GOODMAN UPGRADES FY22 GUIDANCE TO IN EXCESS OF 15% OPERATING EPS GROWTH

Q1 2022 OPERATIONAL UPDATE

2 NOVEMBER 2021

Goodman Business Park, Chiba, Japan

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Goodman has made a strong start in FY22 with the continuation of structural changes, significant customer demand and intensification of use of sites in Goodman's target markets. Consistent execution of the Group's strategy has resulted in increased transactional activity and higher earnings certainty for the full year.

"The results of the deliberate positioning of our portfolio over the last decade to adapt to and leverage the changes in the digital economy, are now being realised. Customer demand for high-quality properties close to consumers has never been greater.

This is resulting in rental growth, increased development activity, stronger than expected performance from our Partnerships and generally higher levels of profitability, leading to upgraded earnings guidance for FY22."

– Greg Goodman, Group CEO

KEY HIGHLIGHTS[1]

As at 30 September 2021

+ $62.0 billion total assets under management (AUM)
+ 3.2% like-for-like net property income (NPI) growth in our managed Partnerships
+ 98.4% occupancy across the Partnerships
+ $12.7 billion of development work in progress (WIP)[2]
+ Earnings guidance for FY22 increased with operating EPS growth expected to be in excess of 15%

$62.0bn
TOTAL ASSETS UNDER MANAGEMENT

$12.7bn
DEVELOPMENT WORK IN PROGRESS

98.4%
OCCUPANCY[3]

1. All figures in AUD
2. Based on estimated end value
3. Properties in managed Partnerships

INVESTMENT

Underlying property fundamentals remain strong globally with like-for-like NPI growth of 3.2%. The growth in demand is driving higher utilisation of space as customers seek to improve their supply chains. Consequently occupancy remains high at 98.4%.

Project completions and deployment of capital into increased development activity will support additional growth in earnings.

- Leased 4.2 million sqm across the platform over the 12 months to 30 September 2021, equating to $563 million of rent per annum
- 12 month rolling like-for-like NPI growth of 3.2%
- Portfolio WALE of 4.7 years
- Occupancy of 98.4%

3.2%
LIKE-FOR-LIKE NPI GROWTH

4.2m
SQUARE METRES LEASED

4.7 years
PORTFOLIO WALE

LEASING[1]

Region	Leasing area ('000 sqm)	Net annual rent ($M)	Average lease term (years)
Australia / New Zealand	1,623	228.8	5.1
Asia	1,611	251.1	3.3
Continental Europe / UK / Other	966	83.4	5.3
Total	**4,200**	**563.3**	**4.3**

Goodman Logistics Centre, Fontana, California, USA

1. Leasing of stabilised portfolio over the twelve months to 30 September 2021. Excludes development and acquired leases.

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DEVELOPMENT

Increased customer demand has resulted in an acceleration of development, particularly in infill locations. Work in progress was $12.7 billion at 30 September 2021, with an annual production rate for the year expected to average approximately $6.8 billion.

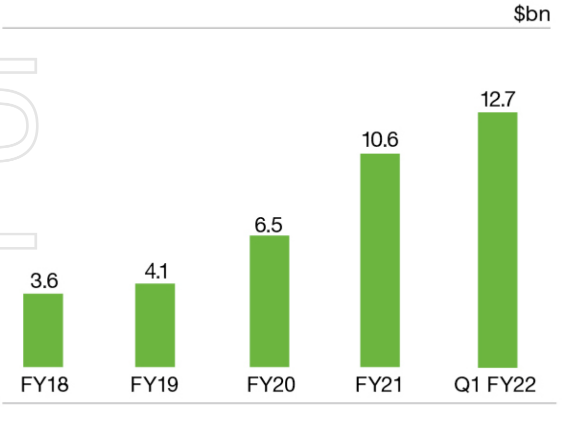
The continued evolution of the digital economy and resulting growth in customer and development demand is driving strong margins and yield on cost currently at 6.8%.

Regeneration of existing brownfield sites is providing more sustainable development opportunities, closer to consumers. We expect this activity to continue to be a major source of development into the future.

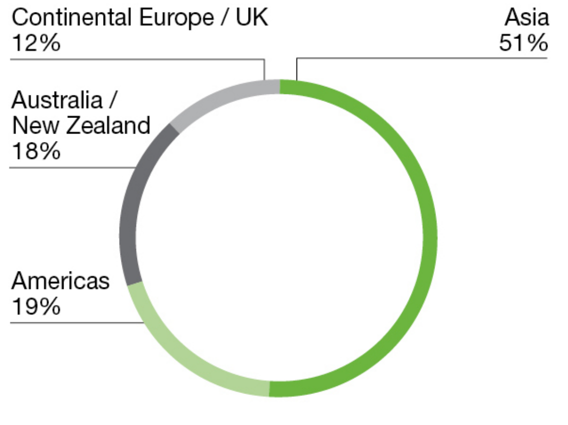
+ At 30 September 2021, development WIP of $12.7 billion, up 19% since June 2021 and is over three times June 2019 WIP
+ Development commencements in the quarter of $3.0 billion with 65% pre-committed[1]
+ Development completions of $1.6 billion for the three months with 97% leased[1]
+ WIP includes 81 projects with a forecast yield on cost of 6.8%
+ Long WALE on pre-commitments of 14 years
+ Continued capital partnering of projects with 85% of current WIP being undertaken within Partnerships or for third parties

