

ABACUS

FY24 RESULTS PRESENTATION

23 AUGUST 2024



ABACUS GROUP FY24 RESULTS



Agenda

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Overview

Steven Sewell,
Managing Director

02

Key financial metrics
and capital management

Evan Goodridge,
CFO

03

Operating performance

Steven Sewell,
Managing Director

04

Outlook and guidance

Steven Sewell,
Managing Director

FY24 METRICS



TOTAL ASSETS¹

\$2.6bn

↑ 1.4% on FY23⁴

WEIGHTED AVG
CAP RATE²

6.50%

↑ 79bps on FY23⁴

GEARING¹

32.3%

↓ 90bps on FY23

NET TANGIBLE
ASSETS

\$1.76ps

OCCUPANCY³

94.2%

STATUTORY LOSS

\$241.0m

FFO⁵

\$81.3m

↑ 3.0% on FY23⁶

FFO PER SECURITY

9.24cps

DPS

8.50cps

LEASING DEALS⁷

47,134sqm

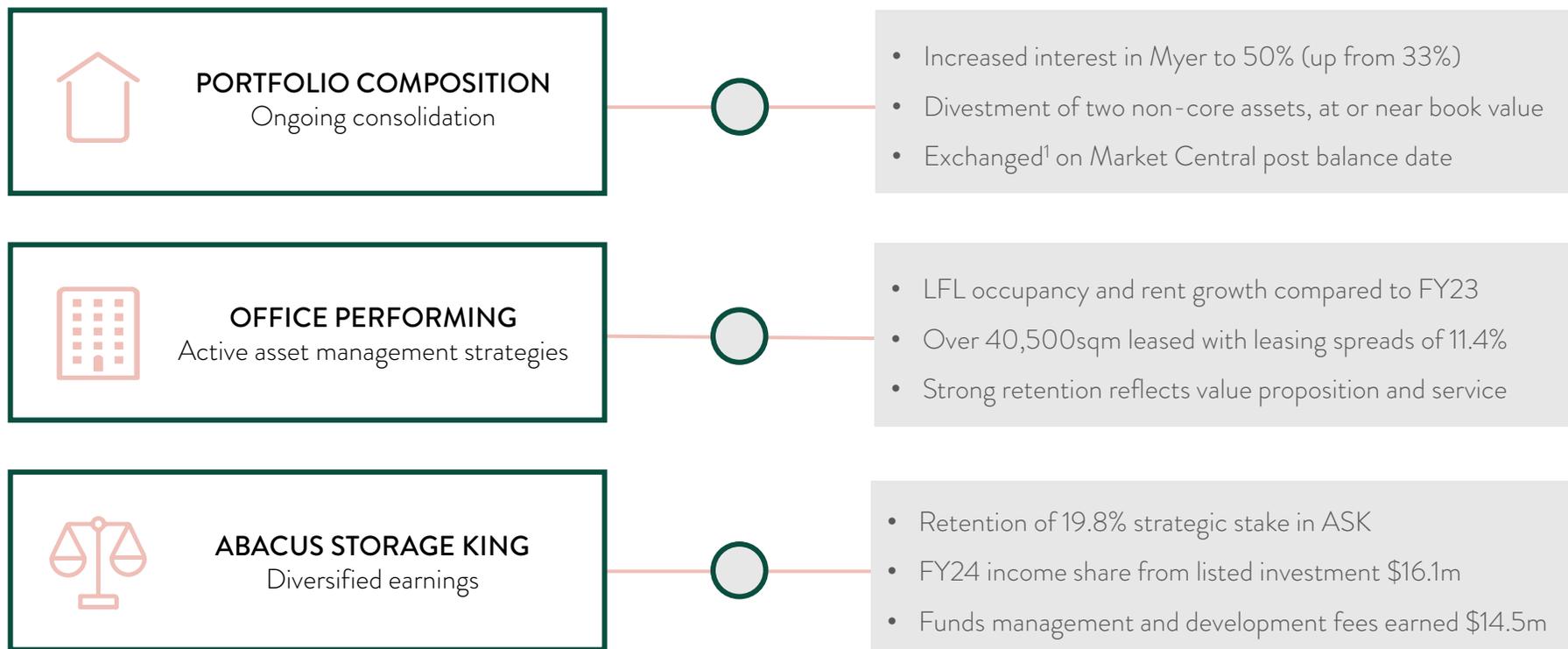
1. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.
2. Cap rate applied to 30 June 2024 investment properties of \$1,885.0 million.
3. Excludes development affected assets.

4. Excludes assets associated with discontinued operations of \$3.1 billion.
5. FFO from continuing operations.
6. Reflects FFO from the four remaining stapled entities of Abacus Group.
7. Based on 100% ownership.

FY24 HIGHLIGHTS

Strong Office and Self Storage performance, with non-core asset sales continuing in the period

Maximising Abacus Group's income



1. Exchanged on the divestment of Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.

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KEY FINANCIAL METRICS & CAPITAL MANAGEMENT

EVAN GOODRIDGE



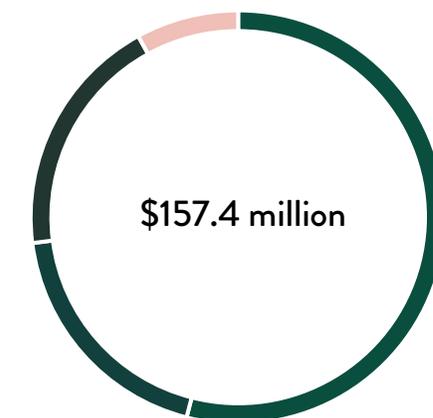


OPERATING EARNINGS SUMMARY

\$ millions	FY24	FY23 ²	Change	Comments
Office LFL FFO ¹	70.2	65.8	6.7%	Driven by increase in occupancy and rent reviews
Office non-LFL FFO ¹	14.1	19.0	(25.8%)	Includes divestments of 33 Queen St, 187 Todd Rd and 63 Ann St
Retail LFL FFO ¹	25.4	25.0	1.6%	Driven by rent reviews, partly offset by increased insurance costs and statutory expenses
Retail non-LFL FFO ¹	4.1	5.1	(19.6%)	Includes divestment of Ashfield Mall
Self Storage - ASK fees	14.5	-	-	Reflects 40bps GAV from June 2024 (\$11.3m) and development management fees (\$3.2m)
Self Storage - ASK return on investment	16.1	-	-	Equity return on the Group's 19.8% ownership of ASK
Other fees & income	13.0	11.6	12.1%	Management fees (\$2.7m), JV income (\$6.6m), finance income (\$3.0m) and other (\$0.7m)
Total operating earnings	157.4	126.5	24.4%	
Administrative and other expenses	(34.7)	(36.3)	(4.4%)	
EBIT	122.7	90.2	36.0%	
Net finance costs	(40.4)	(9.4)		Reflects FY24 WACD of 4.4%
Tax expense	(1.0)	(1.9)		Reflective of lower tax payable
FFO from continuing operations	81.3	78.9	3.0%	
FFO from discontinuing operations	1.2			Reflects one month of fees and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	82.5			
FFO per security (cents)	9.2			
Distribution per security (cents)	8.5			

1. FFO adjusted rental income less property expenses. FFO is defined on slide 22.
2. Reflects FFO from the four remaining stapled entities of Abacus Group.

