

ABACUS

HY25 RESULTS PRESENTATION

24 FEBRUARY 2025



ABACUS GROUP HY25 RESULTS



Agenda

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Overview

Steven Sewell,
Managing Director

02

Key financial metrics
and capital management

Evan Goodridge,
CFO

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Operating performance

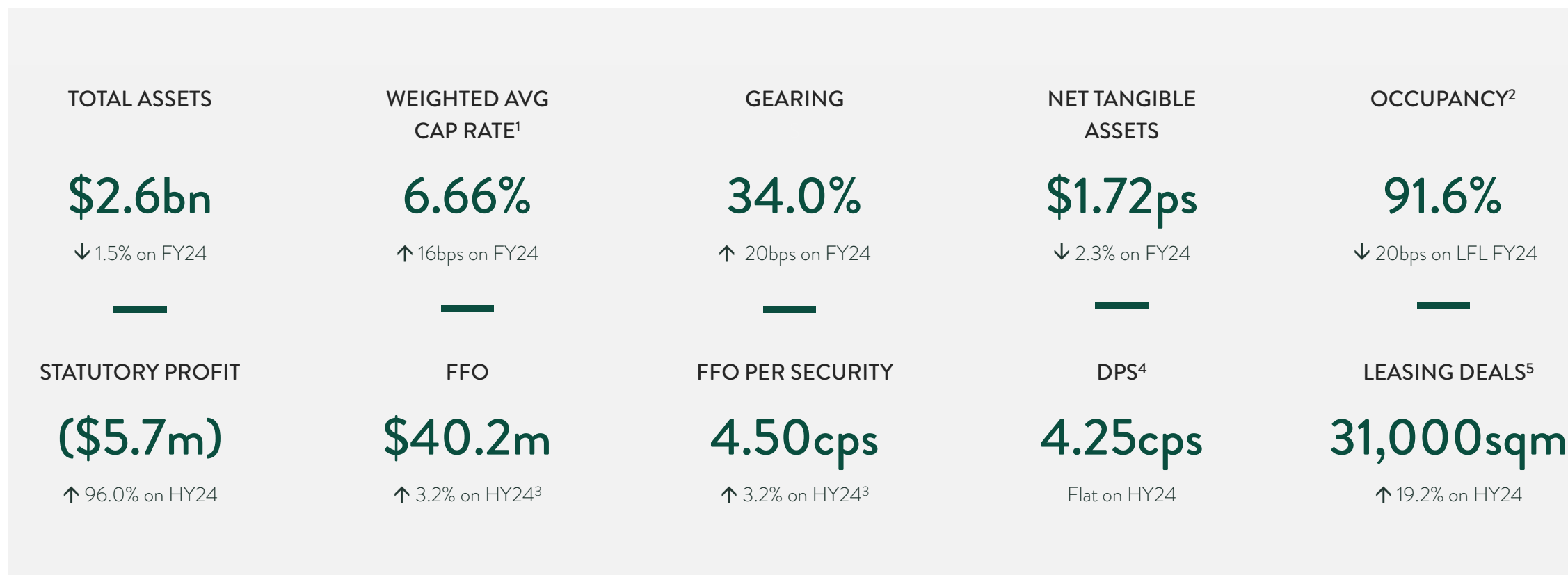
Kevin George,
Group General Manager -
Commercial & Fund
Manager ABG

