

1H21 Results

25 February 2021

We acknowledge
the Traditional Custodians of
the land on which we meet,
work and live.
We pay our respects to First
Nation Elders past, present and
emerging and the care they
have given this country.

Stockland is committed to
supporting organisations and
individual Aboriginal and Torres
Strait Islander people in a
culturally appropriate manner.

Artwork created by Maurice Mickelo

Group update

Mark Steinert

Managing Director & CEO

Financial results and capital management

Tiernan O'Rourke

CFO

Commercial Property

Louise Mason

Group Executive & CEO, Commercial Property

Communities

Andrew Whitson

Group Executive & CEO, Communities

Summary

Mark Steinert

Managing Director & CEO

Group update

Mark Steinert



Stockland

1H21 result

Diversified business model delivers value
Residential market rebounds, improved retail metrics

Funds from operations¹ (FFO)

\$386m

0.4% on 1H20

FFO¹ per security

16.2 cents

0.6% on 1H20

Adjusted FFO¹ (AFFO)

\$337m

(0.2)% on 1H20

AFFO¹ per security

14.1 cents

(0.7)% on 1H20

Statutory profit

\$350m

\$504m 1H20

Return on equity²

11.4%

(80) bps on 31 December 2019

Net tangible assets (NTA) per security

\$3.78

0.3%³ on 30 June 2020

Distribution per security (DPS)

11.3 cents

6.6% on 2H20

1. Funds from operations (FFO) and Adjusted Funds From Operations (AFFO) are determined with reference to the PCA guidelines.
2. Return on equity accumulates individual business return on assets and adjusts for cash interest paid and average drawn debt for the 12 month period ended 31 December 2020. Excludes Residential Communities workout projects.
3. Compared to 30 June 2020 NTA per security of \$3.77.

COVID-19 decisive and proactive response

Stockland continues to adapt to protect our people and business



Safety and wellbeing

- Prioritised safety and wellbeing of tenants, customers, contractors and our teams
- COVIDSafe operational plans remain active across all assets
- 'Hub and Home' hybrid working model in place for employees to navigate return to office



Industry and government engagement¹

- Proactive engagement affecting industry support measures; Commercial Code of Conduct (**Code**), HomeBuilder stimulus



Cost savings

- Reduced or deferred non-critical expenses and implemented cost saving initiatives in recruitment, employee leave and remuneration



Capital management and financial health

- Continued assessment of non-essential capital and development expenditure
- 90% rent collection, net of abatements, at 31 January 2021
- Maintained strong available liquidity of \$1.9bn at 31 December 2020



Tenant support

- Commercial Property tenant negotiations almost complete, with unresolved arrangements relating to less than 5% of monthly billings
- 99.6% of stores now open and trading



Releases and production levels

- Increased Residential production and brought forward stage releases in response to strong demand
- Maintained civil infrastructure and construction works throughout lockdowns



Customer experience

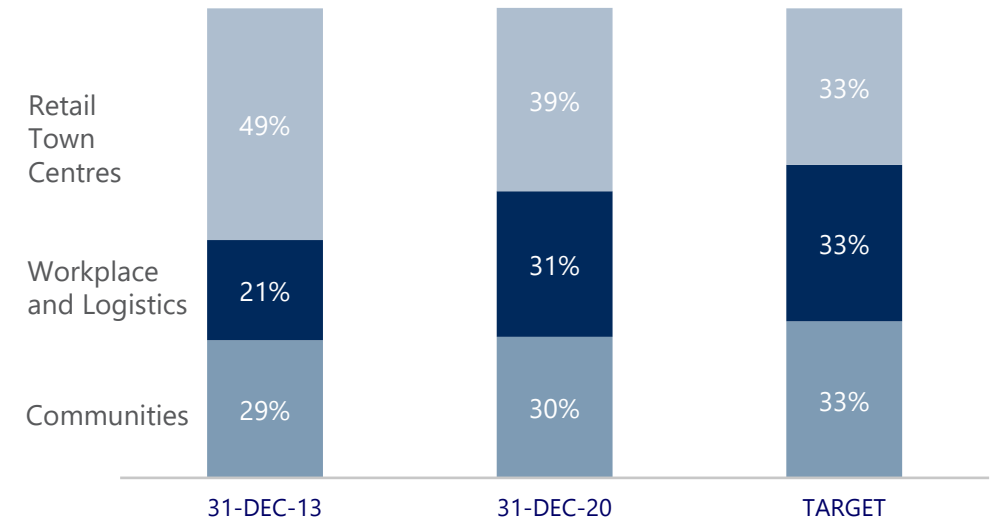
- Innovation, digital and data capability driving online residential enquiry and improved retail customer experience

1. Stockland did not apply to receive funds from the Federal Government under its JobKeeper scheme.

Creating value through our diversified business model

- Managing our diversified business to deliver superior risk-adjusted returns
- 7-year¹ Stockland EPS growth of 7.2% p.a. vs AREIT² average of 5.2% p.a.
- Reweighting our portfolio, predominantly through redevelopment, to enhance expected returns and manage risk
- Addressing structural retail challenges via remixing and non-core divestments
- Capitalising on our leading Residential business through increased production
- 81,000 lot Residential landbank, geographically spread in key growth corridors with an 86% skew to the eastern seaboard
- Scaling our Workplace and Logistics portfolio using our proven capability to acquire, develop and manage with a \$5.9bn³ development pipeline

CAPITAL ALLOCATION^{4,5}



1. FY13 – FY20.
 2. Includes comparable peers within the S&P ASX 200 A-REIT Index on the Australian Securities Exchange.
 3. Expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.
 4. Includes WIP and sundry properties of \$0.4bn.
 5. Excludes UK and apartments, representing 1% at 31 December 2013.

Strong momentum in delivering strategic priorities

PRIORITY	ACHIEVEMENTS	
Increase Workplace & Logistics weighting	Acquisitions	<ul style="list-style-type: none"> Completed 122 Walker Street, North Sydney (NSW) acquisition in July 2020 Two Logistics fund-through developments in Melbourne (VIC), cost of \$108m (land and development), forecast average yield 5.6% Acquired 10.3 Ha Logistics development site in Leppington (NSW) for \$42m Completed acquisition of 21 Ha Logistics site in Willawong (QLD) in a joint venture with FIFE Group
	\$5.9bn development pipeline ¹	<ul style="list-style-type: none"> Commenced civil works at Melbourne Business Park (VIC) and Gregory Hills (NSW) Lodged Piccadilly, Sydney (NSW) Stage 1 planning proposal and Walker Street, North Sydney (NSW) DA in January 2021 Optus Centre (NSW) refurbishment underway post Optus 12 year lease renewal
Improve the quality of our Retail portfolio	Portfolio resilience	<ul style="list-style-type: none"> Comparable sales growth of 2.6%² reflects successful convenience and non-discretionary strategy Sale of \$402m^{3,4} non-core divestments in line with 30 June 2020 valuations Contracted to sell Traralgon (VIC) for \$85m in line with book value
Accelerate Communities growth opportunities	Communities	<ul style="list-style-type: none"> Residential settlements of 3,101, up 43.7% reflecting the strength of our market leading business Continued strategic restocking on capital efficient terms; \$560m for five new acquisitions⁵ adding ~9,200 lots to our landbank across South East Queensland, Melbourne and Sydney Delivered 201 townhomes settlements in 1H21, representing 6.5% of total settlements Commenced construction at Minta (VIC), our second Land Lease Community Divested four non-core Victorian Retirement Living villages for \$89m
Broaden sources of capital	Group	<ul style="list-style-type: none"> Established a Logistics capital partnership⁶ with JP Morgan Asset Management focused on the eastern seaboard, targeting up to \$1bn⁷

1. Expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.
 2. Reflects comparable sales for six months to 31 December 2020.
 3. Settlement of The Pines occurred post balance date, on 8 January 2021.
 4. Includes transactions contracted to sell in FY20 which settled in 1H21.

