

Growthpoint Properties Australia

1H21

half year results

25 February 2021

Space to thrive.

GROWTH-POINT
PROPERTIES



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Timothy Collyer
Managing Director

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Michael Green
Chief Investment Officer

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Dion Andrews
Chief Financial Officer

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Timothy Collyer
Managing Director

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Overview.

Timothy Collyer
Managing Director



1H21 highlights.

- Delivered robust financial results, against challenging economic backdrop
- Strong valuation uplift, driven by leasing success and yield compression on our long-WALE and industrial assets
- Secured Bunnings as the key tenant for Botanicca 3
- Refinanced two debt facilities and now have no debt maturing before December 2022
- Reduced distribution payout ratio, reflecting decision to adopt a more conservative approach going forward
- Maintained high CDP and GRESB scores

Profit after tax

\$205.8m

1H20: \$202.0m, +1.9%

WALE

6.2yrs

30 June 2020: 6.2yrs

FFO

12.7cps

1H20: 12.6cps, +0.8%

Property portfolio value

\$4.3b

30 June 2020: \$4.2b, +2.4%

Distribution

10.0cps

1H20: 11.8cps, -15.3%

NTA per security

\$3.82

30 June 2020: \$3.65, +4.7%



Strong position maintained through COVID-19 and positive outlook supports provision of earnings guidance.

Increased occupancy

95%

with no material tenant defaults

Strong rent collections^{1,2}

>98%

maintained through pandemic

Significant liquidity

\$408m

of undrawn debt lines

Conservative gearing

29.9%

well below the Group's target range

FY21 FFO
guidance
provided

FY21
distribution
guidance
reaffirmed

FY21
guidance

FFO:
25.2–25.5 cps
Distribution:
20.0cps

1. Proportion of total billings collected April 2020 – December 2020. As at 17 February 2021. Rent abatements are not included in total billings. Rent that has been deferred is included.
2. Granted \$0.4 million of rent abatements and deferred \$0.2 million of rental payments in 1H21. Total rent relief granted since beginning of pandemic \$3.4 million, of which \$2.2 million has been deferred and will be repaid between October 2020 and June 2023.

Long-term track record of delivering out-performance.

Growthpoint trading at **20%** discount to NTA¹

Buy-back announced, opportunity to increase:

- FFO per security
- NTA per security

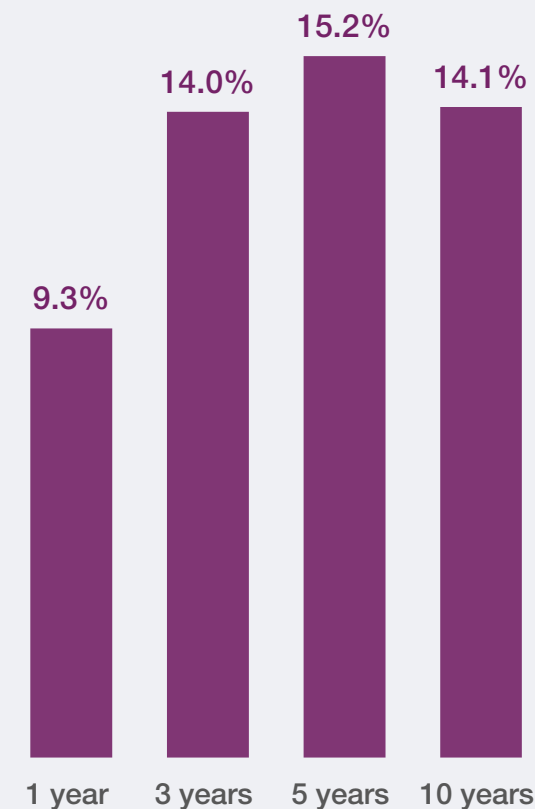
1. NTA of \$3.82 to closing ASX price as at 23 February 2021 of \$3.06.

Total securityholder return¹ to 31 December 2020



1. UBS Investment Research. Annual compound returns to 31 December 2020.

Return on equity to 31 December 2020 (per annum)



Portfolio update.

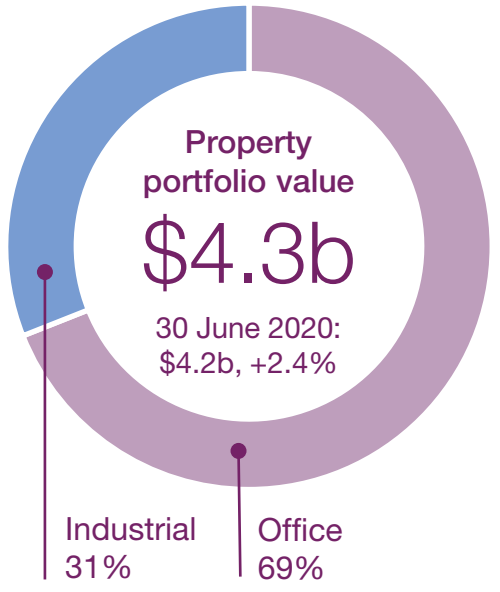
Michael Green
Chief Investment Officer



Portfolio snapshot — secure income with strong tenant base.

97%
of portfolio leased to government, listed or large organisations¹

Total assets 57 30 June 2020: 58	Number of tenants 163 30 June 2020: 163	Portfolio occupancy 95% 30 June 2020: 93%	Weighted average lease expiry 6.2yrs 30 June 2020: 6.2yrs
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Top ten tenants



1. Growthpoint estimate of tenants with revenue above \$50 million per annum.



Industrial overview — outperformance expected to continue.

Portfolio occupancy

95%

30 June 2020: 96%

Weighted average lease expiry

4.5yrs

30 June 2020: 5.0yrs

Leased to government, listed or large company

98%

30 June 2020: 100%

Asset used for logistics or warehousing

90%

30 June 2020: 93%



Industrial portfolio value

\$1.3b

30 June 2020: \$1.3b

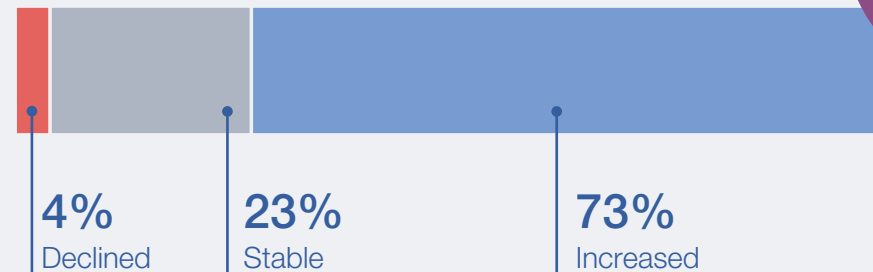
Weighted average cap rate

5.7%

30 June 2020: 6.0%

Change in industrial property valuation¹

30 June 2020 to 31 December 2020
(by value)



On a like-for-like basis, industrial portfolio increased by \$50.2m or **+3.9%**

Industrial market outlook

- Rapid growth in e-commerce expected to drive tenant demand for well-located assets
- Significant unmet investor appetite for industrial assets likely to continue, leading to further yield compression
- Acquisition pipeline expected to increase in CY21

1. Decline – valuation reduced more than 1%. Stable – valuation change between -1% and 1%. Increased – valuation increased by more than 1%.



Office overview — modern metro offices well placed to adapt to changing market.

