Charter Hall

# CLW

# 2022

## FULL YEAR RESULTS

Charter Hall
Long WALE REIT

# Acknowledgement of Country

Charter Hall is proud to work with our customers and communities to invest in and create places on lands across Australia. We pay our respects to the traditional owners, their elders past and present, and value their care and custodianship of these lands.

**Coming Together,** 2021.

'Coming Together' is an artwork which is reflective of strength, resilience and nurturing partnerships.

Frances Belle Parker (Yaegl)




# Agenda

1. Overview and FY22 full year highlights
2. Financial performance
3. Operational update and portfolio overview
4. FY23 guidance
5. Additional information

Cover: Coles Distribution Centre, Truganina VIC
Left: Woolworths Distribution Centre, Dandenong VIC


# 1 Overview and FY22 full year highlights

New Brighton Hotel
Sydney, NSW

# Best in class diversified real estate portfolio

**$7.1 billion**
portfolio value

**High quality diversified portfolio**

| 549 | 52% | 80% |
|---|---|---|
| properties | NNN leases | Eastern Seaboard |


The Glasshouse, Sydney NSW

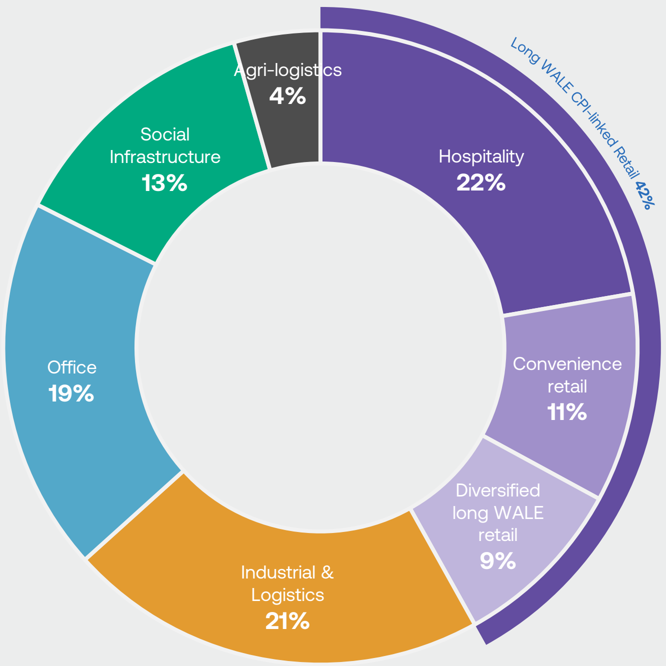
**Long WALE**

**12.0 years**

provides **portfolio income security**

# 6.4% distribution yield[1] generated from blue-chip tenants in resilient industries

## Diversified sector exposure[2]





bp Caringbah
Sydney, NSW

## Blue-chip tenants

# 99%

proportion of **Government, ASX-listed, multinational or national tenants**

Australian Government TELSTRA bp endeavour group

## Income growth driven by annual rent increases in all leases

**49%** of leases are linked to CPI with a **6.3%** weighted average forecast increase in FY23[3]

**51%** of leases fixed with an **average fixed increase of 3.1%**



1. Based on CLW FY23 DPS of 28.0 cents divided by the CLW security price of $4.36 as at 8 August 2022
2. Weighted by valuation as at 30 June 2022
3. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%. This assumes June CPI of 6.1%, September CPI of 6.3% and December CPI of 7.0%. The majority of the REIT's CPI-linked leases are linked to September indices

# FY22 full year highlights[1]

| Financial performance | Portfolio Performance | Capital management |
|---|---|---|
| **Operating EPS of 30.5 cents per security**<br>up 4.5% from FY21 | **12.0 year WALE[3]**<br>long term income security | **$1.7 billion**<br>of debt facility refinancing and expansions completed |
| **$6.17 NTA per security**<br>up 18.2% from 30 June 2021 | **49% of lease rent reviews are CPI linked**<br>with a 6.3% weighted average forecast increase in FY23[4] | **29.9% balance sheet gearing[6]**<br>within target range of 25% – 35% |
| **$670 million valuation uplift[2]**<br>representing 10.4% uplift[2] for FY22, demonstrating the resilient growth of the portfolio | **52% triple net leases (NNN)[5]**<br>tenants responsible for all outgoings, maintenance and capex | **5.2 years**<br>weighted average debt maturity |

1. Unless otherwise stated, metrics on this page and throughout this presentation are as at 30 June 2022
2. Gross property valuation uplift less capital expenditure and amortised incentives during the period
3. WALE is pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022
4. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%
5. 52% of leases in the portfolio weighted by net income are triple net leases
6. Reflects balance sheet gearing

# CLW ESG leadership

## Partnering with tenant and investor customers to deliver meaningful change

### *Climate action*

*Focusing on onsite and offsite renewables*

**CLW Operational performance**

- **5.3 Star** NABERS Energy / **5.1 Star** NABERS Water
- Weighted average portfolio ratings for Energy and Water up from 5 stars in FY21
- **GRESB Score:** Achieved 72 in 2021 (up 10 points compared to 2020)
- **Onsite solar:** CLW has partnered with tenant customers to install an additional 5.6MW of onsite solar in FY23
- **Climate Change Adaptation Plans** (CCAP) completed for Office (74% by floor area) and Industrial and Logistics (87% by floor area) based on RCP8.5 as a worst-case scenario.

**Long term renewables**

- CLW has participated in Charter Hall's Group-wide **7-year power purchase agreement** (PPA) signed with global renewable energy giant ENGIE
- 100% renewables by 2025
- Charter Hall is **Foundational Clean Energy Partner** for three solar farms currently in development, in addition to an established wind farm

## Achievements in FY22

**$466m[1] in sustainable finance**
242 Exhibition Street, Melbourne, achieved Climate Bond certification as part of Group's $2.4b sustainable finance transaction

**50% reduction in emissions[2]**
CLW achieved a 50% reduction through assets under operational control being powered by Green Power, compared to FY21

**Partnering on renewables**
CLW has 1.6MW of onsite solar installed across five assets with an additional 5.6MW to be installed in FY23

## Focus areas in FY23+

ADVANCING NET
ZERO

**100% net zero carbon emissions** by 2030[2]

**Scope 3 emissions**
Establishing Scope 3 Target aligned to Science Based Target initiative

**Ongoing disclosure**
Independent verification of ESG disclosure/data, aligned to the TCFD, Global Reporting Initiative, PRI, UNGC and DJSI

Willogoleche Wind Farm (ENGIE)

1. CBI certification for 242 Exhibition Street represents 100% interest
2. Scope 1 and Scope 2 emissions in operational control.