5. Includes acquisitions and exchange of contracts subject to planning and other approvals and one acquisition subject to finalisation of due diligence.
 6. A special purpose vehicle managed by JP Morgan Asset Management.
 7. Subject to the special purpose vehicle obtaining FIRB approval.

Sustainability leadership, a strategic priority

Shaping tomorrow by acting today

Fast-tracked climate action

Accelerated our Net Zero Carbon target by two years to 2028

Expanded coverage to entire portfolio¹

Drivers: high energy efficiency, on-site solar, portfolio electrification, new technology investment

Successful execution of our ESG strategy

Shape thriving communities – boosted community health and wellbeing, connection and education

- Industry leading Liveability Index – 74% score driving higher customer satisfaction and referrals
- Awarded most Australian Green Star retail and retirement living development ratings in 2020
- Highest ever 6 Star 'World Leadership' masterplanned community rating at Aura (QLD)

Optimise and innovate – reduced our impact while creating resilient communities and assets

- 65% emissions reduction since FY06, over \$123m in cost savings (four years ahead of forecast)
- Climate risk assessed across portfolio, 45% with detailed resilience plans
- Net positive biodiversity value across all new masterplanned communities since 2016

Enrich our value chain – managed risks and opportunities in collaboration with key stakeholders

- Employee engagement consistently above Australian Norm >80%
- PCA Diversity Award, exceeded women in management target, WGEA citation for six consecutive years
- Supply chain safety enhanced - Sites on Safety awards for innovation and implementation
- First Modern Slavery Statement published August 2020
- Third Reconciliation Action Plan launched February 2021

Global recognition of sustainability leadership

**Global Top 5
for 10 years**
DJSI
Real Estate

AAA
ESG Risk Rating
from MSCI

Climate A-list
CDP leadership
ranking
for 4 years

Green Star
GRESB
top quartile
for 7 years

8th
Sustainalytics
Global
Real Estate

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



1. Coverage include scope 1 and 2 emissions within operational control.



Financial results and capital management

Tiernan O'Rourke



Capital position

At 31 December 2020

- Significant headroom in capital metrics to comply with covenants
- Strong cashflow and liquidity to support future opportunities

Gearing

24.2%

25.4% at 30 June 2020

Investment grade credit ratings

A-/Stable S&P

A3/Stable Moody's

Weighted average cost of debt

3.7%

For 1H21

Weighted average debt maturity

5.6 years

Fixed / hedge ratio

76%

Interest cover

6.4:1

For 1H21

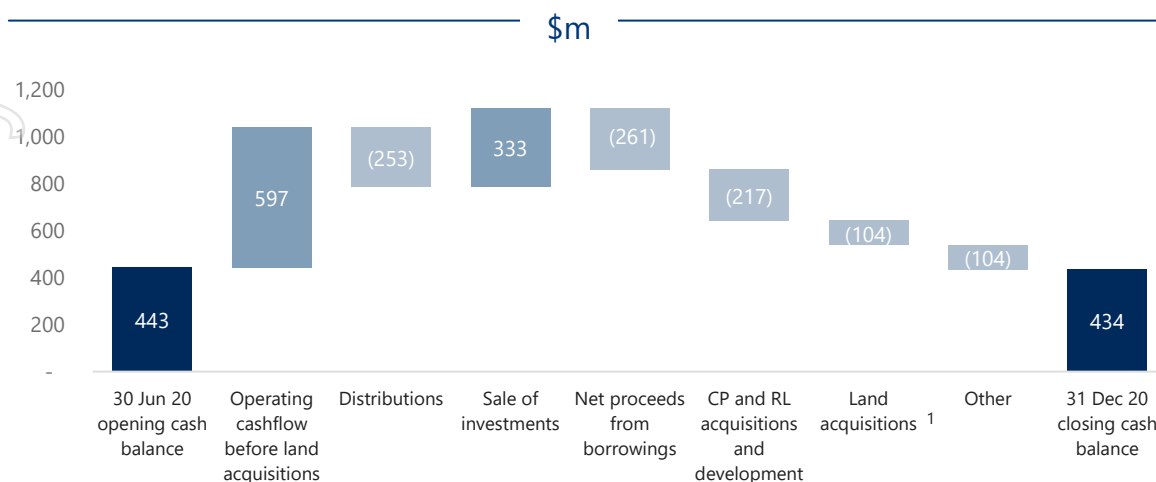
FY21 expected weighted average cost of debt

3.7%

FY21 gearing target range

20% to 30%

Strong operating cashflows



\$m	1H21	1H20
Operating cashflow before land acquisitions	597	569
Includes residential cashflows as follows		
Sales and other revenue	787	789
Current year stage costs	(113)	(106)
Future stage infrastructure costs	(271)	(228)
SG&A and other costs	(88)	(90)
Total	315	365

1. Includes Residential and Logistics projects.
2. Includes the settlement of transactions previously announced in FY20 results disclosures.
3. Settlement of The Pines occurred post balance date on 8 January 2021.

FOCUSED CASHFLOW MANAGEMENT

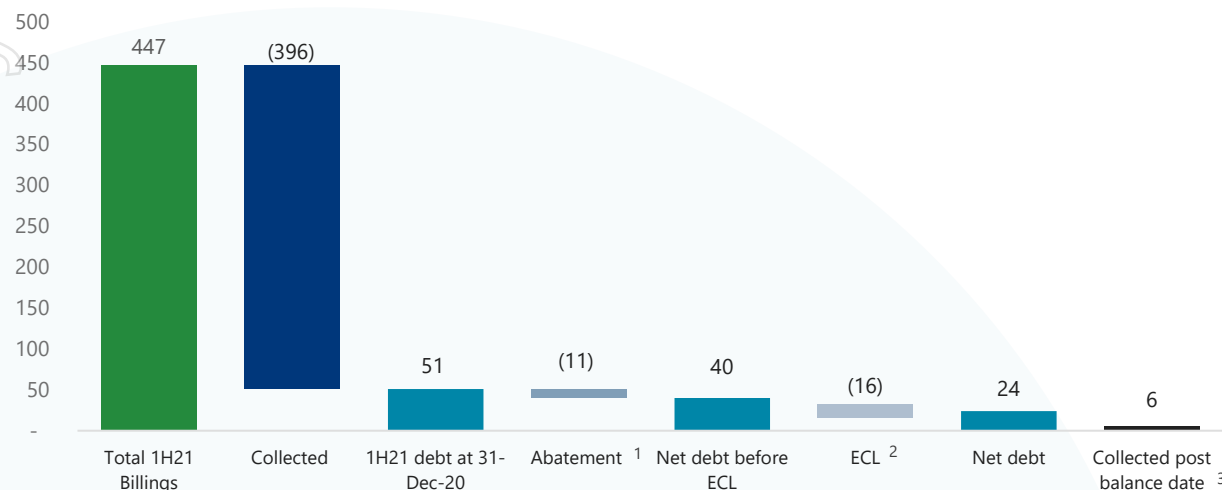
- Strong operating cashflow covering distributions and strengthening our balance sheet
- 2H20 distribution of 10.3 cps reflected our continued focus on retaining capital, reducing gearing and strengthening the balance sheet through the pandemic
- 88% of land acquisition payments were made on capital efficient terms
- The business has a demonstrated ability to increase Residential production for FY21 settlements

FUNDING AND LIQUIDITY

- \$1.9bn of available liquidity at 31 December 2020
- Gearing improved to 24.2% driven by strong 1H21 operating cashflows
- Completed \$491m of non-core divestments including \$402m^{2,3} Retail Town Centres and \$89m Retirement Living villages

