

GOOD

GREAT

GOODMAN PROPERTY TRUST
INTERIM RESULT
2025

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PRESENTED BY:

James Spence Chief Executive Officer | **Andy Eakin** Chief Financial Officer & Head of Sustainability

An aerial photograph of a large industrial park with several large, grey-roofed warehouse buildings. In the background, a city skyline is visible under a clear blue sky. The word "OVERVIEW" is overlaid in large white letters, with a green outline of the letters behind it.

OVERVIEW

FUTURE FOCUSED

GMT is positioned for the next phase of its business growth.

Internalisation completed successfully

- + Internalisation has created a platform for sustainable long-term growth:
 - Consolidation of property ownership and management
 - Growth and diversification of earnings with the introduction of a capital recycling strategy and management income potential
- + Seamless transition for our customers, contractors, service providers and employees
- + A new remuneration structure was designed to attract and retain the best people, with the skills and knowledge to ensure GMT's ongoing success:
 - Includes a performance-based component, with a long-term incentive plan consistent with the Goodman philosophy of aligning employee outcomes with unitholder returns
 - Performance rights are at risk and are subject to GMT meeting specific performance hurdles, over a three-year testing period
- + Continued support from Goodman Group, including ongoing access to systems, expertise and global connections

Future growth opportunities

- + Progressing our plans to establish a new Auckland logistics fund, engaging directly with potential capital partners that have a mandate to invest in New Zealand
- + To support future data centre development, we are currently designing and programming infrastructure works at certain value-add estates within the portfolio. The selected sites benefit from good connectivity to existing electricity and data networks
- + Activating our future development pipeline, with the Waitomokia precinct plan progressing well:
 - The unique masterplan preserves the natural features of the property and acknowledges the important cultural history of the area
 - Initial infrastructure and enabling works are planned to start this financial year, with the first industrial facilities expected to begin construction in FY26

These growth opportunities are our strategic priorities and are expected to accelerate future earnings growth.

INTERIM RESULT



Investment portfolio

- + Completion of three projects, with five buildings totalling 50,286 sqm, concludes a period of intensive development
- + Portfolio occupancy of 98.1% and WALT of 6.0 years
- + 53,356 sqm of stabilised leasing during the period produced rental reversion of 30.3%
- + Underlying like-for-like net property income growth of 7.3%
- + Potential rent reversion to market at 23%, equating to under-renting of approximately \$55.9 million



Financial Result

- + 10.6% increase in operating earnings before tax to \$75.3 million, driven by:
 - 11.3% increase in net property income to \$111.4 million
 - Immediate financial benefit of Internalisation with 44.3% reduction in net corporate costs
 - 41.1% increase in net interest costs
- + Cash earnings of 3.74 cents per unit are consistent with full year guidance of around 7.5 cents per unit. FY25 distributions are reaffirmed at 6.5 cents per unit
- + Interim profit of \$45.5 million after tax, with valuations remaining stable over the period



Capital Management

- + Debt diversity and tenor added with a new 5-year \$150 million wholesale green bond issued post balance date, BBB+ rated and paying a fixed interest rate of 5.102%
- + Gearing of 32.4%, with committed gearing of 32.7%
- + \$385 million in available liquidity



INVESTMENT PORTFOLIO



ROMA ROAD



SAVILL LINK

DEVELOPMENT COMPLETIONS

Completion value

\$214.8 m

Yield on additional cost

7.9%

Net lettable area

50,286 sqm

WALT

9.6 years

Leased

89%

Green Star Design rating¹

5 Star

¹Signify is awaiting certification and is expected to achieve a 5 Green Star Design rating too

PORTFOLIO RESILIENCE

- + A slowing economy and a more challenging operating outlook have reinforced the importance of well-located, efficient and sustainable logistics facilities to our customers
- + The portfolio continues to perform:
 - 98.1% occupancy¹
 - WALT of 6.0 years, benefits from the long-dated leases of the recently completed development programme
 - A desktop review by independent valuers has confirmed stable property values
 - Arrears of just 0.1% of monthly income as at 30 September 2024
- + The impacts of a more challenging economic environment have been reflected in a small number of business failures within the portfolio
 - The most significant of these was a building product supplier, occupying 4,423 sqm. With a bank guarantee in place and expectations that the space will be re-leased quickly, there is no material impact anticipated on GMT's FY25 financial results

