Stockland

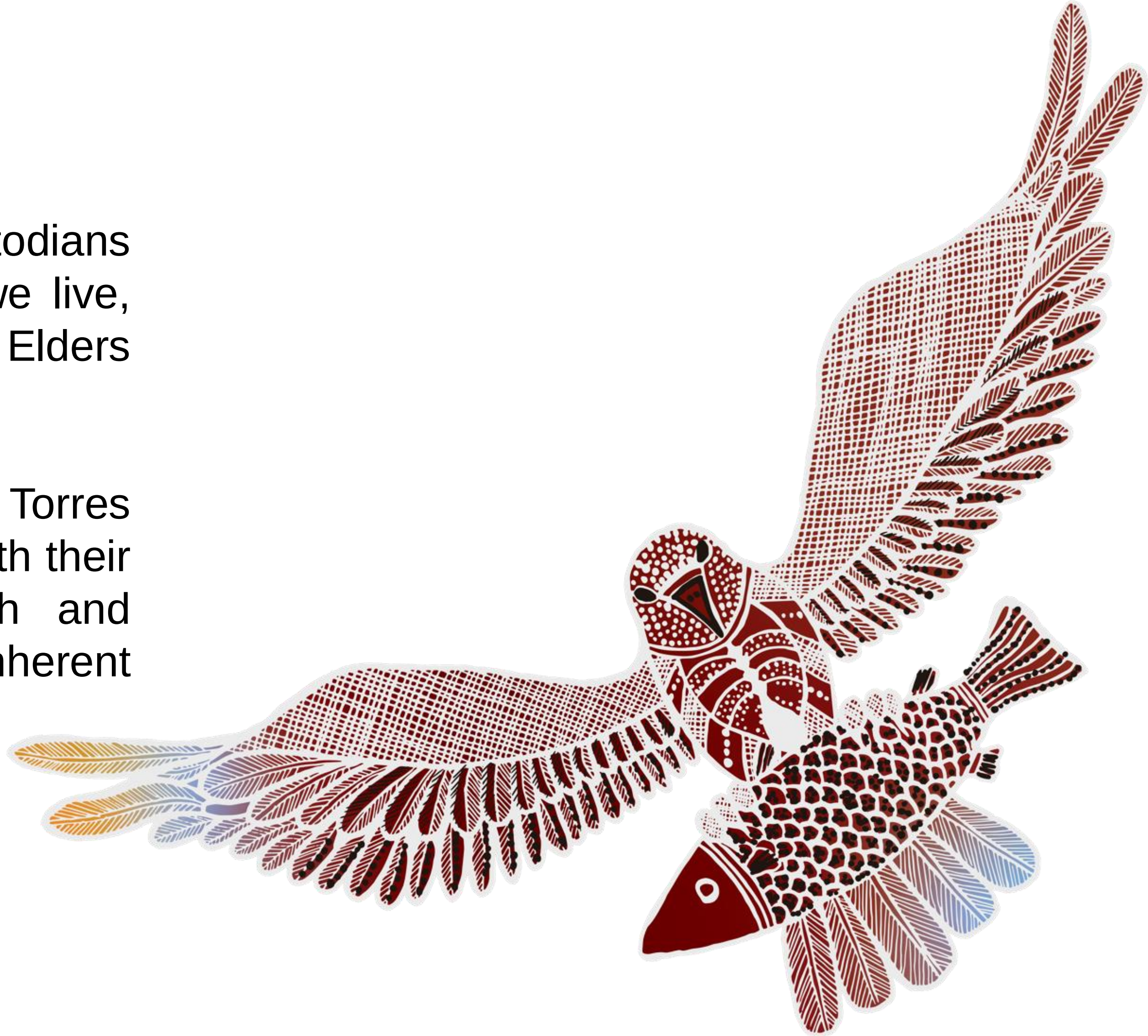
FY23 Results

24 August 2023

Stockland

Stockland acknowledges the Traditional Custodians and knowledge-holders of the land on which we live, work and play and pay our respects to their Elders past, present and emerging.

We acknowledge and thank all Aboriginal and Torres Strait Islander People for enriching our nation with their historical and traditional practices, their rich and diverse cultures and their ongoing and inherent connection to Country.



Artwork created by Maurice Mickelo

Agenda

Group update	**Tarun Gupta** MD & CEO
Financial results and capital management	**Alison Harrop** CFO
Commercial Property	**Louise Mason** CEO, Commercial Property
Communities	**Andrew Whitson** CEO, Communities
Summary and Outlook	**Tarun Gupta** MD & CEO

Figures are rounded to nearest million, unless otherwise stated.
Percentages are calculated based on the figures rounded to one decimal place.
Percentage changes are calculated on the prior corresponding period unless otherwise stated.
Note: Totals may not add due to rounding.

Group update

Tarun Gupta

MD & CEO

Waterlea, VIC

FY23 Results

Strong FY23 operational and financial results

FY23 pre-tax FFO per security of 37.1 cents

Execution of strategy driving performance

High quality portfolio reflected in strong operating metrics

Balance sheet strength and flexibility

Yennora Distribution Centre, NSW

Execution delivering results

Reshape portfolio

Demonstrated results from dynamic reshaping of the portfolio:

- Strong performance and earnings contribution from Town Centres
- Resilient Masterplanned Communities (MPC) performance in a rising interest rate environment
- Land Lease Communities (LLC) settlements exceeded expectations
- LLC platform growth accelerated with post balance date acquisition of five additional projects for $210m

Accelerate pipeline

Enhancing our business through development and masterplanning across the platform:

- ~$40bn[1] development pipeline across Commercial Property and Communities
- Delivery of ~$450m[2] Logistics development completions since June 2022
- Similar volume of Logistics development deliveries expected in FY24
- Up to 18 new communities launching across MPC and LLC by the end of FY24[3]
- Progressing potential pipeline of longer dated mixed use developments on existing sites

Scale partnerships

Consistent execution delivering returns:

- Established partnerships generating high-quality development and management income
- Established Stockland Communities Partnership with Mitsubishi Estate Asia (MEA)[4]
- Exploring future capital partnerships across the Stockland platform

Sustainable growth

High-quality platform focused on sustainable growth:

- Execution of strategy generating new business lines and meaningful earnings contribution
- Strong capital position with redeployment capability for future growth
- Refreshed ESG strategy focused on delivering measurable impact
- Innovative culture with a motivated team, supporting an environment focused on safety and wellbeing
- Delivering on our purpose “a better way to live”

1. Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction. Includes M_Park Stage 1 at a 100% share.
2. Including ~$270m of FY23 development commencements delivered post balance date.
3. Subject to relevant approvals and planning. LLC includes post balance date acquisition of five LLC projects.
4. Effective 31 July 2023. The Capital Partnership has a non-exclusive mandate to invest in on and off market residential masterplanned community opportunities.

FY23 Result

Strong operational and financial results

Pre-tax FFO	Pre-tax FFO per security
$883m	37.1 cents
3.8% on FY22 Post-tax FFO of $847m	3.9% on FY22 Post-tax FFO per security of 35.6 cents

Statutory profit	Distribution per security	NTA per security
$440m	26.2 cents	$4.24
vs $1,381m in FY22	74% payout ratio (1.5)% on FY22	vs $4.31 at 30 June 2022

Recurring ROIC[3]	Development ROIC[3]	Gearing
3%	18%	21.9%
Below target range of 6-9%	Upper end of target range of 14-18%	vs 23.4% at 30 June 2022 Look-through gearing at 22.6%

FY23 Highlights

- FY23 pre-tax FFO per security of 37.1 cents, and post-tax FFO per security of 35.6 cents
- Execution of strategy delivering meaningful and high-quality management and development income streams
- Strong performance from Commercial Property portfolio with comparable FFO growth of 3.5%[1]
- MPC business delivering 5,403[2] settlements in a rising interest rate environment
- Solid LLC performance with 382 settlements and good visibility into FY24 with 387 contracts-on-hand
- FY23 Development ROIC[3] of 18% at the upper end of the target range, with recurring ROIC[3] of 3% reflecting market cap rate movements
- Well positioned balance sheet, with substantial liquidity and flexibility to take advantage of market opportunities
- FY23 NTA per security down 1.6% vs FY23
- Refreshed ESG strategy focused on innovative solutions, measurable impact and targets

1. Excludes COVID-19 abatements and ECL where applicable.
2. Includes 1,944 settlements under joint venture/project development agreements (FY22: 2,128).
3. Recurring return comprises Management income and Property NOI (net of amortisation and straight-line rental adjustment) less divisional overheads plus revaluation movements. Development return includes realised development gains and profit on sale of inventories, net of divisional overheads and before interest and tax.