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Outlook and guidance

Steven Sewell,
Managing Director

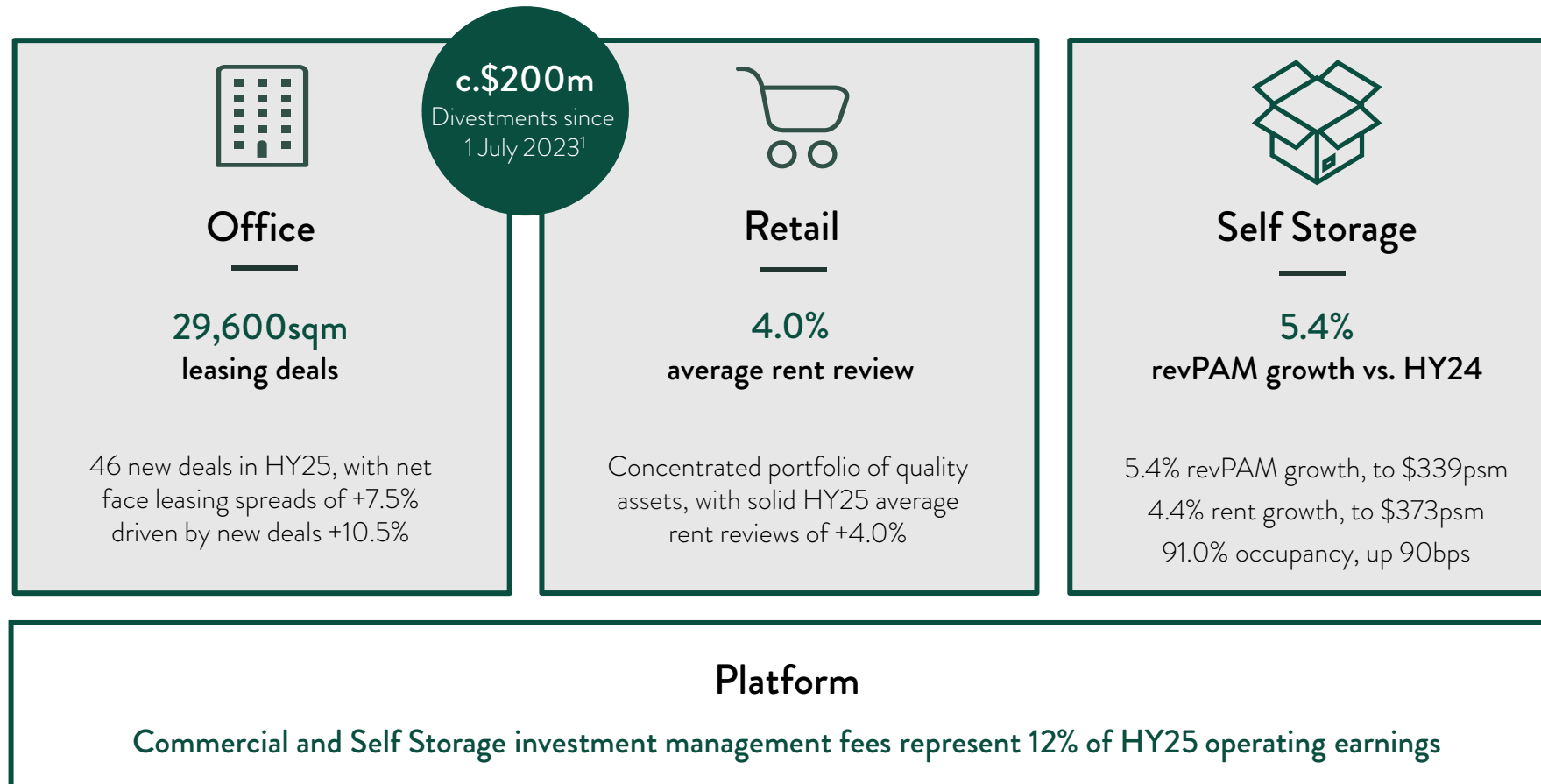
HY25 METRICS



1. Cap rate applied to 31 December 2024 investment properties of \$1,817.7m.
2. Excludes development affected asset (Virginia Park, Bentleigh East VIC).
3. FFO from continuing operations.
4. 50% franked (HY24: nil).
5. Commercial leasing deals, based on 100% ownership.

HY25 HIGHLIGHTS

The Commercial portfolio continues to perform well



1. Includes assets exchanged post balance date.

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KEY FINANCIAL METRICS & CAPITAL MANAGEMENT

EVAN GOODRIDGE

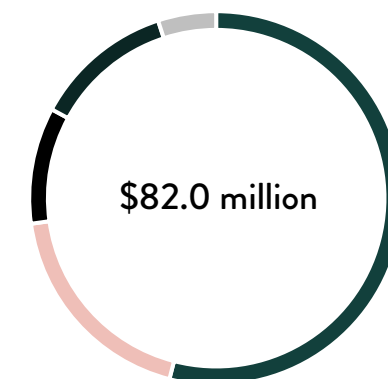


OPERATING EARNINGS SUMMARY



\$ millions	HY25	HY24	Change	Comments
Office operating earnings ¹	44.0	39.3	12.0%	Driven by increased average physical occupancy, rent reviews and early surrender fees (\$2.4m)
Retail LFL operating earnings ¹	12.0	10.4	15.4%	Driven by an increase in average physical occupancy, rent reviews and percentage rent
Self Storage (ASK return on investment)	8.6	7.4	16.2%	Equity return on the Group's 19.8% ownership of ASK
Investment management & other income	14.1	12.8	10.2%	Reflects 40bps of ASK's GAV (\$6.3m), development management fees (\$2.4m), commercial management fees (\$0.9m), JV income (\$3.0m) and finance income (\$1.5m)
Total LFL operating earnings	78.7	69.9	12.6%	
Retail non-LFL operating earnings ¹	3.3	4.6	(28.3%)	Includes additional 16.7% ownership in Myer and divested assets (Ashfield Mall and Lutwyche Shopping Centre)
Total operating earnings	82.0	74.5	10.1%	
Administrative and other expenses	(17.2)	(16.0)	7.5%	
EBIT	64.8	58.5	10.8%	
Net finance costs	(23.9)	(19.4)		Reflects HY25 WACD of 5.1% (HY24: 4.1%)
Tax expense	(0.7)	(0.2)		
FFO from continuing operations	40.2	38.9	3.2%	
FFO from discontinuing operations	-	1.2		HY24 reflects one month of fees and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	40.2	40.1		
FFO per security (cents)	4.50	4.49		
Distribution per security (cents)	4.25	4.25		
Franking credit distribution per security (cents)	2.13	-		
Payout ratio	94%	95%		

HY25 operating earnings



- Office, 54%
- Retail, 19%
- Self Storage, 10%
- Investment Management, 12%
- Other, 5%

1. Operating earnings (rental income less property expenses).

HY25 BALANCE SHEET ALLOCATION



31 December 2024

30 June 2024

\$2.6bn Total Assets

\$2.6bn Total Assets

58% OFFICE \$1.5bn **16%** RETAIL \$0.4bn **16%** ASK \$0.4bn **10%** OTHER \$0.3bn

57% OFFICE \$1.5bn **17%** RETAIL \$0.4bn **16%** ASK \$0.4bn **10%** OTHER \$0.3bn

	Office	\$1,496m	14 properties
	Retail	\$402m	2 properties
	ASK	\$423m	19.8% shareholding in ASK
	Other	\$266m	Non-property assets ¹ and two other assets (Riverlands ² and Camellia ³)

	Office	\$1,510m	14 properties
	Retail	\$444m	3 properties
	ASK	\$419m	19.8% shareholding in ASK
	Other	\$253m	Non-property assets ¹ and two greenfield assets (Riverlands and Camellia)

1. Includes cash, cash equivalents, goodwill, intangibles, deferred tax and other assets.
 2. Valued at \$12.5 million as at 31 December 2024.
 3. Valued at \$63.5 million as at 31 December 2024.

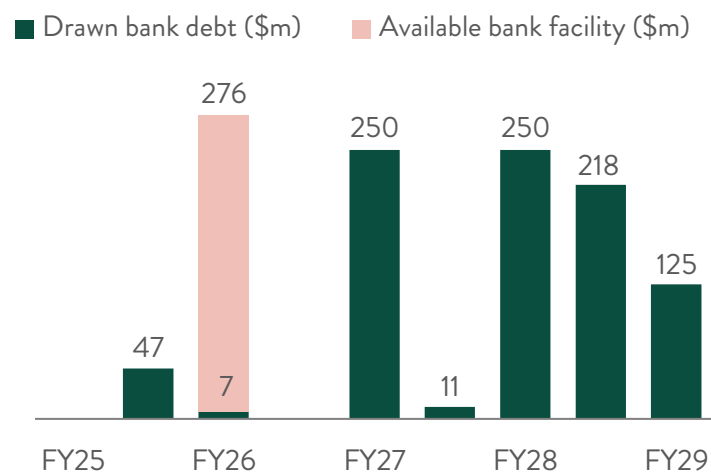


CAPITAL MANAGEMENT

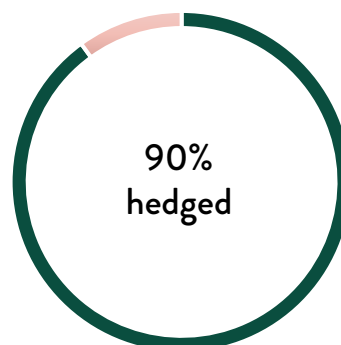
Sufficient liquidity with over \$250 million in acquisition capacity and covenant headroom

