

Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL316409
growthpoint.com.au

FY20 results.

20 August 2020

Space to thrive.



GROWTHPOINT
PROPERTIES



Agenda.

1. Overview
2. Property portfolio update
3. Financial results
4. Outlook
5. Supplementary information

Executive management team



Timothy Collyer
Managing Director



Michael Green
Chief Investment Officer



Dion Andrews
Chief Financial Officer



Jacquee Jovanovski
Chief Operating Officer



Overview.

Timothy Collyer
Managing Director



FY20 highlights.

- Delivered FFO growth, ahead of guidance set at beginning of year¹
- Achieved valuation uplift, driven by leasing success in first half
- Signed 25-year lease with largest single tenant
- Reached practical completion of Botanicca 3 and expansion of distribution centre in Gepps Cross
- Maintained strong balance sheet and healthy leverage ratios
- Maintained high average NABERS Energy rating of 4.9 stars

Profit after tax

\$272.1m

FY19: \$375.3m, -27.5%

FFO

25.6cps

FY19: 25.1cps, +2.0%

Distribution

21.8cps

FY19: 23.0cps, -5.2%

Property portfolio value

\$4.2b

30 June 2019: \$4.0b, +5.0%

NTA per security

\$3.65

30 June 2019: \$3.50, +4.3%

WALE

6.2yrs

30 June 2019: 5.0yrs, +1.2yrs

1. In March 2020, Growthpoint withdrew all forward-looking statements, including FFO guidance of at least 25.4 cps, due to uncertainty caused by the COVID-19 pandemic.

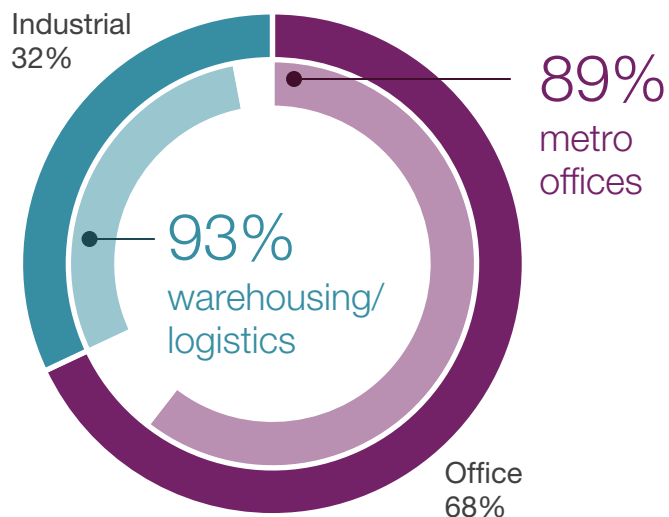


Resilient portfolio able to withstand challenging period.

Exposure to only industrial and office properties

Sector diversity

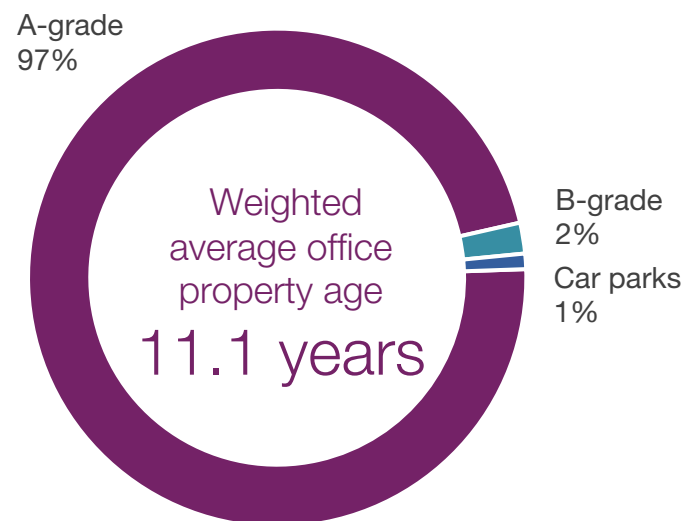
by value, as at 30 June 2020



Portfolio of modern, high-quality assets

Office property type

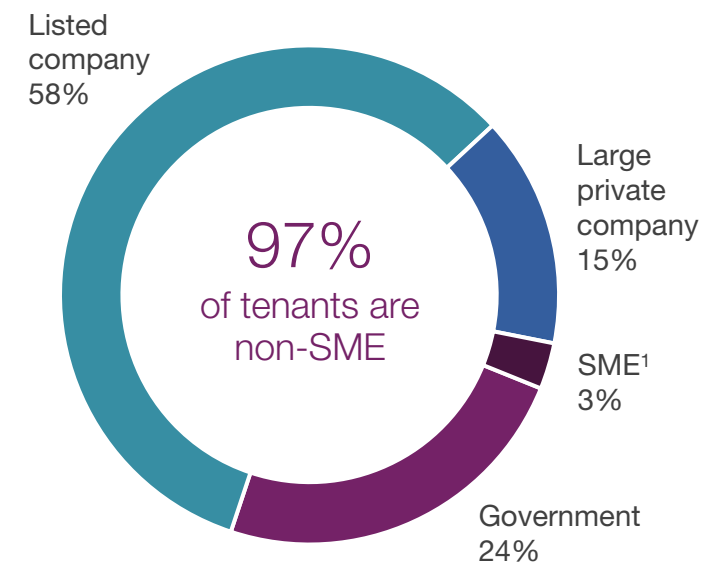
by value, as at 30 June 2020



Portfolio tenants weighted to large companies and government

Tenant type

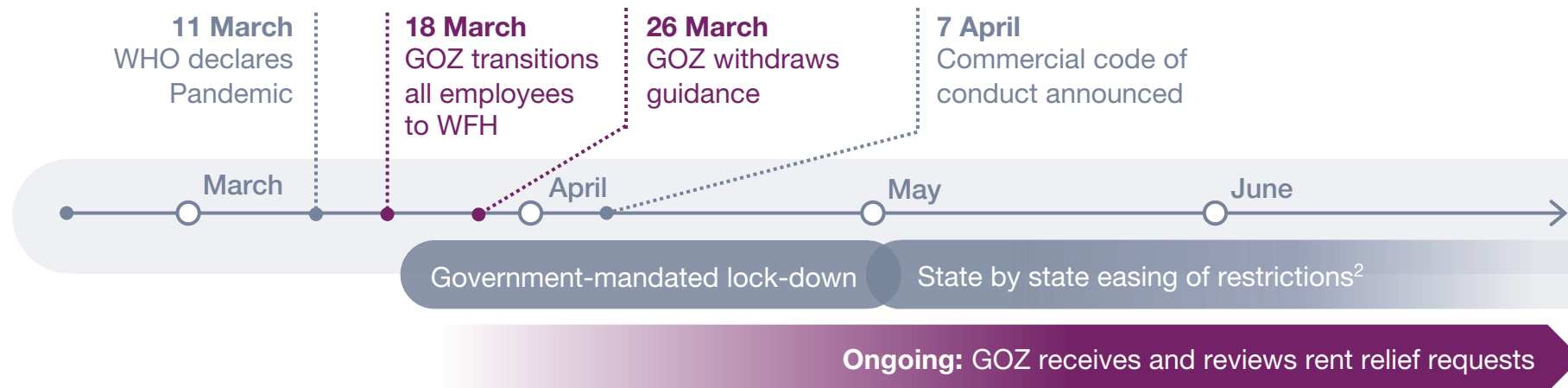
by income, as at 30 June 2020



1. Growthpoint estimate of proportion of tenants with revenue below \$50 million.



Our response to COVID-19.



FY20 rent abatement
\$0.8m

FY20 rent deferred
\$2.0m

Proportion of total billings collected¹

April 2020 – June 2020

Office	96%
Industrial	98%



3% of portfolio income

SME tenants

- Proactively engaged with our tenants who manage hospitality or small retail operations at outset of the pandemic
- Offered rental abatements to help them survive lockdown period



97% of portfolio income

Non-SME tenants

- Implemented a Board-approved process to review rent relief requests
- Requested detailed information from tenants to determine impact of the pandemic on their business

Corporate measures

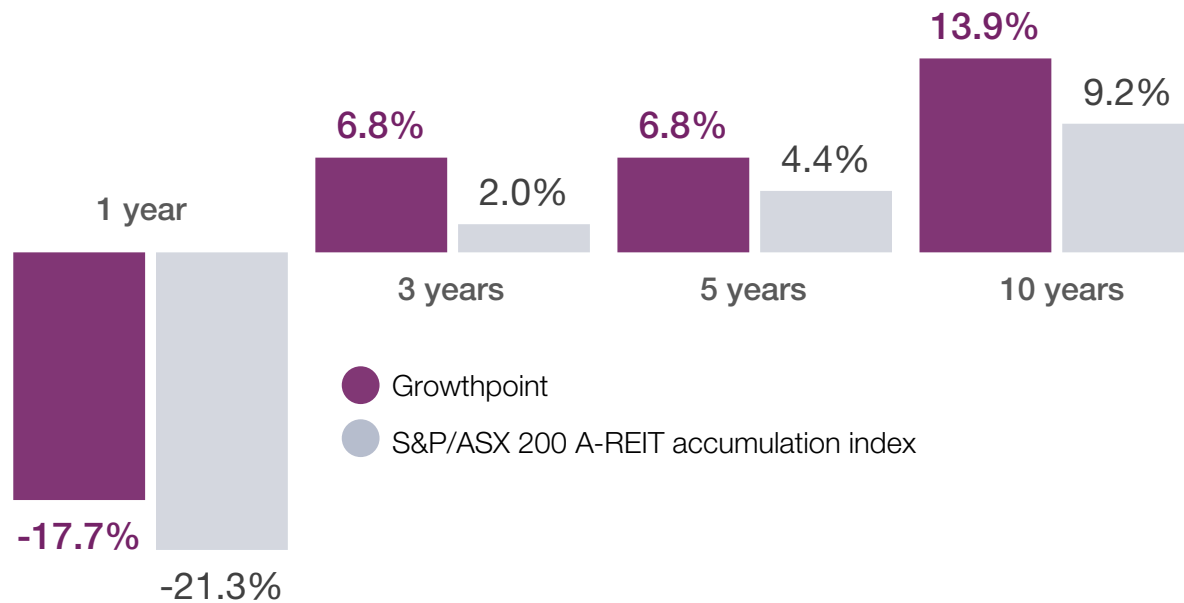
- Increased Group's liquidity and extended debt maturities
- Delayed all non-essential capital projects and operating expenses
- Implemented a Group-wide hiring freeze

1. Rent abatements are not included in total billings. Rent that has been deferred is included. Data as at 11 August 2020.

