



Charter Hall Group

Development Showcase

31 March 2021



David Harrison
Managing Director
& Group CEO



Carmel Hourigan
Office CEO



Andrew Borger
Head of Development
- Office



Richard Stacker
Industrial &
Logistics CEO



Andrew Simons
Head of Development
- Industrial &
Logistics

Agenda

1. Welcome and Overview of Development at Charter Hall
2. Office Platform – How Development adds value
3. Office Development Strategy; Opportunities; Case Studies
4. Office Q&A
5. Industrial & Logistics Platform – How Development adds value
6. Industrial & Logistics Development Strategy; Opportunities; Case Studies
7. Industrial & Logistics Q&A

Cover: Artist impression,
555 Collins Street,
Melbourne

Left: MidWest Logistics Hub
500 Dohertys Road,
Truganina



Welcome and Overview of Development at Charter Hall

David Harrison, Group Managing Director & Group CEO

MidWest Logistics Hub
442-540 Dohertys Road
Truganina

Development within the \$46.4bn Charter Hall strategic framework



Access

- Attracting capital through access to a development pipeline of stock not available on-market
- Newer assets with less obsolescence risk
- Development gains retained within funds leading to better returns



Deploy

- Benefits of cross-sector tenant customer relationships
- Deal sourcing and execution teams that provide off-market opportunities
- Pipeline of future opportunities for on-going deployment of capital



Manage

- Inhouse development capabilities securing opportunities and managing process
- De-risked projects secured through tenant pre-commitments
- Tier 1 Builders that deliver against fixed-price contracts



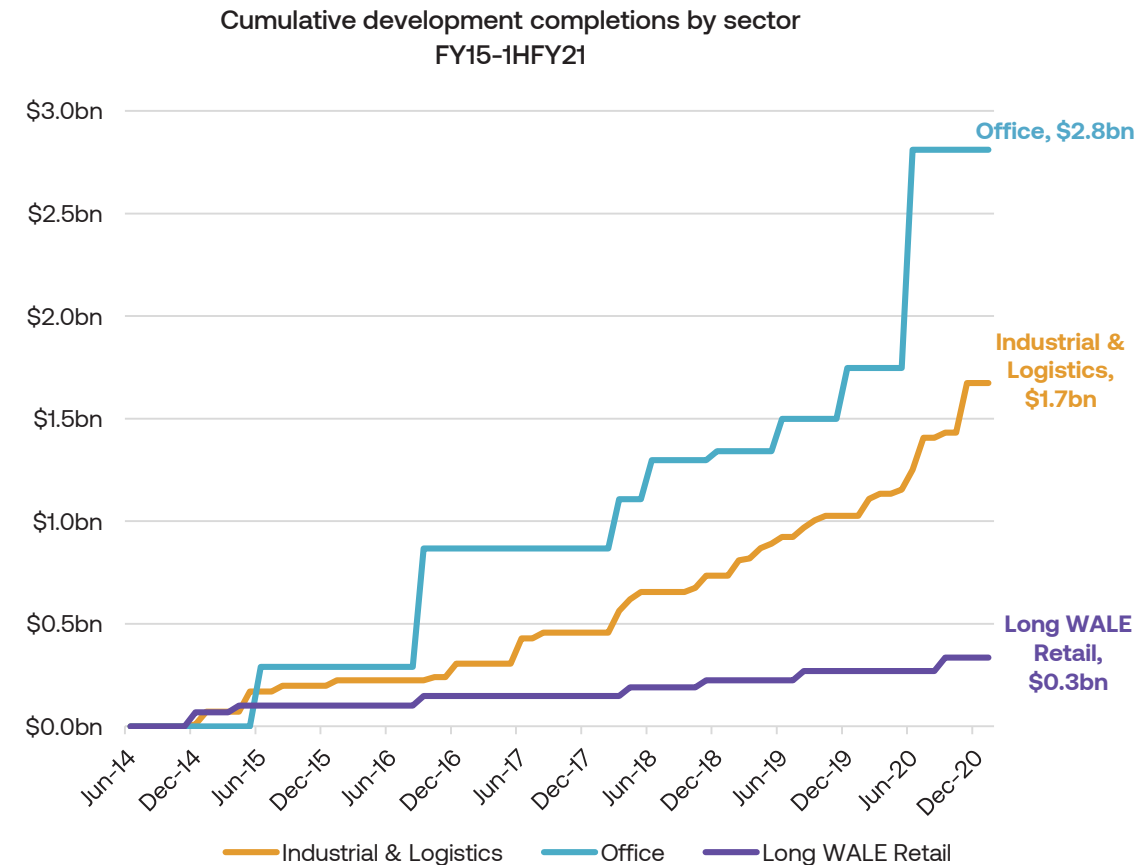
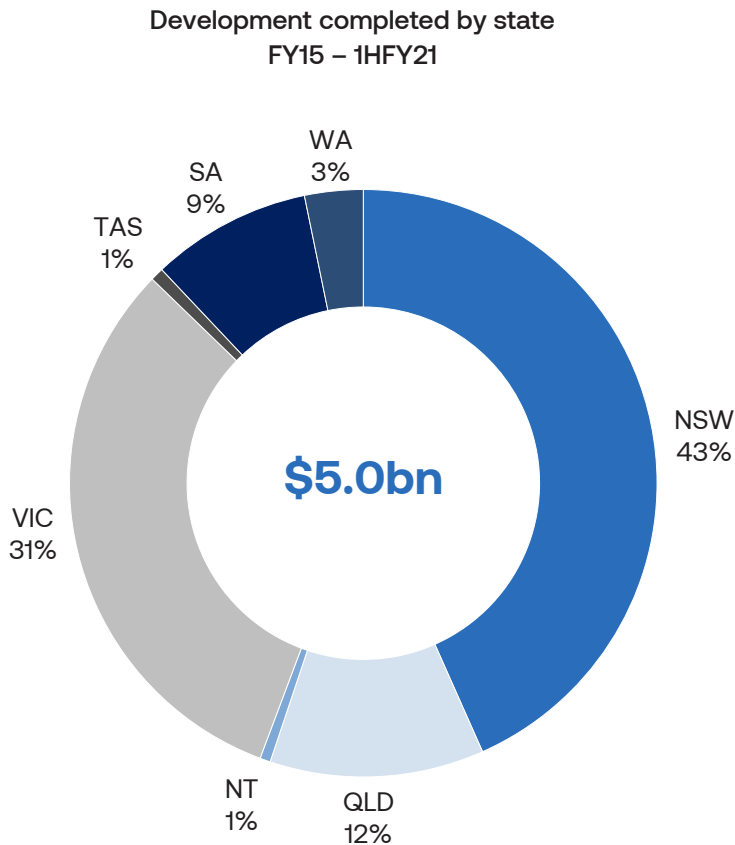
Invest

- Investment in people and capability to provide development opportunities
- Co-investment partner sharing in development gains
- Securing and warehousing opportunities that sit outside fund mandates

Development platform attracts capital and enhances returns

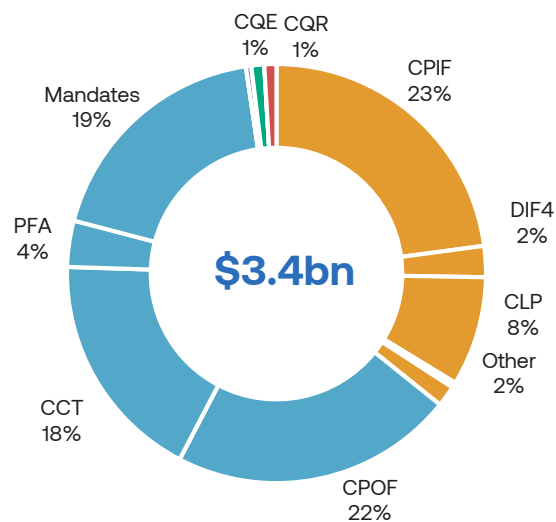
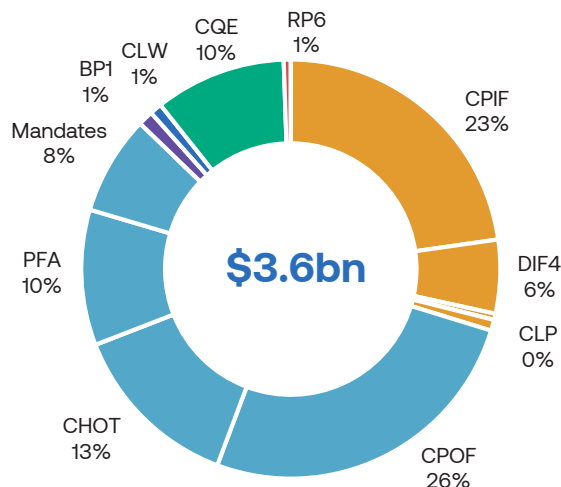
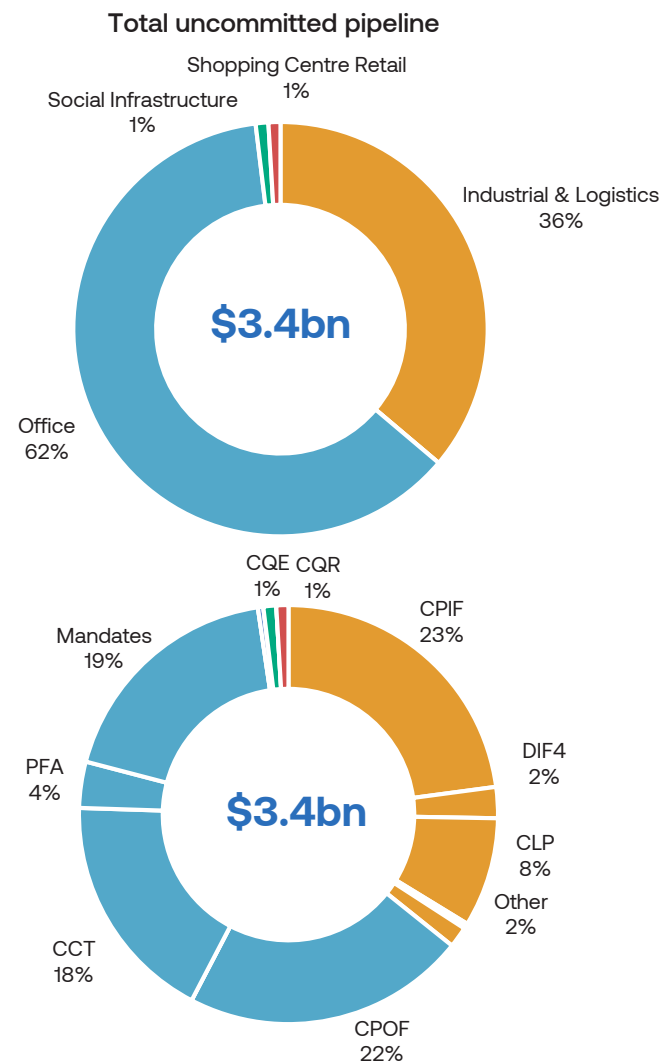
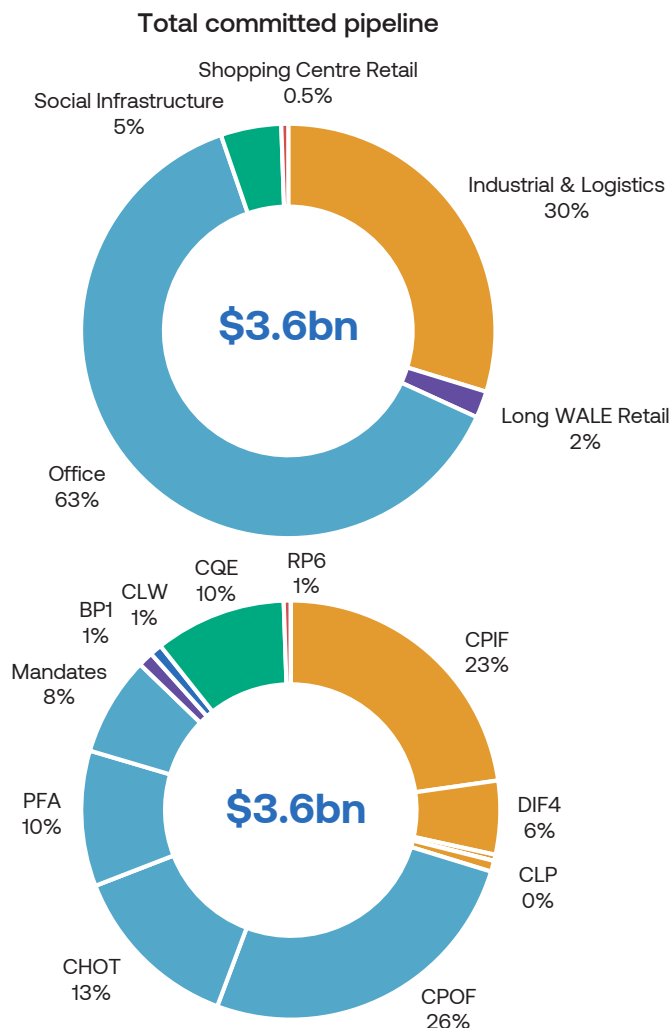
Development has become an increasing proportion of fund growth

- NSW and VIC account for 74% of development during the period



Development – committed and uncommitted

- \$3.6bn of committed development represents projects that have been pre-leased and construction commenced
- \$3.4bn of uncommitted represents captive opportunities that provide a pathway to further committed developments



Note: All figures as at 31 December 2020.
Charter Hall Group
2021 Development Showcase

New office development analysis – Developments under construction

Tenant customers continue to seek quality accommodation

Pre-commitments Analysis (Box Size by NLA%)

- Financial services tenants represent the majority of pre-lease lease accommodation
- Government sector occupiers have also anchored modern and quality developments. Charter Hall accounts for 45% of national government office pre-lease projects under construction



Occupier growth in pre-lease tenants

- Consolidation, centralisation and organic growth in business requirements have resulted in tenant customers trading up to more space in newer developments



iQ Westmead, 158-164 Hawkesbury Road, Westmead

Source: Charter Hall Research (March 2021). CBD markets and Parramatta.

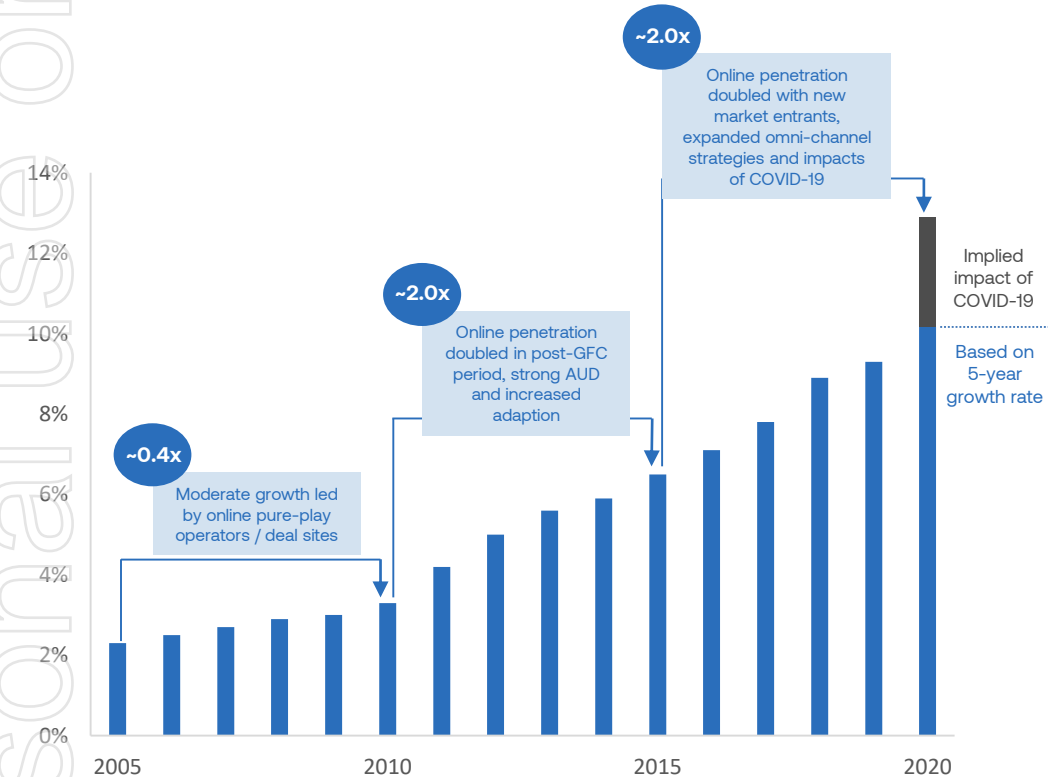
Accelerated structural trends driving industrial & logistics demand

Charter Hall platform benefiting from major structural shifts

Online retail penetration (%)

Online retailing reached levels not expected for 4-to-6 years.

