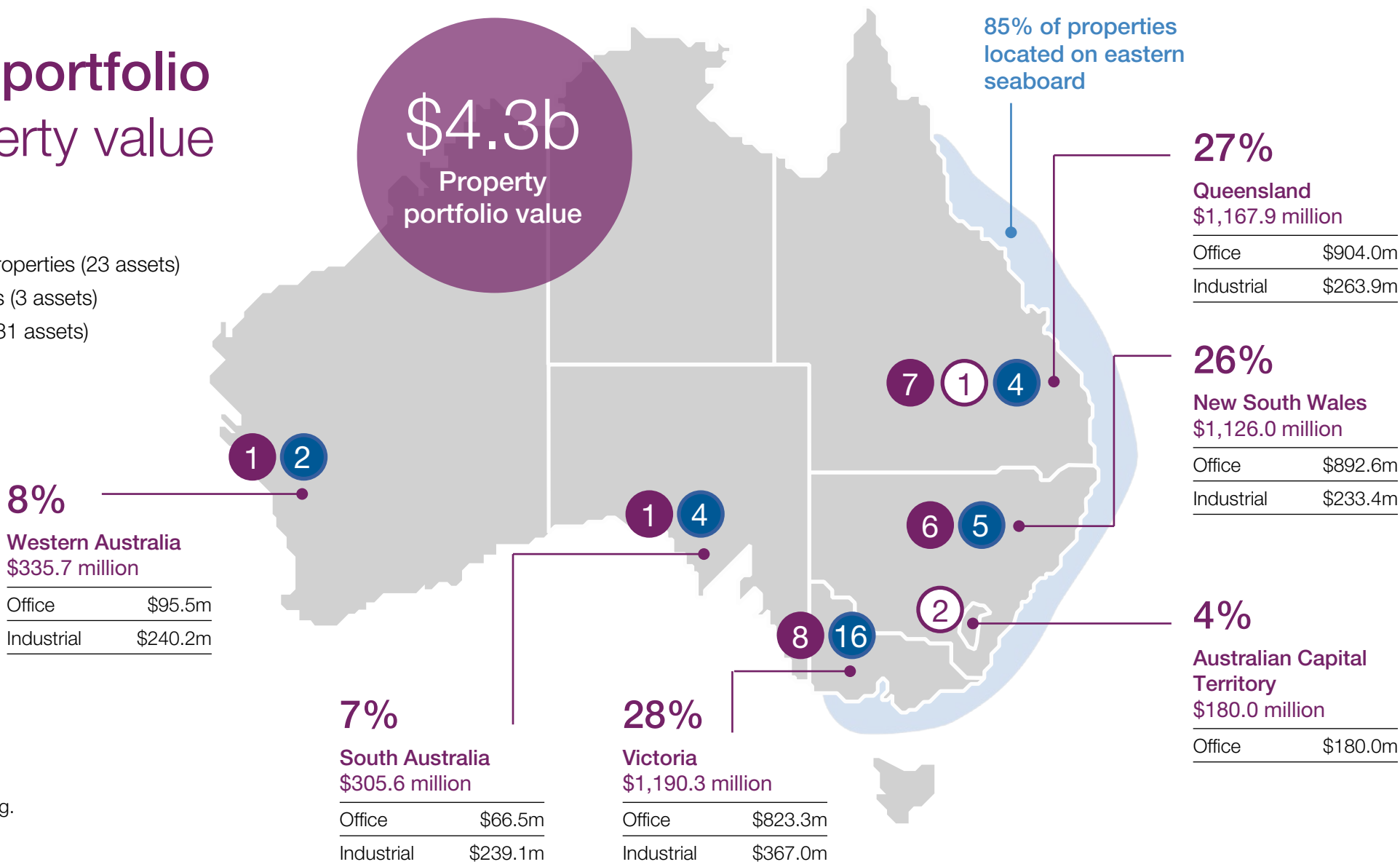
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# Property portfolio.



