ASX/Media Release

8 November 2021

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Stockland

STRATEGY UPDATE – BUILDING ON OUR STRENGTHS

Stockland (ASX:SGP) will today present an update on the Group strategy by Tarun Gupta, Managing Director and Chief Executive Officer. A copy of the presentation is attached.

The presentation will be webcast at 10.00am (AEDT) with registration available at https://www.stockland.com.au/investor-centre/key-dates/strategy-update.

ENDS

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

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Stockland

Stockland (ASX:SGP) was founded in 1952 and has grown to become one of Australia's largest diversified property groups – owning, developing and managing a large portfolio of shopping centres, residential communities, workplace and logistic assets and retirement living villages. Stockland is consistently rated as one of the most sustainable real estate companies in the world by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.

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Strategy update: Building on our strengths

8 November 2021

Artist impression, M_Park, NSW

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.

Artwork created by Maurice Mickelo

RECONCILIATION ACTION PLAN INNOVATE

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Agenda

Strategy update	Tarun Gupta Managing Director & CEO
Communities	Andrew Whitson CEO, Communities
Commercial Property	Louise Mason CEO, Commercial Property
Financial framework	Tarun Gupta & Tiernan O'Rourke CFO
Executing the strategy	Tarun Gupta Managing Director & CEO

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Artist impression, Piccadilly, Sydney, NSW

Strategy update

Tarun Gupta

Newport, QLD

Stockland

Our purpose

Stockland Baringa skate park, QLD

We believe there is a better way to live

Stockland

Strong platform for growth

Our purpose

We believe there is a better way to live

Our values

Community | Accountability | Respect | Excellence

Employee Engagement

>80%

ASX100 Executive Team gender diversity[2]

#1

Customer Satisfaction[1]

>80%

AFR Top 100 Graduate Employer Awards

Top 20

Strengths

- Strong culture, brand and customer focus
- Leader in Residential
- Creator of connected communities
- End to end multi sector capability
- Large, nationally diversified land bank
- Leading ESG track record
- Strong balance sheet

Opportunities

- Decisive and dynamic portfolio management
- Build leading capability in new growth areas
- Leverage fiduciary mindset to grow capital partnerships
- Execution speed and focus

Elara, NSW

All metrics at 30 June 2021.
1. Across Retail shopper satisfaction, Residential, Retirement Living, Workplace, Logistics, Life Sciences & Technology.
2. Source: 2021 Chief Executive Women Senior Executive census.

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4 major trends that underpin our strategy

Urbanisation and urban renewal

Population growth driving development in major cities

Exponential growth in institutional capital

Growing availability of long-term institutional capital and increasing allocations to real estate

Digital acceleration

Increasing adoption of digital and technology changing the shape of real estate

Growing momentum on ESG

Increasing awareness and expectations on ESG from all stakeholders

The beliefs informing our strategy

- Australian residential sector supported by strong fundamentals
- Population growth expected to return to pre-COVID levels beyond FY23 driven by Net Overseas Migration (NOM)
- Major cities will continue to attract the majority of population growth
- Acceleration of affordable housing options (eg Build to Rent (BtR) and Land Lease Communities)
- New sites for mixed-use precincts expected as part of post-COVID recovery

- Continued growth in global capital allocation to real estate assets
- Supports scale in income-producing real estate assets across core/core+ and build-to-core
- Capital partners will value ability to create new generation assets and add development value
- Demand for office will shift to hybrid working and experience driven product

- Sustained long-term growth in e-commerce and logistics
- Continued shift towards non-discretionary and new retail uses
- Opportunities for leading digital customer experience and state of the art sustainable asset management
- Evolution towards connected homes – home design, technology and utility of spaces

- Greater flow of investments to projects and funds with superior ESG credentials
- Higher occupancy and value for buildings with superior ESG credentials
- Sustainability credentials essential to successful planning and development outcomes

Strategic priorities and targets

Leading creator and curator of connected communities

Dynamically **reshape** portfolio

- Extend Residential leadership
- Reduce exposure to Retail and Retirement Living
- Scale Workplace and Logistics
  - Primarily via conversion of existing opportunities secured at attractive points of the cycle
  - Capital efficient approach for incremental acquisition opportunities and pipeline restocking

Grow Residential, Workplace & Logistics:
From **50% to 70%+** of NFE[1,2]

Down-weight Retail and Retirement Living:
From **50% to <30%** of NFE[1,2]

Accelerate delivery in our core business

- Deliver $33bn[3] secured development pipeline:
  - $12bn+[4] of high quality income-producing and fee generating investment assets
  - $21bn Masterplanned Communities (MPC) pipeline with strong embedded margins
- Optimise land bank to highest value uses
- Leverage cross-sector capabilities to generate mixed-use opportunities

Development: targeting commencement of
>80% of our $12bn+[4]
Investment pipeline within 5 years

Scale capital partnerships

- Scale institutional capital partnerships in each sector
- Improve return on capital and operating leverage
- Generate new sources of recurring management fees and grow funds under management (FUM)
- Facilitate conversion of development pipeline into FUM and rental income while maintaining a strong balance sheet position

Grow FUM and management income

Sustainable long term **growth**

- High quality recurring income business with sustainable growth
- Customer excellence
- Digital innovation and ESG focus
- Preferred employer and developer of real estate talent

Recurring income:
60%[1,5] of total at 6-9% ROIC[6]

Development income:
40%[1,5] of total at 14%-18% ROIC[6]

1. Indicative five year target. All forward looking statements are based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations expressed in or implied by such statements.
2. Net Funds Employed, calculated as Book Value excluding non-cash items such as deferred land payables and cost-to-complete provisions.
3. Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction across both Commercial Property and Communities businesses.
4. Forecast value on completion.
5. Recurring income includes Property NOI and Management income, net of divisional overheads. Development income includes realised development gains and profit on sale of inventories, net of divisional overheads and before interest and tax.
6. Indicative return on invested capital target. ROIC calculations: Recurring return includes all Recurring income plus revaluation gains. Development return comprises Development income. Recurring and Development capital defined on slide 28.