Portfolio occupancy

95%

30 June 2020: 92%

Weighted average lease expiry

6.9yrs

30 June 2020: 6.7yrs

Leased to government, listed or large company

96%

30 June 2020: 96%

Portfolio located in fringe or metropolitan markets

89%

30 June 2020: 89%



Office portfolio value

\$3.0b

30 June 2020: \$2.9b

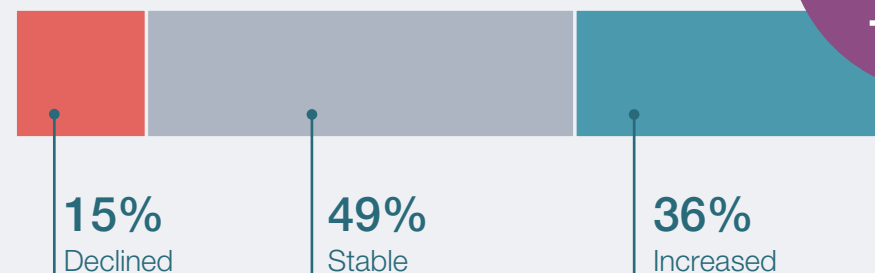
Weighted average cap rate

5.4%

30 June 2020: 5.6%

Change in office property valuation¹

30 June 2020 to 31 December 2020 (by value)



On a like-for-like basis, office portfolio increased by \$82.6m or +2.9%

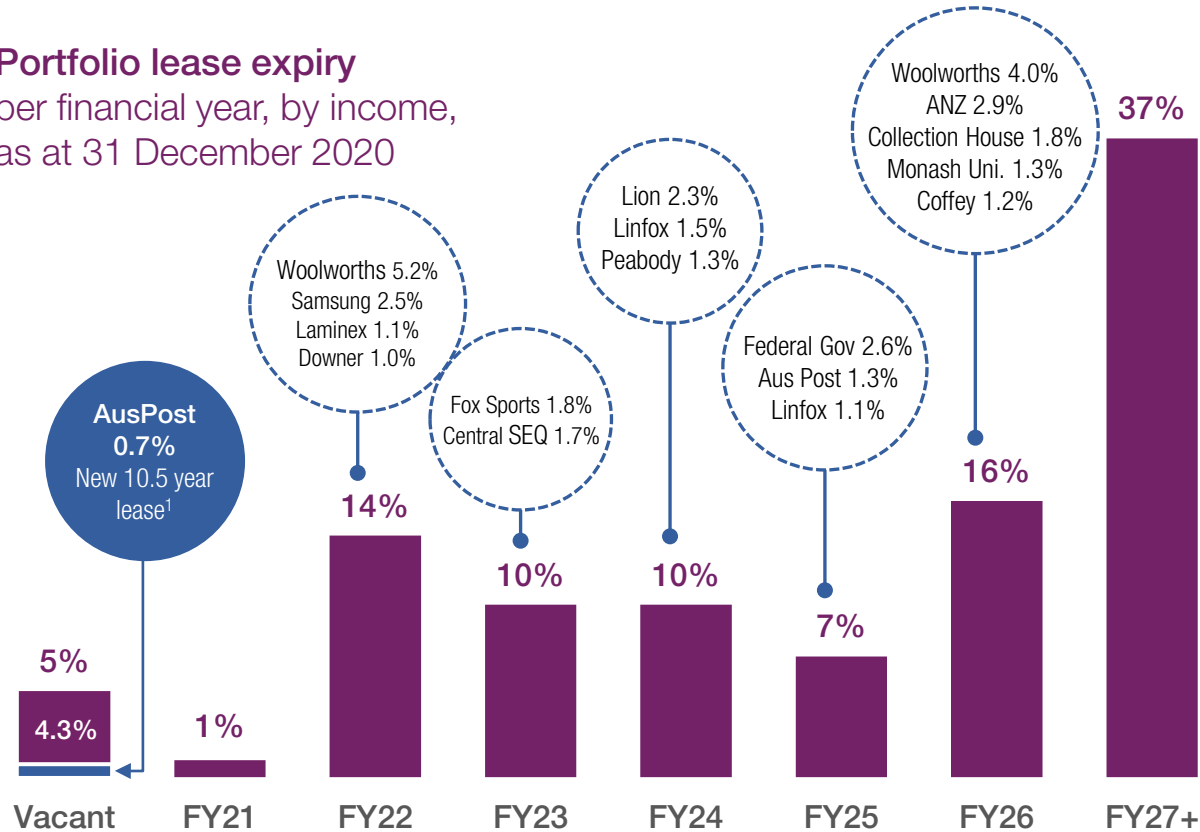
Office market outlook

- Subdued tenant demand in short term, driven by economic environment
- Office to remain central to working life, with more flexibility
- Increased focus on modern building design and tenant amenities - ‘flight to quality’
- High-quality metropolitan offices expected to be more resilient than CBD counterparts

1. Decline – valuation reduced more than 1%. Stable – valuation change between -1% and 1%. Increased – valuation increased by more than 1%.

Leasing update — high-quality, modern portfolio continuing to appeal to preeminent tenants.

Portfolio lease expiry
per financial year, by income,
as at 31 December 2020



1. Post 31 December 2020.



Significant leases signed in 1H21

Bunnings

Term: 10 years, 7 months
NLA: 13,886 sqm

Botanicca 3, Richmond, VIC

SA Government

Term: 10 years
NLA: 3,476 sqm

33-39 Richmond Rd, Keswick, SA

Monash University

Term: 5 years
NLA: 10,837 sqm

Building B, 211 Wellington Rd,
Mulgrave, VIC



Botanicca 3 — Creating significant value through re-development.




June 2011
\$8.8m
 Purchase price




June 2018
\$23.0m
 At development commencement




June 2020
\$142.5m
 At completion




December 2020
\$162.0m
 Book value



Bunnings commenced a 10 year and seven month lease across 71% of the building

Book value

\$162.0m

31 December 2020

Net valuation uplift¹

\$42.6m

IRR²

18.6%

per annum

1. Valuation increase between 30 June 2018 and 31 December 2020, after development costs.
 2. Average annual return since acquisition (30 June 2011 to 31 December 2020).



Financial results.

Dion Andrews
Chief Financial Officer



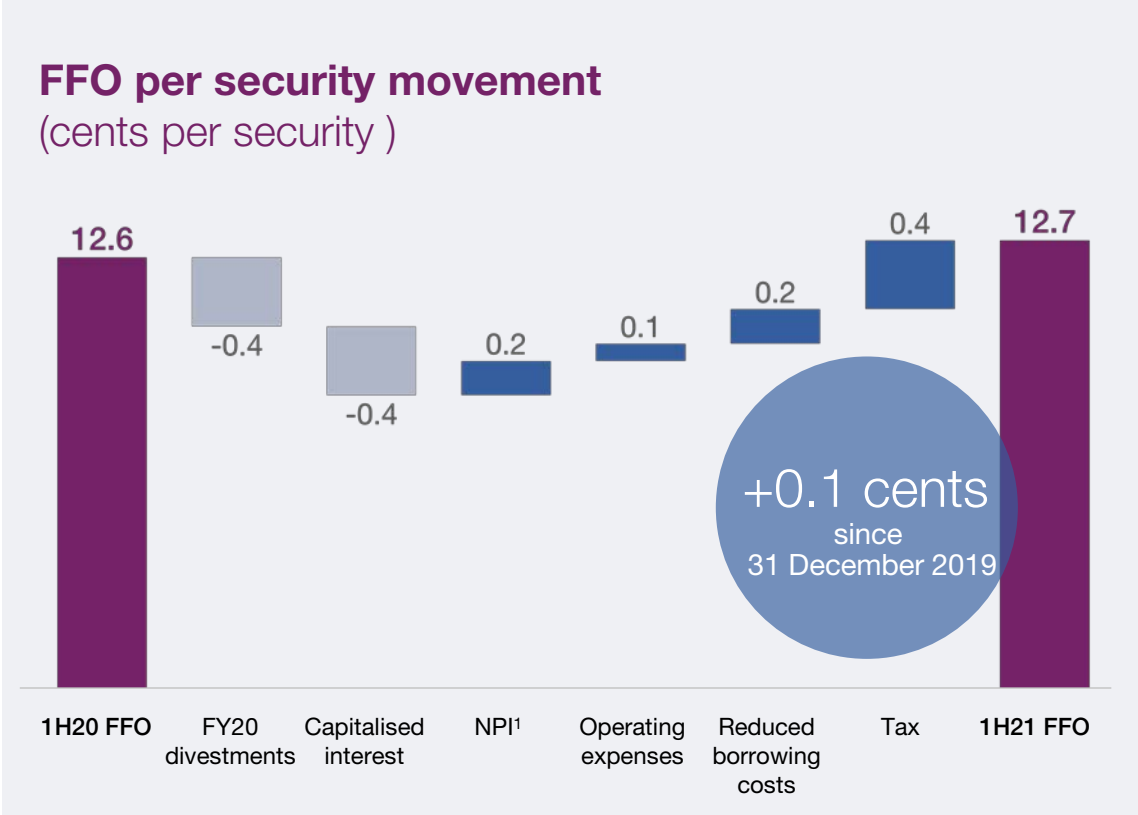
Financial summary — 1H21 financial results.