COVID-19 rental support – accounting treatment

1H21 RENT COLLECTION



- Portfolio net collections for 1H21 has reached 90% compared with 61% for 4Q20 at 30 June 2020, showing significant improvement in speed of collection, noting 4Q20 net collections have also reached 90%
- Improved rent collections in 2Q21 as foot traffic and sales increased post restrictions easing
- 86%⁵ of tenant rental support negotiations completed with less than 5% of monthly billings outstanding. Abatements reduced to \$11m (~50% of FY20)
- Lower than forecast ECL and abatements due to stronger cash collections and completed negotiations to date. This has led to a release of provisions relating to 4Q20 in 1H21 results
- Outstanding debt is assessed and categorised by tenant. An ECL percentage is booked using best estimate of historical, current and forward-looking information available at 31 December 2020
- Due to strong cash collections and progress of negotiations, ECL provisioning as a % of billings has fallen significantly to 3% (FY20: 16%)⁶

Debt and provisions	Debt ⁴	Abatements	ECL
	as a % of billings		
4Q20 (at 30 Jun 20)	39%	12%	16%
1H21 (at 31 Dec 20)	12%	3%	3%

No remaining net exposure on FY20 debt

1. Abatements include agreed deals and estimates for deals yet to be completed.
 2. Expected Credit Loss (**ECL**) relates to outstanding debt assessed for risk of non-collection.
 3. At 31 January 2021.
 4. Pre COVID debt as a % of 6 months billings was typically within the range of 2-3%.
 5. By number of tenants forecast to be eligible for, and for those seeking, support under the Code at 31 January 2021.
 6. Refer to our 2021 Interim Report for further detail on ECL.

Funds from operations

FFO reflects:

- Strong Communities business performance
- The impact of COVID-19 on rental collections, particularly retail, driven by abatements and ECL, and the impact of ongoing disposals
- Partially offset by growth in Workplace driven by the acquisition of the residual 50% of Piccadilly, Sydney and Walker Street, North Sydney assets in NSW

\$m	1H21	1H20	CHANGE	COMPARABLE GROWTH ¹
Logistics	81	81	0.5%	1.3%
Workplace	30	26	14.7%	1.0%
Retail Town Centres	185	209	(11.5)%	(9.9)%
Commercial Property net overheads	(10)	(8)	32.0%	
Commercial Property	286	308	(7.2)%	(6.2)%
Residential Communities	136	134	1.8%	
Retirement Living	36	17	109.5%	
Unallocated corporate overheads	(28)	(27)	(2.9)%	
Other income	-	-	-	
Net interest expense	(44)	(48)	9.0%	
Total	386	384	0.4%	
FFO per security	16.2 cents	16.1 cents	0.6%	

1. Includes comparable assets excluding acquisitions, divestments and assets under development.

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		1H21	1H20	CHANGE
PCA reference	Statutory profit	350	504	(30.4)%
	Adjusted for:			
D1/D4	Amortisation of lease incentives and lease fees	43	43	
D5	Straight-line rent	1	(1)	
A3/A4	Net change in fair value of Commercial investment property ¹	(24)	(198)	
A3/A4	Net unrealised change in fair value of Retirement Living investment properties and obligation	45	33	
F2	Unrealised DMF revenue	(20)	(16)	
C2	Net loss/(gain) on financial instruments	10	(6)	
F2	Net (gain)/loss on other financial assets	(1)	1	
A1/A2	Net loss/(gain) on sale of other non-current assets	15	(11)	
A6	Net impairment of inventories	5	-	
B1	Impairment of Retirement Living goodwill	-	21	
F2	Restructuring cost ²	-	2	
E	Tax (benefit)/expense (non-cash) ³	(38)	12	
G	Funds from operations (FFO)	386	384	0.4%
G2	Maintenance capital expenditure ⁴	(19)	(13)	
G3	Incentives and leasing costs for the accounting period ⁵	(30)	(33)	
	Adjusted funds from operations (AFFO)	337	338	(0.2)%
	AFFO per security	14.1 cents	14.2 cents	(0.7)%

1. Includes Stockland's share of revaluation movements relating to properties held through joint venture entities (1H21: \$5m loss; 1H20: \$45m gain), stapling adjustment for owner occupied space (1H21: \$7m gain; 1H20: \$10m loss) and fair value unwinding of ground leases recognised under AASB 16 (1H21: \$0.4m; 1H20: \$1m).
2. Restructuring cost incurred during the prior period to improve operational efficiencies and position the business for sustainable growth in the future.

3. The Group has accumulated tax losses of \$1.4bn and as a result does not have any near-term material income tax expense that will be settled in cash.
4. Includes \$3m (1H20: \$2m) Retirement Living maintenance capital expenditure.
5. Excludes assets under construction.

Balance sheet

Maintenance of strong cash position; stable valuations

\$m	31 DEC 20	30 JUN 20	CHANGE
Cash	434	443	(2.2)%
Real estate related assets			
- Commercial Property	10,054	10,140	(0.8)%
- Residential ¹	3,243	3,395	(4.5)%
- Retirement Living	1,155	1,287	(10.2)%
- Other	129	130	(0.9)%
Retirement Living gross-up	2,446	2,682	(8.8)%
Intangible assets ²	183	170	8.1%
Other financial assets	394	749	(47.4)%
Other assets	374	235	58.2%
Total assets	18,412	19,231	(4.3)%
Borrowings	4,410	5,022	(12.2)%
Retirement Living resident obligations ³	2,458	2,695	(8.8)%
Other financial liabilities	359	313	14.9%
Other liabilities ⁴	1,984	2,051	(3.3)%
Total liabilities	9,211	10,081	(8.6)%
Net assets	9,201	9,150	0.6%
NTA per security	3.78	3.77	0.3%

1. Includes gross-up of deferred payments and land options.

2. Includes software.

3. This amount comprises \$2,446m of existing resident obligations (30 June 2020: \$2,682m), being a balance sheet gross-up and \$12m of former resident obligations (30 June 2020: \$13m).

4. Includes payables, development provisions and other liabilities.

Commercial Property

Louise Mason



Stockland



Operating metrics

Maintenance of strong cash position; stable valuations

- Logistics – portfolio weighting increased from 14% to 24% in three years
- Workplace – FFO growth through COVID-19
- Retail – remixed and repositioned to a more resilient portfolio

KEY METRICS	ASSET	VALUE ¹	PORTFOLIO WEIGHTING	FFO ²	FFO COMPARABLE CHANGE ³
Retail Town Centres		\$5,662m	39%	\$185m	(9.9)%
Workplace		\$1,014m	7%	\$30m	1.0%
Logistics		\$3,003m	24%	\$81m	1.3%
Total		\$9,679m	70%	\$296m⁴	(6.2)%

1. Excludes WIP and sundry properties.
2. Includes net \$8m of tenant abatements and net release of \$1m ECL provision.
3. Includes comparable assets excluding acquisitions, divestments and assets under development.
4. Excludes Commercial Property net overheads of \$10m.

Valuation results at 31 December 2020

Commercial Property

Net increase of **\$25m¹**
With 87%² of assets independently
revalued



	Retail Town Centres	Workplace	Logistics
Net increase	\$ (104)m, (1.7)%	\$ (28)m, (2.7)%	\$ 157m, 5.5%
Weighted average capitalisation rate	6.1% (unchanged)	5.8% (unchanged)	5.4% (firmed by ~25 bps)
Assets independently revalued ^{2,3}	100%	70%	67%
Assumptions	<p>The large majority of capitalisation rates remained unchanged, however external valuers have continued to scrutinise the sustainability of income, capital and rental growth over the next two years:</p> <ul style="list-style-type: none"> • Market income reduced • Capital allowances increased <p>External valuers have increased reletting times and incentive allowances over the short-medium term.</p> <p>Capitalisation rate compression for the majority of portfolio; underpinned by recent transactional activity and strong investment market demand and pricing</p>		

1. Excludes WIP, sundry properties and stapling adjustment for owner-occupied space.

2. By value.

3. Further detail on fair value measurement, valuation techniques and inputs for Commercial Property is outlined in our 2021 Interim Report.