# Charter Hall ESG leadership

## Partnering with tenant and investor customers to deliver meaningful change

### ***Strong communities***

*Delivering social value*

- Contributed **$5.6m** to community partnerships, philanthropic donations, disaster relief, community activations at our assets, volunteering and provision of space to community organisations
- Aligned to our 1% Pledge commitment, invested **$1.27m in social enterprise** and community initiatives, up 72% from FY21.
- Delivered over **191 employment outcomes** for vulnerable Australians
- Provided **$579k in crisis support** to UNICEF, GIVIT and Foodbank
- Combating local impacts of COVID-19 and flooding, access to vaccinations and emergency support for Ukrainian families

## Achievements in FY22

**Health and Wellbeing**
Winner of HR Awards 2021
Best Health & Wellbeing Program

**Employer of Choice**
Awarded the WGEA Employer of Choice for Gender Equality citation and recognised as an industry leader for initiatives to achieve gender equality

**Engagement**
Global high performing level of engagement (88% overall) with 93% of our people saying that we are a great place to work

## Focus areas in FY23+

**Creating employment for vulnerable youth**
Targeting 1,200 employment outcomes by 2030

**Growing future capability**
Retaining and developing key talent to support future growth

**Reconciliation Action Plan (RAP)**
Building capacity with First Nation businesses and community, following approval of our RAP

Bay Plaza, Hervey Bay Qld


# 2 Financial performance

Toyota Material Handling
Larapinta, QLD

Exhibition Exchange, Melbourne VIC

# FY22 full year results snapshot

| Key metrics | FY21 | FY22 | Movement |
|---|---|---|---|
| Operating earnings | $159.0m | $207.2m | 30.3% |
| Operating earnings per security | 29.2 cents | 30.5 cents | 4.5% |
| Distributions per security | 29.2 cents | 30.5 cents | 4.5% |
| Statutory profit | $618.3m | $911.9m | 47.5% |

| | 30 Jun 2021 | 30 Jun 2022 | Movement |
|---|---|---|---|
| NTA per security | $5.22 | $6.17 | 18.2% |
| Number of properties | 468 | 549 | 81 |
| WALE[1] | 13.2 years | 12.0 years | (1.2 years) |
| Property portfolio | $5.56bn | $7.13bn | $1.57bn |
| Balance sheet gearing | 30.8% | 29.9% | (0.9%) |
| Look through gearing | 38.1% | 37.1% | (1.0%) |

1. WALE is pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022

# Earnings summary

- FY22 net property income increased by 32.4% driven by like-for-like rental growth of 3.4% with the balance driven by acquisition activity
- Operating expenses increases attributable to portfolio growth and new acquisitions
- Increase in finance costs driven by partially debt funded acquisitions and an increase in interest rates
- Delivered Operating EPS of 30.5 cents per security, in line with guidance

| A$m | FY21 | FY22 | % change |
|---|---|---|---|
| Net property income | 221.7 | 293.5 | 32.4% |
| Operating expenses | (22.1) | (31.5) | (42.5%) |
| Finance costs[1] | (40.6) | (54.8) | (35.0%) |
| **Operating earnings** | **159.0** | **207.2** | **30.3%** |

| EPS / DPS (cents) | | | |
|---|---|---|---|
| **Operating earnings per security** | **29.2** | **30.5** | **4.5%** |
| **Distribution per security** | **29.2** | **30.5** | **4.5%** |

1. Net of interest income

# Balance sheet

- $1.8 billion or 38.3% asset growth due to:
  - Acquisitions transacted during the year
  - Net property valuation uplift of $670 million
- NTA per security of $6.17 per security reflecting a 18.2% increase from 30 June 2021

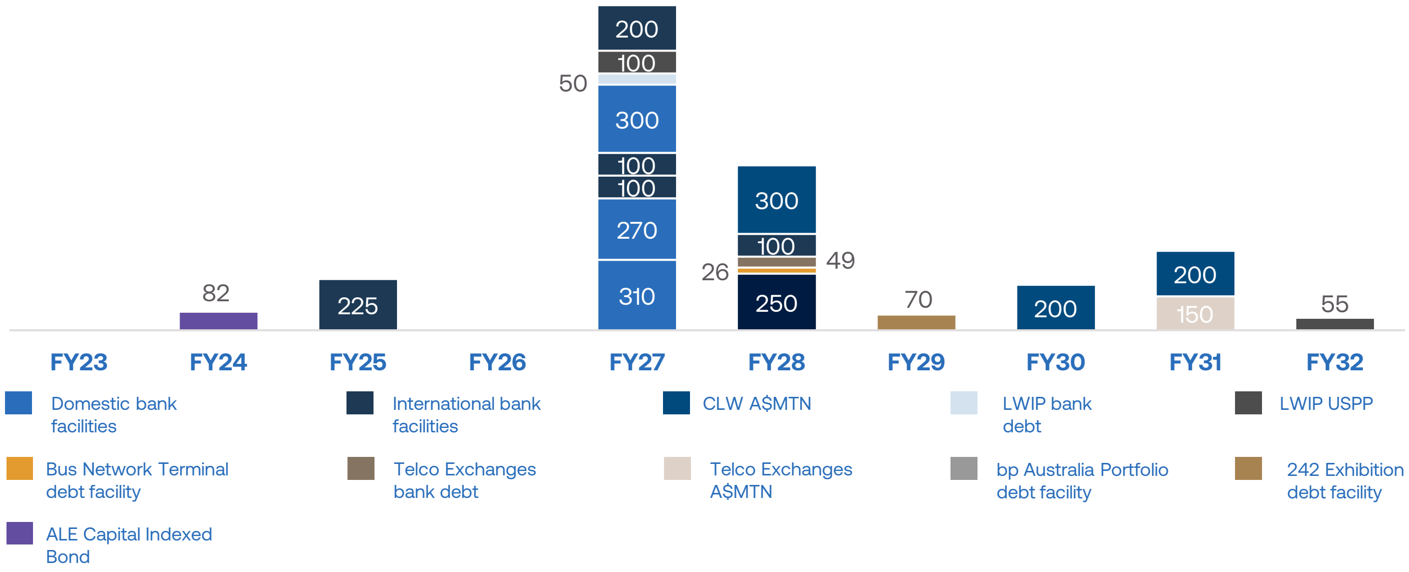
| A$m | 30 Jun 2021 | 30 Jun 2022 |
|---|---|---|
| Cash | 77.0 | 19.0 |
| Investment properties | 3,092.9 | 3,722.1 |
| Equity accounted investments | 1,473.4 | 2,634.3 |
| Other assets | 44.1 | 106.7 |
| **Total assets** | **4,687.4** | **6,482.1** |
| Provision for distribution | 46.5 | 55.2 |
| Debt[1] | 1,340.5 | 1,951.8 |
| Unamortised borrowing costs | (5.7) | (9.4) |
| Other liabilities | 27.0 | 26.2 |
| **Total liabilities** | **1,408.3** | **2,023.8** |
| **Net tangible assets** | **3,279.1** | **4,458.3** |
| | | |
| **Securities on issue (m)** | 628.2 | 723.0 |
| **NTA per security** | **5.22** | **6.17** |
| **Growth in NTA per security** | | **18.2%** |

1. Drawn debt as at reporting date excluding fair value hedge adjustment

# Capital management

- Balance sheet gearing of 29.9% is within the target 25 – 35% range
- Moody's Baa1 investment grade issuer rating
- Completed $1.7 billion of debt initiatives comprising:
  - $1.0 billion of bank debt refinanced with an average extension term of 1.5 years
  - $357 million of increased capacity within existing facilities
  - $355 million of new facilities established with an average term of 6.1 years
- Weighted average debt maturity of 5.2 years, with staggered maturities over a nine year period from FY24 to FY32
- $397 million of cash and undrawn debt as at 30 June 2022