FY24 operating earnings



- Office, 54%
- Retail, 19%
- Self Storage, 19%
- Other, 8%



FY24 BALANCE SHEET ALLOCATION

30 June 2024 (pro forma¹)

\$2.6bn Total Assets

59% OFFICE \$1.5bn **15% RETAIL** \$0.4bn **16% ASK** \$0.4bn **10% OTHER** \$0.3bn

	Office	\$1,510m	14 properties
	Retail	\$386m	2 properties
	ASK	\$419m	19.8% shareholding in ASK
	Other	\$253m	Non-property assets ³ and two other assets (Riverlands ⁴ and Camellia ⁵)

30 June 2023 (excluding discontinued Self Storage segment²)

\$2.5bn Total Assets

67% OFFICE \$1.7bn **19% RETAIL** \$0.5bn **14% OTHER** \$0.3bn

	Office	\$1,703m	15 properties
	Retail	\$466m	4 properties
	Other	\$365m	Non-property assets and two greenfield assets (Riverlands and Camellia)

1. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.
 2. Excludes assets associated with discontinued operations of \$3.1 billion.

3. Includes cash, cash equivalents, goodwill, intangibles, deferred tax and other assets.
 4. Valued at \$12.5 million as at 30 June 2024.
 5. Valued at \$65.2 million as at 30 June 2024.



CAPITAL MANAGEMENT

Disciplined approach with sufficient liquidity and covenant headroom

NTA¹

\$1.76ps

Total assets²

\$2.6bn

Acquisition capacity^{2,3}

>\$325m

FY24 avg. cost of debt⁴

4.4%

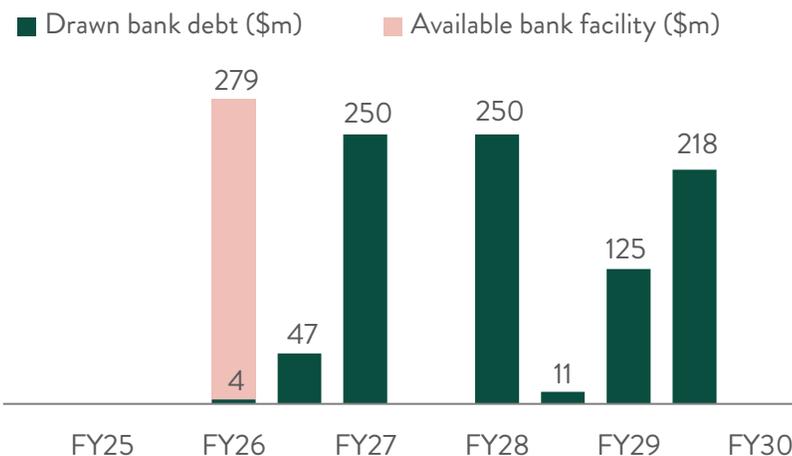
Gearing^{2,5}

32.3%

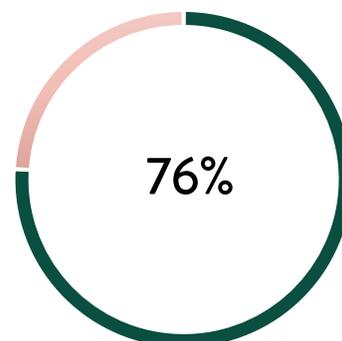
Debt term to maturity

3.4yrs

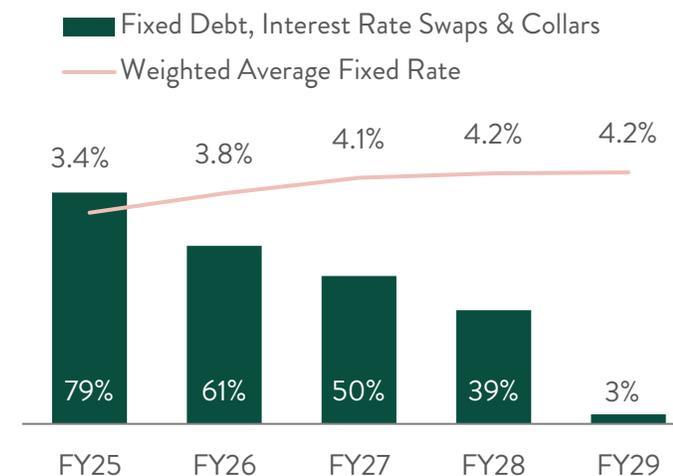
Debt expiry profile



Interest rate hedging – drawn debt



Hedging profile expiry



1. NTA calculated as: (net assets less goodwill less DTA plus DTL) divided by total securities as at 30 June 2024.
 2. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.

3. Based on revised target gearing of up to 40%.
 4. FY25 guidance for average cost of drawn debt 5.1% assuming average floating rate of 4.2%.
 5. Calculated as bank debt (\$846.5m) less cash (\$23.5m) divided by total assets less cash (\$2,545.0m).



FY24 VALUATION UPDATE



Bond yields continue to impact cap rates



Investment Portfolio		Office	Retail	Other ¹	ASK
No. of properties	30 June	14 assets 	3 assets 	2 assets 	n/a 
Carrying value	30 June	\$1,510m	\$444m	\$253m ¹	\$419m
Investment property valuation movement since FY23		- \$225m - 14.2%	- \$40m - 8.2%	- \$10m - 11.5%	n/a
Net income growth		-\$4m	-\$9m	n/a	n/a
Cap rate movement		-\$221m	-\$31m	n/a	n/a
FY24 WACR		6.43%	6.58%	n/a	n/a
FY23 WACR		5.59% ²	6.16% ³	n/a	n/a

1. Includes 2 other assets: Riverlands (\$12.5million) and Camellia (\$65.2 million).
2. Cap rate applied to Office portfolio properties of \$1,703 million.
3. Cap rate applied to Retail portfolio properties of \$466 million.

