

15 August 2022

## **2022 Interim Result Presentation**

The GPT Group (“GPT”) provides its 2022 Interim Result Presentation which is authorised for release by The GPT Group Board.

-ENDS-

For more information, please contact:

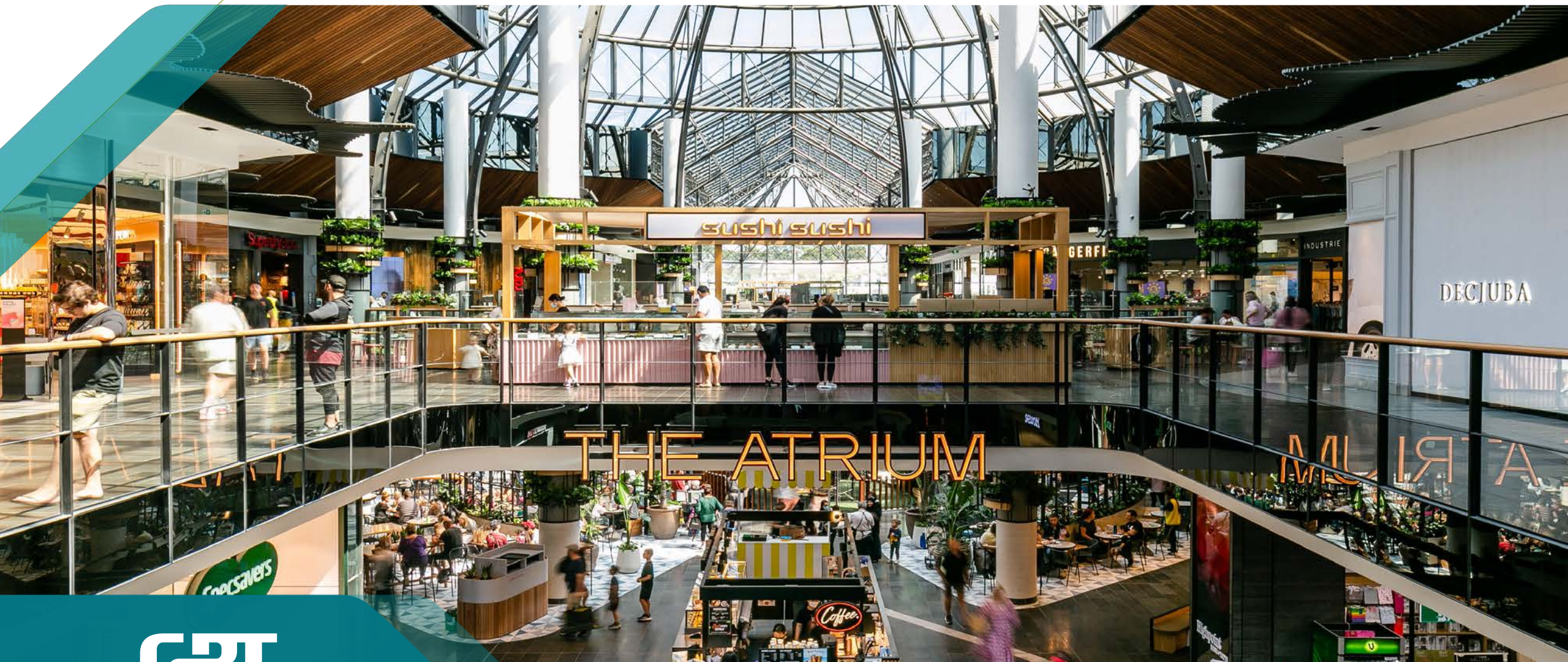
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**GPT**

The GPT Group

Interim Result 2022

Market Briefing

15 August 2022





The GPT Group acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing connection to land, waters and community. We pay our respects to First Nations Elders past, present and emerging.

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Interim Result 2022



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# Agenda



# 2022 Interim Result

## Financial summary

**17.04**cents

Funds From Operations  
per security, up 9.0%

**12.70**cents

Distribution  
per security, down 4.5%

**\$6.26**

Net Tangible Assets  
per security, up 2.8%

**10.8%**

12 month  
Total Return<sup>1</sup>

## Investment portfolio

Portfolio  
occupancy **97.5%**

Assets under  
management **\$27.4b**

Weighted average  
lease expiry **4.7 yrs**

Weighted average  
capitalisation rate **4.67%**

1. Total Return is defined as the change in Net Tangible Assets (NTA) per security plus distributions per security declared from 1 July 2021 to 30 June 2022, divided by the NTA per security at 1 July 2021.





# Executing on strategic priorities

- » Logistics portfolio expanded to \$4.6b, representing 28% of the portfolio
  - \$265m of completions in year to date<sup>1</sup>
  - \$1.9b development pipeline providing enhanced returns<sup>1</sup>
- » Executing on Office developments while growing the pipeline to \$5.5b<sup>2</sup>
  - GWOFF acquired North Sydney development site and commenced 51 Flinders Lane
  - Providing customer solutions via next generation assets and innovative product offerings
- » Sale of Casuarina Square and progressing mixed-use developments
  - Rouse Hill mixed-use expansion expected to commence in 1H 2023
  - Highpoint Shopping Centre first stage DA to be lodged in 4Q 2022
- » Funds Management platform expanded to \$17b in AUM<sup>3</sup>
  - Awarded \$2.8b direct real estate mandate by UniSuper
  - GPT QuadReal partnership (GQLT) committed capital \$1.0b of \$2.0b target<sup>4</sup>
- » Innovation driving improved sustainability outcomes
  - Upfront embodied carbon<sup>5</sup> neutral developments
  - On track to achieve operating carbon neutral certification in 2024<sup>6</sup>



**Expand and optimise the portfolio**



**Grow Funds Management**

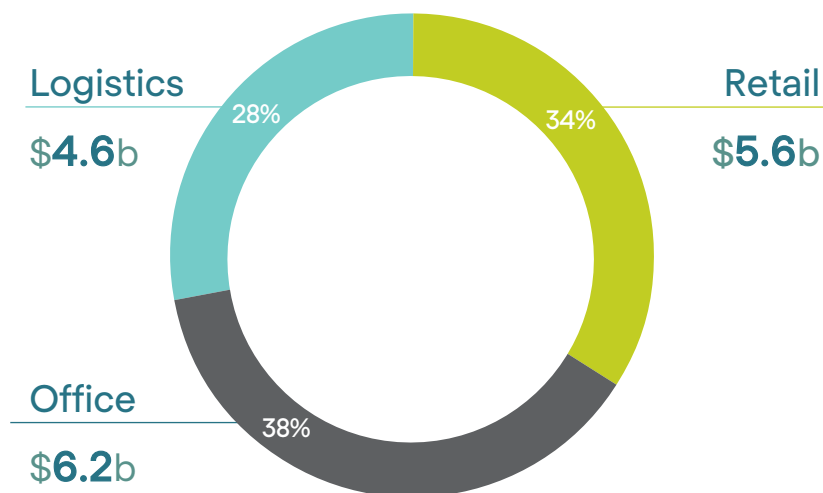


**Exceed customer expectations**



**Leadership in ESG**

**Portfolio Diversity**  
As at 30 June 2022



1. Estimated end value, includes GPT and GQLT share.  
 2. Includes the GPT Wholesale Office Fund (GWOFF) development at 51 Flinders Lane.  
 3. Assets under management (AUM).  
 4. Includes pipeline projects.

5. As defined in World Green Building Council report, "Bringing embodied carbon upfront", 2019.  
 6. Target to achieve independent Climate Active carbon neutral certification of all GPT owned and managed assets by the end of 2024.



# Our priorities – Carbon neutral and nature positive

## Leadership in ESG

### What we deliver

Carbon neutral operational assets

Upfront embodied carbon<sup>1</sup> neutral developments

Climate resilient assets

### How we deliver



Eliminate emissions via optimisation and renewables



Offset residual emissions



Climate adaptation plans

### Our impact

↓ **55%** energy<sup>2</sup>

↓ **82%** emissions<sup>2</sup>

✓ Nature positive initiatives delivered

✓ More carbon neutral certified floorspace than any other Australian property owner



### Innovation



Supporting restoration of 1,100 hectares of Australian biodiverse native koala habitat in partnership with Greenfleet and the Traditional Owners for permanent removal of development pipeline residual carbon emissions

For detail see GPT's Sustainability Report and Climate Disclosure Statement at [gpt.com.au/sustainability](https://gpt.com.au/sustainability).

1. As defined in World Green Building Council report, "Bringing embodied carbon upfront", 2019.  
2. Against the baseline of 2005.





# Finance and Treasury

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# Financial summary

**\$529.7m**

Statutory Net Profit After Tax

**\$326.5m**

Funds From Operations

(\$m)	1H 2022	1H 2021	Change
<b>Funds From Operations (FFO)</b>	<b>326.5</b>	<b>302.3</b>	<b>8.0%</b>
Valuation increases	219.5	471.7	
Treasury instruments marked to market	(16.8)	0.5	
Other items	0.5	(14.0)	
<b>Net Profit After Tax</b>	<b>529.7</b>	<b>760.5</b>	
<b>Funds From Operations per security (cents)</b>	<b>17.04</b>	<b>15.64</b>	<b>9.0%</b>
<b>Operating Cash Flow</b>	<b>271.8</b>	<b>289.0</b>	<b>(6.0%)</b>
<b>Free Cash Flow</b>	<b>243.3</b>	<b>255.1</b>	<b>(4.6%)</b>
<b>Distribution per security (cents)</b>	<b>12.7</b>	<b>13.3</b>	<b>(4.5%)</b>
<b>Payout Ratio</b>	<b>100.0%</b>	<b>99.9%</b>	



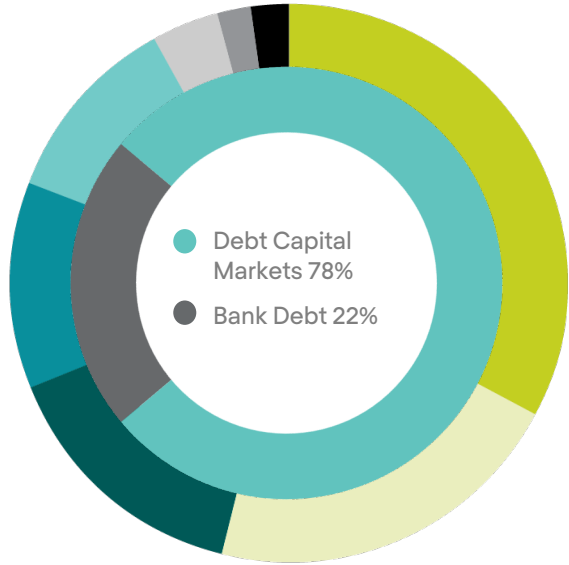
# Segment result

(\$m)	1H 2022	1H 2021	Change	Comments
Retail	145.0	140.8	3.0%	Lower COVID-19 allowances and land tax refunds (\$9.8m) offset by divestment of Casuarina and Wollongong (\$5.5m)
Office	148.9	134.5	10.7%	Reduced vacancy (\$5.6m), Ascot acquisition (\$2.2m), fixed base rent increases (\$5.3m) and higher management fee income (\$2.0m)
Logistics	91.2	75.5	20.8%	Ascot acquisition (\$12.6m) and development completions (\$3.3m)
Funds Management	27.5	23.9	15.1%	Higher base management fees from GWOFF revaluations and developments (\$2.4m), higher fees from GQLT developments (\$1.2m), GWSCF flat
Finance Costs	(54.1)	(44.3)	(22.1%)	Higher debt from acquisitions and developments
Corporate	(32.0)	(28.1)	(13.8%)	Higher technology (\$2.3m) and reorganisation (\$2.6m) costs offset by lower income tax (\$1.0m)
<b>Funds From Operations</b>	<b>326.5</b>	<b>302.3</b>	<b>8.0%</b>	
Maintenance capex	(14.8)	(12.9)	(14.7%)	
Lease incentives	(41.1)	(23.1)	(78.0%)	2H 2021 leasing volume driving 1H 2022 increase in Office
<b>Adjusted Funds From Operations</b>	<b>270.6</b>	<b>266.3</b>	<b>1.6%</b>	