Dynamically reshape portfolio

A Leverage our expertise to become Australia's leading Residential developer, owner and manager

- Consolidate market leading position in MPC
- Scale Land Lease Communities into market leadership
- Invest in and grow apartments business; explore BtR

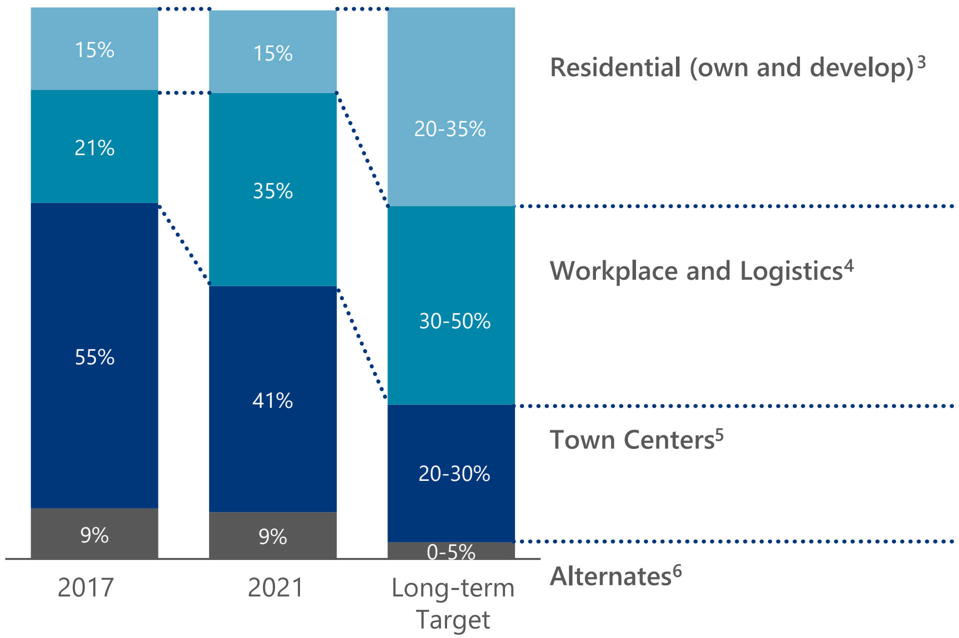
B Accelerate and scale Workplace and Logistics pipeline

- Accelerate $9bn+[1] secured development pipeline with attractive embedded returns
- Build-to-own to access high quality rental income, enhanced market position and management income from third party capital partnerships

C Recycle capital from Retail and Retirement Living into higher growth opportunities

- Reduce capital exposure to Retirement Living and Retail through divestments and capital partnerships
- Redeploy capital toward Residential, Workplace and Logistics

Target capital allocation % of portfolio[2]

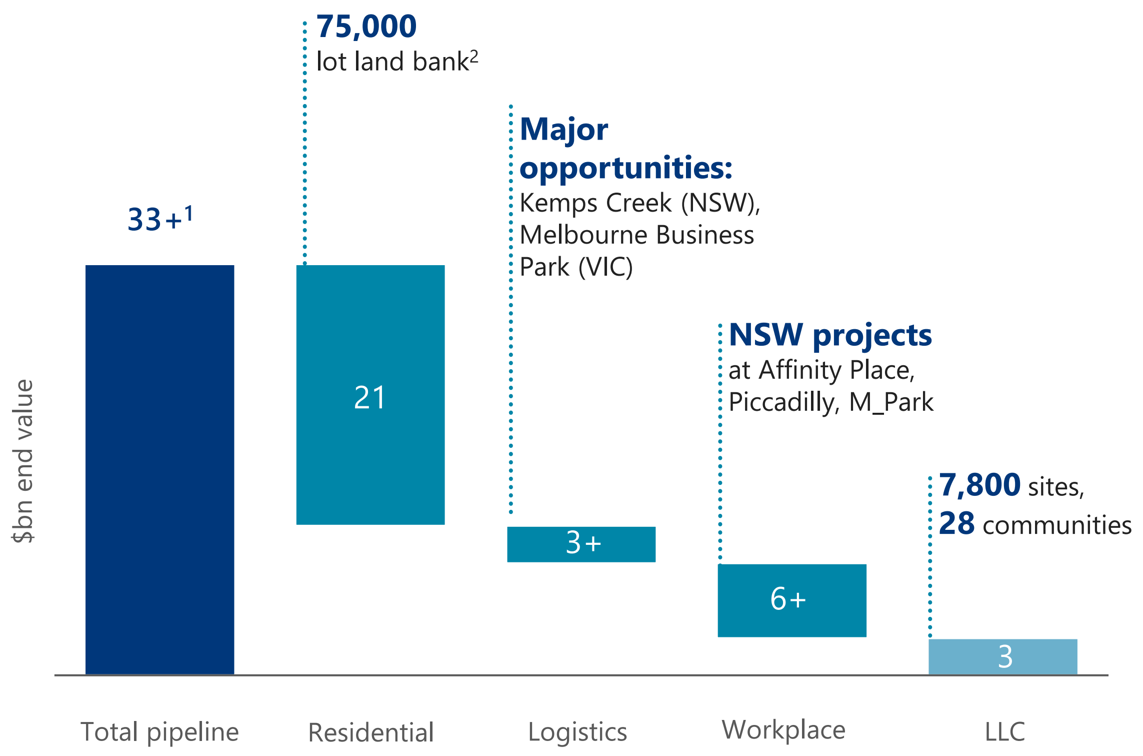


1. Forecast value on completion.
2. By Net Funds Employed.
3. Residential category includes MPC, Townhomes, apartments build to sell (BtS), BtR, Land Lease Communities.
4. Workplace and Logistics category includes Workplace, Logistics, Technology, Life Sciences.
5. Town Centre category includes regional, sub-regional, urban and Essentials retail.
6. Alternates category includes Retirement Living, Social Infrastructure.

Accelerate delivery in our core business

$33bn[1] development pipeline + extensive land bank

Well-diversified development pipeline



Opportunities

Residential	• **MPC and Townhomes:** near term outlook strong • **Land Lease Communities:** $3bn pipeline comprising 7,800 sites • **Apartments: BtS/BtR:** Build scale for long-term growth
Workplace	• Progress NSW projects at M_Park, Piccadilly[5], and Affinity Place[5], in partnership with third party capital
Logistics	• $3bn+ pipeline[3], of which $1.6bn is either in active development or well progressed in planning • Development opportunities accumulated prior to significant growth in land values • Accelerate capture of strong embedded returns
Master planning commenced on large scale opportunities	• Including Yennora (NSW), Brooklyn (VIC), Triniti (NSW), St Leonards (NSW) • Maximising the value of our ~60m sqm[4] of controlled land

1. Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction across both Commercial Property and Communities businesses.
2. At 30 June 2021.
3. Forecast value on completion.
4. Includes land on which existing assets are located.
5. Development commencements are subject to acceptable financial metrics, pre-commitment levels and market conditions.

