

Abacus Property Group

# FY19 Results Presentation

16 August 2019

# FY19 metrics



<b>STATUTORY PROFIT</b>	<b>POST PLACEMENT NET TANGIBLE ASSETS</b>	<b>TOTAL ASSETS</b>	<b>POST PLACEMENT GEARING</b>
<b>\$202.7m</b> down 16.8% on FY18	<b>\$3.38<sup>1</sup></b> up 6.3% on FY18	<b>\$2.8b</b> up 3.9% on FY18	<b>15.2%<sup>2</sup></b> down 810 bps on FY18
<b>UNDERLYING PROFIT</b>	<b>FUNDS FROM OPERATIONS (FFO)</b>	<b>FFO PER SECURITY</b>	<b>DISTRIBUTION PER SECURITY (DPS)</b>
<b>\$139.4m</b> down 24.0% on FY18 <b>77% payout ratio</b>	<b>\$129.2m</b> down 23.9% on FY18 <b>83% payout ratio</b>	<b>22.28c</b> down 24.2% on FY18	<b>18.50c</b> up 2.8% on FY18

1. FY19 NTA was \$3.33 up 4.7% on FY18
2. FY19 gearing was 24.1% up 80 bps on FY18

# FY19 highlights



Solid progress on transition of Abacus platform towards a strong asset backed, annuity style investment house. Focus on key sectors of Office and Self Storage

- 8.4% growth in annual net property rental income to \$114.8 million
  - 14.2% Commercial portfolio rental growth, driven by CBD exposure
  - 1.3% Self Storage portfolio rental growth (3.6% compound average RevPAM growth rate since FY13)
- Refinanced over \$1 billion of banking facilities – extending debt duration to 5.3yrs
- A combination of established (Heitman LLC) and new (Salta Properties and Charter Hall (CHC)) collaborative partnerships have created enduring investment opportunities and facilitated our capital recycling program
- Post balance date initiatives
  - Successful completion of a \$250 million institutional placement
  - Acquisition of an ownership interest in 201 Elizabeth Street, Sydney for \$202 million<sup>1</sup>

1. 32% interest. Exchanged post year end

# Delivering in line with strategic priorities



Abacus continues to successfully execute on its stated strategy to pursue long term value enhancing investments and realise non-core assets

Pursue long term value enhancing investments	Office	<ul style="list-style-type: none"> <li>▪ <b>Australian Unity Office Fund (AOF)</b> – acquired pre bid strategic stake of 19.9%, and entered due diligence on its portfolio of 9 office assets with potential for enhancement and re-development over time. (50:50 joint venture activity with Charter Hall)</li> <li>▪ <b>2 King Street, Fortitude Valley QLD</b> – \$170 million 50:50 co-ownership with Heitman LLC</li> <li>▪ <b>Church Street, Richmond VIC</b> – asset development with estimated end value<sup>1</sup> of c.\$230 million in 50:50 co-ownership with Salta Properties</li> <li>▪ <b>201 Elizabeth Street</b> – 32% interest acquired<sup>2</sup> in a consortium with Charter Hall for \$202 million</li> </ul>
	Self Storage	<ul style="list-style-type: none"> <li>▪ <b>FY19 acquisitions</b> – c.\$180 million settled including minority interest in operating platform Storage King (August 2018)</li> <li>▪ <b>Contracted</b> – terms agreed on an additional \$63 million of acquisitions</li> </ul>
Realise non-core assets		<ul style="list-style-type: none"> <li>▪ <b>Residential Developments and Land</b> – Refinanced, sold, terms agreed on c.\$150 million of residential investments<sup>3</sup></li> <li>▪ <b>Retail</b> – Sold Liverpool Plaza<sup>4</sup> for \$46 million and Bacchus Marsh Village Shopping Centre for \$62 million</li> </ul>

1. Based on a capitalisation rate of 5.5%

2. Exchanged post balance date

3. Includes the sale of active residential projects and the development loan book

4. Exchanged with settlement to occur in December 2019

# Balance sheet allocation – transition continuing



**JUNE 2019**

**\$2.8** billion of  
Total Assets<sup>1</sup>

**Core**  
\$2.3 billion

**Non-core**  
\$334 million

Office	\$1,078m	Residential Developments	\$334m
Self Storage	\$908m		
Super Convenience and other Retail	\$238m		
Industrial	\$99m		

**JUNE 2018**

**\$2.7** billion of  
Total Assets<sup>1</sup>

**Core**  
\$2.1 billion

**Non-core**  
\$449 million

Office	\$879m	Residential Developments	\$449m
Self Storage	\$666m		
Super Convenience and other Retail	\$425m		
Industrial	\$160m		

1. Includes investments in cash and other assets not pictured above

# Financial results

# Abacus Property Group key financial metrics



KEY FINANCIAL METRICS	FY19	FY18
<b>AIFRS statutory profit<sup>1</sup></b>	\$202.7m	\$243.7m
<b>Funds from operations (FFO)</b>	\$129.2m	\$169.8m
<b>Underlying profit<sup>2</sup></b>	\$139.4m	\$183.3m
<b>Funds from operations per security</b>	22.28c	29.39c
<b>Distributions per security</b>	18.50c	18.00c
<b>Cashflow from operations</b>	\$114.2m	\$168.4m

Transitioning to a strong asset backed, annuity style business model with high conviction in key sectors of Office and Self Storage

- FFO adopted as a key metric
- Decrease in profits due to lower returns from equity accounted investments<sup>3</sup> and declining profits from the completion of residential projects as we wind down the development business

Result highlights in FY19:

- \$114.8 million of net property income including:
  - \$67.4 million from Commercial portfolio
  - \$47.4 million from Self Storage portfolio
- Established Self Storage portfolio<sup>4</sup> of \$680 million yielding 6.7% on an annualised basis
- FY19 distribution per security up 2.8% to 18.5 cents

1. The Group consists of the merged Abacus Property Group, Abacus Hospitality Fund and Abacus Wodonga Land Fund

2. Calculated in accordance with the AICD/Finsia principles for reporting underlying profit

3. Associated with the divestment of 201 Pacific Highway, St Leonards and an office portfolio co-owned with Heitman LLC

4. Owned for more than 36 months. Comprising 55 facilities out of a portfolio of 70

# Balance sheet



NTA per security grew by 4.7% to \$3.33 during FY19, driven by:

- income growth
- cap rate compression

Refinanced over \$1 billion of banking facilities – extending debt duration by 1.5yrs to 5.3yrs