NTA ¹	Total assets	Acquisition capacity ²	HY25 avg. cost of debt ³	Gearing ⁴	Debt term to maturity
\$1.72ps	\$2.6bn	>\$250m	5.1%	34.0%	2.9yrs

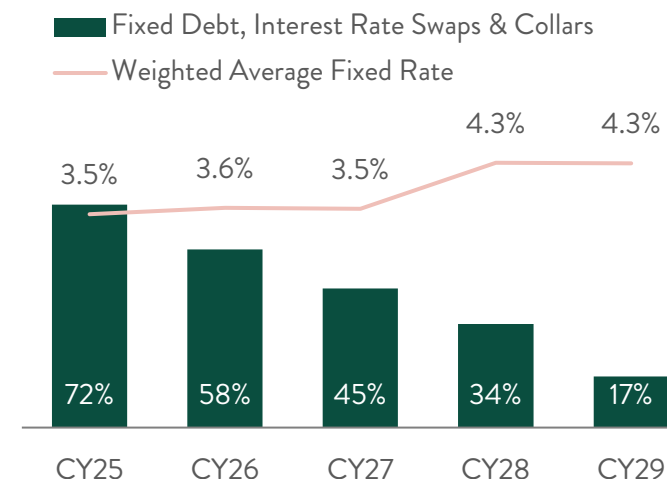
Debt expiry profile



Interest rate hedging – drawn debt



Hedging profile expiry



1. NTA calculated as: (net assets less goodwill less DTA plus DTL) divided by total securities as at 31 December 2024.

2. Based on target gearing of up to 40%.

3. FY25 guidance for average cost of drawn debt 5.1% assuming average floating rate of 4.2%.

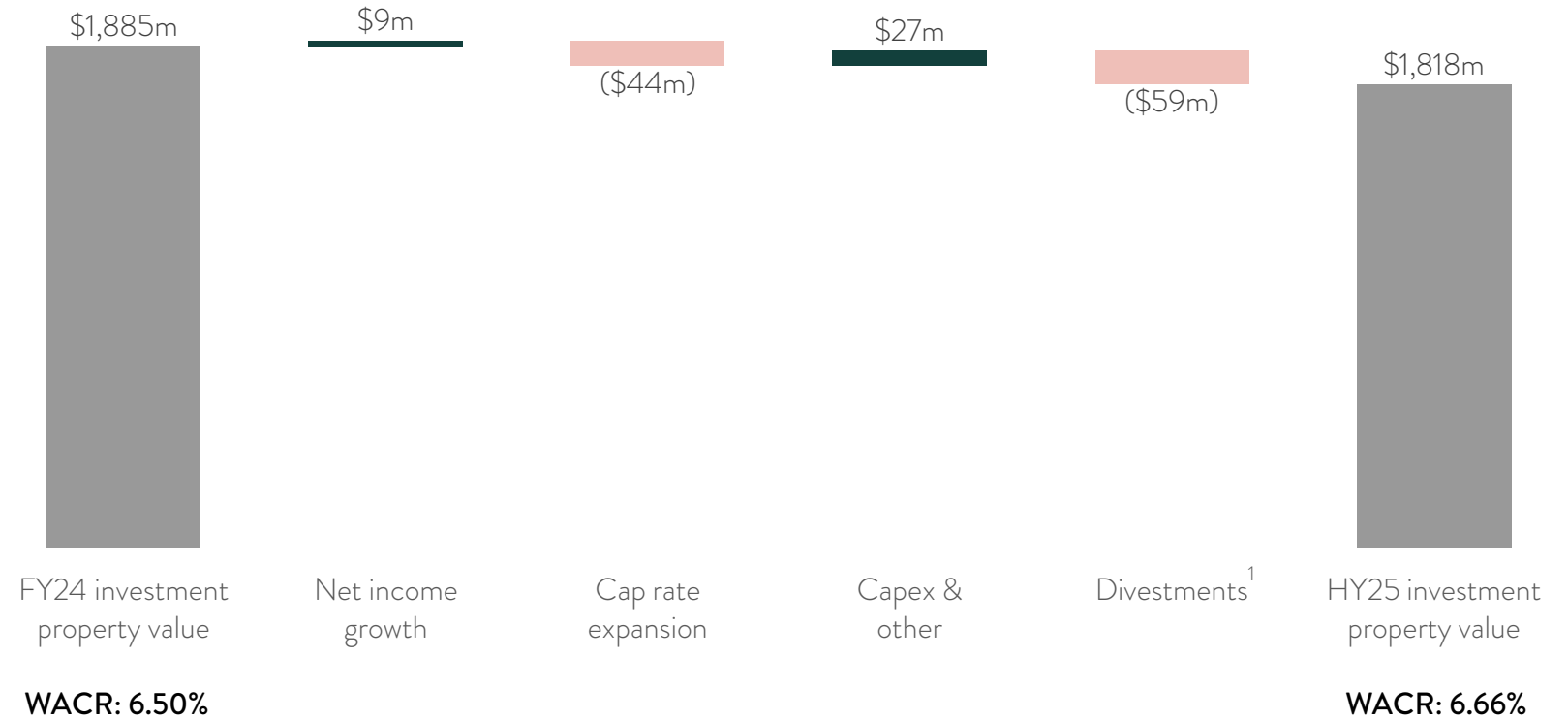
4. Calculated as bank debt less cash (\$866m) divided by total assets less cash (\$2.5bn).