Scale capital partnerships

Focus on sector/thematic programmatic partnering

Our approach to capital partnerships

- Leverage our strengths in asset creation to accelerate development pipeline
- Initial focus on large scale partnering on sectors/thematic
- Improve ROIC and operating leverage
- Create new recurring management fees – investment, development, project, property and leasing management
- Target high co-ownership (25-50%) to access new rental income to replace Retirement Living and Retail funds from operations (FFO) over time
- Consider core and value adding partnerships as the platform grows

Opportunities

Residential	• Land Lease Communities develop to own at appropriate time • Apartment partnerships to scale origination
Workplace	• Piccadilly (NSW) and Affinity (NSW) subject to planning and pre-commitment • Workplace partnership to scale origination • M_Park (NSW) programmatic partnership
Logistics	• Logistics capital partnerships to scale origination and platform
Town Centers	• Continued investor interest in Essentials retail
Alternates	• Retirement Living capital solution • Social Infrastructure assets in pipeline

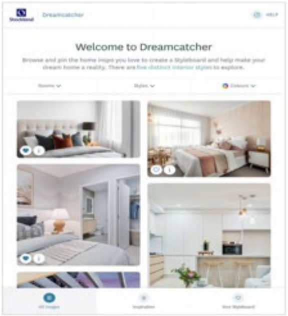
Digital, innovation and ESG

Sustain long-term growth through customer excellence and digital innovation

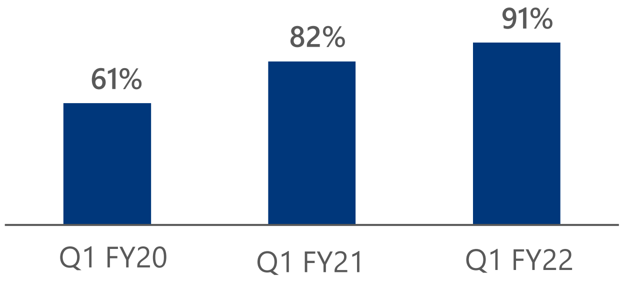
Strong digital platform

Dreamcatcher[1]

Designed to help customers visualise and style their home early in the buying journey



Share of Communities enquiries originated digitally[2] % of total



Our strategy for success

Lead in digitally-enabled customer experience across sectors:

- Leading digital residential end-to-end customer experience
- Deep customer insights
- Enhance Retail and Workplace tenant proposition

Create asset advantage through the property lifecycle:

- Acquisition data intelligence
- Predictive leasing
- Innovative sustainable building design and data

Already delivering on our priorities

~$930m
Sales completed virtually end to end to Q1 FY22[3]

90%
of total enquiries originated digitally across Communities business in FY22

~70%
Reduction in cost per enquiry[4]

195k+
Digital sessions on Dreamcatcher[1] since launch[5]

~58min
Average time spent engaging with Dreamcatcher by customers who enquire

1. Proprietary online platform designed to help buyers visualise and style their home early in the buying process.
2. Originated via either website form, live chat or social.
3. Cumulative sales value completed virtually end-to-end through lockdown to Q1 FY22.
4. From November 2018 to June 2021.
5. December 2020.

Stockland is an ESG leader with a global top 5 position

Well positioned to meet investor expectations and growing ESG momentum

2014
- Issued Australia's first corporate Green Bond
- Launched first Reconciliation Action Plan
- Awarded Australasian 'Integrated Report' of the Year

2015
- First Green Star rated retirement village
- Established Stockland CARE Foundation
- Developed industry-first biodiversity calculator

2016
- First Green Star Performance rating for a retail portfolio
- First city-scale Green Star Communities rating at Aura (QLD)

2017
- Announced Australia's largest retail rooftop solar program to date
- Only Australian company listed on CDP Climate A-List

2018
- 10 Year Sustainability Achievement Award from NSW Office of Environment and Heritage
- Stockland Wetherill Park (NSW) awarded Australia's Best Sustainable Development by the Property Council of Australia
- First Australian property group to adopt Taskforce on Climate-related Financial Disclosures (TCFD)

2019
- $75m debt facility with CEFC to achieve net zero 2030 target
- GRESB Global Sector Leader – Listed Office/Retail

2020
- Winner Property Council Diversity Award 2020
- Ranked 6th globally on Equileap Gender Equality Index
- Released first Modern Slavery Statement

2021
- Launched Stockland 2030 Sustainability Strategy
- Announced Net Zero Carbon 2028 Commitment
- Signed the SBTi UN Race to Zero Business Ambition for 1.5 degC
- WGEA employer of choice for 7th consecutive year

	2015	2016	2017	2018	2019	2020	2021
S&P/Dow Jones World Sustainability Index – Global Real Estate ranking	2	1	1	5	1	2	3
MSCI ESG Rating for over 10 years	AAA	AAA	AAA	AAA	AAA	AAA	AAA

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Source: DJSI: Dow Jones Sustainability Index | MCSI ESG Rating range CCC (Laggard) to AAA (Leader) | SBTi: Science Based Target Initiative.

Elevate ESG leadership as a competitive advantage and value creator

ESG leadership priorities:

Accelerate commitment to sustainable development and a carbon positive, green portfolio

Demonstrate leadership in social impact

Reflect ESG leadership commitments throughout strategy with robust governance and disclosure

Already delivering on our priorities

Net Zero
Brought forward Net Zero Carbon Commitment two years to 2028

UN Race to Zero
Committed to develop Science Based Targets including Scope 3

$50m
Community investment and development since FY15

69%
Emissions intensity reduction since 2006 across Commercial Property portfolio

$10m
Indigenous procurement in FY21

28%
Total electricity use comes from onsite rooftop solar

Green Star Home Australian 1st
First Australian developer to receive a Green Star Homes Designed assessment

Communities

Andrew Whitson

Halcyon Greens, QLD

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Leveraging our position as Australia's leading residential developer

Key priorities

Extend
Residential leadership

- Maintain leadership in MPC
- Build a sustainable apartments business
- Leverage residential expertise to unlock mixed use opportunities

Leverage MPC strength into adjacencies

Grow
Land Lease Communities

- Targeting a doubling of settlement volumes by FY24 with further growth from ramp up of project launches
- Expand portfolio through extensive land bank and acquisitions
- Capital solution at appropriate time

Become a leader in Land Lease Communities; create recurring income

Scale
Apartments business

- Position for recovery of apartment market
- Explore change-of-use opportunities across portfolio
- Explore BtR opportunities

Broaden customer reach

Optimise returns
via a capital solution for Retirement Living

- Capital to be redeployed toward growth opportunities

Retirement Living capital solution

Market-leading MPC business provides platform for growth

Brand

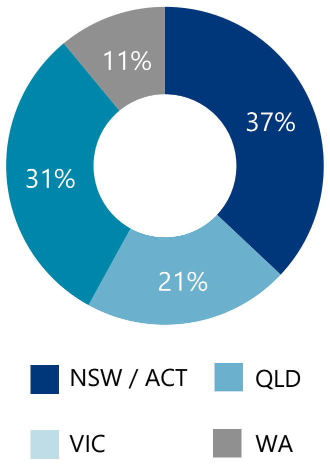
- Number 1 MPC brand in Australia
- Brand built on the quality of the communities we have created for over 60 years
- Strong customer satisfaction at 93%[1]