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OPERATING PERFORMANCE

STEVEN SEWELL





OFFICE SNAPSHOT

Portfolio of 14 Office assets valued at \$1.5 billion¹

OCCUPANCY²

93.4%

LFL FY23⁶: 93.0%

WALE²

3.7yrs

LFL FY23⁶: 3.9yrs

LEASING DEALS

94

FY23: 94

LFL RENT GROWTH²

4.7%

FY23: 1.7%

WACR

6.43%

FY23: 5.59%

A-GRADE BUILDINGS³

78%

FY23: 76%

TENANT CUSTOMERS⁴

329

FY23: 314

SME CUSTOMERS^{4,5}

64%

FY23: 61%

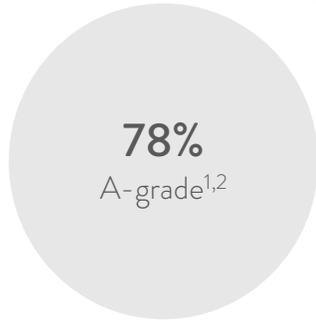
1. As at 30 June 2024.
2. Excludes development affected assets (201 Elizabeth Street, Sydney NSW and Virginia Park, Bentleigh East VIC).
3. Excludes Virginia Park, Bentleigh East VIC (part Industrial).

4. Includes ABG's Office portfolio and 4 Martin Place, Sydney NSW.
5. By number of customers.
6. Restated to exclude sold properties and include 459-471 Church Street, Richmond VIC and 452-484 Johnston Street, Abbotsford VIC, which were development affected in FY23.



A-GRADE OFFICE PORTFOLIO

A-grade portfolio in premium locations underpinned by a diversified SME customer base



Market profile: Geography¹



Asset profile: Grade^{1,2}



Asset profile: Life cycle¹



Customer profile: Top 5 industries³



Customer profile: SME customers⁴

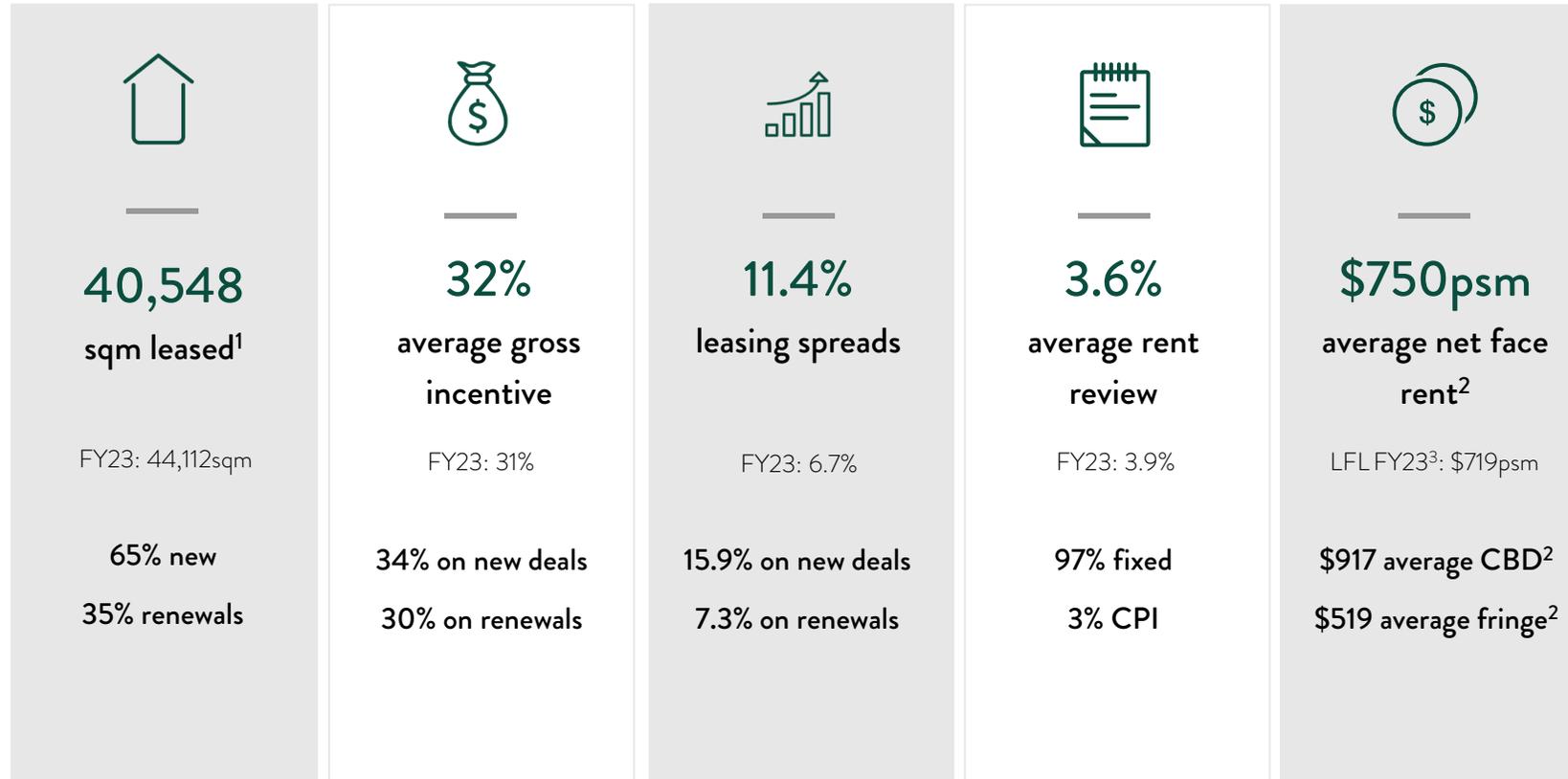


1. By fair value.
2. Excludes Virginia Park, Bentleigh East VIC (part Industrial).
3. By total gross income.

4. By count.
5. Completed on behalf of ABG by Future Forma. Poor (0-15), below average (15-40), average (40-65), above average (65-85), very good (85-100).