VALUATION UPDATE

Office assets are at or near the bottom of the valuation cycle

Commercial



1. Includes divestment of Market Central, Lutwyche QLD.

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OPERATING PERFORMANCE

KEVIN GEORGE



OPERATIONAL PRIORITIES

Key components of ABG growth over the medium term

Grow earnings

Optimise platform



Portfolio construction

Reduced gearing supported in part by non-core asset sales



Leasing initiatives

Continue innovating and providing strong outcomes for customers and ABG



Cost control

Focus on cost efficiencies to maintain profitability



Grow non-rent income

Pursue partnerships with core assets to utilise the platform and drive ROI



Technological improvements

Committing the resources to introduce Yardi by FY26

Maximise income yield



452-484 Johnston Street, Abbotsford VIC

VALUE PROPOSITION AND CUSTOMER FOCUS



The Group has a diversified, well located and adaptive portfolio of largely A-grade assets



Flight to value

SME customers (61% of customers by number) are prioritising well-located, amenity-rich spaces at competitive price points, positioning our portfolio strongly



Small tenants value their office space

Over 50% of our customers lease under 500sqm of space, with smaller customers actively increasing their in-office presence



Geographic and customer diversification

96% of our assets are on the Eastern Seaboard, with a mix of industries and tenant profiles supporting the portfolio's income resilience



Flexibility and proactive engagement

Flex options, fitted suites and enhanced tenant engagement are strengthening retention, reducing downtime, and supporting rental growth



OFFICE SNAPSHOT

Portfolio of 14 Office assets valued at \$1.5 billion as at 31 December 2024

OCCUPANCY¹

89.9%

LFL FY24⁶: 90.2%

WALE¹

3.7yrs

LFL FY24⁶: 3.8yrs

YTD LEASING DEALS²

46

HY24: 53

YTD RENT GROWTH¹

6.3%

HY24: 5.4%

WACR

6.71%

FY24: 6.43%

A-GRADE BUILDINGS³

78%

FY24: 78%

CUSTOMERS^{2,4}

338

FY24: 329

SME CUSTOMERS^{2,4,5}

61%

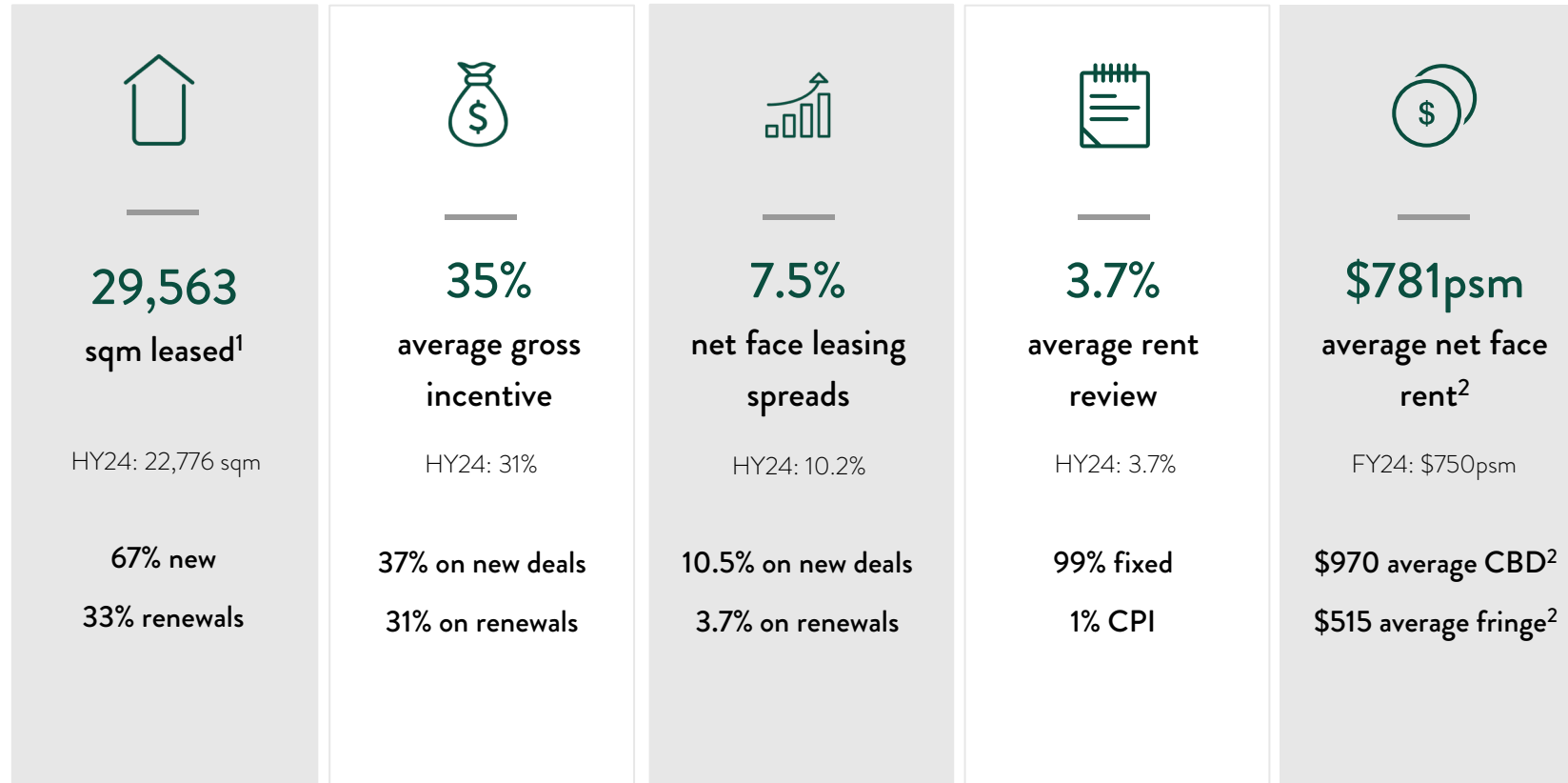
FY24: 64%

1. Excludes development affected asset (Virginia Park, Bentleigh East VIC).
2. On a 100% basis.
3. Excludes Virginia Park, Bentleigh East VIC (part Industrial).
4. Includes managed properties.

5. By number of customers.
6. Restated to include 201 Elizabeth Street, Sydney NSW which was development affected in FY24.