Scale

- Market share 3x that of our nearest competitor
- Economies of scale to deliver our product at lower cost
- Ability to invest in digital innovation to increase lead generation and sales productivity
- Deep understanding of what our customers want

Land bank[2]

% of total book value



75,000

Lot land bank[2]

10 years

Average age of land bank[2]

Strong embedded margins

Our strategy for success

- Australia's leading developer of MPC
- Proven track record of managing residential cycles via well-timed restocking and project launch strategies
- Deep customer and market insights
- Extensive existing capabilities in acquisition, design, delivery and marketing
- Proven ability to expand into adjacent opportunities, such as Townhomes
- 75,000[2] lot, largely capital efficient MPC land bank provides strong embedded margins and opportunities for alternative uses

1. FY21 Residential liveability customer satisfaction score.
2. At 30 June 2021.

Leveraging MPC capability to become a leader in Land Lease Communities

Key investment drivers

- Over 50s is the fastest growing demographic, with underserviced housing options
- Services the lifestyle demands of the market
- Simple customer proposition
- Strong development returns with high quality longer term recurring income
- Cashflow positive during development
- Development operating profit margins comparable to Residential, >15% greenfield, >10% in development
- High quality recurring income, growing at 3.0-3.5%pa

Pipeline launches[1] to accelerate from FY23-24

	Community	Remaining sites	FY22	FY23	FY24	FY25	FY26	FY27+
In development	Halcyon Greens (QLD)	200						
	Halcyon Rise (QLD)	300						
	B by Halcyon (QLD)	300						
	Halcyon Bayside (QLD)	380						
	Stockland Aura (QLD)	240						
	Stockland Minta (VIC)	180						
	Subtotal in development	1,600						
In planning launch dates	FY23	1,200						
	FY24	2,150						
	FY25	400						
	FY26+	950						
	Subtotal in planning	4,700						
	Total pipeline	**6,300**						

Significant ramp-up in project launches over FY23-24

1. At 30 June 2021.

Our strategy for success

- Leverage existing MPC capability
- Step change in scale and capability post Halcyon acquisition
- Total portfolio of 7,800 sites to be augmented by further additions from within MPC pipeline and on-market purchases
- Opportunity to introduce third party capital at appropriate time
- Targeting ~300 settlements in FY22. Expecting to double over the next two years with significant FY23-24 project launches to drive further volume growth

Projected growth
Targeted settlement volumes

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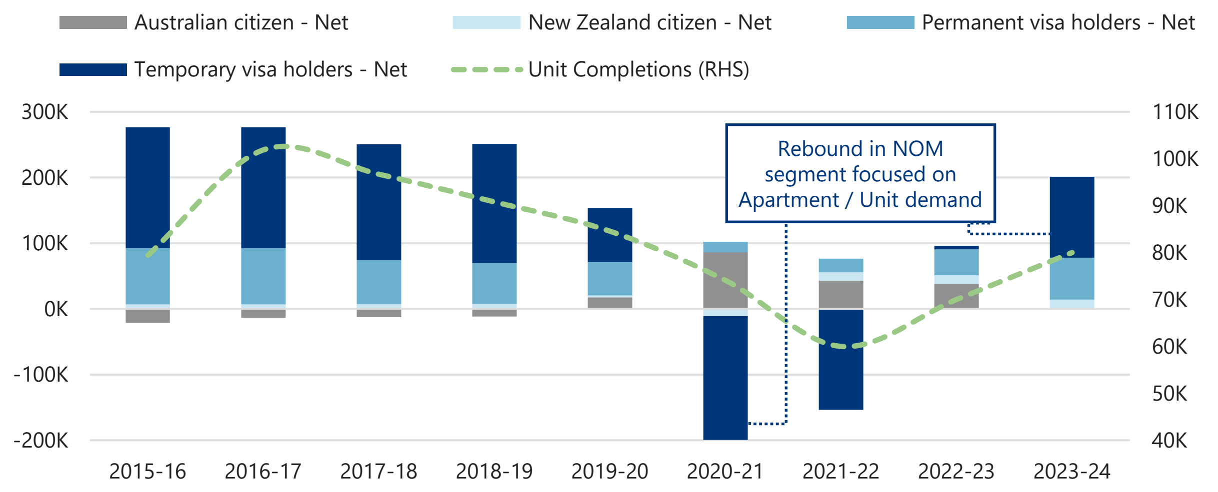
Building a sustainable apartments business

Key investment drivers

- Historically, apartments demand has been driven by migration, with strong preference for high-density dwellings
- Long term urbanisation trend to return post COVID disruption
- Net overseas migration expected to recover from 2023
- Current price gap of 1.5x[1] between detached and attached dwellings at widest point on record
- Government policy driving future increases in dwelling density
- Improved competitive environment with reduced footprint of offshore developers

Net overseas migration & unit commencements



Source: Centre for Population, ABS, Stockland research

Our strategy for success

- Position for recovery of apartment market via site acquisitions
- Convert existing pipeline of ~300 apartments[2]
- Explore change of use opportunities within controlled land bank and portfolio
- Leverage Stockland brand equity and key enabling skills
- Deepen delivery capability to complement existing project management expertise and recent senior hires
- Utilise third party capital where appropriate
- Exploring potential for entry into BtR sector over time

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1. Corelogic data - Sydney, Melbourne, and Brisbane.
2. At 30 June 2021.

Commercial Property

Louise Mason


Melbourne Business Park, VIC

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Commercial Property

Key priorities

Accelerate
$9bn+ Workplace and Logistics pipeline[1]

- $3bn+ Logistics pipeline[1] secured at attractive points of the cycle
- Deliver $6bn+ Workplace pipeline[1], in partnership with third party capital

Up to 50% allocation to Workplace and Logistics

Reposition
Town Centre portfolio

- Accelerate non-core disposals
- Core portfolio well positioned: low discretionary exposure; above-benchmark productivity and sales growth; sustainable occupancy costs

75%+ sales exposure to Essential retail categories

Focus
Optimise Essentials retail portfolio

- Increased investor appetite for high quality, non-discretionary retail
- Grow existing $1bn+ portfolio further from opportunities within MPC pipeline
- Explore capital partnership at appropriate time

Optimise Essentials retail portfolio

Maximise
the value of our asset base

- Explore alternate uses and densification opportunities
- Further upside across Retail and Logistics land bank

