

3Q24 Market Update

29 April 2024



Providence, QLD

Stockland

Stockland acknowledges the Traditional Custodians and knowledge-holders of the land on which we live, work and play. We recognise and value their continued and inherent connection to land, sea, culture and community.

We also pay our respects to their Elders past and present and extend that respect to all Aboriginal & Torres Strait Islander peoples today.

Artwork by Saretta



3Q24 quarter update



Key highlights

Group

- ~\$1.06bn acquisition of 12 actively trading Masterplanned Communities (MPC) projects progressing through regulatory approval process with FIRB and ACCC¹
- Settlement of ~\$260m² of non-core Town Centre disposals over 3Q24
- A\$400m medium-term note issuance for 10.5 years, further strengthening the balance sheet and providing resilience and flexibility to take advantage of market opportunities
- Gearing at 30 June 2024 expected to remain within the top half of the 20-30% target range
- FY24 FFO per security guidance range maintained. As previously guided, there will be a larger Group FFO skew to 2H than in FY23, driven by timing of MPC settlements

Commercial Property & Investment Management

- Strong operational metrics, with high occupancy levels maintained across the portfolio
- Leasing spreads accelerated to 42.0%³ for Logistics and maintained at 3.5%⁴ for Town Centres
- Strong performance from essentials-based Town Centre portfolio with total comparable MAT growth of +3.4%⁵ and comparable MAT specialty sales growth of +1.3%⁵

CP Development & Communities

- Progressing the ~\$1.1bn⁶ active Logistics development pipeline
- Construction progressing on the final two buildings at MPark Stage 1⁷, NSW
- 3Q24 MPC net sales of 1,242, reflecting improvements over the past four quarters
- 5,565 MPC contracts on hand at 3Q24, with enquiry levels up strongly in 3Q24 vs 2Q24
- 3Q24 Land Lease Communities (LLC) net sales of 104 homes, reflecting five new project launches over FY24 year-to-date and supported by improvements in the established housing market
- 502 LLC contracts on hand at 3Q24 and enquiries up strongly quarter-on-quarter

1. On a 100% basis (Stockland 50.1%, Supalai 49.9%), excluding transaction costs and subject to adjustments at completion, acquired via Stockland Supalai Residential Communities Partnership (SSRCP). SSRCP may also exercise its right to acquire (at its election) certain additional parcels of land for an additional payment of up to \$239m.
2. Includes Stockland Nowra, NSW, and Stockland Balgowlah, NSW.
3. Average rental growth on new leases and renewals negotiated (executed & HoA) in FY24 YTD.

4. Re-leasing spreads for stable portfolio on an annualised basis, FY24 YTD.
5. Comparable basket of assets as per the Shopping Centre Council of Australia (SCCA) guidelines, which excludes assets which have been redeveloped within the past 24 months.
6. Forecast end value on completion. Subject to relevant approvals.
7. MPark Capital Partnership with Ivanhoe Cambridge.



Commercial Property and Investment Management



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Logistics & Workplace

Strong operational metrics

Logistics

- Favourable demand-supply dynamics, with ~344,000 sqm leased
- Achieved re-leasing spreads of 42.0%¹ on new leases and renewals, while occupancy levels remained high
- Focused on capturing positive rental reversion opportunities presented by portfolio WALE² of 3.5 years and strong tenant demand for well-located pipeline

	3Q24 9 months ended 31 March 2024	3Q23 9 months ended 31 March 2023
Leased area	296,055 sqm	275,777 sqm
Leases under HOA	47,965 sqm	26,308 sqm
Portfolio occupancy ²	98.6%	99.7%
Portfolio WALE ²	3.5 years	3.4 years

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1. Average rental growth on new leases and renewals negotiated (executed & HoA) in FY24 YTD.
2. By income.