# Property portfolio – by property value

- Office metropolitan properties (23 assets)
- Office CBD properties (3 assets)
- Industrial properties (31 assets)



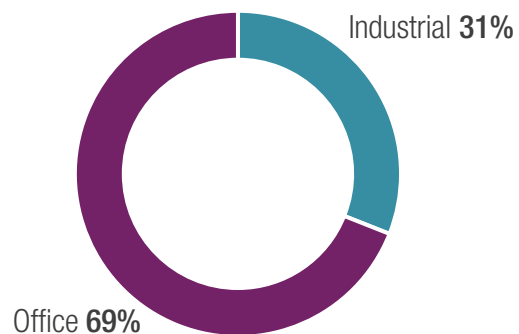
May not sum due to rounding.



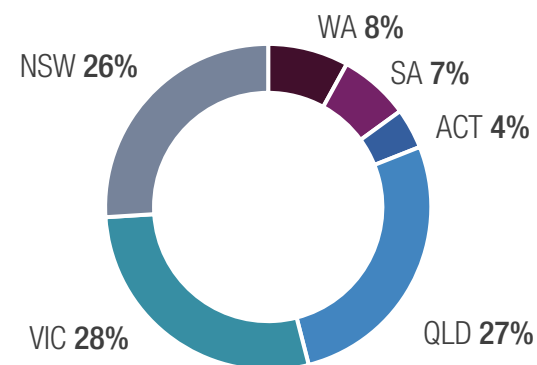
# Portfolio summary

As at 31 December 2020

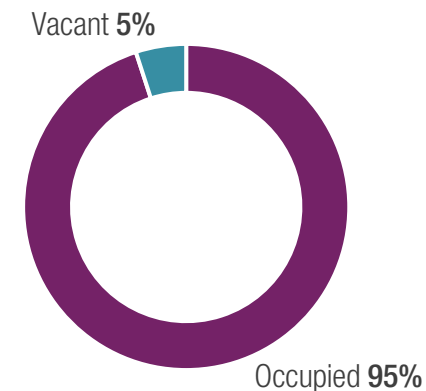
**Sector diversity**  
by value



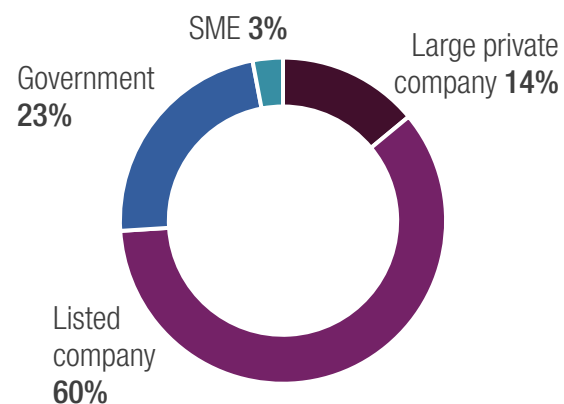
**Geographic diversity**  
by value



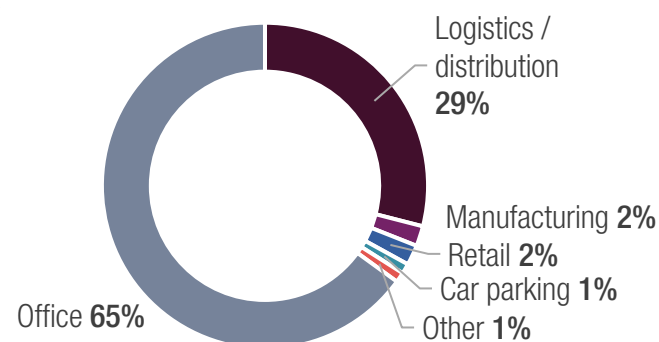
**Occupancy**  
by income



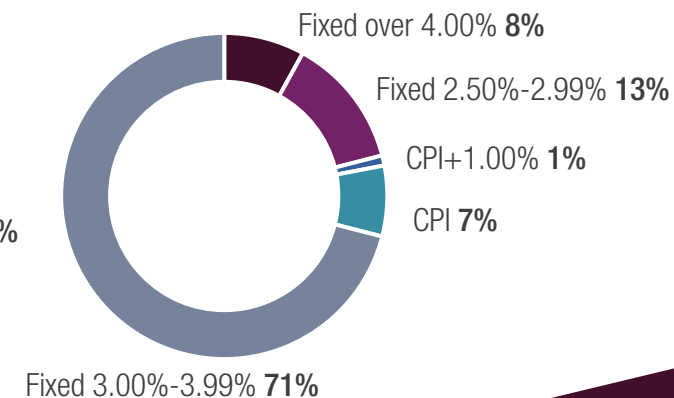
**Tenant type**  
by income



**Tenant use**  
by income



**Annual rent review type**  
by income



May not sum due to rounding.