Highest and best use of all sites

1. Forecast value on completion.

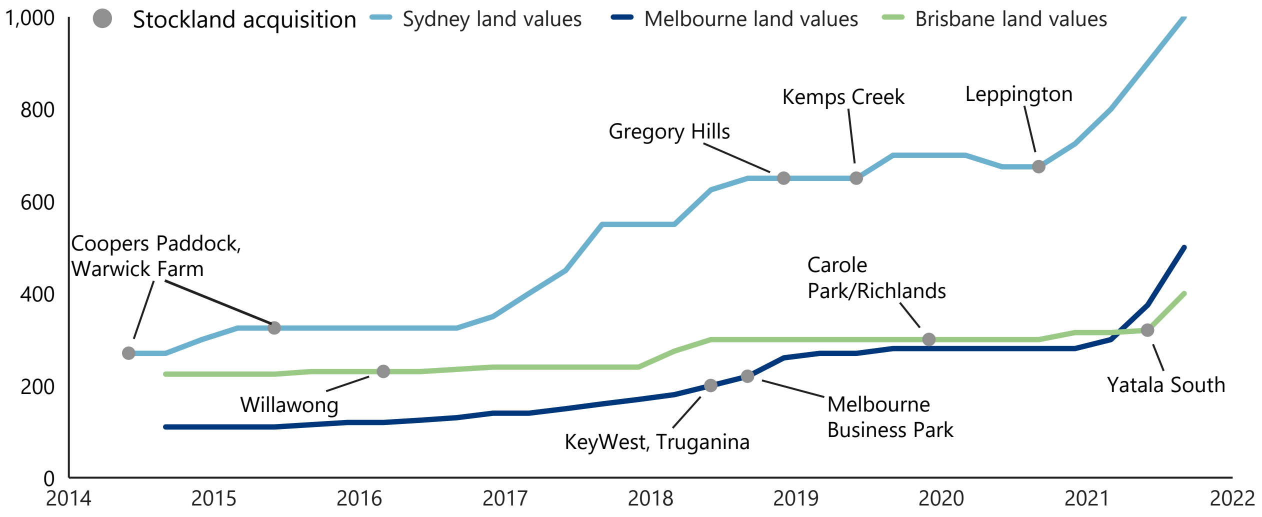
Accelerate Logistics pipeline

Delivering our $3bn+ pipeline[1]

Key investment drivers

- Tenant demand for well located, modern facilities underpinned by structural factors:
  - Scope for Australian e-commerce penetration to increase in line with international peers
  - Ongoing supply chain reconfiguration
- Sustained investor demand ---▸ record low cap rates ---▸ doubling of Western Sydney land values since 2017
- Rental growth has accelerated in land-constrained markets
- Divergence between markets likely to become more pronounced given land supply and tenant demand differentials

Land bank acquired at attractive points of the cycle[2] $ per square meter



Source: JLL Real Estate Intelligence Service and Stockland Research.

Our strategy for success

- We have grown our Logistics portfolio by over 90% since 2016 and plan to achieve significant growth over the next 5 years
- Targeting activation of over 50% of existing pipeline within 3 years.
- $3bn+ Logistics pipeline[1]: project margins underpinned by material land price growth since site acquisition
- Capital partnerships to explore additional large-scale development opportunities, driving:
  - Third party management income
  - Additional investment income and development margin

Stockland Logistics pipeline[1] $bn

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1. Forecast value on completion.
2 Total development pipeline, includes active projects, projects with progressed planning and projects under masterplanning.

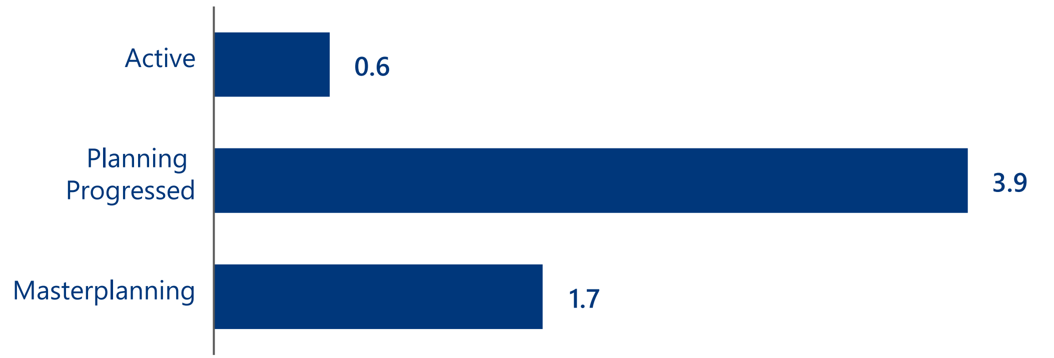
Grow new generation Workplace portfolio

Delivering our $6bn+ pipeline[1]

Key investment drivers

- Strong fundamental demand for office long term driven by white collar jobs growth
- Hybrid remote work likely to persist long term; however emerging evidence suggests that most workers will want to work in the office at least 3 days per week
- Shift in how office space is used with increased demand for curated prime grade office space with premium fit out and amenities

Stockland Workplace pipeline[1,2] $bn



1. Forecast value on completion.
2 Total development pipeline, includes active projects, projects with progressed planning and projects under masterplanning.

Our strategy for success

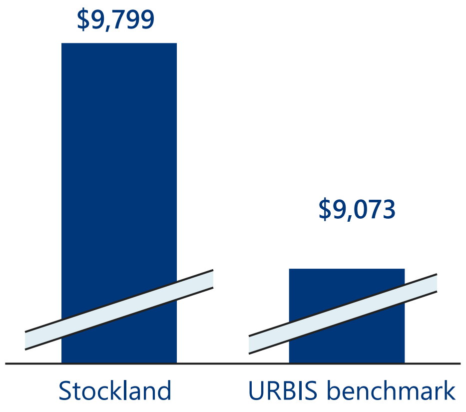
- Ideally positioned to create the workplace of the future
  - Flexible, collaborative space with high degree of amenity and a focus on wellbeing and sustainability
- Life Sciences and Technology segments leveraged to strong underlying market growth drivers
- Dynamic capital allocation depending on market conditions
  - Office: focused on CBD and strong suburban locations
  - Life Sciences and Technology: opportunities across existing asset base, leveraging existing tenant relationships
- M_Park (NSW) Stage 1 ($600m+ end value) underway. Total end value $2bn+ - explore a programmatic partnership
- Affinity Place (NSW) (~$1.2bn end value) development application approval expected December 2021
- Piccadilly (NSW) (~$2.7bn end value) planning proposal supported by NSW Government and City of Sydney Council; progressing to design competition

Reposition our Town Centres portfolio

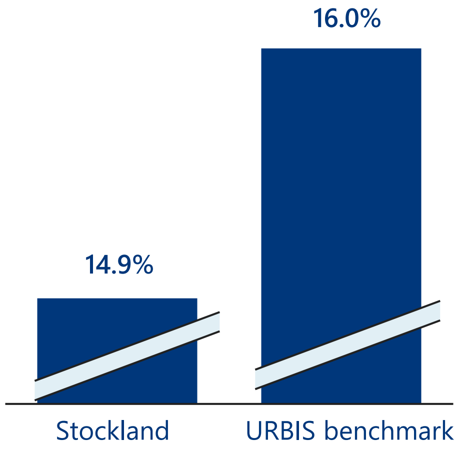
Key investment drivers

- Increased investor appetite for high quality, low discretionary retail assets
- Structural changes to retail and pandemic experience have underlined the role of physical retail in driving omni-channel growth and in-person experiences
- Portfolio has demonstrated resilience throughout pandemic, reflecting low exposure to discretionary sales along with sustainable occupancy costs
- Rental levels for our portfolio re-based to sustainable levels

Sales productivity, $ per square metre



Occupancy cost ratio



Source: Benchmark for subregional DDS Urbis industry average.