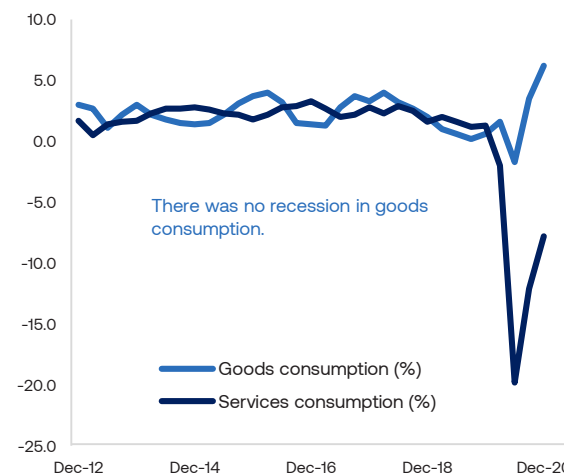
In the 12 months to January, an estimated \$45.6bn was spent online across Australia – approximately 49.1% higher than the 12 months to January 2020.



Source: NAB, ABS

1. Bentley Advisory, Charter Hall Research.

Goods and services consumption growth (%)



Total food turnover (\$ million)

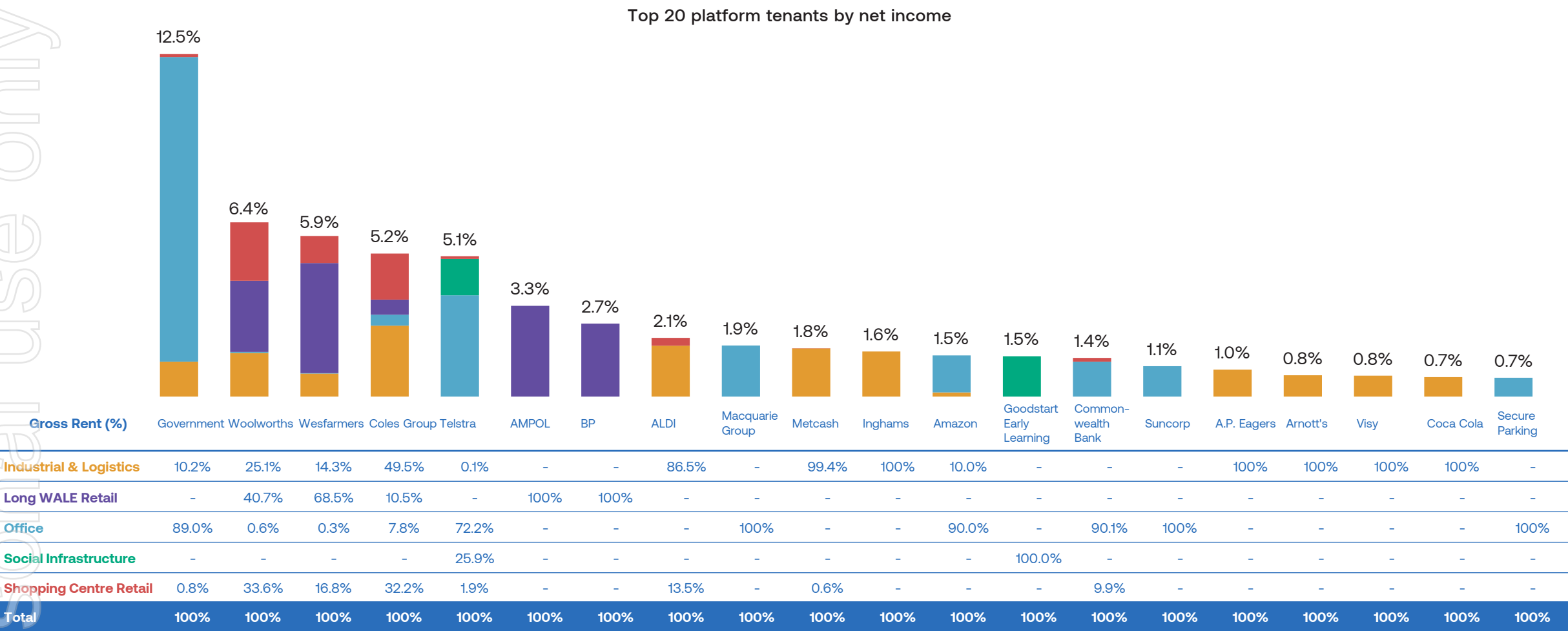


Other major trends in a Post COVID-19 world

- **Increased buffer stock** - Efficient inventory volumes and continuity plans will now be reassessed in the wake of COVID-19 to mitigate future supply chain disruptions risks
- **Onshoring** - non-discretionary essential product manufacturing has expanded domestically. Continuity plans are also in focus across the food production and pharmaceutical sectors
- **Digitalisation and data centres** - Digital infrastructure requirements could grow 39x by 2030¹

The Charter Hall competitive advantage

Cross-sector tenant relationships drive development opportunities



Note: All figures as at 31 December 2020.

Development Investment (DI) earnings contribution

DI EBITDA an on-going contributor to Group earnings

- Projects that initially did not fit into existing fund development mandates where the Group took initial development ownership

Office



60 King William Street, Adelaide



6 Hassall Street, Parramatta



Innovation Quarter (IQ), 158-164
Hawkesbury Road, Westmead

Industrial



Coles Fulfilment Centre, Horsley Park



Bunnings Distribution Centre, Bringelly

Long WALE Retail



Miller Road, Altona



Office Platform – How Development adds value

Carmel Hourigan, Office CEO

130 Lonsdale Street,
Melbourne

Office capability and team

Large national team with extensive capabilities and track-record

- 140+ team of Commercial specialists**

Expertise across transactions, development, asset management, property management, capital works, marketing & customer experience and sustainability.

Driven customer focused culture with a focus on team diversity, professional development and innovation.

- Leading investment manager**

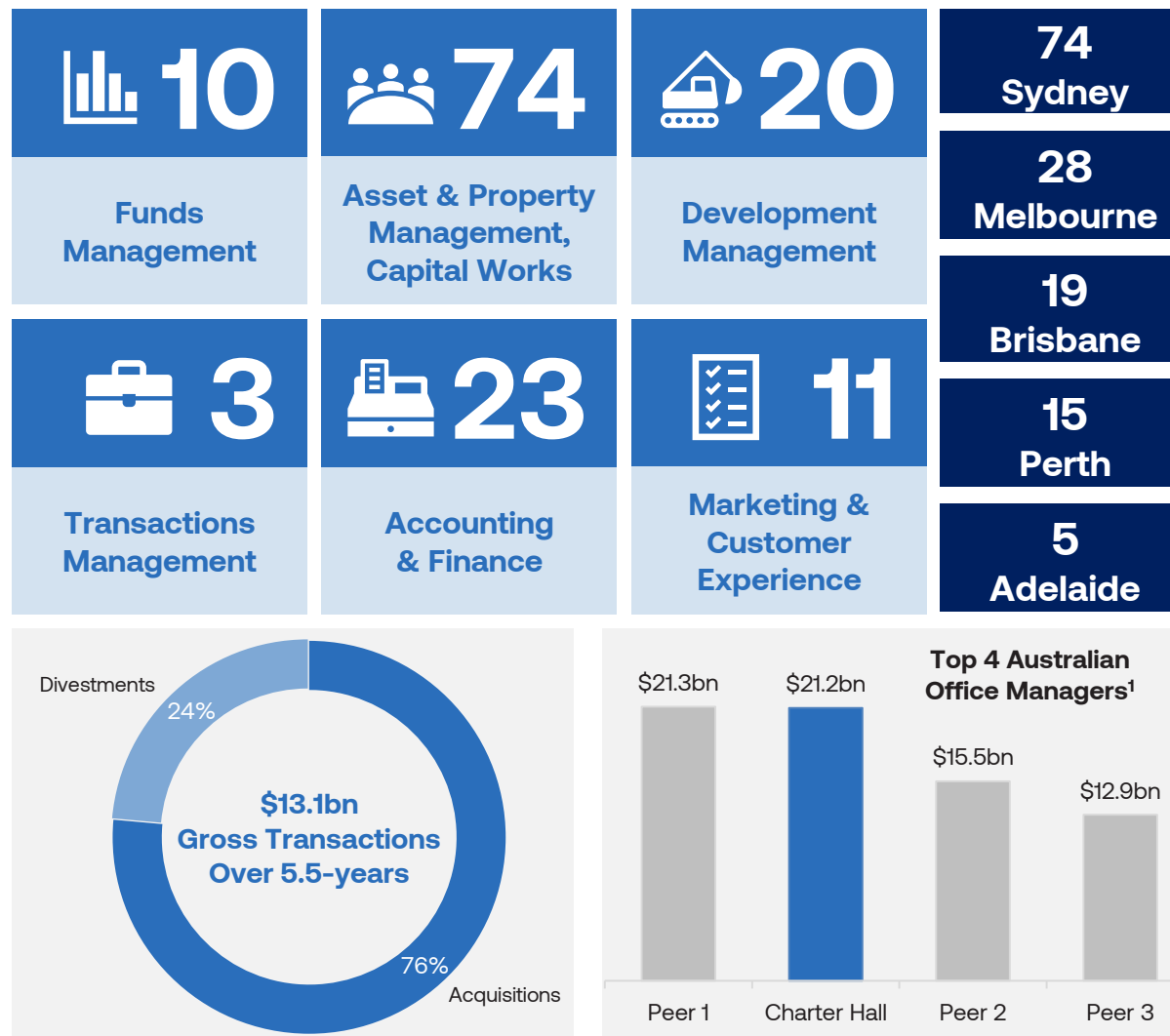
\$21.2bn office portfolio comprising 74 assets spread over 1.6m sqm of NLA.

- Track-record of transacting**

82 acquisitions worth \$10.0bn and 36 divestments worth \$3.1bn undertaken over the past 5.5 years.

- Landlord of choice**

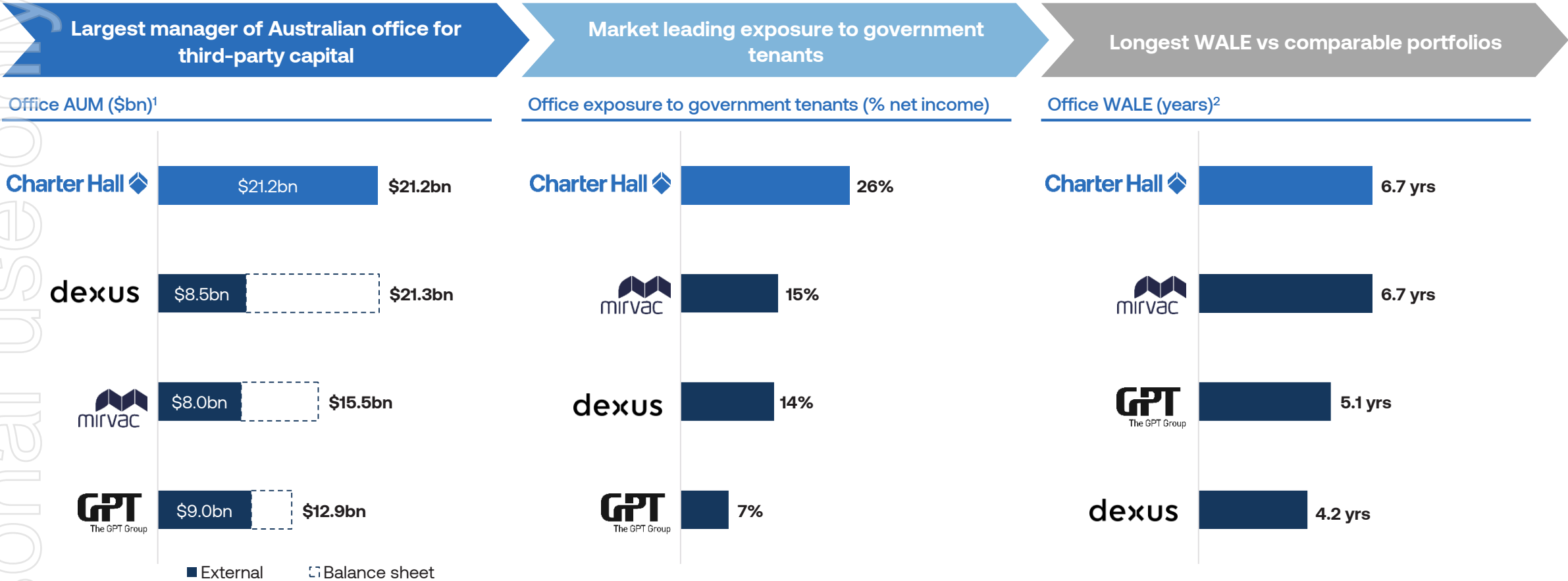
Received 79% in March 19 tenant customer satisfaction survey.



¹ Based on publicly disclosed information as at 31 December 2020.

Charter Hall manages Australia’s most resilient office portfolio

Largest manager of Australian office for third-party capital, with a market leading exposure to government tenants and longest WALE vs key peers

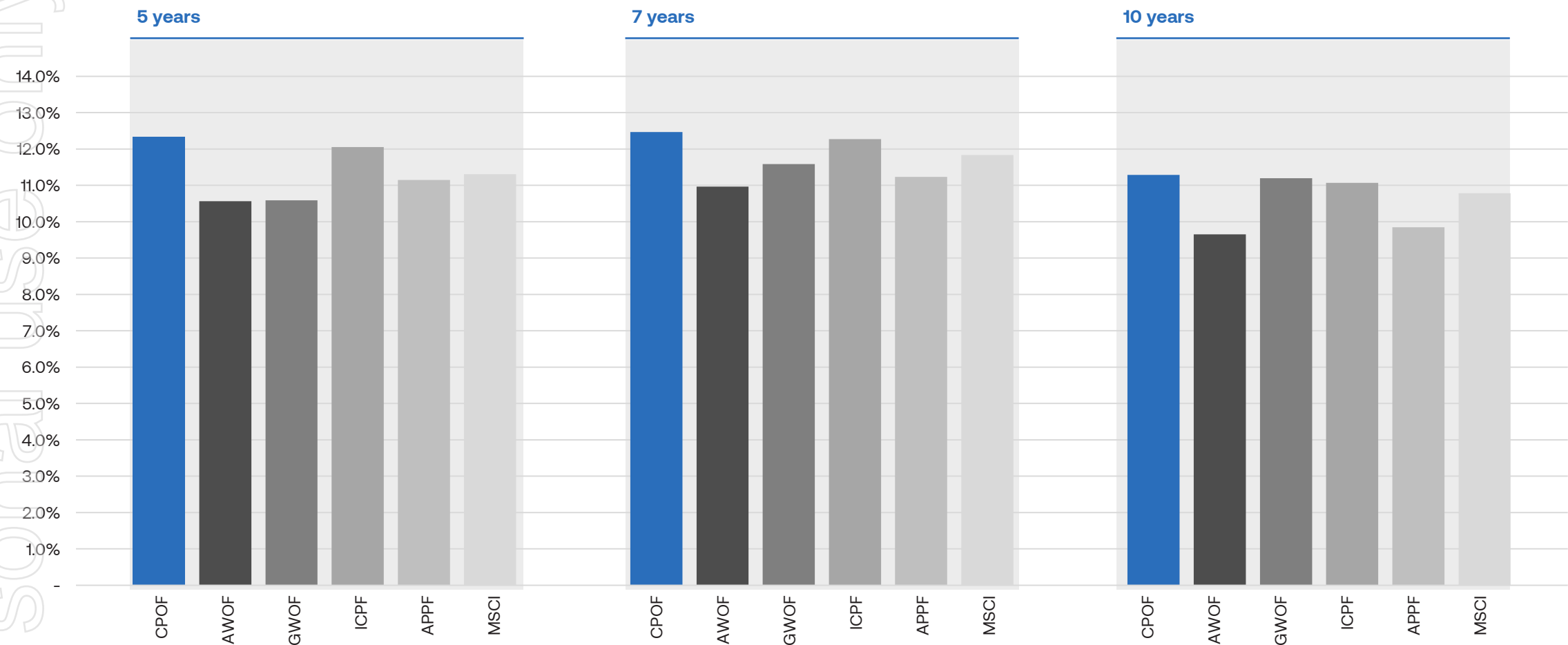


Source: December 2020 results.
1. Co-investment stakes in funds included in external AUM.DXS AUM adjusted for assets held for sale (Grosvenor Place, Sydney & 60 Miller Street, North Sydney).
2. By income.