Components of FFO		1H21	1H20	% change	
NPI	\$m	117.4	121.4	(3.3%)	Decrease primarily driven by no contribution from Broadmeadows asset in 1H21 and lower rent received from NSW Police Force, under new lease agreement
Add back amortisation of incentives	\$m	12.5	9.9	26.3%	Increase driven by long leases agreed with NSW Police Force and Bunnings
NPI excluding amortisation of incentives	\$m	129.9	131.3	(1.1%)	
Net finance costs	\$m	(24.2)	(23.1)	4.8%	Interest expense increased as interest no longer capitalised on development projects, partially offset by reduced cost of debt
Operating and trust expenses (less depreciation)	\$m	(7.2)	(7.9)	(8.9%)	Lower operating costs largely due to tight cost control
Income tax expense (excluding deferred tax expense/benefit)	\$m	(0.1)	(3.5)	(97.1%)	No taxable management fees following completion of profit making developments in 2H20
FFO¹	\$m	98.4	96.8	1.7%	
Weighted average securities	m	772.0	770.2	0.2%	
FFO per security	cents	12.7	12.6	0.8%	
Distribution per security	cents	10.0	11.8	(15.3%)	Lower distribution, reflecting the Group's decision to maintain a more conservative payout ratio going forward
Payout ratio	%	78.5	94.1	(15.7%)	

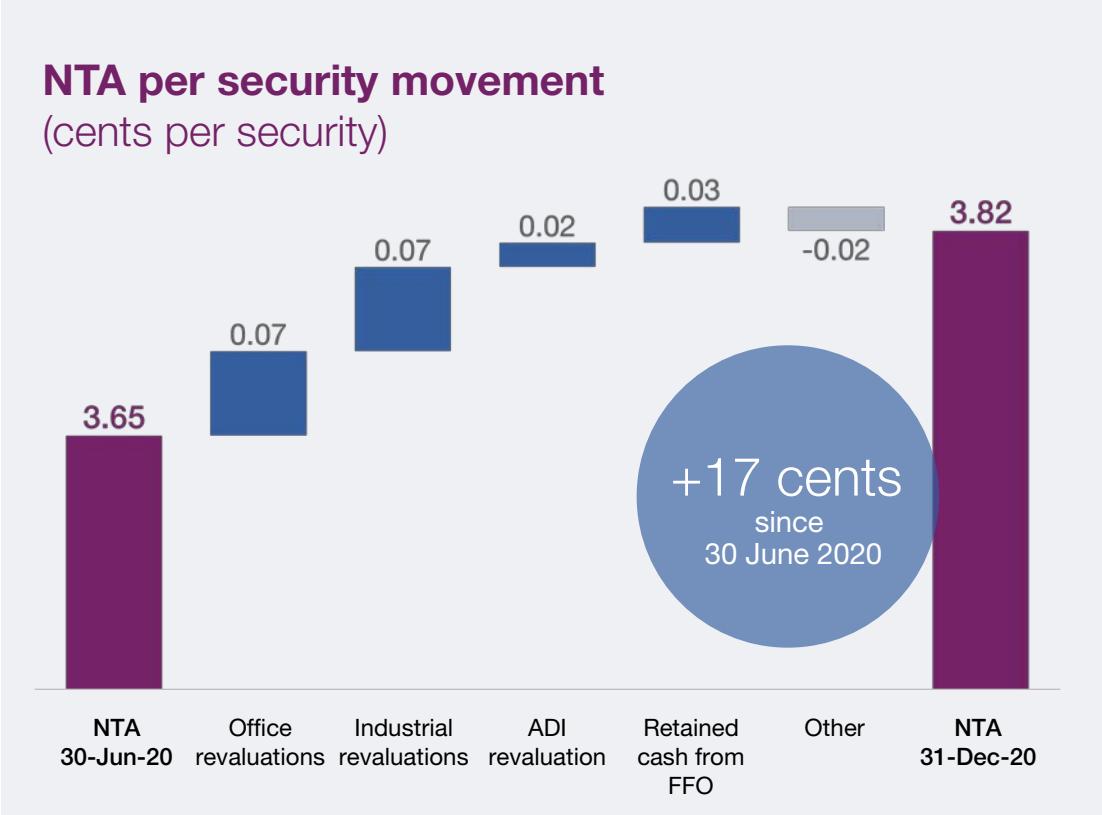
1. Reconciliation of FFO to profit after tax is provided on page 25.



Financial summary — resilient performance during COVID-19 pandemic.



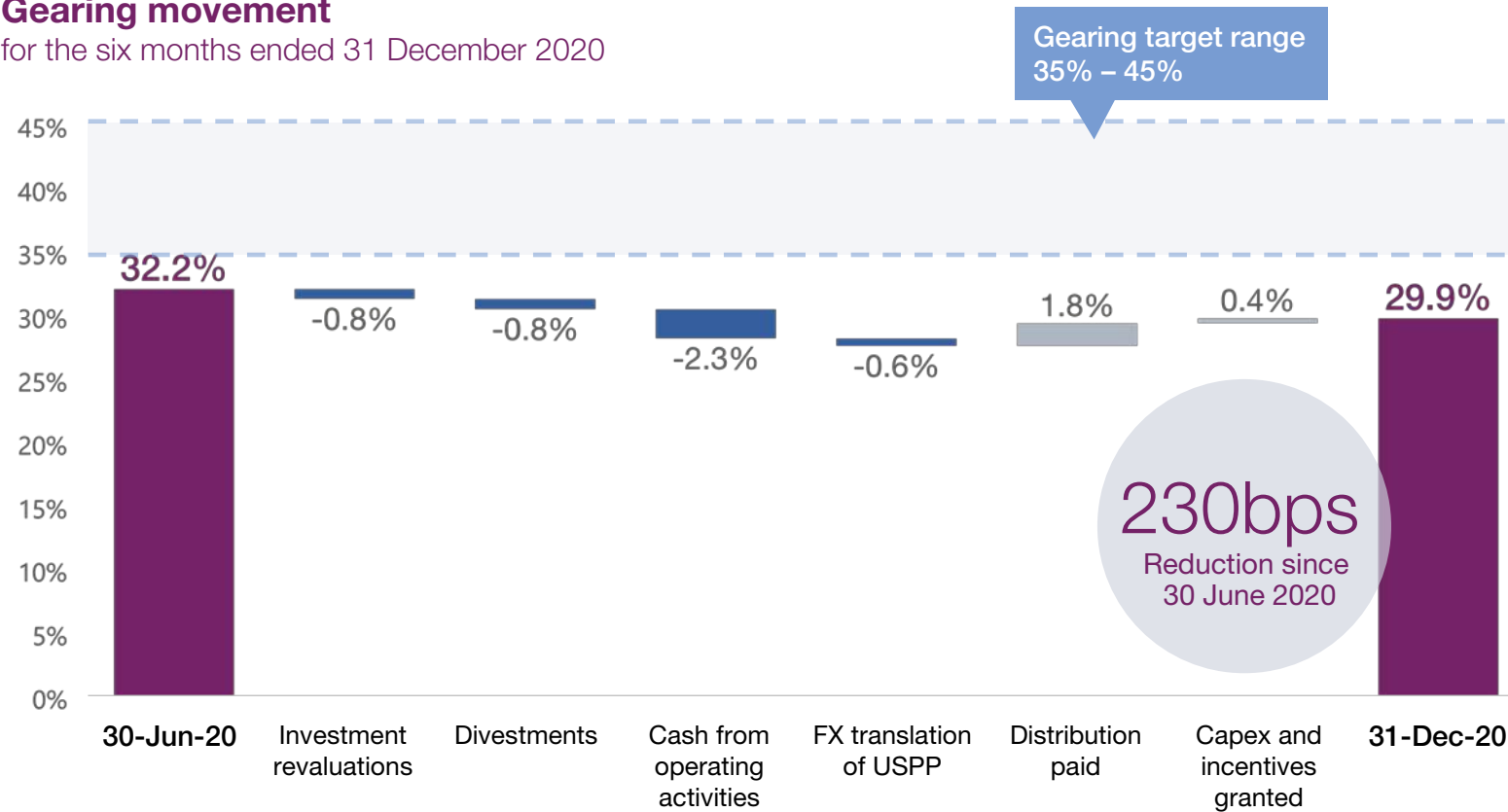
1. Excluding divestments.



Capital management — robust balance sheet with significant headroom.

Gearing movement

for the six months ended 31 December 2020



1. As at 31 December 2020. For illustrative purposes only. Assumes no change to other inputs that could impact the calculation of this metric.

Stress testing covenants

LVR <60%
GOZ: 32.1%

To breach this covenant, GOZ cap rate would need to rise by 450 bps¹

ICR >1.6x
GOZ: 4.8x

To breach this covenant, NPI would need to fall by 65%¹

Secured property percentage >85%

GOZ: 98%

Percentage must remain above 85%

Able to deploy ~\$408m of uncommitted debt at a rate of 0.99% and remain at bottom of target gearing range



Outlook and summary.

Timothy Collyer
Managing Director



Outlook — summary.