Our strategy for success

- Target a 20-30% capital allocation to Retail, down from 41%
- High quality portfolio post active repositioning and $1.2bn of non-core disposals over last 3 years
- Low (~25%) sales exposure to discretionary categories
- Core portfolio characterised by combination of: leading market share in catchment; trade area growth; development / re-mixing opportunities.
- Small remainder of non-core assets; disposal to be accelerated
- Explore capital partnership for Essentials portfolio at appropriate time

Financial strategy

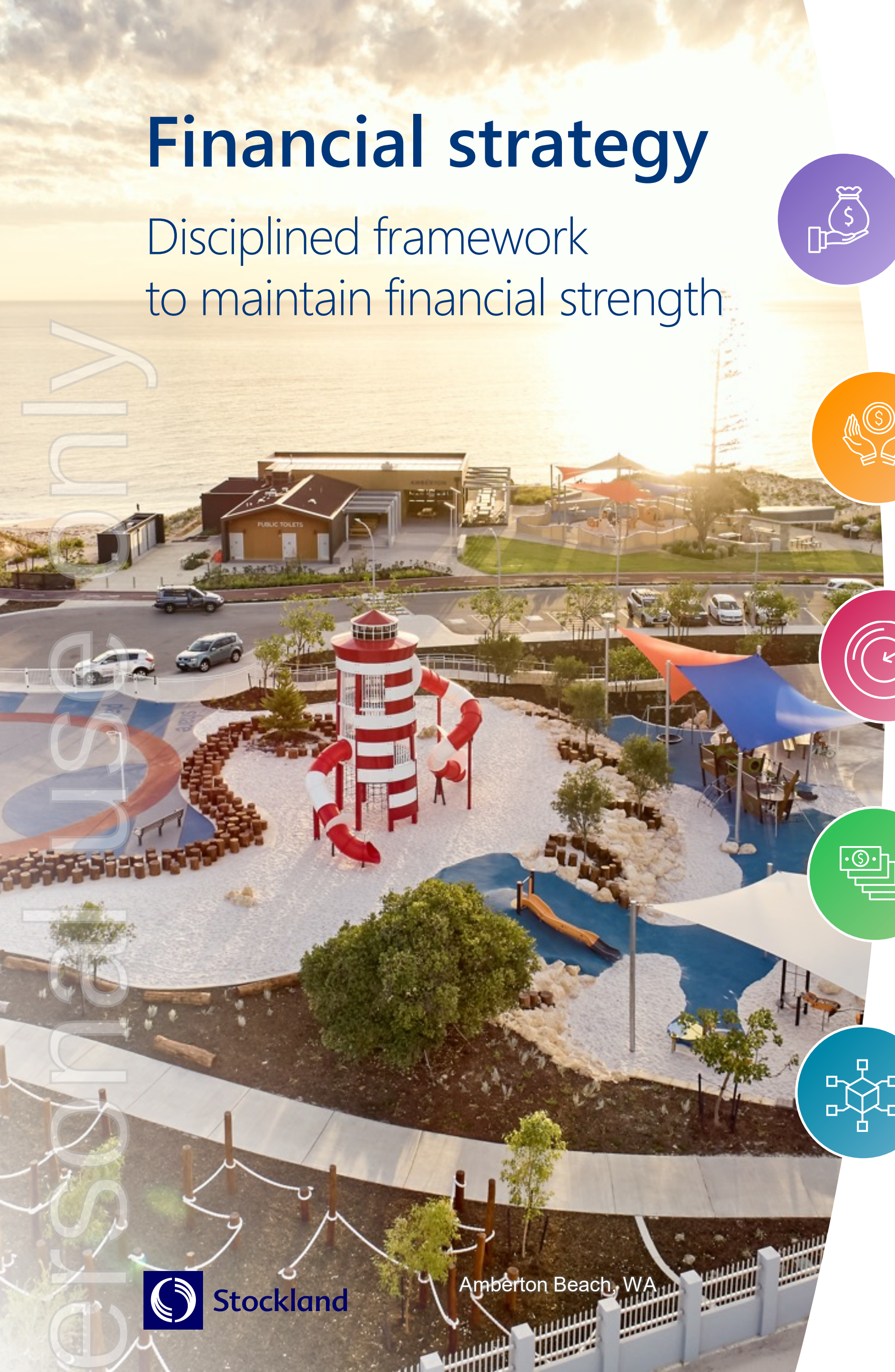
Tarun Gupta / Tiernan O'Rourke

Calleya, WA

Stockland

Financial strategy

Disciplined framework
to maintain financial strength



Amberton Beach, WA

1 Sector capital allocation[1]

Workplace & Logistics	30-50%
Residential (for sale and ownership)	20-35%
Town Centres	20-30%
Alternates	0-5%

2 Capital allocation by activity[1]

Recurring	70-80%
Development	20-30%

3 Income mix[1]

Recurring	60%
Development	40%

4 Returns on invested capital[1]

Recurring	6-9%
Development	14-18%

5 Capital structure[1]

Gearing (% Debt/TTA)	20-30%
Look-through gearing[2]	<35%
Credit Rating (S&P/Moody's)	A-/A3
Distributions (% FFO)	75-85%

Key points:

- Maintain and reinforce strong financial position
- Introduce third party capital to provide improved return on capital and future recurring management income
- Focus on high cash generation and high quality recurring income
- Introduce ROIC discipline