# Portfolio metrics

## Key metrics

|                                      | 31 December 2020        | 30 June 2020      |
|--------------------------------------|-------------------------|-------------------|
| Number of assets                     | <b>57</b>               | 58                |
| Property portfolio value             | <b>\$4.3 billion</b>    | \$4.2 billion     |
| Number of tenants                    | <b>163</b>              | 163               |
| Portfolio occupancy                  | <b>95%</b>              | 93%               |
| Tenant retention                     | <b>60%</b>              | 95%               |
| WALE                                 | <b>6.2 years</b>        | 6.2 years         |
| Weighted average property age        | <b>11.4 years</b>       | 12.1 years        |
| Weighted average capitalisation rate | <b>5.5%</b>             | 5.7%              |
| WARR                                 | <b>3.2%<sup>1</sup></b> | 3.3% <sup>2</sup> |

1. Assumes CPI change of 0.86% per annum as per ABS release for CY20.

2. Assumes CPI change of -0.35% per annum as per ABS release for FY20.

## Like-for-like NPI growth (1H20 to 1H21)

|            | Office | Industrial | Distributions from equity investments | Total        |
|------------|--------|------------|---------------------------------------|--------------|
| NPI growth | -2.9%  | 0.8%       | -1.7%                                 | <b>-1.7%</b> |



# Top ten tenants – by income



## Total portfolio as at 31 December 2020

|                                 | % portfolio income | WALE (yrs) |
|---------------------------------|--------------------|------------|
| Woolworths                      | 13                 | 5.9        |
| NSW Police Force                | 8                  | 24.0       |
| Commonwealth of Australia       | 7                  | 5.6        |
| Country Road Group              | 4                  | 11.5       |
| Linfox                          | 3                  | 4.2        |
| Bank of Queensland              | 3                  | 6.1        |
| ANZ Banking Group               | 3                  | 5.2        |
| Bunnings Warehouse              | 3                  | 10.3       |
| Samsung Electronics             | 2                  | 1.2        |
| Lion                            | 2                  | 3.3        |
| <b>Total / weighted average</b> | <b>48</b>          | <b>9.0</b> |
| Balance of portfolio            | 52                 | 3.5        |
| <b>Total portfolio</b>          | <b>100</b>         | <b>6.2</b> |



## Office tenants as at 31 December 2020

|                                 | % portfolio income | WALE (yrs) |
|---------------------------------|--------------------|------------|
| NSW Police Force                | 12                 | 24.0       |
| Commonwealth of Australia       | 10                 | 5.6        |
| Country Road Group              | 5                  | 11.5       |
| Bank of Queensland              | 5                  | 6.1        |
| ANZ Banking Group               | 4                  | 5.2        |
| Bunnings Warehouse              | 4                  | 10.3       |
| Samsung Electronics             | 4                  | 1.2        |
| Lion                            | 3                  | 3.3        |
| Jacobs Group                    | 3                  | 4.9        |
| Fox Sports                      | 3                  | 2.0        |
| <b>Total / weighted average</b> | <b>53</b>          | <b>9.9</b> |
| Balance of portfolio            | 47                 | 3.6        |
| <b>Total portfolio</b>          | <b>100</b>         | <b>6.9</b> |