OFFICE LEASING METRICS

Strong leasing spreads achieved in a challenging office environment



1. Based on 100% ownership.

2. As at 30 June 2024. Sydney and Melbourne assets excluding development affected assets (201 Elizabeth Street, Sydney NSW and Virginia Park, Bentleigh East VIC).

3. Restated to exclude sold properties and include 459-471 Church Street, Richmond VIC and 452-484 Johnston Street, Abbotsford VIC, which were development affected in FY23.



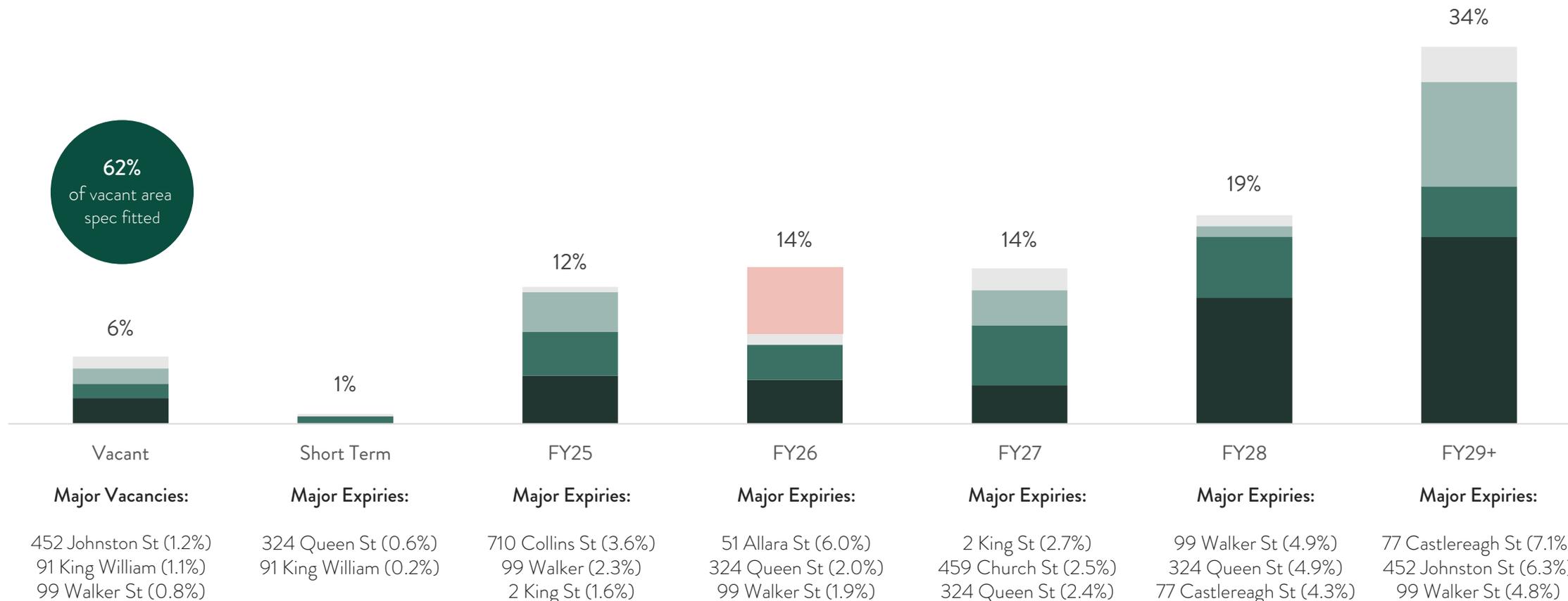


OFFICE LEASING EXPIRY¹

Underpinned by geographical diversity

■ NSW ■ QLD ■ VIC ■ SA ■ ACT

62%
of vacant area
spec fitted



1. By income and excludes development affected assets as at 30 June 2024 (201 Elizabeth Street, Sydney NSW and Virginia Park, Bentleigh East VIC).

IN FOCUS: 201 ELIZABETH & 77 CASTLEREAGH

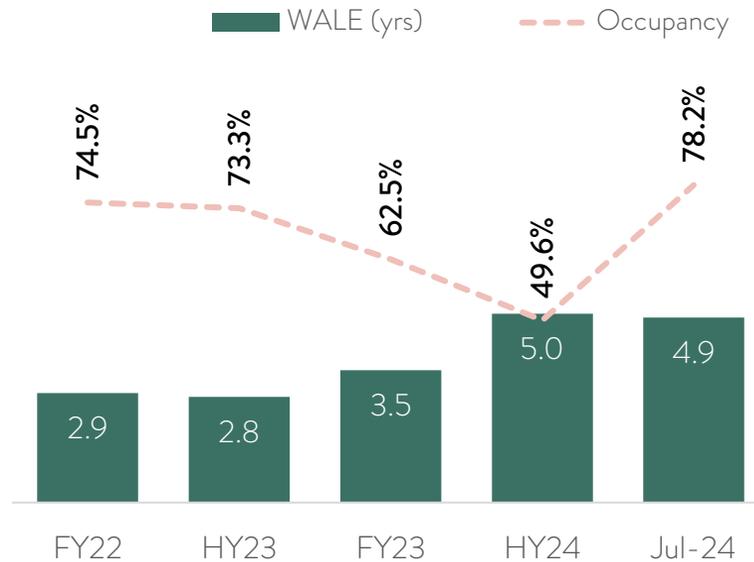
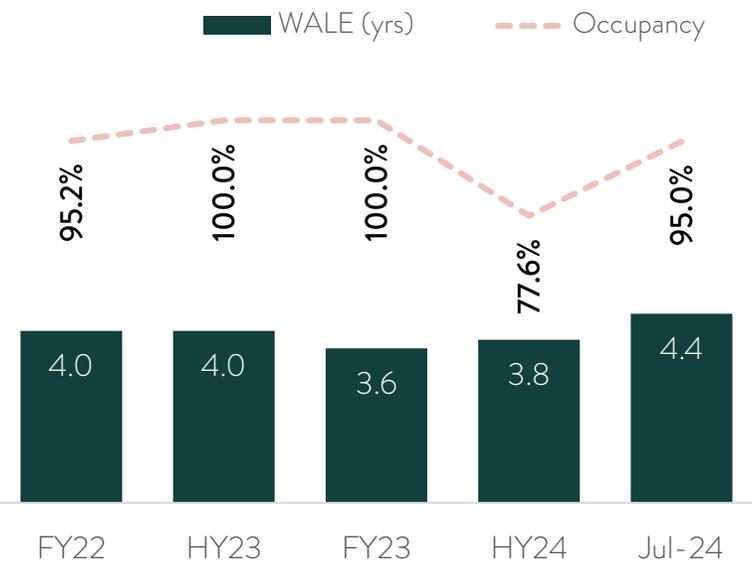
Active asset management initiatives have resulted in significant leasing outcomes since HY24¹

77 Castlereagh Street

Leasing deals	Occupancy	Incentives
3,435 sqm	95.0%	37.6%
since HY24 ¹	31 July 2024	since HY24 ¹

201 Elizabeth Street

Leasing deals	Occupancy	Incentives
13,416 sqm	78.2%	41.8%
since HY24 ¹	31 July 2024	since HY24 ¹



1. 1 January 2024 to 31 July 2024.