On 24 July 2019, successfully completed an institutional placement for \$250 million at \$3.95 per share

- Post Placement NTA of \$3.38 per security
- Post Placement balance sheet gearing of 15.2%

KEY FINANCIAL METRICS	POST PLACEMENT	FY19	FY18
NTA per security	\$3.38	\$3.33	\$3.18
Abacus total assets	\$2,825m	\$2,825m	\$2,718m
Net tangible assets <sup>1</sup>	\$2,179m	\$1,934m	\$1,842m
Average cost of drawn debt	4.0%	4.0%	4.3%
Gearing <sup>2</sup>	15.2%	24.1%	23.3%
Gearing ratio calculated for covenant measures <sup>3</sup>	19.5%	28.6%	29.2%
Debt term to maturity	5.3yrs	5.3 yrs	3.8 yrs

1. Excludes external non-controlling interests of \$4.7 million (FY18: \$46.6 million)

2. Bank debt minus cash divided by total assets minus cash. If joint venture and fund assets and debt are consolidated proportionately based on Abacus' equity interest, look through gearing is 26.4%

3. Covenant gearing calculated as total liabilities (net of cash) divided by total tangible assets (net of cash)





INVESTMENT PORTFOLIO <sup>1</sup>	FY19 Valuation \$m	FY18 Valuation \$m	FY19 Weighted average cap rate	FY18 Weighted average cap rate
Office	\$1,078	\$879	5.71%	6.23%
Self Storage	\$908	\$666	6.91%	7.45%
Other	\$337	\$585	5.95%	6.02%
<b>Total Abacus investment portfolio</b>	<b>\$2,323</b>	<b>\$2,130</b>	<b>6.29%</b>	<b>6.58%</b>

Valuation uplift across the investment portfolio skewed to HY19

The revaluation process for Abacus resulted in a net increase in investment property values for FY19 of approximately 3.5% or \$69.6 million

- \$51.4 million across the Self Storage portfolio
- \$18.2 million across the Commercial investment properties

Reductions driven by

- Retail – sale of two non-core assets<sup>2</sup>, and 50% interests in Lutwyche and Ashfield
- Industrial – sale of non-core assets

1. Includes assets acquired under our third party capital platform, inventory and PP&E

2. Including Liverpool Plaza which settles in December 2019

# Investment portfolio

- Office
- Self Storage
- Super Convenience and other Retail

# Office – CBD and select fringe



## ABACUS INVESTMENT IN OFFICE \$1,078m<sup>1</sup>

**91.8%**

Occupancy

**7.1%**

LFL rental growth

**3.5 years**

WALE

**5.71%**

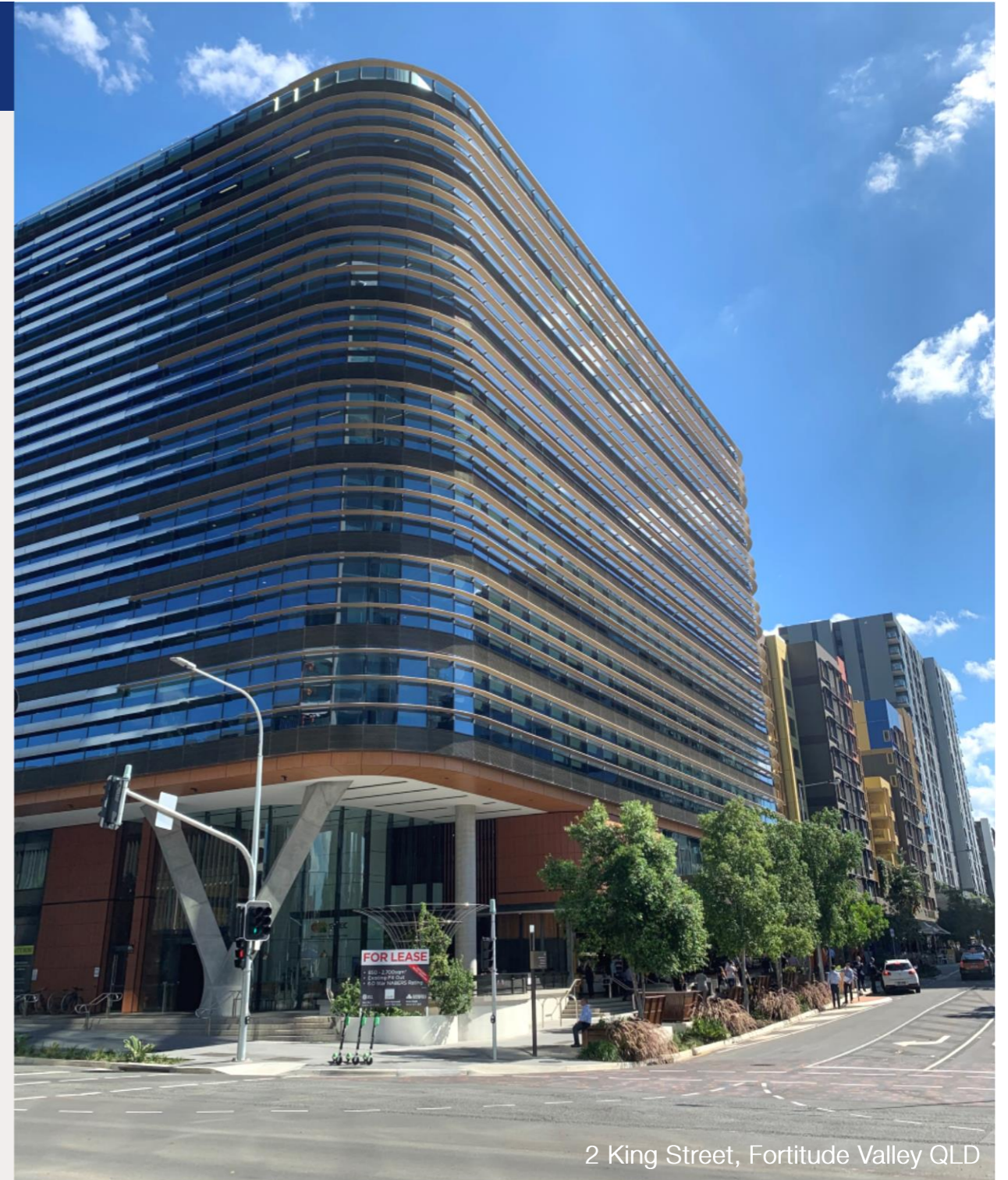
WACR

**\$675 psm**

Average CBD<sup>2</sup> rent

**\$370 psm**

Average fringe<sup>2</sup> rent



2 King Street, Fortitude Valley QLD

1. Abacus ownership. Total asset value equates to \$1.64 billion

2. Sydney and Melbourne



201 Elizabeth Street, Sydney NSW

## REPOSITIONING OPPORTUNITY

Post balance date acquisition of a 32% interest in 201 Elizabeth Street, Sydney for \$202 million<sup>1</sup>