We deliver outperformance to our fund investors

CPOF has consistently outperformed the MSCI core office benchmark

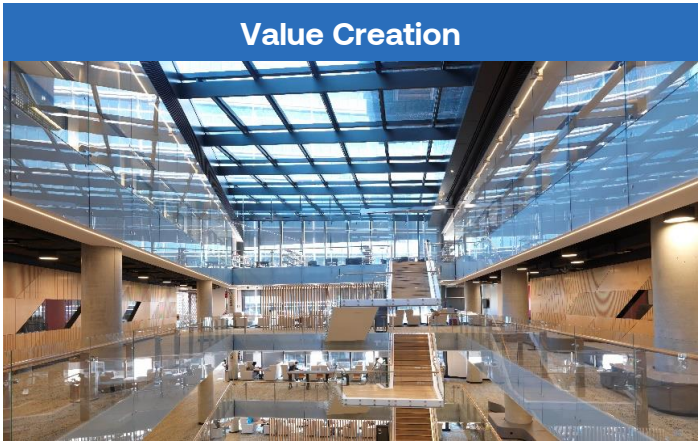
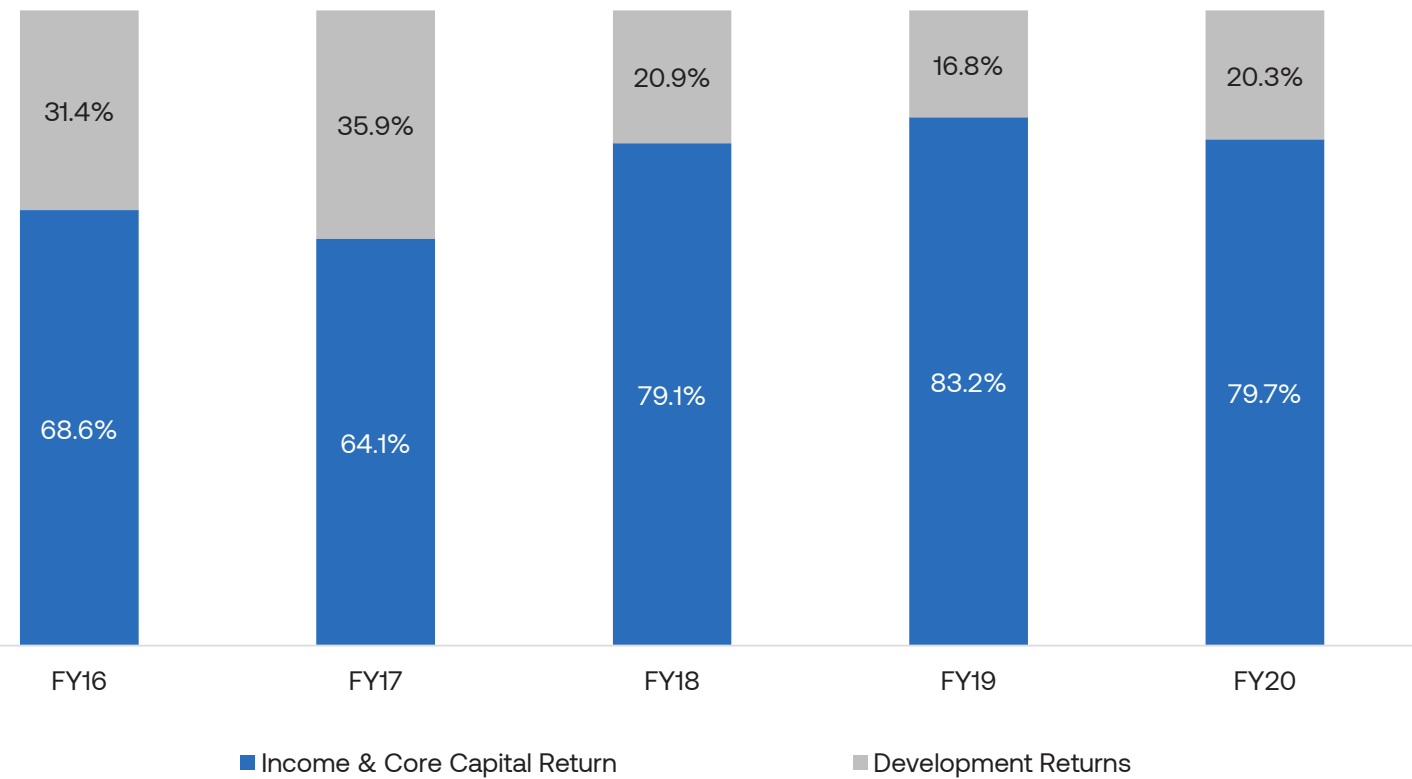
Total returns per annum – Core Unlisted Office Funds vs. MSCI Core Office Index (to January 2021)



CPOF’s development projects have delivered enhanced returns to investors

Develop to Core strategy has contributed an average of 25% to annual investor returns over the last 5 years

Development contribution to CPOF returns



Western Sydney University, Parramatta

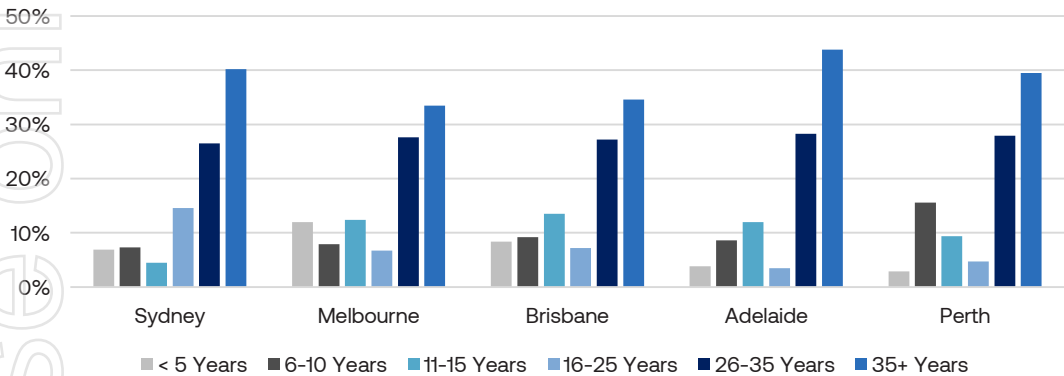


130 Lonsdale Street, Melbourne

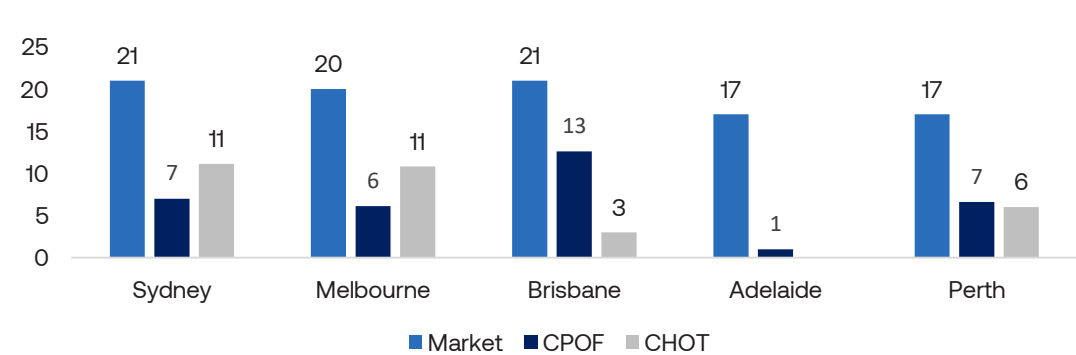
Flight to quality – Divergent impact of downturns

Economic downturns historically trigger a flight to quality in both occupier and investor demand

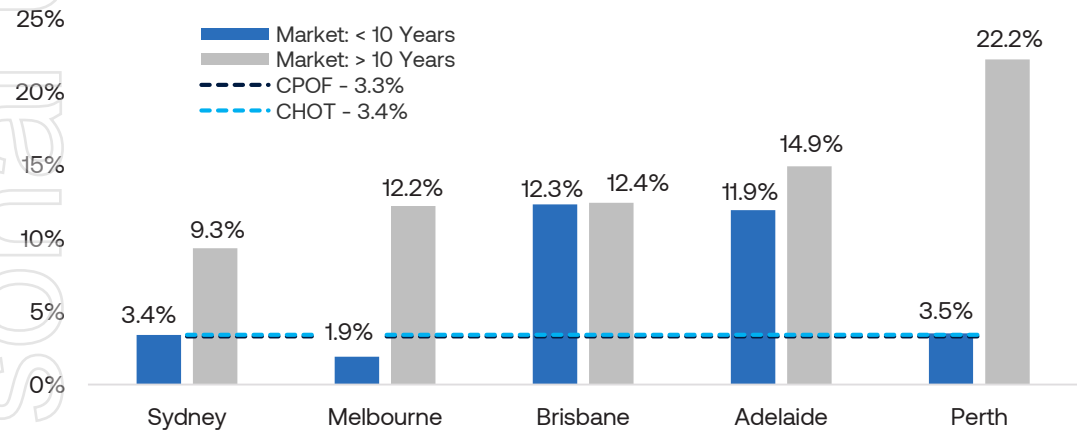
Age Profile of CBD Office Buildings (% of total stock)



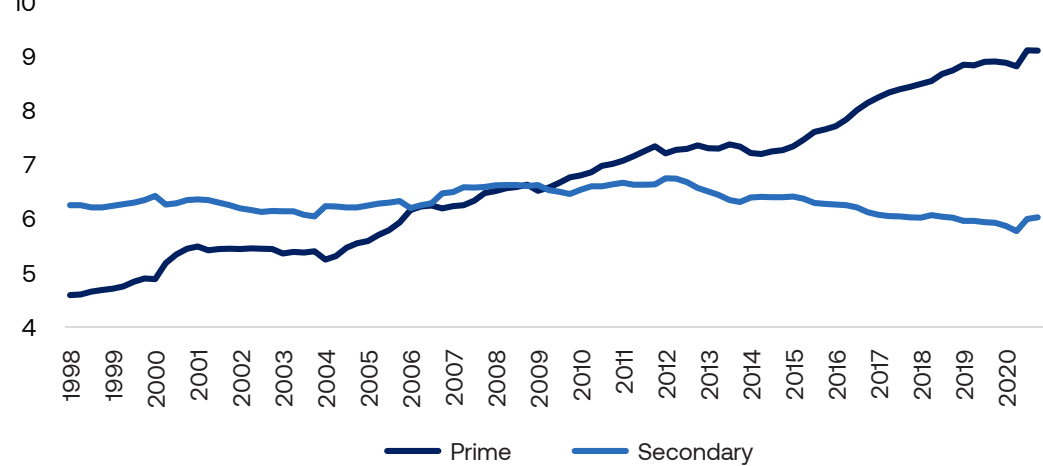
Average Prime Grade Building Age (years)



Direct Vacancy Rate of CBD Office Buildings (by age)



Occupied stock (millions, sqm)



Source: JLL, Charter Hall Research (4Q20).

Charter Hall have deep development experience and develop to core within funds

Projects completed 100% leased; Average WALE of 11.2 years and delivered significant valuation gains

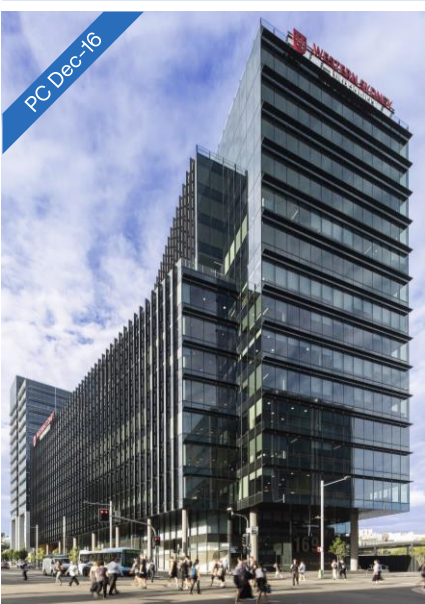
100% pre-leased prior to completion



333 George Street, Sydney

Grade	A-Grade
NLA	14,523 sqm
Valuation on completion	\$296.0m
Occupancy	100%
WALE on completion	8.8 years

100% pre-leased at construction commenced



169 Macquarie Street, Parramatta

Grade	A-Grade
NLA	26,498 sqm
Valuation on completion	\$253.0m
Occupancy	100%
WALE on completion	15 years

100% leased 6mths post PC



GPO Exchange, Adelaide

Grade	A-Grade
NLA	25,788 sqm
Valuation on completion	\$260.0m
Occupancy	100%
WALE on completion	11 years

100% pre-leased 12mths prior to completion



130 Lonsdale Street, Melbourne

Grade	Premium
NLA	60,590 sqm
Valuation on completion	\$738.0m
Occupancy	100%
WALE on completion	10.8 years

Charter Hall maintain strong cross-sector customer relationships

We have leveraged our deep, cross sector tenant relationships to achieve pre-commitments for our market leading development pipeline



30-55 Main Beach Road, Pinkenba



28B McPherson Street, Banksmeadow



140 Lonsdale Street, Melbourne



Grade	A-Grade
NLA	22,760 sqm
Val. on completion	~\$388m
NLA \$/sqm	\$17,000



570 Bourke Street, Melbourne



343 Albert Street, Brisbane



60 King William Street, Adelaide



Grade	A-Grade
NLA	42,687 sqm
Val. on completion	~\$413m
NLA \$/sqm	\$9,670



2 Park Street, Sydney



2 Market Street, Sydney



555 Collins Street, Melbourne



Grade	A-Grade
NLA	51,606 sqm
Val. on completion	~\$720m
NLA \$/sqm	\$13,950



171 Collins Street, Melbourne



GPO Exchange, Adelaide



Grade	A-Grade
NLA	25,788 sqm
Val. on completion	\$260m
NLA \$/sqm	\$10,000



Office Development Strategy; Opportunities; Case Studies

Andrew Borger, Head of Development – Office

Artist impression:
60 King William Street,
Adelaide



Office Development as value-add driver

Identify, secure, convert and deliver Develop to Core product providing superior returns and assets.

