



16 October 2023

Annual General Meeting of Stockland Corporation Limited and Meeting of Unit Holders of Stockland Trust

Enclosed are copies of the addresses to be given at today's Annual General Meeting of Stockland Corporation Limited and Meeting of Unitholders of Stockland Trust by:

1. Mr Tom Pockett, Chairman of today's meetings; and
2. Mr Tarun Gupta, Managing Director and CEO.

Ends

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

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Stockland (ASX:SGP)

We are a leading creator and curator of connected communities with people at the heart of the places we create. For more than 70 years, we have built a proud legacy, helping more Australians achieve the dream of home ownership, and enabling the future of work and retail. Today, we continue to build on our history as one of Australia's largest diversified property groups to elevate the social value of our places, and create a tangible sense of human connection, belonging and community for our customers. We own, fund, develop and manage one of Australia's largest portfolios of residential and land lease communities, retail town centres, and workplace and logistics assets. Our approach is distinctive, bringing a unique combination of development expertise, scale, deep customer insight, and diverse talent - with care in everything we do. We are committed to contributing to the economic prosperity of Australia and the wellbeing of our communities and our planet.

Chairman's Address

Annual General Meeting 2023

TOM POCKETT – CHAIRMAN OF THE 2023 ANNUAL GENERAL MEETINGS, STOCKLAND

Good afternoon, everyone, and welcome to the Stockland 2023 Annual General Meetings.

My name is Tom Pockett, and I am privileged to Chair the Boards of your company.

I'd like to begin by acknowledging the Traditional Custodians of the land on which we meet today, the Gadigal people of the Eora Nation and pay my respects to Elders past and present.

As a quorum is present, I would like to formally declare the Annual General Meetings open.

Voting on Resolutions 2 to 6 in the Notice of Meetings is now open via the online Lumi platform.

Please note the voting exclusions for Resolutions 5 and 6 are set out in the Notice of Meetings.

I would like to introduce my Board colleagues joining us today, seated on the stage or in the front row.

Tarun Gupta, who was appointed Managing Director in June 2021.

Melinda Conrad, who was appointed in May 2018 and is the Chair of the People and Culture Committee and Nominations Committee.

Christine O'Reilly, who was appointed in August 2018 and is the Chair of our Risk Committee and a member of the Audit Committee.

Kate McKenzie who was appointed in December 2019 and is a member of our Audit Committee, Sustainability Committee and Nominations Committee. Kate is recommended for re-election at today's meetings.

Andrew Stevens, who was appointed in July 2017 and is the Chair of our Sustainability Committee and a member of both our Risk and People and Culture Committees. Andrew is recommended for re-election at today's meetings.

Stephen Newton, who was appointed in June 2016 and is the Chair of the Audit Committee and a member of the Risk Committee.

Laurence Brindle, who was appointed in November 2020 and is a member of the Audit Committee and Nominations Committee.

Adam Tindall, who was appointed in July 2021 and is a member of the Audit Committee and the Sustainability Committee.

Also joining the Board today and assisting with today's proceedings, we have Katherine Grace, who you have already met. Katherine was appointed Stockland's General Counsel and Company Secretary, in August 2014.

Also joining us for today's meetings are our auditors, PwC, represented by Jane Reilly. Finally, members of the Stockland Leadership Team are also joining us in person.

As you will be aware from the Notice of Meetings, there are five formal items of business to be discussed today.

We will provide an opportunity for discussion and any questions you might have when we deal with each of the formal agenda items. I encourage you to vote at, or in advance of each resolution to ensure you have sufficient time to complete this during the meetings.

Prior to the start of the formal meeting items, I will now make some general observations about the previous financial year, and then Tarun will provide us with an update on our business operations and the execution of our strategy.

We were pleased to deliver a strong performance for FY23, with Funds From Operations (FFO) toward the upper end of our guidance range.

On a pre-tax basis, FY23 Funds From Operations (FFO) rose 3.8% to \$883 million, and rose 3.9% on a per security basis to 37.1 cents.

Our result for FY23 reflects the strength of our diversified platform, and several years' worth of focused efforts by the Stockland team to create a high quality, resilient portfolio and development pipeline.

The initial earnings benefits of the refreshed strategy that we announced in November 2021 are also evident, with our new income streams contributing meaningfully to the Group in FY23.