RETAIL AND SELF STORAGE INVESTMENTS

\$0.4 billion¹ invested in 3 Retail assets (2 centres and 1 CBD asset) and \$0.4 billion¹ of Self Storage investments

RETAIL

OCCUPANCY	WALE	LEASING DEALS	LFL RENT GROWTH	WACR	AVG. RENT REVIEW
96.1%	5.8yrs	39	6.3%	6.58%	5.1%
FY23: 95.2%	FY23: 5.8yrs	FY23: 45	FY23: 3.8%	FY23: 6.16%	FY23: 6.3%

SELF STORAGE

ASK REVPAM ²	ASK AVERAGE RENT ²	ASK OCCUPANCY ²	WACR	MANAGEMENT FEES ³	DEVELOPMENT FEES
\$327	\$360	91%	5.55%	\$11.3m	\$3.2m
↑ 4.6% on FY23	↑ 3.8% on FY23	↑ 60bps on FY23	FY23: 5.57%		



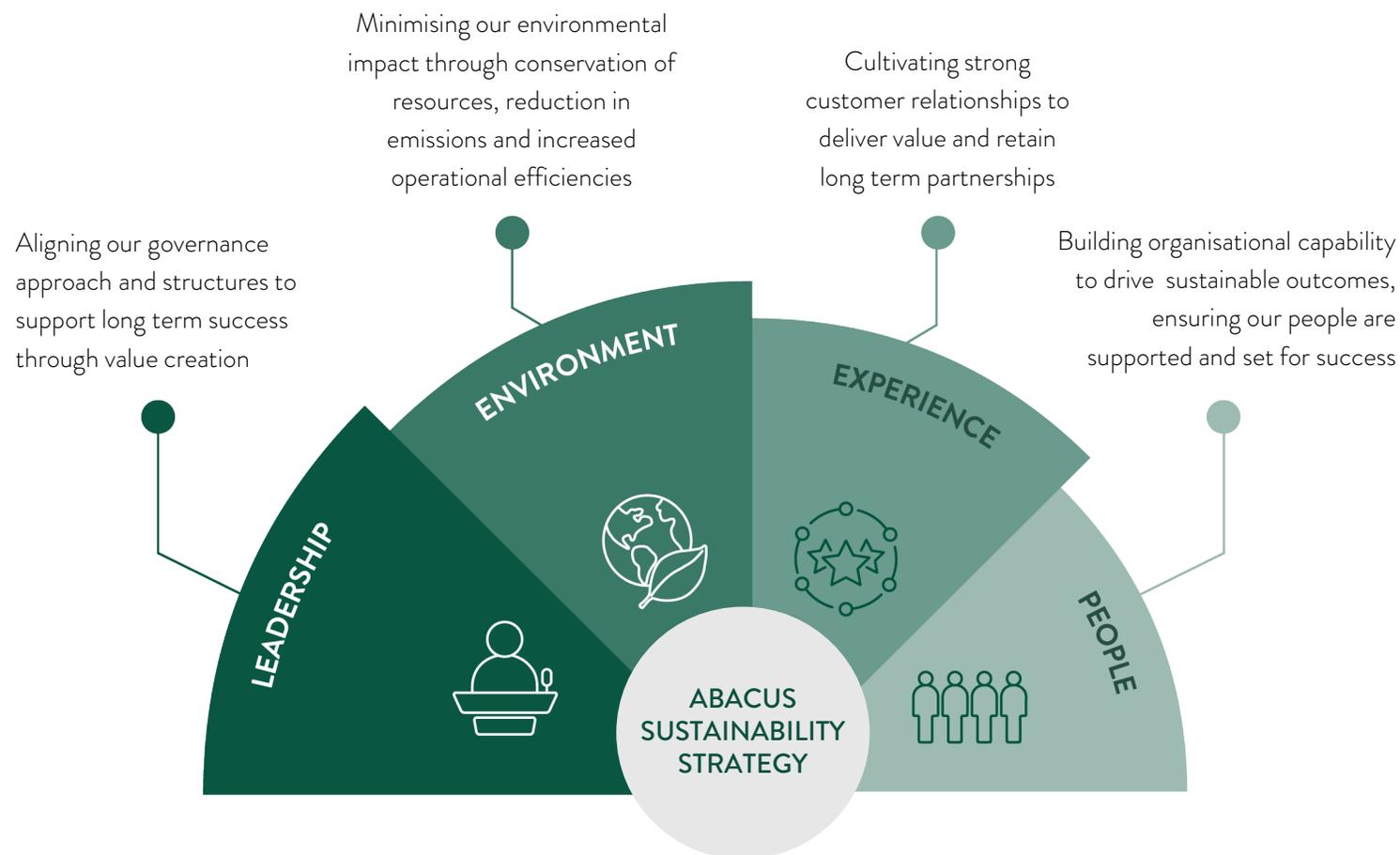
Myer, Melbourne VIC

1. As at 30 June 2024.
 2. Established portfolio includes 86 mature stores open as at 1 July 2022. Average over last 12 months (by area).
 3. Fees from continued operations.