Strong 1H21 performance

Immaterial impact from COVID-19 pandemic

Delivered FFO growth

Valuation uplift across industrial and office portfolios

Positioned to capitalise on future opportunities

Strong capital position with gearing well below target range

Experienced management team with long-term successful track record

FY21 guidance

FFO guidance of 25.2 – 25.5 cps

DPS guidance of 20.0 cps

Forecast distribution yield¹

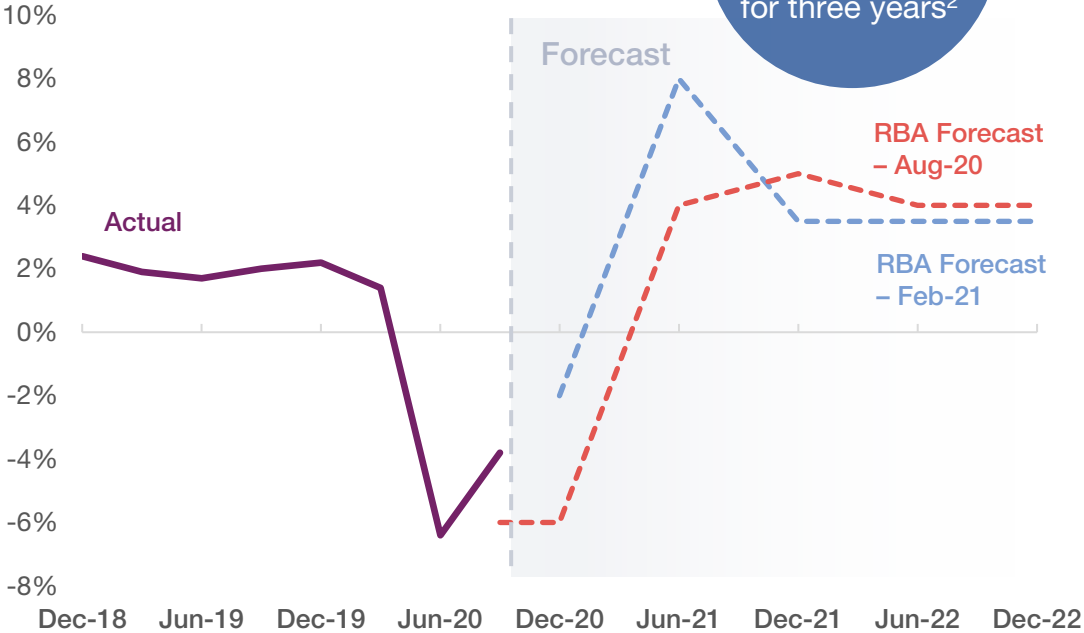
6.5%

1. Distribution yield is the FY21 DPS guidance of \$0.20 per security divided by the closing ASX price as at 23 February 2021 of \$3.06.

Outlook – faster-pace economic recovery now expected in Australia.

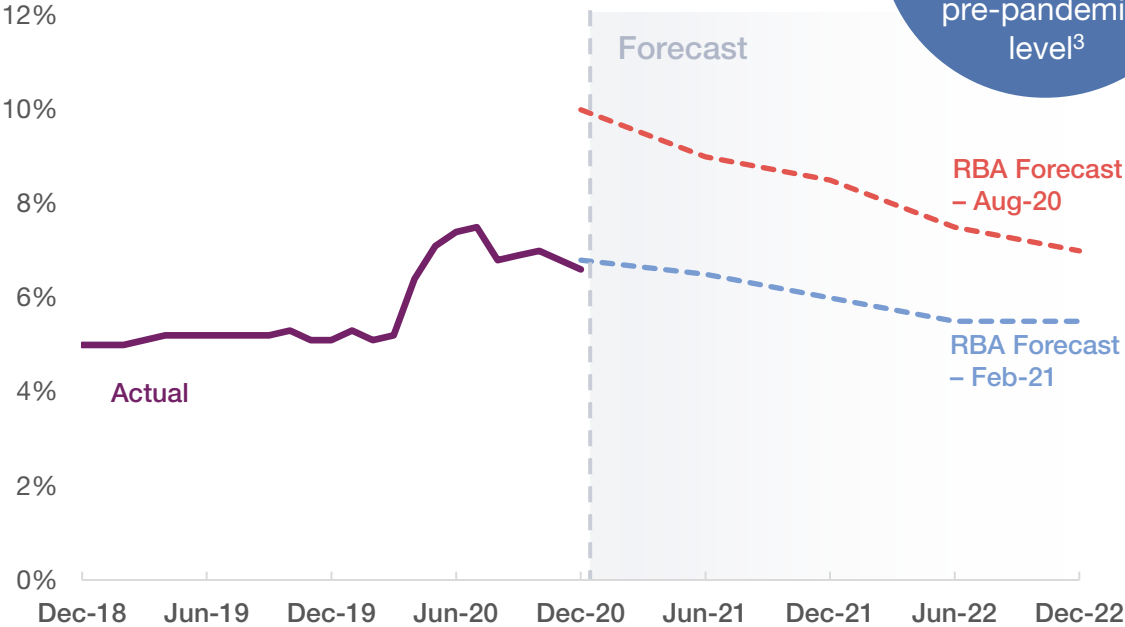
RBA forecasts for GDP Growth¹

RBA to hold cash rate at **0.1%** for three years²



RBA forecasts for unemployment rate¹
(average % rate in the quarter)

Consumer sentiment now **14.2%** above it's pre-pandemic level³



1. Actuals – ABS. Forecasts – RBA.
 2. RBA.
 3. Westpac.



Outlook — exploring opportunities for future growth.

Key investment considerations:

FFO accretive

Ability to leverage
Growthpoint expertise

Risk/reward ratio

Long-term potential

Opportunities:

Office or industrial
property
acquisition



Funds
management



Security
buy-back



M&A



Thank you for joining us.

Questions.



Supplementary information.

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Financial information.



Summary financials

		1H21	1H20	Change	% Change
NPI ¹	\$m	117.4	121.4	(4.0)	(3.3)
Like-for-like NPI	\$m	115.5	117.5	(2.0)	(1.7)
Statutory accounting profit	\$m	205.8	202.0	3.8	1.9
Statutory accounting profit per security	¢	26.7	26.2	0.5	1.9
FFO	\$m	98.4	96.8	1.6	1.7
Distributions	\$m	77.2	91.1	(13.9)	(15.3)
Payout ratio	%	78.5	94.1	(15.6)	
FFO per security	¢	12.7	12.6	0.1	0.8
Distributions per security	¢	10.0	11.8	(1.8)	(15.3)
ICR	times	4.8	4.6		
MER	%	0.32	0.38	(0.06)	
		As at 31 Dec 2020	As at 30 Jun 2020	Change	% Change
NTA per stapled security	\$	3.82	3.65	0.17	4.7
Gearing	%	29.9	32.2		(2.3)

1. Net property income plus distributions from equity related investments.



Reconciliation from statutory profit to FFO

	1H21	1H20	Change	Change
	\$m	\$m	\$m	%
Profit after tax	205.8	202.0	3.8	1.9
Less FFO items:				
- Straight line adjustment to property revenue	(5.7)	8.1	(13.8)	
- Net loss in fair value on sale of investment properties	0.3	0.0	0.3	
- Net gain in fair value of investment properties	(102.1)	(139.9)	37.8	
- Net gain in fair value of investment in securities	(15.1)	(0.6)	(14.5)	
- Net gain / (loss) in fair value of derivatives	52.6	(3.8)	56.4	
- Net loss / (gain) on exchange rate translation of interest-bearing liabilities	(41.1)	19.2	(60.3)	
- Amortisation of incentives and leasing costs	12.5	9.9	2.6	
- Deferred tax expense / (benefit)	(10.5)	0.1	(10.6)	
- Other	1.7	1.8	(0.1)	
FFO	98.4	96.8	1.6	1.7

Financial position

	31 December 2020	30 June 2020
	<i>\$m</i>	<i>\$m</i>
Assets		
Cash and cash equivalents	33.8	42.7
Investment properties	4,406.0	4,325.7
Investment in securities	90.3	69.9
Other assets	29.4	62.4
Total assets	4,559.5	4,500.7
Liabilities		
Borrowings	1,357.7	1,446.0
Distributions payable	77.2	77.2
Lease liabilities	107.2	111.2
Other liabilities	65.6	43.7
Total liabilities	1,607.7	1,678.1
Net assets		
Securities on issue	<i>m</i> 772.2	771.8
NTA per security	<i>\$</i> 3.82	3.65
Balance sheet gearing	<i>%</i> 29.9%	32.2



Additional financial information

Impact of COVID-19 pandemic on FY21 results and balance sheet

	FFO	Cashflows	Receivables
	\$m	\$m	\$m
Provided \$0.4m rental abatements	(0.4)	(0.4)	–
Provided \$0.2m rental deferrals ¹ : discounted by \$0.0m to present value for non-current portion	(0.0)	(0.2)	0.2
FY20 Expected Credit Loss allowance reversed	0.2	0.0	0.2
Total impact	(0.2)	(0.6)	0.4

1. Deferred rent to be paid between November 2020 and December 2023.

Reconciliation of operating cashflow to FFO

	1HY21
	\$m
Operating cashflow	82.0
Lease incentives and leasing costs	20.9
Net (prepaid)/accrued operating activities	(5.7)
Provision for income tax	(1.5)
Lease liability repayments classified as financing cashflows	(0.4)
Unamortised upfront costs	0.1
FFO	98.4
1H21 distributions provided for or paid during the period	77.2

Lease incentives

Lease incentives includes fit out, rent free, rental abatement and cash payments. The tables on this page show the financial impact of incentives on Growthpoint's financial statements¹

1. The financial impact includes all relevant historical impacts but not necessarily all future ones. For example, a cash payment would be captured here regardless of when a lease commences but rent free for a future period would not be captured until the relevant period.
2. Includes cash incentives and fit out incentives only. Other non-cash tenant incentives provided in 1H21 were rent abatement of \$3.5 million and rent free incentives of \$4.2 million. These two amounts form part of the unamortised lease incentives balance in the Consolidated Statement of Financial Position. Leasing costs of \$1.4 million were also paid in 1H21.
3. Includes establishment costs such as legal costs and agent fees.

