1Q22 Update

19 October 2021

Stockland

Artist impression, Affinity Place, North Sydney, NSW

Communities

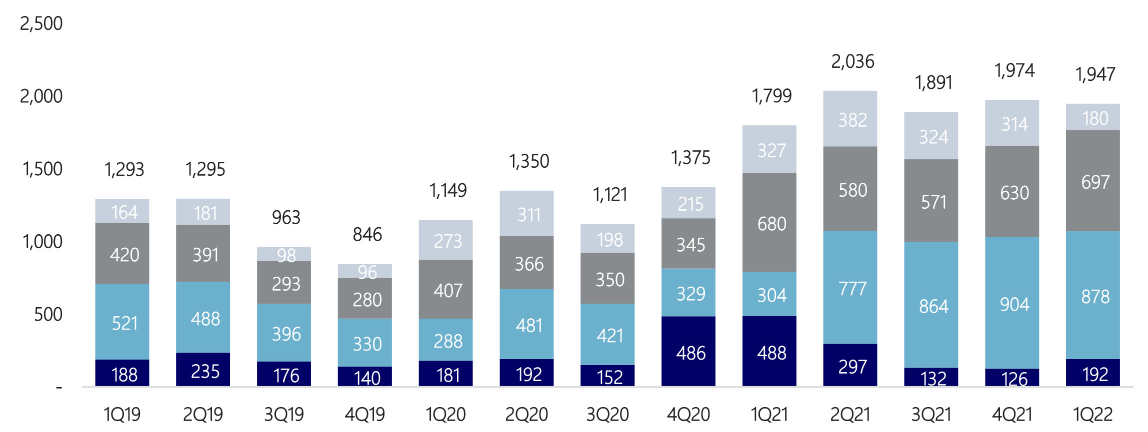
Providence, QLD

Residential

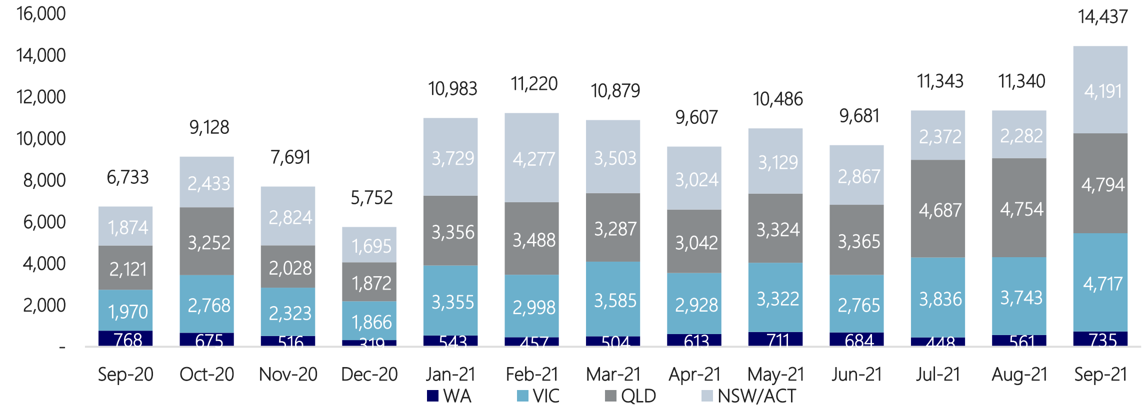
Strong sales and enquiry momentum continuing

- Quarterly net sales of 1,947, in-line with expectations and 8% above 1Q21
- Result reflects consistent sales momentum following completion of HomeBuilder in March 2021, despite significant lockdown restrictions over 1Q22
- Strength in enquiries highlights depth of unsatisfied demand
- Strategic restocking with ~5,900 lots acquired in the quarter
- Temporary construction shutdowns largely mitigated by programme acceleration but will result in higher volume of settlements in 4Q22
- Contracts on hand of 5,728[1] at ~13% higher average price than FY21 settlements average, supporting future margins
- Macro-prudential measures likely to impact demand at the margin but will take time for full effects to be realised
- Maintaining FY22 guidance[2] of 18% operating profit margin and around 6,400 settlements, with 60-65% skew to 2H

Net sales by quarter



Monthly enquiries



1. Net of 1,169 settlements in 1Q22, default rates remained below historical averages.
2. Assumes moderate impact to residential market conditions conditions resulting from macro-prudential measures.