ESG strategy[1]

Focused on innovation, scale and economically sustainable solutions

Decarbonisation

A practical, 1.5 degree aligned[2] pathway to Net Zero emissions

- Develop partnerships to accelerate adoption of lower-carbon materials and building methods
- Scale our onsite-renewable energy generation
- Accelerate our customers' transition to renewable energy

Circularity

Principles to make resources stay useful, longer

- Embed circularity principles throughout our portfolio and operations
- Design out waste, reduce use of virgin materials and lower our embodied and operational water and carbon impacts
- Explore development alternatives; deconstruction over demolition, disassembly for future generations

Social impact

Enhancing our social impact by design

- Support housing affordability and pathways into a diversity of housing formats
- Purposeful investment in social impacts scaled through the CARE Foundation
- Amplify our First Nations engagement focusing on employment, procurement, and connection to country outcomes

Resilience

Adapt and regenerate for community resilience

- Strengthen climate resilience of portfolio using detailed resilience assessment
- Enhance our approach to nature-based risks and opportunities to contribute to a nature-positive future

Net Zero targets[2]

- **Net Zero Scopes 1 & 2 in 2025**
- **Most material Scope 3 emissions intensity halved by 2030**
- **Net Zero Scopes 1, 2 & 3 by 2050**

Social value target[3]

- **Over $1.0bn of social value creation by 2030**

1. Roadmap for achieving our ESG targets and the material assumptions, uncertainties and dependencies associated with those targets, are set out in Stockland's Climate Transition Action Plan (CTAP) 2023 and Stockland's FY23 Annual Report, available on our website.
2. Stockland's emissions reduction targets have been prepared by reference to criteria set out by the Science Based Targets Initiative (SBTi). The targets have been reviewed by Ernst & Young (EY), who have has provided limited assurance in relation to their alignment with the published SBTi criteria. Stockland has also submitted its targets to SBTi for validation.
3. We define social value creation as our intentional effort and investment to deliver social, economic and/or environmental benefits for our communities and broader society.

Innovative people and culture

Bringing our purpose to life

Committed to wellbeing and diversity

- Motivated team, with **employee engagement at 88%,** ~8 points above the Australian National Norm[1]
- **>60% female representation** on Stockland Leadership team[2]
- **Four Employee Advocacy Groups** across Gender Equity, LGBTQ+, Cultural Diversity, Wellbeing and Disability
- **Purpose-driven culture** supporting an environment focused on health, safety and wellbeing
- **Enhancing our First Nations engagement,** with the implementation of a Reconciliation Working Group, and submitting our Stretch RAP 2023-25 to Reconciliation Australia

Equileap Gender Equality Global Report 2023 – ranked within Top 100 globally

2021-23 WGEA Employer of Choice for Gender Equality[3] – citation for 13th successive year

GradAustralia Top 100 Graduate Employer 2023

PCA National Retirement Living Award - Best Land Lease Community Development, Stockland Halcyon Greens

WELL Health-Safety Rating – first Australian Property Group to achieve ratings for shopping centres[4]

UDIA QLD Awards for Excellence 2022 - Best in Seniors' Living Community Stockland Halcyon Nirimba

Lost Time Injury Frequency Rate 1.6 in FY23, improved from 2.6 in FY22

Innovative, future-focused and climate conscious culture

- Fostering innovative mindsets through our annual **Stockland Innovation and Excellence Awards Competition** – Cool Roofs at Aura winning Chairman's Award in FY23
- **Launched Stockland Future Ready Careers program in FY23,** designed to expand learning opportunities and career pathways for our people
- ESG deeply embedded in our culture, achieving **13% emissions intensity reduction** across Commercial Property Portfolio since FY20, outperforming FY24 target of 10%

Cool Roofs policy at Aura, QLD – light coloured roofs to reduce urban heat. Insights used to establish Stockland's Urban Heat Island Mitigation Framework[5]

Cool Roofs reduce temperatures by

~2°C

at Aura, QLD vs surrounding suburbs

Possible energy savings[6] of up to

~40%

for housing with cool roofs

Potential to reduce temperatures a further

~1-2°C

with high value, scalable initiatives[5]

1. Willis Tower Watson.
2. Compared with gender-balanced workforce target of 40% female, 40% male and 20% open.
3. Workplace Gender Equality Agency.
4. Achieved at 8 Stockland Town Centres: Hervey Bay, Birtinya, Baringa, QLD; Forster, Balgowlah, Nowra, NSW; Wendouree, VIC; and Baldivis, WA.
5. Data driven framework designed to identify and assess high performing heat reduction initiatives across Stockland, including cool roofs, cool roads, facades and canopy cover.
6. Cool Roofs Cost Benefit Analysis, UNSW April 2022.

Stockland

Financial results and capital management

Alison Harrop

CFO

Stockland Head Office, Sydney CBD, NSW

Strong capital position

Disciplined management and redeployment capacity

- Robust balance sheet with gearing at 21.9%, down 150 bps from FY22
- Substantial liquidity of ~$1.6bn
- Capacity to fund the existing secured development pipeline and take advantage of attractive market opportunities
- Disciplined and active capital management with WACD of 4.3%[3]
- Significant headroom under financial covenants[2,5]
- Strong investment grade credit ratings of A- / A3 from S&P / Moody's respectively with stable outlook

Gearing[1]

21.9%

Down from 23.4% at 30 June 2022

Available liquidity

~$1.6bn

Cash and undrawn facilities as at 30 June 2023

Interest Cover[2]

6.2x

12-month rolling average to 30 June 2023

Weighted average cost of debt for FY23

4.3%[3]

~5.2% expected for FY24[4]

Weighted average debt maturity

5.0 yrs

Fixed Hedge Ratio

62%[3]

~60% expected for FY24

1. Versus target range of 20-30%. Look-through gearing at 30 June 2023 at 22.6% vs target of <35%.
2. Covenant levels: less than 50% Financial Indebtedness / Total Tangible Assets, and Interest Coverage Ratio of more than 2:1.
3. Average over the 12-months to 30 June 2023.
4. Assuming average BBSW of ~4.3% over FY24.
5. Financial Indebtedness / Total Tangible Assets at 24.2% as at 30 June 2023.

Funds from operations

Pre-tax FFO growth of 3.8%

FFO result reflects:

- Strong performance across Commercial Property:
  - Town Centres portfolio generating 4.8%[1] comparable FFO growth and 3.1%[2] leasing spreads
  - Logistics portfolio achieving 4.6%[1] comparable FFO growth and 21.1% leasing spreads, with increased contributions from new development completions
- Growth in Communities FFO contribution through a rising interest rate environment:
  - MPC business delivered 5,403[3] settlements at 26.0% development operating profit margin
  - Strong performance in LLC with 382 settlements, demonstrating sustained demand for LLC product
- Strategic initiatives and capital partnerships generating high-quality management and development income streams over FY23
- FY23 tax expense at ~4% of pre-tax Group FFO, reflecting utilisation of remaining tax losses

$m	FY23	FY22	Change	
Commercial Property FFO	636	564	12.7%	Reflects comparable FFO growth of 3.5%[1] across CP portfolio; contributions from new Logistics development completions; and an uplift in CP Development and Management Income
Communities FFO	412	354	16.5%	Reflects resilient MPC performance; increased settlements in LLC; and growing contributions from Communities Development and Management Income
Retirement Living FFO	3	94	(96.7)%	
Unallocated corporate overheads	(93)	(89)	4.5%	Overheads growth broadly in line with inflation
Net interest expense	(75)	(72)	3.7%	Higher WACD offset by lower average debt balance over FY23 and an increase in capitalised interest due to MPC and Logistics developments
Total Pre-tax FFO	**883**	**851**	3.8%	
Total Post-tax FFO	**847**	**851**	(0.5)%	
Pre-tax FFO per security (cents)	37.1	35.7	3.9%	
Post-tax FFO per security (cents)	35.6	35.7	(0.3)%	
AFFO per security (cents)	30.8	30.6	0.7%	Increase primarily reflects lower tenant incentives and leasing costs in FY23 compared with FY22
Distribution per security (cents)	26.2	26.6	(1.5)%	FY23 distribution reflects payout ratio of 74% of FFO
Statutory profit	**440**	**1,381**	(68.3)%	Variance reflects $575m fair value gain in FY22 vs $230m loss in FY23

1. Includes comparable assets; excluding acquisitions, divestments and assets under development. Excludes COVID-19 abatements and ECL where applicable.
2. Rental growth on stable portfolio on an annualised basis.
3. Includes 1,944 settlements under joint venture/project development agreements (FY22: 2,128).