- Purchased in a consortium managed by Charter Hall as tenants in common
- Reflects an equivalent market yield of 5.0% and c.\$16,000 per square metre of NLA
- The building comprises circa 38,934sqm NLA spread over 38 levels of B-grade commercial accommodation
- Originally constructed in 1979, the building sits on a 3,900sqm island site, with the potential to increase gross floor area on the northern section of the site

1. Excluding transaction costs

# Self Storage – unique market investment



Storage King, Frenchs Forest NSW

## ABACUS INVESTMENT IN SELF STORAGE \$908m

**6.7%**  
Passing yield<sup>1</sup>

**1.2%**  
RevPAM growth<sup>1</sup>

**88.5%**  
Occupancy<sup>1</sup>

**\$251**  
RevPAM<sup>1</sup>

**42**  
Average length of stay  
(months)

**\$283**  
Average rent psm<sup>1</sup>

1. Across established portfolio (Owned for more than 36 months. Comprising 55 facilities out of a portfolio of 70)

# Self Storage – Abacus approach



## METROPOLITAN FOCUS

Active acquirer and developer of self storage facilities since 2005

Multi-pronged growth opportunities

- Organic – Storage King branded
- Acquisition – non Storage King branded
- Extension and development
- Active asset management, marketing, kerb appeal
- Joint venture

Disciplined investment approach

- Refined due diligence process with tailored demographic analysis and network assessment
- Metropolitan focus

## 25% STRATEGIC INVESTMENT IN STORAGE KING



- Storage King brand comprises ~180 sites<sup>1</sup> in Australasia
- Strategic stake in Storage King acquired in 2018
- **Future acquisition pipeline** – Storage King facilities in Australia and New Zealand
- **Economies of scale** – benefits achieved via the wider Storage King network
- **Proven revenue optimisation** – when independently branded facilities are acquired and rebranded Storage King
- **Dedicated expert market participant**
  - Technology
  - Facilities
  - Locations
  - Value proposition

1. Including sites with management agreements that are not currently trading

# Metropolitan dominant portfolio



Dominant metropolitan locations provide RevPAM resilience to housing market volatility

## Portfolio composition

- 81%<sup>1</sup> of the Self Storage portfolio (by number) is within metropolitan Auckland, Brisbane, Canberra, Melbourne and Sydney

## FY19 acquisitions

- 63% of the acquisitions undertaken in FY19 were within metropolitan Brisbane, Canberra, Melbourne or Sydney

## Trading update

- Enquiries impacted by residential market dislocation



1. Australian locations are based on the Significant Urban Area as defined the Australian Bureau of Statistics. Auckland is based on the Major Urban Area as defined by Stats NZ

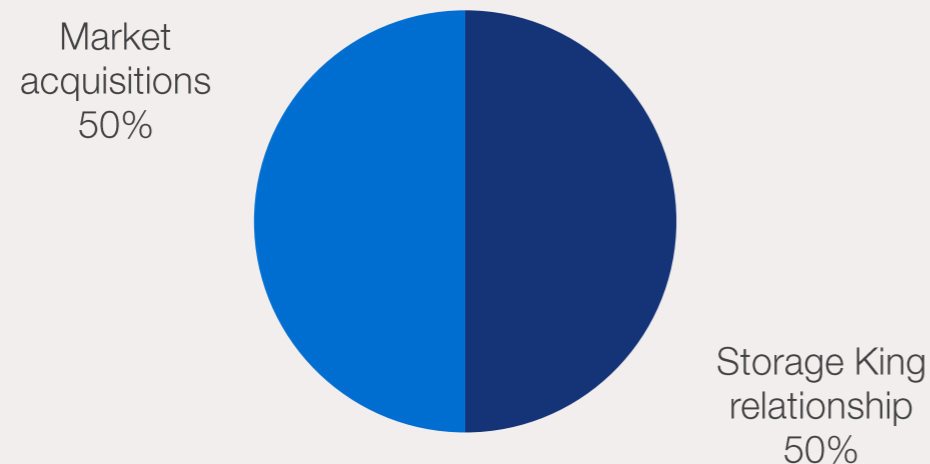
# Self Storage – acquisitions and pipeline



Following strategic investment into operating platform and focus into key sectors

## GROWTH MOMENTUM

FY19 capital deployment – multi-pronged growth approach with c.\$180 million of acquisitions settled including development spend and acquisition of Storage King platform



FY20 pipeline – c.\$118 million

- **Contracted** – terms agreed on an additional \$63 million of acquisitions
- **Under consideration** – additional \$34 million currently under consideration
- **New store development** – expected \$21 million spend during FY20



Artist's impression of Storage King Brookvale, NSW

## DEVELOPMENTS

- 35,000 square metres of identified net lettable area to be developed throughout strategic metropolitan markets
- Potential for an additional 15,000 square metres of net lettable area from expansions (at varying stages of the development process)
- Anticipated return on invested capital of 9.0%+
- Current development pipeline represents 10%+ growth on our existing Self Storage portfolio<sup>1</sup>

1. Based on NLA





Ashfield Mall, Ashfield NSW

## ABACUS INVESTMENT IN RETAIL \$238m<sup>1</sup>

**\$494m**  
Total portfolio value<sup>2</sup>

**85.9%**  
Occupancy

**4.6 years**  
WALE

**5.84%**  
WACR

CORE ASSET	VALUE <sup>3</sup> (\$m)	NLA (SQM)	KEY TENANTS
Ashfield, Sydney NSW	205	24,922	Coles Woolworths Aldi Kmart
Lutwyche, Brisbane QLD	130	18,556	Coles Woolworths <sup>4</sup> Aldi

1. Abacus ownership
2. Excludes Liverpool which is under contract and due to settle by December 2019
3. 100% value. Note Abacus share is 50%
4. Agreement for Lease entered into

# Non-core realisations



Group remains cautious as macro factors continue to negatively impact on market conditions

## Residential realisations

- Development projects – business in wind up
  - Disposal of interest in four development projects for \$31 million circa book value
- Land and mortgages – equity exposure reduced substantially
  - Continue to repatriate capital from several long held investments
  - Refinanced, sold, terms agreed on c.\$150 million of residential land and mortgages<sup>1</sup>
  - Where appropriate (i.e. Riverlands, Milperra and large Camellia, Paramatta) will continue value enhancement activity – Gazettal, planning approvals, sub-division etc, and aim for optimal market conditions in which to realise our equity.