Achieved through:

- Add value to existing portfolio
- Assess potential value adds for Acquisition DD
- Originate on and off market site acquisition
- Create repeat leasing with existing tenant customers
- Originate and deliver scale Higher Education and Life Science projects
- Deliver projects
- Oversee project delivery for third party developments acquired by Charter Hall managed Funds

Raine Square, Perth

Office development pipeline - committed

Australia's largest office development portfolio under construction by NLA: \$2.25bn under construction, Total NLA 173,215 and 60% Office pre-commit



150 Lonsdale Street, Melbourne
Total NLA: 696
On Comp GAV (\$m): 91



6 Hassall Street, Parramatta
Total NLA: 28,910
On Comp GAV (\$m): 340



555, Collins Street (North), Melbourne
Total NLA: 51,606
On Comp GAV (\$m): 720



60 King William Street, Adelaide
Total NLA: 42,687
On Comp GAV (\$m): 413



140 Lonsdale Street, Melbourne
Total NLA: 22,760
On Comp GAV (\$m): 388



iQ, Westmead
Total NLA: 11,743
On Comp GAV (\$m): 103



Safecom, Adelaide
Total NLA: 6,532
On Comp GAV (\$m): 80



Mater, Brisbane
Total NLA: 8,281
On Comp GAV (\$m): 113



Office development pipeline - uncommitted

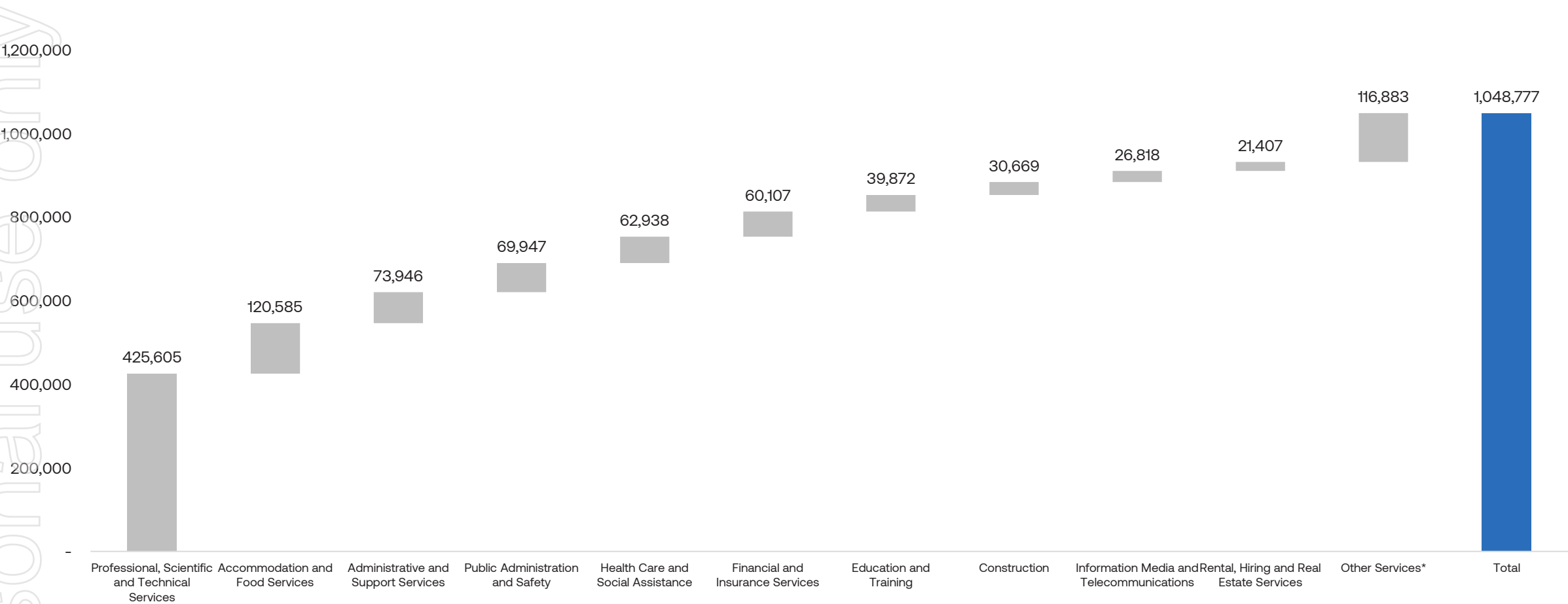
Further \$2.25bn of future pipeline

Projects	Status	State	NLA (sqm)
360 Queen Street	DA approved	QLD	44,150
iQ, Westmead Stage 2	DA approved	NSW	16,757
iQ, Westmead Stage 3	DA to be lodged	NSW	14,384
555 Collins Street (South)	DA approved	VIC	35,228
343 Albert Street	DA approved	QLD	43,871
309 North Quay	DA submitted	QLD	50,893
Total			205,283

Artist impression:
360 Queen Street,
Brisbane

Demand for office space varies by industry – growth is expected to be led by tech, healthcare and government tenant customers

Five year growth in occupier demand (sqm)

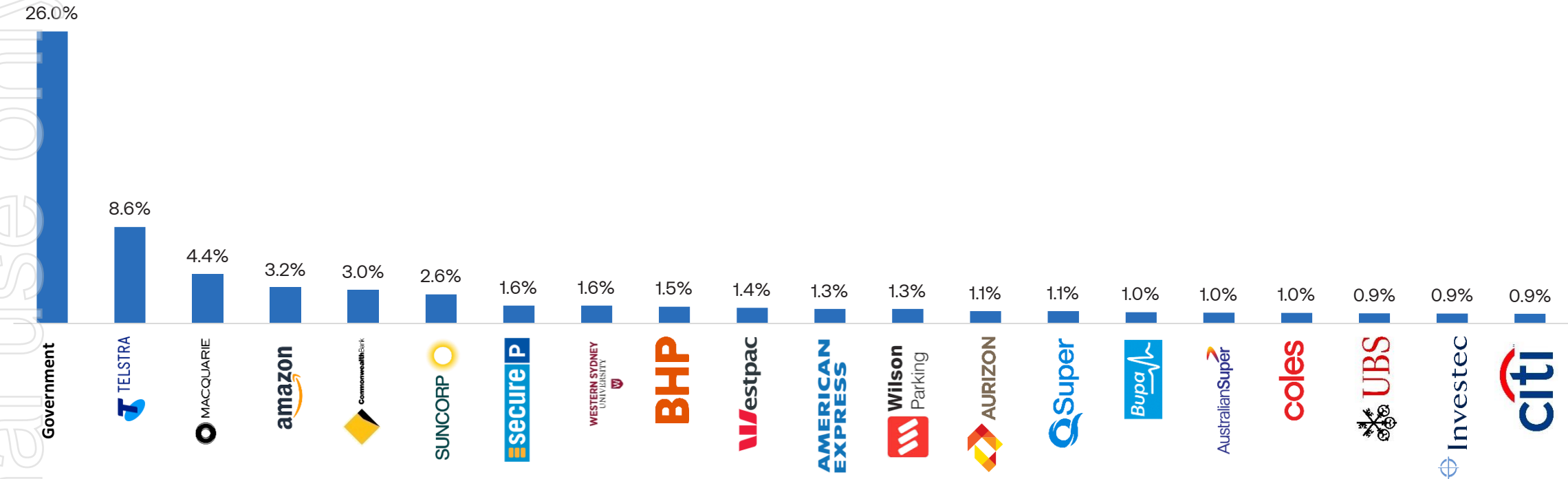


Source: JLL, DAE, Charter Hall research as at August 2020.
1. Other includes: Rental, Hiring & Real Estate Services, Construction, Financial & Insurance Services, Transport, Postal & Warehousing, Information, Media & Telecoms, Other Services and Admin & Support Services.

Charter Hall Office top tenant customers

Primarily exposed to high quality government or blue-chip tenants in resilient industries

Charter Hall Office platform – top 20 tenant customers by net income



Top 20 tenants % of office platform rent¹

64%

% Office rent from government tenants

26%

Unique government tenants

57

Average tenant retention since Jun-15

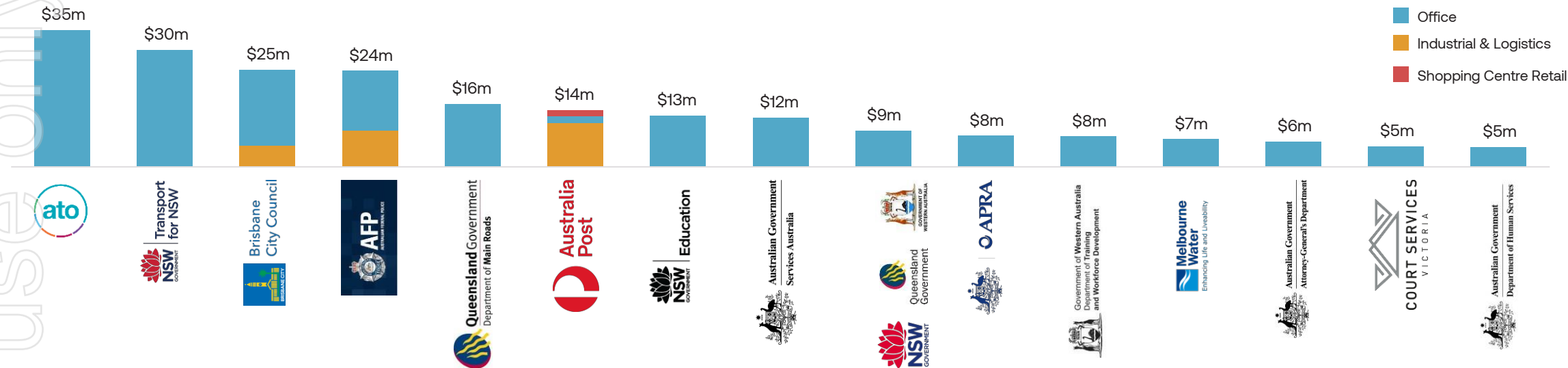
76%

Source: Company information as at 31 December 2020.
1. Government includes tenancies with multiple agencies.

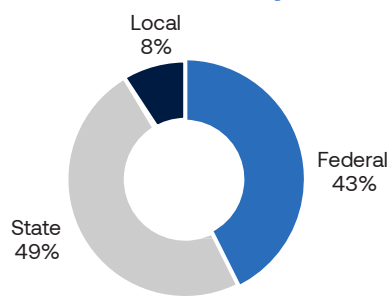
Deep relationships across government tenant customers

26% of Office rent from government tenant customers

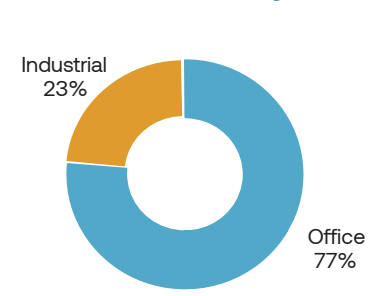
Top 15 government tenant customers (by rent)



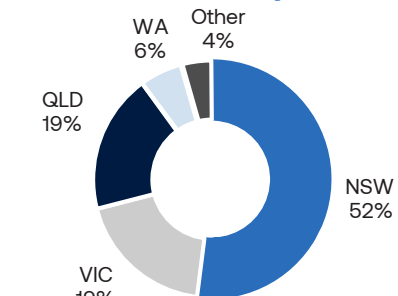
Government leases by levels



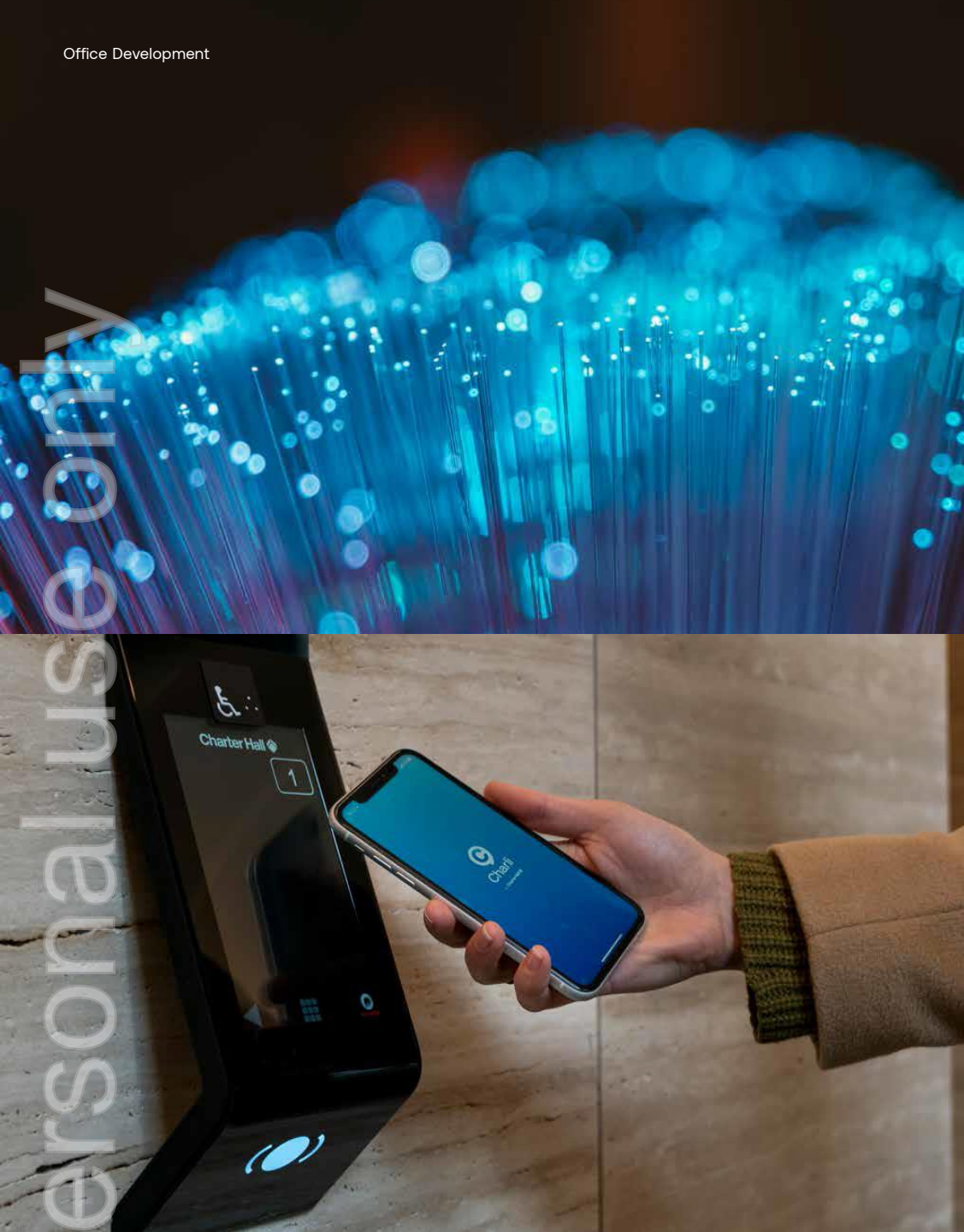
Government leases by sector



Government leases by location



Source: Company information as at 31 December 2020.



Technology for the new breed of digital tenant

Delivering Australia's smartest office buildings that future proofs business and seamlessly supports staff.

- Touch-less access
- Cyber security
- Artificial Intelligence (AI)
- Number plate recognition
- Electric vehicle charging
- Facial recognition / biometric security
- Internet of things (IoT)
- Seamless WI-FI
- Interactive holographics
- Wired score
- Data and dashboards
- Building App – Charli

Future proofing our portfolio via sustainability initiatives

Largest Portfolio by NLA of 6 star Green star developments in Australia



WELL accreditation

- CHOT and CPOF assets have been registered for a WELL Portfolio rating with Brisbane and Melbourne workplaces registered for WELL Certification. In addition, 130 Lonsdale Street, GPO Exchange, 555 Collins Street, Innovation Quarter Westmead and 6 Hassall Street have been registered for individual building certification



Renewable energy

- Potential cross sector initiatives, including solar and battery strategy to generate green power on our industrial assets for office base building loads
- Energy Committee addressing current and projected energy requirements with regard to volatility in energy market due to transition to low carbon economy and uncertainties with national energy policy



Sustainable portfolio

- 8 office funds in top 11 portfolios in NABERS Sustainable Portfolios index and average NABERS Energy rating of 4.88 stars across the office platform
- 6 office funds also responded to the Global Real Estate Sustainability Benchmark (GRESB) in 2020
- Piloted programs to improve NABERS waste, water and energy ratings towards 6 star (e.g. 171 Collins Street)
- Undertaken review of tenant carbon reduction commitments and engaging with tenants to support their carbon reduction commitments and reduce their energy footprint



New office projects

- 5 star Green Star Design and As Built ratings and potential for 6 star Green Star pilot
- Piloting carbon neutral developments and targeting being carbon neutral by 2030
- Commenced design work to enable 100% renewable energy operations