ESG: FOCUS

Vision: To concentrate on select real estate sectors that deliver long term and sustainable outcomes through active investment, asset and development management and a strong focus on customer and brand awareness



- Emission intensity:**
36% ↓ in scope 1 and 2 GHG emission intensity (vs. FY19)
- Water reduction:**
10% ↓ in water intensity (vs. FY19)
- Carbon neutral buildings:**
2 assets have been certified by Climate Active
- Supporting our people:** 94% of team members believe ABG is committed to health and safety
- Energy and water efficiency¹:**
4.8* Energy NABERS rating
4.0* Water NABERS rating

1. Average NABERS ratings.

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OUTLOOK AND GUIDANCE

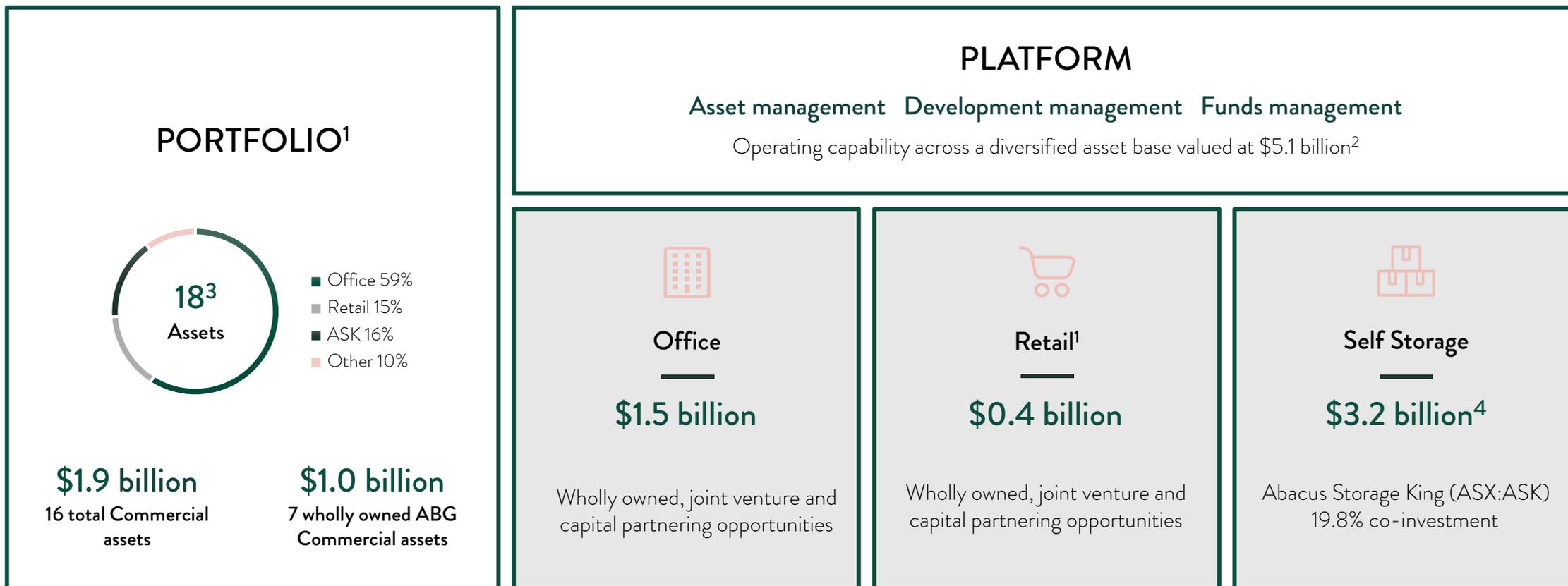
STEVEN SEWELL





LEVERAGING THE PLATFORM

Positioning the business to explore further platform opportunities



1. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.
2. Abacus Group total Commercial assets of \$1.9 billion plus Abacus Storage King total assets of \$3.2 billion.
3. Includes 16 Commercial assets and 2 other assets (Riverlands and Camellia).
4. Abacus Storage King total asset value.

OUTLOOK AND GUIDANCE



Owning and managing an Australian eastern seaboard focused Commercial portfolio and external management of Abacus Storage King (ASX:ASK)



Abacus Group

Active asset management and diversified leasing strategies to drive income growth throughout our portfolio

Outlook

We remain confident that the Group is well positioned to leverage our key enablers and deliver recurring income and value creation over the medium to long term



FY25 Guidance

- Abacus Group FY25 distribution guidance of 8.5 cents per security
- Targeting a full year payout ratio of 85%-95% of FFO

Our guidance is predicated on no material deterioration in current business conditions

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STATUTORY EARNINGS RECONCILIATION



Performance metrics (\$m)	FY24
Net profit attributable to ABG securityholders	(241.0)
Discontinued operations	(1.0)
Fair value adjustments	302.8
Depreciation and amortisation	3.6
Rent straight-lining & incentives & one off adjustments	15.5
Tax benefit on FFO items	2.6
FFO	82.5

Term	Definition
Funds from operations (FFO)	FFO is in line with the PCA's definition and comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investment properties accounted for at fair value, fair value of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

PROFIT AND LOSS OVERVIEW



Performance metrics (\$m) ¹	FY24	FY23	Comments
Rental income	157.9	157.9	Rental growth offset by divestments of two assets
Fee, finance and other income	20.9	4.5	Increase due to ASK fees received from August 2023
Share of profit from equity accounted investments	22.7	7.1	Increase due to 19.8% ownership of ASK
Total revenue	201.5	169.5	
Property expenses	(44.1)	(43.0)	Increase primarily due to insurance, electricity and repairs and maintenance
Operating earnings	157.4	126.5	
Administrative and other expenses	(34.7)	(36.3)	
EBIT	122.7	90.2	
Net finance costs	(40.4)	(9.4)	FY24 WACD of 4.4%
Tax expense	(1.0)	(1.9)	
FFO from continuing operations	81.3	78.9	
FFO from discontinued operations	1.2	-	Reflects one month of fees and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	82.5	78.9	
Weighted average securities as at 30 June 2024 ²	893,657,633	893,452,320	

1. FFO is defined on slide 22.

2. Weighted average securities used in FFO/security calculation.

BALANCE SHEET OVERVIEW



\$ millions	FY24
Investment properties	\$1,885.0m
PP&E, equity and other investments, financial and other assets	\$621.3m
Loans	\$55.9m
Cash and cash equivalents	\$23.5m
Goodwill and intangibles	\$32.4m
Deferred tax assets	\$8.2m
Total assets	\$2,626.3m
Interest bearing liabilities	\$939.3m
Other liabilities	\$70.5m
Deferred tax liabilities	\$9.4m
Total liabilities	\$1,019.2m
Net assets	\$1,607.1m
Total securities as at 30 June 2024	893,657,633

CAPITAL TRANSACTIONS

Portfolio optimisation continues with divestments achieved in a challenging market

Acquisitions completed
in FY24

\$82.5m

Divestments completed in
FY24

\$168.8m^{1,2}

Net divestments in
FY24

\$86.3m

	Asset	Value
FY24 Acquisitions	83 Walker Street, North Sydney ³	\$10.5m
	Myer, Melbourne ⁴	\$72.0m
	Asset	Value
FY24 Divestments	Ashfield Mall, Ashfield	\$76.1m
	63 Ann Street, Surry Hills	\$32.3m
Post balance date ²	Market Central, Lutwyche	\$60.4m

1. Total consideration excluding transaction costs and reflecting an aggregate 1.3% premium on 31 December 2023 valuations on a net basis.
2. Includes the impact of divesting Market Central, Lutwyche QLD post balance date. Settlement is expected to occur in HY25.
3. Included in the 99 Walker Street, Sydney property for simplicity given it is immaterial from a valuation and operational portfolio perspective.
4. Acquisition of additional 16.7% share.