OFFICE LEASING METRICS

Strong leasing spreads achieved in a challenging office environment



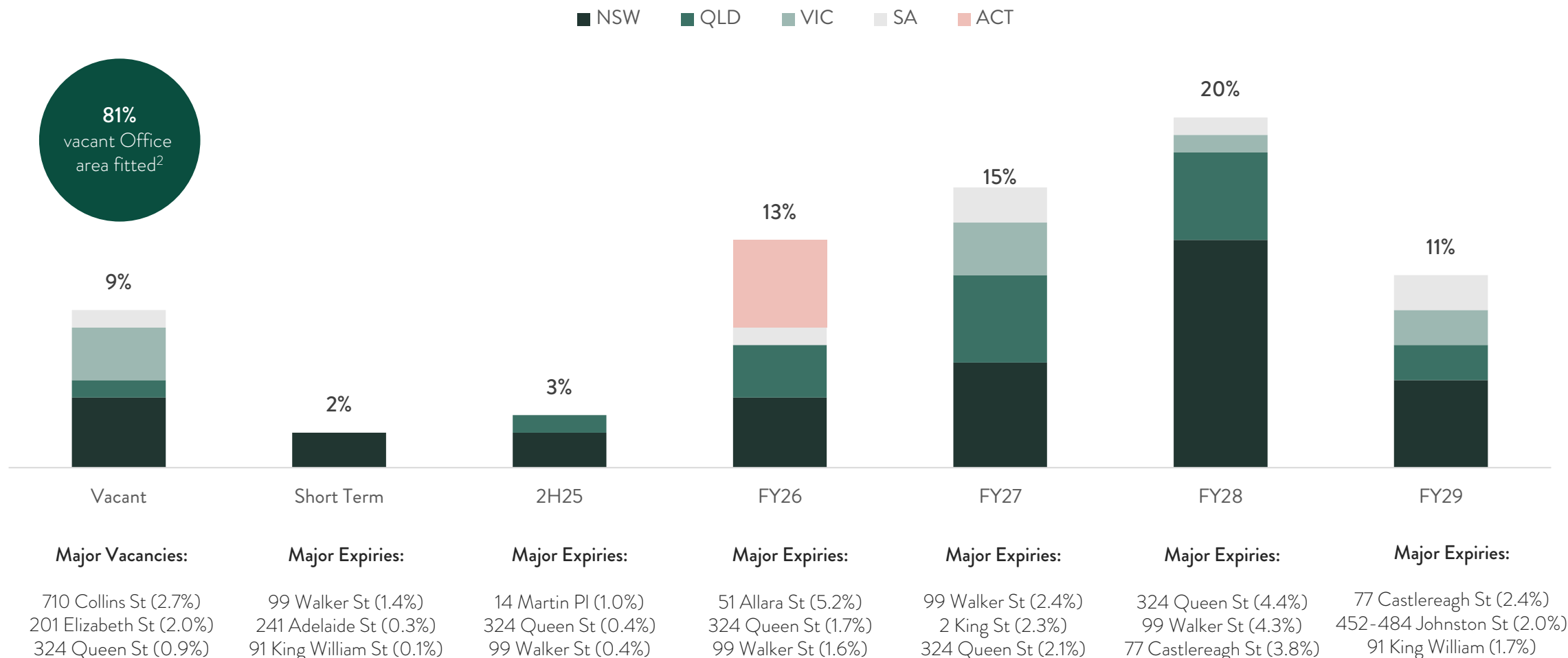
51 Allara Street, Canberra ACT

1. Based on 100% ownership.
 2. As at 31 December 2024. Sydney and Melbourne assets excluding development affected asset (Virginia Park, Bentleigh East VIC).



OFFICE LEASING EXPIRY¹

Underpinned by geographical diversity



1. By income and excludes development affected asset as at 31 December 2024 (Virginia Park, Bentleigh East VIC).

2. Office space available for lease that has been spec fitted or has existing fitouts.

RETAIL SNAPSHOT

Portfolio of 2 Retail assets (1 centre and 1 CBD asset) valued at \$0.4 billion as at 31 December 2024