COVID-19 – rental negotiations advanced

Commercial Property

- SME and national tenant negotiations almost complete with unresolved arrangements relating to less than 5% of monthly billings
- 1H21 rent collection now ~90% of net billings at 31 January 2021

RENT COLLECTION DURING 1H21					
	Total 1H21 billings	Cash collection 1H21	Cash collection post balance date	Total cash collection	Rent collected net of abatements ¹
Retail	\$316m	\$325m	\$11m	\$336m	87%
Logistics	\$94m	\$99m	<\$1m	\$99m	98%
Workplace	\$37m	\$37m	<\$1m	\$37m	95%
Total	\$447m¹	\$461m	\$11m	\$472m¹	90%

1. At 31 January 2021, relating to total outstanding debt, net of abatements at 31 December 2020.



Active management drives strong operating metrics

Retail Town Centres

- Specialty occupancy cost ratio has moderately increased to 16.0%¹
- Negative rent reversions of 7.8% reflects ongoing impact of COVID-19 and the strategic remixing and rebasing to create a sustainable portfolio
- 182 tenants on holdover² at 31 December 2020 compared to long-term average of ~140, reflecting the continued impact of COVID-19
- Lease deals completed is equivalent to 83% of those completed in 1H20

	1H21	1H20
Occupancy ³	98.7%	99.4%
WALE ^{4,5}	5.5 yrs	6.0 yrs
Specialty retail leasing activity⁶		
Tenant retention ⁷	71%	63%
Total lease deals ⁸	322	386
Specialty occupancy cost ratio ¹	16.0%	15.1%
Average rental growth on lease deals ⁹	(7.8)%	(5.2)%
Renewals: number, area	177, 25,931 sqm	168, 20,324 sqm
rental growth ⁹	(7.6)%	(2.5)%
New leases: number, area	82, 10,494 sqm	122, 16,502 sqm
rental growth ⁹	(8.4)%	(9.0)%
incentives: months ¹⁰	14.2	13.8

1. Occupancy cost reflects those tenants with active leases of 12 months or more and rental abatements.
2. Includes 23 stores with national retailers. These renewals are often deferred 12-24 months to collectively negotiate on multiple sites.
3. Occupancy reflects stable assets for the period. This calculation is based on signed leases at 31 December 2020, 99.6% of stores by rental income are open and trading at 31 January 2021.
4. Assumes all leases terminate at earlier of expiry / option date.

5. By area.
6. Metrics relate to stable assets unless otherwise stated.
7. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration.
8. Includes project and unstable centre leases.
9. Rental growth on an annualised basis.
10. Represents the contributions made towards the retailers' fit outs, expressed in equivalent months of net rent.

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GREEN HILLS, NSW

Improving sales trends

Retail Town Centres

- COVID-19 materially impacted the Retail sector; our portfolio benefited from active remixing to convenience based, low and non-discretionary categories
- Rebasing and non-core asset divestment strategy implemented over the last 3 years is delivering improved performance
- Suburban and regional locations demonstrated resilience
- Comparable specialty sales of \$9,066 MAT per sqm, ~10% above Urbis benchmark¹
- Low and non-discretionary MAT growth of 4.6%

DIVERSIFIED MAT > 70% LOW AND NON-DISCRETIONARY



1. COVID-19 adjusted Urbis benchmark for the subregional DDS Urbis industry average.
2. Includes food catering, food retail and mini major foods.
3. Fashion includes apparel and jewellery.
4. Other includes pad sites, non-retail, cinemas and travel agents.

TO 31 DECEMBER 2020		TOTAL PORTFOLIO ⁵		COMPARABLE CENTRES ⁶	
Retail sales by category	MAT	MAT growth	MAT growth	1H21 growth	
Total	5,994	(0.6)%	(2.1)%	2.6%	
Specialties	1,740	(8.0)%	(8.8)%	(0.8)%	
Supermarkets	2,295	8.7%	7.1%	9.3%	
DDS/DS	911	9.0%	9.0%	15.2%	
Mini-majors	749	16.5%	13.9%	21.0%	

1H21 PERFORMANCE									
Comparable sales growth ⁶	2H20	JUL 2020	AUG 2020	SEPT 2020	OCT 2020	NOV 2020	DEC 2020	1H21	1H21 EXCLUDING VICTORIA
Total	(7.1)%	2.8%	(2.8)%	0.2%	1.0%	6.2%	4.1%	2.6%	2.8%
Specialties	(18.0)%	0.5%	(8.7)%	(5.4)%	(3.9)%	3.5%	4.2%	(0.8)%	0.9%

5. Sales data includes all Stockland managed retail assets, including joint venture assets.
6. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months.

Digital capabilities – Retail Town Centres

Shaping Australia's retail future with digitally enabled assets

Investments in digital and data have connected our shopper community at home and in-centre

Delivery on demand

- Customer connection to personal shopper and delivery app
- Now in nine centres with planned rollout in 2H21

Click and collect

- Operating at 24 Retail Town Centres
- Shared specialty retailer collection point trialled at centres

Enhancing digital customer experiences

- Online customer experiences, enhanced digital content and product visualisation to drive retailer sales and customer engagement
 - 53,000+ products available on **SStore** product search platform within the first month
 - Increase in online website page views by 24%¹
 - Increase time spent on website by 18%¹

Marketing efficiency powered by data capabilities

- Enriched customer insights to drive targeted marketing campaigns
- Digital and marketing capabilities underpinned Christmas sales with 4.1% sales uplift in December 2020
- Dynamic scenario planning enabled by AI, machine learning models and advanced Salesforce platform



BARINGA, QLD

1. Reflects growth for the six months to 31 December 2020 from prior period 2H20.

Solid performance with development opportunity

Workplace

- Comparable FFO growth of 1.0%
- Rental growth on new leases and renewals of 12.4%
- 91.3% Sydney exposure with 97.1% occupancy
- Portfolio WALE of 2.8 years to support the development pipeline, with less than 4% leases expiring in 2H21
- Well positioned to execute our \$2.6bn¹ development pipeline
- 95% of 1H21 rent collected, net of abatements²

	1H21	1H20
FFO	\$30m	\$26m
Asset value ³	\$1,014m	\$1,032m
Leases executed	2,797 sqm	6,447 sqm
Leases under HOA ⁴	1,103 sqm	3,662 sqm
Average rental growth on new leases and renewals	12.4%	15.8%
Portfolio occupancy ^{4,5}	93.2%	94.1%
Portfolio WALE ^{4,5}	2.8 yrs	3.6 yrs

1. Stockland share of incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.
2. At 31 January 2021.
3. Excludes WIP and sundry properties.
4. At 31 December 2020.
5. By income.