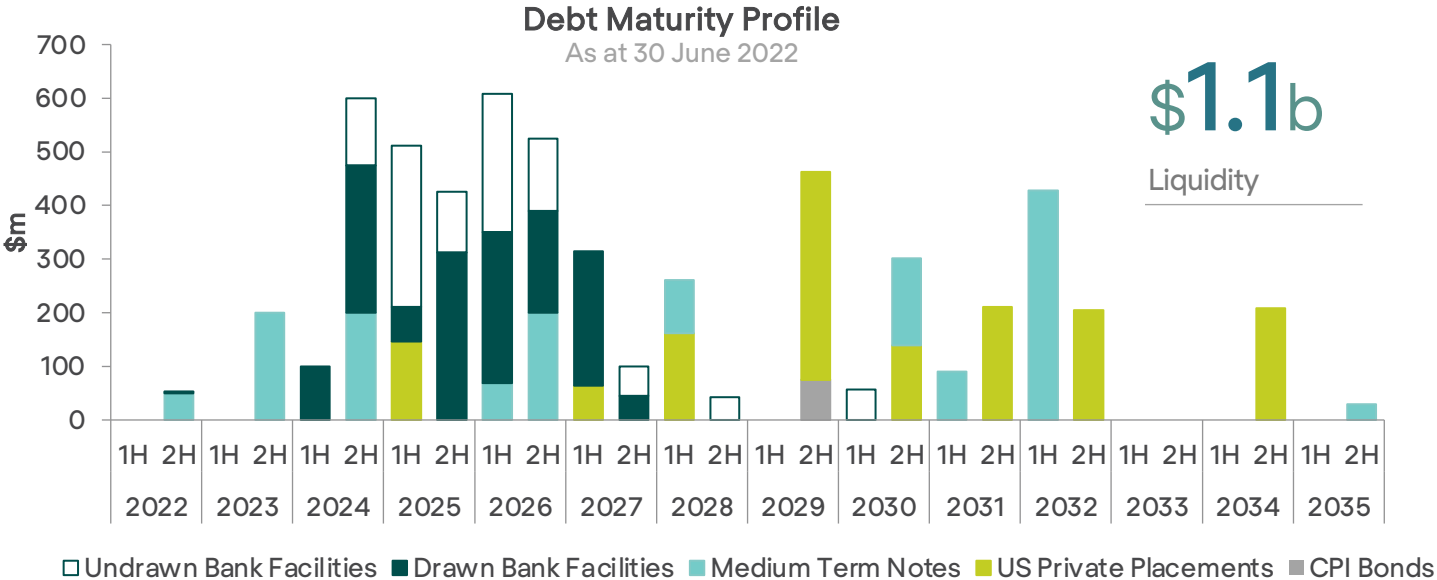
# Capital management

Key Statistics	30 Jun 2022	31 Dec 2021
Net Tangible Assets per security	\$6.26	\$6.09
Net Gearing	27.3%	28.2%
Weighted average cost of debt	2.5%	2.4%
Weighted average term to maturity	6.3 years	6.3 years
Interest cover ratio	7.1x	7.5x
Credit ratings (S&P/Moody's)	A (negative) / A2 (stable)	A (negative) / A2 (stable)

Sources of Drawn Debt  
As at 30 June 2022



- USPP 33%
- Domestic MTNs 21%
- Domestic bank debt 15%
- Foreign MTNs 12%
- Commercial Paper 11%
- Foreign bank debt 4%
- Secured bank debt 2%
- CPI Bonds 2%



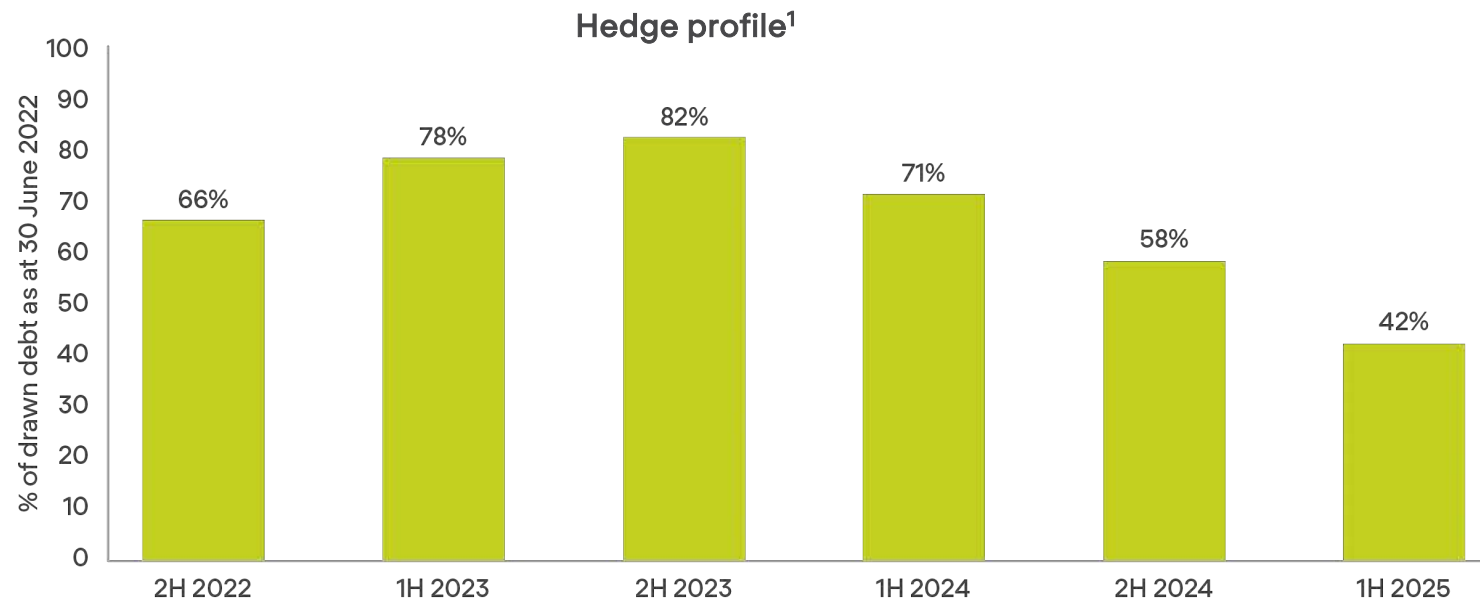


# Hedging profile

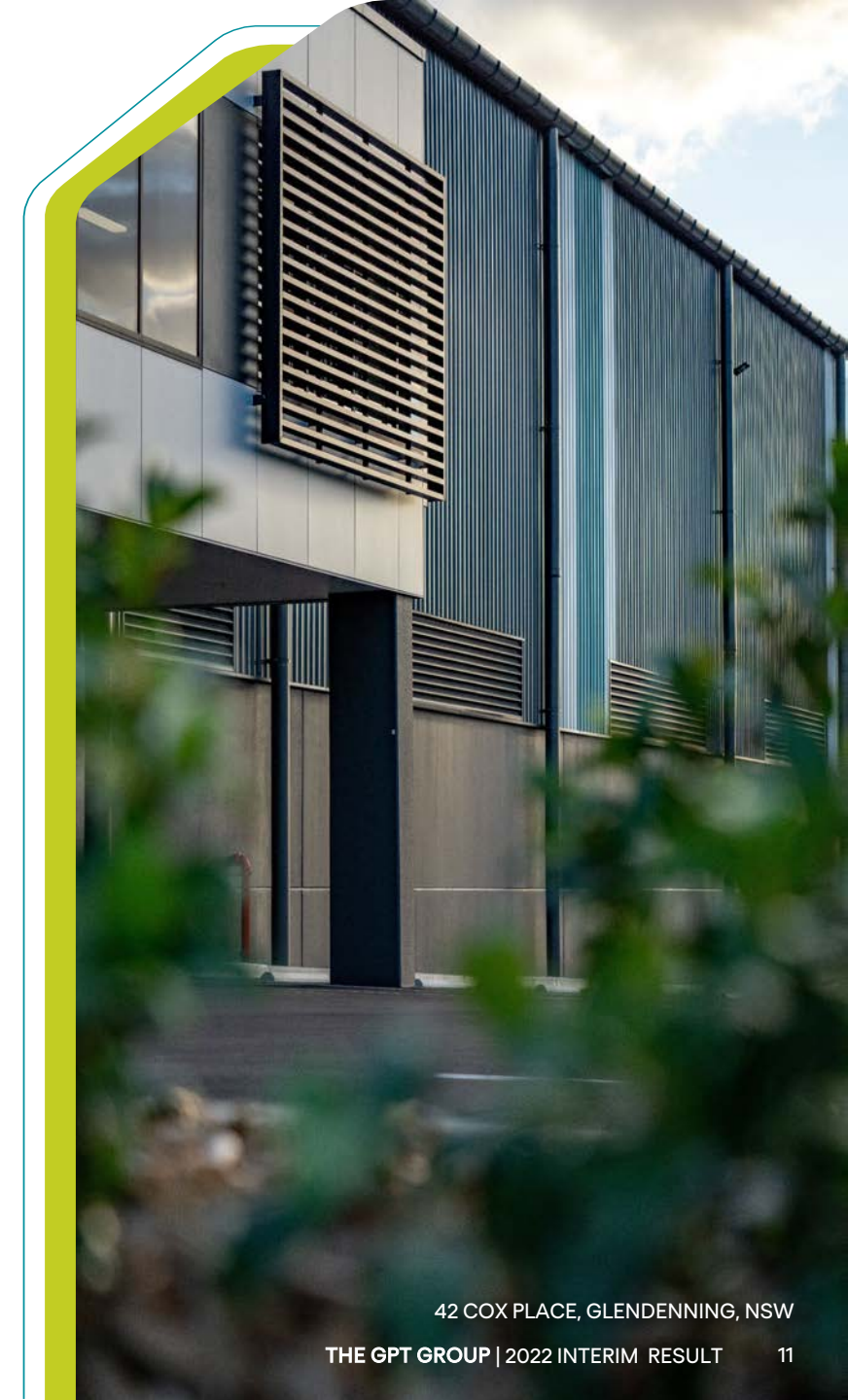
71% hedged over the next 2.5 years at an average fixed rate of 2.8%<sup>1</sup>

(31 Dec 2021: 50% hedged, 1.5 years at 1.5%)