OCCUPANCY

97.0%

LFL FY24¹: 96.8%

YTD LFL RENT GROWTH

3.3%

HY24: 5.5%

WALE

5.6yrs

LFL FY24²: 6.0yrs

WACR

6.44%

FY24: 6.58%

NET FACE LEASING SPREADS

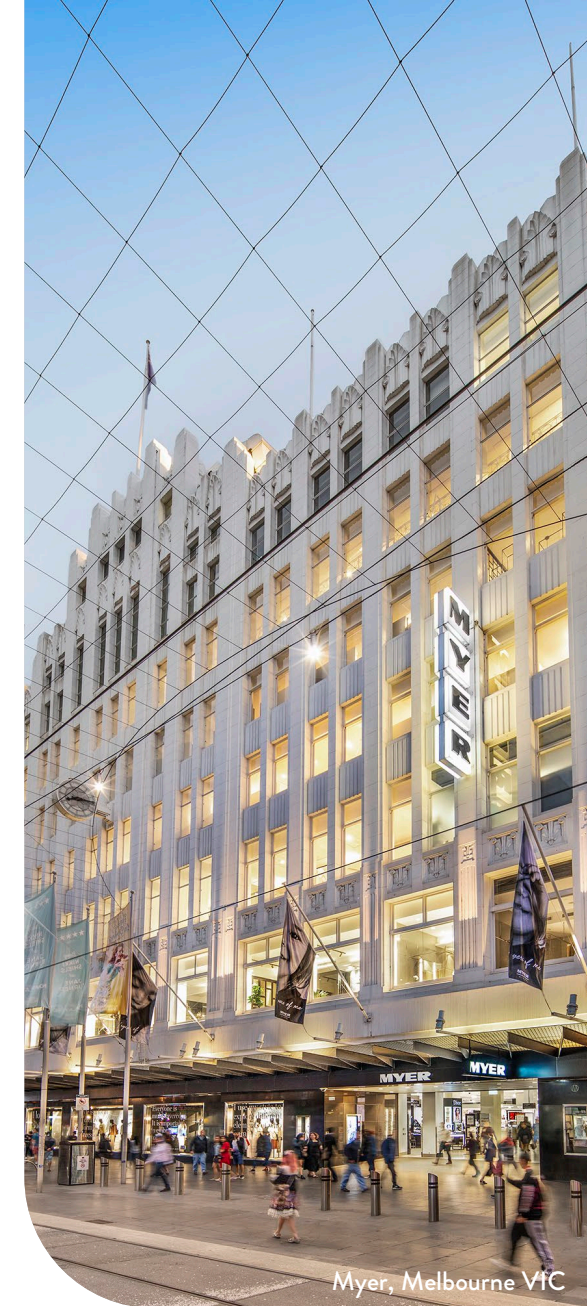
3.1%

LFL HY24: 11.1%

AVG. RENT REVIEW

4.0%

HY24: 5.4%



Myer, Melbourne VIC

1. Restated to exclude divested asset (Market Central, Lutwyche QLD).

SELF STORAGE SNAPSHOT

19.8% owner and manager of \$3.3 billion Self Storage REIT, Abacus Storage King (ASX:ASK)

ASK REVPAM¹

\$339

↑ 5.4% on HY24²

ASK WACR

5.56%

↑ 1bp on FY24

ASK AVG. RENT PSM¹

\$373

↑ 4.4% on HY24²

ASK TOTAL ASSETS

\$3.3bn

↑ 1.1% on FY24

ASK OCCUPANCY¹

91.0%

↑ 90bps on HY24²

ASK FFO PER SECURITY

3.3cps

↑ 8.6% on HY24



1. Established portfolio includes 103 mature stores trading since 1 July 2023. Average over last 6 months (by area).
2. HY24 established stores have been restated to 103 established stores for comparison purposes.

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OUTLOOK AND GUIDANCE

STEVEN SEWELL



OUTLOOK AND GUIDANCE



Owning and managing an Australian eastern seaboard focused Commercial portfolio and external management of Abacus Storage King (ASX:ASK)



Abacus Group

Active asset management and diversified leasing strategies to drive income growth throughout our portfolio

Outlook

We remain confident that the Group is well positioned to leverage our key enablers and deliver recurring income and value creation over the medium to long term

The Group is also committed to identifying investment management opportunities, utilising our platform of assets to drive higher returns



FY25 Guidance

- Abacus Group reaffirms FY25 distribution guidance of 8.5 cents per security
- Targeting a full year payout ratio of 85%-95% of FFO

Our guidance is predicated on no material deterioration in current business conditions

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STATUTORY EARNINGS RECONCILIATION



Performance metrics (\$m)	HY25	HY24
Statutory profit	(5.7)	(143.6)
Discontinued operations	-	(1.0)
Fair value adjustments	28.5	170.9
Depreciation and amortisation	1.8	1.7
Rent straight-lining & incentives & one-off adjustments	9.4	7.9
Tax benefit on FFO items	6.2	4.2
FFO	40.2	40.1
Maintenance capex	7.1	9.2
Tenant incentives (capex)	4.6	12.8
Tenant incentives (rent abatement)	8.7	7.3

Term	Definition
Funds from operations (FFO)	FFO is in line with the PCA's definition and comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investment properties accounted for at fair value, fair value of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

PROFIT AND LOSS OVERVIEW



Performance metrics (\$m)	HY25	HY24	Comments
Rental income	81.1	77.4	Rental growth offset by divestments of assets
Fee, finance and other income	11.1	9.7	Increase driven by ASK fees received for full 6 months
Share of profit from equity accounted investments	11.6	10.5	Increase due to 19.8% ownership of ASK for full 6 months
Total revenue	103.8	97.6	
Property expenses	(21.8)	(23.1)	Increases in statutory and repairs and maintenance offset by divestments of assets
Operating earnings	82.0	74.5	
Administrative and other expenses	(17.2)	(16.0)	
EBIT	64.8	58.5	
Net finance costs	(23.9)	(19.4)	HY25 WACD of 5.1% (HY24: 4.1%)
Tax expense	(0.7)	(0.2)	
FFO from continuing operations	40.2	38.9	
FFO from discontinued operations	-	1.2	Reflects one month of fees and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	40.2	40.1	
Weighted average securities	893,657,633	893,657,633	

BALANCE SHEET OVERVIEW



	HY25	FY24
Investment properties	\$1,817.7m	\$1,885.0m
PP&E, equity and other investments, financial and other assets	\$638.2m	\$621.3m
Loans	\$55.9m	\$55.9m
Cash and cash equivalents	\$41.0m	\$23.5m
Goodwill and intangibles	\$32.4m	\$32.4m
Deferred tax assets	\$1.9m	\$8.2m
Total assets	\$2,587.1m	\$2,626.3m
Interest bearing liabilities	\$943.1m	\$939.3m
Other liabilities	\$70.6m	\$70.5m
Deferred tax liabilities	\$9.7m	\$9.4m
Total liabilities	\$1,023.4m	\$1,019.2m
Net assets	\$1,563.7m	\$1,607.1m
Total securities	893,657,633	893,657,633

DEBT FACILITIES



Capital management metrics	HY25	FY24	Comments
Total bank debt facilities	\$1,183m	\$1,183m	
Total bank debt drawn	\$907m	\$904m	
Term to maturity	2.9yrs	3.4yrs	
Interest rate hedging	90%	76%	
Weighted average hedge maturity	2.6yrs	2.6yrs	
Average cost of debt - drawn	5.1%	4.4%	
Average cost of debt - fully drawn	5.0%	4.2%	
Group gearing	34.0%	33.8%	Calculated as bank debt net of cash divided by total assets net of cash
Look through gearing	38.5%	38.4%	Includes impact of JV gearing
Gearing calculated for covenant measures/covenant	39.0% / 50%	38.7% / 50%	Total liabilities net of cash divided by total tangible assets net of cash
Interest coverage ratio/covenant	2.3x / 2.0x	2.5x / 2.0x	EBITDA divided by interest expense