Consolidated Statement of Profit and Loss	1H21	1H20
	<i>\$m</i>	<i>\$m</i>
Property revenue (excluding incentives)	158.0	145.7
Amortisation of tenant incentives	(12.5)	(9.9)
Property revenue	145.5	135.8
Net changes in value of investment properties (excluding incentives)	93.7	134.9
Net value of tenant incentive changes during the period	8.4	5.0
Net changes in value of investment properties	102.1	139.9

Consolidated Cash Flow Statement	1H21	1H20
	<i>\$m</i>	<i>\$m</i>
Cash generated from operating expenses (excluding incentives)	93.8	121.0
Incentives paid ²	(11.8)	(0.3)
Cash generated from operating activities	82.0	120.7

Consolidated Statement of Financial Position	1H21	1H20
	<i>\$m</i>	<i>\$m</i>
Unamortised lease incentives, recognised within investment property as a reconciling item	63.2	60.7
Unamortised leasing costs recognised within investment property as a reconciling item ³	4.4	3.5

Operating and capital expenses

Operating expenses

		CY20	CY19
Total operating expenses	\$m	13.7	15.7
Average gross assets value	\$m	4,219.2	4,101.6
Operating expenses to average gross assets	%	0.32	0.38



Capital expenditure

		CY20	CY19
Total portfolio capex	\$m	25.8	16.4
Average property asset value	\$m	4,313.5	4,018.3
Capital expenditure to average property portfolio value	%	0.60	0.41



CY20 capex to average property portfolio value above Growthpoint's guidance range due to two significant one-off projects:

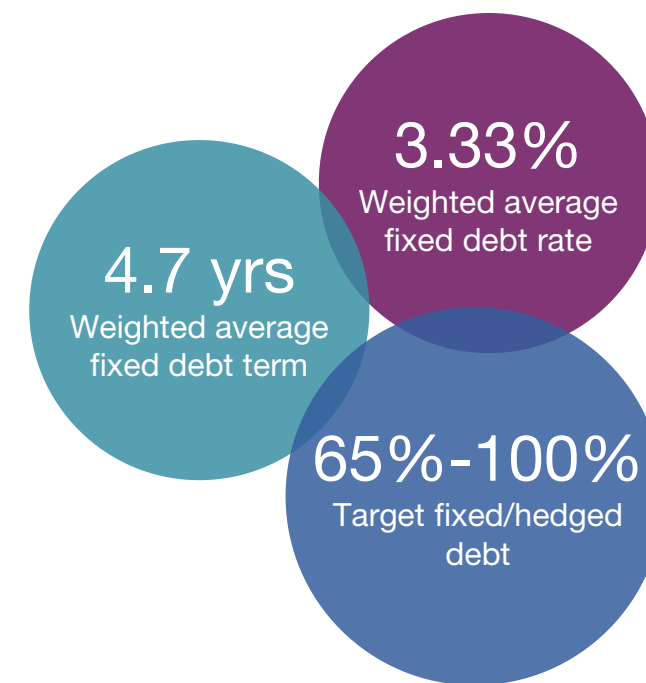
- The replacement of aluminium composite panels at 333 Ann St, Brisbane, Queensland. This project is now complete.
- \$3.8 million of capital works at 1 Charles St, Parramatta, New South Wales, required under the lease to the New South Wales Police Force. The Group used restricted cash to fund these works.

Capital management

Maturity date	Time to maturity	Fixed rate	Face value of swap
Interest rate swaps			
Jun-2023	2.5 years	1.15%	\$75m
Jun-2023	2.5 years	1.15%	\$25m
Dec-2023	3.0 years	0.22%	\$20m
Dec-2023	3.0 years	0.21%	\$15m
Jun-2024	3.5 years	1.21%	\$100m
Jun-2025	4.5 years	1.29%	\$100m
Weighted average interest rate swaps	3.4 years	1.11%	\$335m

Fixed rate debt facilities

Dec-2022	2.0 years	4.40%	\$60m
Mar-2025	4.2 years	4.67%	\$200m
Dec-2026	6.0 years	3.27%	\$100m
Jun-2027	6.5 years	5.28%	\$130m
Jun-2029	8.5 years	5.45%	\$52m
Jun-2029	8.5 years	5.35%	\$26m
Weighted average fixed rate debt facilities	5.4 years	4.64%	\$568m
Weighted average fixed debt	4.7 years	3.33%	\$903m
Debt fixed at 31 December 2020	66%		

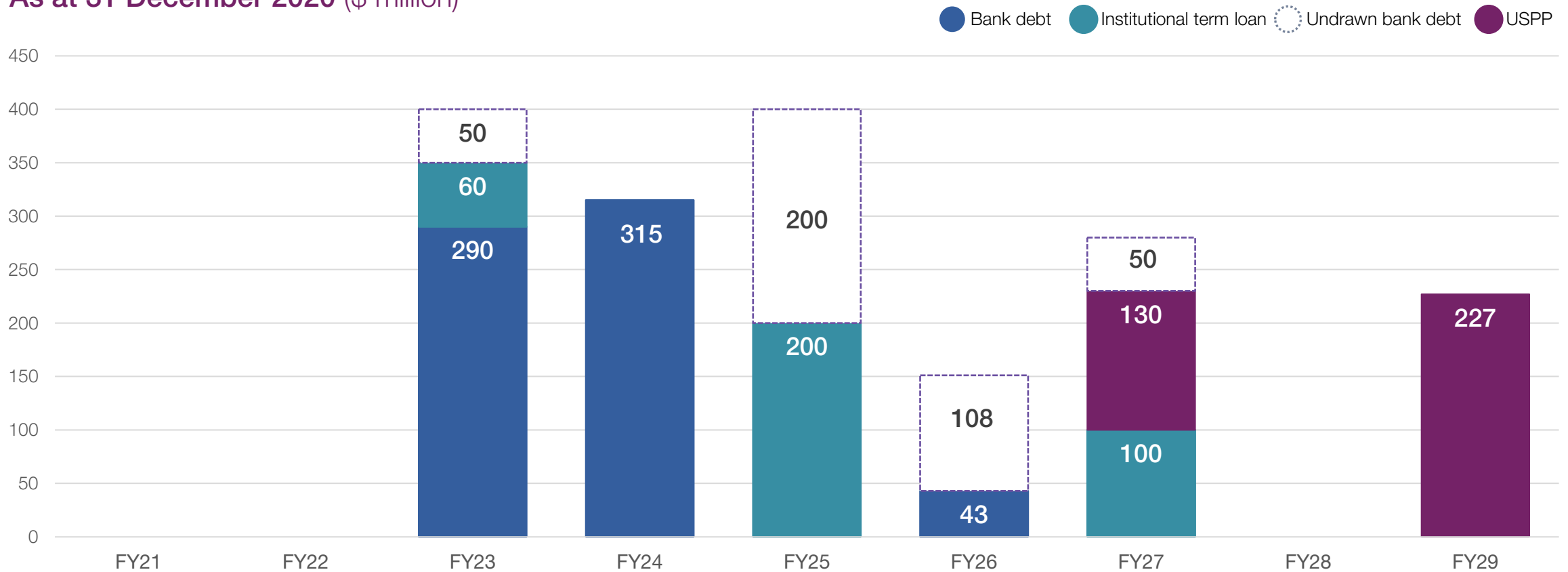


Key debt metrics and changes during 1H21

		31 Dec 2020	30 Jun 2020	Change
Gross assets	\$m	4,559.5	4,500.7	58.8
Interest bearing liabilities	\$m	1,357.7	1,446.0	(88.3)
Total debt facilities	\$m	1,771.9	1,813.0	(41.1)
Undrawn debt	\$m	407.5	360.0	47.5
Gearing	%	29.9	32.2	(2.3)
Weighted average cost of debt (based on drawn debt)	%	3.4	3.4	0.0
Weighted average debt maturity	years	4.5	4.7	(0.2)
Annual interest coverage ratio (ICR) / covenant ICR	times	4.8 / 1.6	4.6 / 1.6	0.2 / -
Actual loan to value ratio (LVR) / covenant LVR	%	32.1 / 60	33.5 / 60	(1.4) / -
Weighted average fixed debt maturity	years	4.7	5.0	(0.3)
% of debt fixed	%	66	67	(1)
Debt providers	no.	21	21	0