## Retail realisations

- Non-core
  - Liverpool Plaza<sup>2</sup> sold above book value for \$46 million
  - Bacchus Marsh Village Shopping Centre sold at around book for \$62 million
- Core partnerships
  - 50% interest sold in Ashfield and Lutwyche to ISPT

1. Includes the sale of active residential projects and the development loan book.

2. Exchanged with settlement to occur in December 2019



Luminary concept image, Hawthorn VIC



## Business platform and governance refresh

- Abacus Board refresh progressed with the appointment of two new directors following retirement of two directors.
- Appointment of Ms Myra Salkinder as Chair (effective 1 September 2019)
- Abacus Board now with 50% female representation
- Investment into our people, processes and systems – including a dedicated Sustainability Manager

## Increasing efficiencies by investing in smart solutions

- Solar PV installations in Self Storage commenced, with 40 sites identified (anticipated IRR of 20%+)<sup>1</sup>
- 100kW solar @ Bowden Street Alexandria
- 100kW solar @ Kingsgate, Fortitude Valley

1. Based on 10 year average yearly savings

# Summary & outlook



## Abacus' transition to a strong asset backed, annuity style business model continues

- Execution of our stated strategic objectives:
  - Increasing our investment in longer dated core plus and develop to core Office assets
  - Increasing our investment in Self Storage
- Capital allocation remains focused on acquiring assets that will provide recurring income and create value over the longer term
- Distribution guidance of 2 – 3% growth for FY20
- The payout ratio for FY20 is expected to increase to 85% – 95% of FFO, with the higher payout ratio expected to be supported by the increased contribution from more constant annuity style earnings<sup>1</sup>

1. Group level results continue to be impacted by execution of the stated strategy toward a more annuity style business. Therefore, FY20 is expected to be impacted by timing and quantum of deployment of capital within key focus sectors of Office and Self Storage, as well as divestment of non-core assets.

# Important information

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# Abacus Property Group

## FY19 Data Pack

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# Segment balance sheet



ABACUS BALANCE SHEET	PROPERTY INVESTMENT (\$m)	PROPERTY DEVELOPMENT (\$m)	OTHER (\$m)	FY19 (\$m)	FY18 (\$m)
Commercial investment properties	1,221.0			1,221.0	1,274.0
Self Storage investment properties	841.5			841.5	662.0
PP&E, equity accounted and other investments, financial and other assets	217.6	9.3	47.5	274.4	195.4
Loans	42.8	272.4		315.2	385.6
Inventory		52.2		52.2	95.4
Cash and cash equivalents			88.7	88.7	73.3
Goodwill and intangibles			32.4	32.4	32.4
<b>Total assets</b>	<b>2,322.9</b>	<b>333.9</b>	<b>168.6</b>	<b>2,825.4</b>	<b>2,718.1</b>
Interest bearing liabilities				725.6	686.9
Other liabilities				117.5	138.9
<b>Total liabilities</b>				<b>843.1</b>	<b>825.8</b>
<b>Net assets</b>				<b>1,982.3</b>	<b>1,892.3</b>

# Segment earnings



	COMMERCIAL	SELF STORAGE	DEVELOPMENT	FY19 TOTAL	FY18 TOTAL
Rental income	97.3	76.5		173.8	163.7
Finance income <sup>1</sup>			42.2	42.2	47.5
Fee income <sup>2</sup>	8.4			8.4	7.9
Share of profit from equity accounted investments <sup>3, 4</sup>	5.5	0.9	7.0	13.4	69.1
Sale of inventory			36.7	36.7	63.8
Interest and Other income	3.6	1.4	14.9	20.3	14.6
<b>Total Underlying Revenue</b>	<b>114.8</b>	<b>78.8</b>	<b>100.8</b>	<b>294.8</b>	<b>366.6</b>
Expenses	(31.4)	(29.0)		(60.4)	(57.8)
Cost of inventory			(29.1)	(29.1)	(47.7)
<b>Segment result before corporate overheads</b>	<b>83.4</b>	<b>49.8</b>	<b>71.7</b>	<b>205.3</b>	<b>261.1</b>
Administrative and other expenses	(24.2)		(9.7)	(33.9)	(30.1)
<b>Underlying EBIT</b>	<b>59.2</b>	<b>49.8</b>	<b>62.0</b>	<b>171.4</b>	<b>231.0</b>
Finance costs				(28.3)	(30.5)
Tax expense				(13.9)	(30.7)
<b>Funds from Operations</b>	<b>59.2</b>	<b>49.8</b>	<b>62.0</b>	<b>129.2</b>	<b>169.8</b>
Depreciation and amortisation	(2.1)	(0.8)		(2.9)	(2.7)
Rent straightlining and incentives	1.4			1.4	-
Gains on divestments of investment properties	13.6			13.6	16.2
Tax benefit on FFO items				(1.9)	-
<b>Underlying Profit</b>	<b>72.1</b>	<b>49.0</b>	<b>62.0</b>	<b>139.4</b>	<b>183.3</b>
Change in fair value of investments, derivatives & impairment				54.0	59.7
Tax benefit on significant items				(0.3)	1.9
<b>Net Profit attributable to Abacus securityholders</b>				<b>193.1</b>	<b>244.9</b>

1. Fee and interest on loans includes \$6 million of profit share associated with realisation of loans
2. Income from \$4.8 million from third party capital JV's and \$3.6 million from funds
3. Distributions from joint ventures
4. Excludes fair value gain of \$1.3 million



# Net tangible asset reconciliation

	POST PLACEMENT	FY19	FY18
Consolidated Group net assets	2,210.4	1,965.4	1,916.7
<i>Less</i>			
Total external non-controlling interest	(4.7)	(4.7)	(46.6)
Total stapled securityholders' interest in equity	2,205.7	1,960.7	1,870.1
<i>Less</i>			
Intangible assets and goodwill	(32.4)	(32.4)	(32.4)
Deferred tax assets/liabilities (net)	5.3	5.3	4.0
Total net tangible assets	2,178.6	1,933.6	1,841.7
Securities on issue	643.8	580.6	579.4
Net tangible assets per security	3.38	3.33	3.18