## Industrial tenants as at 31 December 2020

|                                 | % portfolio income | WALE (yrs) |
|---------------------------------|--------------------|------------|
| Woolworths                      | 39                 | 5.9        |
| Linfox                          | 11                 | 4.2        |
| Australia Post                  | 4                  | 3.5        |
| Laminex Group                   | 4                  | 1.5        |
| Brown & Watson International    | 3                  | 4.6        |
| HB Commerce                     | 3                  | 1.7        |
| The Workwear Group              | 2                  | 6.5        |
| Autocare Services               | 2                  | 9.8        |
| Symbion                         | 2                  | 8.0        |
| Mainfreight Distribution        | 1                  | 1.9        |
| <b>Total / weighted average</b> | <b>71</b>          | <b>5.2</b> |
| Balance of portfolio            | 29                 | 2.9        |
| <b>Total portfolio</b>          | <b>100</b>         | <b>4.5</b> |

# Leasing – office leases executed in 1H21

| Location                            |                     |     | Tenant                                | Start date | Term (yrs) | NLA (sqm)     | Car parks (no.) |
|-------------------------------------|---------------------|-----|---------------------------------------|------------|------------|---------------|-----------------|
| 333 Ann Street                      | Brisbane            | QLD | Brisbane Housing Corporation          | Q1, FY21   | 8.0        | 867           | 9               |
| 333 Ann Street                      | Brisbane            | QLD | Condor Energy Services                | Q1, FY21   | 5.7        | 295           | –               |
| 102 Bennelong Parkway               | Sydney Olympic Park | NSW | Keks Projects                         | Q1, FY21   | 0.5        | 34            | 1               |
| Building 3, 570 Swan Street         | Richmond            | VIC | Bunnings Warehouse                    | Q2, FY21   | 10.6       | 13,886        | 308             |
| 33-39 Richmond Road                 | Keswick             | SA  | SA Government                         | Q2, FY21   | 10.0       | 3,476         | 90              |
| 333 Ann Street                      | Brisbane            | QLD | Omada Rail Systems                    | Q2, FY21   | 6.0        | 385           | –               |
| Building B, 211 Wellington Road     | Mulgrave            | VIC | Monash University                     | Q2, FY21   | 5.4        | 8,995         | 400             |
| 333 Ann Street                      | Brisbane            | QLD | Prosperity Services                   | Q2, FY21   | 5.0        | 410           | –               |
| 6 Parkview Drive                    | Sydney Olympic Park | NSW | Smartmoney Wealth Management Group    | Q2, FY21   | 3.0        | 196           | 5               |
| 102 Bennelong Parkway               | Sydney Olympic Park | NSW | Power Ideas                           | Q2, FY21   | 3.0        | 122           | 2               |
| Building C, 219-247 Pacific Highway | Artarmon            | NSW | Multiplex Constructions               | Q2, FY21   | 2.0        | 1,106         | 15              |
| 102 Bennelong Parkway               | Sydney Olympic Park | NSW | Australia Stonegate Group Development | Q2, FY21   | 0.5        | 25            | 1               |
| 6 Parkview Drive                    | Sydney Olympic Park | NSW | Akura                                 | Q3, FY21   | 1.0        | 93            | 2               |
| 6 Parkview Drive                    | Sydney Olympic Park | NSW | 212 Financial Group                   | Q3, FY21   | 0.5        | 12            | 1               |
| Building B, 211 Wellington Road     | Mulgrave            | VIC | Monash University                     | Q4, FY21   | 5.0        | 1,842         | 140             |
| 100 Skyring Terrace                 | Newstead            | QLD | Redchip Lawyers                       | Q3, FY26   | 3.7        | 1,010         | 20              |
| <b>Weighted average / total</b>     |                     |     |                                       |            | <b>8.0</b> | <b>32,752</b> | <b>994</b>      |



## Leasing – industrial leases executed in 1H21

| Location                        |               |     | Tenant          | Start date | Term (yrs) | NLA (sqm)     |
|---------------------------------|---------------|-----|-----------------|------------|------------|---------------|
| 13 Business Street              | Yatala        | QLD | Volo Modular    | Q1, FY21   | 5.0        | 8,951         |
| 58 Tarlton Crescent             | Perth Airport | WA  | Couriers Please | Q1, FY21   | 3.0        | 3,638         |
| <b>Weighted average / total</b> |               |     |                 |            | <b>4.4</b> | <b>12,589</b> |