Group debt maturity profile

As at 31 December 2020 (\$ million)

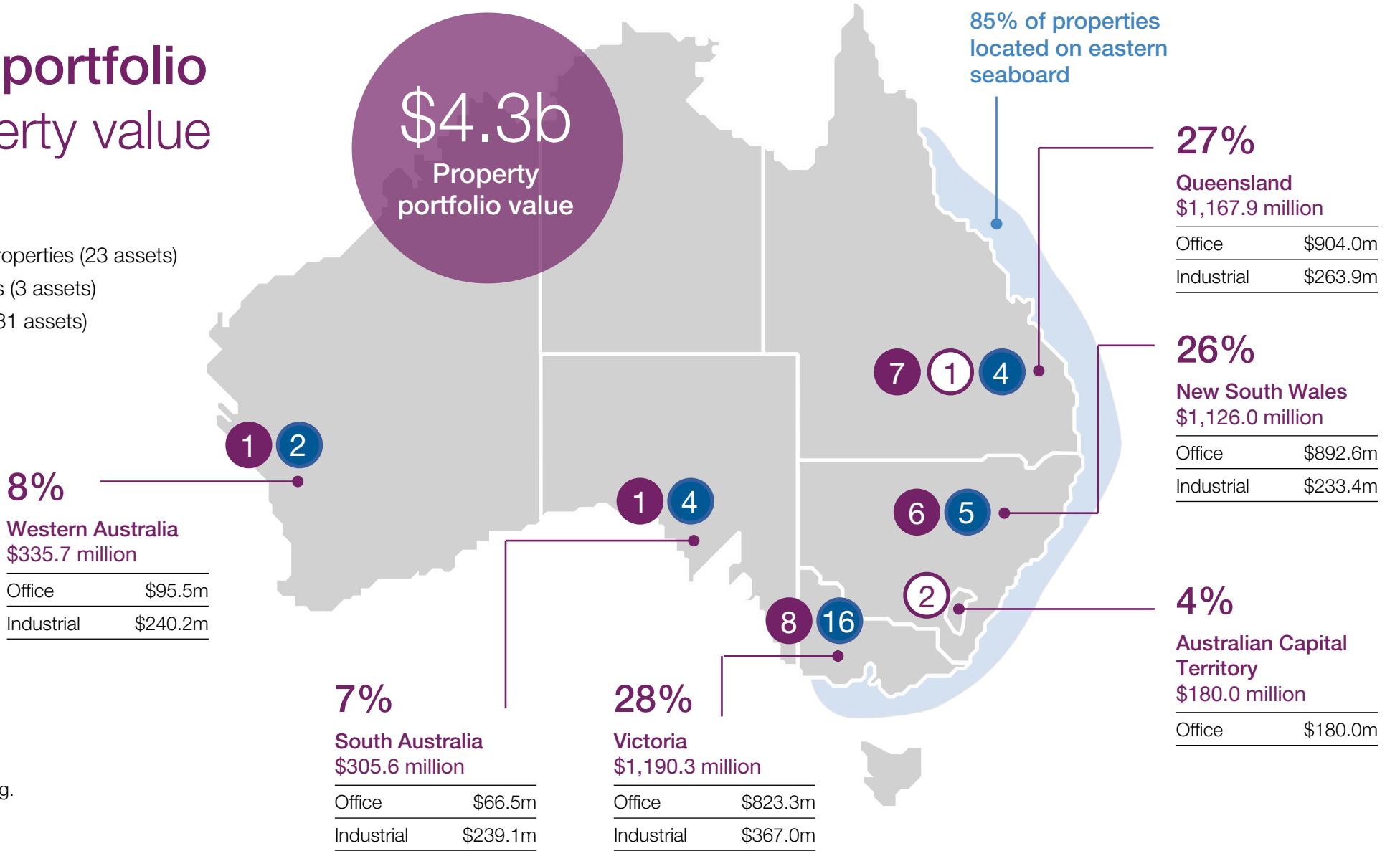


Property portfolio.



Property portfolio – by property value

- Office metropolitan properties (23 assets)
- Office CBD properties (3 assets)
- Industrial properties (31 assets)



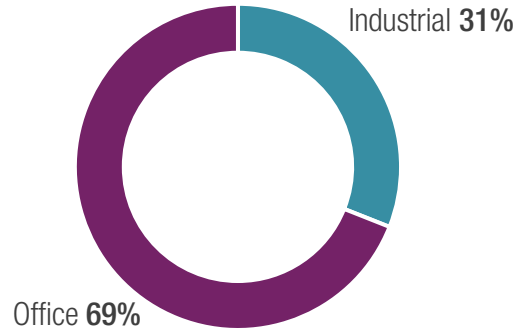
May not sum due to rounding.



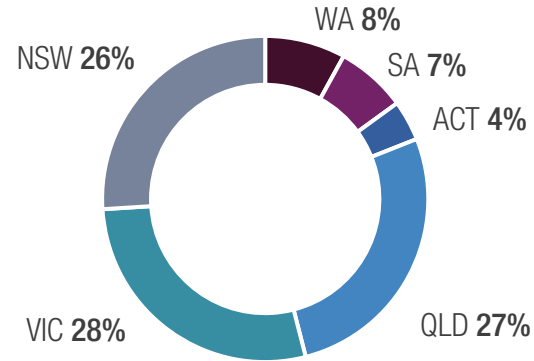
Portfolio summary

As at 31 December 2020

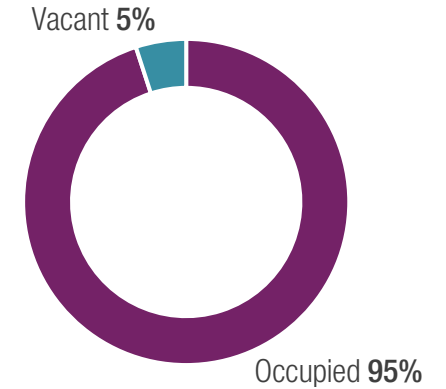
Sector diversity
by value



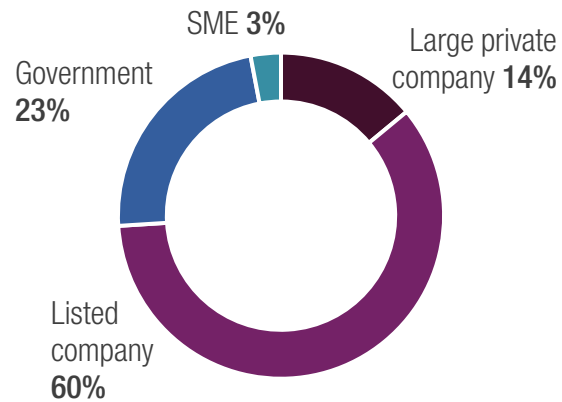
Geographic diversity
by value



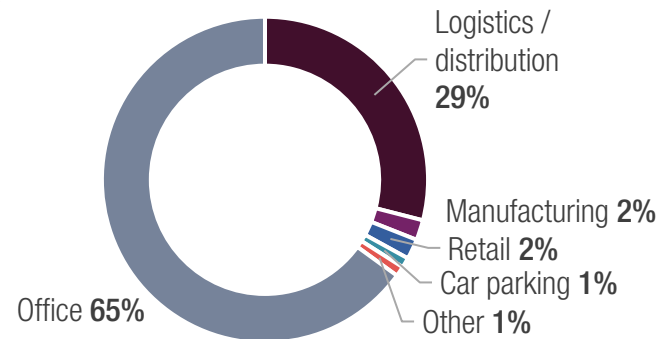
Occupancy
by income



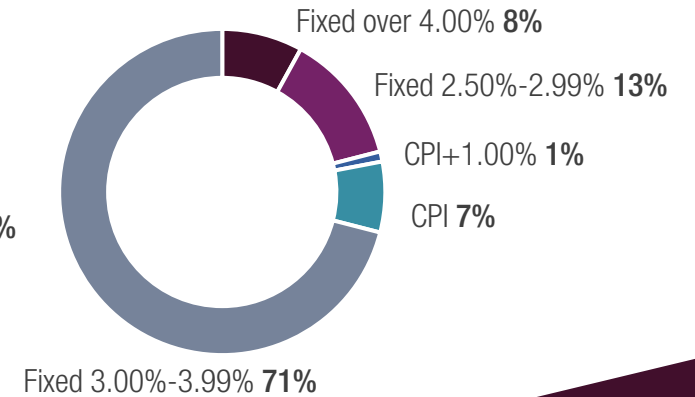
Tenant type
by income



Tenant use
by income



Annual rent review type
by income



May not sum due to rounding.