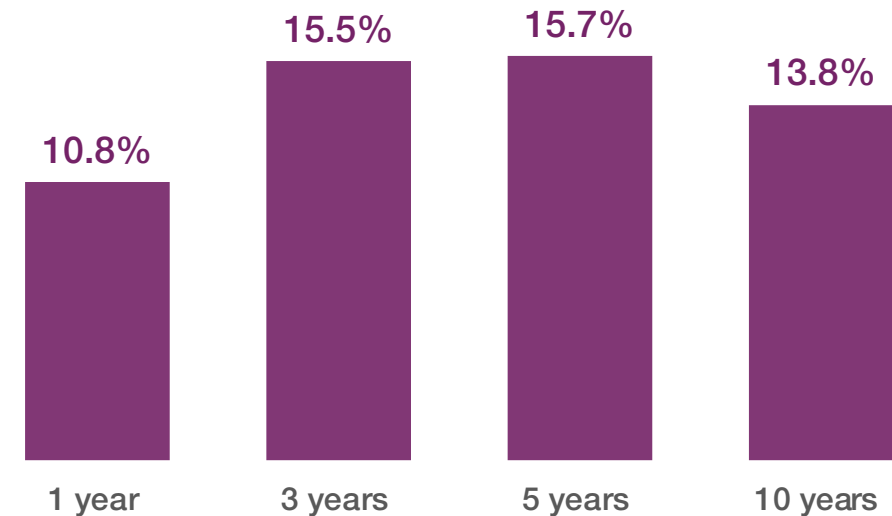
2. Lockdown measures were reintroduced in Victoria in July.

Consistent outperformance of the S&P/ASX 200 A-REIT index

Total Securityholder return¹ to 30 June 2020



Return on equity to 30 June 2020



1. UBS Investment Research. Annual compound returns to 30 June 2020.



Property portfolio.

Michael Green
Chief Investment Officer



Office market update

While the way people work may change, **offices will remain prominent**



Challenges of working from home:

Employees:

- Sub-par connectivity
- Inadequate workspace
- Missed social interaction
- Difficulty collaborating with colleagues
- Inability to switch off from work



Managers:

- Difficult to develop company culture
- Challenging to mentor and develop employees
- Hard to innovate



A recent survey of 40,000 individuals' experience working from home found¹

only 50%

of respondents agree/strongly agree they feel personally connected to the culture of their company

only 56%

of respondents agree/strongly agree they are connecting and bonding with colleagues

1. Cushman & Wakefield, 'The future of workplace', May 2020.

Office metro market update

Metro markets well placed to benefit from new ways of working

89% of Growthpoint's office properties located in fringe or metropolitan markets

'Hub and spoke' model expected to become increasingly popular in Australia¹

Centralisation



Melbourne

CBD office stock totals 61% of all stock

Hub and spoke



Sydney

CBD office stock totals 52% of all stock

Metropolitan



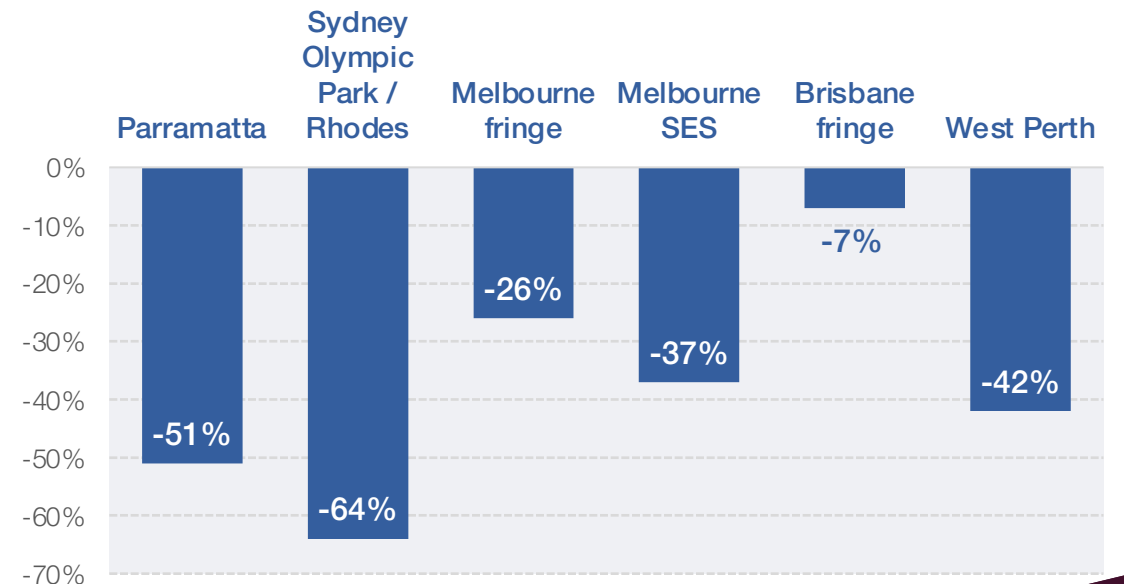
European model

CBD office stock totals

- Berlin 16%
- Paris 20%
- Barcelona 13%
- Munich 24%
- Amsterdam 25% of all stock

Significant cost savings from moving from CBD to metro/fringe markets

Metro and fringe markets' rent discount to CBD²



1. JLL, 'Office precincts for 2030 and beyond', May 2020.

2. JLL REIS Data – 2Q20. Discount to prime face rents.

Industrial market update

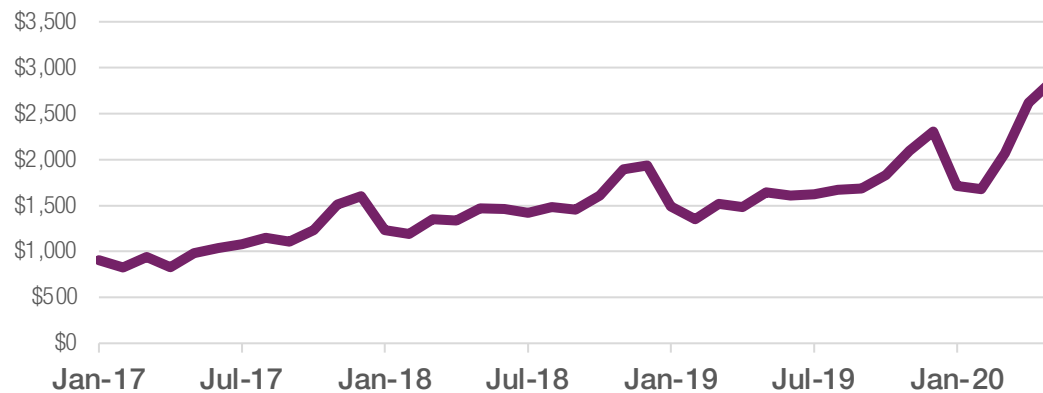
Demand continuing to grow for well-located industrial assets driven by growth in ecommerce



93% of Growthpoint's industrial assets are used for logistics or warehousing

Australian online sales have dramatically increased during COVID-19 pandemic

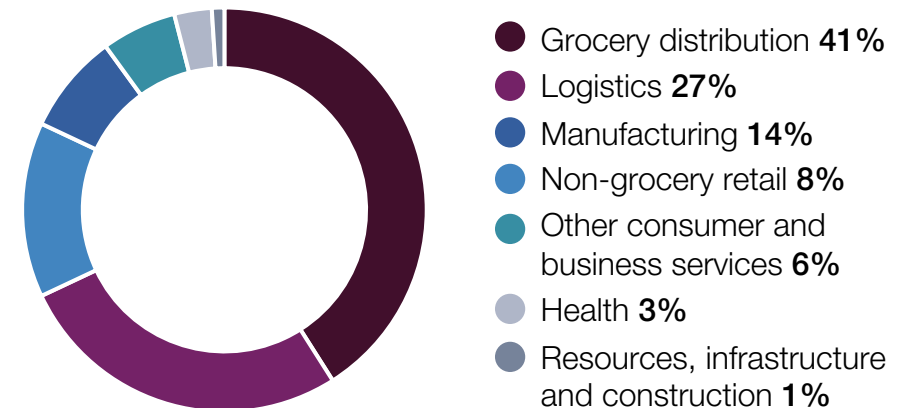
Australian online retail trade sales¹ (million)



1. ABS, July 2020.

Growthpoint's industrial tenants are heavily weighted to grocery distribution and logistics

Growthpoint's industrial tenants by industry by income, as at 30 June 2020



Property portfolio highlights

Defensive characteristics of portfolio highlighted in challenging period

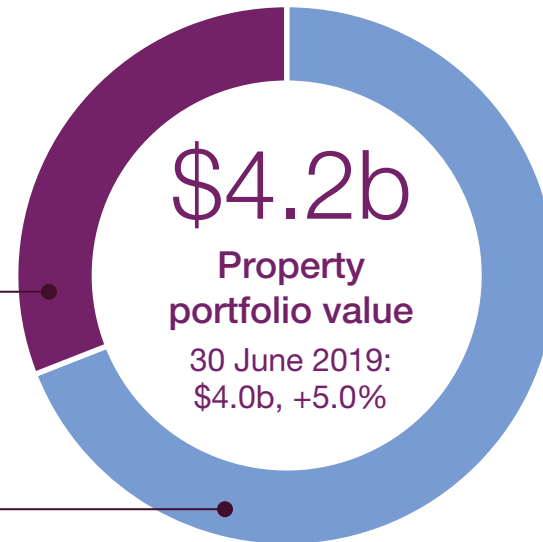
- Property portfolio value increased by 5.0%
- WALE extended by 1.2 years

Sector diversity

as at 30 June 2020

Industrial \$1.3b
30 June 2019: \$1.2b, +8.3%

Office \$2.9b
30 June 2019: \$2.8b, +3.6%



1. Portfolio occupancy excluding Botanicca 3 is 97%.

Portfolio occupancy

93%¹



30 June 2019: 98%

Weighted average rent review

3.3%



30 June 2019: 3.3%

Weighted average lease expiry

6.2yrs



30 June 2019: 5.0yrs

Weighted average cap rate

5.7%



30 June 2019: 5.9%

Leasing update

Significant WALE extension driven by leasing success

- 51 new leases/renewals signed, representing 19% of portfolio income. Weighted average lease term was 13.3 years and WARR was 3.6%
- Signed new 25-year lease with single largest tenant, NSW Police Force
- Renewed leases with key tenants, Optus, ANZ and Linfox
- Continued focus on tenant satisfaction and tenants' reluctance to move in uncertain environment, leading to higher levels of retention