Note: for further detail on divisional breakdown refer to Annexures.

FY23 operating cashflows

Operating Cashflow[1]

$332m

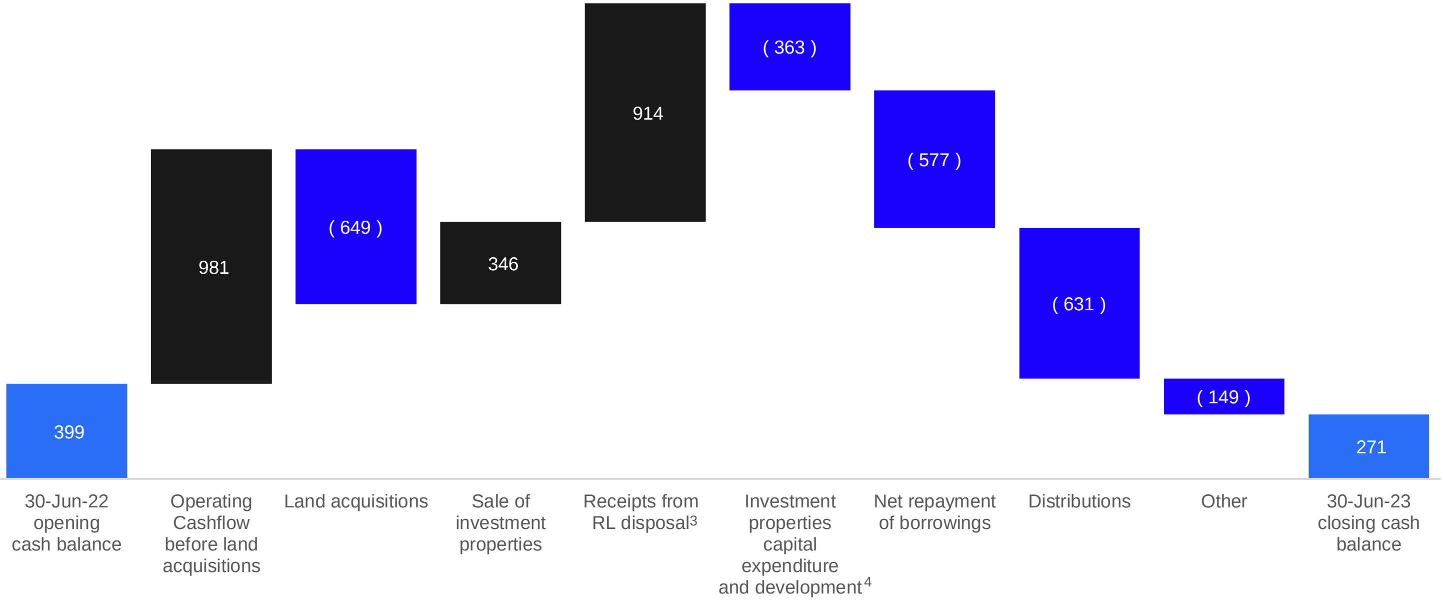
$918m in FY22

Operating Cashflow before land acquisitions[1]

$981m

$1,536m in FY22

Cash movements between FY22 and FY23 driven by investments for future growth



1. Cashflows include MPC cash receipts of $1,745m and MPC costs of $1,124m, comprising current year stage costs, future stage infrastructure costs, and SG&A and other costs. Future stage infrastructure costs represent ~66% of costs.
2. Includes disposal of Stockland Bull Creek, WA, Stockland Riverton, WA and Stockland Gladstone, QLD.
3. $914m reflects gross receipts of ~$934m less $21m in resident cash transferred to EQT on disposal of Retirement Living business in July 2022.
4. Includes $98m of investment properties, $92m of capital expenditure and $173m of development.

Focused cashflow management

- FY23 distribution reflects payout ratio of 74% of post-tax FFO
- FY23 cashflow reflects:
  - Positioning for future growth, with $649m in land acquisitions across MPC, Logistics and LLC
  - Reshaping of the portfolio, with $266m[2] settlement of non-core Town Centre divestments and $914m settlement of the Retirement Living divestment[3]
  - Ongoing delivery of the Logistics and LLC development pipeline

Stockland

Commercial Property

Louise Mason

CEO, Commercial Property

Stockland Birtinya, QLD

Commercial Property

Execution of strategy delivering returns

Accelerate

- Delivery of Logistics pipeline generating high-quality income growth
- ~$450m[1] Logistics development deliveries since June 2022
- Positioned for a similar volume of Logistics development completions in FY24
- M_Park Stage 1[2], NSW development underway. Completion of the first two buildings and commencement of the final two buildings in 1H24

Delivery of ~$450m Logistics developments[1]

Reposition and Focus

- Town Centres portfolio benefiting from active remixing and repositioning strategies
  - Strong comparable FFO growth of 4.8%[3] and leasing spreads of 3.1%[4]
  - >70% essentials-based mix and 14.8%[5] specialty occupancy costs
- Logistics portfolio delivered FY23 comparable FFO growth of 4.6%[3]; focused on capturing positive rent growth opportunities

Well-positioned portfolio demonstrating results

Maximise

- Progressing potential pipeline of longer-dated Workplace and mixed-use developments identified on existing sites
- Strengthening our essentials-based Town Centres portfolio organically through developments identified within our masterplanned communities

Progressing mixed-use opportunities on existing sites

1. Including ~$270m of FY23 development commencements delivered post balance date.
2. M_Park Capital Partnership with Ivanhoé Cambridge.
3. Includes comparable assets; excluding acquisitions, divestments and assets under development. Excludes COVID-19 abatements and ECL where applicable.
4. Rental growth on stable portfolio on an annualised basis.
5. Occupancy cost reflects stable assets, adjusted to reflect tenants trading more than 24 months.

Commercial Property

Strong performance from high-quality portfolio

Commercial Property FFO of $636m and comparable FFO growth of 3.5%[1] underpinned by:

- Strong comparable FFO growth in Town Centres of 4.8%[1] and Logistics 4.6%[1]
- Consistently high rent collection rates across the portfolio at 99.5%[2]
- Execution of strategic initiatives generating meaningful income streams
  - Growing contribution from Management Income, with $32m in FY23 reflecting fees generated from M_Park Stage 1 capital partnership and property management fees from third parties
  - $43m Development Income reflecting recognition of initial development revenues relating to M_Park Stage 1 and Logistics build-to-sell developments

Key metrics	Asset value[3]	FFO	FFO change vs pcp%	FFO comparable growth[1]	Occupancy	WALE
Logistics	$3,382m	$139m	+11.5%	4.6%	99.2%	3.3 yrs
Workplace	$1,950m	$108m	(2.5)%	(1.9)%	93.8%[4]	4.2 yrs[4]
Town Centres	$5,201m	$379m	+8.2%	4.8%	99.3%[5]	5.1 yrs
Development Income		$43m	+40.9%			
Management Income		$32m	+156.5%			
Sub-total	$10,533m	$700m		**3.5%**		
Commercial Property net overheads		$(64)m	-0.6%			
Total	$10,533m	$636m	+12.7%			

Asset value[3]

$10.5bn

Funds From Operations

$636m

Rent collection[2]

99.5%

1. Includes comparable assets; excluding acquisitions, divestments and assets under development. Excludes COVID-19 abatements and ECL where applicable.
2. Rent collection rates across the portfolio up to 31 July 2023 on FY23 billings.
3. Excludes sundry properties and stapling adjustment.
4. FY23 excludes Walker Street Complex and 601 Pacific Highway in NSW.
5. Occupancy across the stable portfolio based on signed leases and agreements at 30 June 2023.