## Diversified and well balanced, long term debt maturity profile – A$m




## Key metrics

| Debt summary | | Hedging summary[2] | |
|---|---|---|---|
| Weighted average cost of debt[1] | 2.8% | Total look through debt hedged | $2.1 billion |
| Weighted average debt maturity | 5.2 years | Look through debt hedged[3] | 77% |
| Balance sheet gearing | 29.9% | Weighted average hedge maturity | 2.9 years |
| Look through gearing | 37.1% | | |

1. Calculated as the weighted average of the REIT's look-through debt facilities (including hedging) on a fully drawn basis as at 30 June 2022
2. Reported hedging is look-through as at 30 June 2022 and is pro-forma adjusted to include $650 million of new interest rate swaps executed post balance date
3. Calculated based on drawn debt

# 3 Operational update and portfolio overview

Metcash Distribution Centre
Perth, NSW

# Portfolio leasing highlights

## Long-term lease extension secured with Metcash

### Metcash Distribution Centre, Canning Vale, Perth WA

- CLW has executed a long-term lease extension with Metcash at its Canning Vale Distribution Centre in Perth, WA
- **10 year lease extension from the current expiry, increasing the remaining lease term to 11.3 years**
  - CLW will undertake an expansion of the existing cold storage facilities on the site, increasing the rentalised GLA by approximately 1,261 sqm
  - CLW will install a 1.6MWh solar PV system, contributing to the property's renewable energy generation and efficiency
  - Metcash has an option to expand the ambient warehouse facility (maximum additional GLA of 11,000 sqm). Should this proceed, the cost of these future capital works will also rentalised
- Extension demonstrates the active and collaborative approach of CLW to achieve mutually beneficial outcomes for investors and tenant customers

### Djookanup, Osborne Park, Perth WA (previously Optima Centre)

- CLW has executed a new long-term lease with EMECO at Djookanup (previously Optima Centre) in Perth, WA
- **10 year lease across 1,899 sqm of NLA**
- Established in 1972, EMECO is an ASX-listed, leading Australian provider of mining equipment and service solutions
- Increases occupancy at the property to 100%

# Investment highlights

## Acquisition of a 50% interest in ALE Property Group in partnership with Hostplus

**Long WALE Retail**
**$814 million**

NNN

### National portfolio of 78 high quality pub properties, including 71 with Dan Murphy's or BWS stores

– 99% in metropolitan locations and 94% located on Australia's East Coast[1]

### Leased to ASX-listed Endeavour Group, Australia's largest pub operator and liquor retailer

– $14 billion[2] market capitalisation with 100% of rent paid throughout COVID-19

### NNN leases with uncapped CPI rent reviews

– Annual CPI rental escalations

– Open market reviews for 95% of the portfolio[3]

### Significantly under-rented portfolio with inherent income and capital upside

– Passing rent assessed by independent valuers to be 26% below market rent levels

– Portfolio has been externally revalued with a WACR of 4.01%, resulting in an $99 million[4] valuation uplift from acquisition

New Brighton Hotel
Sydney, NSW

1. Weighted by income
2. Market capitalisation as at August 2022
3. Majority of open market reviews to occur in November 2028
4. Reflects CLW's 50% interest

# Investment highlights (cont.)

## Acquisition of three modern industrial and logistics facilities

**Industrial & logistics**
**$88 million**


### Cleanaway & ResourceCo Facility, Sydney NSW

- Modern industrial facility constructed in 2018 and located in Sydney's core industrial precinct of Wetherill Park
- One of Australia's largest waste-to-energy facilities and utilised for the production of Process Engineered Fuel, an alternative and sustainable fuel source for cement kilns
- Leased to a joint venture between ASX-listed Cleanaway and ResourceCo, a global leader in primary resource recovery
- 15.9 year WALE with 3.0% fixed annual rent reviews
- Acquired off-market for an acquisition price of $34.6 million (independently revalued to $41.6 million)

### Modern Star Distribution Centre, Brisbane QLD

- High quality distribution centre completed in 2005 and located in Brendale, Brisbane
- Leased to Modern Star, one of Australia and New Zealand's leading partners and suppliers of educational resources to early childhood services, primary schools and before and after school care programs
- 7.0 year WALE with annual rent reviews equal to the greater of CPI and 2.5%
- Acquisition price of $32.3 million (independently revalued to $34.6 million)


### Toyota Distribution Centre, Brisbane QLD

- Modern distribution centre completed in 2011 and located in Larapinta, Brisbane
- Leased to Toyota Material Handling Australia, a wholly owned subsidiary of Toyota Industries Corporation
- 5.5 year WALE with 3.5% annual fixed rent reviews
- Acquired off-market for an acquisition price of $21.0 million (independently revalued to $23.2 million)

# $7.1 billion diversified portfolio of high quality real estate

## Diversified across geography, real estate sector and tenant industries

| Key metrics | Jun 21 | Jun 22 |
|---|---|---|
| Number of properties | 468 | 549 |
| Property valuation (A$m) | 5,560 | 7,127 |
| Weighted Average Capitalisation Rate (WACR) | 4.77% | 4.35% |
| Occupancy | 98.3% | 99.9% |
| Weighted Average Lease Expiry (WALE)[1] | 13.2 years | 12.0 years |
| Portfolio exposure to CPI-linked reviews | 40% | 49% |
| Weighted Average Rental Review (WARR) | 3.0% | 4.6%[2] |

| Sector | Assets | Valuation | Cap rate | WARR[2] | WALE | Occupancy |
|---|---|---|---|---|---|---|
| Long WALE retail | 443 | 2,987 | 4.27% | 5.5% | 12.4 | 100.0% |
| Industrial & logistics | 26 | 1,526 | 4.09% | 4.6% | 13.5 | 100.0% |
| Office | 13 | 1,362 | 4.90% | 3.6% | 7.4 | 99.6% |
| Social infrastructure | 40 | 938 | 3.90% | 4.5% | 13.4 | 100.0% |
| Agri-logistics | 27 | 314 | 5.21% | 2.5% | 21.3 | 100.0% |
| **Total / weighted average** | **549** | **7,127** | **4.35%** | **4.6%** | **12.0** | **99.9%** |

1. WALE is pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022
2. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%. This assumes June CPI of 6.1%, September CPI of 6.3% and December CPI of 7.0%. The majority of the REIT's CPI-linked leases are linked to September indices

# Best in class tenant register

## Strong and stable tenant base of government, ASX-listed and multinational companies

**Major tenants[1]**

| | | | |
|---|---|---|---|
| endeavour group | 18% | Metcash | 4% |
| Australian Government, NSW Government, Government of Western Australia, South Australia, Queensland Government, Brisbane City Council, Australia Post | 18% | Arnott's Group | 3% |
| | 13% | MYER | 3% |
| bp | 10% | Bunnings Warehouse | 3% |
| INGHAM'S Heart of the Table | 5% | Woolworths Group | 2% |
| colesgroup | 4% | | 2% |
| DAVID JONES | 4% | suez | 1% |