Net zero target

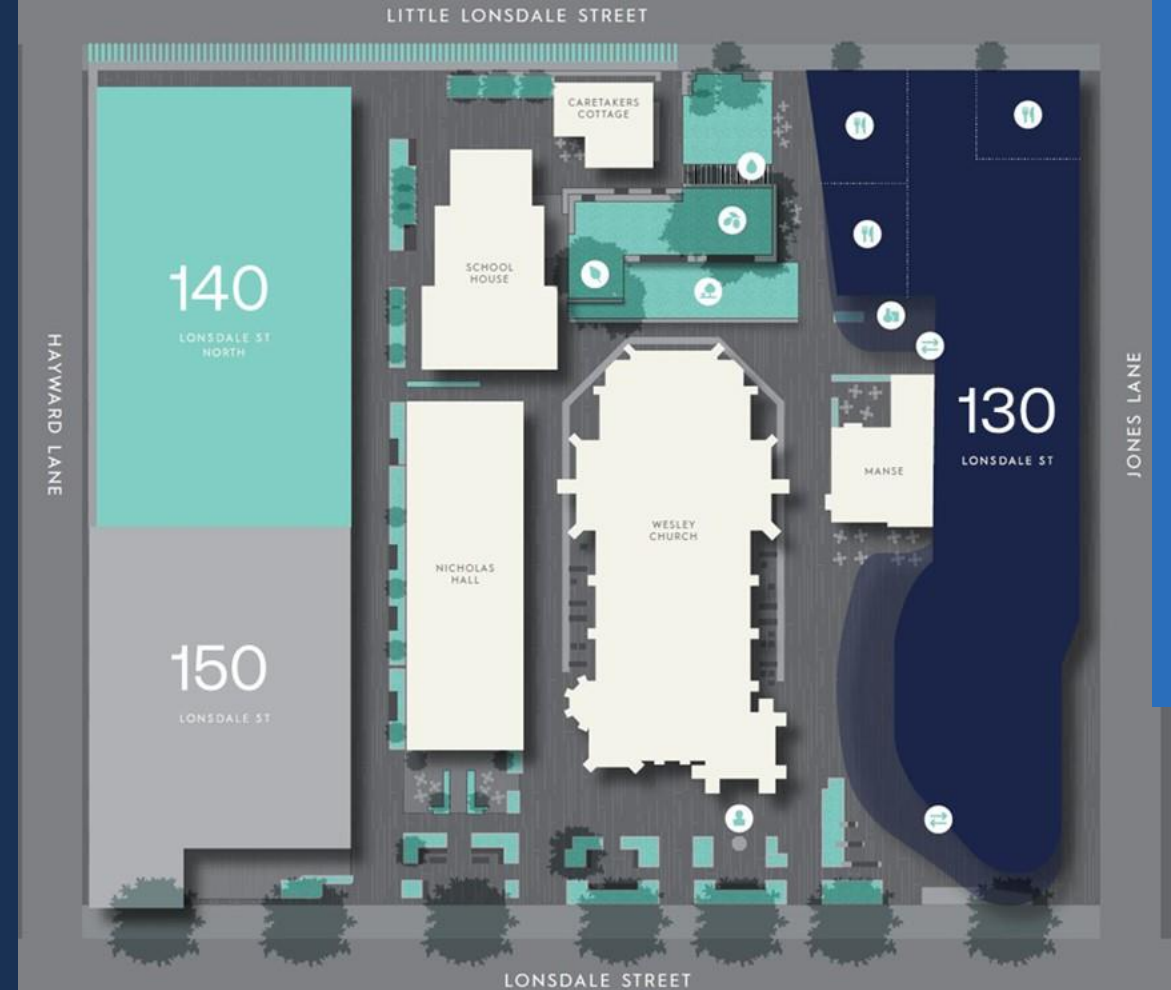
- Committed to net zero Scope 1 and 2 emissions by 2030 for office platform
- Office platform aligned with the TCFD framework and CHC discloses our climate strategy and emissions reduction approach in our Annual Report and annual Sustainability Report
- Climate Strategy evolving to prepare our business for a low carbon economy

A move to scale has seen the rise of precincts in Australia's CBD's

Charter Hall has demonstrated deep expertise

\$1.5bn Wesley Precinct including:

- 130 Lonsdale Street, Melbourne
 - 60,600sqm NLA Premium Office and Retail
 - Value \$738m
- 140 Lonsdale Street, Melbourne
 - 22,760sqm NLA A-Grade
 - Value \$388m
- 150 Lonsdale Street, Melbourne
 - 28,000sqm NLA A-Grade
 - Value \$269m



130 Lonsdale Street, Melbourne

- Valuation on completion: \$738m
- NLA: 60,590sqm
- Occupancy on completion: 100%
- WALE on completion: 10.8 years
- PC: March 2020
- Design and construction cost: \$333m
- Building quality:
 - Premium
 - 6 star NABERS Energy
 - 5 Star NABERS Energy
 - Gold WELL rating



60 King William Street, Adelaide

- Valuation on completion: \$413m
- NLA: 42,687sqm
- Office pre-commit: 72%
- 10 year lease to Commonwealth Government
- Forecast PC: Mid 2023
- Design and construction cost: \$178m
- Building quality:
 - A-Grade and Premium lifting
 - 6 Star Green Star
 - 5 Star NABERS Energy
 - 4 Star NABERS Water
 - Gold WELL rating

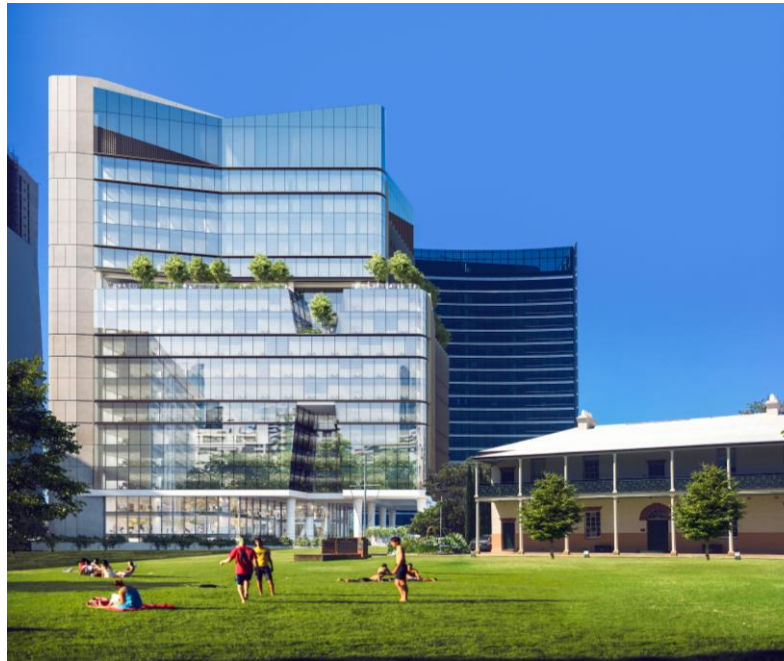


Higher education broadening into life sciences

Australia's largest portfolio of higher education projects with a portfolio in excess of \$1bn.
Deep expertise in curriculum design understanding, delivery, and operations.



iQ Westmead – Labs and Research



6 Hassall Street – Engineering and Architecture



1 Parramatta Square, Law and Business

6 Hassall Street, Parramatta

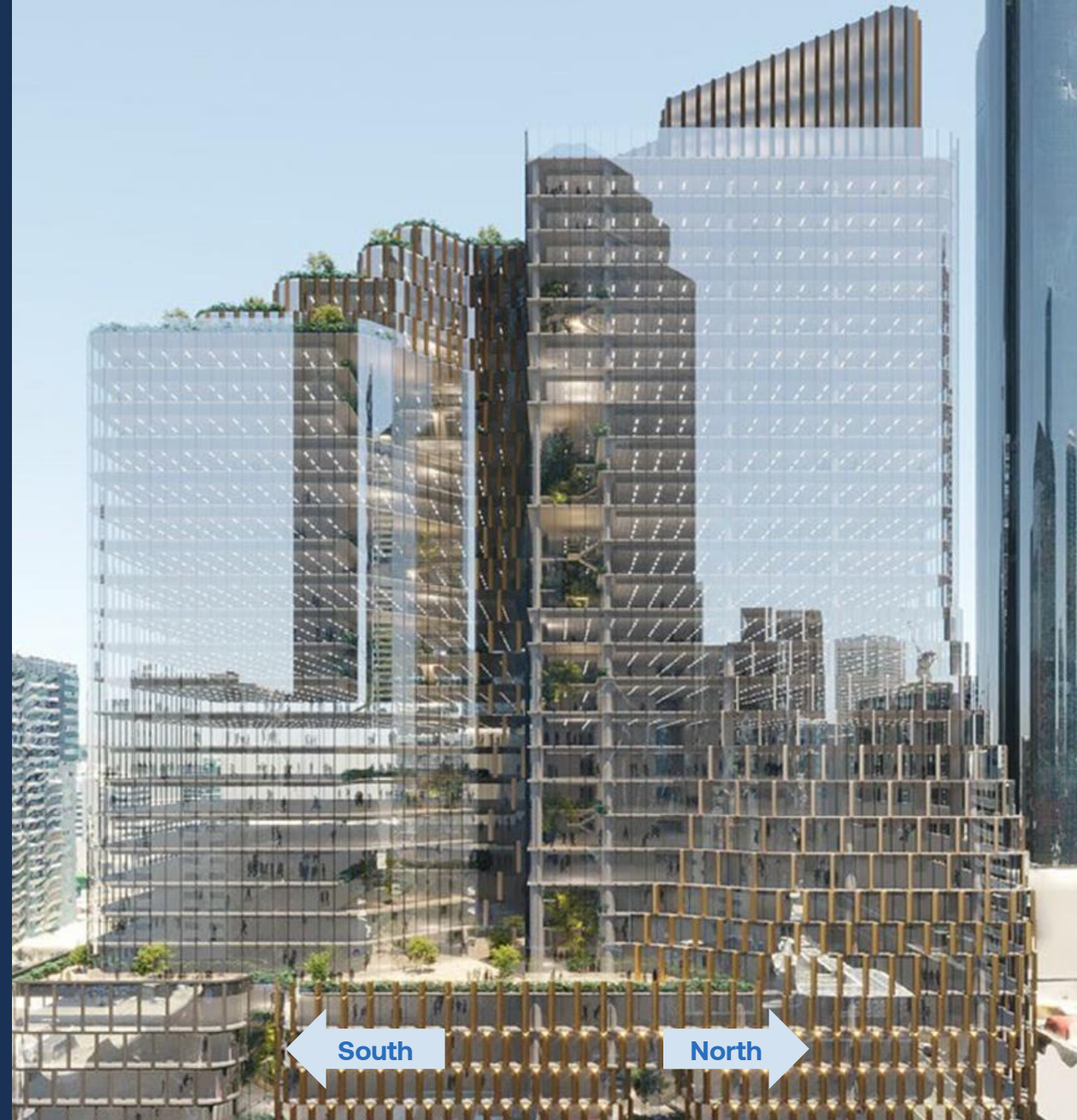
Engineering Business Success

- Valuation on completion: \$340m
- NLA: 28,910sqm
- Office pre-commit: 47%
- 15 year lease to Western Sydney University
- Forecast PC: Q3 2021
- Design and construction cost: \$127m
- Building quality:
 - A-Grade
 - 6 star Green Star
 - 5 Star NABERS Energy
 - 4 Star NABERS Water
 - Gold WELL rating



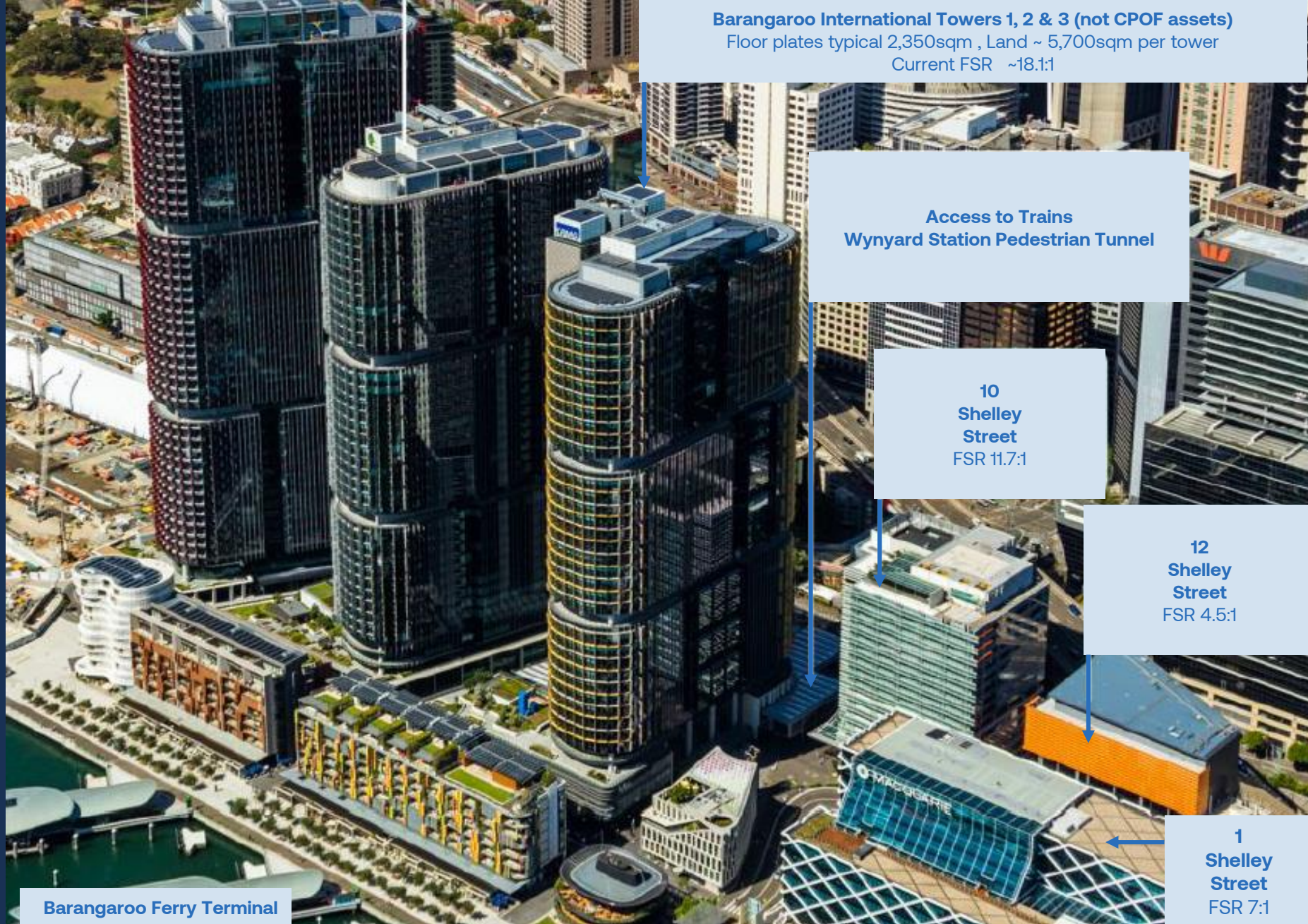
555 Collins Street (North), Melbourne

- Valuation on completion: \$720m
- NLA: 51,606sqm
- 8 year lease to Amazon
- Forecast PC: CY 2023
- Design and construction cost: \$297m
- Building quality:
 - Premium
 - 6 Star Green Star
 - 5 Star NABERS Energy
 - 4 Star NABERS Water
 - Platinum WELL rating



Future development opportunity – Shelley Street precinct, Sydney

Charter Hall has demonstrated deep expertise





Office Q&A

Artist impression:
360 Queen Street,
Brisbane



Industrial & Logistics Platform – How Development adds value

Richard Stacker, Industrial & Logistics CEO

Chullora Logistics Park
2 Hume Highway,
Chullora

Industrial & Logistics capability and team

Large national team with extensive capabilities and track-record

- **60+ team of Industrial specialists**

Expertise across transactions, development, asset management, property management, supply chain / automation and sustainability.

Driven customer focused culture with a focus on team diversity, professional development and innovation.

- **Development Capability**

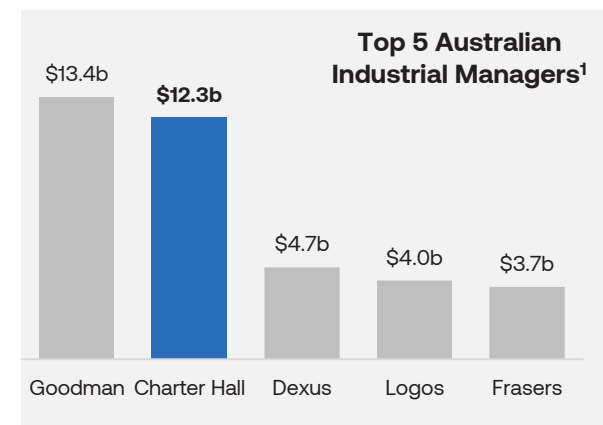
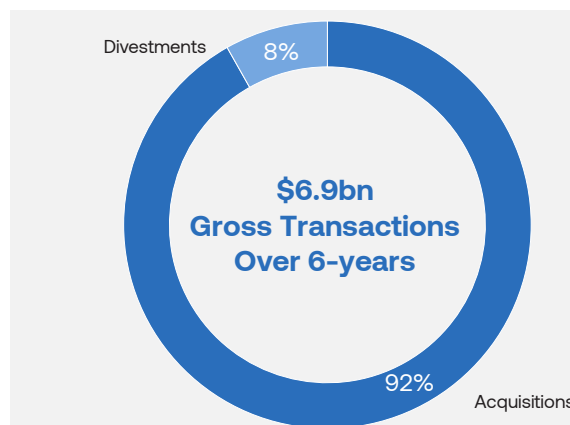
Team of 20 specialists providing develop to core assets on behalf of our Funds.