Commercial Property

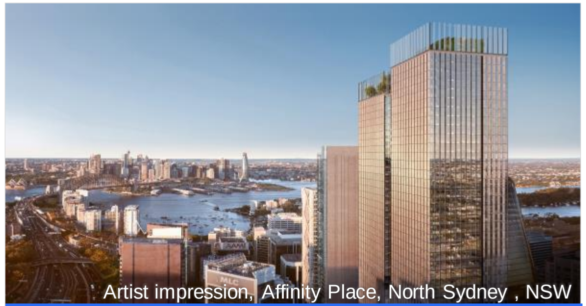
High quality income growth mitigating impact of cap rate expansion

Net valuation decrease of

$250m[1]

2.3% decrease on 30 June 2022 book value


Brooklyn Distribution Centre, VIC


Artist impression, Affinity Place, North Sydney , NSW

Stockland Shellharbour, NSW

	Commercial Property Portfolio	Logistics	Workplace	Town Centres
FY23[2]	$(250)m, -2.3%	$100m, +3.3%	$(237)m, -11.1%	$(113)m, -2.0%
Cap rates	Expanded by 41bps to 5.64%	Expanded by 71bps to 4.80%	Expanded by 56bps to 5.85%	Expanded by 26bps to 6.11%
	• 97%[3] of assets independently revalued over FY23 • Softer market cap rates offset by strong income growth across high-quality portfolio	• Uplift due to strong rental growth, driven by continued tenant demand and low vacancy rates across well located portfolio • Income growth has more than offset cap rate expansion due to the higher interest rate environment	• Market cap rate expansion having a greater effect on shorter-WALE assets being positioned for redevelopment	• Strong income growth partially offsetting cap rate softening • Essentials-based portfolio well positioned in an environment of rising interest rates and inflationary pressures

1. Excludes sundry properties and stapling adjustment, includes investment properties under construction (IPUC) and Stockland's share of equity accounted investments.
2. Represents net valuation change for 12 months to 30 June 2023.
3. By value.

Logistics

Strong performance from high quality portfolio

- Comparable FFO growth of 4.6%[1], benefiting from favourable demand-supply dynamics in strong markets
  - Re-leasing spreads[2] accelerating from 19.6% over 1H23, to 23.9% over 2H23; averaging 21.1% over FY23
  - Occupancy and rent collection rates remain consistently high at 99.2%[3] and 100%[3,4] respectively
- Focus on capturing positive rental growth opportunities presented by 3.3 year WALE[3] and delivery of well-located pipeline
- Delivery of ~$450m[5] of developments since June 2022, benefiting FY24 FFO; similar volume of deliveries expected in FY24[6], with income commencement for the bulk of completions in 1Q25
- FY23-24 development completions expected to total ~$0.9b[5,6] (versus previous target of ~$1.2bn[6]), driven by the impact of planning delays on the expected delivery timing, primarily at our project at Kemps Creek, Sydney

$m	FY23	FY22
Logistics FFO	**$139m**	**$125m**
Asset value[7]	$3,382m	$3,065m
Leases executed	358,776 sqm	413,148 sqm
Leases under HOA	12,370 sqm	26,339 sqm
Average rental growth on new leases and renewals negotiated[2]	21.1%	4.1%[9]
Portfolio occupancy[3]	99.2%	99.9%
Portfolio WALE[3]	3.3 yrs	3.4 yrs

Portfolio value[7]

~$3.4bn

Re-leasing spreads[2]

21.1%

on new leases and renewals negotiated in FY23

Leased / HOA[8]

~371,100

sqm

Full development pipeline registered for

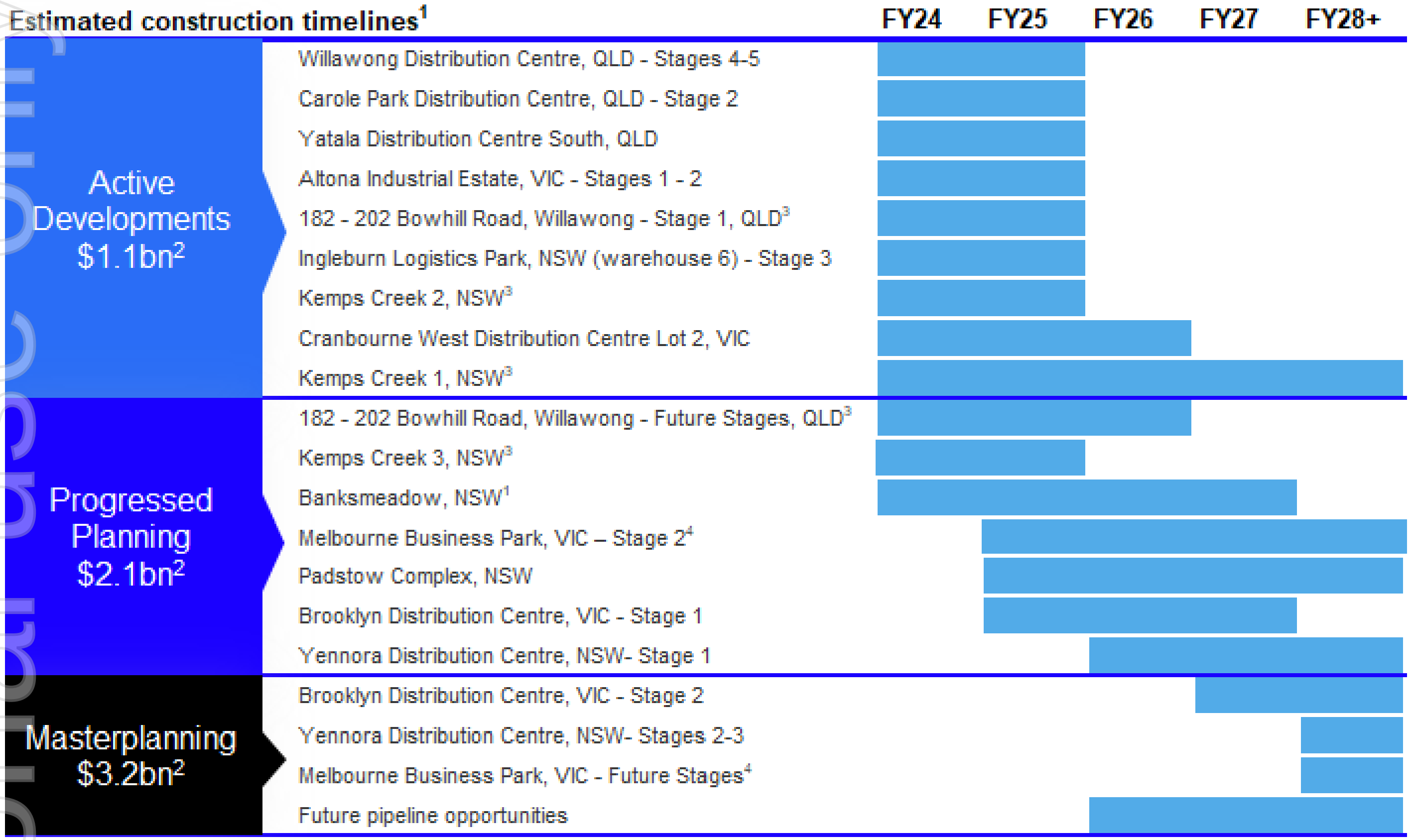
Green Star

certification

1. Includes comparable assets; excluding acquisitions, divestments and assets under development.
2. Re-leasing spreads on new leases and renewals negotiated over the period.
3. By income.
4. Rent collection rates across the portfolio up to 31 July 2023 on FY23 billings.
5. Including ~$270m of FY23 development commencements delivered post balance date.
6. Forecast end value on completion, subject to relevant approvals.
7. Excludes WIP and sundry properties.
8. Reflects executed leases & leases under HOA as at 30 June 2023.
9. Excluding a single deal at Yennora Distribution Centre, NSW, rebased to market rent.