1. Weighted by net passing income as at 30 June 2022

# Focus on key defensive tenant industries[1]

## Defensive and resilient to economic shocks

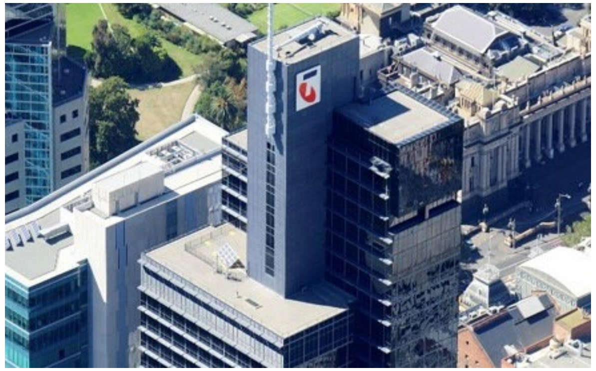
### Pubs and bottle shops (19%)


Federal Hotel, Toowoomba

### Government (18%)

Australian Tax Office, Adelaide

### Telecommunications (13%)



242 Exhibition Street, Melbourne

### Grocery & distribution (12%)


Woolworths Distribution Centre, Dandenong, Melbourne

### Fuel & convenience (10%)


bp Minchinbury, Sydney

### Food manufacturing (8%)


Arnott's Huntingwood, Sydney

### Waste & recycling management (2%)

SUEZ North Ryde, Sydney

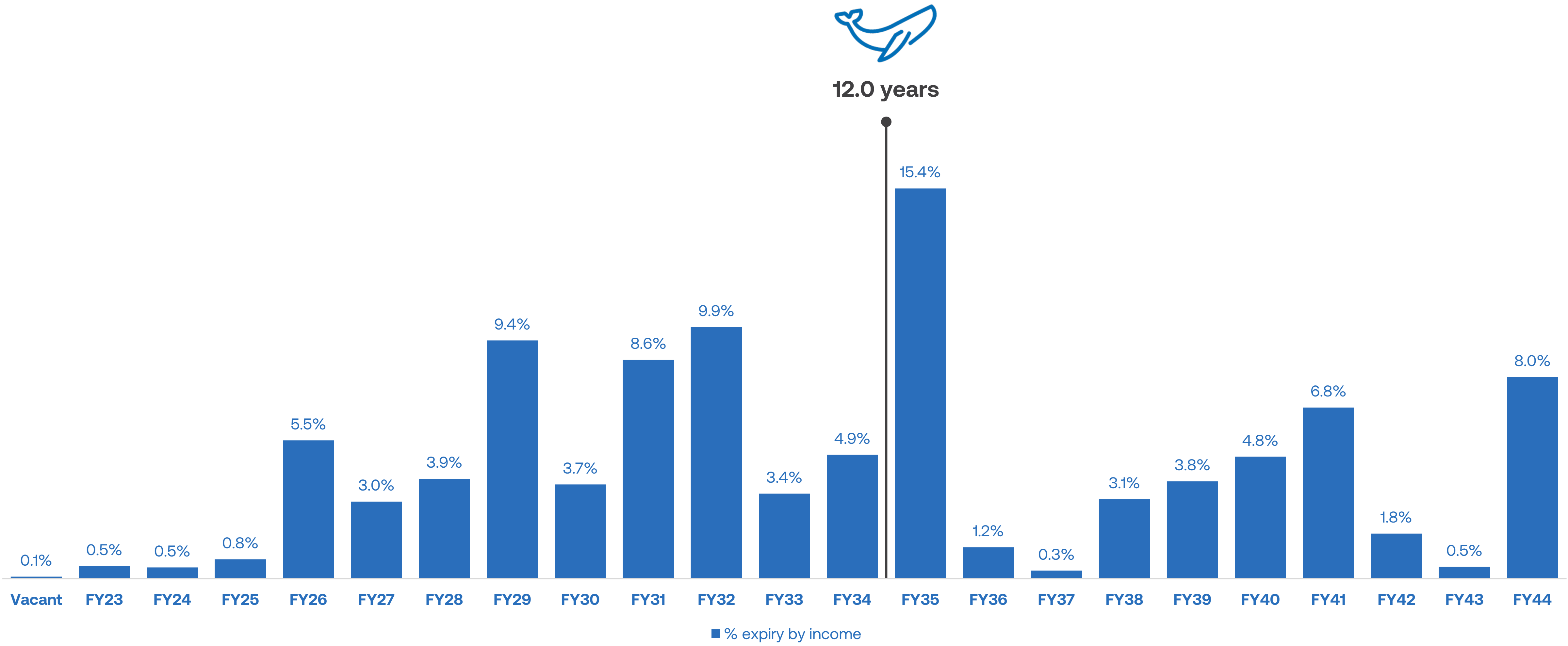
### Other[2] (18%)

Electrolux, Adelaide

1. Weighted by net passing income as at 30 June 2022
2. Includes life sciences, retail, banking and financial services and defence services

# Long portfolio WALE[1]

## Long term income security




1. Weighted by net passing income as at 30 June 2022, pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022

Note: totals may not add due to rounding


# 4 FY23 guidance

ResourceCo / Cleanaway Waste-to-Energy Facility
Sydney, NSW

# FY23 guidance[1]

Based on information currently available and barring any unforeseen events, CLW provides FY23 Operating EPS guidance of 28.0 cents and DPS guidance of 28.0 cents.


Crow's Nest Hotel
Sydney, NSW

Guidance of
**FY23 Operating EPS and DPS of 28.0 cents**, reflecting a distribution yield[2] of

**6.4%**



1. Guidance includes a floating interest rate based on an average FY23 BBSW rate of 2.7%, comprised of Q1 BBSW of 1.9% and a forecast Q2 – Q4 BBSW of 2.9%
2. Based on CLW FY23 DPS of 28.0 cents divided by the CLW security price of $4.36 as at 8 August 2022