# Key market metrics.





# Key metrics – office markets

R – Average face rent per sqm per annum  
I – Average incentives  
Y – Average core market yield

**2% of Growthpoint Portfolio**

**Perth – West Perth**

|               |            |            |
|---------------|------------|------------|
| Vacancy 22.0% |            |            |
|               | Prime      | Secondary  |
| R             | \$361 net  | \$263 net  |
| I             | 37%        | 36%        |
| Y             | 5.75-7.75% | 7.00-9.25% |

**0% of Growthpoint Portfolio**

**Perth - CBD**

|               |            |            |
|---------------|------------|------------|
| Vacancy 20.0% |            |            |
|               | Prime      | Secondary  |
| R             | \$625 net  | \$379 net  |
| I             | 49%        | 51%        |
| Y             | 5.25-7.75% | 7.00-9.50% |

**0% of Growthpoint Portfolio**

**Adelaide - CBD**

|               |             |             |
|---------------|-------------|-------------|
| Vacancy 16.6% |             |             |
|               | Prime       | Secondary   |
| R             | \$527 gross | \$361 gross |
| I             | 37%         | 37%         |
| Y             | 5.50-7.00%  | 6.25-8.50%  |

**0% of Growthpoint Portfolio**

**Melbourne - CBD**

|               |            |            |
|---------------|------------|------------|
| Vacancy 13.2% |            |            |
|               | Prime      | Secondary  |
| R             | \$617 net  | \$468 net  |
| I             | 33%        | 30%        |
| Y             | 4.38-5.38% | 4.75-5.75% |

**16% of Growthpoint Portfolio**

**Melbourne - Fringe**

|               |            |            |
|---------------|------------|------------|
| Vacancy 14.7% |            |            |
|               | Prime      | Secondary  |
| R             | \$467 net  | \$372 net  |
| I             | 29%        | 29%        |
| Y             | 4.88-5.63% | 5.00-6.00% |

**3% of Growthpoint Portfolio**

**Melbourne – SES**

|               |            |            |
|---------------|------------|------------|
| Vacancy 12.8% |            |            |
|               | Prime      | Secondary  |
| R             | \$388 net  | \$300 net  |
| I             | 27%        | 28%        |
| Y             | 5.00-5.75% | 5.25-7.00% |

**4% of Growthpoint Portfolio**

**Canberra**

|              |             |             |
|--------------|-------------|-------------|
| Vacancy 8.2% |             |             |
|              | Prime       | Secondary   |
| R            | \$468 gross | \$395 gross |
| I            | 21%         | 25%         |
| Y            | 4.75-6.50%  | 6.25-11.00% |

**0% of Growthpoint Portfolio**

**Sydney - CBD**

|               |             |            |
|---------------|-------------|------------|
| Vacancy 11.9% |             |            |
|               | Prime       | Secondary  |
| R             | \$1,203 net | \$881 net  |
| I             | 30%         | 30%        |
| Y             | 4.38-5.00%  | 4.88-5.38% |

**6% of Growthpoint Portfolio**

**Sydney Olympic Park**

|               |            |  |
|---------------|------------|--|
| Vacancy 22.2% |            |  |
|               | Prime      |  |
| R             | \$434 net  |  |
| I             | 29%        |  |
| Y             | 5.50-6.50% |  |

**11% of Growthpoint Portfolio**

**Sydney - Parramatta**

|               |            |            |
|---------------|------------|------------|
| Vacancy 10.9% |            |            |
|               | Prime      | Secondary  |
| R             | \$589 net  | \$447 net  |
| I             | 30%        | 25%        |
| Y             | 4.88-6.00% | 5.50-6.25% |

**3% of Growthpoint Portfolio**

**Brisbane - CBD**

|               |             |             |
|---------------|-------------|-------------|
| Vacancy 14.0% |             |             |
|               | Prime       | Secondary   |
| R             | \$762 gross | \$596 gross |
| I             | 40%         | 42%         |
| Y             | 5.00-6.25%  | 5.75-7.00%  |