Workplace

- Majority of portfolio currently being positioned for future development
- Smaller scale of the portfolio leading to variability in operating metrics:
 - Re-leasing spreads down 1.7%^{1,3}, reflecting rental reversion at one asset
 - Portfolio occupancy of 91.7%^{2,3} and WALE of 5.4 years^{2,3}, reflecting the two recently completed buildings at MPark Stage 1⁴

	3Q24 9 months ended 31 March 2024	3Q23 9 months ended 31 March 2023
Leased area ³	27,493 sqm	16,177 sqm
Leases under HOA ³	4,062 sqm	3,515 sqm
Portfolio occupancy ^{2,3}	91.7%	93.9%
Portfolio WALE ^{2,3}	5.4 years	4.3 years

3. Excludes Walker Street Complex and 601 Pacific Highway in NSW.
4. MPark Capital Partnership with Ivanhoe Cambridge. First two buildings at MPark Stage 1 completed during 1H24.

Town Centres

Resilient performance from essentials-based portfolio

- Total comparable MAT growth of +3.4% and comparable MAT specialty sales growth of +1.3%¹
- Comparable specialty sales of ~\$10,600 sqm, ~8% above the Urbis average²
- Resilient sales underpinned by >70% exposure to essentials-based categories, which remain strong while sales in discretionary categories continue to moderate
- Maintained positive leasing spreads of 3.5%³ and high levels of portfolio occupancy at 99%⁴

1. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months. All centres are included in the comparable basket in 3Q24.
2. Urbis Major Sub-regional Shopping Centre benchmark.



To 31 March 2024	Total portfolio ⁵		Comparable centres ¹	
Retail sales by category	MAT \$m	MAT growth	MAT growth	3Q24 vs 3Q23
Total	5,112	3.4%	3.4%	2.0%
Specialties	1,542	1.3%	1.3%	1.7%
Supermarkets	1,718	5.6%	5.6%	4.3%
DDS/DS	661	2.8%	2.8%	2.8%
Mini majors	759	0.6%	0.6%	0.9%

To 31 March 2024	Total portfolio ⁵		Comparable centres ¹	
Specialty sales by category	MAT \$m	MAT growth	MAT growth	3Q24 vs 3Q23
Apparel	388	(4.3)%	(4.3)%	(3.4)%
Food catering	340	5.5%	5.5%	5.9%
Food retail	120	9.6%	9.6%	11.7%
Homewares	55	(9.1)%	(9.1)%	(7.3)%
Retail services	249	3.6%	3.6%	1.9%

3. Re-leasing spreads for stable portfolio on an annualised basis, FY24 YTD.
4. Occupancy across the stable portfolio, based on signed leases and agreements at 31 March 2024.
5. Sales data includes all Stockland managed retail assets, including joint venture assets.

CP Development and Communities



Masterplanned Communities

Steady improvement

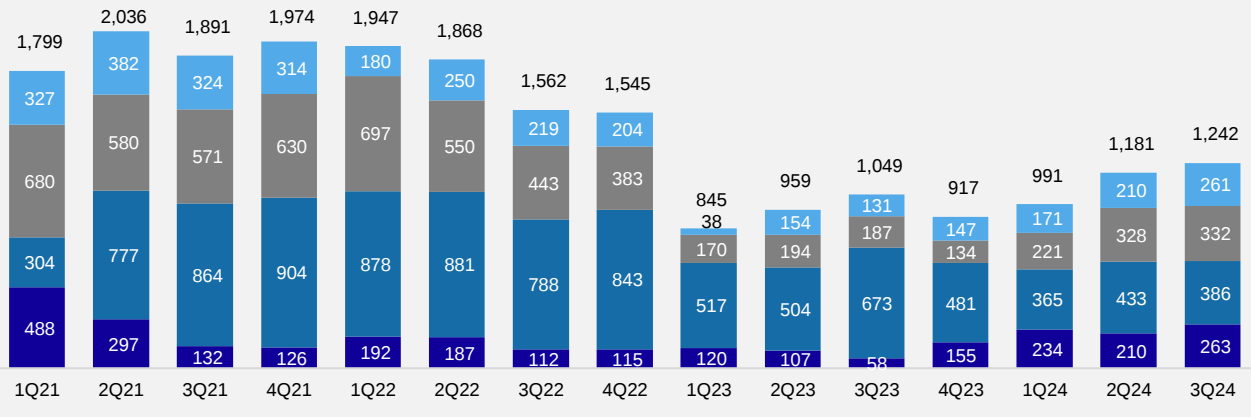
- 3Q24 net sales of 1,242 lots, reflecting continued improvement over the past four quarters
- Enquiries up strongly in 3Q24 vs 2Q24, with month-on-month levels stable over the quarter
- Default rates¹ are currently above historical levels but remain below previous cyclical peak levels
- 5,565 contracts on hand, with FY24 average settlement pricing expected to be 5-10% higher than FY23, reflecting settlement mix
- Stockland's FY24 target settlement range tightened to 5,300-5,500 lots², with expected development operating profit margin maintained in the low 20%^s
- Stockland expects a larger settlement and FFO skew to 2H than in FY23, in line with previous guidance