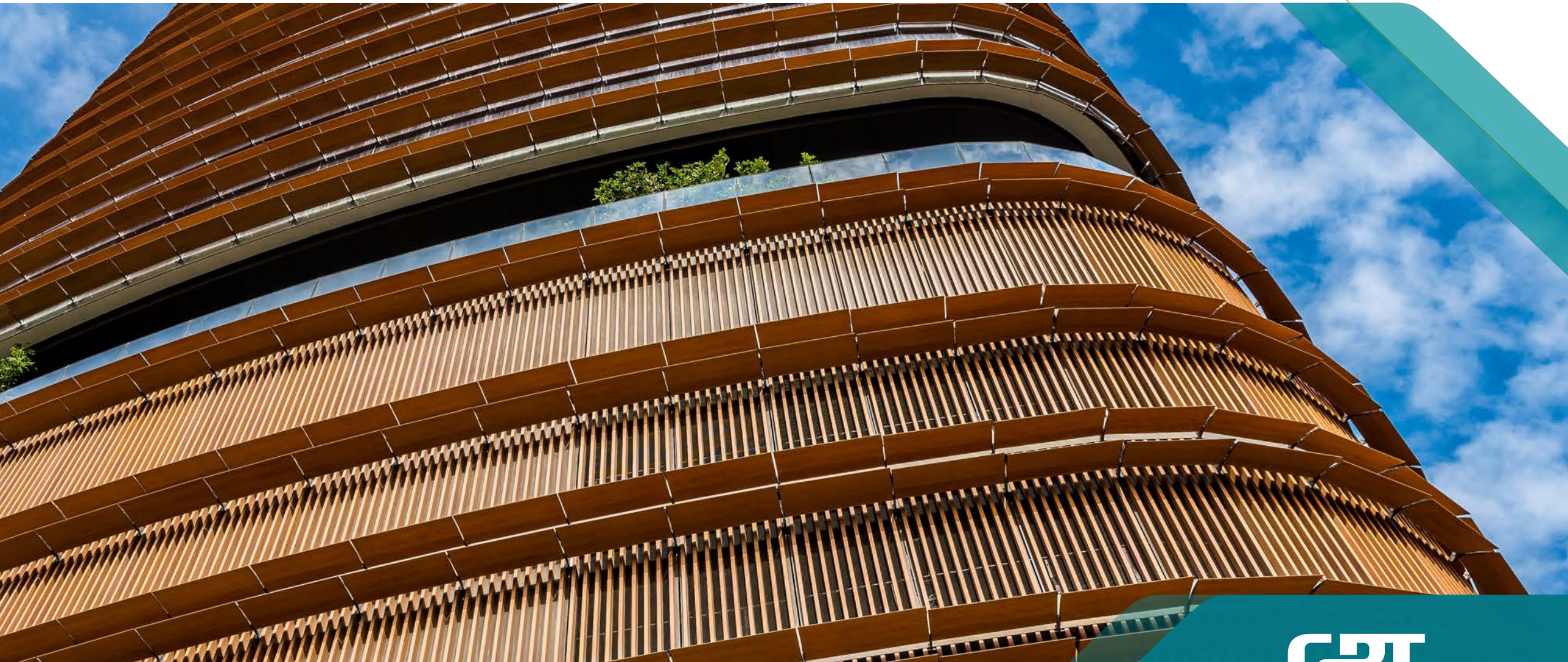
Key Statistics <sup>1</sup>	30 Jun 2022	31 Dec 2021
Interest rate hedging	65%	69%
Weighted average hedge term	2.5 years	1.5 years
Average fixed hedge rate 2022	1.7%	1.4%
Average fixed hedge rate 2023	2.6%	2.0%



1. Includes hedging transacted in late July 2022.







Office

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# Office overview

**\$169.6m**

Segment contribution<sup>1</sup>  
up 11.0%, comparable  
growth up 5.0%

**8.9%**

12 month  
Total Return<sup>3</sup>

**92.0%**

Portfolio  
Occupancy

**4.77%**

Weighted Average  
Capitalisation Rate

Weighted Average  
Lease Expiry

**4.7yrs**

Development  
Pipeline<sup>4</sup>

**\$5.5b**

Total  
Leasing<sup>2</sup>

**51,900sqm**  
(1H 2021: 49,700sqm)

Total Leasing  
Transactions  
(1H 2021: 78)

**79**

1. Includes share of Funds Management net income.
2. Includes Signed Leases and Heads of Agreement (HoA) based on GPT and GWOF Ownership Net Lettable Area (NLA).

3. Investment portfolio total return is calculated as net income and revaluation movement divided by property book value, compounded monthly for a rolling 12 month period.
4. Estimated end value on AUM basis, inclusive of GPT and GWOF share, includes 51 Flinders Lane.

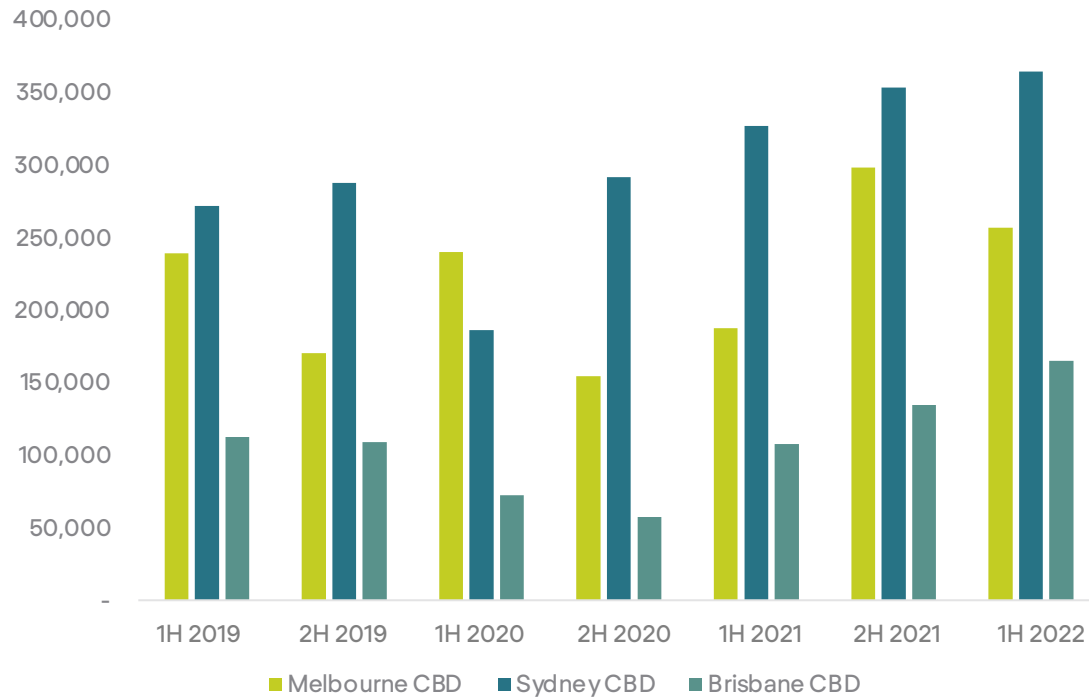


2 SOUTHBANK BOULEVARD, MELBOURNE

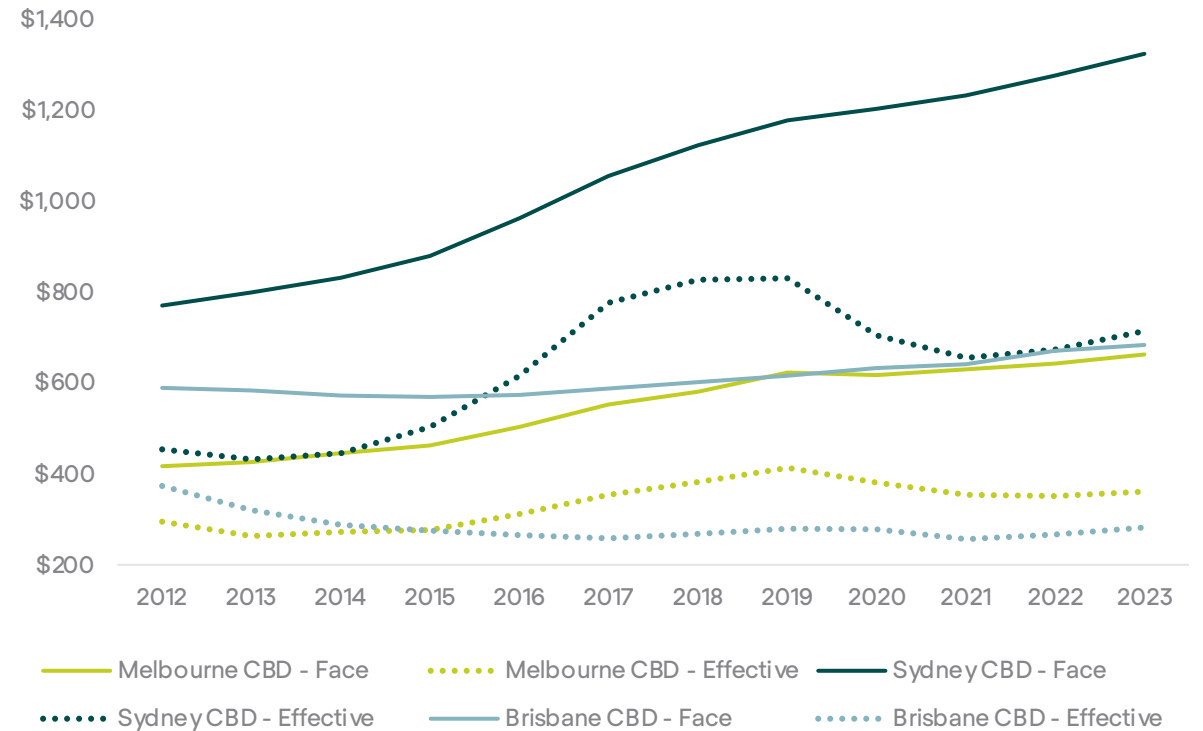
# Increased leasing enquiry

- » Office enquiry is showing positive momentum, up on 1H 2021
- » Smaller occupiers have been the most active during the period<sup>1</sup>
- » Occupiers 'flight to quality' continues

Office Enquiry (sqm)<sup>1</sup>



Prime Net Face and Effective Rent (\$/sqm p.a.)<sup>2</sup>



1. Colliers 'Office Demand Index' 1H 2022.  
2. JLL Research July 2022.



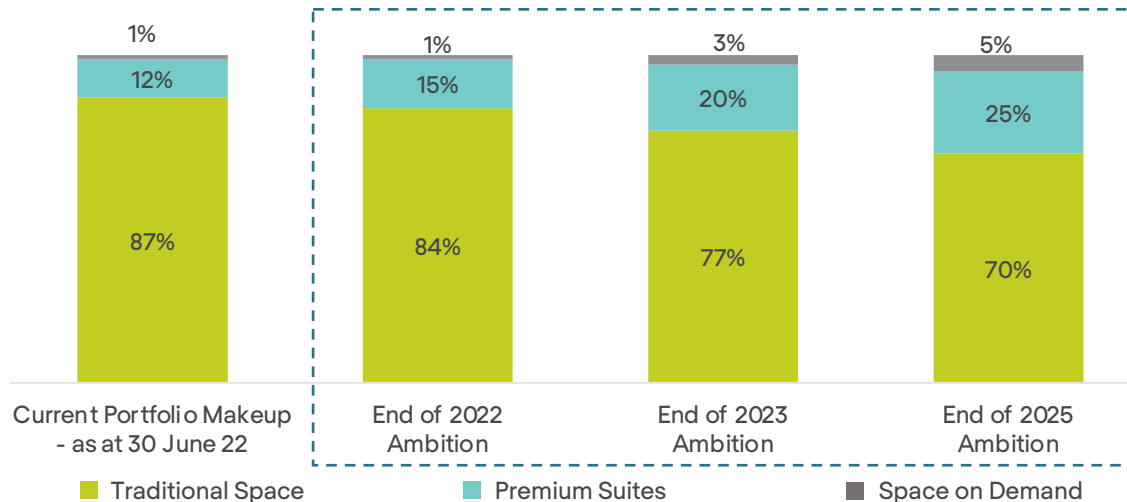
# Our leasing strategy

- » Our three space products allow us to access a deeper pool of customers from a diverse range of industries
- » Traditional Space appeals to larger occupiers seeking exceptional quality building amenity, high sustainability credentials and flexible lease terms
- » Space on Demand through Space&Co. provides flexibility for our customers and incubates emerging businesses
- » Premium Suites set a benchmark in high quality fitted out space with the latest workplace design features and technology