Leases completed
- total volume

150,602sqm

FY19: 116,901sqm

Leases completed
- % portfolio income

19%

FY19: 6%

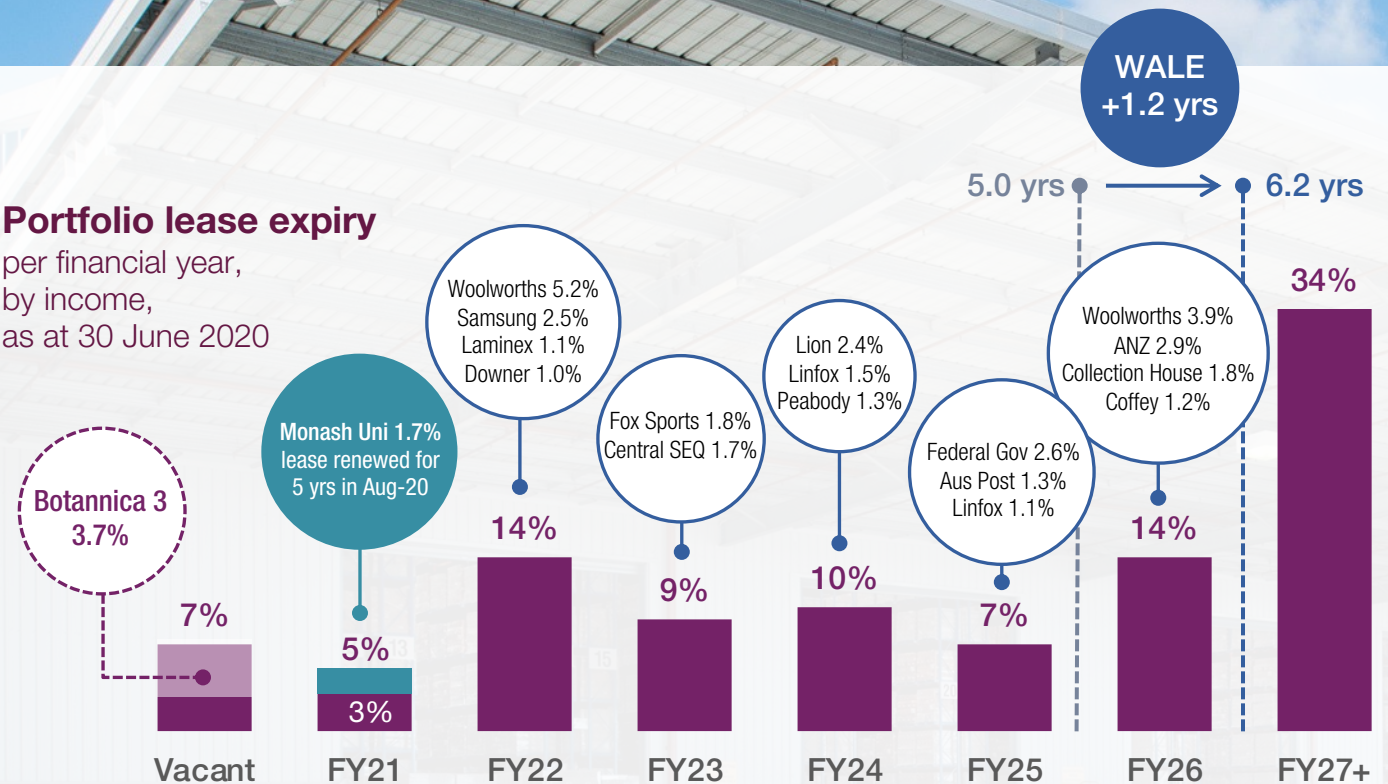
Tenant retention

85%

FY19: 66%

Portfolio lease expiry

per financial year,
by income,
as at 30 June 2020



6-7 John Morphett Place, Erskine Park, NSW



Development

Delivered \$203 million development projects



Northside 120, Broadmeadows, VIC

- Development paused due to COVID-19 pandemic
- All options for site are being reviewed, including divestment

Botanicca 3, Richmond, VIC

\$142.5m

Book value

19,447sqm

Lettable area

419

Car spaces



Expected to achieve
5.0 star NABERS
Energy and Water
ratings

Completed in February
2020

A-grade office building, with
high green credentials, 5km
east of Melbourne CBD

Vacant on completion;
expect to be progressively
leased by end of CY21



Woolworths' distribution centre, Gepps Cross, SA

\$54m

Expansion

15yr

Lease extension

36.4%

Increase in lettable area

\$47.8m

Net valuation uplift¹

Completed in June 2020

Extension to temp controlled
and ambient warehouses,
construction of new returns
transfer facility

Installation of 1.6MVA roof-
top solar system

1. After development costs. Valuation
increase from 31 December 2018
(prior to expansion and new lease
agreement) to 30 June 2020.



Sustainability

Our ongoing commitment to acting in a sustainable way

Average NABERS Energy rating

4.9 

30 June 2019: 4.8 stars

GRESB score

72/100

CY18: 66/100



Reducing our environmental impact

- Completed two substantial solar photovoltaic installations
- Made a commitment to purchase accredited renewable power for a number of key sites
- Upgraded mechanical equipment at several assets



Prioritising our tenants wellbeing

- Implemented response to FY19 tenant engagement survey
- Committed ~\$3 million to upgrade tenant amenities
- Hosted range of community-building events at our assets



Focusing on our people, culture and governance

- Introduced new Working From Home policy
- Increased parental leave benefits
- Established Modern Slavery Task Force to progress the Group's modern slavery response and initiatives

Employee engagement score

77%

FY19: 75%

Employee alignment score

64%

FY19: 53%



Financial results.

Dion Andrews
Chief Financial Officer

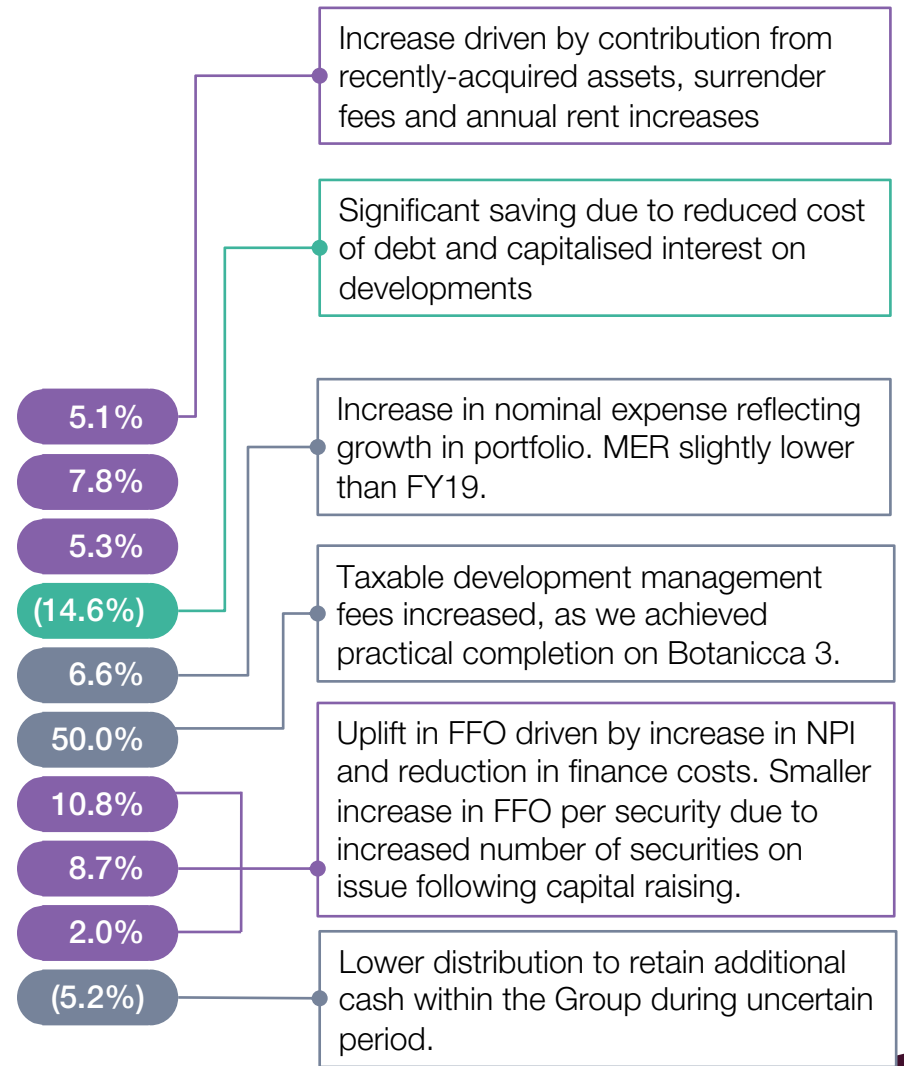


Financial summary

FFO above original guidance, in a challenging year¹

FY20 P&L analysis

Components of FFO		FY20	FY19
NPI	\$m	242.1	230.4
Add back amortisation of incentives	\$m	20.8	19.3
NPI excluding amortisation of incentives	\$m	262.9	249.7
Net finance costs	\$m	(47.5)	(55.6)
Operating and trust expenses (less depreciation)	\$m	(14.6)	(13.7)
Income tax expense (excluding deferred tax expense)	\$m	(3.6)	(2.4)
FFO²	\$m	197.2	178.0
Weighted average securities	m	771.0	709.0
FFO per security	cents	25.6	25.1
Distribution per security	cents	21.8	23.0