# Abacus cashflow analysis<sup>1</sup>



CASHFLOWS FROM OPERATING ACTIVITIES	\$'000
Income receipts	258,082
Interest received	420
Distributions received	111
Income tax paid	(30,865)
Borrowing costs paid	(26,833)
Operating payments	(82,121)
Payment for land acquisition	(4,564)
NET CASHFLOWS FROM OPERATING ACTIVITIES	114,230
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(70,964)
Proceeds from sale / settlement of investments and funds repaid	145,687
Purchase and disposal of property, plant and equipment	(6,826)
Purchase of investment properties	(303,819)
Disposal of investment properties	263,997
Payment for other investments	(55,433)
NET CASHFLOWS USED IN INVESTING ACTIVITIES	(27,358)
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities and return of capital	-
Payment of finance and issue costs	(3,335)
Repayment of borrowings	(38,150)
Proceeds from borrowings	73,168
Distributions paid	(103,146)
NET CASHFLOWS USED IN FINANCING ACTIVITIES	(71,463)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,409
Net foreign exchange differences	33
Cash and cash equivalents at beginning of period	73,262
CASH AND CASH EQUIVALENTS AT END OF PERIOD	88,704

1. 30 June 2019 cashflow statement for ABP excluding the consolidation of funds under AASB10

# Debt facilities



CAPITAL MANAGEMENT METRICS	POST PLACEMENT	FY19	FY18
Total bank debt facilities	\$1,048m	\$1,048m	\$891m
Total bank debt drawn	\$466m	\$711m	\$695m
Term to maturity	5.3yrs	5.3yrs	3.8yrs
% hedged of drawn debt <sup>1</sup>	76%	50%	42%
% hedged of total debt facilities	34%	<b>34%</b>	<b>33%</b>
Weighted average hedge maturity	2.6yrs	2.6yrs	2.3yrs
Average cost of debt – drawn	4.0%	4.0%	4.3%
Group gearing <sup>2</sup>	15.2%	24.1%	23.3%
Look through gearing <sup>3</sup>	22.1%	26.4%	23.5%
Gearing calculated for covenant measures	19.5%	28.6%	29.2%
Covenant gearing limit	50.0%	50.0%	50.0%
Interest Coverage Ratio	6.6x	6.6x	8.7x
Interest Coverage Ratio covenant	2.0x	2.0x	2.0x

1. Proceeds from placement were initially used to repay outstanding debt thereby increasing the drawn hedged amount

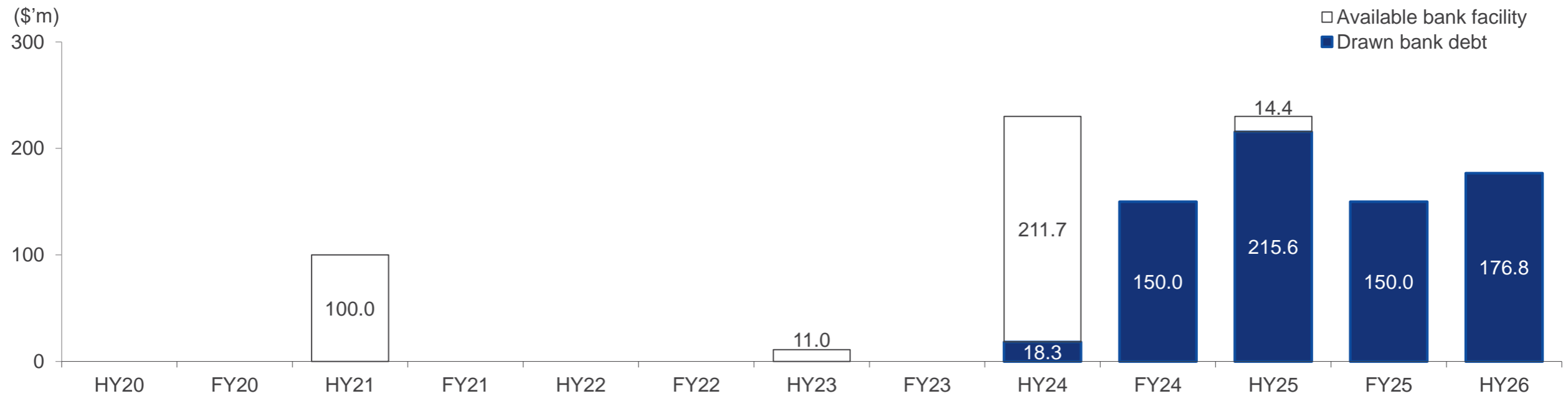
2. Abacus max target group gearing of up to 35%

3. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

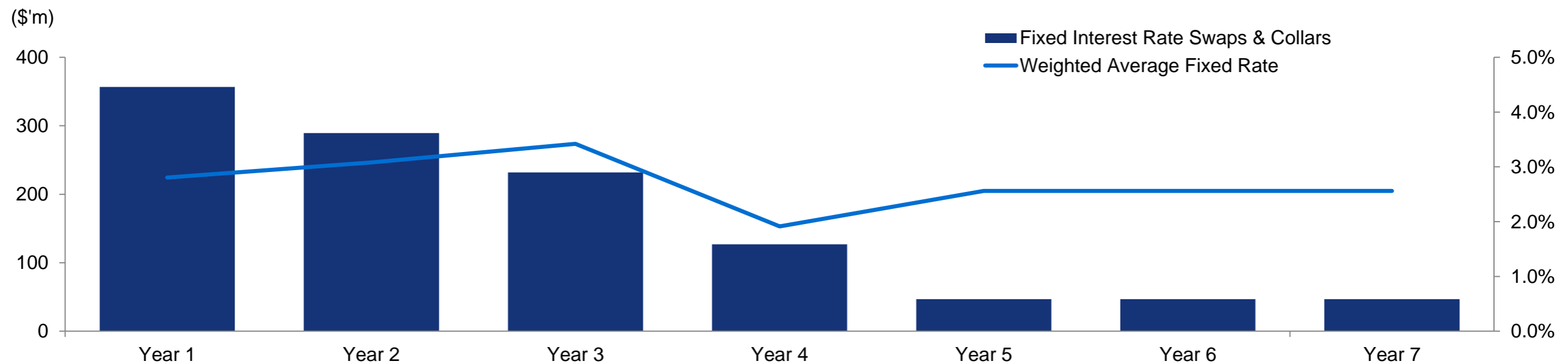


# Debt maturity profile as at 30 June 2019

## Debt Maturity Profile as at 30 June 2019



## Fixed hedging maturity profile as at 30 June 2019



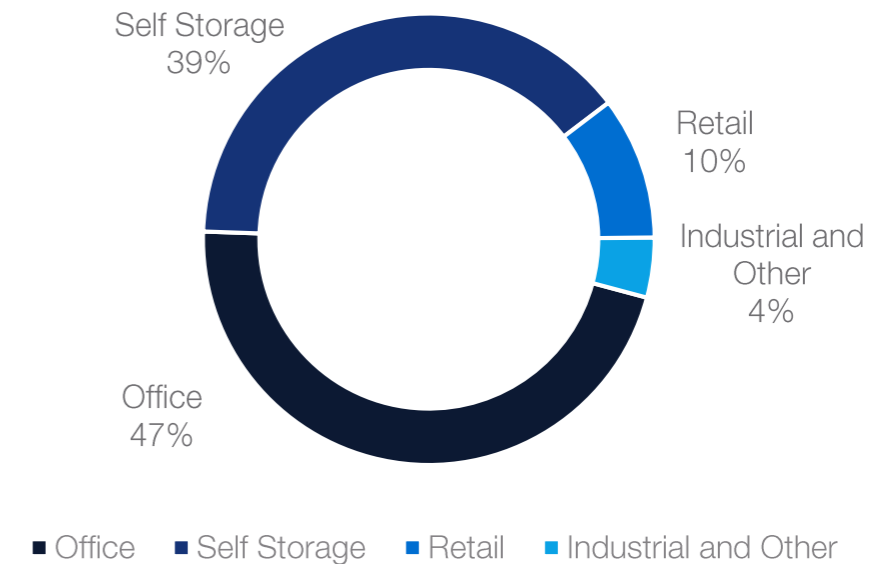
# Investment portfolio metrics



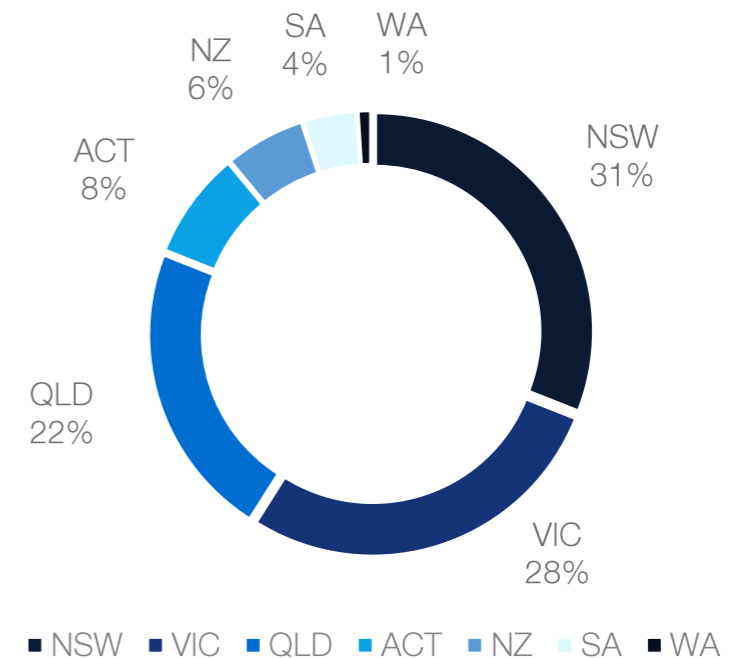
KEY PORTFOLIO METRICS	FY19	FY18
Investment portfolio value <sup>1</sup> (\$m)	2,323	2,130
Commercial portfolio <sup>1</sup> (\$m)	1,415	1,464
Self Storage portfolio (\$m)	908	666
WACR <sup>1</sup> (%)	6.29	6.58
No. of commercial assets <sup>1</sup>	34	35
No. of self storage assets	70	62
NLA (sqm) <sup>2,3</sup>	185,304	223,537
Occupancy <sup>2,3</sup> (% by area)	91.9	91.3
WALE <sup>2,3</sup> (yrs by income)	3.7	4.1

1. Includes assets acquired under our third party capital platform, inventory and PP&E
2. Excludes Self Storage assets
3. Excludes development assets

Investment Portfolio by Sector



Investment Portfolio by State



# Portfolio revaluations



Revaluation process for Abacus resulted in a net increase in the investment properties values for FY19 of approximately 3.5% or \$69.6 million

Average cap rate across the Abacus commercial and self storage portfolios has decreased to 5.90% and 6.91% from 6.16% and 7.45% in June 2018 respectively

ABACUS INVESTMENT PORTFOLIO BY SECTOR	VALUATION	WEIGHTED AVERAGE CAP RATE
	30 JUNE 2019 (\$'000)	30 JUNE 2019
Office	\$1,077,354	5.71%
Self Storage	\$908,332	6.91%
Other	\$337,171	5.95%
<b>Total investment portfolio</b>	<b>\$2,322,857</b>	<b>6.29%</b>