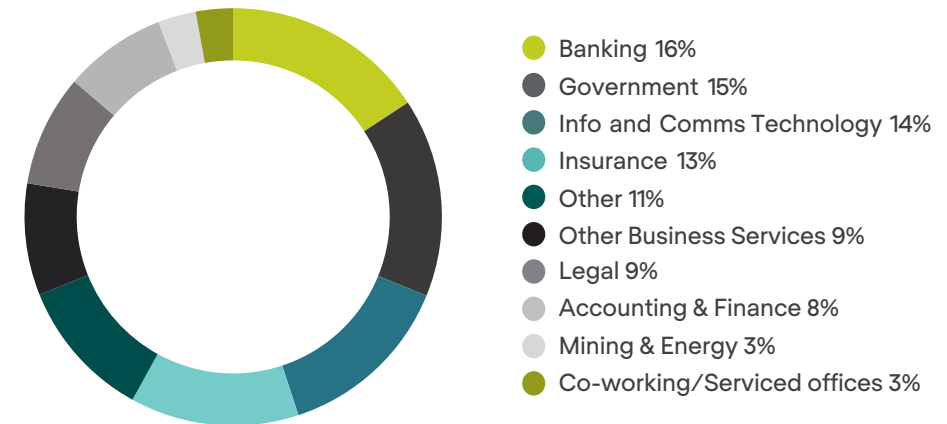
## Space&Co. Customers



## Target Portfolio Makeup<sup>1</sup>



## Portfolio Tenant Mix<sup>2</sup>

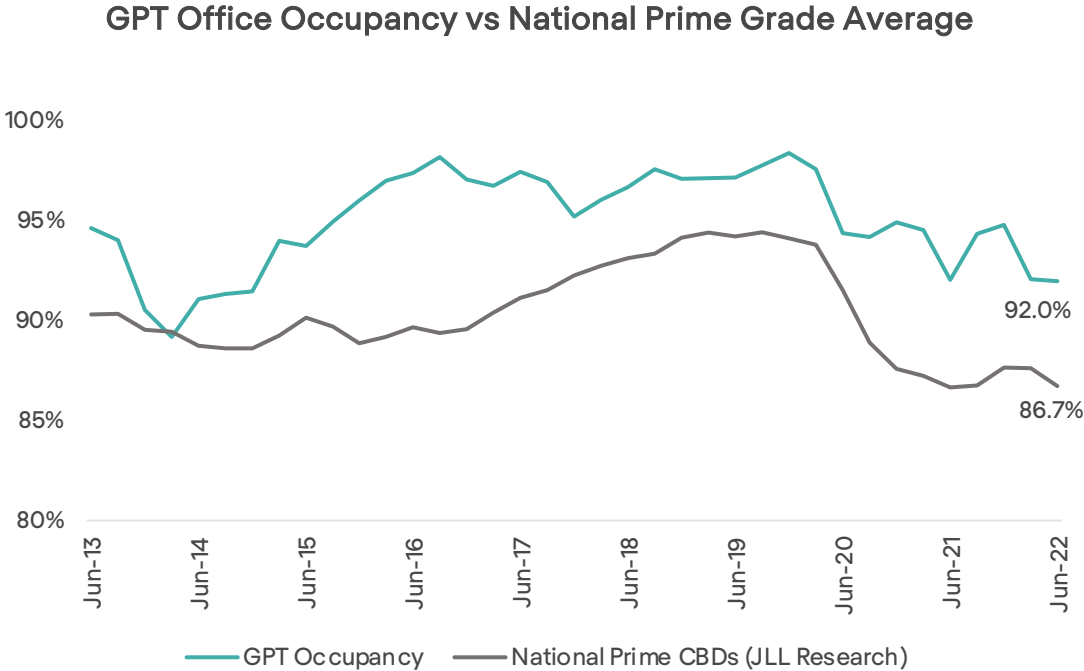


1. GPT and GWOF ownership NLA.  
2. Weighted office portfolio by area.

# Our leasing results

- » Continuing to achieve leasing results in a changing economic environment, with 51,900sqm of space transacted across 79 deals
- » Our occupancy has been consistently higher than the national prime grade average

1H 2022 Leasing (sqm by ownership)	Signed Leases	HoAs	Total Leasing	<1,000sqm Deals	Deals 1,000sqm and over
GPT + GWOFF	28,300	23,600	<b>51,900</b>	23,900	28,000
Weighted Office Portfolio	14,200	15,300	<b>29,500</b>	<b>13,900</b>	<b>15,600</b>
Transactions (#)	45	34	<b>79</b>	65	14



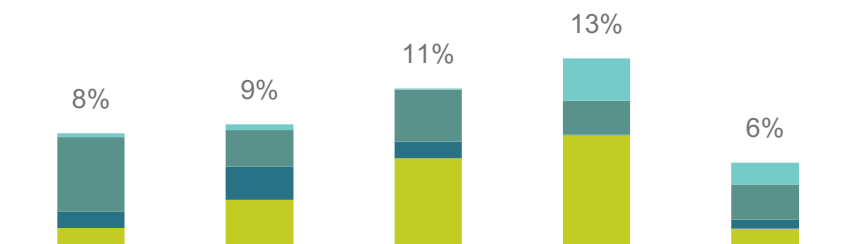


# Leasing volume expected to improve in 2H

- » While expiries remain elevated, leasing volume in 2H 2022 is expected to increase due to our high quality, well presented products and customer focus

## GPT Lease Expiry Profile<sup>1</sup>

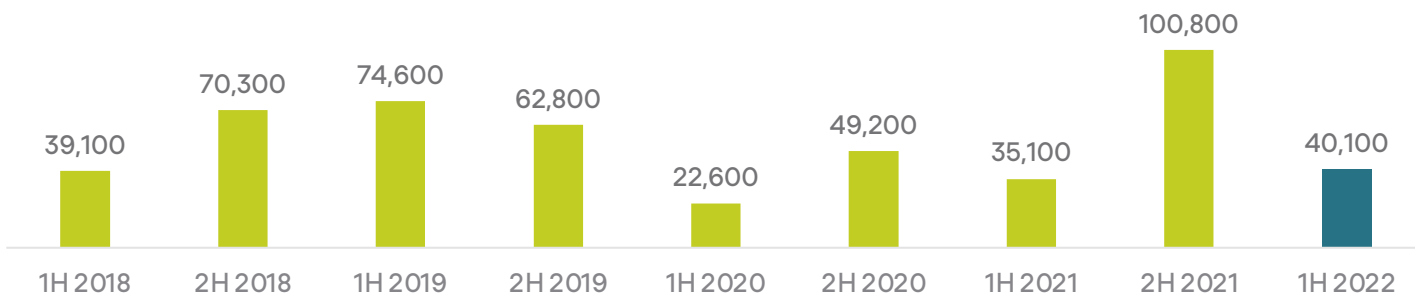
As at 30 June 2022



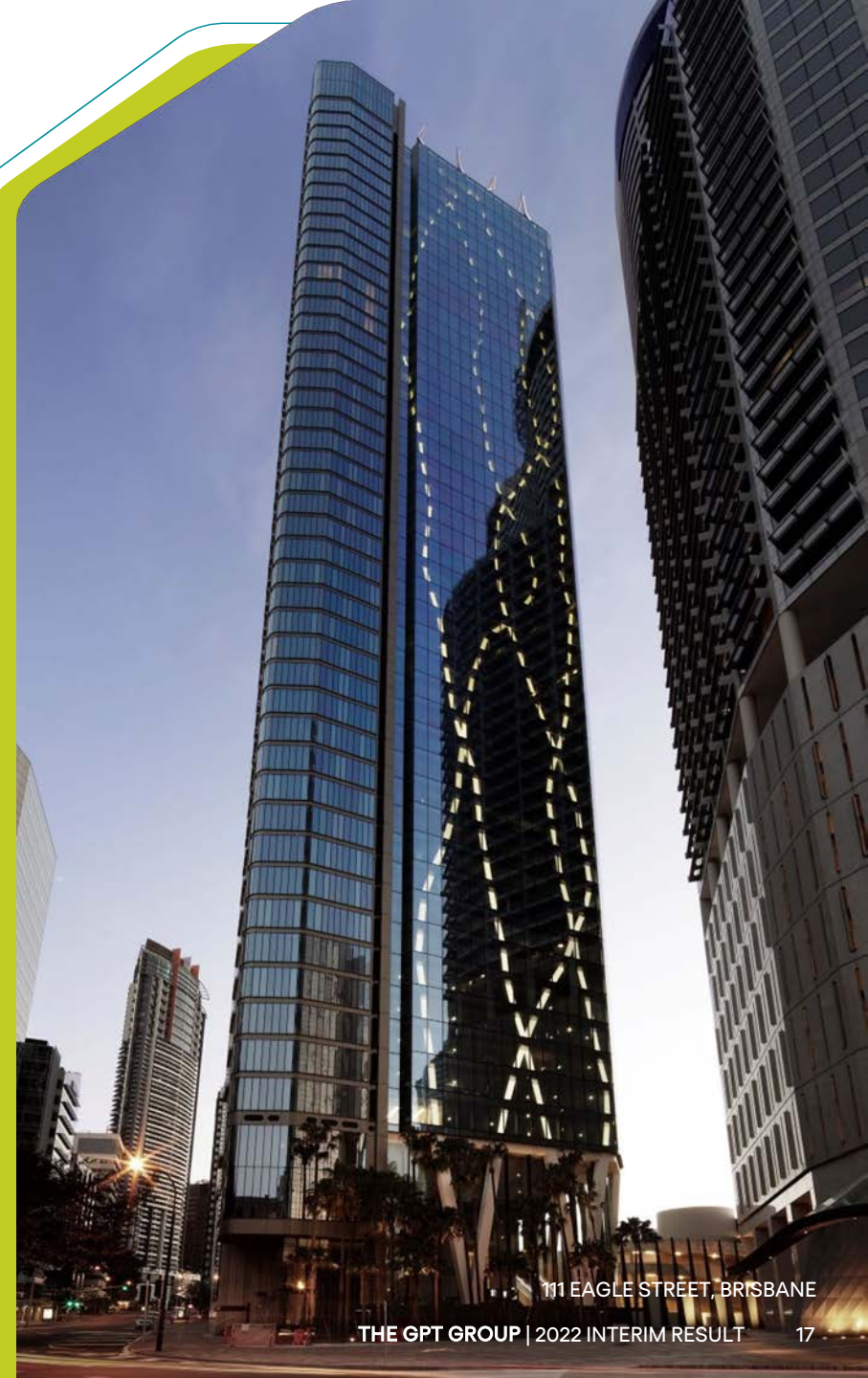
(sqm by Ownership)	Vacant	2022	2023	2024	2025	Total Portfolio
GPT + GWOFF	74,600	48,900	71,400	83,800	49,600	895,500
Weighted Office Portfolio	34,000	34,900	39,600	42,700	23,200	422,500

■ Sydney CBD ■ Parramatta ■ Melbourne ■ Brisbane

## Total HoAs Signed By Period<sup>2</sup>



1. Vacant % by Area. 2022 – 2025 Lease Expiry % by Income.
2. GPT and GWOFF ownership by NLA, based on HoA signature date.