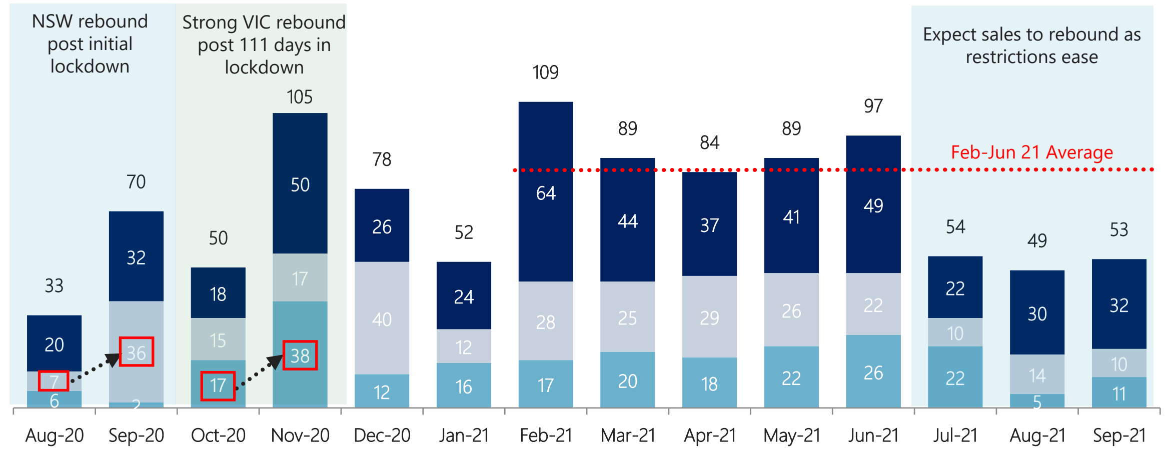
Retirement Living

Sales volumes expected to increase as restrictions ease

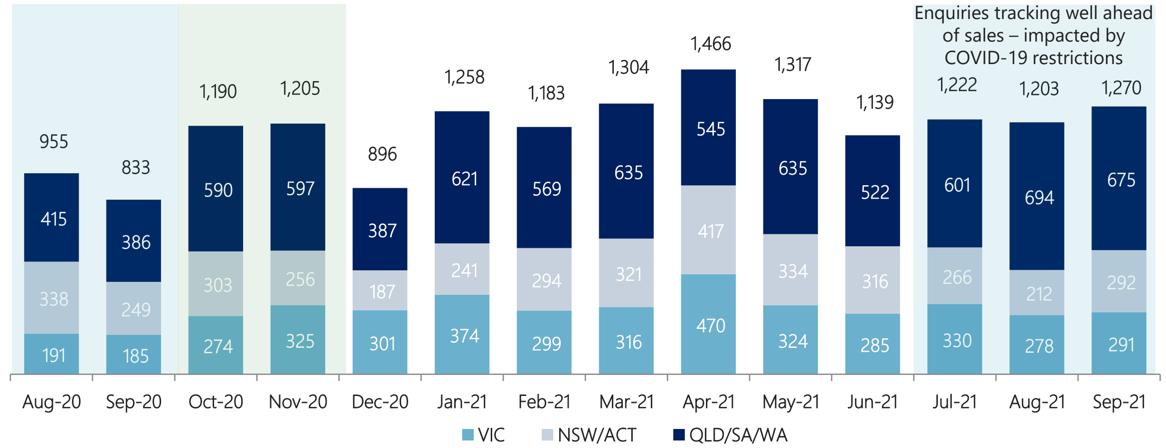
- Lower net sales of 156 consistent with recent performance during periods impacted by lockdowns
- Favorable established house price conditions continue to translate to strong enquiries across the portfolio
- Expect 2Q22 sales volumes to increase with easing restrictions as experienced post prior lockdowns
- Continuing to explore opportunities to reduce capital allocation

Newport Village, QLD

Sales – highly sensitive to imposition and removal of COVID-19 restrictions



Enquiries – remained consistent with growth in unsatisfied demand over 1Q22



Land Lease

Strong performance across combined portfolio

- Sales momentum in SEQ driving total quarterly sales of 119 sites
- New site acquisitions at Coffs Harbour (NSW), Armstrong Creek (VIC) and Tarneit (VIC), contributing 600+ sites towards our 7,800 site future portfolio
- Halcyon integration progressing well, in line with expectations
- ~350 contracts on hand with FY22 settlement guidance of ~300 sites maintained
- Opportunity to introduce third party capital at the appropriate time

Artist impression, Halcyon Greens, QLD

Commercial Property

Artist impression, M_Park, Macquarie Park, NSW

Retail Town Centres

Operating metrics in line with expectations

- With NSW restrictions eased, over 96% of stores nationally are trading
- Over 150 leasing deals completed during the quarter; negotiated rents are tracking ahead of expectations
- Although impacted by COVID-19, rent collection at 75% before any adjustments for abatements or deferrals for the quarter
- COVID-19 rental support has commenced with a focus on immediately impacted smaller SME[2] tenants; expect to complete a majority of these deals by calendar year end
- Despite minor COVID-19 disruption, sales performance growth of 8.5% in QLD and 9.3% in WA compared to pre-pandemic 1Q20
- Increased levels of buyer interest in retail, with negotiations continuing on further non-core divestments;
    - Settlement of Bundaberg (QLD) above book value at $140m[3]

To 30 September 2021	Total portfolio[4]		Comparable centres[5]	
Retail sales by category	MAT $m	MAT growth	MAT growth	1Q22 growth
Total	5,550	2.2%	2.0%	(14.9)%
Specialties	1,686	4.5%	3.9%	(31.3)%
Supermarkets	2,032	1.4%	0.9%	(2.4)%
DDS/DS	822	3.7%	4.2%	(21.4)%
Mini majors	749	11.3%	11.4%	(13.8)%

Stockland Balgowlah, NSW

1. By gross billings at 13 October 2021.
2. Retailers sub $5m annual revenue.
3. At 30 September 2021.
4. Sales data includes all Stockland managed retail assets, including joint venture assets.
5. Calculation based on comparison to prior corresponding periods. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months.