\$2.6bn¹ development pipeline

Workplace



Major projects requiring minimal capital in the near term:

- Stage 1 Piccadilly planning proposal lodged in August 2020
- Walker Street DA lodged in January 2021

We are well positioned in our development stage to create design elements reflecting changes to the post COVID-19 workplace

Planning processes incur ~3.5% of total project cost (excluding land cost) for major workplace developments

Development commencements are subject to acceptable financial metrics, pre-commitment levels and market conditions

Targeting capital partners in place at project commencement

1. Expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.

Strong performance demonstrates portfolio quality

Logistics – including Business Parks

\$3.0bn

asset value⁴

24%

portfolio weighting -
more than doubled
since 2013

- Comparable FFO growth 1.3%
- 91% of income retained¹ on expired leases
- Leasing demand strengthening with 182,000 sqm leased
- Portfolio WALE^{2,3} of 4.8 years with 3.4% leases expiring in FY21
- 98% 1H21 rent collected, net of abatements at 31 January 2021
- Significant leasing transactions at Forrester Distribution Centre (NSW) (54,962 sqm) and Somerton Distribution Centre (VIC) (18,826 sqm) with no downtime
- Negative rent reversion of 1.9% due to one lease; the majority of leases were contracted above passing market rents

1. Reflects retained and new tenants.
2. By income.
3. At 31 December 2020.
4. Excludes WIP and sundry properties.
5. Represents 100% interest.

	1H21	1H20
FFO	\$81m	\$81m
Asset value ⁴	\$3,003m	\$2,771m
Leased area	182,019 sqm	300,835 sqm
Leases under HOA ^{3,5}	71,954 sqm	107,887 sqm
Average rental growth on new leases and renewals	(1.9)%	11.5%
Portfolio occupancy ^{2,3}	96.3%	98.3%
Portfolio WALE ^{2,3}	4.8 yrs	5.4 yrs



Scaling through development

Logistics – including Business Parks

Master planning

Future proofing

- Yatala Distribution Centre, (QLD) 3 Ha, 16,000 sqm GLA
- M_Park Stg 2 Johnson & Johnson Family of Companies site Macquarie Park, (NSW) 110,000 sqm GFA

Detailed planning

Restocking our pipeline

- Willawong Joint Venture Project, (QLD) 21 Ha, 96,000 sqm GLA
- Cranbourne (VIC) 6 Ha, 34,000 sqm GLA
- M_Park Stg 1 Bldg D (NSW) 9,500 sqm NLA

DA lodged

Projects development application lodged awaiting approval

- Leppington Business Park, (NSW) 10 Ha
- Kemps Creek, (NSW)
- Willawong Distribution Centre, (QLD)
- M_Park Stg 1 Bldg B (NSW) 25,500 sqm NLA
- M_Park Stg 1 Bldg C (NSW) 10,200 sqm NLA

DA approved

Projects ready to start developing

- Leppington Business Park, (NSW) 10 Ha (earthworks)
- M_Park Stg 1 Bldg A (NSW) 16,800 sqm NLA
- Truganina (VIC) 6 Ha, 38,500 sqm GLA
- Silica Street Industrial Park, Carole Park (QLD) 31,300 sqm GLA

Civil work underway

Projects currently under development totalling over 108 Ha of space

- Melbourne Business Park, (VIC) 61 Ha net saleable area, ~30% lots reserved
- Gregory Hills Industrial Estate, (NSW) 11 Ha net saleable area, ~90% lots contracted to sell

\$3.3bn¹
development pipeline
over 8 years

230 Ha
development land

only use for internal purposes

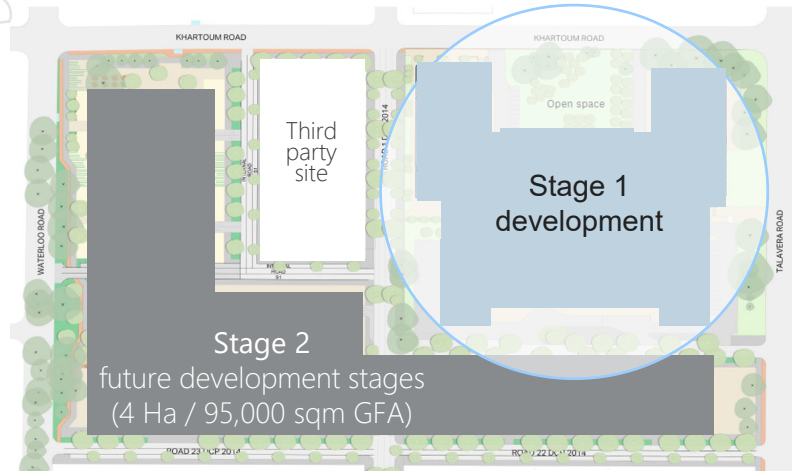


WILLAWONG, QLD

1. Stockland share of expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.

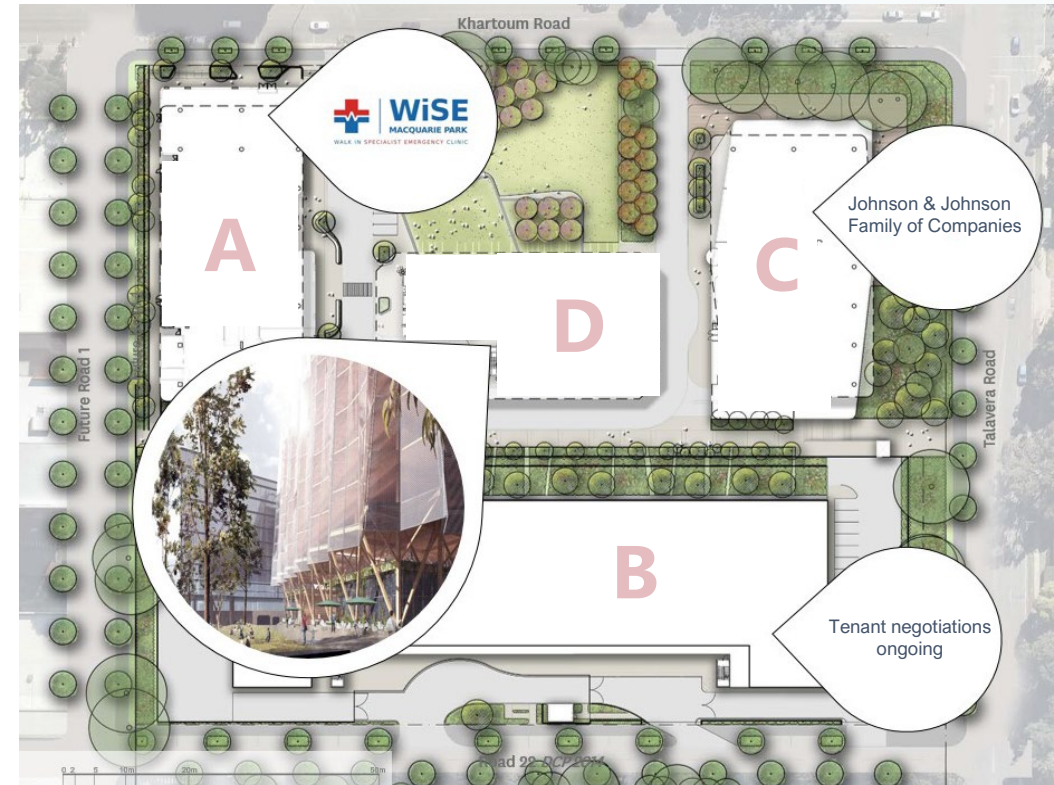
M_Park \$1.5bn^{1,2} development gaining momentum

M_Park Business Campus, Macquarie Park, NSW



Stage 1	NLA ²	Construction timing ²
Building A	16,800 sqm	Mar 21 – Sep 22
Building B	25,500 sqm	Jul 21 – Dec 22
Building C	10,200 sqm	Oct 22 – Apr 24
Building D	9,500 sqm	Nov 22 – Jun 24
Total	62,000 sqm	