**18% of Growthpoint Portfolio**

**Brisbane - Fringe**

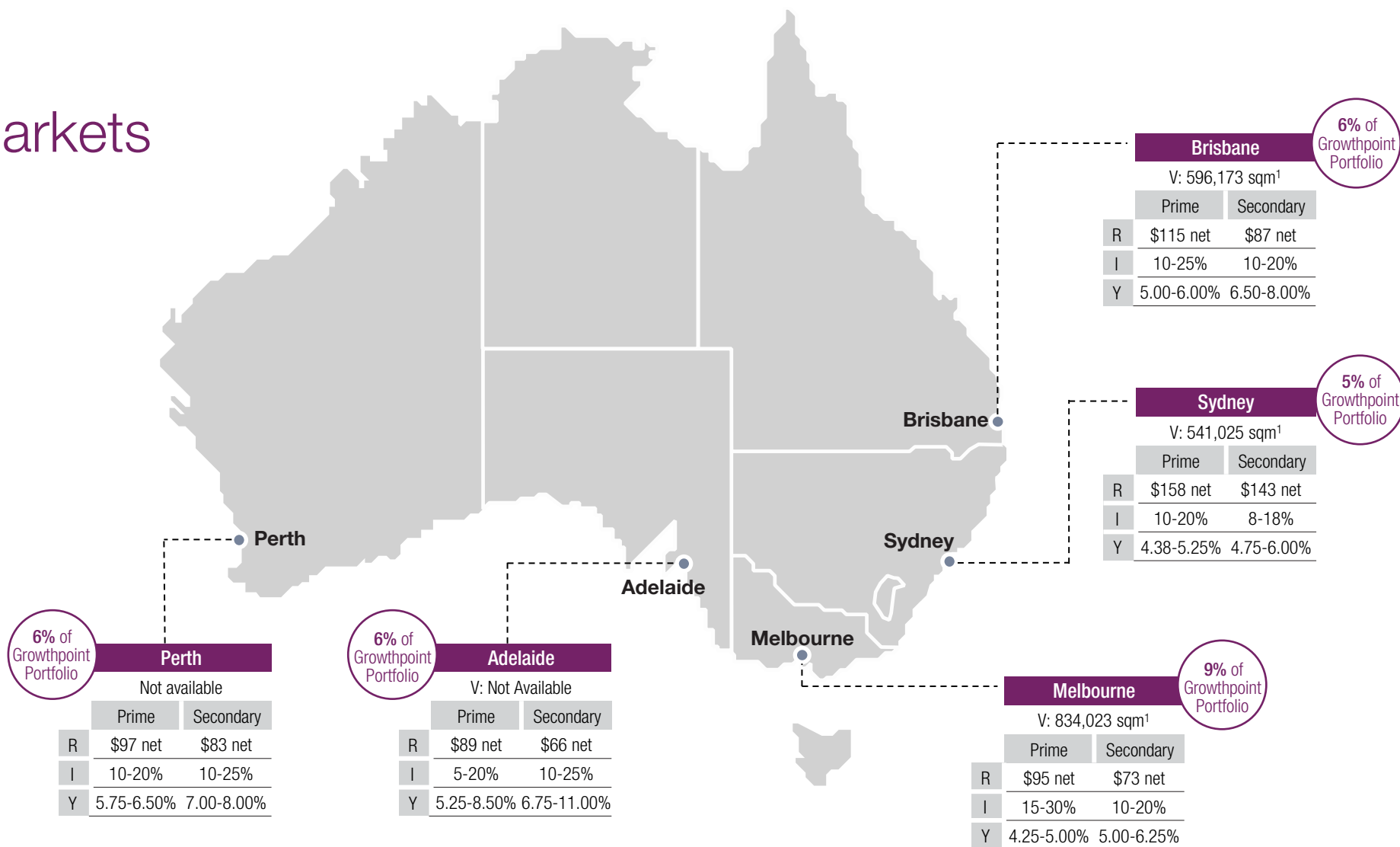
|               |             |             |
|---------------|-------------|-------------|
| Vacancy 17.7% |             |             |
|               | Prime       | Secondary   |
| R             | \$585 gross | \$470 gross |
| I             | 43%         | 42%         |
| Y             | 5.75-7.50%  | 6.00-7.75%  |