- **Leading Investment Manager**

Average Fund performance since inception on Industrial platform of 12.3%.

- **Track-record of transacting**

99 acquisitions worth \$6.8bn and 35 divestments worth \$0.6bn undertaken over the past 6 years. 65% completed off market and 42% were sale and leaseback with corporates choosing Charter Hall as their landlord.

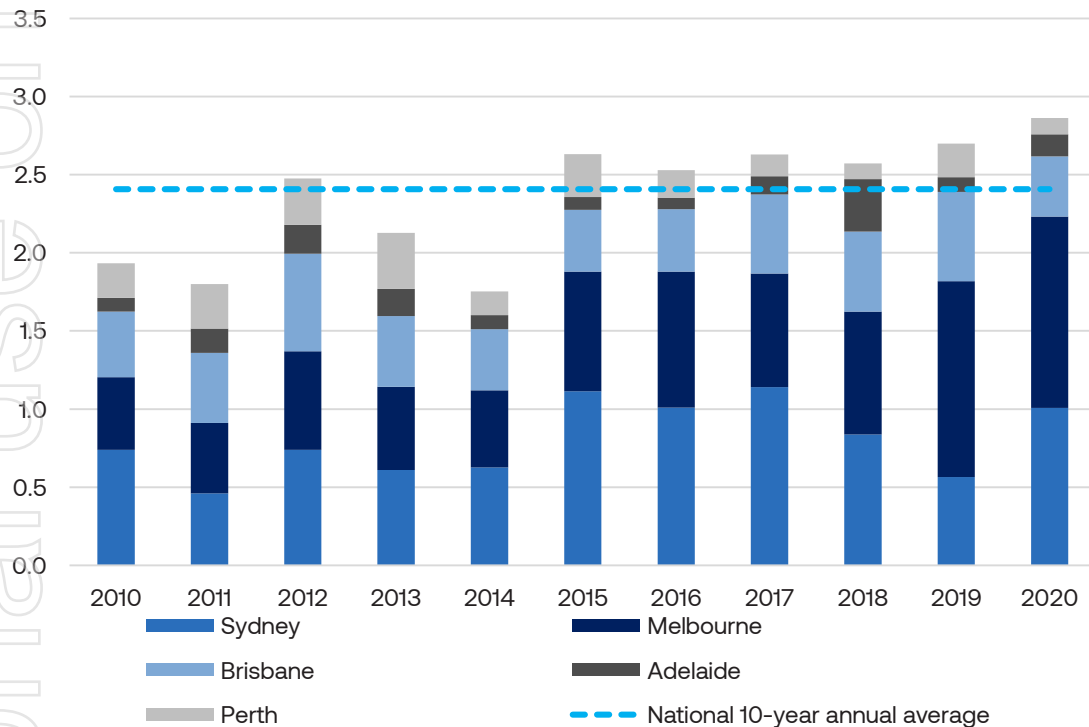


¹ Based on publicly disclosed information as at 31 December 2020. Relates to only industrial & logistics holdings i.e. excludes office/business parks

Leasing volumes continue at record levels

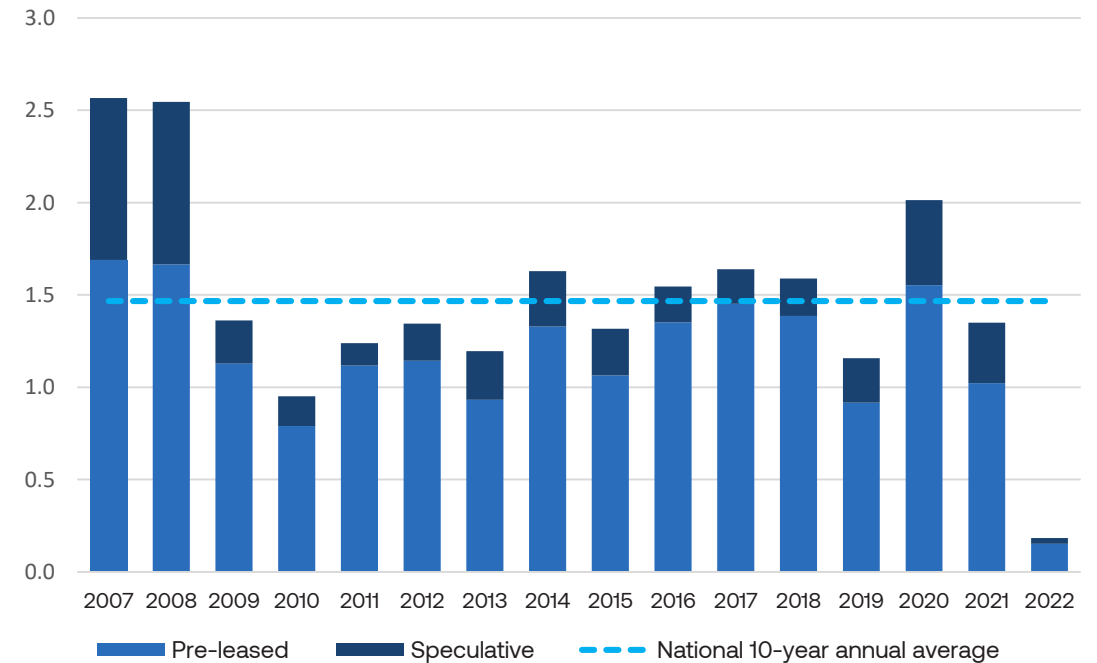
Strong occupier demand activity, driven by non discretionary retail, growing omni channel requirements and online retailers, coupled with steady but constrained supply

Gross leasing volumes (sqm millions)



Record leasing volumes across the Melbourne and Sydney industrial market contributed to the largest year of leasing activity

Supply (sqm millions)



2020 recorded an uptick in completions. This was a lagged response to the above-trend leasing demand recorded across Sydney and Melbourne over recent years. Speculative construction activity remained limited and in-line with longer-term levels.

Multi sector relationships – Charter Hall Group

Growth through Charter Hall's cross sector customer engagement & collaboration

• Customer cross-sector occupancy

Charter Hall has deep relationships across office, retail and industrial sectors creating multi tenancy opportunities for customers including Australian Government, Woolworths, Wesfarmers, Coles, ALDI, Amazon & Bunnings.

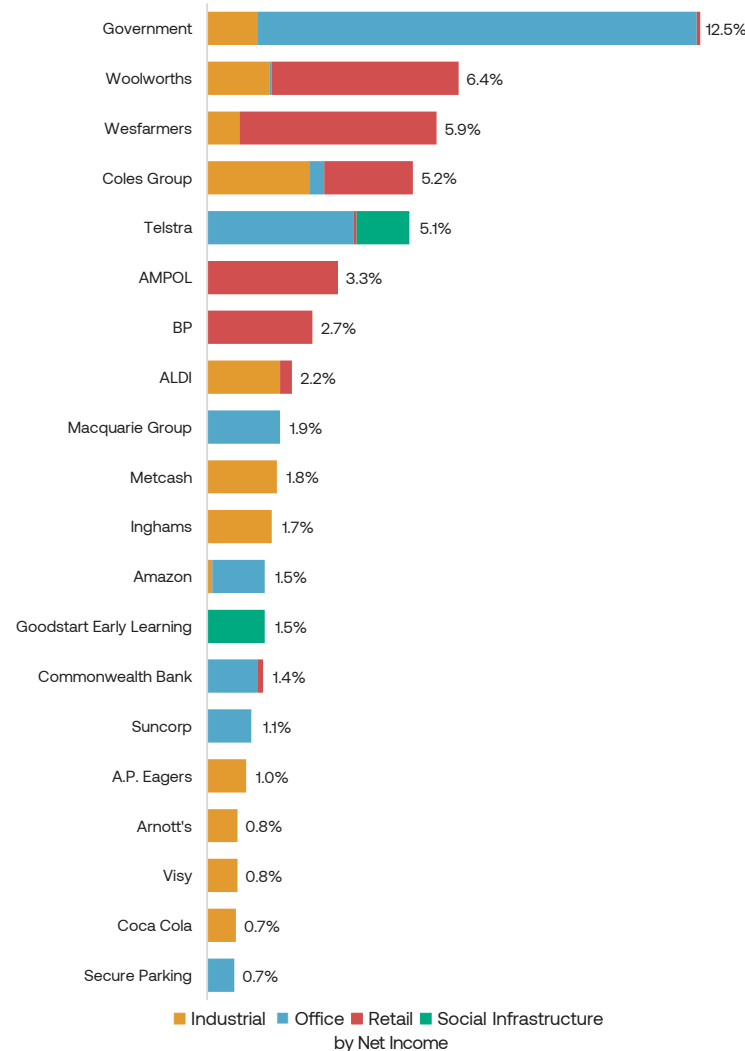
• Non-discretionary retail customer opportunities

Existing non-discretionary retail customers presenting opportunity for industrial portfolio include Priceline, Liquorland, Terry White Pharmacy and Officeworks.

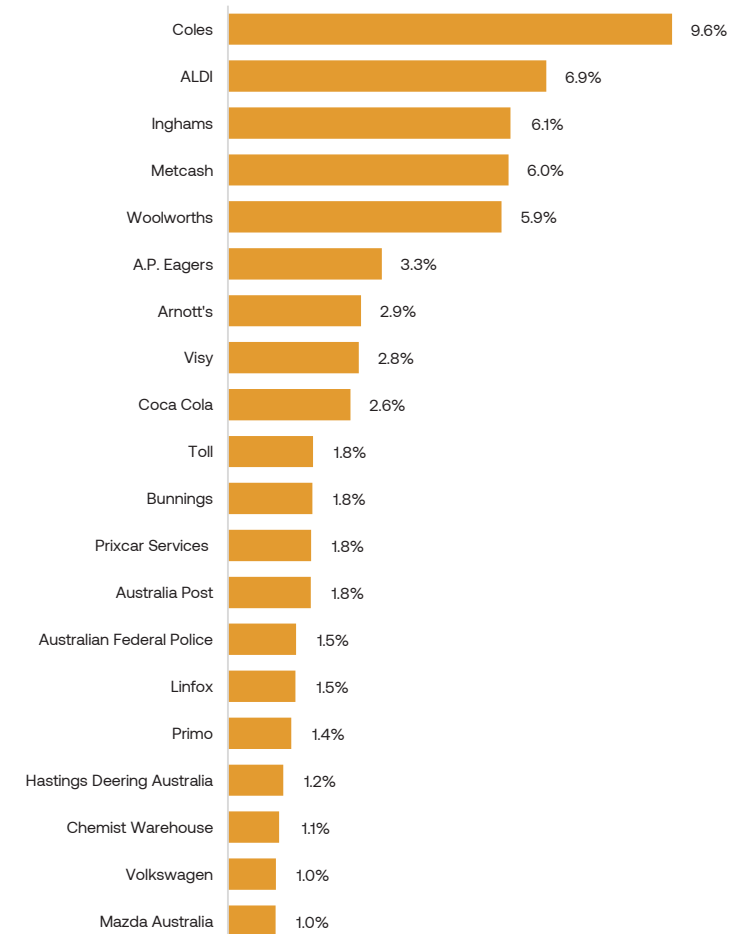
• Office customer opportunities

Existing office customers presenting opportunity for industrial portfolio include BHP, Santos, Orica, Aurizon, Unilever, Telstra, Caltex, Officeworks, Rebel Sports.

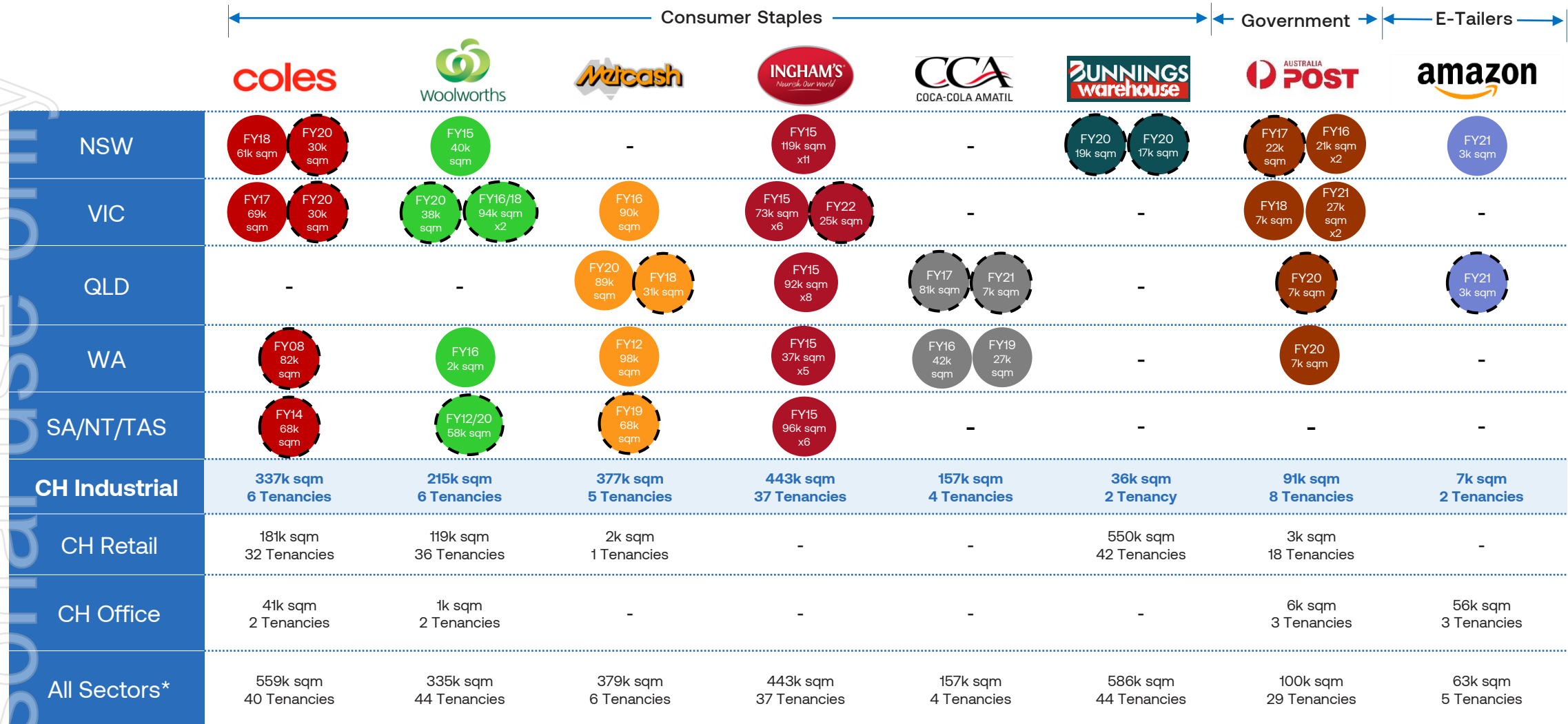
Top 20 Charter Hall Group Customers



Top 20 Charter Hall Industrial Customers



Key customers national coverage & leveraging multi sector relationship across Charter Hall