Stage 1
60%
terms agreed



1. Stockland share of expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.
2. Indicative.

Strategic priorities

Commercial Property

RETAIL TOWN CENTRES	WORKPLACE	LOGISTICS
Strengthen Retail	Grow Workplace	Grow and execute pipeline
<ul style="list-style-type: none"> • Non-core disposals to reallocate capital • Remixing and repositioning: <ul style="list-style-type: none"> • Replaced Harris Scarfe at Green Hills (NSW) and Rockhampton (QLD) with high performing mini majors forecast to double sales productivity • Replacing H&M in two of three locations • Replaced Target Hervey Bay (QLD) with new supermarket operator • Developing health and wellbeing and education opportunities to supplement our strong Retail Town Centre locations and mix to deliver to our customers • Growing our digital ecosystem to support our retailers with their omni channel offering 	<ul style="list-style-type: none"> • Advanced planning approvals on \$2.6bn¹ pipeline • Development commencement subject to financial hurdles, pre commitments and capital partners • Advancing Piccadilly, Sydney (NSW) Planning Proposal through Local and State Government • Lodged Walker Street, North Sydney (NSW) Development Application • Utilising the planning timeframe to develop the workplace of the future 	<ul style="list-style-type: none"> • \$3.3bn¹ development pipeline roll out • Progressed JV and capital partnering opportunities in growth areas – established logistics capital partnership² with JP Morgan Asset Management³ • Commenced civil works at Melbourne Business Park (VIC) • Strong sales results at trading asset – Gregory Hills (NSW)

1. Stockland share of expected incremental development spend, excluding land cost and subject to planning approvals at 25 February 2021.
 2. A special purpose vehicle managed by JP Morgan Asset Management.
 3. The arrangement is subject to the JP Morgan Asset Management special purpose vehicle obtaining FIRB approval.

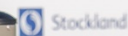
Communities

Andrew Whitson



Your place to play
at The Gables

Visit us at the Sales & Information Centre
located at 121 Old Pitt Town Road

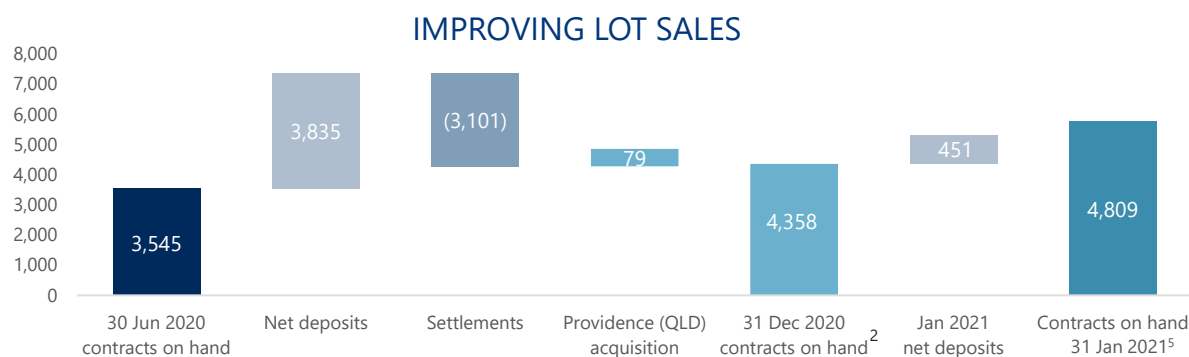


Call to Land
stockland.com.au/thegables

Strong result reflects market leading business

Residential

- 44% increase in settlements on 1H20; default rate has returned to normalised levels
- FFO increase of 1.8%, or 44% excluding one-off earnings in 1H20¹
- 17.4% operating profit margin in line with 1H20
- 2H skew to high margin Sydney projects to drive full year margin to around 19%
- 4,358 contracts on hand² provides good visibility, on track to deliver over 6,000 settlements in FY21
- Early cycle restocking with five new acquisitions³, adding ~9,200 lots to our landbank across south east Queensland, Melbourne and Sydney



1. 1H20 includes revenue recognised from the capital partnering transaction at Aura (QLD).
2. Contracts on hand at 31 December 2020.
3. Includes acquisitions and exchange of contracts subject to planning and other approvals and one acquisition subject to finalisation of due diligence.
4. Includes 826 settlements under joint venture/project development agreements (1H20: 534).
5. Excludes January 2021 settlements.

3,101

Total lots settled⁴

43.7%

Increase on 1H20

\$136m

FFO

1.8%

FFO growth

17.4%

Operating profit margin

21.1%

ROA

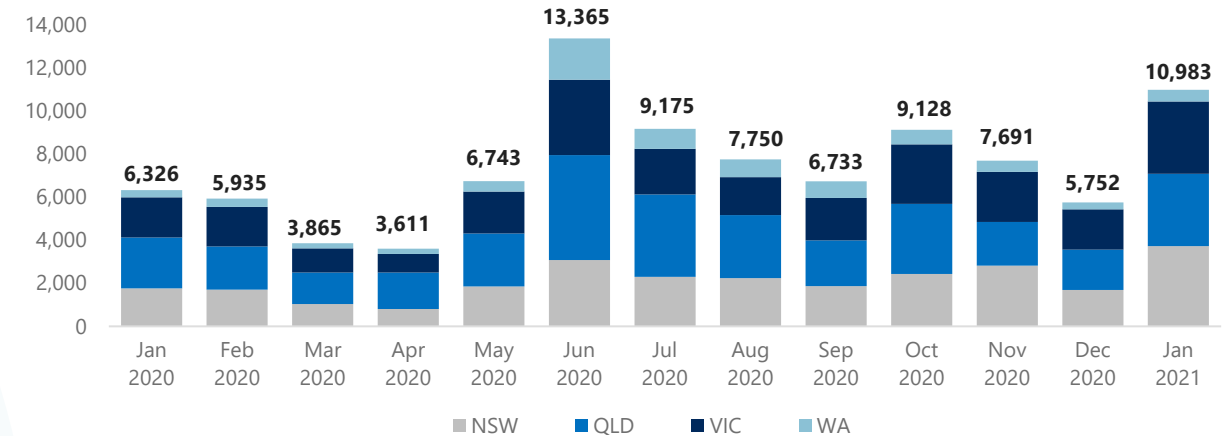
Uniquely positioned to capitalise on market recovery

Residential

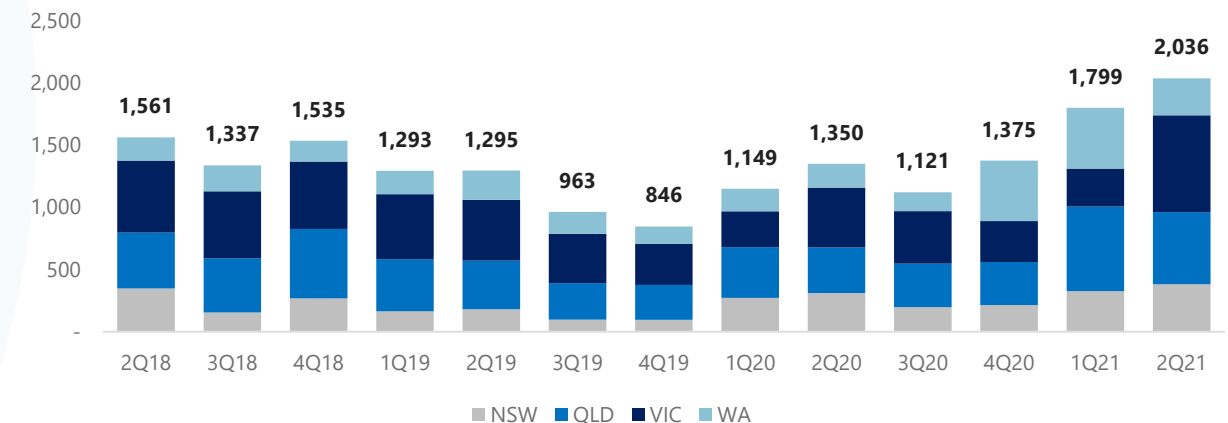
- 3,835 net sales – strongest result in four years driven by record low interest rates, shift in customer preferences, and government stimulus
- Increased production by 1,800 lots to capitalise on strong demand
- Solid price growth across NSW & SEQ, flat in VIC & WA
- January 2021 sales and enquiry demonstrates strength of demand post reduction in HomeBuilder