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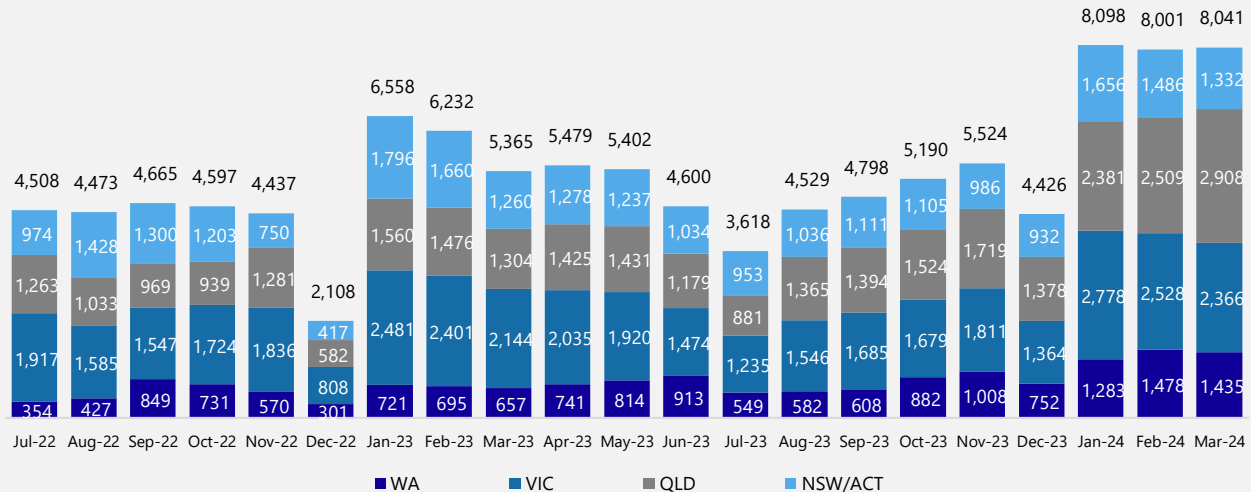
1. 12-month rolling average default rate vs 10-year average default rate.
2. Subject to no material change in market conditions.