1. In March 2020, Growthpoint withdrew all forward-looking statements, including FFO guidance of at least 25.4 cps.

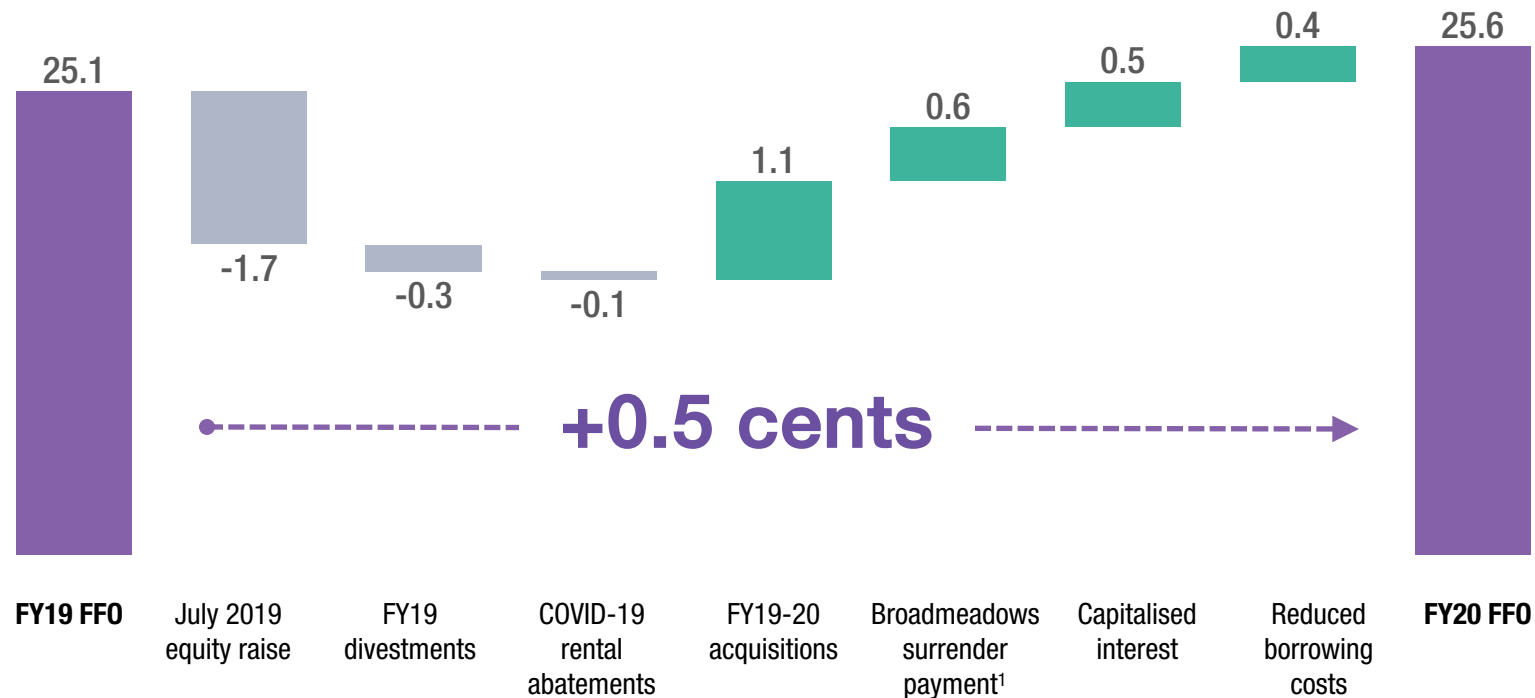
2. Reconciliation of FFO to profit after tax is provided on page 28.

Financial summary

Earnings not materially impacted to date by the COVID-19 pandemic

Key FFO drivers in FY20

cents per security



1. Difference between FY19 and FY20 FFO contribution from 120 Northcorp Boulevard, Broadmeadows, Victoria. The Group received four months less rent in FY20 and a surrender payment.

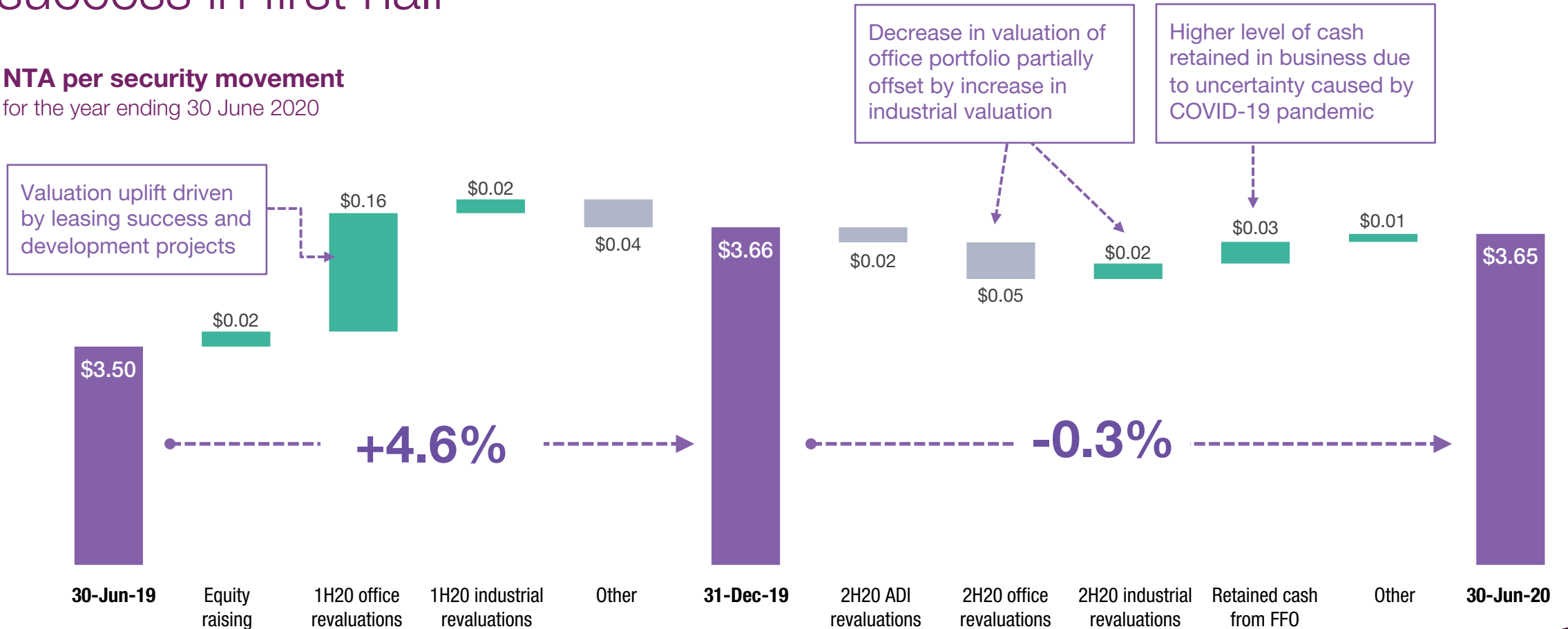
Accounting implications of COVID-19

- FFO decreased by \$0.8 million due to COVID-19 rental abatements
- FFO includes \$2.0 million of rent deferred. Rent deferred to begin to be collected from October 2020
- Recognised an allowance for credit losses of \$0.2 million
- Further information on accounting treatment provided in supplementary information, page 30

Financial summary

Increase in net tangible assets driven by leasing success in first half

NTA per security movement for the year ending 30 June 2020



Capital management

Maintained robust balance sheet, with gearing well below target range

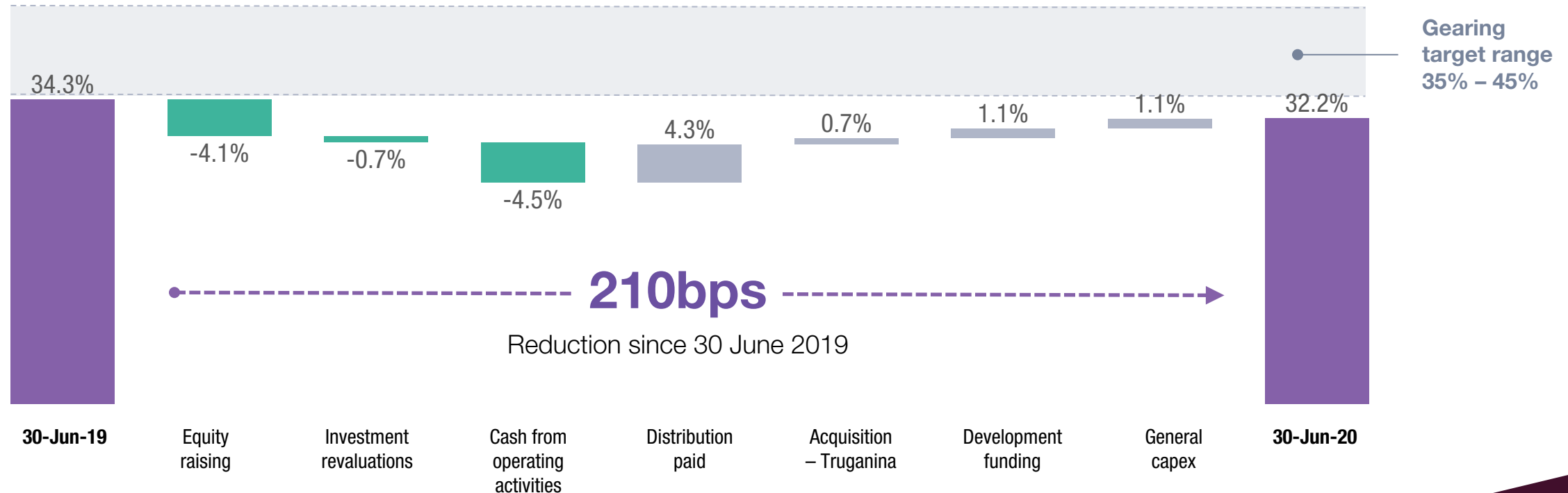
Gearing movement

for the 12 months ended 30 June 2020



Target range reflects:

- Nature of Group's earnings - 100% derived from rental income
- Portfolio's long WALE
- High-proportion of fixed debt



Capital management

Substantial liquidity with continued access to finance on favourable terms

- Refinanced \$400 million of debt
- Entered new \$100 million debt facility with new banking partner
- Reduced weighted average cost of debt by 50 basis points
- Extended weighted average debt maturity to 4.7 years