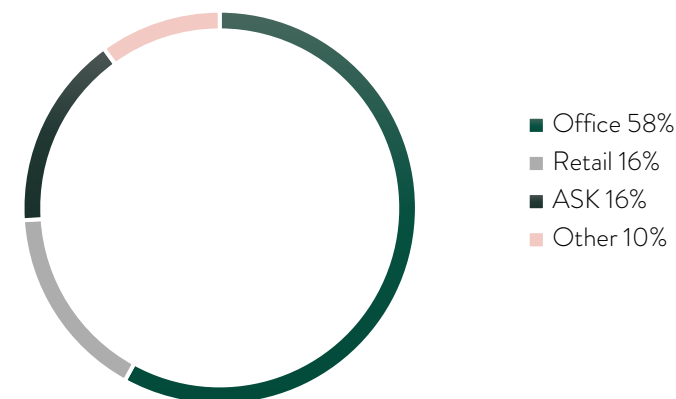
INVESTMENT PORTFOLIO METRICS

Portfolio metrics HY25	Office	Retail	ASK	Other ¹	Total
Value (\$m)	1,496	402	423	266	2,587
No. of assets	14	2	-	2	18
NLA ^{2,3} (sqm)	147,631	45,438	-	-	193,069
WACR (%)	6.71	6.44	-	-	6.65
Occupancy ² (% by area)	89.9	97.0	-	-	91.6
Average net face rent ² (\$ psm)	673	734	-	-	689
WALE ² (yrs by \$)	3.7	5.6	-	-	4.1

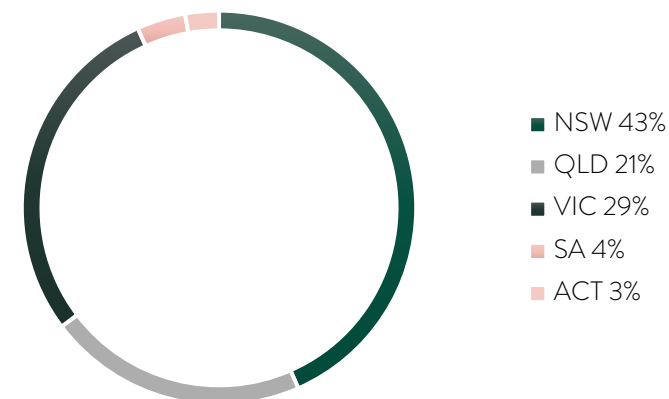
Asset ownership (number of assets)	NSW	QLD	VIC	SA	ACT
100% owned	5	2	1	-	1
50% owned	1	2	4	1	-
<50% owned	1	-	-	-	-

1. Includes cash and other non-property assets.
2. Excludes development affected asset (Virginia Park, Bentleigh East VIC).
3. Abacus ownership basis.
4. Excludes cash and other non-property assets.

Investment portfolio sector diversification



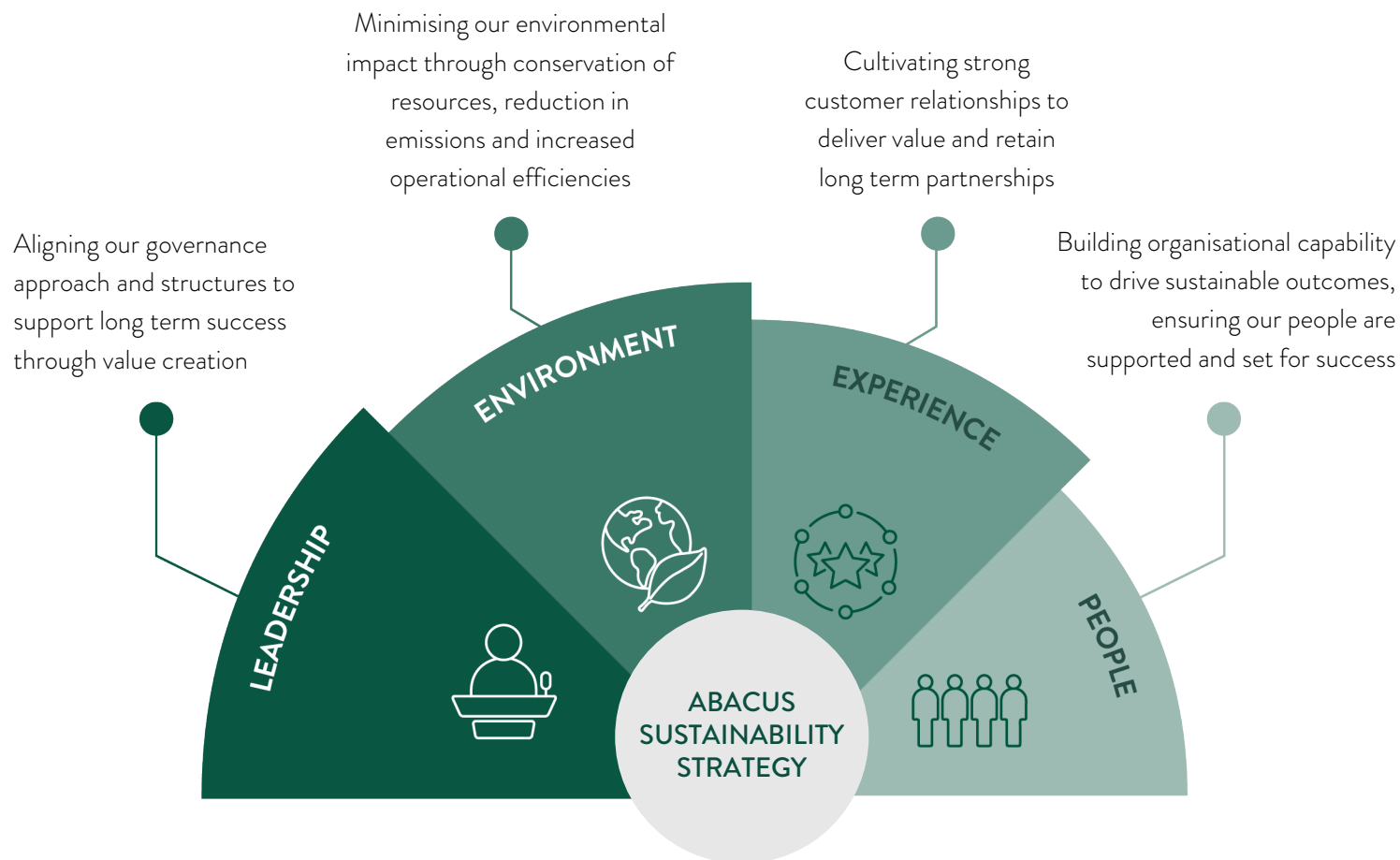
Investment portfolio geographic diversification⁴