Ashfield Mall, Ashfield NSW

DEBT FACILITIES



Capital management metrics	FY24	Comments
Total bank debt facilities	\$1,183m	
Total bank debt drawn	\$904m	
Term to maturity	3.4yrs	
Interest rate hedging	76%	
Weighted average hedge maturity	2.6yrs	
Average cost of debt - drawn	4.4%	
Average cost of debt - fully drawn	4.2%	
Group gearing	33.8%	Calculated as bank debt net of cash divided by total assets net of cash
Look through gearing	38.4%	Includes impact of JV gearing
Gearing calculated for covenant measures/covenant	38.7%/50%	Total liabilities net of cash divided by total tangible assets net of cash
Interest coverage ratio/covenant	2.5x / 2.0x	EBITDA divided by interest expense



INVESTMENT PORTFOLIO METRICS

Portfolio metrics FY24	Office	Retail	ASK	Other ¹	Total
Value (\$m)	1,510	444	419	253	2,626
No. of assets	14	3	-	2	19
NLA ^{2,3} (sqm)	135,476	56,519	-	-	191,995
WACR (%)	6.43	6.58	-	-	6.46
Occupancy ² (% by area)	93.4	96.1	-	-	94.2
Average net face rent ² (\$ psm)	689	683	-	-	687
WALE ² (yrs by \$)	3.7	5.8	-	-	4.3

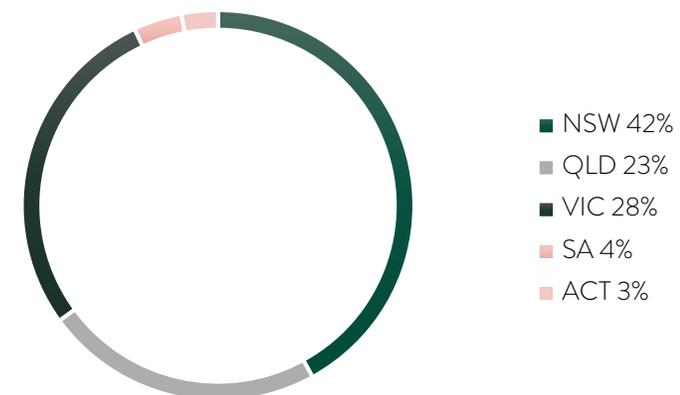
Asset ownership (number of assets)	NSW	QLD	VIC	SA	ACT
100% owned	5	2	1	-	1
50% owned	1	3	4	1	-
<50% owned	1	-	-	-	-

1. Includes cash and other non-property assets.
2. Excludes development affected assets.
3. Abacus ownership basis.
4. Excludes cash and other non-property assets.

Investment portfolio sector diversification



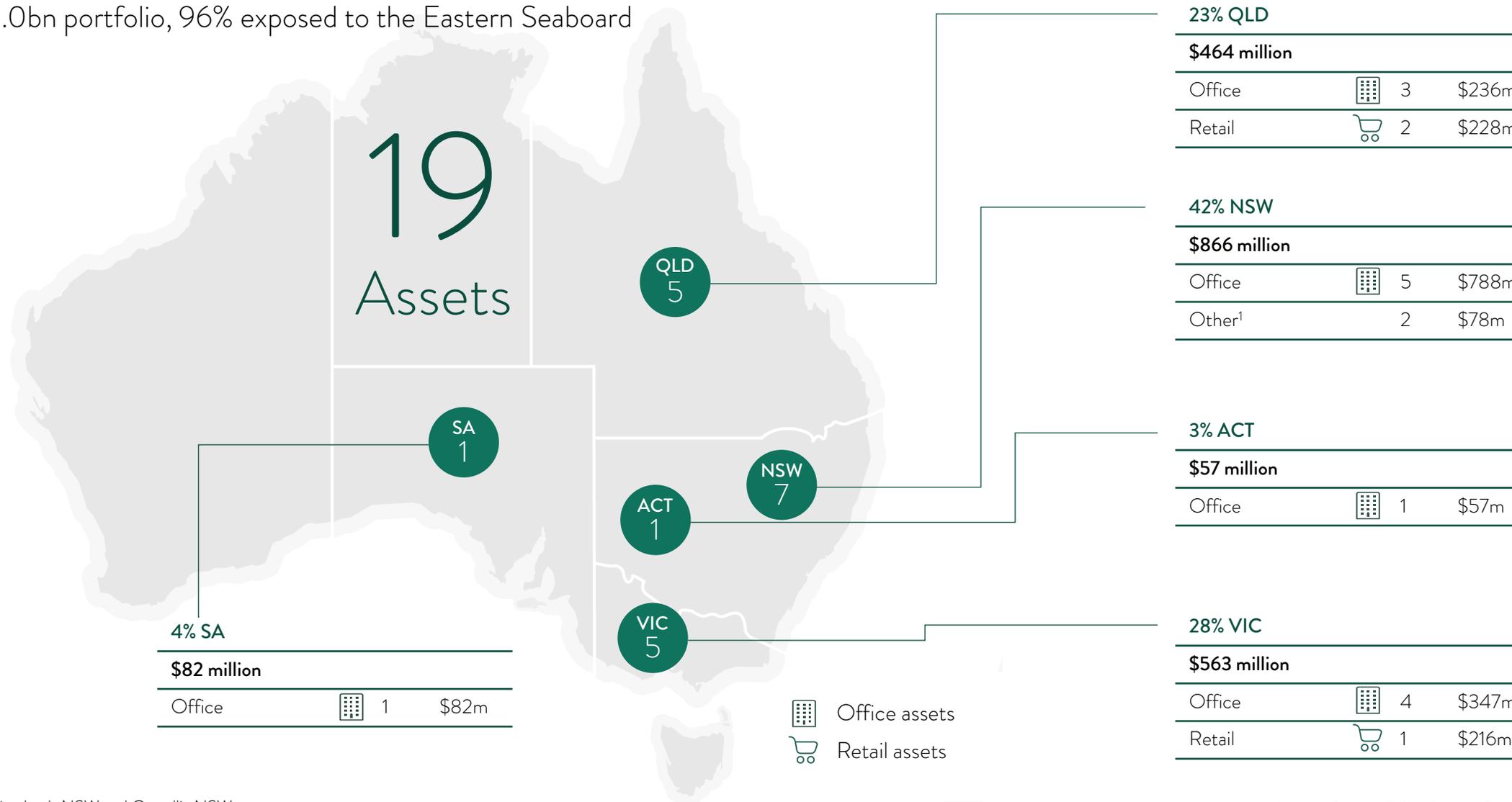
Investment portfolio geographic diversification⁴