1. As at 30 June 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: 33.5%

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

ICR >1.6x
GOZ: 4.6x

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

Secured property percentage >85%
GOZ: 98%

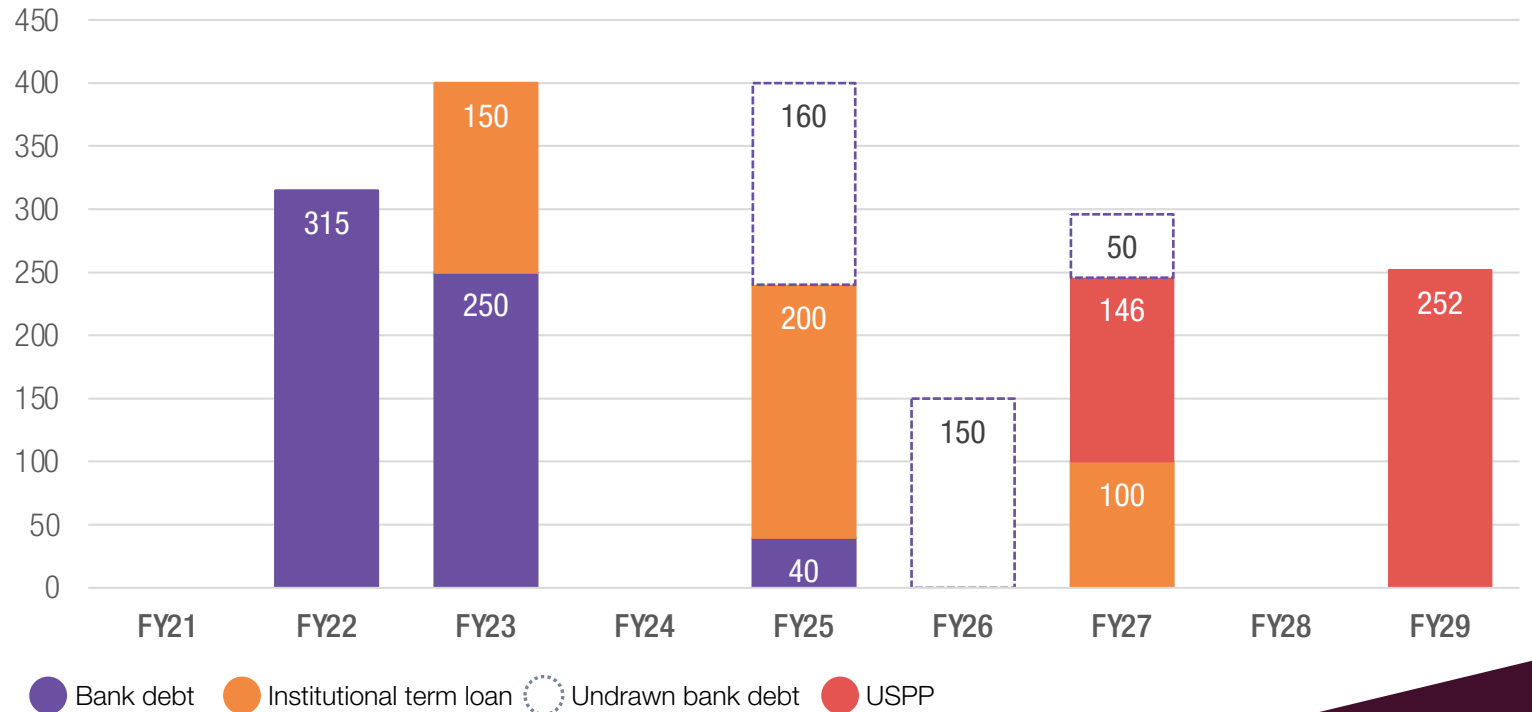
>85%

GOZ: 98%

Percentage must remain above 85%

Debt maturity profile

as at 30 June 2020, \$million



Outlook.

Timothy Collyer
Managing Director



Outlook

Continued uncertainty around impact of COVID-19 in FY21

Key factors that could influence FFO in FY21

	Base case	Performance variables	
		⬆️ Upside risks	⬇️ Downside risks
Property portfolio	<ul style="list-style-type: none"> Portfolio occupancy (excluding Botanicca 3) maintained at historical average ~98% Botanicca 3 leased progressively by the end of CY21 No income from Broadmeadows (FY20: \$10.4 million) Increased income from Gepps Cross as expansion now complete 	<ul style="list-style-type: none"> Quicker lease-up of Botanicca 3 Accretive acquisition(s) Higher tenant retention 	<ul style="list-style-type: none"> New or extended government regulation Additional rent relief agreed Increased vacancy/longer downtime across portfolio Tenancy failure
Corporate and capital management	<ul style="list-style-type: none"> Reduced tax as development of Botanicca 3 completed Higher finance costs as Botanicca 3 and Gepps Cross interest no longer capitalised (FY20: \$4.5 million) 	<ul style="list-style-type: none"> Floating interest rates continue to reduce Lower interest rate on existing debt 	<ul style="list-style-type: none"> Spreads on debt refinancing increase



As a result of this uncertainty, Growthpoint has not provided FFO guidance

FY21 DPS guidance of 20.0 cps



Outlook

COVID-19 expected to have far-reaching implications for a number of years

External factors that will influence Growthpoint's operating environment

Australian and global economies

Government response to crisis

Property valuations

Tenant demand

Debt and equity markets

Acquisition opportunities

Growthpoint well positioned to deliver value to Securityholders over the long term

Industrial assets and metro offices

poised to benefit from structural shifts



Tenants heavily weighted to **large companies and government organisations**



Long WALE and high-proportion of fixed annual rent increases



Robust balance sheet and strong relationships with banking partners



Supplementary information.

1. Detailed financial information
2. Property portfolio
3. Key market metrics
4. Glossary



Detailed financial information.



Summary financials

		FY20	FY19	Change	% Change
NPI ¹	\$m	242.1	230.4	11.7	5.1
Like-for-like NPI	\$m	219.5	214.7	4.8	2.2
Statutory accounting profit	\$m	272.1	375.3	(103.3)	(27.5)
Statutory accounting profit per security	¢	35.3	52.9	(17.6)	(33.3)
FFO	\$m	197.2	178.0	19.3	10.8
Distributions	\$m	168.3	167.4	0.9	0.5
Payout ratio	%	85.3	94.0		(8.7)
FFO per security	¢	25.6	25.1	0.5	2.0
Distributions per security	¢	21.8	23.0	(1.2)	(5.2)
ICR	times	4.6	4.1	0.5	12.2
MER	%	0.35	0.36		(0.01)
		As at 30 Jun 2020	As at 30 Jun 2019	Change	% Change
NTA per stapled security	\$	3.65	3.50	0.15	4.3
Gearing	%	32.2	34.3		(2.1)

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

Reconciliation from statutory profit to FFO

	FY20	FY19	Change
	\$m	\$m	\$m
Profit after tax	272.1	375.3	(103.3)
Less non-FFO items:			
- Straight line adjustment to property revenue	1.0	(6.2)	7.2
- Lease liability repayments	(4.7)	0.0	(4.7)
- Depreciation of right of use assets	4.1	0.0	4.1
- Interest expense on lease liabilities	4.0	0.0	4.0
- Net loss in fair value on sale of investment properties	0.0	1.1	(1.1)
- Net gain in fair value of investment properties	(116.9)	(201.6)	84.7
- Net (gain)/loss in fair value of investment in securities	15.7	(7.1)	22.8
- Net gain in fair value of derivatives	(31.5)	(3.1)	(28.4)
- Net loss on exchange rate translation of interest-bearing liabilities	28.5	0.0	28.5
- Interest expense on non-current receivables	0.1	0.0	0.1
- Depreciation of plant and equipment	0.2	0.3	(0.1)
- Amortisation of incentives and leasing costs	20.8	19.3	1.5
- Deferred tax expense	3.8	0.0	3.8
FFO	197.2	178.0	19.3



Financial position

		30 June 2020	30 June 2019
		\$m	\$m
Assets			
Cash and cash equivalents		42.7	30.2
Investment properties		4,325.7	3,983.8
Investment in securities		69.9	85.6
Other assets		62.4	18.3
Total assets		4,500.7	4,117.9
Liabilities			
Borrowings		1,446.0	1,433.3
Distributions payable		77.2	84.4
Lease liabilities		111.2	–
Other liabilities		43.9	53.7
Total liabilities		1,678.2	1,571.4
Net assets		2,822.6	2,546.5
Securities on issue	<i>m</i>	771.8	727.8
NTA per security	\$	3.65	3.50
Balance sheet gearing	%	32.2	34.3

Additional financial information

Impact of COVID-19 pandemic on FY20 results and balance sheet

	FFO	Cashflows	Receivables
	\$m	\$m	\$m
Provided \$0.8m rental abatements	(0.8)	(0.8)	–
Provided \$2.0m rental deferrals ¹ : discounted by \$0.1m to present value for non-current portion	(0.1)	(2.0)	2.0
Expected Credit Loss allowance of \$0.2m due to increased uncertainty caused by COVID-19 pandemic	(0.2)	–	(0.2)
Total impact	(1.1)	(2.8)	1.8

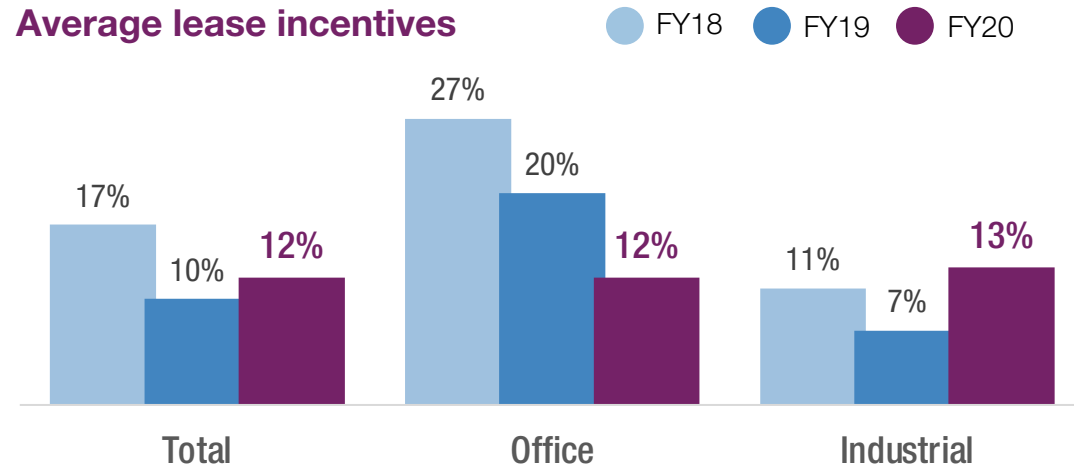
1. Deferred rent to be paid between October 2020 and June 2023.

Reconciliation of operating cashflow to FFO

	FY20
	\$m
Operating cashflow	181.2
Lease incentives and leasing costs	11.2
Net (prepaid)/accrued operating activities	3.5
COVID-19 rent deferrals	2.0
Lease liability repayments classified as financing cashflows	(0.7)
FFO	197.2
FY20 distributions provided for or paid during the year	168.3

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 FY20 were rent abatement of \$8.2 million and rent free incentives of \$1.3 million. These two amounts form part of the unamortised lease incentives balance in the Consolidated Statement of Financial Position. Leasing costs of \$1.0 million were also paid in FY20.
3. Includes establishment costs such as legal costs and agent fees.