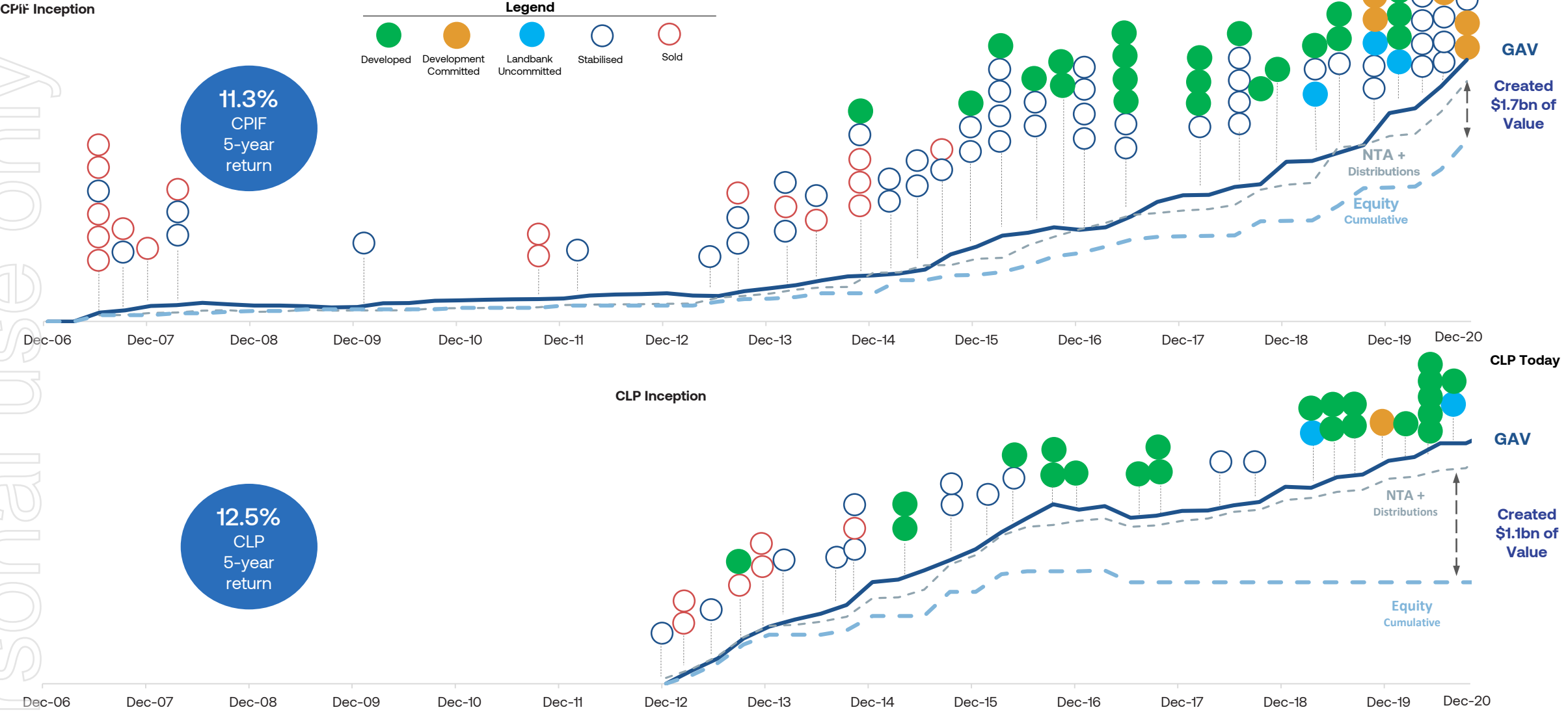
*Industrial/Logistics, Retail, & Office

FY16 117k sqm x3

- Year tenancy commenced
- GLA (or site area on land lease) of tenancy
- Number of properties/tenancies

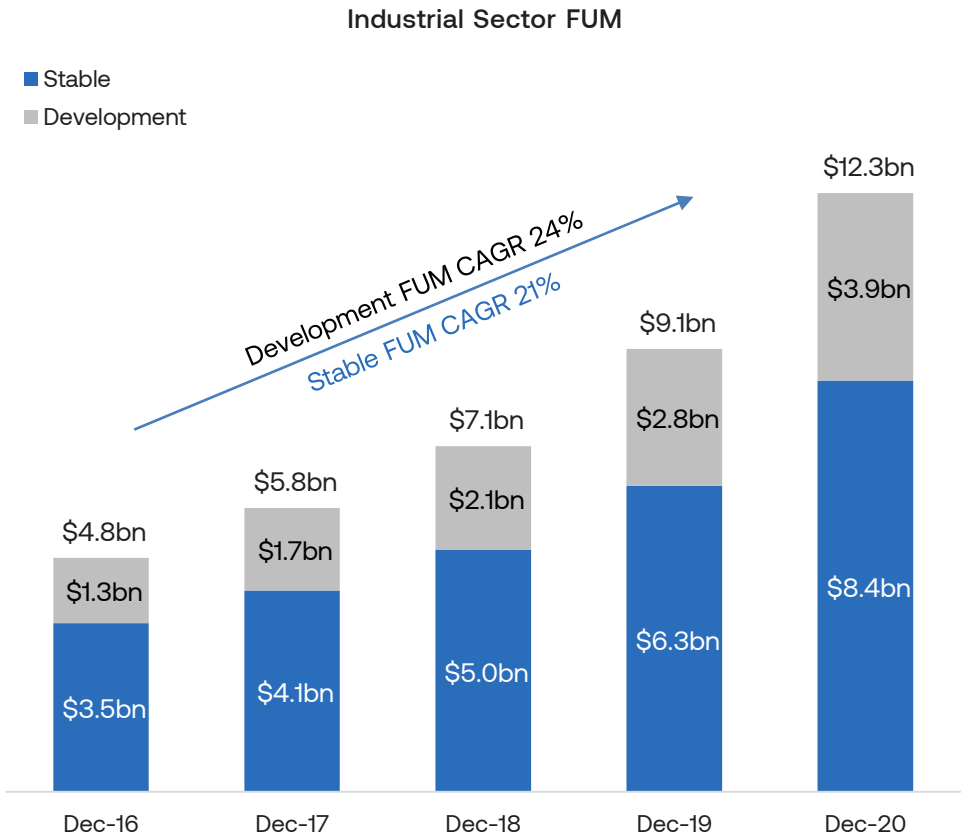
- Solid fill denotes Charter Hall Industrial asset
- Border denotes development build to core
- Denotes potential opportunity for CH to provide occupancy
- Denotes x1000 sqm of lettable area

CPIF & CLP Fund growth driven by consistent development activity



Industrial sector growth & returns from developments

The Develop to Core strategy for our funds has delivered a total \$3.9bn or 31% of the Industrial Sectors \$12.3bn FUM with a cumulative annual growth rate of 24% over the past 5 years



Note: Uplift net of acquisition cost write-off.





Industrial & Logistics Development Strategy; Opportunities; Case Studies

Andrew Simons, Head of Development – Industrial & Logistics

MidWest Logistics Hub
500 Dohertys Road,
Truganina

Development pipeline

- Focus on Develop to Core strategy for the Funds by deploying capital in major markets, securing high quality pre-leases and creating development margin that enhances Fund returns
- In CY20 15 buildings delivered nationally with a GAV of \$690m
- In CY21 delivery of 17 buildings with a value of \$900m. Comprising 8 buildings in Melbourne, 7 in Sydney and 2 in Brisbane
- Construction is well underway on 2 large Coles/Ocado facilities (NSW & VIC) with PC of early 2022 and a GAV of \$370m
- Our total committed development of \$1.1bn equates to 370,000sqm of space. The total committed and uncommitted development pipeline is \$2.3bn - 950,000sqm of space

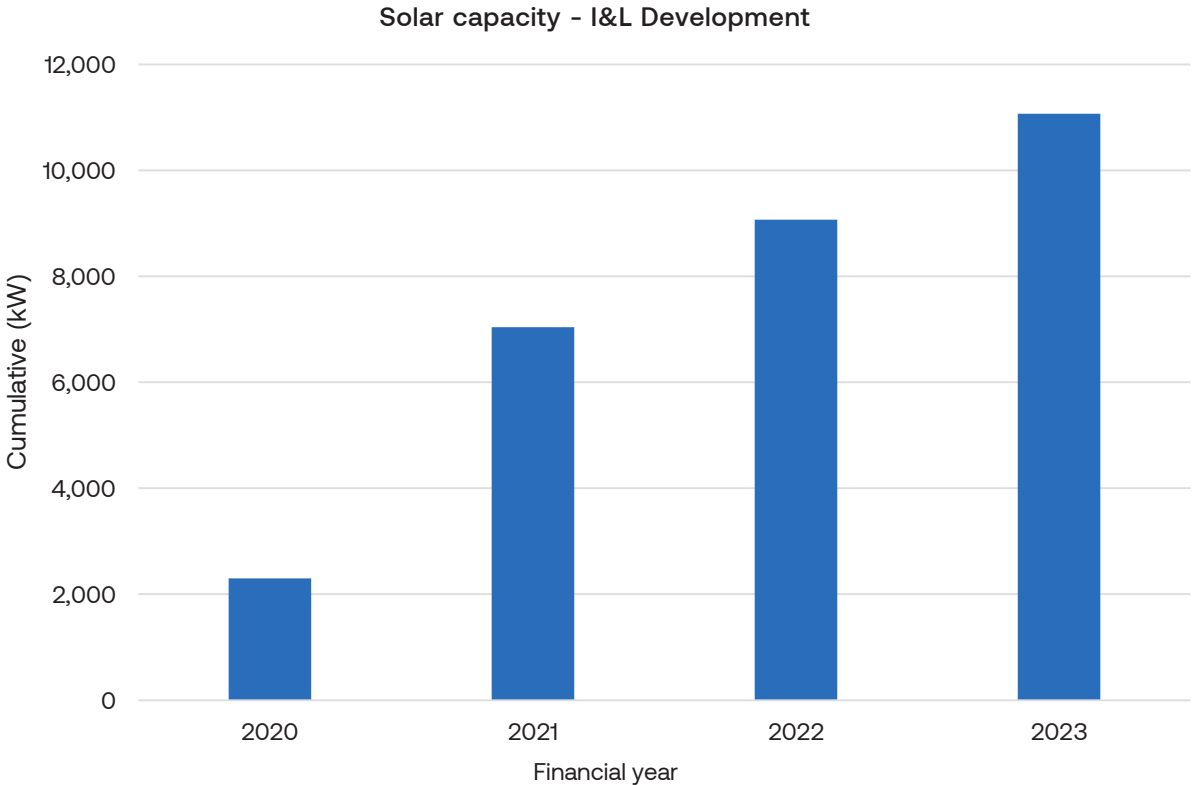


Coles Ocado, Wetherill Park

Development Pipeline	Committed (\$m)	Weighting	Committed GLA (sqm)	Uncommitted (\$m)	Uncommitted GLA (sqm)	Total (\$m)	GLA (sqm)
NSW	492,200	45%	121,000	505,400	266,205	997,600	387,205
VIC	515,500	47%	219,678	408,800	188,130	924,300	407,808
QLD	56,800	5%	16,600	182,400	86,500	239,200	103,100
SA	31,700	3%	11,689	72,000	24,500	103,700	36,189
WA	-	0%	-	25,000	15,000	25,000	15,000
ALL	1,096,200	100%	368,967	1,193,600	580,335	2,289,800	949,302

Sustainability and ESG

A commitment by Charter Hall and its tenant customers to ESG will result in 11,000 Kilowatts of solar installed by 2023

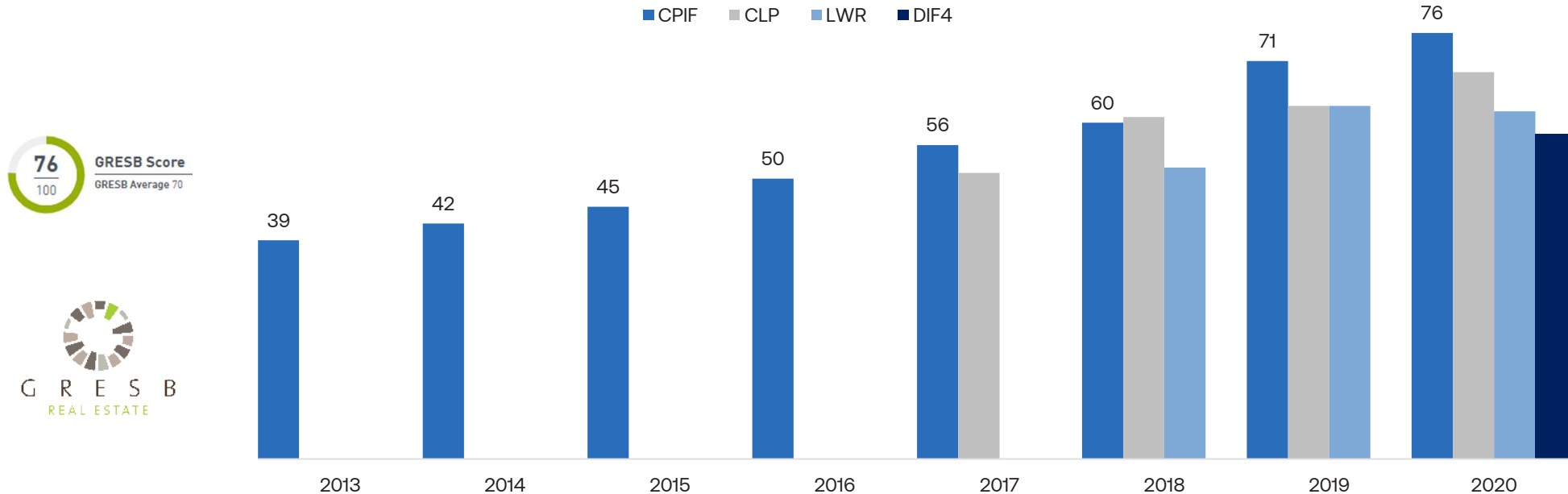


11,000 Kilowatts will power 2,000 houses pa

Development ESG commitment

- 8-year track record of sustained improvement in our GRESB ratings
- In 2020 CPIF's development projects achieved the highest rating of all Global GRESB development participants

Industrial Fund's commitment to continual increasing GRESB score

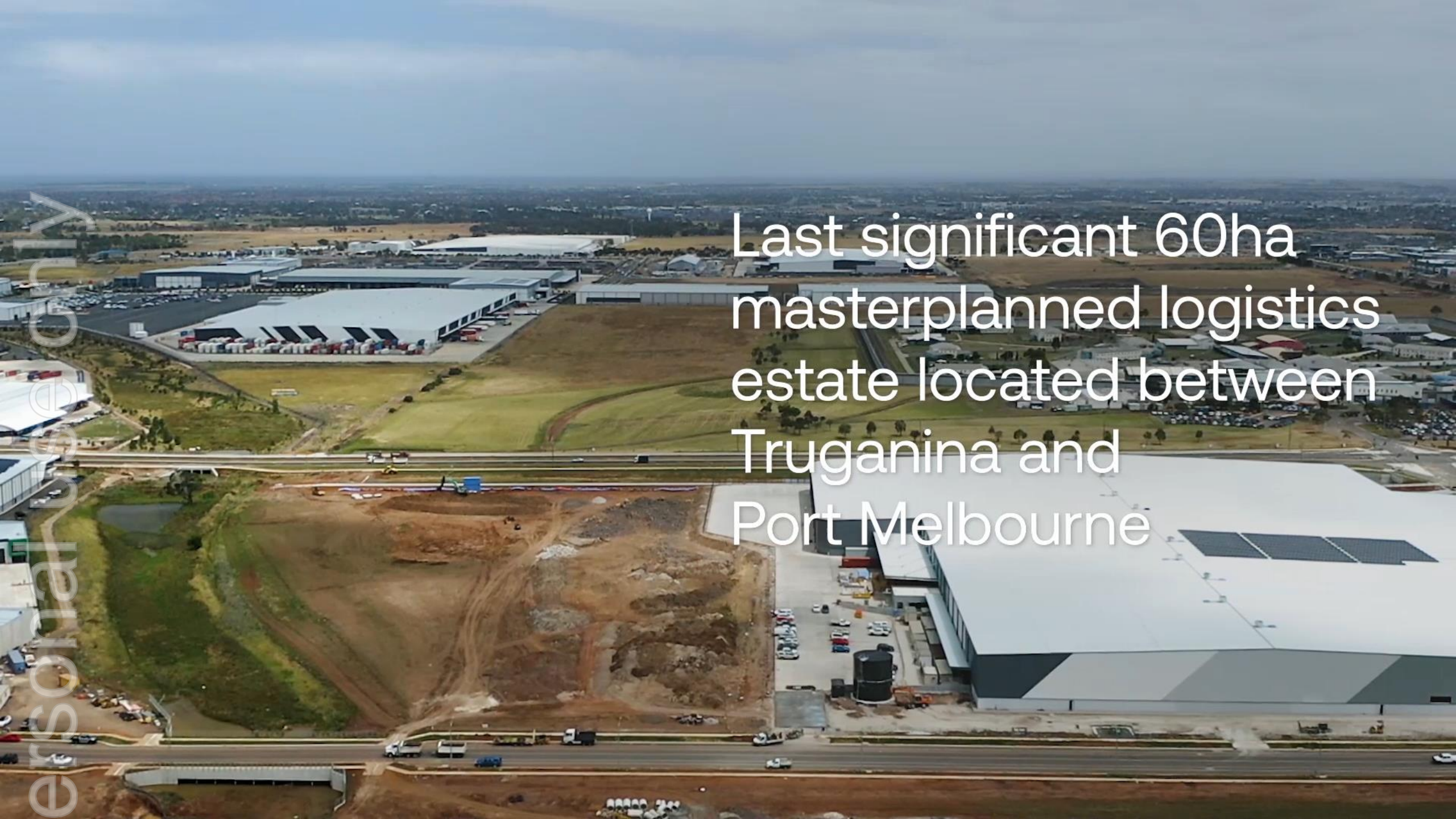


The Charter Hall Industrial Development team is committed to achieving a minimum 5-star Green Star on all new developments and will also partner with committed tenants to target 6-star Green Star projects.