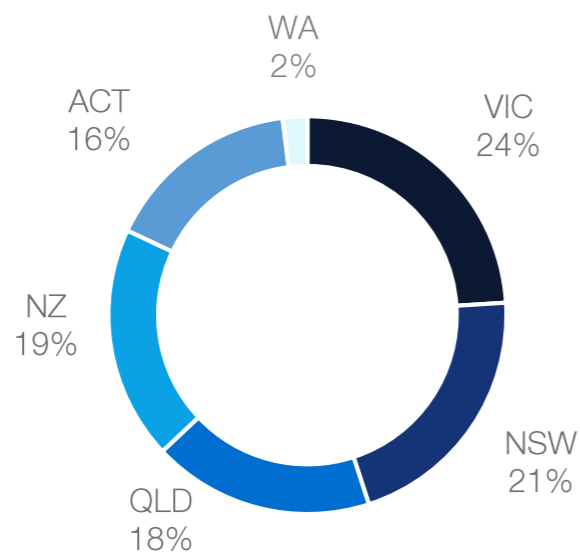
# Self Storage metrics



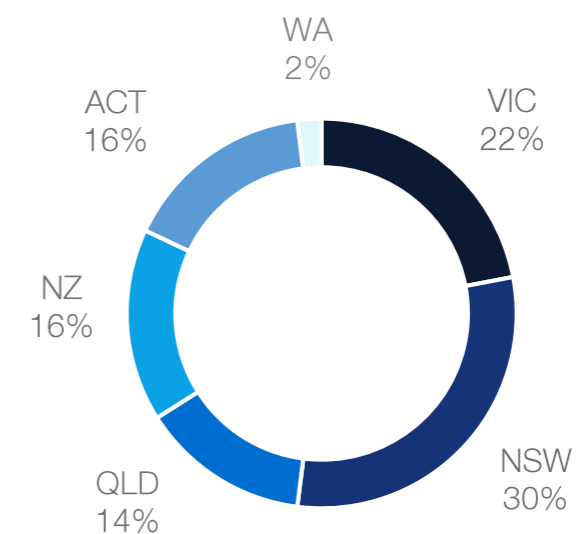
PERFORMANCE METRICS	AUS	NZ	FY19	FY18
Total Assets	58	12	70 <sup>1</sup>	62 <sup>2</sup>
NLA (sqm)	259,331	61,570	320,901	287,725
Occupancy	88.4	88.9	88.5 <sup>3</sup>	89.4 <sup>4</sup>
Rental Rate (psm)	A\$285	A\$280	A\$283 <sup>3</sup>	A\$277 <sup>4</sup>
RevPAM	A\$252	A\$249	A\$251 <sup>3</sup>	A\$248 <sup>4</sup>
WACR	6.71	7.12	6.91	7.45
Value (\$m)	762	146	908	666

PERFORMANCE METRICS	FY19	FY18 <sup>5</sup>
Storage revenue	68.6	64.5
Other revenue	7.9	7.2
Total revenue	76.5	71.7
Storage operating expenses	(29.0)	(25.9)
Operating EBITDA	47.5	45.8
Operating Margin	62%	64%

% NLA Breakdown by State



% Value Breakdown by State

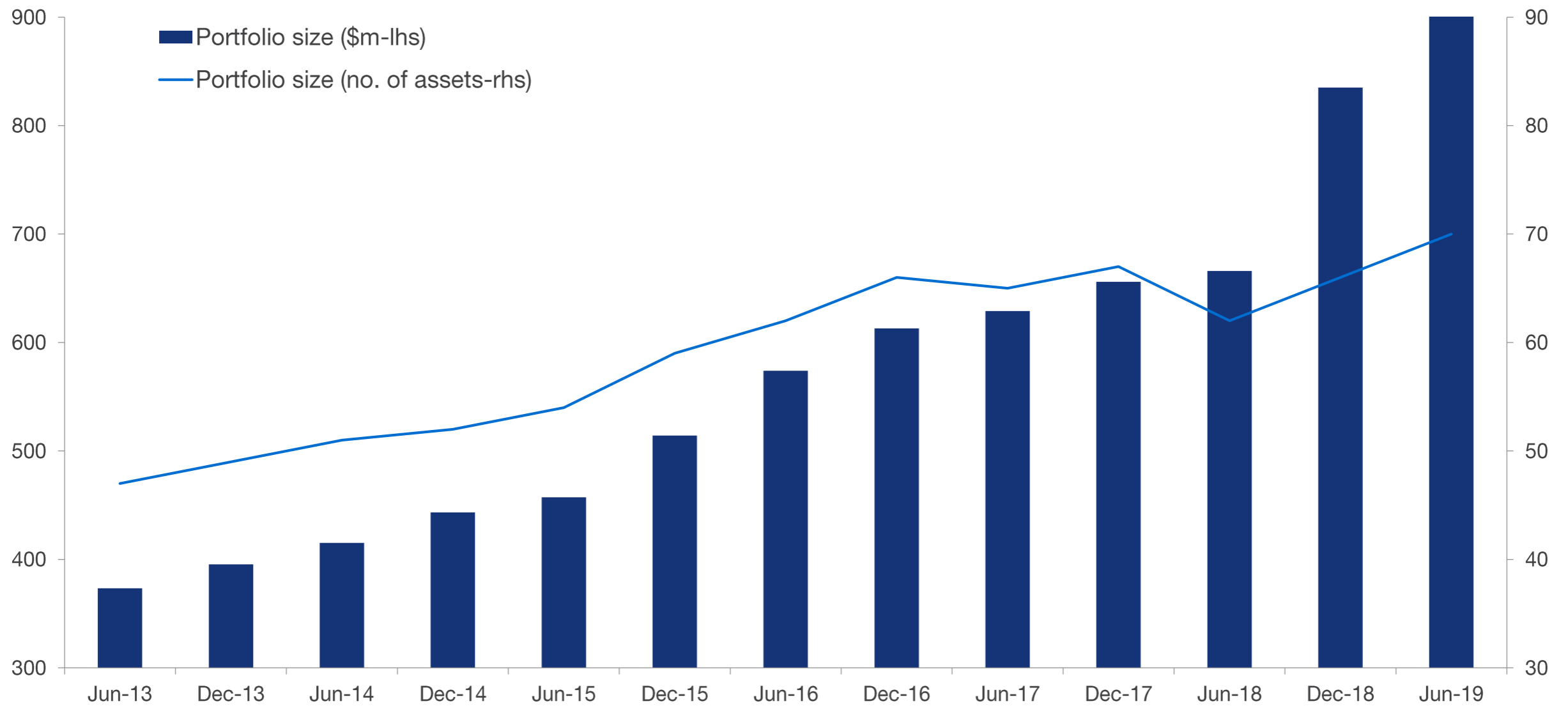


1. Includes 5 development assets
2. Includes 4 development assets
3. Average over last 12 months (by area) of all established assets
4. Adjusted to FY19 FX rate of \$1.0462 for comparison purposes
5. Excludes sale of Townsville Portfolio

# Self Storage compound growth



Portfolio value compound growth of 16% pa since FY13





# Self Storage indicative development pipeline

The current development pipeline represents 10%+ growth on our existing Self Storage portfolio

We will continue to identify additional development opportunities within our existing portfolio and strategically reinvest subject to market conditions

Over 50,000sqm of identified net lettable area to be developed

- 35,000sqm+ for new Self Storage developments
- 15,000sqm+ for Self Storage expansions across more than 20 stores will be undertaken over the short to medium-term