Sources: JLL, Knight Frank, Growthpoint research

# Key metrics

## – industrial markets

R – Average face rent per sqm per annum  
I – Average incentives  
Y – Average core market yield  
V – Vacancy



Sources: JLL, Knight Frank, Savills, Growthpoint research

1. Total market vacancy, only spaces over 5,000sqm captured.



# Glossary.





# Glossary

| Term                                   | Definition   |
|--|--|
| <b>1H</b>                              | First half of the financial year   |
| <b>ABS</b>                             | Australian Bureau of Statistics  |
| <b>ACT</b>                             | Australian Capital Territory, Australia  |
| <b>A-REIT</b>                          | Australian Real Estate Investment Trust  |
| <b>ASX</b>                             | Australian Securities Exchange   |
| <b>b</b>                               | Billion  |
| <b>bps</b>                             | Basis points   |
| <b>capex</b>                           | Capital expenditure  |
| <b>cap rate or capitalisation rate</b> | The market income produced by an asset divided by its value or cost  |
| <b>CBD</b>                             | Central business district  |
| <b>CDP</b>                             | A global environmental disclosure system   |
| <b>CPI</b>                             | Consumer price index   |
| <b>cps</b>                             | Cents per security   |
| <b>CY</b>                              | Calendar year  |
| <b>Deferred rent</b>                   | Rent deferred to support tenants severely impacted by the COVID-19 pandemic. Rent to begin to be collected from October 2020 |
| <b>DPS</b>                             | Distribution per security  |
| <b>FFO</b>                             | Funds from operations  |
| <b>FY</b>                              | Financial year   |
| <b>gearing</b>                         | Interest bearing liabilities less cash divided by total assets less finance lease assets less cash                           |
| <b>GOZ</b>                             | Growthpoint or Growthpoint's ASX trading code or ticker  |
| <b>GRESB</b>                           | Global Real Estate Sustainability Benchmark  |
| <b>Growthpoint or the Group</b>        | Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities                             |
| <b>ICR</b>                             | Interest coverage ratio  |
| <b>IRR</b>                             | Average annual return before gearing and corporate costs   |

| Term                                      | Definition  |
|---|---|
| <b>JLL</b>                                | The Australian arm of Jones Lang LaSalle, an international professional services and investment management firm |
| <b>LVR</b>                                | Loan to value ratio   |
| <b>m</b>                                  | Million   |
| <b>MER</b>                                | Management expense ratio  |
| <b>NLA</b>                                | Net lettable area   |
| <b>NPI</b>                                | Net property income plus distributions from equity related investments  |
| <b>NSW</b>                                | New South Wales, Australia  |
| <b>NTA</b>                                | Net tangible assets   |
| <b>Payout ratio</b>                       | Distributions (\$million) divided by FFO (\$million)  |
| <b>Q</b>                                  | Quarter   |
| <b>QLD</b>                                | Queensland, Australia   |
| <b>RBA</b>                                | Reserve Bank of Australia   |
| <b>Rent abatement</b>                     | Rent waived to support tenants severely impacted by the COVID-19 pandemic                                       |
| <b>ROE or return on equity</b>            | Calculated as the percentage change in NTA plus the distributions for a given period divided by the opening NTA |
| <b>SA</b>                                 | South Australia, Australia  |
| <b>sqm</b>                                | Square metres   |
| <b>TSR or total securityholder return</b> | Change in security price plus distributions paid or payable for the relevant period                             |
| <b>USPP</b>                               | United States Private Placement   |
| <b>VIC</b>                                | Victoria, Australia   |
| <b>WA</b>                                 | Western Australia, Australia  |
| <b>WALE</b>                               | Weighted average lease expiry   |
| <b>WARR</b>                               | Weighted average rent review  |
| <b>Woolworths</b>                         | Woolworths Group Limited  |
| <b>yrs</b>                                | Years   |



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This presentation was authorised by Growthpoint's Board of Directors.





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**GROWTHPOINT**  
PROPERTIES



# 2021 calendar.

- **29 April** – 3Q21 Update
- **25 August** – FY21 Results
- **18 November** – Annual General Meeting

Dates are indicative and subject to change.