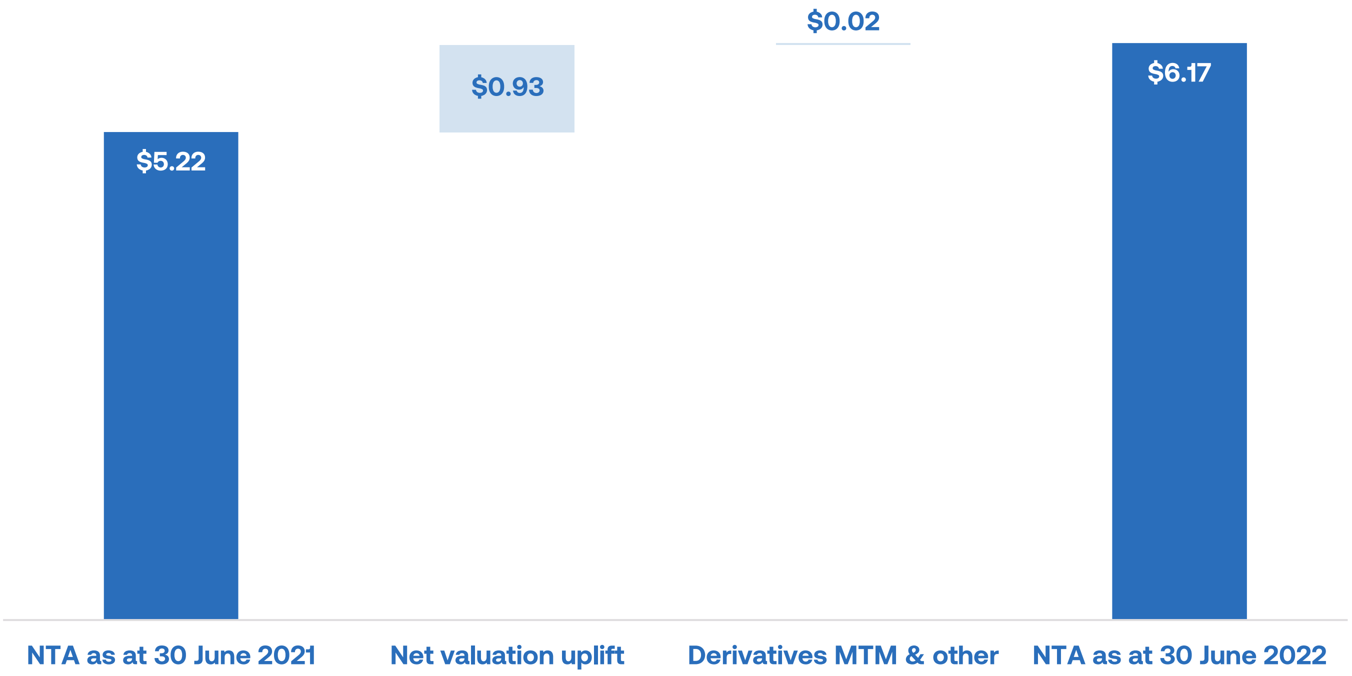

# 5 Additional information

Australian Red Cross
Sydney, NSW

# NTA reconciliation

- As at 30 June 2022, the REIT had a NTA per security of $6.17 reflecting an increase of 18.2% from $5.22 as at 30 June 2021
- Movement primarily driven by a net[1] property valuation uplift of $670 million during the period

## NTA per security bridge ($ / security)




1. Gross valuation uplift less capital expenditure and amortised incentives during the period

# FY22 portfolio revaluations

- FY22 property valuations resulted in a net valuation uplift of $670 million over prior book values
- Including transaction activity and capex, total portfolio valuation increased by $1.6 billion from 30 June 2021
- The portfolio WACR as at 30 June 2022 was 4.35%[1]

| Portfolio valuation (A$m) | Long WALE retail | Industrial & logistics | Office | Social-infra | Agri-logistics | Total |
|---|---|---|---|---|---|---|
| **As at 30 June 2021** | **1,812** | **1,249** | **1,364** | **833** | **302** | **5,560** |
| Net transactions | 817 | 88 | (53) | 18 | - | **871** |
| Capitalised costs and additions | - | 11 | 13 | 2 | - | **25** |
| Net valuation uplift | 358 | 178 | 38 | 85 | 11 | **670** |
| **As at 30 June 2022[1]** | **2,987** | **1,526** | **1,362** | **938** | **314** | **7,127** |
| Net valuation uplift | 13.6% | 13.2% | 2.9% | 9.9% | 3.7% | **10.4%** |

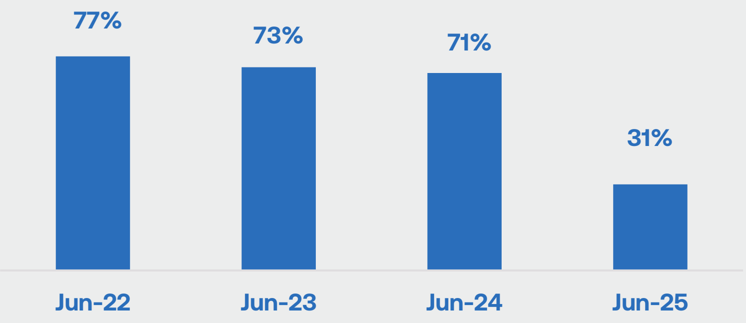
| Portfolio WACR (%) | Long WALE retail | Industrial & logistics | Office | Social-infra | Agri-logistics | Total |
|---|---|---|---|---|---|---|
| As at 30 June 2021 | 4.91% | 4.57% | 5.11% | 4.07% | 5.21% | **4.77%** |
| As at 30 June 2022 | 4.27% | 4.09% | 4.90% | 3.90% | 5.21% | **4.35%** |

1. As at 30 June 2022. Does not reflect the Metcash lease extension that was executed post 30 June 2022

# Debt facility summary

- $3.1 billion[1] of look through debt facilities across CLW's head trust and joint venture partnerships
- Weighted average debt maturity term of 5.2 years as at 30 June 2022
- Diversity of lenders with 35% of total look through debt sourced from capital markets
- Considerable headroom to balance sheet and joint venture debt facility covenants
- High proportion of interest rate hedging in place