MONTHLY ENQUIRIES



NET SALES BY QUARTER



Market leader in masterplanned communities (MPC)

Residential

Competitive advantage built on three key elements



Brand

Our brand is built on the quality of Communities we have created for the last 65 years

- Customers actively choose Stockland Communities over competing product within our trading corridors
- Brand drives price premiums and superior sales rates
- Our commitment to livability and affordability sets us apart



Scale

Driving efficiency and deep customer insights

- Scale provides project delivery and overhead cost efficiency, reflected in margins
- Strength of data capability drives deep understanding of our customers
- Ability to attract and retain the best people



Landbank

Size and quality of landbank difficult to replicate

- Deep, geographically spread ~81,000 lot landbank in key growth corridors; 86%² skew to eastern seaboard
- ~9,200 lots acquired over the period³
 - Providence (QLD)
 - Follett (VIC)
 - The Gables (NSW)
 - Clydesdale⁴ (NSW)

13% market share¹ more than 3x our nearest competitor

1. National Land Survey, December 2020. Research 4 – market share over the six months to December 2020 (Greater Sydney, Melbourne, Perth and south east Queensland).

2. Calculated on total lots divided by total lots managed.

3. Includes acquisitions and exchange of contracts subject to planning and other approvals and one acquisition subject to finalisation of due diligence.

4. Consolidation site adjoining the existing "Elara" project settlement subject to planning and other approvals.

Our digital capability is a key differentiator

Enhancing the customer experience driving higher sales conversion

Website upgrade driving lead-conversion

+83%
lead conversion
from digital¹

+16%
customer
engagement¹

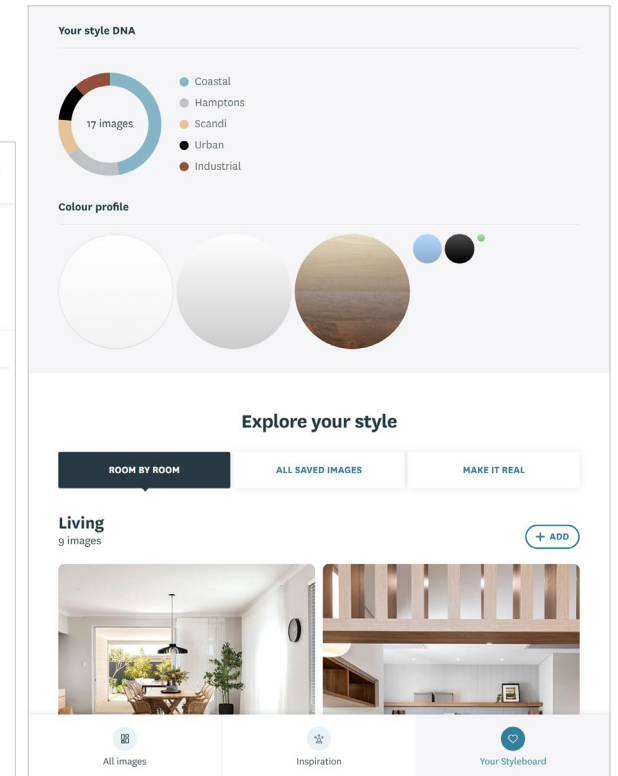
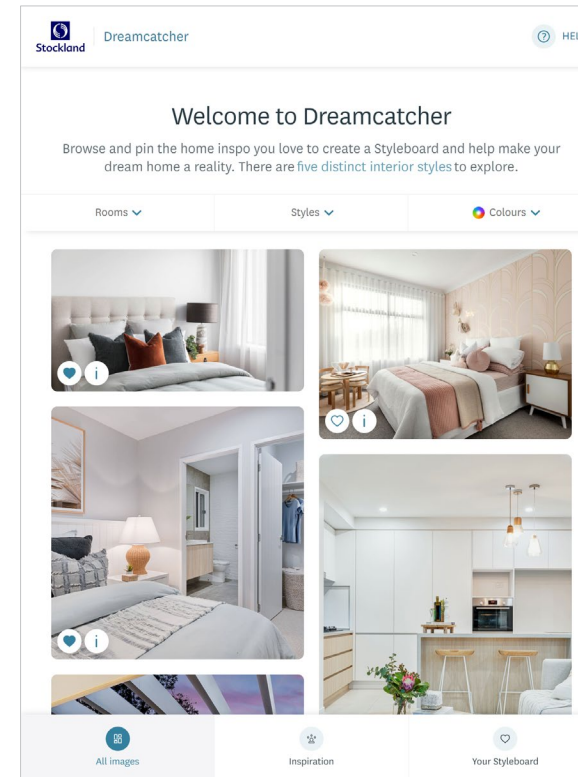
+30%
website traffic¹

End-to-end virtual sales

- Online customer sales journey
- Virtual launch for Katalia (VIC) and Altona North (VIC) – Stage 1 sell outs across both projects

Data insights and AI capabilities

- Segmentation model uses AI to predict customers most likely property purchase
- 50% reduction in cost per enquiry resulting from digital geo-targeting
- Dynamic lead scoring algorithm has generated ~\$13m incremental profit since FY18



1. Reflects year on year gains.

Market fundamentals remain supportive for MPC

Residential

- Key drivers continue to support ongoing demand; low interest rates, access to credit and shift in customer preferences to lower density living, which together with limited serviced land availability on the eastern seaboard should offset the impact of reduced net overseas migration on the MPC segment
- The roll off of HomeBuilder likely to moderate 2H21 sales in the eastern states, but sales expected to remain strong compared to historical averages with price growth over 2021
- Further easing of WA sales volumes over 2H21 as the market absorbs the pull forward of demand associated with HomeBuilder and state-based stimulus