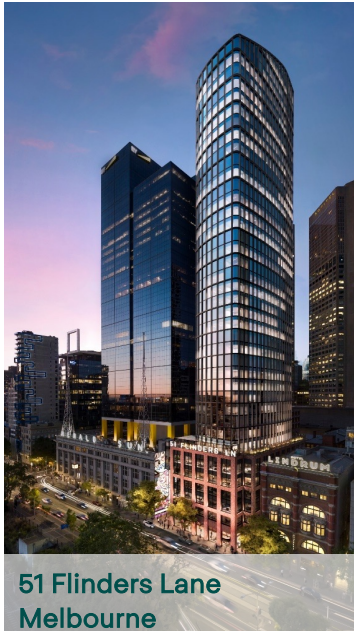
111 EAGLE STREET, BRISBANE

# Positioning for growth

- » Pipeline opportunities for the next cycle grew 22% to \$5.5b<sup>1</sup>, providing an opportunity for GPT and its funds to develop next generation assets and enhance returns
- » GWOF secured a North Sydney development site at 155 Walker Street
- » Commencement of developments customer led with timing in our control
- » Continuing to seek new development opportunities in core markets

## Underway

## Master planning



**51 Flinders Lane  
Melbourne**

100% GWOF  
Estimated end value \$539m



**Cockle Bay Park  
Sydney**

25% GPT/50% GWOF  
Estimated end value \$1.7b



**300 Lonsdale  
Melbourne**

100% GPT  
Estimated end value \$260m



**George Street  
Parramatta**

100% GWOF  
Estimated end value \$1.6b



**Skygarden  
Brisbane**

100% GWOF  
Estimated end value \$530m



**155 Walker Street  
North Sydney**

100% GWOF  
Estimated end value \$870m

Underway and pipeline images are Artists' impressions.

1. Estimated end value on AUM basis, includes GPT and GWOF share, and 51 Flinders Lane Melbourne, currently underway.

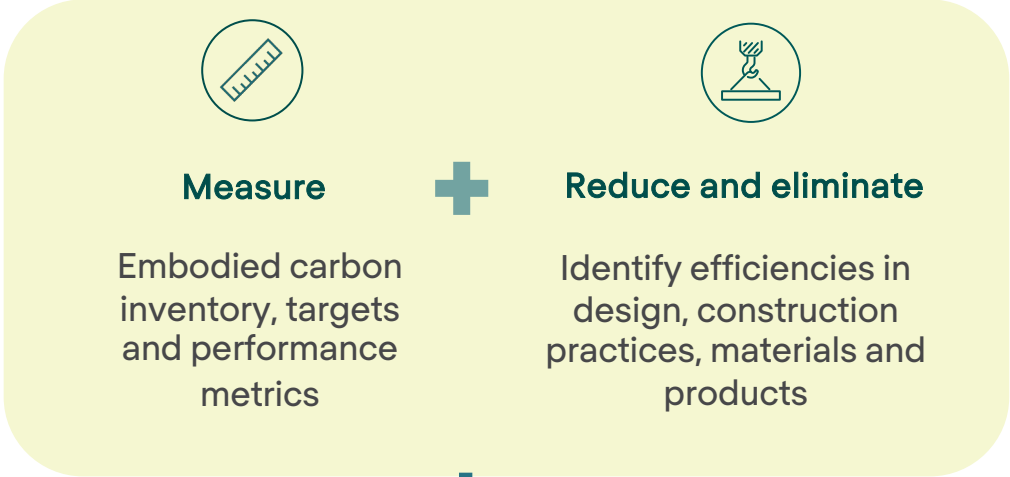


# Carbon neutral leadership

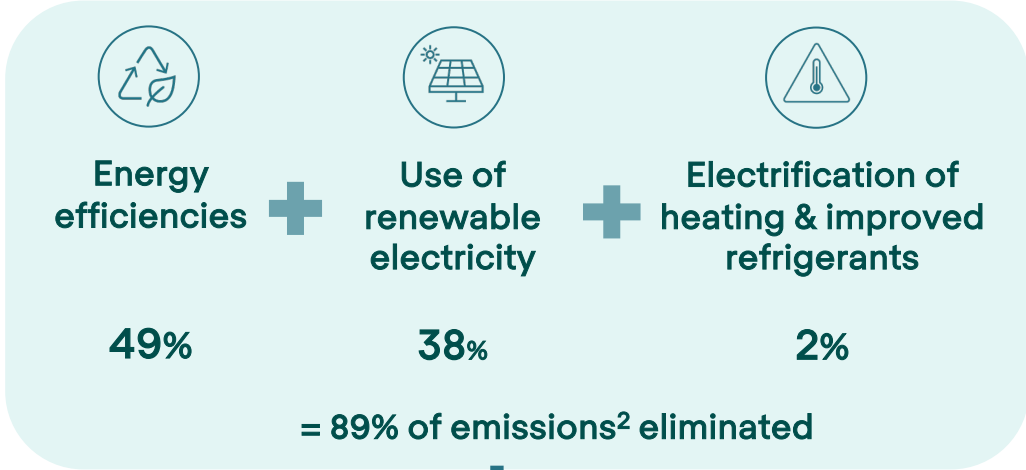
All new office developments upfront embodied carbon<sup>1</sup> neutral

- » 51 Flinders Lane will be GPT’s first Office development to be upfront embodied carbon<sup>1</sup> neutral and certified on completion through Green Star and Climate Active

## Upfront embodied carbon<sup>1</sup> neutral development pathway



## Operational carbon neutral pathway



**100%**

GWOF’s operational portfolio certified carbon neutral since 2020

1. As defined in World Green Building Council Report, “Bringing embodied carbon upfront”, 2019.  
 2. Against the baseline of 2005 emissions intensity.

# Office portfolio strategy and outlook

## Continuing to prioritise Sustainability

- » GPT's commitment to sustainability provides a competitive advantage
- » High ratings of 5.8 star NABERS Energy<sup>1</sup>, GWOFF is carbon neutral since 2020, GPT by 2024
- » All new Office developments to be upfront embodied carbon<sup>2</sup> neutral

## Positioning for growth

- » GWOFF has grown to \$10.1b in assets and is well positioned with low gearing of 18.8%
- » Development pipeline has further expanded to \$5.5b, providing the opportunity to create next generation assets and enhanced returns

## Outlook

- » Significant investment has been made across the portfolio to create distinct and desirable places for our customers
- » Our space products respond to our customers' needs and provide them with the flexibility they desire
- » Our space offering and our customer centric approach will support a successful second half of leasing

1. 5.8 stars with GreenPower, 5.2 stars without GreenPower.

2. As defined in World Green Building Council Report, "Bringing embodied carbon upfront", 2019.







Logistics

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The GPT Group

Interim Result 2022

# Logistics overview

**\$92.2m**

Segment contribution<sup>1</sup>  
up 22.4%, comparable  
growth of 2.4%

**14.0%**

12 month  
Total Return<sup>3</sup>

**98.7%**

Portfolio  
Occupancy

**4.09%**

Weighted Average  
Capitalisation Rate

Weighted Average  
Lease Expiry

**6.2yrs**

GQLT  
50% of \$2b committed<sup>4</sup>

**\$1.0b**

Total  
Leasing<sup>2</sup> **228,000sqm**

Development  
Pipeline<sup>4,5</sup>

**\$1.9b**

1. Includes share of Funds Management net income.
2. Includes Signed Leases and HoA on 100% area basis.
3. Investment portfolio total return is calculated as net income and revaluation movement divided by property book value, compounded monthly for a rolling 12 month period.

4. Includes post balance date activity, acquisitions yet to settle and pipeline.
5. Estimated end value of underway and pipeline projects on an AUM basis, inclusive of GQLT share.



50 OLD WALLGROVE ROAD, EASTERN CREEK, NSW



# Logistics portfolio of \$4.6b, executing on growth strategy

## Development

- » Two development completions delivering a yield on cost of 5.6% and four developments underway<sup>1</sup>
- » Replenishing land bank, GQLT secured 35.2 hectares in Epping in Melbourne's north
- » Development pipeline of \$1.9b across the eastern seaboard<sup>1</sup>

## Funds Management

- » GQLT \$2b partnership with QuadReal progressing well with \$1b committed
  - Eastern seaboard focus
  - Targeting development and value-add opportunities

## Development Completions<sup>1</sup> \$69m



**100 Metroplex Place, Wacol, QLD**  
Completed June 2022  
Fair Value<sup>1</sup> \$45.4m | GQLT (GPT 50.1%)



**143 Foundation Road, Truganina, VIC**  
Completed July 2022  
Fair Value \$23.4m | GPT 100%

## Fund-through Completions<sup>1</sup> \$196m



**18 Gorrick Court, Bundamba, QLD**  
Completed May 2022  
Fair Value<sup>1</sup> \$42.5m | GQLT (GPT 50.1%)



**1 Hurst Drive, Tarneit, VIC**  
Completed June 2022  
Fair Value<sup>1</sup> \$153.5m | GQLT (GPT 50.1%)

1. Reflects AUM, includes GQLT share.

# Tailwinds driving occupier take-up

- » Demand driven by Transport (35%) and Retail Trade (26%) user groups<sup>1</sup>
- » Significant proportion of market leasing enquiry from expanding occupiers
- » Strong market rental growth with tightening vacancy rates nationwide

	Sydney	Melbourne	Brisbane	Adelaide	Perth
Average Vacancy Rate <sup>2</sup>	0.3%	1.1%	1.4%	0.9%	0.5%

## Trends impacting the Logistics market



Investment in the supply chain to ensure efficient movement of goods



Building resilience with higher inventory levels



Omnichannel retail and continued e-commerce growth



Increasing use of automation and robotics



Growing consideration of ESG in real estate decision-making

1. JLL Research, 1H 2022.  
2. CBRE Research, 1H 2022.





# Strong leasing and rent growth

- » High occupancy of 98.7% and WALE of 6.2 years
- » Total leasing of 228,000sqm<sup>1</sup> with 108,000sqm in developments (2021: 182,300sqm)
- » 2022 speculative development leasing outpacing rent expectation at construction commencement by ~9%
- » Capturing market rental growth in phased developments:

Gateway Logistics Hub, Truganina	Year 1 Net Face Rent
25 Niton Drive (PC 2021)	\$80.00/sqm
2 Prosperity Street (PC 2021)	\$82.50/sqm
24A/B Niton Drive (underway)	\$95.00/sqm

+19%

1. Includes Signed Leases (149,700sqm) and HoA (78,200sqm) on 100% area basis.

## Key Leasing YTD 2022

**BUNNINGS**

40,700sqm  
Austrak Business Park  
Somerton, VIC

**go**  
logistics

29,900sqm  
Rosehill Business Park  
Camellia, NSW

**JB HI-FI**

15,100sqm  
Wembley Business Park (Stage 3)  
Berrinba, QLD

**MANFREIGHT**

8,800sqm  
100 Metroplex Place  
Wacol, QLD

**DAIKIN**

13,600sqm  
Gateway Logistics Hub  
(24A Niton Drive)  
Truganina, VIC

**NATURE'S**  
*Best*

13,700sqm  
Gateway Logistics Hub  
(24B Niton Drive)  
Truganina, VIC



# Driving sustainability outcomes

GPT leads the way with certified upfront embodied carbon<sup>1</sup> neutral logistics development

- » 143 Foundation Road, Truganina is Australia's first upfront embodied carbon<sup>1</sup> neutral logistics development certified by the Green Building Council of Australia and Climate Active

## How we deliver



Measure and target



Reduce and eliminate



Offset residual emissions

## Future proofing for transition to a low carbon future

- » Developing efficient buildings and installing rooftop solar
- » Strong engagement with customers of existing facilities to install on-site solar
- » Both development completions designed and built to achieve 5 Star Green Star ratings
- » Future proofing developments for onsite battery storage and electrification of vehicle fleets



1. As defined in World Green Building Council Report, "Bringing embodied carbon upfront", 2019.



# Future growth through build-out of \$1.9b pipeline

- » Targeting an average yield on cost of >5.25% for developments, strong rental growth offsetting higher construction and funding costs
- » Two completions due 4Q 2022 with a further two speculative developments underway
- » Progressing planning milestones for pipeline, with planning approvals for Yiribana East expected in 2H 2022

	Suburb	State	GPT Ownership (%)	Underway (sqm)	Pipeline (sqm)	Estimated End Value (\$m)	Estimated Timing			
							2022	2023	2024	2025+
Gateway Logistics Hub	Truganina	VIC	100	27,200	31,600	135				
Boundary Road	Truganina	VIC	100		128,200	255				
Epping Estate	Epping	VIC	50		134,400	330				
Austrak Business Park	Somerton	VIC	50		121,300	100				
Yiribana Logistics Estate - East	Kemps Creek	NSW	100		182,000	600				
Yiribana Logistics Estate - West	Kemps Creek	NSW	50		38,900	140				
Pembroke Road	Minto	NSW	50		19,500	25				
Wembley Business Park	Berrinba	QLD	100	21,800		50				
Coulson Street	Wacol	QLD	50	17,500		40				
CrestLink Business Park	Crestmead	QLD	50		40,000	95				
Apex Business Park	Bundamba	QLD	50	11,600	48,500	150				

All estimated end values on AUM basis, inclusive of GPT and GQLT share. Lettable areas subject to authority approvals.