**Look through hedging profile – 30 Jun 2022[3]**

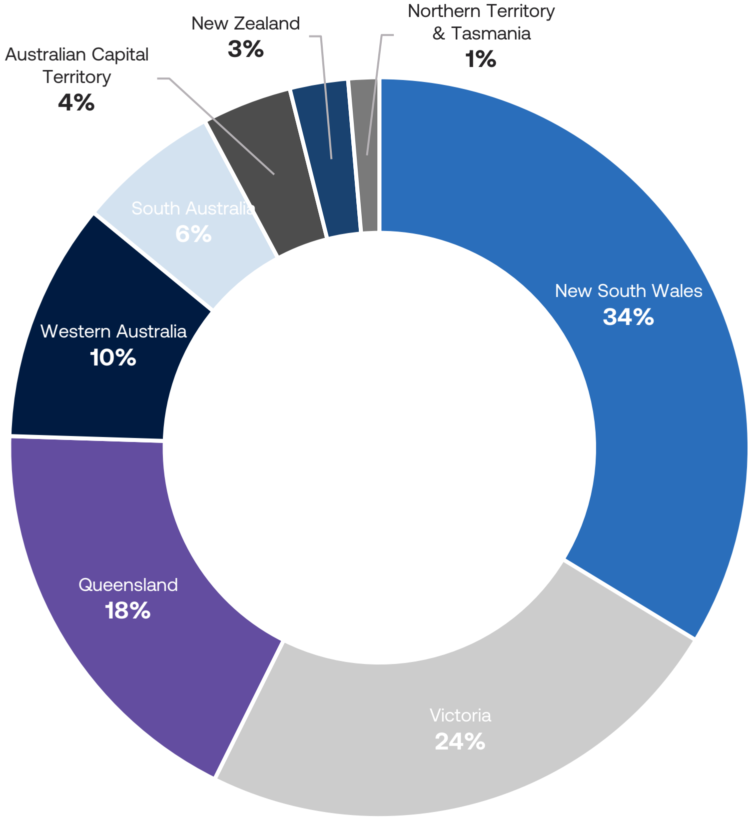



| Debt summary (A$m) – 30 Jun 2022 | Limit | Drawn[2] | Maturity | Gearing (covenant) | ICR (covenant) |
|---|---|---|---|---|---|
| **Balance sheet debt** | | | | | |
| A$MTN (7, 8.5 and 10 year tranches) | 700.0 | 700.0 | Mar-28 to Mar-31 | 39.7%[2] (50%) | 5.4x (2.0x) |
| Domestic bank bilateral debt facility | 310.0 | 273.7 | Nov-26 | | |
| Domestic bank bilateral debt facility | 300.0 | 295.0 | Nov-26 | | |
| Domestic bank bilateral debt facility | 270.0 | 248.0 | Nov-26 | | |
| International bank bilateral debt facility | 100.0 | 55.0 | Nov-26 | | |
| International bank bilateral debt facility | 100.0 | 75.0 | Jul-26 | | |
| International bank bilateral debt facility | 250.0 | 180.1 | Dec-27 | | |
| International bank bilateral debt facility | 100.0 | 50.0 | Nov-27 | | |
| International bank bilateral debt facility | 200.0 | 75.0 | Aug-26 | | |
| **Total balance sheet debt** | **2,330.0** | **1,951.8** | | | |
| **Joint venture debt (CLW interest)** | | | | **LVR** | |
| LWIP debt facility | 49.9 | 28.7 | Nov-26 | 28.5% (60%) | 3.6x (1.5x) |
| LWIP USPP | 99.8 | 99.8 | May-27 | | |
| LWIP USPP | 54.9 | 54.9 | Nov-31 | | |
| Bus Network Terminal debt facility | 26.2 | 26.1 | Aug-27 | 37.3% (60%) | 4.7x (1.6x) |
| Telco Exchanges debt facility | 48.8 | 47.8 | Mar-28 | 42.5% (67.5%) | 3.5x (1.5x) |
| Telco Exchanges A$MTN | 150.0 | 150.0 | Sep-30 | | |
| 242 Exhibition debt facility | 70.0 | 66.1 | Nov-28 | 46.8% (65%) | 3.6x (1.75x) |
| bp Australia Portfolio debt facility | 225.0 | 213.6 | Dec-24 | 38.8% (60%) | 4.2x (1.75x) |
| ALE Capital Indexed Bond | 81.6 | 81.6 | Nov-23 | n/a | n/a |
| **Total joint venture debt** | **806.1** | **768.5** | | | |
| **Total look through debt** | **3,136.1** | **2,720.3** | | | |

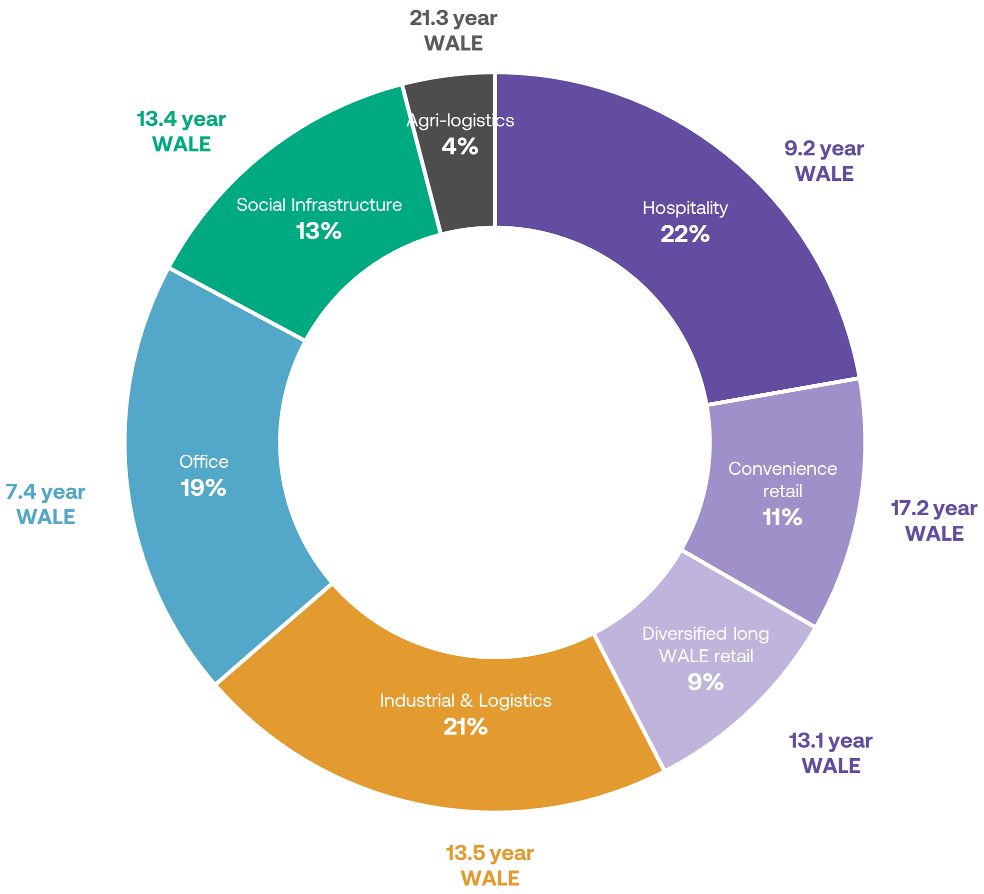
1. Individual facility amounts do not add to totals due to rounding
2. Calculated as total look through liabilities (net of cash and MTM of derivatives) divided by total look through tangible assets (net of cash and MTM of derivatives) as at 30 June 2022
3. Hedge profile based on drawn debt as at 30 June 2022 and is pro-forma adjusted to include $650 million of new interest rate swaps executed post balance date

# Geographic and sector diversification[1]

## Geographic diversification




## Real estate sector diversification




1. As at 30 June 2022 (weighted by external valuation)
2. Note: totals may not add to 100% due to rounding

# Property investment portfolio

## Long WALE retail – $3.0 billion[1]

| Asset | State | REIT Interest | Valuation[1] (A$m) | Cap rate[2] (A$m) | WALE[3] (years) | Occupancy[3] (%) | GLA[4] (sqm) | WARR[3] (%) |
|---|---|---|---|---|---|---|---|---|
| **Hospitality** | | | | | | | | |
| ALE portfolio (78 properties) | Australia wide | 50.0% | 913.6 | 4.01% | 6.5 | 100% | 228,707 | CPI[5] |
| LWIP portfolio (62 properties) | Australia wide | 49.9% | 643.1 | 4.22% | 12.2 | 100% | 176,318 | CPI |
| Club Hotel, Waterford | QLD | 100.0% | 31.7 | 4.50% | 10.5 | 100% | 1,655 | 3.0% |
| **Convenience retail** | | | | | | | | |
| bp Australia portfolio (225 properties) | Australia wide | 24.5% | 549.7 | 4.36% | 17.4 | 100% | 63,241 | CPI |
| bp New Zealand portfolio (70 properties) | NZ wide | 24.5% | 181.5 | 4.24% | 18.5 | 100% | n/a | CPI + 0.5%[6] |
| Ampol, Redbank Plains | QLD | 100.0% | 27.0 | 5.50% | 7.7 | 100% | 423 | 4.2% |
| **Diversified long WALE retail** | | | | | | | | |
| David Jones, Sydney | NSW | 50.0% | 297.5 | 4.25% | 18.7 | 100% | 17,214 | 2.5% |
| Bunnings (4 properties) | QLD, NT, WA | 100.0% | 189.8 | 4.32% | 8.2 | 100% | 58,022 | 2.6% |
| Myer, Melbourne | VIC | 33.3% | 153.3 | 5.50% | 9.5 | 100% | 15,443 | CPI + 1.0% |
| **Total / weighted average** | | | **2,987.1** | **4.27%** | **12.4** | **100%** | **561,023** | **5.5%** |