Of note were the contributions firstly from Commercial Property, which mainly comprises Town Centres and Logistics assets, which contributed a 12.7% increase in FFO for the year. Secondly, our Communities business contributed an increase of 16.5% in FFO for the year. The new strategy, which has re shaped our portfolio towards growth sectors, has seen these increases of FFO more than offset the substantial reduction in FFO, from the prior year sale of our Retirement Living business. This was a substantial and notable achievement by the Stockland Team.

Our statutory profit was \$440m compared with approximately \$1.4bn in FY22. The statutory result for FY23 included \$(250)m of devaluations, relative to FY22 which included a revaluation uplift of \$725m. The devaluation in FY23 was mainly related to commercial property assets, primarily our

Workplace assets as a result of a deterioration in market capitalisation rates reflecting the change in market conditions.

The distribution for the year was 26.2 cents per security, representing a distribution payout ratio of 74 per cent of post-tax FFO, a slight decline of 1.5%.

We are mindful of the importance of this distribution to our securityholders and have balanced this with our future capital needs, to ensure our balance sheet is well positioned to support growth opportunities across the business.

Stockland finished the year in a strong capital position, with gearing of 21.9% which provides the Group with significant capacity for investment in its strategic priorities which Tarun will further outline in his presentation.

Your Board and the management team are focused on driving sustainable growth, and ESG leadership is at the core of our strategy.

At last year's AGM, we confirmed we were undertaking a comprehensive review of our ESG strategy. We were proud to present our refreshed ESG strategy in August, along with our first Climate Transition Action Plan.

Our refreshed ESG strategy sets out our ambitions in the areas of decarbonisation, circularity, social impact and climate resilience. Our focus is on making a measurable and meaningful impact through practical and commercially viable initiatives.

We have identified a pathway to achieving our decarbonisation goals, and have set ambitious targets for our business, including: bringing forward our net zero target for scope 1 and 2 by three years to 2025; halving our most material scope 3 emissions by 2030; and targeting net zero for scope 1, 2 and 3 emissions by 2050.

We are also embedding circularity principles throughout the business, to reduce our use of virgin materials and find alternative uses for materials to stay in the system longer.

This is coupled with a sharp focus on resilience, where we will use our comprehensive view of climate-related risk to more effectively allocate capital expenditure to strengthen our portfolio.

Our aspirations extend to making measurable social impact in the communities in which we operate. Our goal is to create approximately \$1 billion of social value by 2030, targeting areas such as First Nations engagement and our role in delivering affordable and sustainable housing solutions.

Our people are a key part of achieving our ESG ambitions and Stockland has long fostered innovative behaviour and thinking across the organisation.

In FY23, our annual Chairman's award for Innovation was presented to the team that developed the Cool Roofs initiative – using light coloured roofs, cool roads and pavements, and increased tree canopy cover – to help reduce urban heat by 2-4 degrees at our masterplanned communities. This initiative demonstrates our mindset around innovation - applying practical solutions that further our ESG goals while achieving commercial outcomes.

Turning now to the resolutions for today's meetings.

Resolution 2, 3 and 4 relate to the re-election of non-executive directors.

At today's meeting I will offer myself for re-election. I have been a proud member of the Stockland Board since 2014 and Chairman since 2016.

I believe my experience in both property and financial sectors has positioned me well for this responsibility.

As Chairman over the past seven years, I have worked closely with my Board colleagues to oversee the implementation of the Group strategy. Should you support my re-election today, I look forward to serving on the Board during my final term as we prepare the transition to a new Chairman. As disclosed in our FY23 Annual Report, in recognition of the director succession planning already underway we have established a standalone Nominations Committee to support the Board in this process.

Kate McKenzie will stand for re-election today with unanimous support from the Board and we will hear from Kate when we reach the resolution on her election.

Andrew Stevens will also stand for re-election today with unanimous support from the Board and we will hear from Andrew when we reach the resolution on his election.

Resolutions 5 and 6 relate to remuneration, and we will discuss these later in the meeting.

Fellow securityholders, before handing over to Tarun. I would like to take the opportunity to thank my Board colleagues and the executive team for their leadership throughout the year.

On behalf of the Board I would also like to thank the broader Stockland team for its dedication and commitment.

And finally, thank you, our securityholders, for your ongoing support and investment in Stockland.

Your Managing Director and CEO, Tarun, will now provide an update on our strategy execution and performance.

Thank you.

Managing Director & CEO's Address

Annual General Meeting 2023

TARUN GUPTA – MANAGING DIRECTOR AND CEO, STOCKLAND

Good afternoon, everyone.

I would also like to acknowledge the traditional owners of the land on which we meet and pay my respects to elders past and present.