Consolidated Statement of Profit and Loss	FY20	FY19
	\$m	\$m
Property revenue (excluding incentives)	308.1	296.4
Amortisation of tenant incentives	(20.8)	(19.3)
Property revenue	287.3	277.1
Net changes in value of investment properties (excluding incentives)	107.2	219.0
Net value of tenant incentive changes during the period	9.7	(17.4)
Net changes in value of investment properties	116.9	201.6

Consolidated Cash Flow Statement	FY20	FY19
	\$m	\$m
Cash generated from operating expenses (excluding incentives)	181.9	160.6
Incentives paid ²	(0.7)	(20.2)
Cash generated from operating activities	181.2	140.4

Consolidated Statement of Financial Position	FY20	FY19
	\$m	\$m
Unamortised lease incentives, recognised within investment property as a reconciling item	55.7	72.2
Unamortised leasing costs recognised within investment property as a reconciling item ³	3.5	3.5

Operating and capital expenses

Operating expenses

		FY20	FY19
Total operating expenses	\$m	14.4	13.9
Average gross assets value	\$m	4,170.8	3,821.1
Operating expenses to average	%	0.35	0.36

Expected to remain around
0.40%
based on current portfolio

Capital expenditure

		FY20	FY19
Total portfolio capex	\$m	18.2	12.9
Average property asset value	\$m	4,154.7	3,637.8
Capital expenditure to average property portfolio value	%	0.44	0.35

Expected to average
0.3%-0.5%
over medium-term based on current portfolio

Capital management

3.58%

Weighted average fixed debt rate

65%-100%

Target fixed/hedged debt

5.0 yrs

Weighted average fixed debt term

Maturity date	Time to maturity	Fixed rate	Face value of swap
Interest rate swaps			
Jun-2024	4.0yrs	1.21%	\$100m
Jun-2025	5.0yrs	1.29%	\$100m
Jun-2023	3.0yrs	1.15%	\$75m
Jun-2023	3.0yrs	1.15%	\$25m
Weighted average interest rate swaps	4.0yrs	1.21%	\$300m
Fixed rate debt facilities			
Mar-2025	4.7yrs	4.67%	\$200m
Dec-2022	2.5yrs	4.39%	\$90m
Dec-2026	6.5yrs	3.27%	\$100m
Dec-2022	2.5yrs	4.40%	\$60m
Jun-2027	7.0yrs	5.28%	\$146m
Jun-2029	9.0yrs	5.45%	\$58m
Jun-2029	9.0yrs	5.35%	\$26m
Weighted average fixed rate debt facilities	5.5yrs	4.63%	\$680m
Weighted average fixed debt	5.0yrs	3.58%	\$980m
Debt fixed at 30 June 2020	67%		

Key debt metrics and changes during FY20

		30 June 2020	30 June 2019	Change
Gross assets	\$m	4,500.7	4,117.9	382.8
Interest bearing liabilities	\$m	1,446.0	1,433.3	12.7
Total debt facilities	\$m	1,813.0	1,684.5	128.5
Undrawn debt	\$m	360.0	245.7	114.3
Gearing	%	32.2	34.3	(2.1)
Weighted average cost of debt (based on drawn debt)	%	3.4	3.9	(0.5)
Weighted average debt maturity	years	4.7	4.6	0.1
Annual interest coverage ratio (ICR) / covenant ICR	times	4.6 / 1.6	4.1 / 1.6	0.5 / –
Actual loan to value ratio (LVR) / covenant LVR	%	33.5 / 60	36.2 / 60	(2.7) / –
Weighted average fixed debt maturity	years	5.0	5.6	(0.6)
% of debt fixed	%	67.3	66.6	0.7
Debt providers	no.	21	17	4

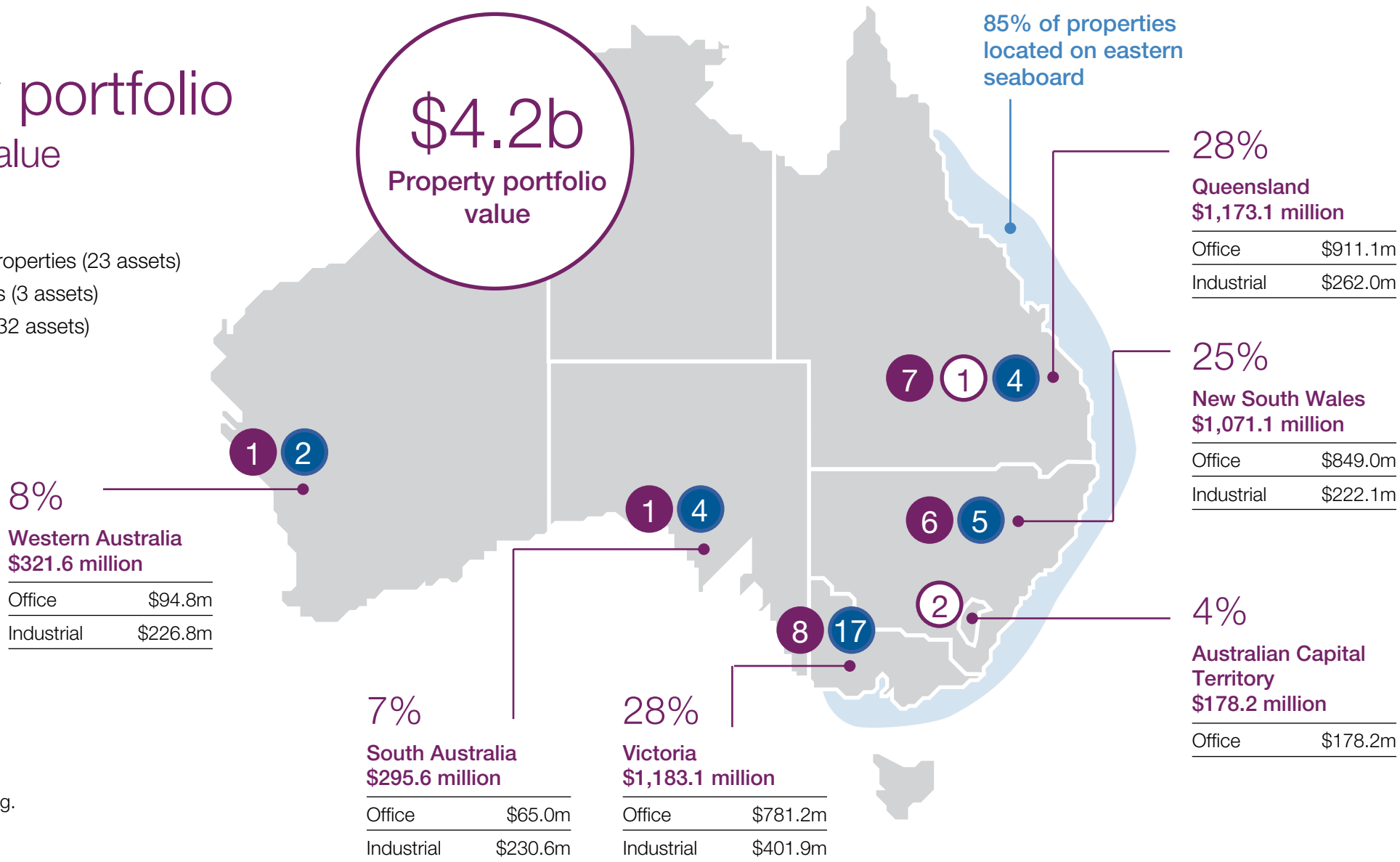
27-49 Lenore Drive, Erskine Park, NSW

Property portfolio.



Property portfolio by property value

- Office metropolitan properties (23 assets)
- Office CBD properties (3 assets)
- Industrial properties (32 assets)



May not sum due to rounding.