1. As at 30 June 2022
2. Weighted by external valuation as at 30 June 2022 (REIT ownership interest)
3. Weighted by net passing income as at 30 June 2022 (REIT ownership interest)
4. Shown on a 100% basis
5. Two properties have fixed annual rent reviews (3.0%). One property has a fixed review equal to the lower of 3.0% and 2x CPI
6. Plus up to 0.5% over the first five years of the lease only (if CPI is less than 2.5%). Rent reviews after the first five years of the lease revert to CPI. All years subject to nil floor and cap of 4.0%

# Property investment portfolio

## Industrial & logistics – $1.5 billion[1]

| Asset | State | REIT Interest | Valuation[1] (A$m) | Cap rate[2] (A$m) | WALE[3] (years) | Occupancy[3] (%) | GLA[4] (sqm) | WARR[3] (%) |
|---|---|---|---|---|---|---|---|---|
| Arnott's, Huntingwood | NSW | 50.0% | 314.5 | 3.00% | 29.5 | 100% | 52,908 | CPI + 0.5% |
| National Archives, Chester Hill | NSW | 100.0% | 91.6 | 3.75% | 16.3 | 100% | 22,824 | 3.0% |
| ResourceCo / Cleanaway, Wetherill Park | NSW | 100.0% | 41.6 | 3.38% | 15.9 | 100% | 8,755 | 3.0% |
| Australia Post, Kingsgrove | NSW | 100.0% | 32.1 | 4.00% | 4.0 | 100% | 6,729 | 3.5% |
| Woolworths Distribution Centre, Dandenong | VIC | 26.0% | 97.5 | 3.25% | 15.7 | 100% | 69,217 | 2.8% |
| Coles Distribution Centre, Truganina | VIC | 50.0% | 86.3 | 3.50% | 10.0 | 100% | 69,074 | 3.5% |
| Woolworths Distribution Centre, Hoppers Crossing | VIC | 100.0% | 74.0 | 4.50% | 3.5 | 100% | 52,364 | 3.0% |
| Toll, Altona North | VIC | 100.0% | 38.3 | 4.75% | 3.4 | 100% | 6,310 | 3.5% |
| Simon National Carriers, Carole Park | QLD | 100.0% | 90.5 | 3.75% | 14.0 | 100% | 30,605 | CPI[5] |
| Coates Hire, Kingston | QLD | 100.0% | 44.5 | 3.88% | 10.7 | 100% | 1,785 | CPI[6] |
| Modern Star, Brendale | QLD | 100.0% | 34.6 | 5.25% | 7.0 | 100% | 18,255 | CPI[7] |
| Toyota Material Handling, Larapinta | QLD | 100.0% | 23.2 | 4.25% | 5.5 | 100% | 7,040 | 3.5% |
| Electrolux, Beverley | SA | 100.0% | 60.8 | 4.75% | 7.4 | 100% | 25,562 | 3.5% |
| Metcash Distribution Centre, Canning Vale[8] | WA | 100.0% | 173.1 | 6.50% | 11.3 | 100% | 98,295 | CPI |
| Coles Distribution Centre, Perth Airport | WA | 49.9% | 179.6 | 4.45% | 12.5 | 100% | 81,647 | 2.8% |
| SUEZ portfolio (11 properties) | Australia wide | 100.0% | 144.1 | 3.84% | 15.3 | 100% | 32,468.6 | 3.0% |
| **Total / weighted average** | | | **1,526.2** | **4.09%** | **13.5** | **100%** | **583,838** | **4.6%** |

1. External valuation as at 30 June 2022 (REIT ownership interest)
2. Weighted by external valuation as at 30 June 2022 (REIT ownership interest)
3. Weighted by net passing income as at 30 June 2022 (REIT ownership interest)
4. GLA shown on a 100% basis
5. Rent review is the greater of 3.0% and CPI
6. Rent review is the greater of 4.0% and CPI
7. Rent review if the greater of 2.5% and CPI
8. 30 June 2022 valuation does not reflect the lease extension executed with Metcash. The only metric reflecting the lease extension is WALE, which is pro-forma as at 30 June 2022. The property will be revalued in December 2022 which will reflect the lease extension

# Property investment portfolio

## Office – $1.4 billion[1]

| Asset | State | REIT Interest | Valuation[1] (A$m) | Cap rate[2] (A$m) | WALE[3] (years) | Occupancy[3] (%) | NLA[4] (sqm) | WARR[3] (%) |
|---|---|---|---|---|---|---|---|---|
| The Glasshouse, Macquarie Park | NSW | 50.0% | 199.0 | 4.38% | 9.5 | 100% | 35,114 | 3.4% |
| Westpac Building, Kogarah | NSW | 50.1% | 133.8 | 4.50% | 12.1 | 100% | 31,715 | CPI[5] |
| Thales Australia Head Office, Sydney Olympic Park | NSW | 100.0% | 55.5 | 4.88% | 9.7 | 97% | 5,931 | 3.5% |
| Australian Taxation Office, Albury | NSW | 50.0% | 43.0 | 5.75% | 5.8 | 100% | 10,807 | 3.5% |
| Services Australia, Tuggeranong | ACT | 50.0% | 155.0 | 4.75% | 9.0 | 100% | 26,052 | 3.5% |
| Telstra Canberra Head Office, Canberra | ACT | 100.0% | 110.0 | 5.25% | 3.7 | 99% | 14,155 | 3.8% |
| 242 Exhibition Street, Melbourne | VIC | 15.0% | 141.3 | 4.13% | 9.2 | 99% | 65,929 | 3.5% |
| Australian Taxation Office, Box Hill | VIC | 50.0% | 117.0 | 4.50% | 7.6 | 100% | 19,942 | 4.0% |
| Australian Taxation Office, Upper Mount Gravatt | QLD | 100.0% | 69.0 | 6.75% | 4.4 | 100% | 14,286 | 2.5% |
| 85 George Street, Brisbane | QLD | 50.0% | 62.0 | 5.13% | 6.3 | 100% | 10,566 | 3.5% |
| 40 Tank Street, Brisbane | QLD | 50.0% | 43.8 | 5.64% | 2.5 | 99% | 6,218 | 2.8% |
| Australian Taxation Office, Adelaide | SA | 50.0% | 160.3 | 5.25% | 5.0 | 100% | 36,807 | 3.6% |
| Djookanup, Perth (formerly Optima Centre) | WA | 50.0% | 72.3 | 5.25% | 9.8 | 100% | 16,086 | 3.5% |
| **Total / weighted average** | | | **1,361.8** | **4.90%** | **7.4** | **99.6%** | **293,608** | **3.6%** |