COMMERCIAL PORTFOLIO

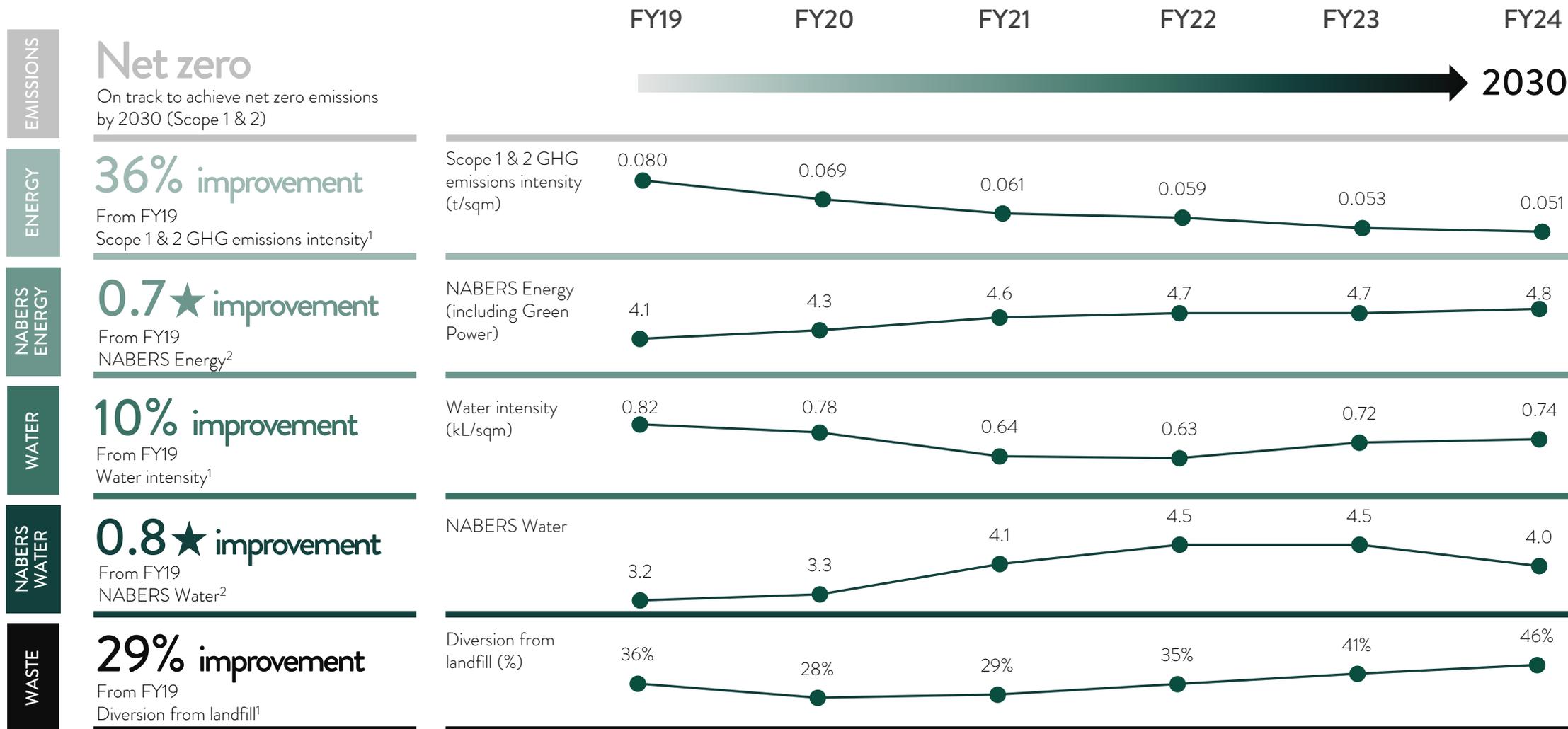
\$2.0bn portfolio, 96% exposed to the Eastern Seaboard



1. Riverlands NSW and Camellia NSW.



ESG: TRACKING OUR PROGRESS



1. Commercial assets (Office and Retail) under operational control.
 2. Office assets under Abacus Group ownership and control.

GLOSSARY



TERM	DEFINITION	TERM	DEFINITION
ABG	Abacus Group	KL/SQM	Kilolitres per square metre
ASK	Abacus Storage King	LFL	Like for like
ASX	Australian Securities Exchange	NABERS	National Australian Built Environment Rating System
CBD	Central business district	NLA	Net lettable area
CPI	Consumer price index	NTA	Net tangible assets
CPS	Cents per stapled security	PCA	Property Council Australia
DPS	Distribution per stapled security	PP&E	Property, plant and equipment
DTA	Deferred tax assets	PS	Per stapled security
DTL	Deferred tax liabilities	PSM	Per square metre
EBIT	Earnings before interest and taxes	REVPAM	Revenue per available square metre
EBITDA	Earnings before interest, taxes, depreciation and amortisation	SME	Small medium enterprise
ESG	Environmental, Social and Governance	SQM	Square metre
FFO	Funds from Operations	T/SQM	Tonnes per square metre
FY	Financial year	WACD	Weighted average cost of debt
GAV	Gross asset value	WACR	Weighted average capitalisation rate
GHG	Greenhouse gas	WALE	Weighted average lease expiry
HY	First half of financial year	YTD	Year to date
JV	Joint venture		



IMPORTANT INFORMATION

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Indications of, and guidance on, future earnings and financial position and performance are “forward-looking statements”. Due care and attention has been used in the preparation of forward looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Abacus Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.