Logistics

Strong earnings visibility from attractive pipeline



Total development pipeline

~$6.4bn²

Delivery of

~$450m

developments since June 2022[5] representing ~200,000 sqm NLA

Targeting

~6%

Yield on cost

1. Subject to approvals and where applicable, the acquisition and/or completion of the property.
2. Forecast end value on completion, subject to relevant approvals.
3. Under a 50% joint venture arrangement with FIFE Group.
4. Under a delivery agreement and with rights to acquire a 50% interest.
5. Including ~$270m of FY23 development commencements delivered post balance date.

Workplace

Solid performance with value-add potential

- ~$2.0bn[1] Workplace portfolio, with the majority currently being positioned for future development, including mixed-use
- Comparable FFO growth of (1.9)%[2] and occupancy of 93.8%[3,4], reflecting vacancy in one asset
- Re-leasing spreads of 0.9%[3,5] on new leases and renewals negotiated in FY23; with 4.6%[3] achieved on new leases
- High rent collection rates of 99.3%[6] and WALE[3,4] of 4.2 years across the portfolio

	FY23	FY22
Workplace FFO	**$108m**	**$110m**
Asset value[1]	$1,950m	$2,126m
Leases executed[3]	20,420 sqm	23,790 sqm
Leases under HOA[3]	8,266 sqm	7,090 sqm
Average rental growth on new leases and renewals negotiated[3,5]	0.9%	0.1%
Portfolio occupancy[3,4]	93.8%	91.3%
Portfolio WALE[3,4]	4.2 yrs	4.4 yrs

Portfolio value[1]

~$2.0bn

Rent collection[6]

99.3%

Leading ESG ratings

5.0-Star/4.7-Star

NABERS Energy / Water average

4.0-Star

Green Star Performance

1. Excludes WIP and sundry properties.
2. Excludes COVID-19 abatements.
3. FY23 excludes Walker Street Complex and 601 Pacific Highway in NSW.
4. By income.
5. Reflects new leases and renewals negotiated over FY23. FY22 excludes a single deal at Durack Centre, WA rebased to market rent.
6. Rent collection rates across the portfolio up to 31 July 2023 on FY23 billings.

Workplace

Mixed use opportunities providing optionality

- Strategic holdings of well-located sites providing mixed use development opportunities
- Progressing opportunities at M_Park Stage 2, NSW, Piccadilly Complex, NSW and Triniti, NSW[1]
- Maintaining optionality over development decisions including timing, scope and mix of future developments
- M_Park Stage 1[2], NSW development underway. Completion of the first two buildings and commencement of the final two buildings in 1H24

Progressing mixed use developments across existing sites[1]


Artist impression, subject to change.

M_Park Stage 2, NSW

Piccadilly Complex, Sydney CBD, NSW

Triniti, NSW

1. Subject to planning and relevant approvals.
2. M_Park Capital Partnership with Ivanhoé Cambridge.

Town Centres

Strong performance from essentials-based portfolio

- Total comparable sales growth of 14.7%, and comparable specialty sales growth of 19.8% versus the prior corresponding period which reflected COVID-19 trade restrictions[1]
- Comparable specialty sales of $10,328 sqm, 17.2% above Urbis averages[2]
- Portfolio benefiting from active remixing and repositioning, with improved productivity, stable occupancy costs and high occupancy levels
- >70% MAT skew toward essentials-based categories performing strongly through inflationary environment

Comparable centres annual MAT growth[1]

14.7%

Comparable centres specialty annual MAT growth[1]

19.8%

Strong NABERs ratings

4.6-Star / 3.6-Star

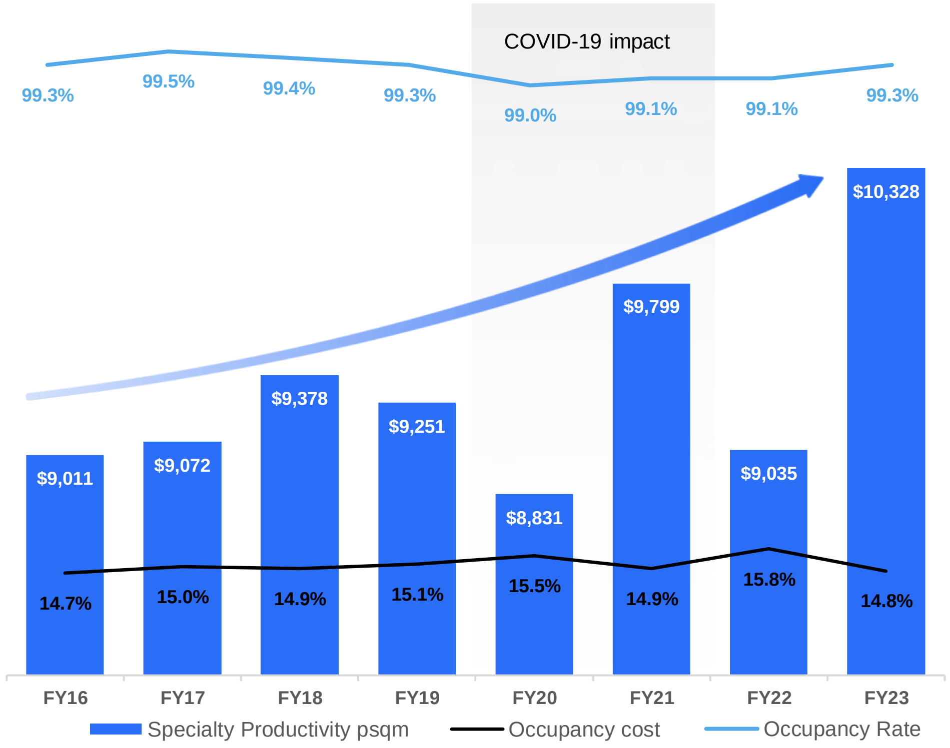
NABERS Energy / Water average

Green Star performance

4.0-Star

Active repositioning delivering results: ~$2bn non-core disposals over FY16-23

Improved productivity and stable occupancy cost, while maintaining high occupancy levels



1. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months. Excludes the Mobile Phones category, due to reporting changes by one retailer resulting in sales data being not comparable. Prior corresponding period reflected COVID-19 trading restrictions over July 2021-October 2021.
2. Urbis Double DDS Sub-regional Shopping Centre benchmark.