Logistics, Life Sciences & Technology and Workplace

Portfolio remains well positioned

Logistics, Life Sciences & Technology

- Solid occupancy of 98.9%[1]
- Over 112,900 sqm of space leased across the period with an additional 72,700 sqm under heads of agreement
- Leasing activity showing rental growth of 2.6%
- Progressing $5.5bn[2] future development pipeline
- 98% rent collection for the quarter
- 90% of lots settled at Gregory Hills, with the remaining forecast to settle in 2H22

	1Q22	1Q21
Leases executed	112,900 sqm	77,330 sqm
Leases under HOA[4]	72,700 sqm	81,642 sqm
Portfolio occupancy[1]	98.9%	96.2%
Portfolio WALE[3]	4.5 yrs	5.1 yrs

Workplace

- WALE[3] of 2.4 years, aligning to the future development strategy
- Portfolio occupancy[1] of 90.4 % forecast to improve with short term deals under negotiation
- Leasing activity showing rental growth of 4.1%
- 97% rent collection for the quarter
- $3.9bn[2] future Workplace development pipeline progressing in line with expectations
    - Affinity Place (NSW) development application approval expected December 2021

	1Q22	1Q21
Leases executed	598 sqm	1,818 sqm
Leases under HOA[4]	887 sqm	1,306 sqm
Portfolio occupancy[1]	90.4%	93.4%
Portfolio WALE[3]	2.4 yrs	2.9 yrs

1. By income.
2. Forecast value on completion.
3. Weighted average lease expiry, by income.
4. At 30 September 2021.

Summary

Stockland

Artistic impression, Halcyon Greens, QLD

Optimise Stockland capital allocation

Unlock $33bn[1] development pipeline

EXPAND THIRD PARTY CAPITAL

LOGISTICS, LIFE SCIENCES & TECHNOLOGY	WORKPLACE	RETAIL TOWN CENTRES	RESIDENTIAL	LAND LEASE	RETIREMENT LIVING
Accelerate development of core $5.5bn[2] pipeline	Create workplaces of the future	Resilient portfolio, sales 75% essential goods and services	Market leading residential developer in masterplanned communities (MPC)	High growth sector with demographic tailwinds	Improved performance
Continue to expand platform and diversity of offerings	$3.9bn[2] pipeline with approvals progressing	Mixed use opportunities	$22bn[2] development pipeline	Leverage competitive strengths in MPC	Favourable residential market tailwinds
	Expand platform, depth of capability and exposure	Increasing investor interest in essentials retail	Active restocking in growth markets	Introduce third party capital as $3bn[2] pipeline drives growth	Explore third party capital solutions

OPTIMISE STOCKLAND CAPITAL ALLOCATION

1. Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction across both Commercial Property and Communities Business.
2. Forecast value on completion.

FY22 outlook

- Strategic review market update scheduled for 8 November 2021
- Strong residential sales momentum continues into FY22, with significant progress in the quarter
- COVID-19 trading restrictions ease across the retail portfolio with confidence in the roadmap to recovery. 2H21 performance indicates capacity for rapid recovery
- Continue to investigate opportunities to rebalance portfolio

- End to end capabilities to accelerate delivery of $33bn[1] development pipeline.
- Invest to build capability as asset creator across target sectors and in capital partnering
- Key leadership appointments made including, CFO, CIO and in apartments and mixed use to realise portfolio development potential and supporting delivery of our strategy
- Continue strong track record in ESG – during the quarter we joined the United Nations Race to Zero and the Business Ambition for 1.5°C campaign

Reconfirming Guidance[2]

FY22 estimated **FFO per security forecast** in the range of **34.6 to 35.6** cents

We expect the FFO skew to 2H22 to be greater in FY22 than in recent years. This reflects a combination of: the concentration in 1H22 of Retail rental abatement; a more material than usual skew to 2H22 in Residential settlement volumes; and recognition of previously flagged Retirement Living village disposal profits in 2H22

Distribution per security is forecast to be within our target payout ratio of **75% to 85%** of FFO

Current market conditions remain uncertain and challenging with ongoing lockdowns and community transmission of COVID-19. All forward looking statements including FY22 earnings guidance are provided on the basis that the vaccination roll out continues and COVID-19 restrictions ease towards the end of CY21 and are underpinned by the following business assumptions:

- Residential settlement around **6,400** lots
- Residential operating profit margin ~**18%**
- Land Lease communities delivering ~**300** sites in FY22
- Retail rent collection returning to levels experienced prior to recent lockdowns towards the end of CY21

1. Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction across both Commercial Property and Communities.
2. All forward-looking statements are subject to no material change in market conditions; including the level of community transmission, the impact of restrictions including state border closures, lockdowns and other impacts from COVID-19 on the economy, broader community and business performance.

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