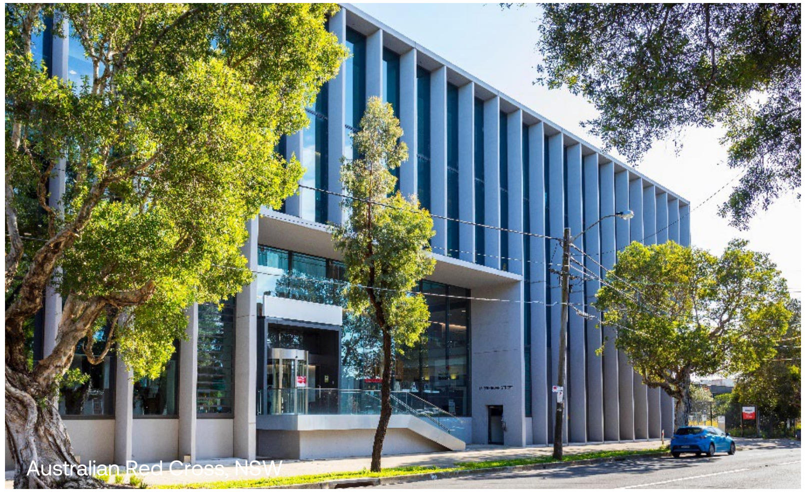
1. External valuation as at 30 June 2022 (REIT ownership interest)
2. Weighted by external valuation as at 30 June 2022 (REIT ownership interest)
3. Weighted by net passing income as at 30 June 2022 (REIT ownership interest)
4. NLA shown on a 100% basis
5. Subject to a cap of 5%

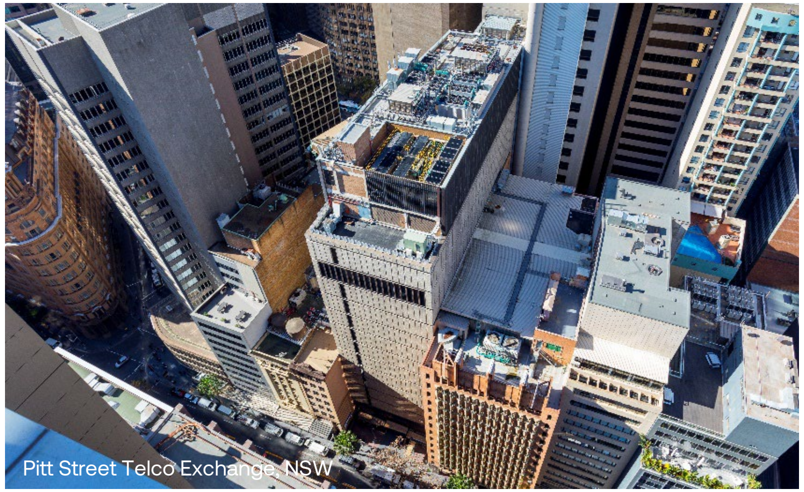
# Property investment portfolio

## Social infrastructure – $938 million[1]

| Asset | State | REIT Interest | Valuation[1] (A$m) | Cap rate[2] (A$m) | WALE[3] (years) | Occupancy[3] (%) | Area[4] (sqm) | WARR[3] (%) |
|---|---|---|---|---|---|---|---|---|
| Telco Exchanges portfolio (36 properties) | Australia-wide | 24.5% | 465.7 | 3.65% | 18.1 | 100% | 347,270 | CPI + 0.5% |
| Pitt Street Telco Exchange, Sydney CBD | NSW | 100.0% | 312.0[5] | 4.34% | 8.5 | 100% | 24,332 | 2.4% |
| Australian Red Cross, Alexandria | NSW | 50.0% | 90.3 | 4.00% | 8.6 | 100% | 12,702 | CPI[6] |
| Brisbane City Council Bus Network Terminal | QLD | 50.0% | 70.0 | 3.50% | 16.2 | 100% | 6,328 | 2.5% |
| **Total / weighted average** | | | **937.9** | **3.90%** | **13.4** | **100%** | **371,602** | **4.5%** |


Brisbane City Council Bus Network Terminal, QLD


Australian Red Cross, NSW


Pitt Street Telco Exchange, NSW

1. External valuation as at 30 June 2022 (REIT ownership interest)
2. Weighted by external valuation as at 30 June 2022 (REIT ownership interest)
3. Weighted by net passing income as at 30 June 2022 (REIT ownership interest)
4. Area shown on a 100% basis. Refers to building area for Telco Exchanges portfolio and NLA for all other properties
5. Includes Unit 1, 74 Pitt Street (owned 100% by CLW)
6. Rent review is the greater of 3.5% and CPI

# Property investment portfolio

## Agri-logistics – $314 million[1]

| Asset | State | REIT Interest | Valuation[1] (A$m) | Cap rate[2] (A$m) | WALE[3] (years) | Occupancy[3] (%) | Building area (sqm) | WARR[3] (%) |
|---|---|---|---|---|---|---|---|---|
| Ingham's portfolio (27 properties) | Australia-wide | 100.0% | 313.7 | 5.21% | 21.3 | 100% | 303,687 | 2.5%[4] |
| **Total / weighted average** | | | **313.7** | **5.21%** | **21.3** | **100%** | **303,687** | **2.5%** |


Mount Alford Hatchery, QLD


Monaro Hatchery, SA


Berrima Feedmill, NSW

1. External valuation as at 30 June 2022 (REIT ownership interest)
2. Weighted by external valuation as at 30 June 2022 (REIT ownership interest)
3. Weighted by net passing income as at 30 June 2022 (REIT ownership interest)
4. Review is the lower of 2 x CPI and 2.5%

# Glossary

| | |
|---|---|
| ASX | Australian Securities Exchange |
| Balance sheet gearing | Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash |
| CAGR | Compound annual growth rate |
| CLW or the REIT | Charter Hall Long WALE REIT |
| DPS | Distributions per security |
| DRP | Dividend reinvestment plan |
| OEPS | Operating earnings per security |
| Look-through gearing | Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash, based on the non-IFRS pro forma proportionately consolidated statement of financial position, which adjusts for the REIT's share of the debt, assets and cash held in equity accounted investments |
| LWIP | Long WALE Investment Partnership |
| MTM | Mark-to-market |
| NNN | Triple net lease |
| NTA | Net tangible assets |
| REIT | Real estate investment trust |
| WACR | The average capitalisation rate across the portfolio or group of properties, weighted by independent valuation |
| WALE | The average lease term remaining to expiry across the portfolio or a property or group of properties, weighted by net passing income |
| WARR | The average rent review across the portfolio or a property or group of properties, weighted by net passing income |

# Further information

Charter Hall

## Investor Relations

Tel 1300 365 585 (within Australia)
+61 2 8651 9000 (outside Australia)

Email reits@charterhall.com.au

Presentation authorised by the Board

charterhall.com.au/clw