Portfolio metrics

Key metrics

	31 December 2020	30 June 2020
Number of assets	57	58
Property portfolio value	\$4.3 billion	\$4.2 billion
Number of tenants	163	163
Portfolio occupancy	95%	93%
Tenant retention	60%	95%
WALE	6.2 years	6.2 years
Weighted average property age	11.4 years	12.1 years
Weighted average capitalisation rate	5.5%	5.7%
WARR	3.2%¹	3.3% ²

1. Assumes CPI change of 0.86% per annum as per ABS release for CY20.

2. Assumes CPI change of -0.35% per annum as per ABS release for FY20.

Like-for-like NPI growth (1H20 to 1H21)

	Office	Industrial	Distributions from equity investments	Total
NPI growth	-2.9%	0.8%	-1.7%	-1.7%

Top ten tenants – by income



Total portfolio as at 31 December 2020

	% portfolio income	WALE (yrs)
Woolworths	13	5.9
NSW Police Force	8	24.0
Commonwealth of Australia	7	5.6
Country Road Group	4	11.5
Linfox	3	4.2
Bank of Queensland	3	6.1
ANZ Banking Group	3	5.2
Bunnings Warehouse	3	10.3
Samsung Electronics	2	1.2
Lion	2	3.3
Total / weighted average	48	9.0
Balance of portfolio	52	3.5
Total portfolio	100	6.2



Office tenants as at 31 December 2020

	% portfolio income	WALE (yrs)
NSW Police Force	12	24.0
Commonwealth of Australia	10	5.6
Country Road Group	5	11.5
Bank of Queensland	5	6.1
ANZ Banking Group	4	5.2
Bunnings Warehouse	4	10.3
Samsung Electronics	4	1.2
Lion	3	3.3
Jacobs Group	3	4.9
Fox Sports	3	2.0
Total / weighted average	53	9.9
Balance of portfolio	47	3.6
Total portfolio	100	6.9



Industrial tenants as at 31 December 2020

	% portfolio income	WALE (yrs)
Woolworths	39	5.9
Linfox	11	4.2
Australia Post	4	3.5
Laminex Group	4	1.5
Brown & Watson International	3	4.6
HB Commerce	3	1.7
The Workwear Group	2	6.5
Autocare Services	2	9.8
Symbion	2	8.0
Mainfreight Distribution	1	1.9
Total / weighted average	71	5.2
Balance of portfolio	29	2.9
Total portfolio	100	4.5

Leasing – office leases executed in 1H21

Location			Tenant	Start date	Term (yrs)	NLA (sqm)	Car parks (no.)
333 Ann Street	Brisbane	QLD	Brisbane Housing Corporation	Q1, FY21	8.0	867	9
333 Ann Street	Brisbane	QLD	Condor Energy Services	Q1, FY21	5.7	295	–
102 Bennelong Parkway	Sydney Olympic Park	NSW	Keks Projects	Q1, FY21	0.5	34	1
Building 3, 570 Swan Street	Richmond	VIC	Bunnings Warehouse	Q2, FY21	10.6	13,886	308
33-39 Richmond Road	Keswick	SA	SA Government	Q2, FY21	10.0	3,476	90
333 Ann Street	Brisbane	QLD	Omada Rail Systems	Q2, FY21	6.0	385	–
Building B, 211 Wellington Road	Mulgrave	VIC	Monash University	Q2, FY21	5.4	8,995	400
333 Ann Street	Brisbane	QLD	Prosperity Services	Q2, FY21	5.0	410	–
6 Parkview Drive	Sydney Olympic Park	NSW	Smartmoney Wealth Management Group	Q2, FY21	3.0	196	5
102 Bennelong Parkway	Sydney Olympic Park	NSW	Power Ideas	Q2, FY21	3.0	122	2
Building C, 219-247 Pacific Highway	Artarmon	NSW	Multiplex Constructions	Q2, FY21	2.0	1,106	15
102 Bennelong Parkway	Sydney Olympic Park	NSW	Australia Stonegate Group Development	Q2, FY21	0.5	25	1
6 Parkview Drive	Sydney Olympic Park	NSW	Akura	Q3, FY21	1.0	93	2
6 Parkview Drive	Sydney Olympic Park	NSW	212 Financial Group	Q3, FY21	0.5	12	1
Building B, 211 Wellington Road	Mulgrave	VIC	Monash University	Q4, FY21	5.0	1,842	140
100 Skyring Terrace	Newstead	QLD	Redchip Lawyers	Q3, FY26	3.7	1,010	20
Weighted average / total					8.0	32,752	994

Leasing – industrial leases executed in 1H21

Location			Tenant	Start date	Term (yrs)	NLA (sqm)
13 Business Street	Yatala	QLD	Volo Modular	Q1, FY21	5.0	8,951
58 Tarlton Crescent	Perth Airport	WA	Couriers Please	Q1, FY21	3.0	3,638
Weighted average / total					4.4	12,589

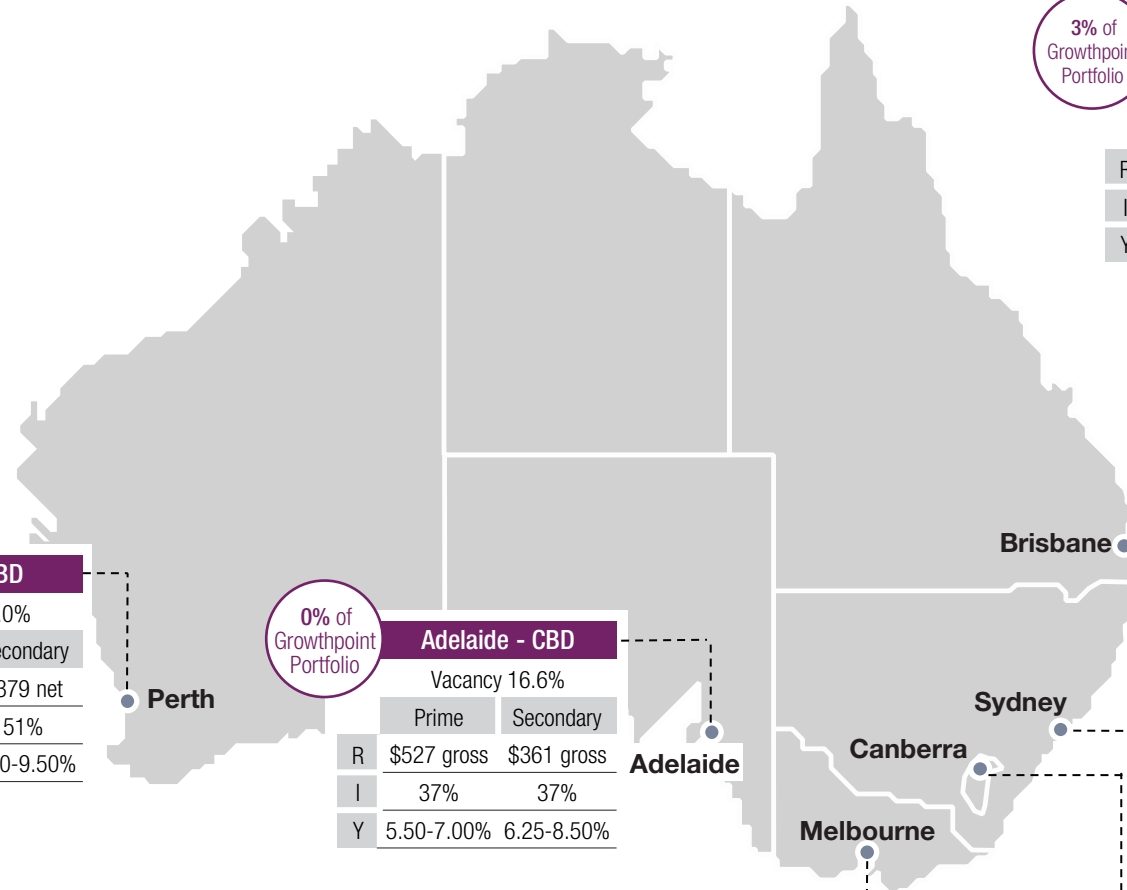
Key market metrics.