Net sales by quarter



Monthly enquiries



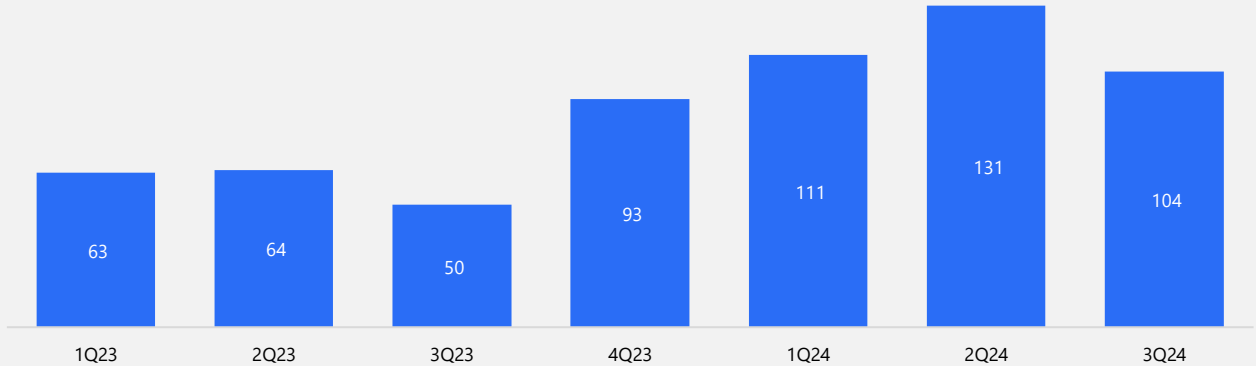
Land Lease Communities

Strong performance

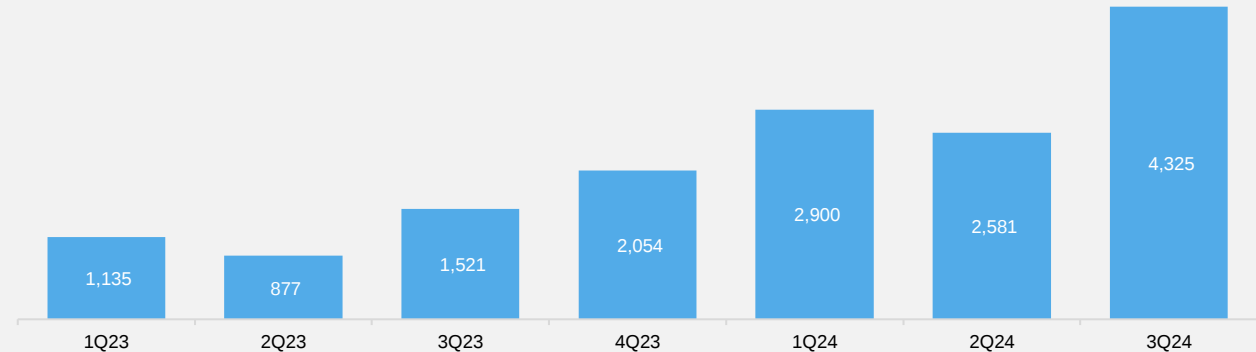
- 3Q24 net sales of 104 homes and a strong uptick in enquiries over the quarter
- Net sales and enquiries reflects five new project launches over FY24 year-to-date, supported by improvements in the established housing market
- 502 contracts on hand at higher average prices vs 1H24 settlements, providing further embedded value¹
- Accelerated development activity, with up to 12 new communities expected to launch during FY24²
- Maintaining FY24 target settlements of 400-450 homes³, with development operating profit margin slightly below the long-term target range of 22-27% due to launch costs associated with production ramp-up



Net sales by quarter



Quarterly enquiries



Outlook



Summary and outlook

Outlook

- Execution of strategic priorities delivering results and strong operational performance
- Positioning for a step change in production rates in Communities, with ~66 communities expected to be active across MPC and LLC by the end of FY24¹
- Continuing to progress the ~\$1.1bn² active Logistics development pipeline, supporting future high-quality recurring income as developments complete
- Focused on capturing positive rental reversion opportunities across well-located Logistics portfolio
- Essentials-based Town Centres portfolio demonstrating resilience in a moderating retail environment
- Gearing at 30 June 2024 expected to remain within the top half of the 20-30% target range³
- Larger Group FFO skew to 2H24 than in FY23, driven by the timing of MPC settlements

Guidance range of 34.5 to 35.5 cents for FY24³

- Maintained FY24 FFO per security guidance range of 34.5 to 35.5 cents on a pre-tax basis³
- Tax expense expected to be a high single-digit percentage of pre-tax Group FFO³
- Distribution per security within our target payout ratio of 75% to 85% of post-tax FFO on a full year basis³

1. Subject to relevant approvals and planning. Active defined as communities that have launched and are selling. Includes the ~\$1.06bn acquisition of 12 actively trading Masterplanned Communities (MPC) projects, currently progressing through regulatory approval process with FIRB and ACCC.
2. Forecast end value on completion. Subject to relevant approvals.
3. All forward looking statements, including FY24 earnings guidance, remain subject to no material change in market conditions.



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As a responsible entity for Stockland Trust

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