Industrial Development Case Study 1

MidWest Logistics Hub
442-540 Dohertys Road,
Truganina





Last significant 60ha
masterplanned logistics
estate located between
Truganina and
Port Melbourne



MidWest Logistics Hub 442-540 Dohertys Road, Truganina

Site area	60ha with 48ha (NDA)
On completion GLA	250,000sqm
On completion GAV	\$550m (The acquisition feasibility was at \$330m)
Tenant mix	<ul style="list-style-type: none"> - Toll (Mars Contract) – 45,000sqm - Bridgestone – 24,000sqm - Ingham's – 25,000sqm - Uniqlo – 46,000sqm - Coles – 45,000sqm - Encore Tissue – 15,000sqm
Estate WALE	- 14 Years
Solar	- 3.8Mw
Results Summary	<ul style="list-style-type: none"> - The land was purchased in 2018 as a greenfield infill site requiring major new road and service infrastructure and a projected 6-year pre-lease and delivery program - The Estate is now 85% committed and will be completed 2 years ahead of the original program - All projects are pre-leased, purpose-built facilities on long term leases to strong covenants - MidWest Logistics Hub has dominated the pre-lease market in Melbourne's West over the last 3 years due to its prime infill location, the ability to accommodate large requirements and Charter Hall's strong multi-sector relationships with the likes of Coles and Ingham's

Industrial Development Case Study 2

TradeCoast Industrial Park
679 Curtin Avenue
Pinkenba



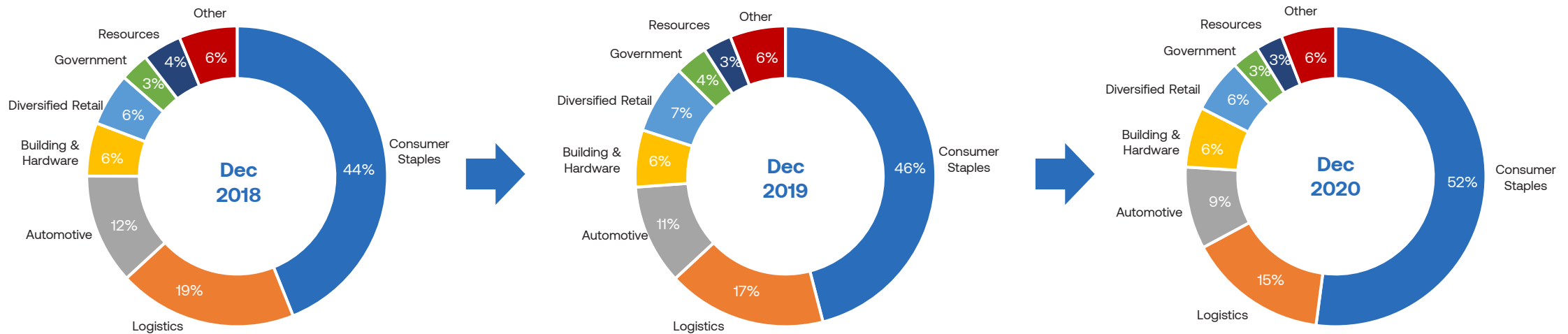


Tradecoast Industrial Park
679 Curtin Avenue, Pinkenba

Site area	11.5ha
On completion GLA	77,000sqm
On completion GAV	\$120m
Tenant mix	<ul style="list-style-type: none">– AP Eagers– Sandvik– Caroma– Amazon– Australia Post– DHL
Results Summary	<ul style="list-style-type: none">– The Tradecoast estate was a strategic and staged effort to acquire 3 adjoining land parcels in this tightly held and land-constrained airport precinct– The significant achievement was firstly to reposition existing buildings and deliver 3 new buildings in two years, to complete and fully lease the estate– Secondly, to achieve the high quality of Covenants within the estate, which are all Charter Hall multi-state repeat tenant customers– Charter Hall's Trade Coast Estate is recognised as one of Brisbane's premium industrial estates due to its location, connectivity to the Airport, Brisbane Port, direct access to major road infrastructure and the premium tenant mix

Charter Hall is focused on resilient customer industries

- Consumer staples dominate Charter Hall's Industrial customers, representing 52% of total rent
- Our strategic relationships with consumer staple customers has driven an 8% increase in weighting over the past 3-years
- The Industrial sector FUM has grown \$5.2bn (from \$7.1bn to \$12.3bn) over the past 3-years including \$1.2bn of development completions of which 44% were for consumer staple customers
- There is a further \$2.3bn development pipeline of which \$1.1bn is committed and 65% of which is for Consumer Staple customers



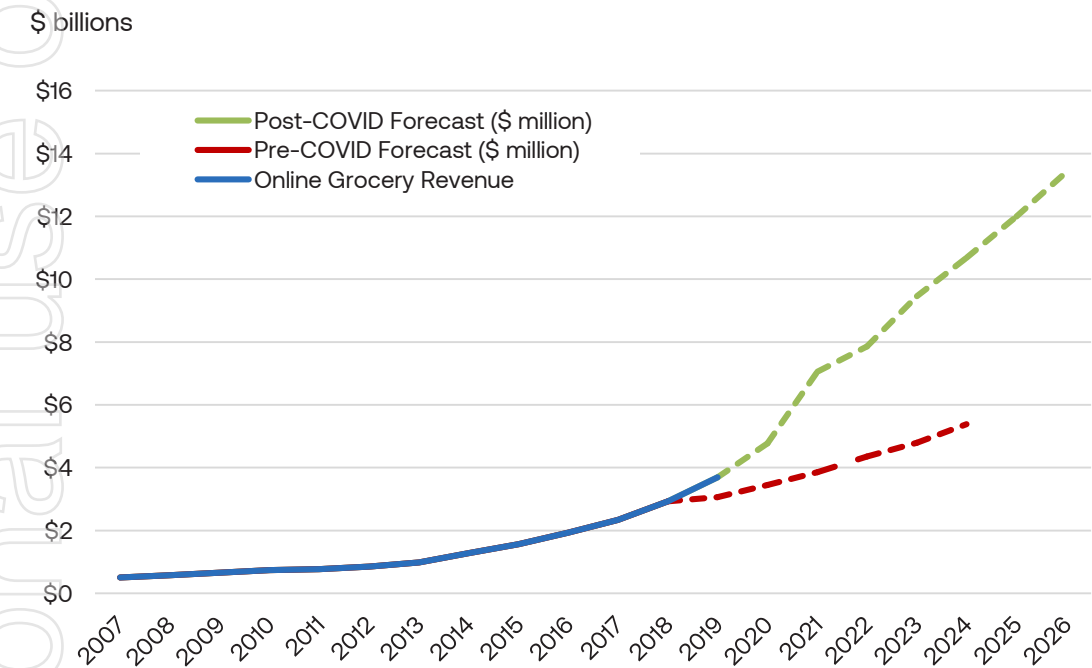
Note: Industry %'s include all committed developments shown at point in time.

COVID-19 has accelerated structural trends

Charter Hall platform benefitting from major structural shifts

Online grocery revenue

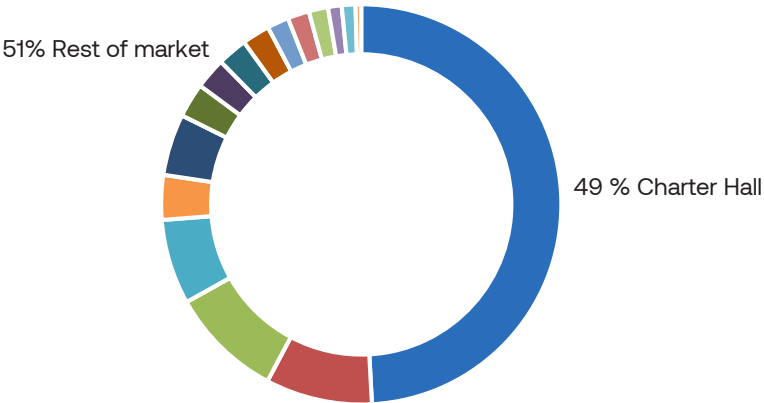
- Online grocery retail revenue has reached levels not anticipated for 5 to 6 years
- Woolworths and Coles account for over 70% of the Online Grocery market



Source: IBIS World, Charter Hall Research (March 2021).
Charter Hall Group
2021 Development Showcase

Grocery industrial and warehouse market share, by area

The Charter Hall Group represents 49% of Australia’s grocery logistics real estate with the next largest player only 9%.



Industrial development - Case study 3



NSW - Wetherill Park Precinct

Tenant mix

- Marley Spoon (Woolworths)
- Coles (Ocado)

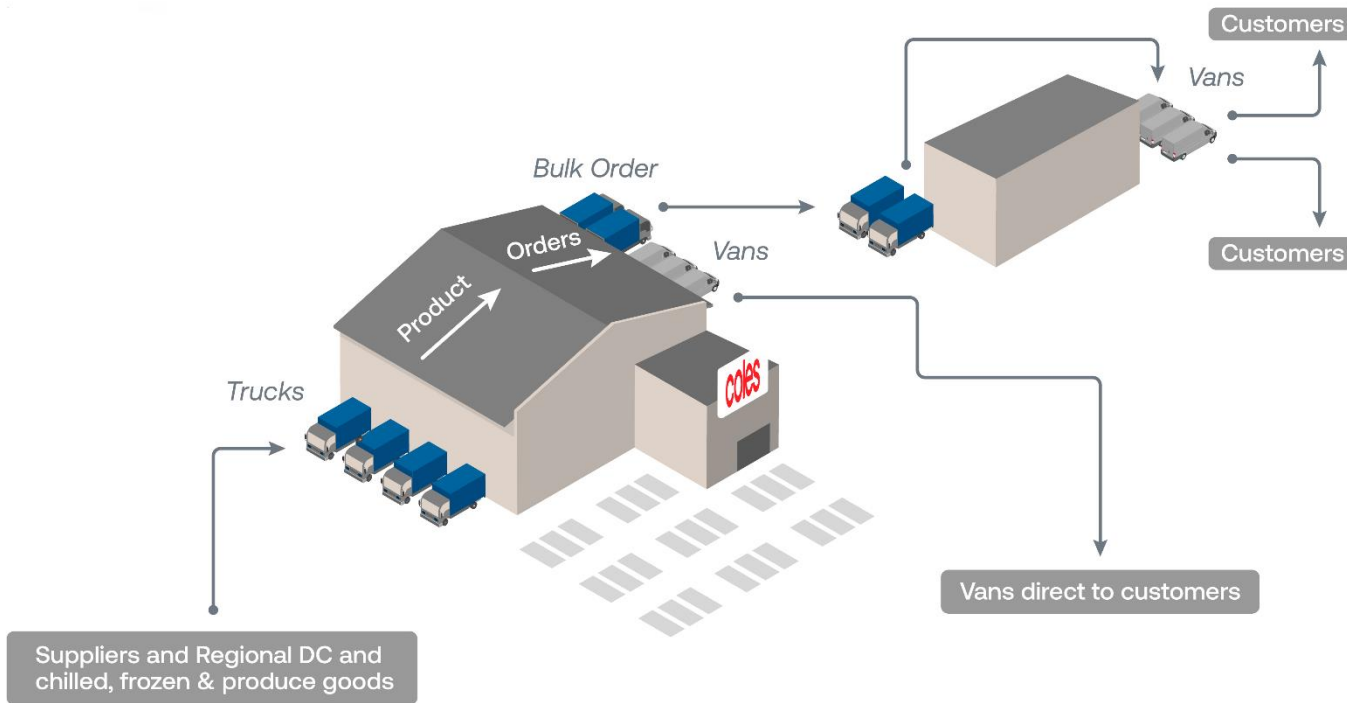
Summary

- Wetherill Park has become a highly sought-after area of Western Sydney due to its location east of the M7 and proximity to the Sydney orbital road network
- Charter Hall is developing two prime industrial estates in Wetherill Park that are anchored by on-line grocery businesses that will capitalise on the direct access to Sydney's major road infrastructure network
- Woolworths-backed Marley Spoon will be operating out of their first Australian automated facility at our Wetherill Park Distribution Centre to be completed in March 2021
- Charter Hall is building Coles first large-scale automated Fulfilment Centre at our Horsley Drive Business Park to deliver Coles on-line grocery strategy, in joint venture with UK based Ocado
- These brands are two examples of customers partnering with Charter Hall to deliver high spec, modern food logistics warehousing solutions tailored to their business needs

Online grocery and automation

Coles

- Partnership with Ocado
- Ocado undertaking a global roll out
- Hub and spoke (last mile) model
- Ocado are one of the largest global players
- Online global rollout of Ocado in other countries including Japan, USA, Canada and Europe



Online grocery and automation

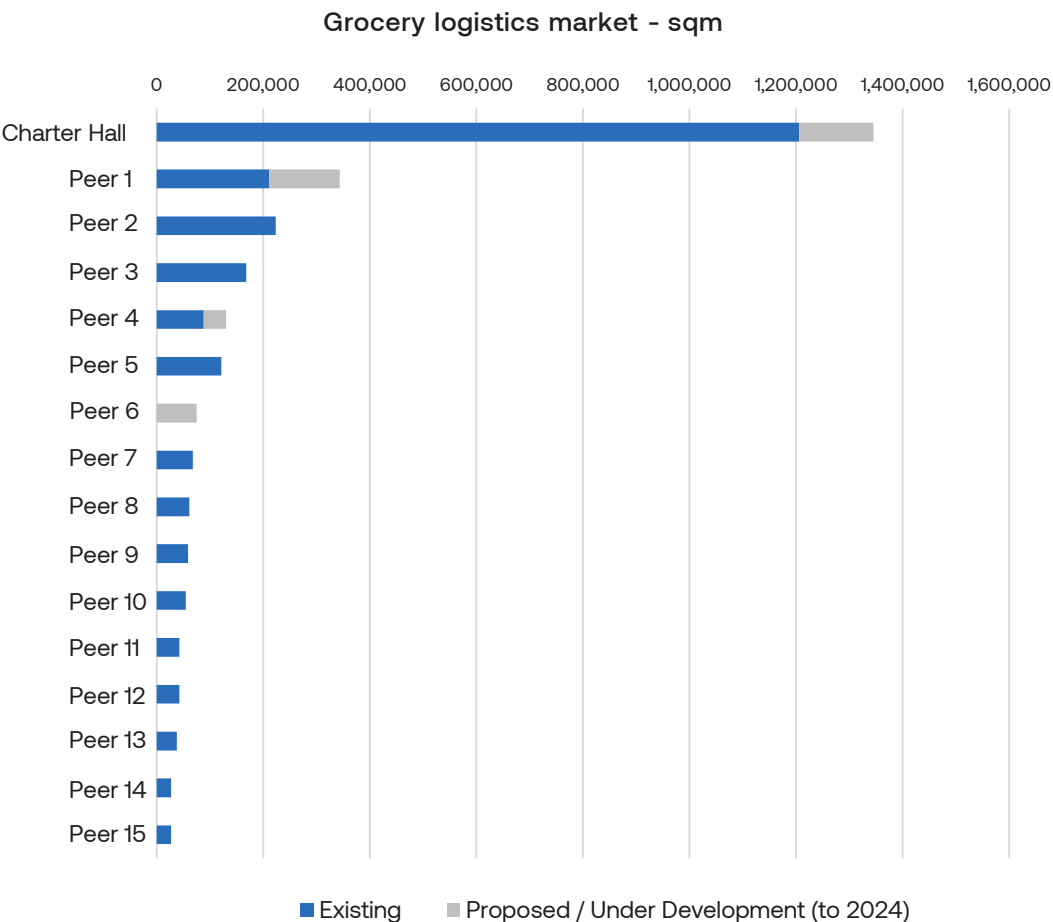
Woolworths

- Partnership with US based Takeoff technologies using Knapp automation
- Micro-fulfilment centres located inside or adjoining existing supermarkets
- It holds 10,000 of the most in demand grocery products



Grocery logistics and the growth in demand

Charter Hall continues to target grocery tenant customers in this growing sector



Source: Charter Hall Research.
Charter Hall Group
2021 Development Showcase



Industrial & Logistics Q&A

Further information



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