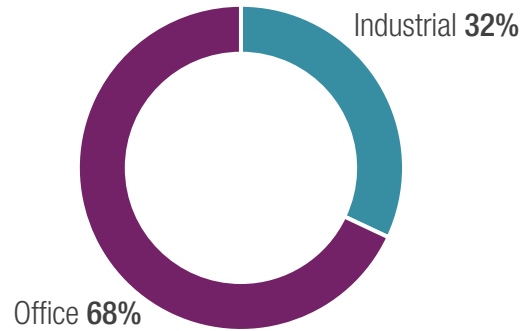


Portfolio summary

As at 30 June 2020

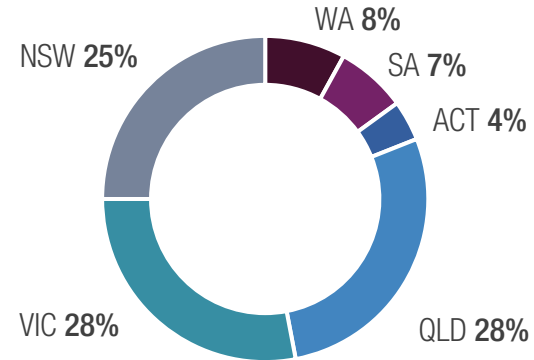
Sector diversity

by value



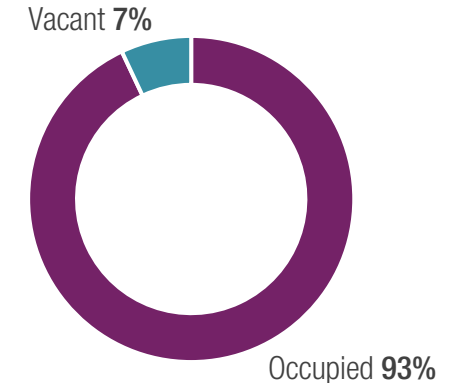
Geographic diversity

by value



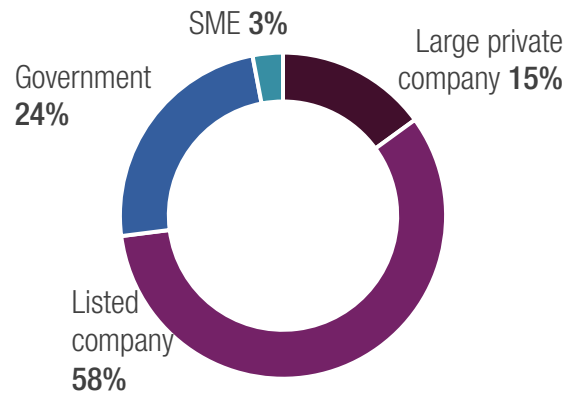
Occupancy

by income



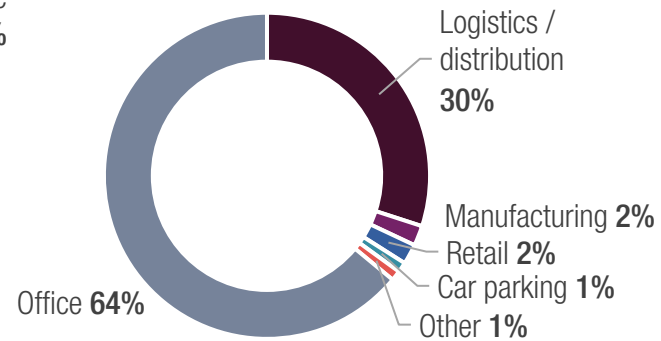
Tenant type

by income



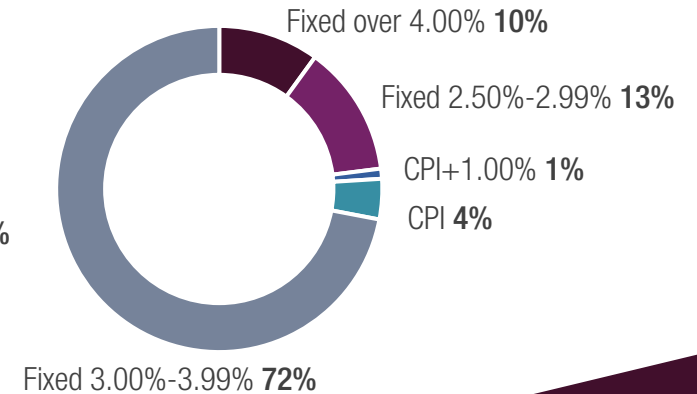
Tenant use

by income



Annual rent review type

by income



Portfolio metrics

Key metrics

	30 June 2020	30 June 2019
Number of assets	58	57
Property portfolio value	\$4.2 billion	\$4.0 billion
Number of tenants	163	155
Portfolio occupancy	93%	98%
WALE	6.2 years	5.0 years
Weighted average property age	12.1 years	11.3 years
Weighted average capitalisation rate	5.7%	5.9%
WARR	3.3% ¹	3.3% ²

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

2. Assumes CPI change of 1.6% per annum as per ABS release for FY19.

Like-for-like NPI growth (FY19 to FY20)

	Office	Industrial	Distributions from equity investments	Total
NPI growth	1.6%	3.3%	1.6%	2.2%

Largest tenants by passing rent



Top ten tenants, total portfolio as at 30 June 2020

	% portfolio income	WALE (yrs)
Woolworths	13	6.4
NSW Police Force	8	24.5
Commonwealth of Australia	7	6.1
Country Road Group	4	12.0
Linfox	3	4.7
Bank of Queensland	3	6.6
ANZ Banking Group	3	5.7
Samsung Electronics	2	1.7
Lion	2	3.8
Jacobs Group	2	6.3
Total / weighted average	47	9.3
Balance of portfolio	53	3.4
Total portfolio	100	6.2



Top ten office tenants as at 30 June 2020

	% portfolio income	WALE (yrs)
NSW Police Force	12	24.5
Commonwealth of Australia	10	6.1
Country Road Group	5	12.0
Bank of Queensland	5	6.6
ANZ Banking Group	4	5.7
Samsung Electronics	4	1.7
Lion	3	3.8
Jacobs Group	3	6.3
Collection House	3	5.9
Fox Sports	2	2.5
Total / weighted average	51	10.2
Balance of portfolio	49	3.0
Total portfolio	100	6.7



Top ten industrial tenants as at 30 June 2020

	% portfolio income	WALE (yrs)
Woolworths	39	6.4
Linfox	11	4.7
Australia Post	4	4.0
Laminex Group	4	2.0
Brown & Watson International	3	5.1
HB Commerce	2	2.2
The Workwear Group	2	7.0
Cheap as Chips	2	0.4
Autocare Services	2	10.3
Symbion	2	8.5
Total / weighted average	71	5.6
Balance of portfolio	29	3.5
Total portfolio	100	5.0

Leasing

Office leases executed in FY20

Location			Tenant	Start date	Term (yrs)	NLA (sqm)	Car parks (no.)
1 Charles Street	Parramatta	NSW	NSW Police Force	Q3, FY20	25.0	32,356	444
75 Dorcas Street	South Melbourne	VIC	ANZ Banking Group	Q3, FY20	6.0	13,744	120
15 Green Square Close	Fortitude Valley	QLD	Optus Administration	Q1, FY21	7.0	5,924	40
333 Ann Street	Brisbane	QLD	Federation University Australia	Q3, FY24	3.3	2,556	3
Building B, 211 Wellington Road	Mulgrave	VIC	BSN Medical (Aust.)	Q3, FY21	5.0	1,842	60
CB1, 22 Cordelia Street	South Brisbane	QLD	Integrated Clinical Oncology Network	Q4, FY23	4.2	1,395	13
CB1, 22 Cordelia Street	South Brisbane	QLD	Integrated Clinical Oncology Network	Q4, FY22	5.0	1,382	18
A4, 52 Merivale Street	South Brisbane	QLD	Stantec Australia	Q4, FY20	7.0	1,239	16
333 Ann Street	Brisbane	QLD	Federation University Australia	Q4, FY20	7.0	867	-
109 Burwood Road	Hawthorn	VIC	TLA-ESP	Q1, FY27	2.0	823	20
Building C, 211 Wellington Road	Mulgrave	VIC	Becton Dickinson	Q3, FY20	5.0	679	18
CB1, 22 Cordelia Street	South Brisbane	QLD	Integrated Clinical Oncology Network	Q1, FY21	7.0	600	8
A4, 52 Merivale Street	South Brisbane	QLD	Elders Rural Services Australia	Q2, FY20	3.0	572	4
109 Burwood Road	Hawthorn	VIC	Future Medical Imaging Group	Q2, FY24	2.0	536	19
333 Ann Street	Brisbane	QLD	Harris Black	Q2, FY21	5.0	472	5
CB1, 22 Cordelia Street	South Brisbane	QLD	Toll Transport	Q2, FY20	3.0	332	3
333 Ann Street	Brisbane	QLD	World Travel Professionals	Q1, FY22	2.0	331	-
A1, 32 Cordelia Street	South Brisbane	QLD	DBM Vircon Services (Australia)	Q2, FY20	3.0	315	4
333 Ann Street	Brisbane	QLD	Federation University Australia	Q3, FY24	3.3	291	-
6 Parkview Drive	Sydney Olympic Park	NSW	Sydney Night Patrol & Inquiry Co	Q3, FY20	0.5	280	10
102 Bennelong Parkway	Sydney Olympic Park	NSW	SPX Flow Technology Australia	Q4, FY20	3.0	219	13



Leasing

Office leases executed in FY20 (continued)

Location			Tenant	Start date	Term (yrs)	NLA (sqm)	Car parks (no.)
102 Bennelong Parkway	Sydney Olympic Park	NSW	Think Advance Solutions	Q3, FY20	3.0	162	2
6 Parkview Drive	Sydney Olympic Park	NSW	Dynamic Support Services	Q2, FY20	3.0	156	4
6 Parkview Drive	Sydney Olympic Park	NSW	MyBos	Q1, FY20	3.0	154	2
6 Parkview Drive	Sydney Olympic Park	NSW	GJS Partners	Q2, FY20	5.0	137	7
109 Burwood Road	Hawthorn	VIC	Provence Kitchen	Q3, FY20	3.0	124	3
102 Bennelong Parkway	Sydney Olympic Park	NSW	Delica Domestic	Q2, FY20	3.0	113	4
333 Ann Street	Brisbane	QLD	St Hilliers Property	Q2, FY20	1.5	111	-
15 Green Square Close	Fortitude Valley	QLD	Seer Medical	Q1, FY20	3.0	110	1
102 Bennelong Parkway	Sydney Olympic Park	NSW	Abacorp	Q3, FY20	2.0	104	4
6 Parkview Drive	Sydney Olympic Park	NSW	Oplex	Q4, FY20	2.0	98	1
102 Bennelong Parkway	Sydney Olympic Park	NSW	Calacash Inwa Enterprises	Q4, FY20	2.0	91	1
102 Bennelong Parkway	Sydney Olympic Park	NSW	Prime Facilities Management	Q1, FY21	2.0	85	2
102 Bennelong Parkway	Sydney Olympic Park	NSW	Bongiorno Hawkins & Associates	Q3, FY20	0.5	84	2
A4, 52 Merivale Street	South Brisbane	QLD	Weida N Liang T/A Ginger & Green	Q4, FY20	5.0	77	1
6 Parkview Drive	Sydney Olympic Park	NSW	Power Ideas	Q1, FY20	2.0	65	2
102 Bennelong Parkway	Sydney Olympic Park	NSW	Danmour Consulting Engineers	Q3, FY20	0.5	40	-
102 Bennelong Parkway	Sydney Olympic Park	NSW	Anasta Finance Consulting	Q3, FY20	0.5	35	1
102 Bennelong Parkway	Sydney Olympic Park	NSW	Potukuchi Trading	Q1, FY20	1.0	34	1
102 Bennelong Parkway	Sydney Olympic Park	NSW	Bongiorno Hawkins & Associates	Q3, FY20	0.5	26	-
102 Bennelong Parkway	Sydney Olympic Park	NSW	Bongiorno Hawkins & Associates	Q3, FY20	0.5	22	3
Car Park, 32 Cordelia Street & 52 Merivale Street	South Brisbane	QLD	Secure Parking	Q3, FY20	5.0	-	261
Weighted average / total					14.8	68,580	1,120