Anticipated return on invested capital of 9.0%+

IDENTIFIED DEVELOPMENT (SQM)	FY20	FY21	FY22+
Brookvale (NSW)	6,500		
Macquarie Park (NSW)	3,500		
Stafford (QLD)	6,000		
Robina (QLD)		6,500	
Sydney Olympic Park (NSW)			8,000
Woonona (NSW)			4,500
<b>Total</b>	<b>16,000</b>	<b>6,500</b>	<b>12,500</b>

# Commercial portfolio metrics

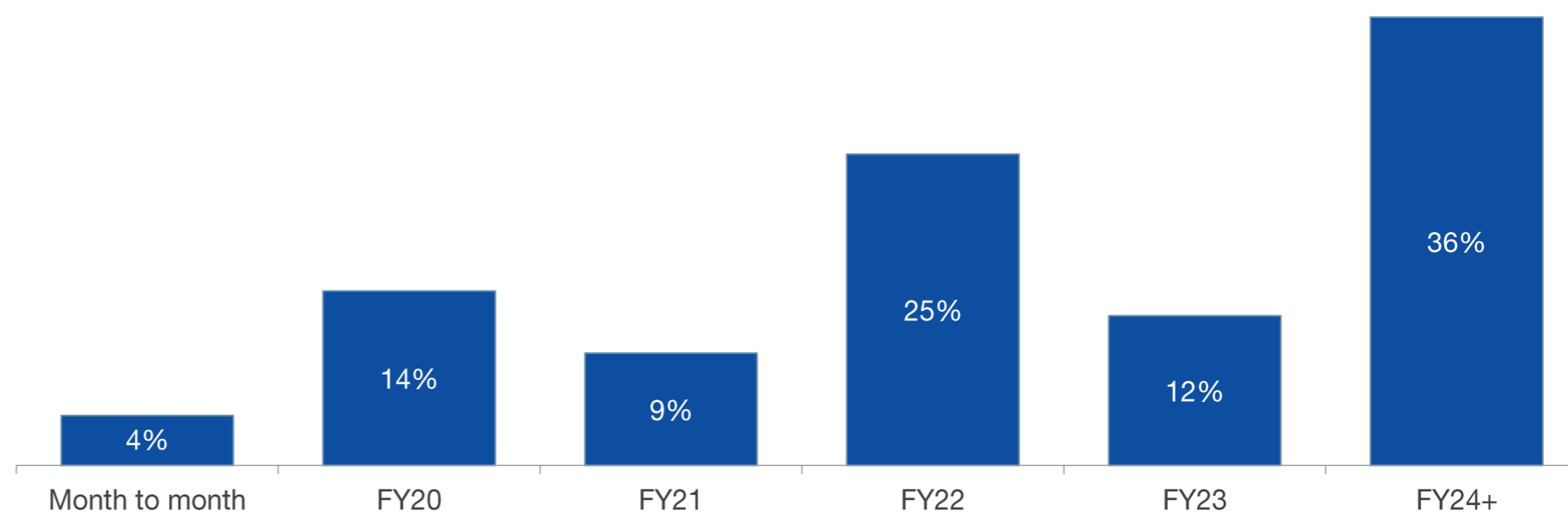


PORTFOLIO METRICS	OFFICE		OTHER	
	FY19	FY18	FY19	FY18
Portfolio (\$m)	1,078	879	337	585
No. of assets	22	20	12	15
NLA (sqm) <sup>1</sup>	118,831	118,284	66,473	105,253
WACR (%)	5.71	6.23	5.95	6.02
Occupancy <sup>1</sup> (% by area)	91.8	86.9	92.1	96.2
Average rent psm <sup>1</sup>	\$495	\$469	\$295	\$313
WALE <sup>1</sup> (yrs by income)	3.5	3.6	4.2	4.8
Rental growth <sup>1,2</sup> (%)	7.1	3.1	(1.0)	4.2

1. Excludes development assets

2. LFL rent growth

Lease Expiry Profile



# Residential developments, land and mortgages



PROJECT	TYPE	EQUITY	LOAN	TOTAL	INTEREST RATE	SECURITY	RETURNS
VALUE ENHANCEMENT, ENDURING PROJECTS							
RCL Portfolio NSW	JV/Loan	\$44.6m	\$116.2m	\$160.8m		1st Mortgagee	50% profit share
MEDIUM TERM REALISATION PROJECTS							
Lane Cove NSW	Loan	-	\$22.2m	\$22.2m		1st Mortgagee	50% profit share
Grand Ave, Camellia NSW	Loan	-	\$19.4m	\$19.4m		1st Mortgagee	50% profit share
107 George St, Parramatta NSW	Loan	-	\$10.4m	\$10.4m		1st Mortgagee	50% profit share
55 Aird St, Parramatta NSW	Loan	-	\$9.4m	\$9.4m		1st Mortgagee	50% profit share
Investment Funding Portfolio NSW	Loan	-	\$41.1m	\$41.1m		1st Mortgagee	
Belmore NSW	Loan	-	\$19.1m	\$19.1m		1st Mortgagee	50% profit share
Mount Druitt NSW	Loan	-	\$12.6m	\$12.6m		2nd Mortgagee	
Doonside NSW	Loan	-	\$10.7m	\$10.7m		1st Mortgagee	50% profit share
Luminary, Hawthorn VIC	JV	-	\$10.6m	\$10.6m		Unsecured	50% profit share
IVY & EVE, Merivale Street QLD	JV	\$6.2m	-	\$6.2m		Equity	49% profit share
7 small projects and investments	-	\$10.7m	\$0.7m	\$11.4m			
<b>TOTAL</b>		<b>\$61.5m</b>	<b>\$272.4m</b>	<b>\$333.9m</b>	<b>11%</b>		

# Glossary



TERM	DEFINITION	TERM	DEFINITION
AASB10	Australian Accounting Standard 10	HY	Half year
ABP	Abacus Property Group	IRR	Internal rate of return
AICD	Australian Institute of Company Directors	kW	Kilo-watt
AIFRS	Australian International Financial Reporting Standards	LFL	Like for like
ASX	Australian Securities Exchange	NLA	Net lettable area
Aus	Australia	NTA	Net tangible assets
BPS	Basis points	NZ	New Zealand
CBD	Central Business District	PP&E	Property, plant and equipment
DPS	Distribution per stapled security	PSM	Per square metre
EBIT	Earnings before interest and tax	RevPAM	Revenue per available square metre
EBITDA	Earnings before interest, tax, depreciation and amortisation	SQM	Square metre
FFO	Funds from operations	WACR	Weighted average capitalisation rate
FY	Financial year	WALE	Weighted average lease expiry

# Important information

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