Town Centres

Well positioned portfolio

- Strong comparable FFO growth of 4.8%[1], with tenant confidence and demand reflected in:
  - Positive leasing spreads of 3.1%[2] while occupancy costs reduced to 14.8% from 15.8% in FY22[3]
  - Increased tenant retention levels of 77% in FY23 vs 67% in FY22[4]
  - Lower incentives on new leases, at 9.8 months in FY23 vs 10.5 months in FY22
  - High levels of occupancy and rent collection rates of 99.3%[5] and 99.4%[6]
- Essentials-based portfolio delivering strong results in an inflationary environment, well positioned against increasing cost-of-living pressures

Portfolio value[7]
~$5.2bn

Re-leasing spreads[2]
3.1%

Rent collection[6]
99.4%

		FY23	FY22
Town Centres FFO		$379m	$350m
Asset value[7]		$5,201m	$5,543m
Occupancy[5]		99.3%	99.1%
WALE[8,9]		5.1 yrs	5.5 yrs
Specialty retail leasing activity[10]			
Tenant retention[4]		77%	67%
Total lease deals		498	572
Specialty occupancy cost ratio[3]		14.8%	15.8%
Average rental growth on lease deals executed[2]		3.1%	1.5%
Renewals:	number, area	388 / 56,402 sqm	373 / 67,239 sqm
	rental growth[2]	2.4%	0.4%
New leases:	number, area	110 / 12,797 sqm	199 / 25,502 sqm
	rental growth[2]	6.4%	4.3%
	incentives: months	9.8	10.5

1. Includes comparable assets; excluding acquisitions, divestments and assets under development. Excludes COVID-19 abatements and ECL where applicable.
2. Rental growth on stable portfolio on an annualised basis.
3. Occupancy cost reflects stable assets, adjusted to reflect tenants trading more than 24 months.
4. Adjusted for operational centre remixes and reconfiguration as well as retailers subject to administration.
5. Occupancy across the stable portfolio based on signed leases and agreements at 30 June 2023.
6. Rent collection rates across the portfolio up to 31 July 2023 on FY23 billings.
7. Excludes WIP and sundry properties. FY23 includes disposal of Stockland Bull Creek, WA, Stockland Riverton, WA and Stockland Gladstone, QLD.
8. By area.
9. Assumes all leases terminate at earlier of expiry / option date.
10. Metrics relate to stable assets unless otherwise stated.

Commercial Property

FY24 focus and outlook


Yennora Distribution Centre, NSW


Artist impression, M_Park, NSW

Stockland Wetherill Park, NSW

Logistics
Deliver pipeline

- Maximise income generation opportunities through rental growth on existing portfolio
- Development completions providing meaningful and growing income contribution

Workplace
Progressing mixed-use opportunities

- Potential pipeline of longer dated mixed-use developments identified on existing sites
- Create value while maintaining optionality on timing, scope and mix across the pipeline
- M_Park Stage 1[1], NSW development underway, with completion of the first two buildings and commencement of the final two buildings in 1H24

Town Centres
Portfolio optimisation

- Essentials-based mix performing well and positioned for increasing cost-of-living pressures
- Leverage strong operational performance to deliver returns and rents

1. M_Park Capital Partnership with Ivanhoé Cambridge.

Stockland

Communities

Andrew Whitson
CEO Communities

Communities

Progress on strategy demonstrating results

Extend

- Solid performance across Communities in an environment of rising interest rates:
  - Achieved MPC settlements of 5,403[1] and development operating profit margin of 26.0%
  - Strong LLC performance with 382 home settlements at 29.6% development operating profit margin
  - Positive LLC operational metrics, including 100% occupancy rates and CPI-linked rent growth[2]

Repositioned to offer more affordable product

Grow

- Acquisition of five LLC projects[3] providing further runway for accelerated development activity
- Exploring organic and inorganic restocking opportunities
- New launches activating the landbank:
  - 3 MPC communities achieved first settlements in 2H23, with up to 6 community launches expected over FY24[4]
  - Activation of the MPC landbank expected to increase to ~80%[5]
  - Active LLC communities expected to more than triple, from 5 to up to 17 active communities by the end of FY24[4]

Activation of landbank driving future growth

Optimise

- Execution of strategy delivering diversified and growing income streams
- Established Stockland Communities Partnership[6]
- Growth in LLC platform generating meaningful Communities rental income contributions
- Identified potential for ~2,000 apartment units on existing landbank

Focus on strategy delivering returns

1. Includes 1,944 settlements under joint venture/project development agreements (FY22: 2,128).
2. Typical site agreement – annual rent escalations at the greater of CPI or 3.5%, and a market rent review every 10 years.
3. Post balance date acquisition.
4. Subject to planning and relevant approvals. LLC includes post balance date acquisition of five LLC projects.
5. By lots.
6. Effective 31 July 2023. The Capital Partnership has a non-exclusive mandate to invest in on and off market residential masterplanned community opportunities.

Communities

Strong FFO results

Communities FFO up ~16.5%, underpinned by:

- MPC settlements of 5,403[1] at 26.0% development operating profit margin
- LLC settlements of 382 at 29.6% development operating profit margin
- $15m in high-quality Rental Income[2], benefiting from a full year of LLC operations and an increasing number of established LLC home sites
- Growing Management Income of $48m, up from $32m in FY22, reflecting meaningful contributions from the Stockland Residential Rental Partnership (SRRP) and existing joint ventures in MPC

Key metrics	FFO	FFO Change vs pcp%	Development operating profit margin	Development EBIT[3]	Development EBIT margin[4]	Total settlements
Masterplanned Communities Development FFO	$464m	+4.7%	26.0%	$542m	30.4%	5,403
Land Lease Communities Development FFO	$58m	+249.4%	29.6%	$60m	30.8%	382
Rental Income	$15m	+27.1%				
Management Income	$48m	+51.3%				
Sub-total	**$585m**					
Communities net overheads	($172)m	+15.6%				
Total	**$412m**	**+16.5%**				

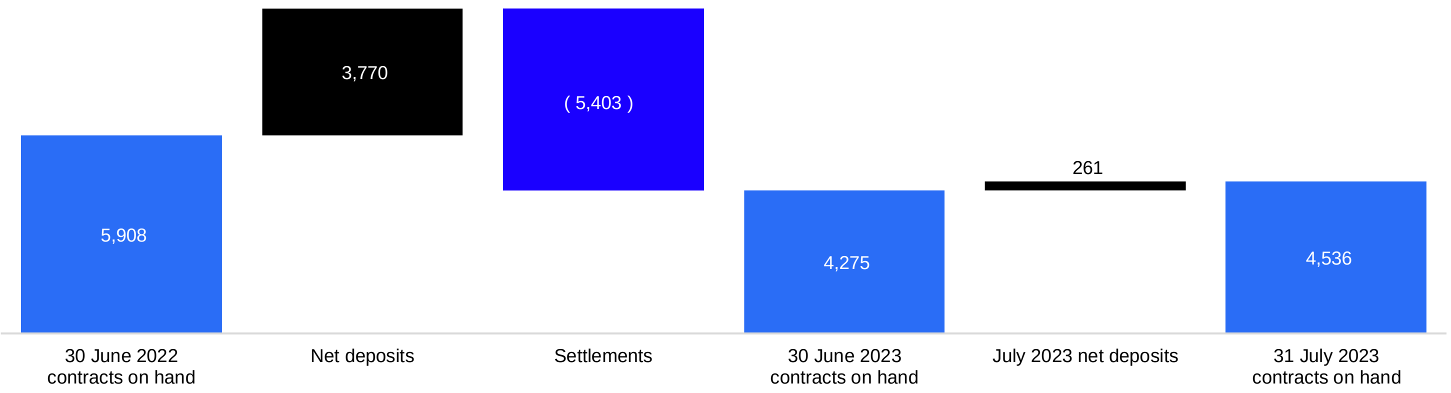
1. Includes 1,944 settlements under joint venture/project development agreements (FY22: 2,128).
2. Rental Income: ~$11m from established LLC portfolio, ~$4m from stand-alone medical and childcare centres.
3. Development EBIT comprises development operating profit excluding capitalised interest.
4. Development EBIT margin calculated as Development EBIT divided by sales/development revenue.