Leasing

Industrial leases executed in FY20

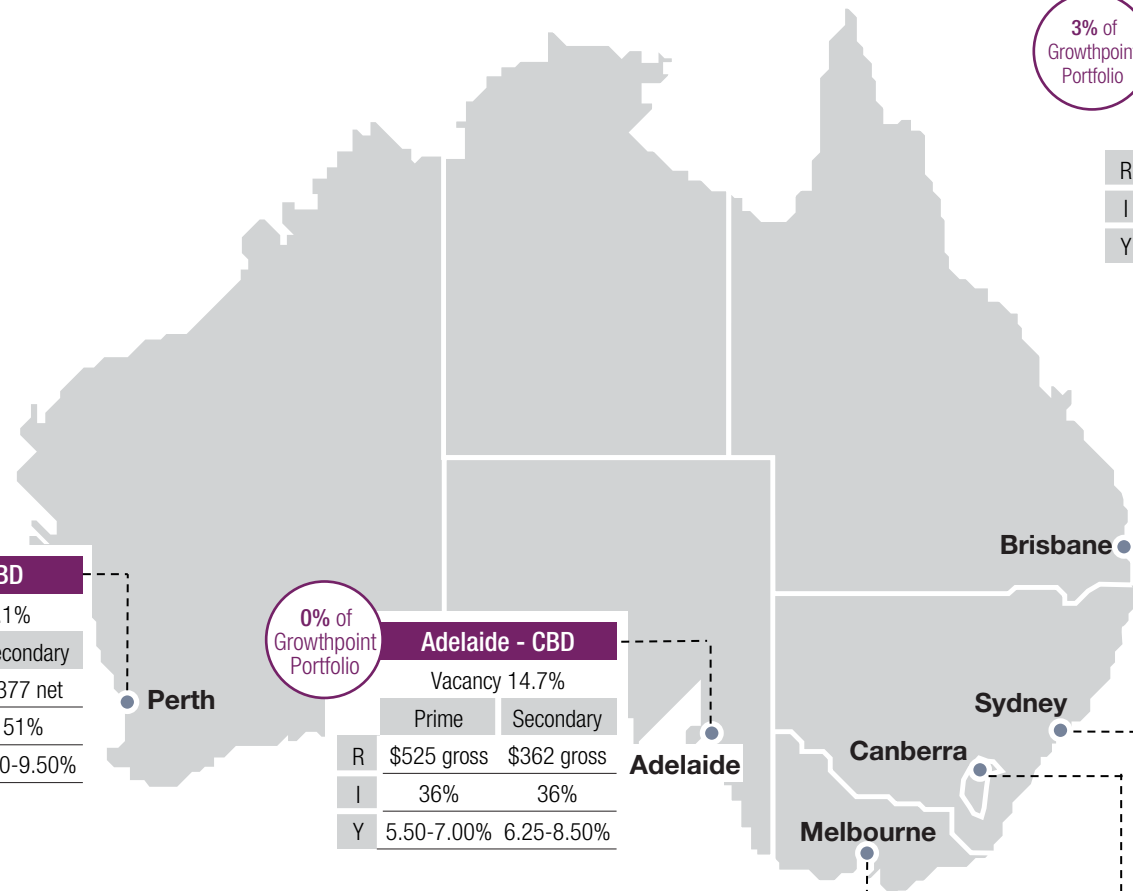
Location			Tenant	Start date	Term (yrs)	NLA (sqm)
6-7 John Morphett Place	Erskine Park	NSW	Linfox	Q3, FY20	5.0	24,881
Lots 2, 3 & 4, 34-44 Raglan Street	Preston	VIC	Paper Australia	Q1, FY20	5.0	14,111
75 Annandale Road	Melbourne Airport	VIC	Unipart Group Australia	Q2, FY20	3.0	10,310
Lots 2, 3 & 4, 34-44 Raglan Street	Preston	VIC	Victoria Police	Q2, FY20	3.6	7,631
19 Southern Court	Keysborough	VIC	Wabtec Australia	Q4, FY20	7.0	6,455
Lots 2, 3 & 4, 34-44 Raglan Street	Preston	VIC	Amcor Flexibles (Australia)	Q2, FY20	4.6	6,236
10 Hugh Edwards Drive	Perth Airport	WA	Clifford Hallam Healthcare	Q3, FY20	7.0	6,072
1-3 Pope Court	Beverley	SA	Ball & Doggett	Q2, FY21	5.0	5,312
58 Tarlton Crescent	Perth Airport	WA	Perth Inflight Catering Services	Q2, FY20	3.0	1,013
Weighted average / total					5.0	82,021

Key
market
metrics.



Key metrics for 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 20.0%

	Prime	Secondary
R	\$361 net	\$263 net
I	38%	36%
Y	5.50-8.00%	6.75-9.25%

0% of Growthpoint Portfolio

Perth - CBD

Vacancy 20.1%

	Prime	Secondary
R	\$625 net	\$377 net
I	47%	51%
Y	5.25-7.75%	7.00-9.50%

0% of Growthpoint Portfolio

Adelaide - CBD

Vacancy 14.7%

	Prime	Secondary
R	\$525 gross	\$362 gross
I	36%	36%
Y	5.50-7.00%	6.25-8.50%

0% of Growthpoint Portfolio

Melbourne - CBD

Vacancy 7.7%

	Prime	Secondary
R	\$623 net	\$468 net
I	31%	27%
Y	4.38-5.25%	4.63-5.63%

15% of Growthpoint Portfolio

Melbourne - Fringe

Vacancy 9.7%

	Prime	Secondary
R	\$461 net	\$367 net
I	24%	25%
Y	4.88-5.63%	5.00-6.00%

3% of Growthpoint Portfolio

Melbourne – SES

Vacancy 9.8%

	Prime	Secondary
R	\$391 net	\$297 net
I	24%	26%
Y	5.00-5.75%	5.25-6.75%

4% of Growthpoint Portfolio

Canberra

Vacancy 8.2%

	Prime	Secondary
R	\$468 gross	\$306 gross
I	20%	25%
Y	5.00-6.50%	6.25-11.00%

0% of Growthpoint Portfolio

Sydney - CBD

Vacancy 7.5%

	Prime	Secondary
R	\$1,203 net	\$878 net
I	23%	22%
Y	4.25-4.75%	4.63-4.88%

6% of Growthpoint Portfolio

Sydney Olympic Park

Vacancy 18.6%

	Prime
R	\$436 net
I	26%
Y	5.50-6.50%

10% of Growthpoint Portfolio

Sydney - Parramatta

Vacancy 9.7%

	Prime	Secondary
R	\$594 net	\$448 net
I	24%	24%
Y	4.88-6.13%	5.25-6.25%

3% of Growthpoint Portfolio

Brisbane - CBD

Vacancy 12.8%

	Prime	Secondary
R	\$762 gross	\$595 gross
I	39%	40%
Y	5.00-6.25%	5.75-7.00%

18% of Growthpoint Portfolio

Brisbane - Fringe

Vacancy 15.0%

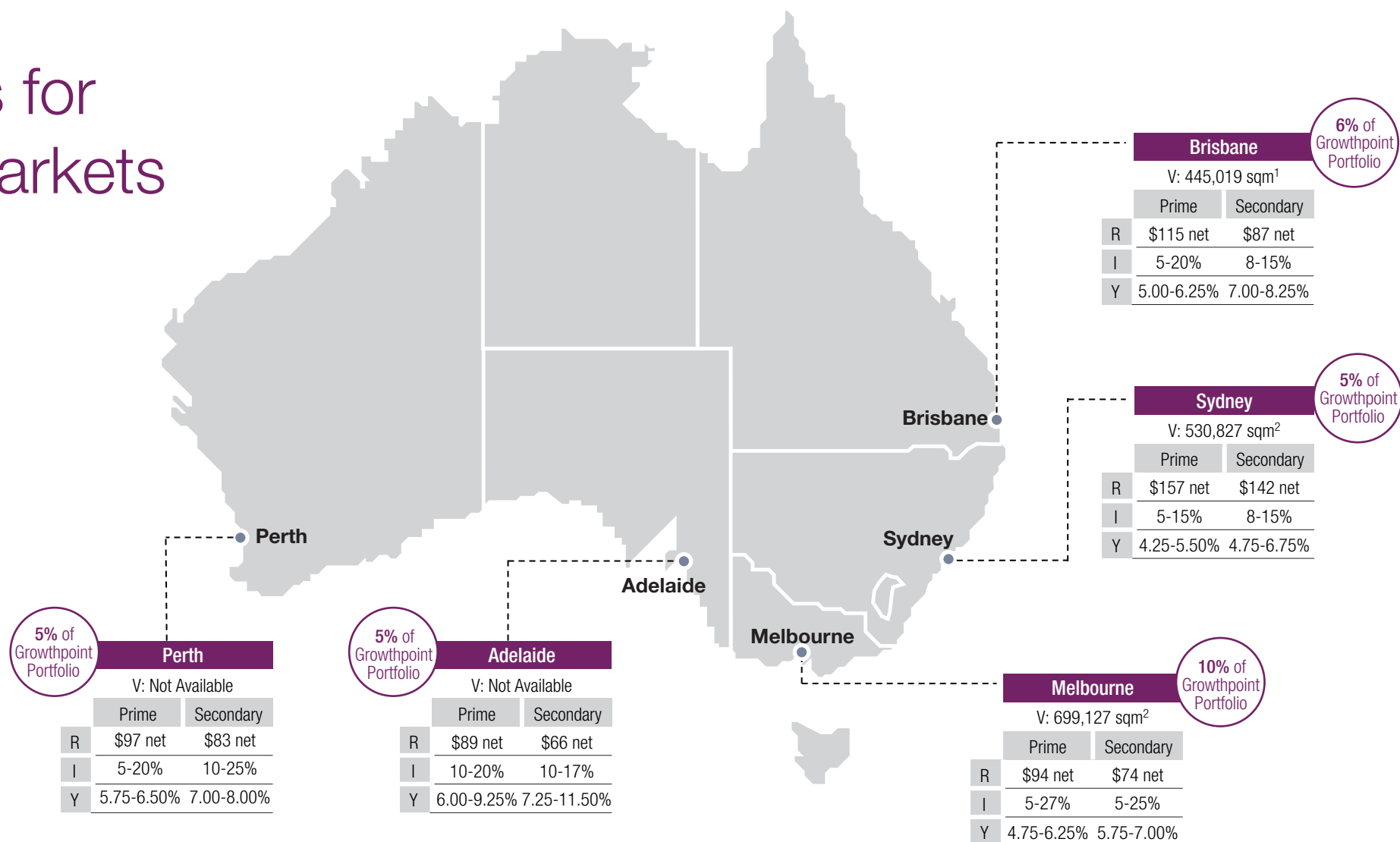
	Prime	Secondary
R	\$585 gross	\$470 gross
I	39%	39%
Y	5.75-7.50%	6.00-7.75%

Sources: JLL, Knight Frank, Growthpoint research



Key metrics for 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 3,000sqm captured.
2. 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
CPI	Consumer price index
cps	Cents per security
CY	Calendar year
Deferred rent	Rent deferred to support tenants severely impacted by 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
JLL	The Australian arm of Jones Lang LaSalle, an international professional services and investment management firm

Term	Definition
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
Rent abatement	Rent waived to support tenants severely impacted by 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
SES	South-eastern suburbs
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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GROWTHPOINT
PROPERTIES



2020 calendar.

- **29 October** – 1Q21 Investor update
- **19 November** – Annual General Meeting

Dates are indicative and subject to change.