Q1 FY21 development statistics	Completions[1]	Commencements[1]	Work in progress
Value ($bn)	1.6	3.0	12.7
Area (m sqm)	0.4	0.7	3.6
Yield (%)	6.6	6.7	6.8
Pre-committed (%)	97	65	70
Weighted average lease term (years)	12.3	15.3	13.7
Development for third parties or Partnerships (%)	71	88	85
Australia / New Zealand (%)	39	15	18
Asia (%)	18	32	51
Americas (%)	-	39	19
Continental Europe / UK (%)	43	14	12

Development WIP



Work in progress as at 30 September 2021



1. For the three months to 30 September 2021

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MANAGEMENT

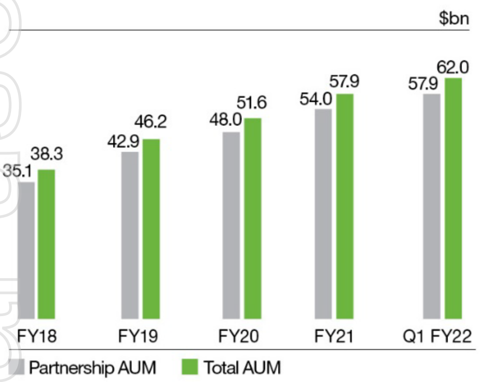
Well-located industrial real estate is recognised as essential infrastructure for the digital economy and making it a highly sought-after asset class. Recent market transactions and strong demand from capital markets is driving cap rate compression. This together with significant rental growth, is expected to support further valuation growth consistent with FY21 levels.

Assets under management were $62.0 billion at 30 September 2021. The outlook remains strong and we expect AUM to continue growing to around $70 billion by June 2022.

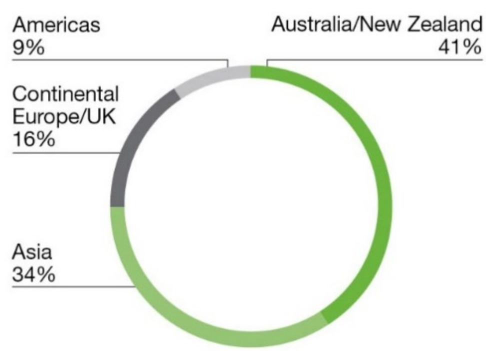
The capital position of the Partnerships remains strong with significant liquidity and low leverage.

+ AUM growth driven by:
  – Strong revaluation gains, development completions and net acquisitions
+ Strong transactional activity through the quarter indicating cap rate compression

Assets Under Management



Total AUM by geography



Management Platform – Largest Partnerships

	GAIP Australia	GHKLP Hong Kong	GCLP China	GEP Europe	GNAP USA	GAP Australia	GJCP Japan	GMT[2] New Zealand	GUKP[3] UK
Total assets	$11.1bn	$9.8bn	$6.3bn	$6.2bn	$5.6bn	$5.5bn	$4.1bn	$3.7bn[2]	$1.6bn
GMG co-investment	29.1%	20.3%	20.0%	20.4%	55.0%	19.9%	14.6%	24.8%	33.3%
GMG co-investment	$2.4bn	$1.6bn	$0.9bn	$0.8bn	$2.7bn	$0.8bn	$0.4bn	$0.8bn	$0.4bn
Number of properties	104	12	37	86	21	35	18	11[2]	9
Occupancy[1]	97%	97%	99%	100%	100%	98%	100%	98%[2]	96%
Weighted average lease expiry[1]	4.7 years	3.1 years	3.0 years	5.1 years	7.7 years	4.8 years	3.9 years	5.5 years[2]	8.2 years

$57.9bn

EXTERNAL ASSETS UNDER MANAGEMENT

85%

DEVELOPMENT IN PARTNERSHIPS OR FOR THIRD PARTIES

351

PROPERTIES IN PARTNERSHIPS

1. WALE and Occupancy of stabilised portfolio as at 30 September 2021.
2. GMT: Results are for the full year March 2021 as reported to the New Zealand Stock Exchange.
3. Includes GUKP I and GUKP II

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OUTLOOK

The significant level of customer demand, combined with supply restrictions in our markets, is creating a shortage of available space. We are executing our strategy, focusing on infill markets to deliver sustainable opportunities for our customers and investors, while securing cashflow growth for the long-term.

Commenting on the outlook, Greg Goodman said, “High utilisation of space, barriers to entry and limited supply in our markets are underpinning occupancy and cash flow growth in our portfolio, with strong rental growth occurring globally. Development work in progress has grown to $12.7 billion with the production rate expected to average approximately $6.8 billion for the year. We remain focused on regeneration of existing land and buildings in our portfolio, supporting future development work and reducing our impact on the environment.

The value added to our properties through intensification of use, and strong investor appetite for logistics real estate will drive further positive revaluation outcomes in FY22. Combined with increased ongoing development activity, this is expected to lead to AUM of approximately $70 billion by June 2022.”

The Group and Partnerships are well positioned financially. With significant liquidity and low gearing, we maintain the ability to grow development activity and pursue select investment opportunities.

COVID related disruptions in FY22 have been managed such that they have had less impact on the full year projections than we had initially assumed. In addition, given the strength of our development projects, leasing success and the stronger than expected performance of our Partnerships, the outlook for the new financial year is ahead of previous forecasts. Consequently we are upgrading our market guidance for FY22, with Operating EPS growth expected to be in excess of 15%.

Our forecasts are reviewed regularly and are subject to there being no unforeseen material adverse events.

Authorised for release to the ASX by Carl Bicego, Company Secretary and Group Head of Legal.

ABOUT GOODMAN

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe, the United Kingdom, North America and Brazil. Goodman Group, comprised of the stapled entities Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist investment managers of industrial property and business space globally.
Goodman’s global property expertise, integrated own+develop+manage customer service offering and significant investment management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.

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