Our FY23 result represents a strong financial and operational performance and reflects the disciplined execution of the strategic priorities that we set out in November 2021.

We are dynamically reshaping our portfolio through the targeted divestment of non-core properties and creation of new, high-quality Logistics and Land Lease assets that are accretive to both earnings and net tangible assets.

We are progressing the delivery of our \$40 billion development pipeline while remaining disciplined regarding the level of development risk we take on and the returns we require.

And we are growing our existing capital partnerships while executing on new partnering initiatives.

Progressing these priorities has allowed us to deliver a strong result across the business, against a backdrop of rising interest rates and market uncertainty.

Funds From Operations (FFO) was up 3.8% to \$883m on a pre-tax basis, and FFO per security of 37.1 cents was toward the upper end of our guidance range.

Both the Commercial Property and Communities segments delivered solid earnings growth over FY23, up ~13 per cent and ~17 per cent respectively.

The quality of our Commercial Property portfolio is reflected in our strong operating metrics, with comparable NOI growth for FY23 up 3.5% and leasing spreads accelerating to +3.1% for the Town Centre portfolio and up over 21% for our Logistics assets.

Growth in the contribution from our Communities segment was driven by both our Masterplanned Communities (MPC) and Land Lease Communities (LLC) platforms. Our MPC business delivered a resilient performance in an environment of rising interest rates and production constraints in FY23, with just over 5,400 settlements for the financial year.

Underlying demand for our MPC product is solid, and we remain positive on the medium-term residential outlook, with the rebound in net overseas migration supporting demand amidst ongoing constrained land supply. However, we expect sales volumes to remain around the levels we've seen over the last few quarters until the interest rate environment has stabilised.

We continue to see sustained demand for our LLC product. In July 2023, we acquired five additional LLC projects, which will enable us to accelerate the scale-up of our platform and drive material growth in the earnings contribution from this business in future periods.

We are also pleased that our active capital management over the year has placed our balance sheet in a strong position as we enter FY24.

We ended the financial year with gearing at 21.9% at the lower end of our 20-30% target range. This provides us with both resilience in the current macroeconomic environment and flexibility to take advantage of market opportunities that may emerge in the current environment.

As highlighted in our first quarter update released today, we expect our gearing levels to increase by December 2023 but remain within our target range, as we continue to deploy capital into our secured development pipeline and accretive acquisitions, and the majority of our MPC settlements are expected in the second half of the financial year. The timing of expected MPC settlements is also driving a larger FFO skew to the second half than in FY23.

Operationally, we delivered a strong result over the first quarter.

Our Commercial Property portfolio has continued to perform well, with new leases and renewals during the quarter resulting in rental uplifts of 3% across the Town Centre portfolio and over 36% for our Logistics assets.

We highlighted at our FY23 result that the impact of successive interest rate rises on discretionary retail sales had started to emerge in our town centre sales numbers over the June quarter. That trend has continued through the September quarter, with like-on-like sales declines for categories such as apparel, jewellery and homewares. However, sales growth for the essentials categories to which our portfolio is heavily skewed remains positive.

The MPC business achieved 991 net sales, with both sales rates and enquiry levels showing month-on-month improvement through the quarter. As mentioned, we believe that further material improvement in sales volumes will require a stabilisation in the interest rate outlook.

We recently released our refreshed ESG strategy.

We have identified a clear pathway to achieving our ambitious ESG targets, and our strategy is designed to be commercially sustainable, combining our scale and innovation to make meaningful impact.

At Stockland, our people drive our success. We strive to create an environment where high levels of engagement, inclusion and innovation are natural outcomes. It is pleasing to see our employee engagement remaining consistently high, and improving to 88% over the year, well above the Australian National Norm.

We are also committed to creating a team that is as diverse as the communities that we serve.

Central to that is our commitment to gender diversity, and we continue to meet or exceed our gender balance targets for senior management.

During FY23, we refreshed our First Nations strategy with a focus on key areas in which Stockland can make a meaningful difference, including indigenous employment, procurement, and designing with Country.

Looking ahead, we believe our strategy positions us well for the continuing uncertain macroeconomic environment.

Our Town Centres portfolio has a high weighting to “essentials” categories, and structural drivers continue to underpin demand for our well-located Logistics portfolio.

We are seeing sustained demand for our LLC product and we are positioning our MPC business for the recovery phase of the residential cycle.

I thank the Stockland team for their contribution to this year’s results, and on behalf of the Stockland team, I thank you – our security holders - for your ongoing support.

ENDS

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