Aura, QLD

Masterplanned Communities

Resilient performance

- Delivered 5,403[1] settlements in an environment of rising interest rates, supply chain constraints and significant inclement weather
- 26.0% development operating profit margin, benefiting from the completion of high margin projects in FY23
- Default and cancellation rates slightly above historical averages, with an increase in 4Q23 in line with expectations[2]
- Rate of construction cost escalation moderating as supply chain constraints ease
- Targeting FY24 development operating profit margin in the low 20%s and settlements of 5,200-5,600 with a slightly larger settlement and FFO skew to 2H than in FY23



FY23 Development FFO
$464m

FY23 Development EBIT
$542m

FY23 Development operating profit margin
26.0%

FY23 Development EBIT margin
30.4%

Total lots settled in FY23
5,403[1]

Contracts on hand
4,275

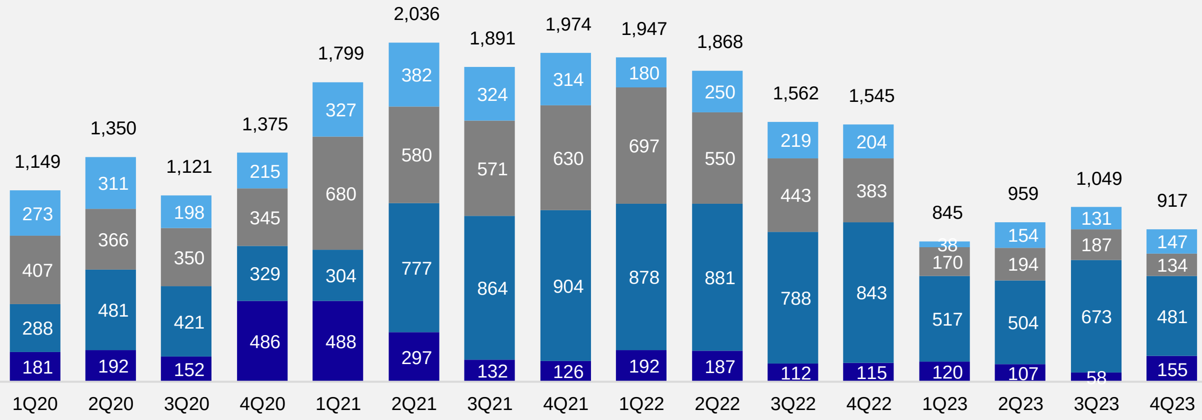
1. Includes 1,944 settlements under joint venture/project development agreements (FY22: 2,128).
2. On a rolling 12-month basis.

Masterplanned Communities

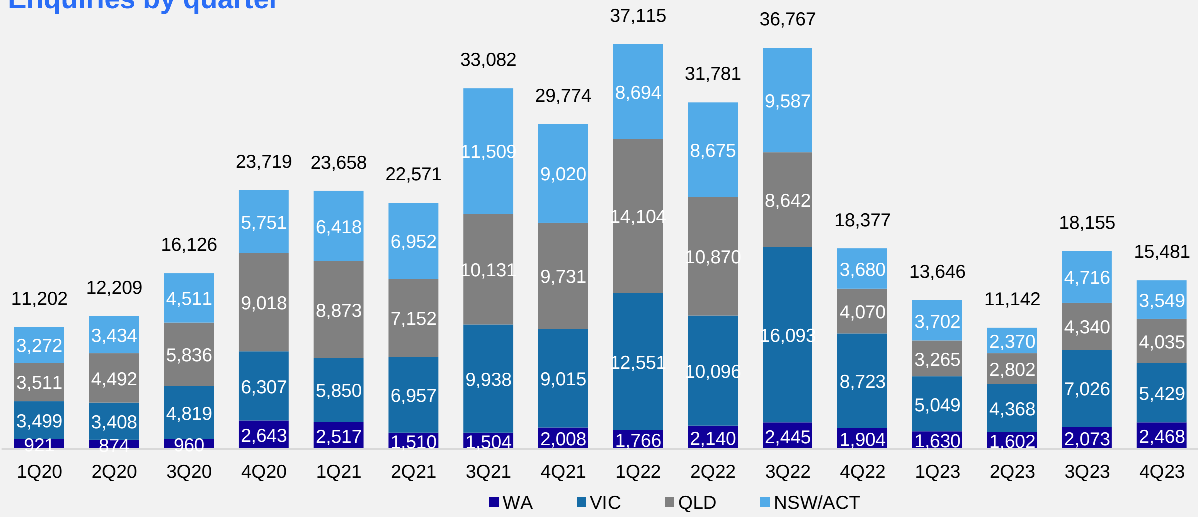
Sales reflecting interest rate increases

- Net sales of 3,770 lots, reflecting interest rate increases throughout the year
- 4Q23 gross sales in line with 3Q23; net sales reflecting cancellations relating to high volume of settlements late in 4Q23
- Enquiry levels in line with pre-COVID-19 levels
- Conversion rate and sales volumes likely to track at similar levels until the interest rate environment stabilises
- Pricing and demand remains resilient for affordable product, and in areas with affordability advantages
- FY24 average settlement pricing expected to be 5-10% higher than FY23, reflecting settlement mix

Net sales by quarter



Enquiries by quarter



Masterplanned Communities

Market outlook

- Structural drivers and outlook remain supportive, with low unemployment rates and a rebound in net overseas migration amidst ongoing constrained land supply
- Sentiment reflects uncertainty around interest rate movements over 2H23
- Stabilisation in the interest rate environment required to drive improvement in customer sentiment and conversion rate

Waterlea, VIC

12-month outlook

State	Price	Volumes	Market commentary
NSW	↔	↑	• Price growth limited by affordability constraints • Sales volumes expected to improve with strong net overseas migration amid tight rental market
VIC	↔	↑	• Rebound in net overseas migration to have the most impact on VIC market and support sales volumes
QLD	↑	↑	• Pricing and volumes supported by undersupply and ongoing net interstate migration • Benefiting from relative affordability to Sydney and Melbourne
WA	↑	↑	• Resumed interstate migration and population growth driving low rental vacancy rates • Pricing and volumes supported by relative affordability compared to the Eastern Seaboard

Masterplanned Communities

Positioning for market recovery

Affordability

- Leveraging scale to expand affordable alternatives, achieving:
  - Speed to market – ability to rapidly pivot a stage toward affordable mix
  - Affordable mix – increased offering of smaller, affordable lots over the past 12 months at Stockland communities[1]

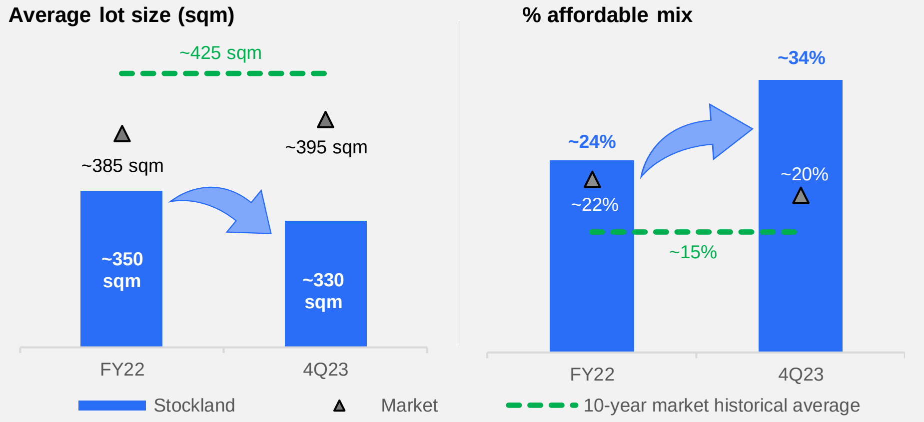
Production

- Ability to manage production and supply chain risks
- Production timeframes expected to improve over FY24 across Stockland communities, reducing sale-to-settlement timeframes
- Rate of construction cost escalation expected to continue moderating as supply chain constraints ease
- Benefiting from proven production capability and flight to quality, increasing market share[2] over the past 12 months

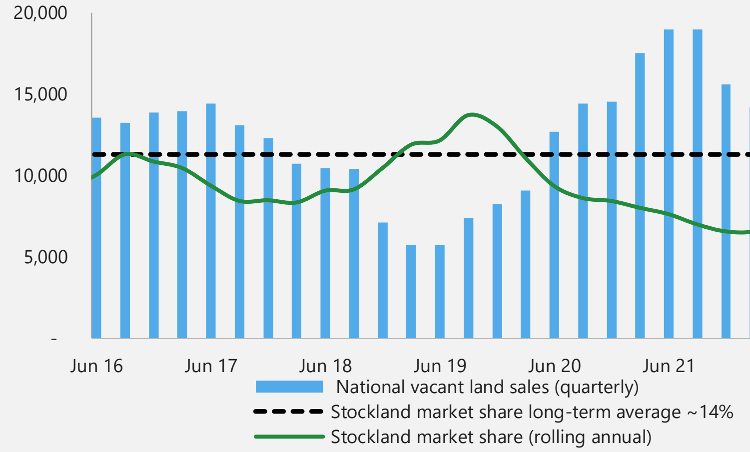
Landbank Activation

- New launches positioning to take advantage of market recovery
- Up to 6 new communities launching over FY24[3]
- Activation of landbank increasing to ~80%[4]

Affordable mix increasing while stock on market remains low vs historical averages[1]



Rolling annual market share vs national vacant land sales[2]



1. Based on sales volume. Affordable product comprises lots under 300 sqm. Refer to Annexure for detail on closing stock of land lots. Source: Stockland data, NLS Research4.
2. Rolling 12-month annual market share based on net sales across Stockland active corridors across major metro markets. Source: NLS Research4.
3. Subject to planning and relevant approvals.
4. By lots.