12 MONTH OUTLOOK

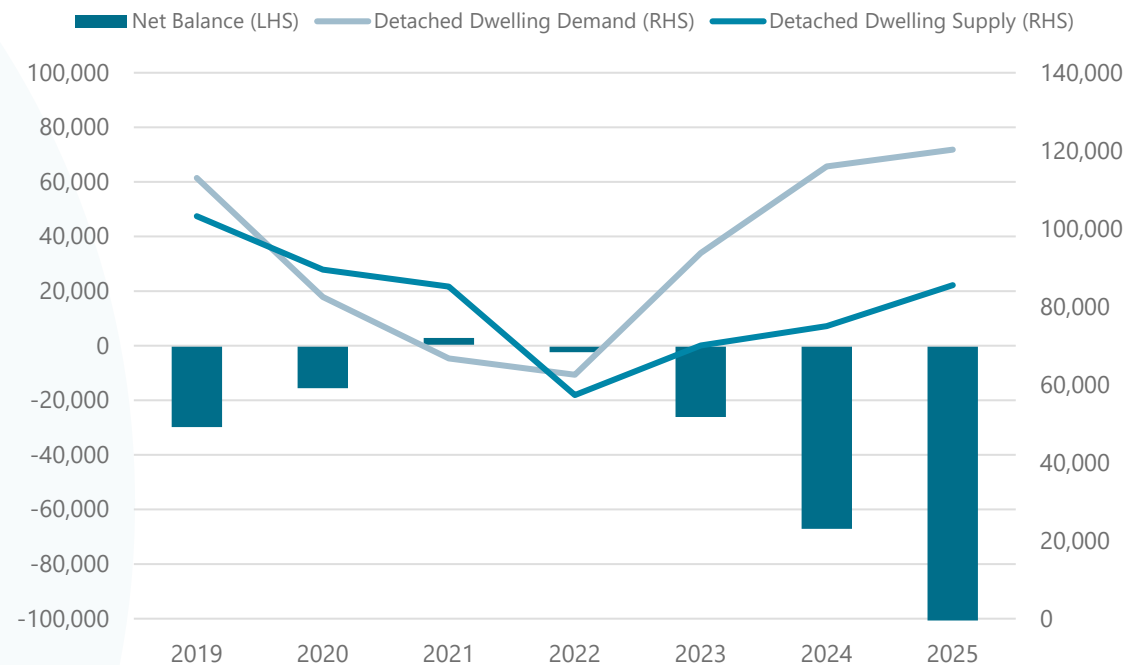
STATE	PRICE	VOLUMES	MARKET COMMENTARY
NSW	↑	↔	<ul style="list-style-type: none"> • Record sales volumes over 1H21 despite COVID-19 restrictions and less than 10% HomeBuilder qualifying product, with strong price growth in 2020 • Expect historically low levels of available stock will see volumes remain robust and price growth continue throughout 2021
VIC	↑	↑	<ul style="list-style-type: none"> • Sales volume uplift was delayed until December 2020, price growth flat • Strong January 2021 enquiry to translate into volume and price growth in 3Q21 • Impact of HomeBuilder roll off to be moderate, strong fundamentals remain to drive price growth and robust sales volumes through 2021
QLD	↑	↑	<ul style="list-style-type: none"> • Sales volumes over 1H21 set record highs and prices rose strongly • There will be some easing in activity due to HomeBuilder roll off, however strong fundamentals remain in place to drive sales volumes and price growth • Established market performance is strong and is set to continue with the lowest rental vacancy rate in a decade throughout SEQ
WA	↑	↔	<ul style="list-style-type: none"> • Strongest stimulus in the country saw record uplift in sales volumes in 1H21 • Further moderation in sales volumes over 2H21; prices have remained steady • Expect 1H22 volume increases in response to the strong demand associated with lowest level of available stock since 2014, a rising established market and the tightest rental market in the country

Supply and Demand outlook for detached housing

Vacant land market to remain undersupplied

- Detached dwelling segment (vacant land) to reach equilibrium in 2021 post a prolonged period of undersupply¹
- 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 net 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 (further information refer Annexure page 52)
- 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.

Continued increase in customer preference for village living

Retirement Living

- FFO of \$36m, compared to \$17m in 1H20, reflecting higher established sales and accrued DMF release associated with non-core village disposals
- Full year FFO to reflect a material skew to 1H21
- 6% improvement in established sales despite Victoria restrictions, reflecting growing customer preferences for the support and wellbeing that village living provides
- Land Lease Communities development pipeline has grown to over 3,000 lots
- Improved the quality of the portfolio through the disposal of four non-core villages for \$89m

	1H21	1H20	CHANGE
Established sales	319	300	6.3%
Development sales	109	121	(9.9)% ¹

1. Reflects strategic shift to focus on Land Lease Communities.

386

Total units settled

\$36m

FFO

6.3%

Established sales
growth

6.6%

Established settlements
growth

30%

Established contracts on hand growth

6.9%

ROA

Retirement Living

Improve returns from the established retirement village portfolio



Enhance Retirement Living villages

- Invested in enhancing the capability of the operations team
- Executed on rental strategy to drive income
- Reduced overhead through leveraging Group capability
- Customer value proposition strengthened through leveraging wellbeing opportunities, simplifying choice of contracts and enhancing the visual appearance of our assets

- Leveraged investment in digital and data to improve sales and marketing efficiency; 89%¹ increase in digital leads
- Further non-core village disposals
- Progressed NSW planning approvals for redevelopment of Lourdes, Castle Ridge and Epping

Digital wellbeing initiative in pilot

8.55/10

Stockland's 2020 Residents 'Our Voice' survey result

Simplified contract choice

1. Reflects year on year gains.

Retirement Living

ARTIST IMPRESSION OF AURA, QLD

Scale up Land Lease Communities



Land Lease pipeline growth to over 3,000 lots

- First Land Lease sales launch at Aura (QLD) by March 2021, Minta (VIC) to launch June 2021
- Dedicated Land Lease team in place, supported by our development and sales teams
- Developing digital portal for customers to visualise their home, customise options and save personalisations
- Significant development pipeline growth of ~1,000+ lots associated with recent MPC acquisitions of The Gables (NSW), Katalia (VIC), Providence (QLD) and Follett (VIC)
- Annual sales run rate of 300 expected within three years

1. Subject to approvals.

Land Lease pipeline ¹	Approx. yield	First settlements
Aura, QLD	495	FY22
Minta, VIC	175	FY22
Cloverton, VIC	460	FY23
Providence, QLD	220	FY24
Mt Atkinson, VIC	200	FY24
Follett, VIC	200	FY24
The Gables, NSW	200	FY24
West Dapto, NSW	180	FY24
Highlands, VIC	230	FY25
Botanica, QLD	220	FY25
Caboolture West, QLD	220	FY26
Katalia, VIC	220	FY26
Total	3,020	

Summary

Mark Steinert



Stockland

Clear strategic choices underpin strategy execution

1. Asset weighting

To maintain the appropriate strategic asset weighting to drive resilience and enduring growth

Focus on upweighting Logistics, Business Parks and Workplace through development

2. Capital partnering

To increase access to capital via partnership to fuel growth and increase ROIC

3. Repositioning

To reposition our core Retail portfolio and execute Workplace developments to create the workspaces for the future

4. Communities

To leverage our strong foundation in Communities and accelerate Land Lease

5. Customers

To accelerate and scale innovative digital and data customer offerings to drive growth

6. Capabilities

To further develop our digital and data capabilities as well as invest and deepen our people's capabilities



A digital and data driven future

New revenue opportunities driven by innovation, advanced data analytics and digital experiences for our customers

Digital CX enhancement driving revenue

Communities additional revenue of +\$10m from seamless integration with digital collateral, sales tools, virtual tours and sales appointments

Integrated systems and AI driving operational excellence

Integrated system will provide real time business KPIs and straight through processing enabling more agile decision making

Predictive analytics enables rapid, complex scenario modelling including:

- Leasing optimisation
- Communities settlement forecast tools
- Retail Town Centre customer segmentation modelling

Powering Stockland through innovation

LAB-52 invests in high-growth innovation solutions that leverage our assets, capabilities and customer relationships

- Partnership with data specialists, *smrtr*, building a powerful data platform
- Unique industry datasets, deep data science, improved commercialisation capability
- Advanced data analytics and system integration driving 83% digital customer conversion
- Bricklet fractional home ownership platform, with opportunities to deliver new ownership models



Outlook¹

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 partnership
- Undertake Residential land acquisitions to restock pipeline
- Maintain leading Communities market share
- Manage costs and adjust to macro conditions flexibly
- Continue acceleration of innovation, digital and data capabilities
- Closely monitor COVID-19 pressures and the implications for our business
- Delivery of 2030 Sustainability Strategy

FY21 guidance

FFO per security within the range of **32.5c to 33.1c**

Distribution per security at the lower end of our target payout ratio of **75% to 85% of FFO**

Assumptions:

- Residential settlements over **6,000** lots
- Residential operating profit margin **~19%**
- Recent rent collection trends maintained in Commercial Property

1. Due to gaining more certainty around our business performance and market conditions, guidance has been re-established. All forward-looking statements are subject to the continuation of positive trends in rental collection and residential settlements and no material change in market conditions; including the level of COVID-19 transmission, the impact of restrictions including state border closures and other impacts from COVID-19 on the economy, broader community and business performance.



Stockland Corporation Limited

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Stockland Trust Management Limited

ACN 001 900 741; AFSL 241190

As responsible entity for Stockland Trust

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