YIRIBANA LOGISTICS ESTATE (ARTIST'S IMPRESSION)



# Logistics portfolio strategy and outlook

## Grow through development and funds management

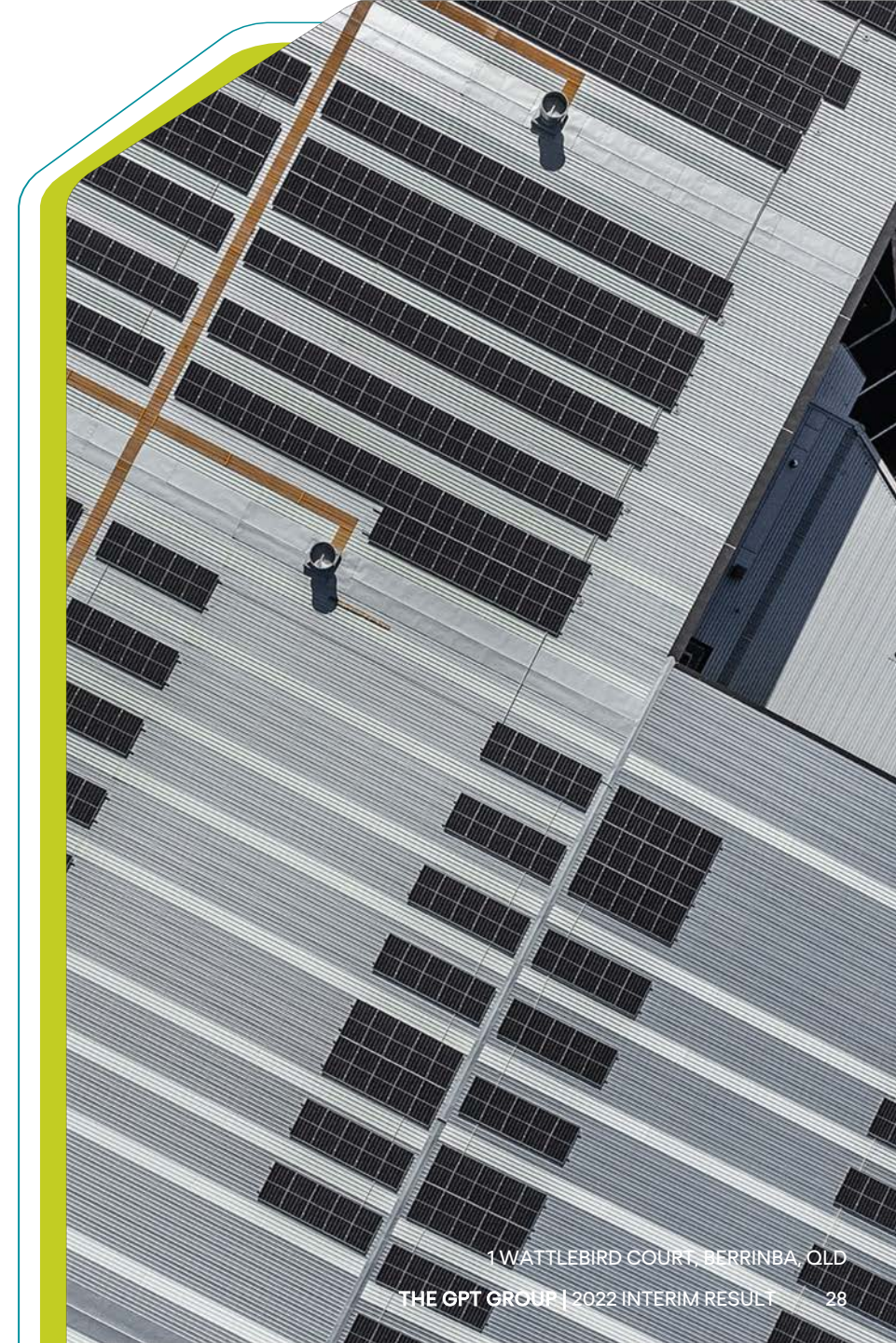
- » Build out development pipeline located in key growth corridors
- » Replenish landbank to provide future growth
- » Grow logistics partnership with QuadReal

## Operational excellence supporting customer success

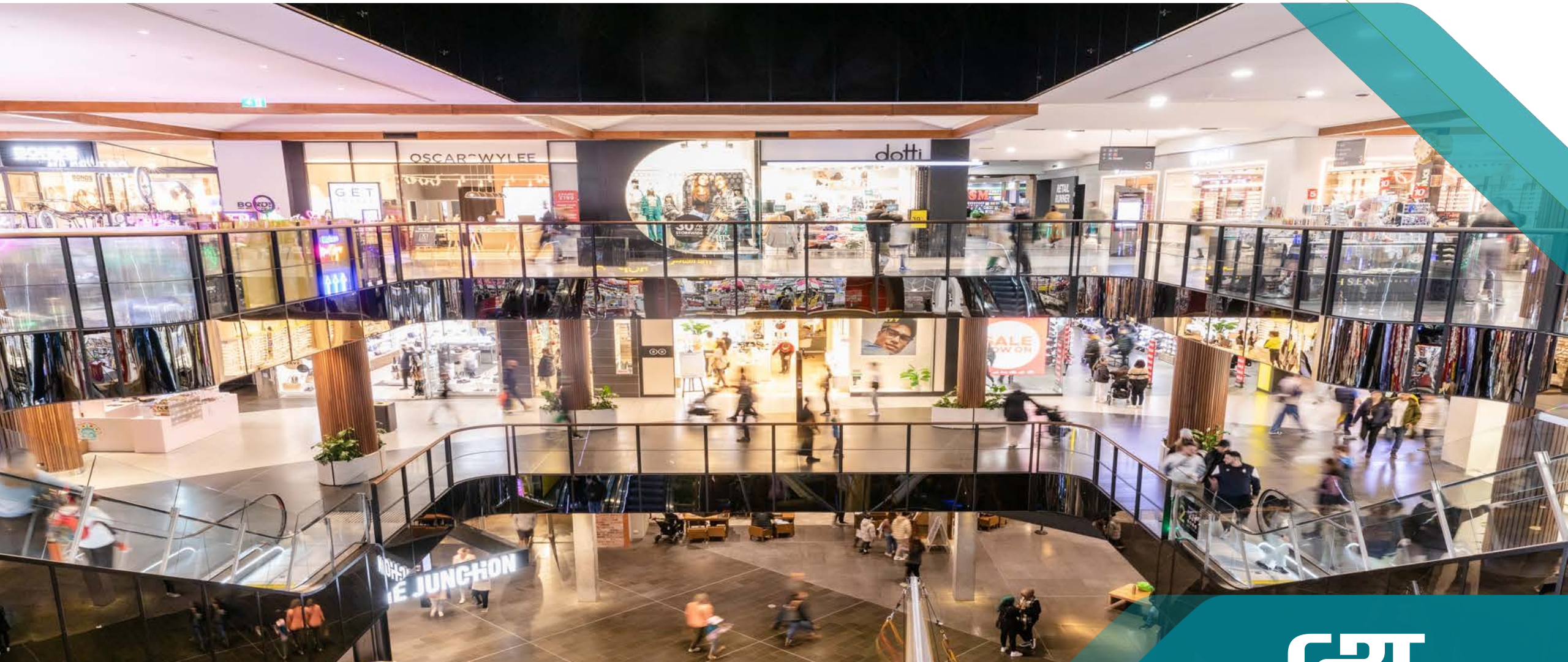
- » Broaden relationships with our high-quality and diverse customer base
- » Build on GPT's leadership position in ESG
- » Capture expected strong market rent growth, with half of portfolio expiring in next five years and through development leasing

## Outlook

- » Global capital underweight to logistics, Sydney and Melbourne preferred markets
- » Tenant demand for prime, well-located space to continue
- » Vacancy rates to remain extremely low 2022-2023, with limited availability of zoned and serviced land







Retail

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# Retail overview

**\$150.8m**

Segment Contribution<sup>1</sup>  
up 2.9%

**5.9%**

12 month  
Total Return<sup>2</sup>

**99.3%**

Portfolio Occupancy

**4.98%**

Weighted Average  
Capitalisation Rate

Total Specialty  
Sales Growth  
on 1H 2021

**11.6%**

Specialty Sales  
Productivity<sup>3</sup>

**\$9,593psm**

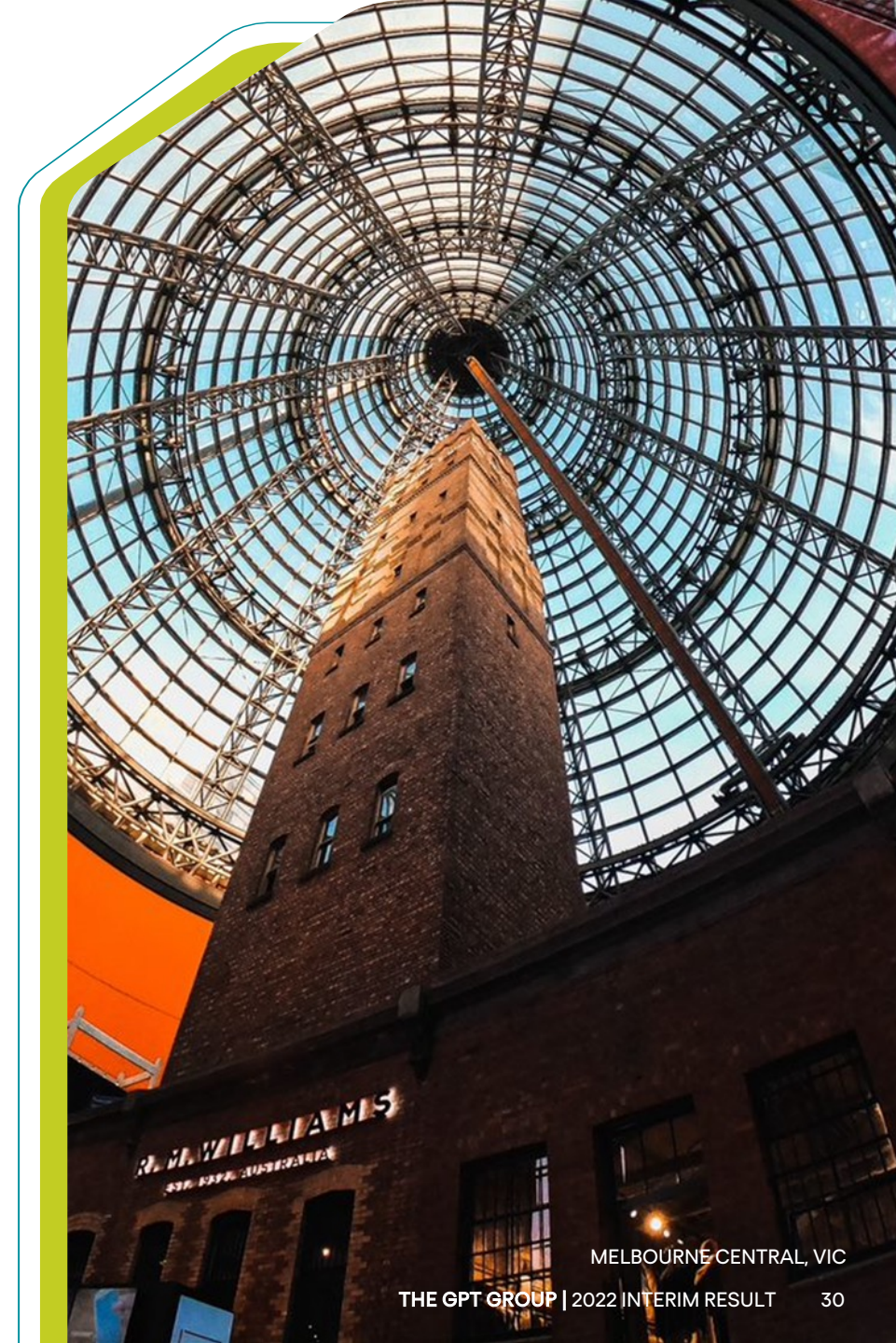
Total Specialty  
Sales Growth  
on 1H 2019

**6.5%**

Leasing Deals  
Completed

**405**

1. Includes share of Funds Management net income.
2. Investment portfolio total return is calculated as net income and revaluation movement divided by property book value, compounded monthly for a rolling 12 month period.
3. Specialties <400sqm.