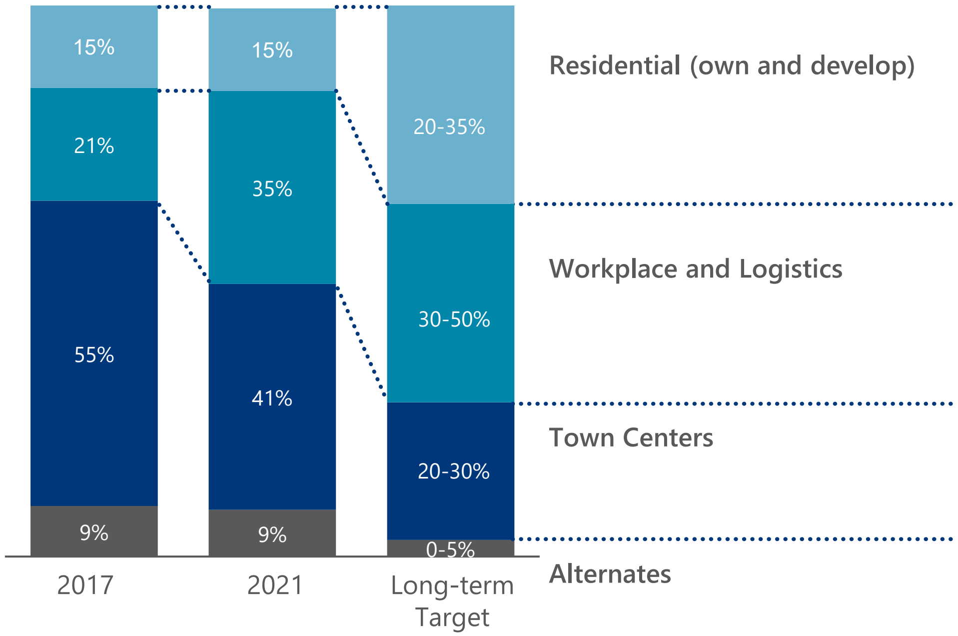
1. Indicative five year target. All forward looking statements are based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations expressed in or implied by such statements.
2. Look through gearing reflects the ratio of net borrowings to total assets adjusted for the borrowings of investment vehicles.

Target capital allocation

Maximise risk adjusted returns

Capital allocation by type

% of portfolio[1]



- Reweight to Residential (ownership and for sale), Workplace and Logistics
- Down-weight Retail and Retirement Living

Capital allocation by type

% of portfolio[1]

Recurring

- Wholly owned investment properties
- Ownership stakes in investment partnerships
- Develop to own inventories
- Ownership stakes in develop to own partnerships

Development

- Build to sell development inventories

- Maintain focus on high capital allocation to generate recurring income
- Development capital to generate enhanced returns
- Execute capital partnerships for new origination and generate management fees

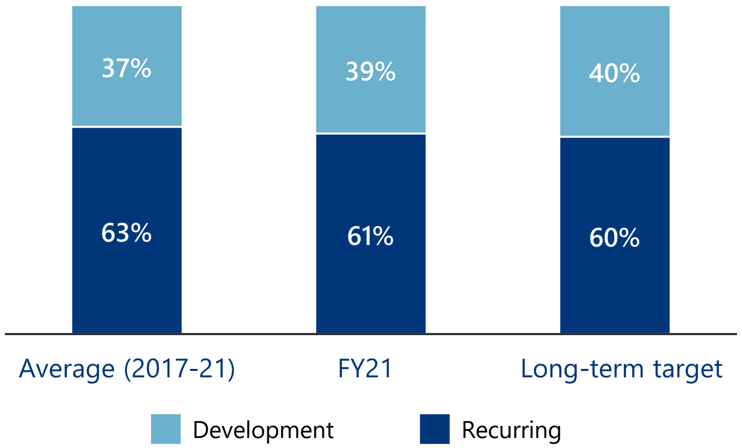
1. By net funds employed.

Target income mix

Focus on high quality recurring income

Income targets

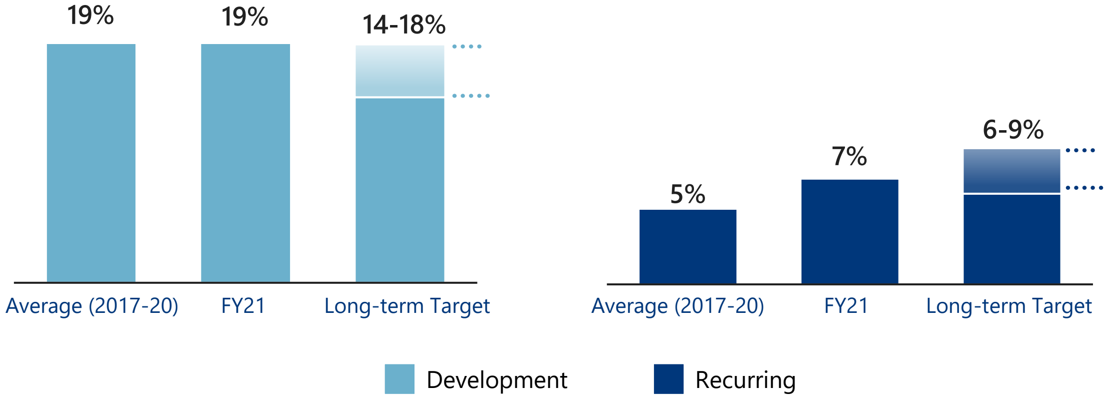
Earnings mix[1] % of total



- Focus on generating high quality rental income supplemented by recurring management income
- Development earnings in capital partnership cash backed and FFO recognition only on partnership share (Stockland share to be booked in Net Tangible Assets)

Introduce ROIC discipline

ROIC[2] %



- Introduction of ROIC discipline and targets for the business
- No change to development project level hurdle rates
- Focus on generating high quality recurring income, supplemented by growth from disciplined development activity

1. Recurring income includes Property NOI and Management income, net of divisional overheads. Development income includes realised development gains and profit on sale of inventories, net of divisional overheads and before interest and tax.
2. Indicative return on invested capital target. ROIC calculations: Recurring return includes all recurring income plus revaluation gains. Development return comprises Development income. Recurring and Development capital defined on slide 28.

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Maintain strong financial discipline

Balance sheet:

Maintain gearing target 20-30%

Look through gearing[1] <35%

Cash flow:

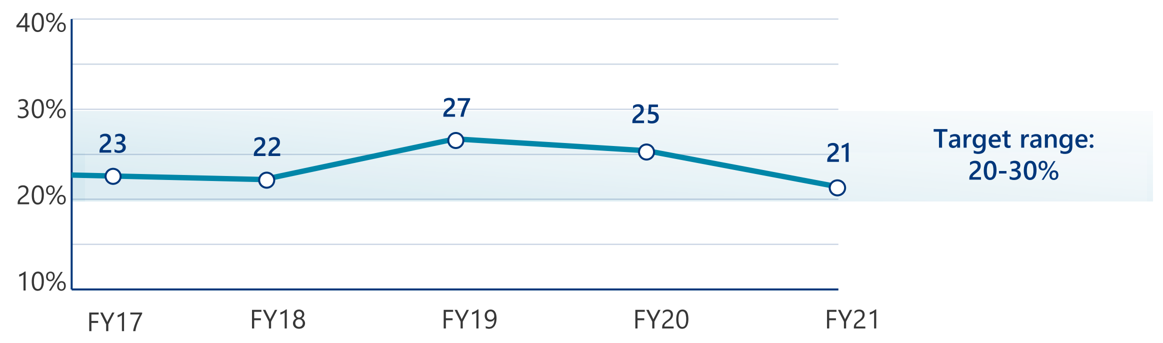
Recognition of partnering profits aligned to cash flow