ESG: FOCUS

Vision: To concentrate on select real estate sectors that deliver long term and sustainable outcomes through active investment, asset and development management and a strong focus on customer and brand awareness



Emission intensity:
36% ↓ in scope 1 and 2 GHG emission intensity (vs. FY19)

Water reduction:
10% ↓ in water intensity (vs. FY19)

Waste recycling:
51.7% diversion from landfill rate

Customer centric focus:
Unifying KPI for all employees introduced with a focus on enhancing the customer experience

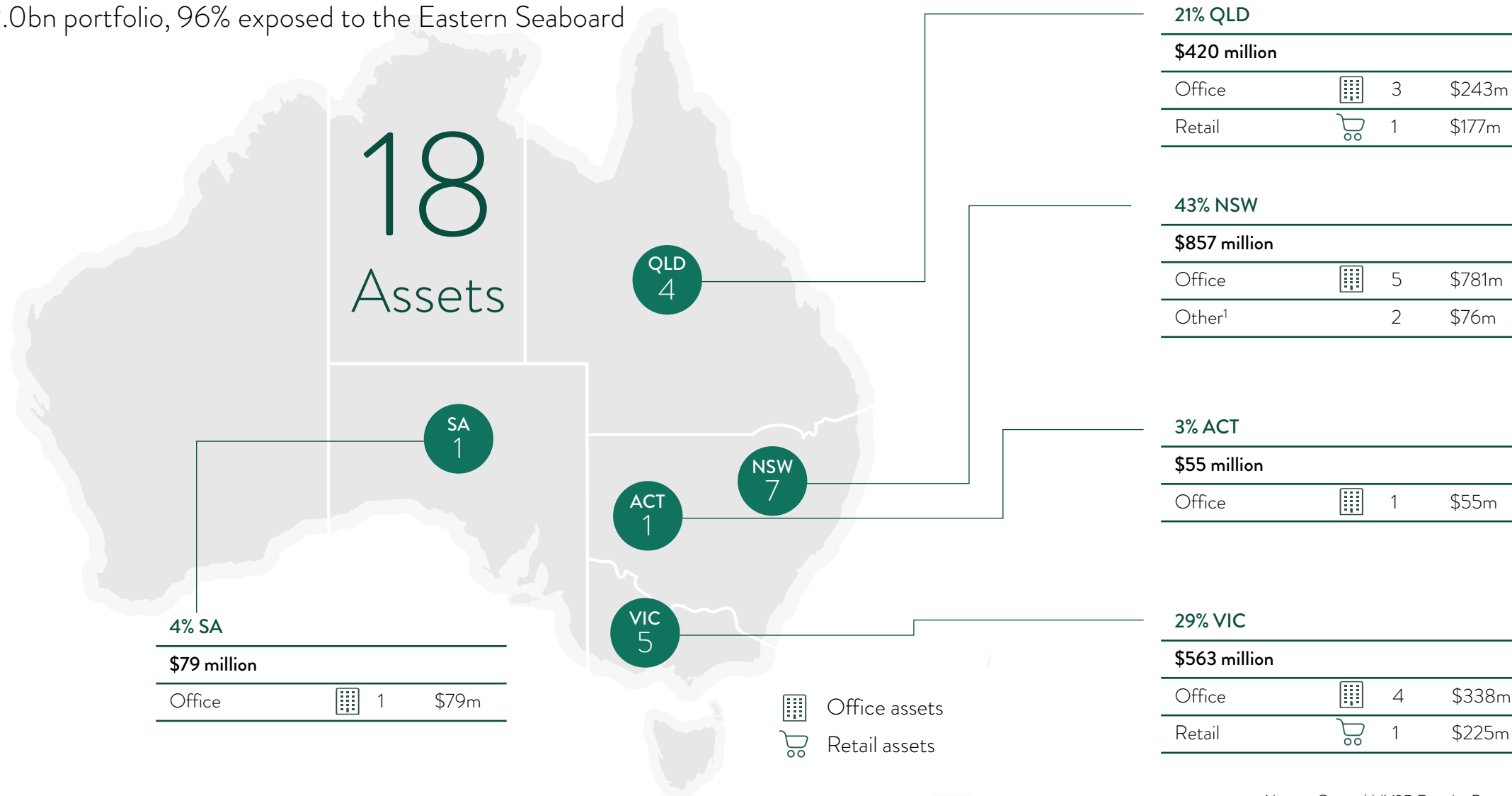
Energy and water efficiency¹:
4.8* Energy NABERS rating
4.0* Water NABERS rating

1. Average NABERS ratings.



COMMERCIAL PORTFOLIO

\$2.0bn portfolio, 96% exposed to the Eastern Seaboard



1. Riverlands NSW and Camellia NSW.

GLOSSARY



TERM	DEFINITION	TERM	DEFINITION
ABG	Abacus Group	KPI	Key performance indicator
ASK	Abacus Storage King	LFL	Like for like
ASX	Australian Securities Exchange	NABERS	National Australian Built Environment Rating System
CBD	Central business district	NLA	Net lettable area
CPI	Consumer price index	NTA	Net tangible assets
CPS	Cents per stapled security	PCA	Property Council Australia
DPS	Distribution per stapled security	PP&E	Property, plant and equipment
DTA	Deferred tax assets	PS	Per stapled security
DTL	Deferred tax liabilities	PSM	Per square metre
EBIT	Earnings before interest and taxes	REVPAM	Revenue per available square metre
EBITDA	Earnings before interest, taxes, depreciation and amortisation	ROI	Return on investment
ESG	Environmental, Social and Governance	SME	Small medium enterprise
FFO	Funds from Operations	SQM	Square metre
FY	Financial year	WACD	Weighted average cost of debt
GAV	Gross asset value	WACR	Weighted average capitalisation rate
GHG	Greenhouse gas	WALE	Weighted average lease expiry
HY	First half of financial year	YTD	Year to date
JV	Joint venture		



IMPORTANT INFORMATION

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