MELBOURNE CENTRAL, VIC



# UniSuper mandate

- » Four Retail assets
  - Karrinyup Shopping Centre, WA
  - Marrickville Metro, NSW
  - Dapto Mall, NSW
  - Malvern Central, VIC
- » Direct benefits of scale with 40% increase to Gross Lettable Area under GPT management
- » Highly complementary to GPT's portfolio of regional and super regional assets with the ability to leverage tenant relationships across an additional 500 stores
- » Management to commence 1 September 2022





# Leasing momentum continues

- » Strong occupancy with high levels of deal activity and tenant retention
- » 76 new brands introduced to the portfolio
- » Average lease term of 4.6 years all with fixed base rents and annual increases
- » Leasing tailwinds anticipated for remainder of 2022

	6 months to June 2022	12 months to Dec 2021
Deals Completed	405	561
Portfolio Occupancy <sup>1</sup>	99.3%	99.1%
Retention Rate <sup>2</sup>	72%	73%
Average Annual Fixed Increase <sup>2</sup>	4.4%	4.3%
Average Lease Term <sup>2</sup>	4.6 years	4.3 years
Leasing Spreads <sup>2</sup>	(4.9%)	(8.5%)
Holdovers as % of Base Rent <sup>1,2</sup>	5.9%	6.5%

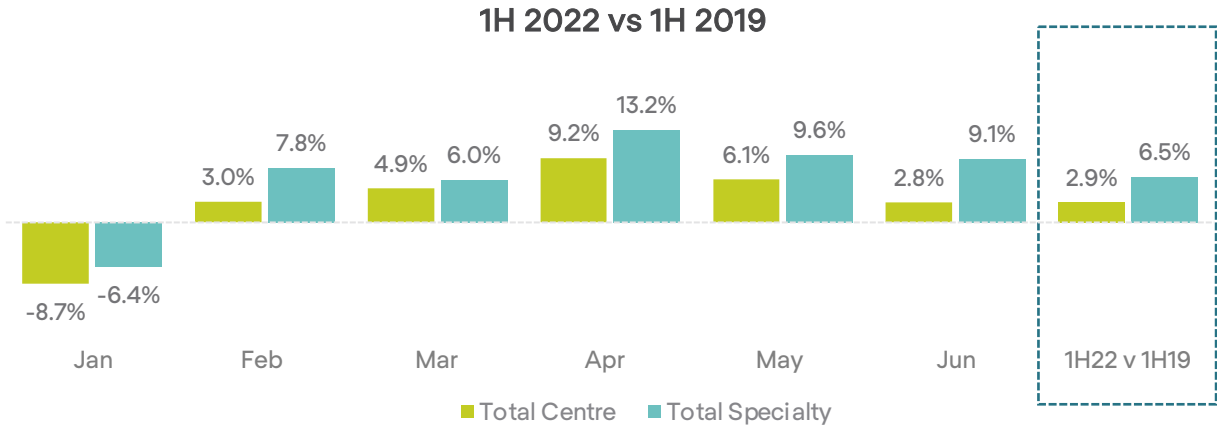
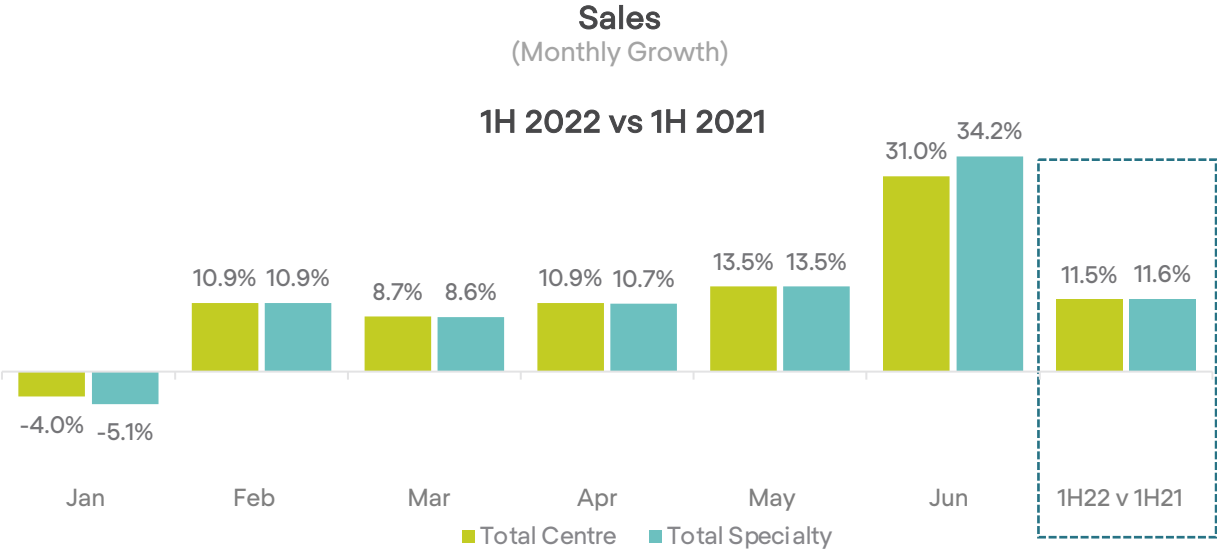
1. As at period end.  
2. Specialties < 400sqm.





# Centre sales growth

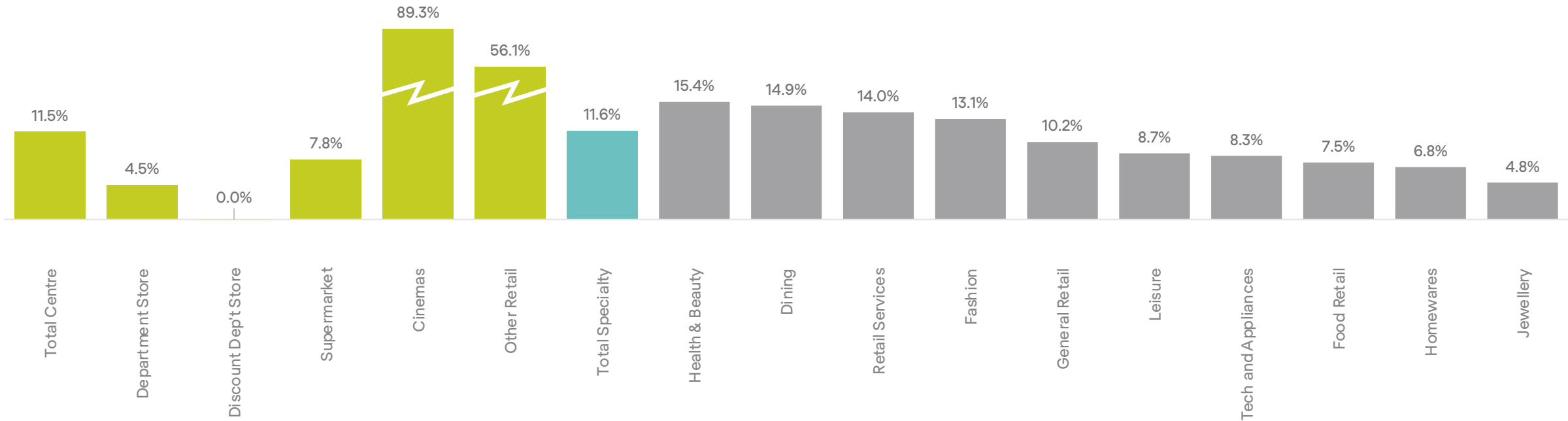
- » Strong 1H 2022 trading despite Omicron disruptions in early 2022
- » Total Centre sales up 11.5% on 1H 2021 and up 2.9% on 1H 2019
- » Growth in Total Centre sales on 1H 2021 driven by Fashion (+13.1%); all retail categories up except Discount Department Stores stable off a high base
- » Total Specialty sales up 6.5% on 1H 2019, driven by Fashion and Tech & Appliances



# Sales growth by category

- » Retailers across the portfolio performed well over most categories on the prior corresponding period
- » Melbourne Central (+36.9%), Highpoint (+21.4%) and Rouse Hill (+9.1%) were among the highest growth centres driving firm results
- » Cinemas and Travel Agents (Other Retail) contributed to lifting Total Centre sales growth and accelerating to reach pre-COVID levels (+9.5% excl. Other)

Sales Growth by Category (1H 2022 v 1H 2021)





# Melbourne Central delivering new retail experiences

- » Delivering customer experiences through new concepts such as Monopoly Dreams (opening late 2022)
- » Continued investment in flagship and CBD stores from new and on-trend brands
  - 1H 2022 openings include LEGO, rebel, Glue and Guess
- » New stores from Lush, CK, Fine Day, All Kinds and Under Armour in 2H 2022
- » Sales per square metre near pre-COVID levels while yet to benefit from a return of office workers and tourists to the CBD



# Retail and mixed-use development focus

## Rouse Hill Town Centre

- » Mixed-use expansion targeted to commence early 2023
  - 10,800sqm incremental retail, with 41 specialties, four mini majors including Pavilion-fronting new Town Green
  - 218 residential apartments across four buildings
- » Advancing Master Planning 6.8 hectare Northern Precinct
  - commercial, health and residential uses



Rouse Hill Town Centre – Pavilion Building and Town Green



## Highpoint Shopping Centre

- » Master Plan includes 70,000sqm incremental retail, 148,000sqm office and 3,000 apartments
- » Development Applications to be lodged 4Q 2022
  - Residential Stage 1: 240 apartments
  - Commercial Stage 1: 18,000sqm GFA
- » Opening of new Coles in 4Q 2022 and Waterman's co-working space in 1H 2023



Highpoint – Future Urban Village Master Plan and Stage 1 Commercial



# Retail portfolio strategy and outlook

## Leadership in ESG

- » Our priorities – carbon neutral and nature positive
- » Chirside Park Smart Energy Hub