- No recognition of uplift on retained portion of projects in FFO
- Fees and profits on formation of partnerships to be aligned to project cash flows

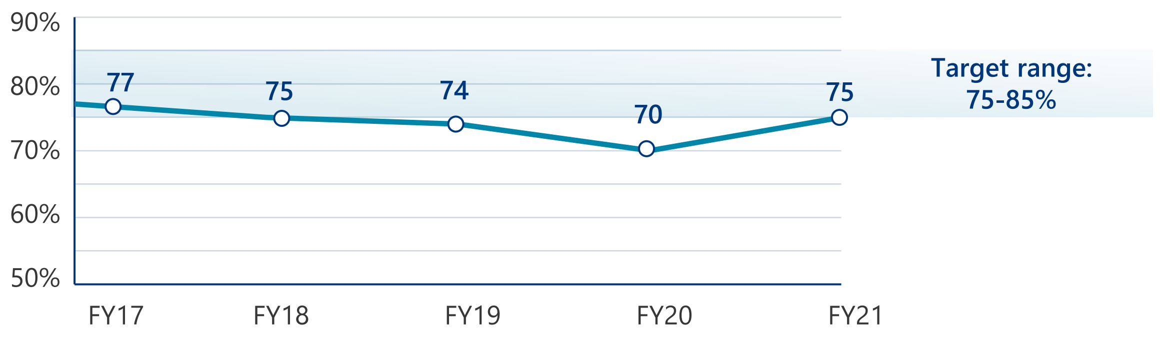
Distribution:

Distribution pay out policy retained at 75-85% of FFO

Balance sheet gearing%



Payout ratio %



1. Look through gearing reflects the ratio of net borrowings to total assets adjusted for the borrowings of investment vehicles.

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Executing the strategy

Tarun Gupta

Stockland Head Office, Piccadilly, Sydney, NSW

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Multi-year transition to execute the strategy

Reshape

Short term

Refocus & transition

- Extend residential leadership across MPC, Land Lease Communities and build apartments capability and pipeline
- Accelerate Workplace & Logistics pipeline; conversion into investment earnings
- Reduce Retirement Living & Retail exposure to recycle capital into growth sectors
- Form capital partnerships and build platform for growth
- Build capability in investment management; execution and delivery of development pipeline
- Continue to enable digital customer experiences and data capabilities
- Accelerate ESG leadership roadmap

Optimise

Medium term

Convert pipeline into quality income

- Capital partnerships providing emerging recurring earnings and growing FUM
- Capital reallocation to growth sectors; adapt portfolio as market conditions evolve
- Accelerate and commence masterplan expansion of land bank assets to provide future income growth
- Growing pipeline to provide future growth in own and develop Residential and Workplace and Logistics sectors
- Expanded digital innovation in line with sector strategies

Sustainable Growth

Long term

Leading creator and curator of connected communities

- Leading residential owner & developer
- High quality recurring income business
- Established capital partnerships; recurring management income
- Returns aligned with targets; strong balance sheet
- ESG leadership
- Digital leadership and at-scale innovation
- Preferred employer and developer of real estate talent

Stockland leadership


Tarun Gupta
Managing Director and CEO


Andrew Whitson
CEO Communities


Louise Mason
CEO Commercial Property


Justin Louis
Chief Investment Officer


Karen Lonergan
Chief People & Stakeholder Engagement Officer


Alison Harrop (Tiernan O'Rourke finishing 26 November 2021
Chief Financial Officer- effective 10 January 2022


Katherine Grace
Chief Legal & Risk Officer


Sharmila Tsourdalakis
Chief Innovation, Marketing & Technology Officer


Mike Davis
Executive General Manager, Masterplanned Communities


Clem Salwin
Head of Retirement Living


Ben Christie
Executive General Manager, Apartments

TBC
Executive General Manager, Land Lease Communities


Petie Walker
Group Head of Sustainability & Delivery


Gavin Boswarva
Executive General Manager, Development, CP


Michelle Abbey
Executive General Manager, Town Centres


Tony D'Addona
Executive General Manager, Workplace & Logistics


Emma Burke
Deputy Chief Financial Officer

- Alison Harrop appointed to Chief Financial Officer effective 10 January 2022
- Ben Christie appointed to Executive General Manager, Apartments effective 15 November 2021
- Clem Salwin appointed to Head of Retirement Living
- Emma Burke promoted to Deputy Chief Financial Officer[1]
- Mike Davies promoted to Executive General Manager, Masterplanned Communities[1]
- Petie Walker promoted to Group Head of Sustainability and Delivery[1]
- Michelle Abbey promoted to Executive General Manager, Town Centres[1]
- Gavin Boswarva promoted to Executive General Manager, Development, Commercial Property[1]
- Tony D'Addona promoted to Executive General Manager, Workplace & Logistics[1]

1. Effective 1 November 2021.

Conclusion & key messages

- Dynamically reshape portfolio towards sectors supported by long term trends
- Accelerate delivery in our core business
- Scale institutional capital partnerships in each sector
- Rigorous execution focus and pace while building enterprise capabilities
- Maintaining strong financial position and capital discipline

Stockland Green Hills, NSW

FY22 outlook

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.

Artist impression, Affinity Place, NSW

Current market conditions remain uncertain and challenging with sporadic lockdowns, border closures and community transmission of COVID-19. We have seen some positive signs in trading conditions since the relaxation of COVID-19 restrictions across NSW and Victoria as evidenced by:

- October 2021 Residential enquiries remain strong and in line with September 2021 levels
- Net sales of 800 in October 2021 (2,700 financial year to date) reflecting continued strength in underlying demand and strong take up of additional sales releases in NSW
- Commercial Property rent collection at 84% for 1Q22
- 99% of Retail stores now trading
- Continuing momentum from a strong 1Q22, 128,491 sqm of leases now executed year to date and an additional 20,650 sqm under signed head of agreement across the Workplace and Logistics portfolio during October 2021

The FY22 outlook is also underpinned by the following business assumptions:

Residential settlement around

6,400 lots

Retail rent collection returning to levels experienced prior to recent lockdowns towards the end of CY21

Residential operating profit margin

~18%

Land Lease Communities delivering

~300 sites

in FY22

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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As responsible entity for Stockland Trust
ARSN 092 897 348

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Current market conditions remain challenging with ongoing lockdowns and/or restrictions and community transmission of COVID-19. All forward looking statements are provided on the basis that the vaccination roll out continues nationally and COVID-19 restrictions continue to ease by the end of CY21.

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