Land Lease Communities

Strong performance

- FY23 FFO of $58m reflecting:
  - Development income from 382 settlements at a development operating profit margin of 29.6%
  - Transfer of Stockland Halcyon Nirimba, QLD and Stockland Halcyon Berwick, VIC into SRRP generating cash-backed profit
- Good earnings visibility with 387 contracts on hand, at ~7%[1] higher average pricing vs FY23 settlements
- Strong operational metrics across ~2,150[2] occupied home sites, with 100% occupancy and rent collection rates[3]

FY23 Development FFO

$58m

Total settlements in FY23

382

FY23 Development EBIT margin

30.8%

FY23 Development operating profit margin

29.6%

FY23 Contracts on hand

387

Average price of contracts on hand vs FY23 settlements

~7%[1]

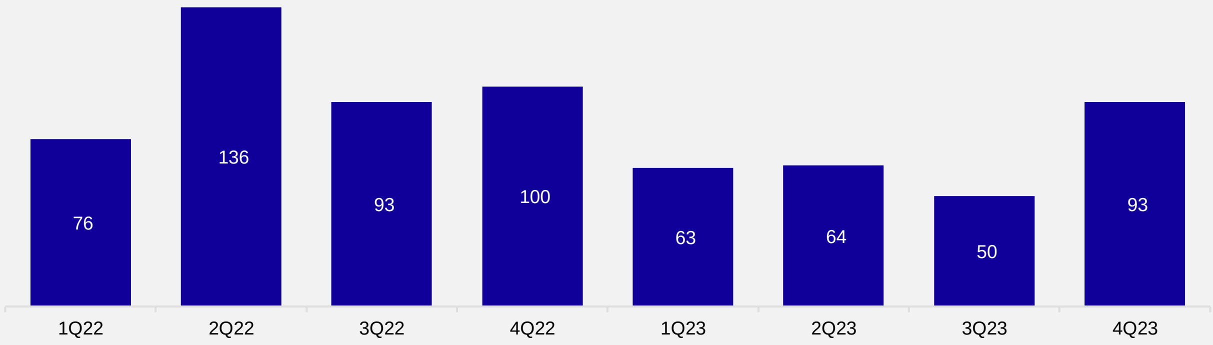
1. Average price per home of contracts on hand vs FY23 settlements (FY23 average settlement price per home: ~$707,000).
2. ~1,100 home sites at 100% ownership; ~1,050 home sites within SRRP.
3. As at 30 June 2023.

Land Lease Communities

Sustained demand

- FY23 net sales of 270 homes continues to reflect a deliberate slowing of releases to allow production to catch up
- Sustained demand for LLC development product, supported by a modest improvement in the established housing market
- Price growth on LLC development product, with average sales price per home up ~11%[1] vs FY22
- Rate of construction cost escalations has moderated as supply chain constraints ease

Net sales by quarter



Ongoing preference for Land Lease community living

Development product

~11%[1]
Increase in average sales price per home
FY23 vs FY22

Established product

~2,150[2]
occupied home sites
as at 30 June 2023

100%
occupancy and rent collection[3]
as at 30 June 2023

CPI-linked[4]
Rental growth on stabilised portfolio

1. Average price per home. Excludes sales at Stockland B by Halcyon, QLD where average price points are above $1.1m.
2. ~1,100 home sites at 100% ownership; ~1,050 home sites within SRRP.
3. 65% Net Operating Profit Margin in FY23 on stabilised portfolio.
4. Typical site agreement – annual rent escalations at the greater of CPI or 3.5%, and a market rent review every 10 years.

Land Lease Communities

Expanded pipeline and accelerated development activity

- Acquisition of five LLC projects[1] providing further scale for the LLC platform and runway for development activity
- Total portfolio of ~10,500[2] home sites, including a development pipeline of ~8,200
- Activation of pipeline to drive future settlement volumes
  - ~950 home sites currently under development across five[3] actively trading communities
  - Up to 12 new communities expected to launch by the end of FY24[4]
- Targeting FY24 settlements of ~400-450, with development operating profit margin slightly below the long-term target range of 22-27% due to launch costs associated with production ramp-up

More than tripling the number of active communities by the end of FY24[4]

5
Actively trading communities[3]
as at 30 June 2023

Up to
12
New communities expected to launch[4]
by the end of FY24

17
Actively trading communities[4]
expected by the end of FY24

1. Post balance date.
2. Total portfolio, including identified development pipeline and the post balance date acquisition of five LLC projects.
3. Excluding Stockland Halcyon Greens, QLD, which is close to fully stabilised; and Stockland Halcyon Evergreen, VIC and Stockland Halcyon Horizon, VIC, formally launched in July 2023.
4. Subject to planning and relevant approvals. Includes post balance date acquisition of five LLC projects.


Stockland Halcyon Parks, QLD

Communities

FY24 focus and outlook

Willowdale, NSW

Stockland Halcyon Lakeside, QLD

Masterplanned Communities

Positioning for market recovery

- Good visibility into FY24 with 4,275 contracts on hand
- FY24 target development operating profit margin in the low 20%s and settlements of 5,200-5,600[1], with a slightly larger settlement and FFO skew to 2H than in FY23
- Demonstrated ability to deliver through uncertain macroeconomic conditions
- Flight to quality and affordability driving market share gains
- Up to six new community launches over FY24[2] positioning for market recovery

Land Lease Communities

Capitalising on positive growth momentum

- Good visibility into FY24 with 387 contracts on hand
- FY24 target settlements of 400-450[1] with development operating profit margin slightly below the long-term target range of 22-27%
- Price growth and demand for available product reflects ongoing preference for LLC
- Established portfolio delivering high quality, CPI-linked rental growth[3]
- Platform growth and pipeline activation to drive future settlement volumes, with up to 17 communities expected to be active by the end of FY24[2]

1. Subject to no material deterioration in market conditions.
2. Subject to planning and relevant approvals. LLC includes post balance date acquisition of five LLC projects.
3. Typical site agreement– annual rent escalations at the greater of CPI or 3.5%, and a market rent review every 10 years.

Stockland

Summary and Outlook

Tarun Gupta
MD & CEO

Summary and outlook

Outlook

- Execution of strategy delivering results and meaningful income contributions
- Town Centres portfolio mix well positioned for inflationary environment
- Delivery of Logistics pipeline underway, generating high-quality recurring income as developments complete
- Progressing potential pipeline of longer-dated mixed-use opportunities on existing sites, providing development optionality
- Active Communities landbank to support future FFO contributions, with new community launches across MPC and LLC
- Strong balance sheet and redeployment capability providing flexibility to take advantage of market opportunities

Guidance range of 34.5 to 35.5 cents for FY24[1]

- FY24 FFO per security guidance range of 34.5 to 35.5 cents on a pre-tax basis[1]
- Tax expense expected to be a high single-digit percentage of pre-tax Group FFO[1]
- Distribution per security within our target payout ratio of 75 to 85% of post-tax FFO[1]

1. Current market conditions remain uncertain. All forward looking statements, including FY24 earnings guidance, remain subject to no material deterioration in market conditions.

Stockland Corporation Limited
ACN 000 181 733

Stockland Trust Management Limited
ACN 001 900 741; AFSL 241190

As a responsible entity for Stockland Trust
ARSN 092 897 348

Important Notice

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