## Growing Funds Management

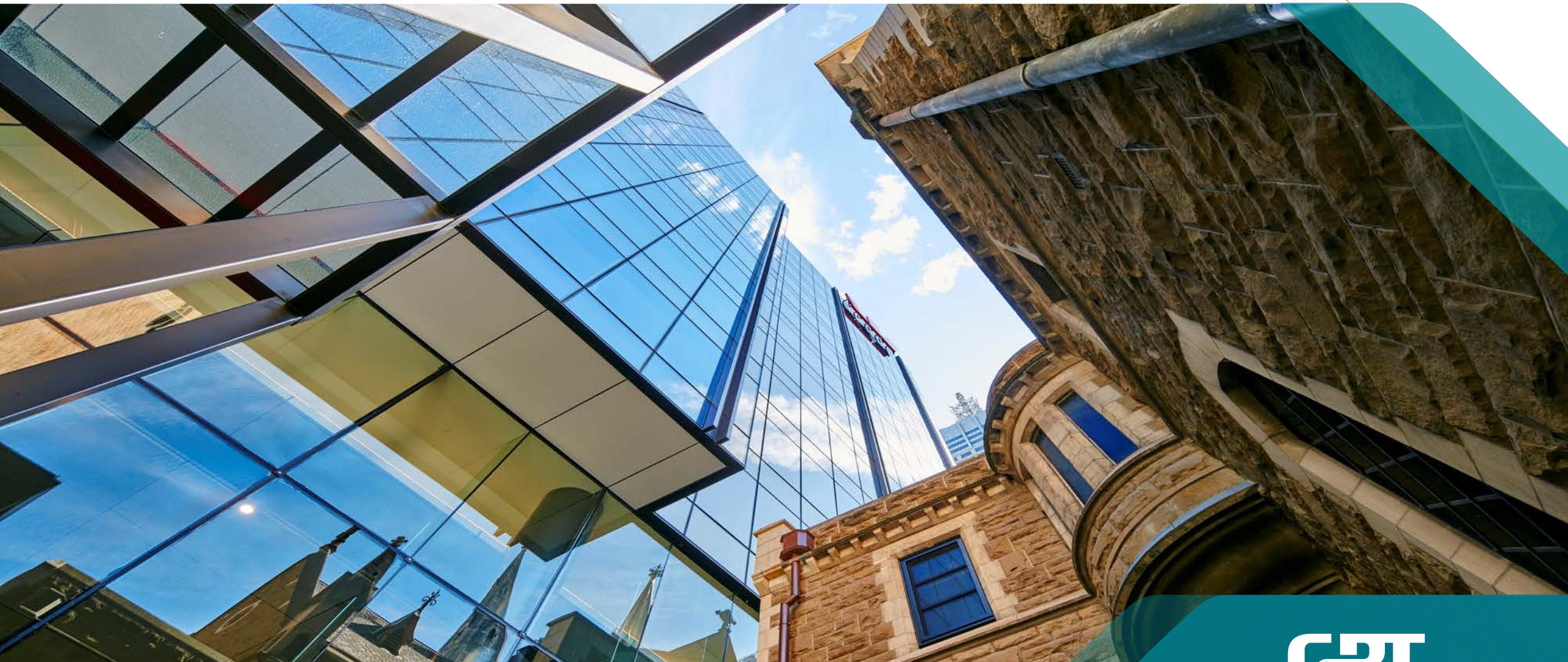
- » GPT Wholesale Shopping Centre Fund positioned to take advantage of future opportunities with low gearing of 13.2%
- » Management of UniSuper mandate to commence September 2022

## Outlook

- » Retail market has adapted to live with COVID
- » Melbourne Central recovery expected to continue throughout 2022
- » High household savings and low unemployment should soften the impact of interest rate increases
- » Retail sales growth expected to moderate from current high levels







# Outlook and 2022 Guidance

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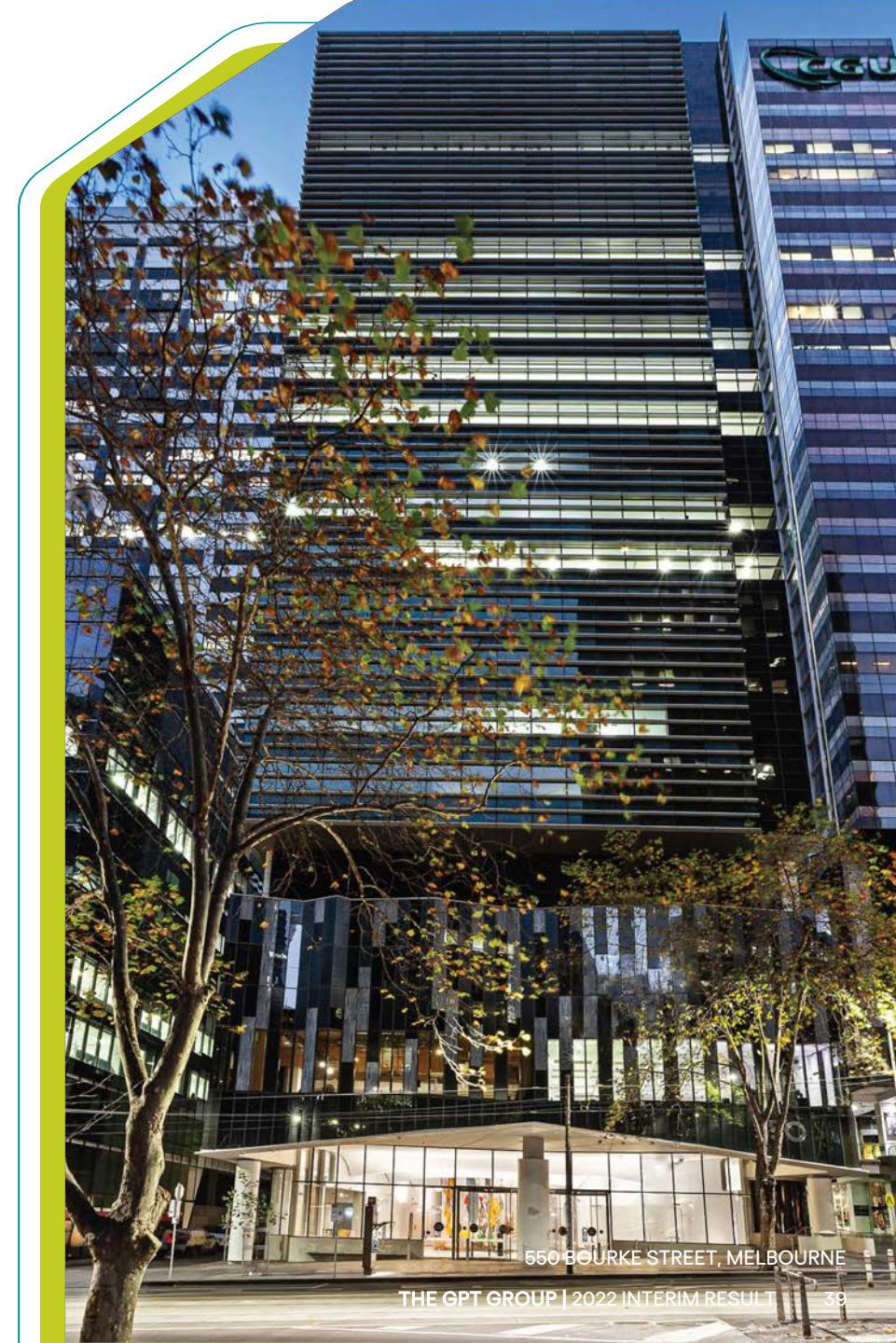
# Outlook and 2022 Guidance

## Outlook

- » Economic conditions expected to moderate in next 12 months as interest rates rise to curb inflation
- » Higher interest rates present a headwind to earnings and may lead to a softening of valuation metrics
- » Retail portfolio well positioned with high occupancy, fixed rental increases and ongoing tenant demand
- » Improvement in Office leasing volume expected in 2H 2022 as our portfolio benefits from the 'flight to quality'
- » Structural tailwinds, low vacancy and limited supply will drive sustained market rent growth in logistics
- » Development pipeline with an estimated end value of \$8.1b provides organic growth opportunities for GPT and managed funds
- » Management of UniSuper mandate to commence September 2022

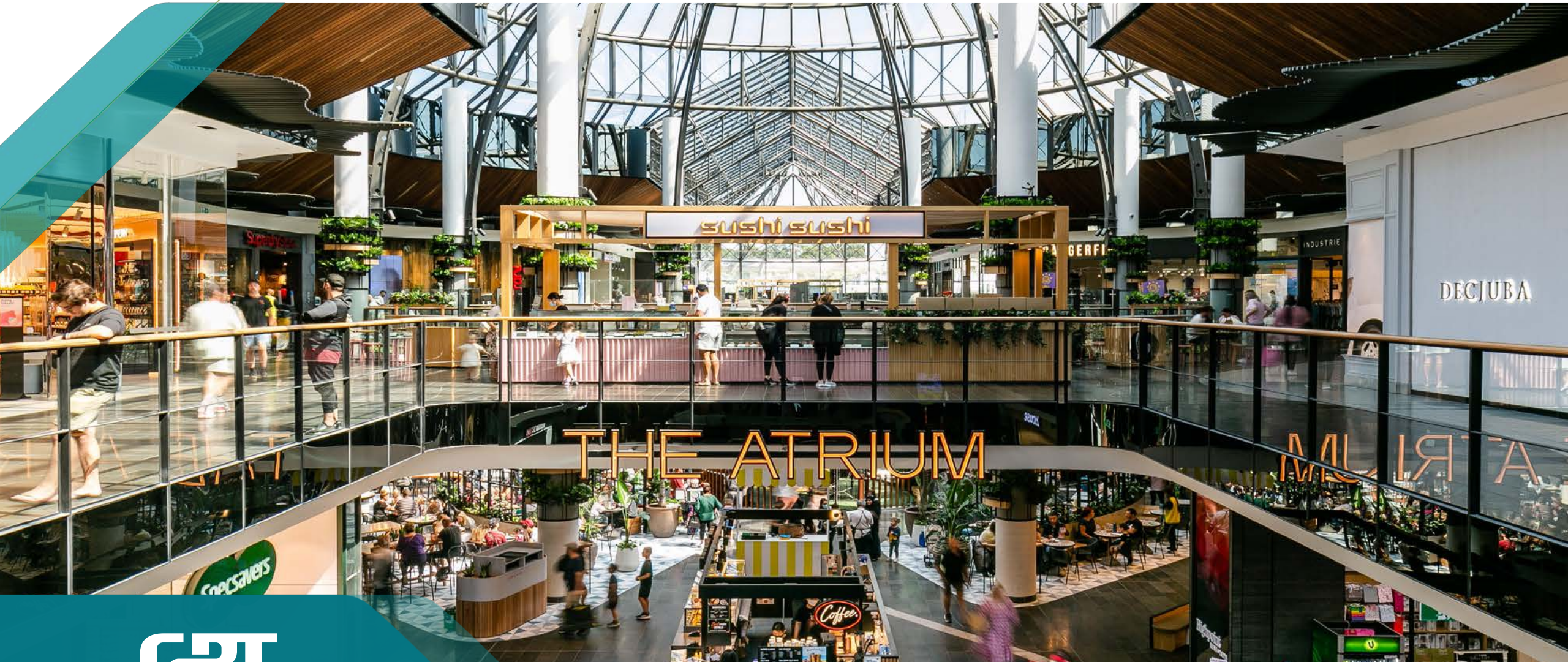
## Guidance

- » GPT expects to deliver 2022 FFO of approximately 32.4 cents per security and a distribution of 25.0 cents per security for the full year
- » GPT has a strong balance sheet, a high quality diversified portfolio, and an experienced management team focused on creating long term value for securityholders



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Thank you for joining us

Questions



# Disclaimer

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Information is stated as at 30 June 2022 unless otherwise indicated.

All values are expressed in Australian currency unless otherwise indicated.

Funds from Operations (FFO) is reported in the Segment Note disclosures which are included in the financial report of The GPT Group for the 6 months ended 30 June 2022. FFO is a financial measure that represents The GPT Group's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia. A reconciliation of FFO to Statutory Profit is included in this presentation.

Key statistics for the Retail, Office and Logistics divisions include The GPT Group's weighted interest in the GPT Wholesale Shopping Centre Fund (GWSCF), the GPT Wholesale Office Fund (GWOF) and the GPT QuadReal Logistics Trust (GQLT) respectively.