Key metrics

– office markets

R – Average face rent per sqm per annum
 I – Average incentives
 Y – Average core market yield



2% of Growthpoint Portfolio

Perth – West Perth

Vacancy 22.0%

	Prime	Secondary
R	\$361 net	\$263 net
I	37%	36%
Y	5.75-7.75%	7.00-9.25%

0% of Growthpoint Portfolio

Perth - CBD

Vacancy 20.0%

	Prime	Secondary
R	\$625 net	\$379 net
I	49%	51%
Y	5.25-7.75%	7.00-9.50%

0% of Growthpoint Portfolio

Adelaide - CBD

Vacancy 16.6%

	Prime	Secondary
R	\$527 gross	\$361 gross
I	37%	37%
Y	5.50-7.00%	6.25-8.50%

0% of Growthpoint Portfolio

Melbourne - CBD

Vacancy 13.2%

	Prime	Secondary
R	\$617 net	\$468 net
I	33%	30%
Y	4.38-5.38%	4.75-5.75%

16% of Growthpoint Portfolio

Melbourne - Fringe

Vacancy 14.7%

	Prime	Secondary
R	\$467 net	\$372 net
I	29%	29%
Y	4.88-5.63%	5.00-6.00%

3% of Growthpoint Portfolio

Melbourne – SES

Vacancy 12.8%

	Prime	Secondary
R	\$388 net	\$300 net
I	27%	28%
Y	5.00-5.75%	5.25-7.00%

3% of Growthpoint Portfolio

Brisbane - CBD

Vacancy 14.0%

	Prime	Secondary
R	\$762 gross	\$596 gross
I	40%	42%
Y	5.00-6.25%	5.75-7.00%

18% of Growthpoint Portfolio

Brisbane - Fringe

Vacancy 17.7%

	Prime	Secondary
R	\$585 gross	\$470 gross
I	43%	42%
Y	5.75-7.50%	6.00-7.75%

11% of Growthpoint Portfolio

Sydney - Parramatta

Vacancy 10.9%

	Prime	Secondary
R	\$589 net	\$447 net
I	30%	25%
Y	4.88-6.00%	5.50-6.25%

6% of Growthpoint Portfolio

Sydney Olympic Park

Vacancy 22.2%

	Prime
R	\$434 net
I	29%
Y	5.50-6.50%

4% of Growthpoint Portfolio

Canberra

Vacancy 8.2%

	Prime	Secondary
R	\$468 gross	\$395 gross
I	21%	25%
Y	4.75-6.50%	6.25-11.00%

0% of Growthpoint Portfolio

Sydney - CBD

Vacancy 11.9%

	Prime	Secondary
R	\$1,203 net	\$881 net
I	30%	30%
Y	4.38-5.00%	4.88-5.38%

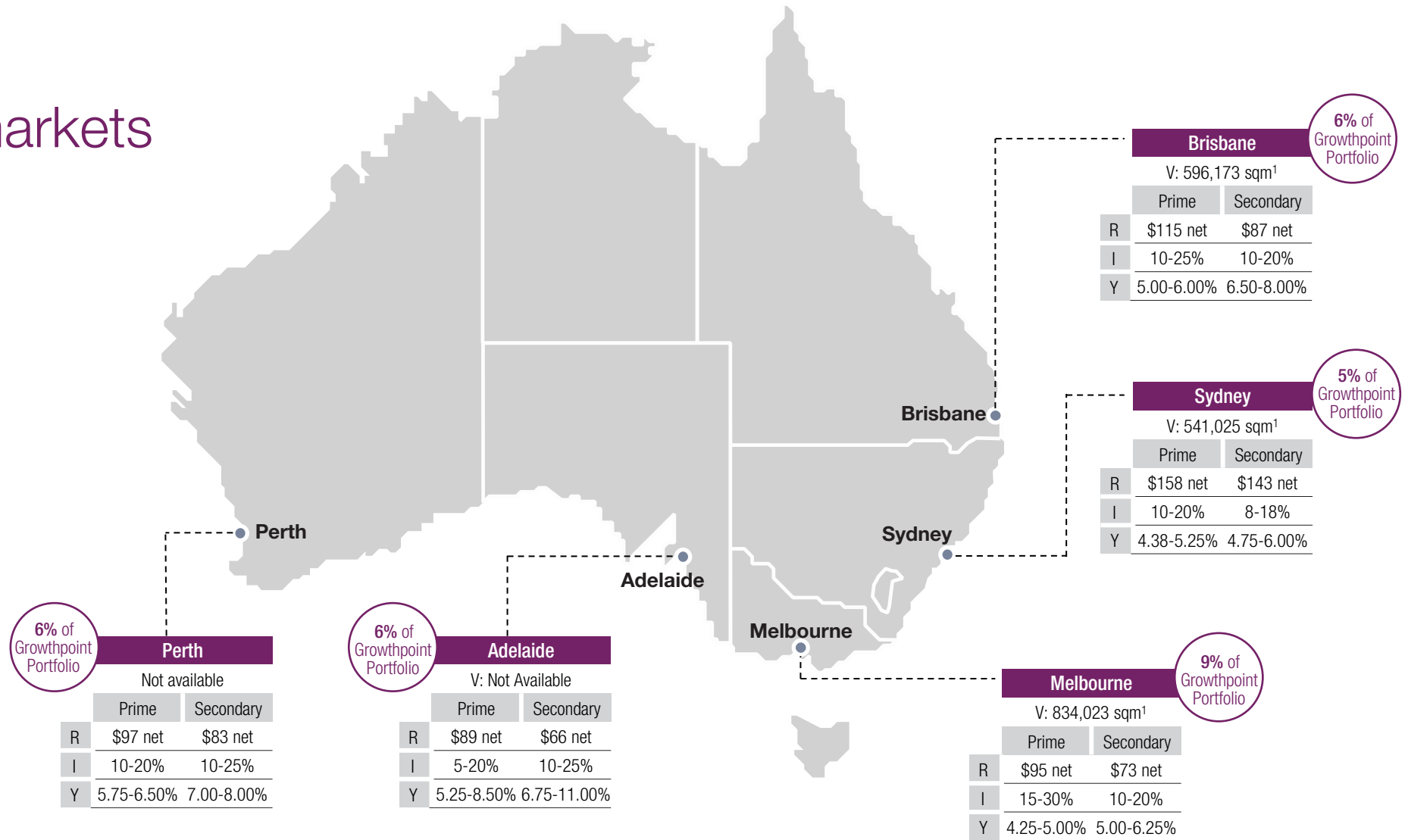
Sources: JLL, Knight Frank, Growthpoint research



Key metrics

– industrial markets

R – Average face rent per sqm per annum
 I – Average incentives
 Y – Average core market yield
 V – Vacancy



Sources: JLL, Knight Frank, Savills, Growthpoint research
 1. Total market vacancy, only spaces over 5,000sqm captured.



Glossary.



Glossary

Term	Definition
1H	First half of the financial year
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory, Australia
A-REIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange
b	Billion
bps	Basis points
capex	Capital expenditure
cap rate or capitalisation rate	The market income produced by an asset divided by its value or cost
CBD	Central business district
CDP	A global environmental disclosure system
CPI	Consumer price index
cps	Cents per security
CY	Calendar year
Deferred rent	Rent deferred to support tenants severely impacted by the COVID-19 pandemic. Rent to begin to be collected from October 2020
DPS	Distribution per security
FFO	Funds from operations
FY	Financial year
gearing	Interest bearing liabilities less cash divided by total assets less finance lease assets less cash
GOZ	Growthpoint or Growthpoint's ASX trading code or ticker
GRESB	Global Real Estate Sustainability Benchmark
Growthpoint or the Group	Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities
ICR	Interest coverage ratio
IRR	Average annual return before gearing and corporate costs

Term	Definition
JLL	The Australian arm of Jones Lang LaSalle, an international professional services and investment management firm
LVR	Loan to value ratio
m	Million
MER	Management expense ratio
NLA	Net lettable area
NPI	Net property income plus distributions from equity related investments
NSW	New South Wales, Australia
NTA	Net tangible assets
Payout ratio	Distributions (\$million) divided by FFO (\$million)
Q	Quarter
QLD	Queensland, Australia
RBA	Reserve Bank of Australia
Rent abatement	Rent waived to support tenants severely impacted by the COVID-19 pandemic
ROE or return on equity	Calculated as the percentage change in NTA plus the distributions for a given period divided by the opening NTA
SA	South Australia, Australia
sqm	Square metres
TSR or total securityholder return	Change in security price plus distributions paid or payable for the relevant period
USPP	United States Private Placement
VIC	Victoria, Australia
WA	Western Australia, Australia
WALE	Weighted average lease expiry
WARR	Weighted average rent review
Woolworths	Woolworths Group Limited
yrs	Years



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This presentation was authorised by Growthpoint's Board of Directors.



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GROWTHPOINT
PROPERTIES



2021 calendar.

- **29 April** – 3Q21 Update
- **25 August** – FY21 Results
- **18 November** – Annual General Meeting

Dates are indicative and subject to change.