¹Includes post balance date leasing



Property portfolio

\$4.6 bn

Occupancy¹

98.1%

Portfolio WALT

6.0 years

RENT REVERSION

- + Continuing to realise rental reversion to market through new leasing and rent reviews
- + Underlying like-for-like net property income growth on the stabilised portfolio of 7.3% for the period¹
- + Positive leasing results were a major contributor to the growth, with 53,356 sqm of space, or 4.4% of the portfolio, leased on new or revised terms in the first half of FY25:
 - rental uplift of 30.3% achieved on these leases, with an average warehouse rate of \$219 psm on core portfolio leases
 - average new lease term of 4.7 years and 2.2 month lease up period
 - average incentives of 1.6%
- + Potential rent reversion to market at 23%², equating to under-renting of approximately \$55.9 million
- + 1.4% of portfolio income to expire over the second half of FY25

¹Net rental income on underlying portfolio, adjusted to remove vacancy, incentives & leasing costs, straight line rent adjustments, turnover rent & fitout rent and operating expenses.

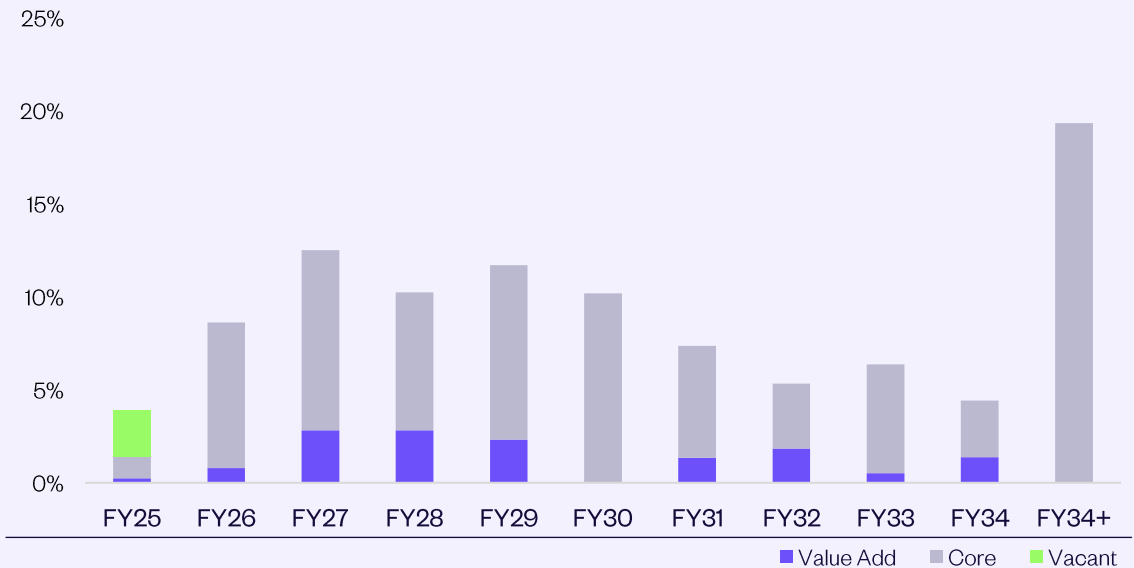
²Difference between valuer assessed market rents and current passing rents, divided by current passing rent. Determined by independent desktop review.

Rental growth over time

	1H25	FY24	FY23	FY22
Underlying like-for-like net property income growth ¹	7.3%	6.5%	5.3%	5.1%
Average core warehouse rate on new leasing	\$219	\$200	\$186	\$139

10-year lease expiry profile

% of stabilised portfolio income





WAITOMOKIA PROGRESS

Stakeholder engagement and sustainability

- + Following extensive consultation with mana whenua and other stakeholders, we have developed a unique masterplan that preserves the natural features of the property and acknowledges the important cultural history of the area
- + To protect the unique features of the property, elements of the masterplan design have been covenanted through a notified plan change application
- + Waitomokia is designed to be a highly sustainable distribution hub. The estate will feature substantial landscaping, with public green spaces and recreational areas

Next steps

- + Approval of the Waitomokia precinct plan is progressing well. Initial infrastructure and enabling works are planned to start this financial year, subject to council approval and subsequent building consent
- + Construction of the first industrial facilities is expected to commence in FY26, with the estate supporting around 110,000 sqm of highly sustainable development projects



FINANCIAL RESULT

FINANCIAL SUMMARY

Net property income

\$111.4m

11.3% increase on 1H24

Cash earnings¹

3.74 cpu

2.5% increase on a like-for-like basis

Wholesale green bond issue

\$150m

Available liquidity²

\$385m

Profit after tax

\$45.5m

Supported by stable property values

Distributions

3.25 cpu

4.8% increase in cash distributions

Net tangible assets per unit

201.2 cpu

Loan-to-value ratio³

32.4%



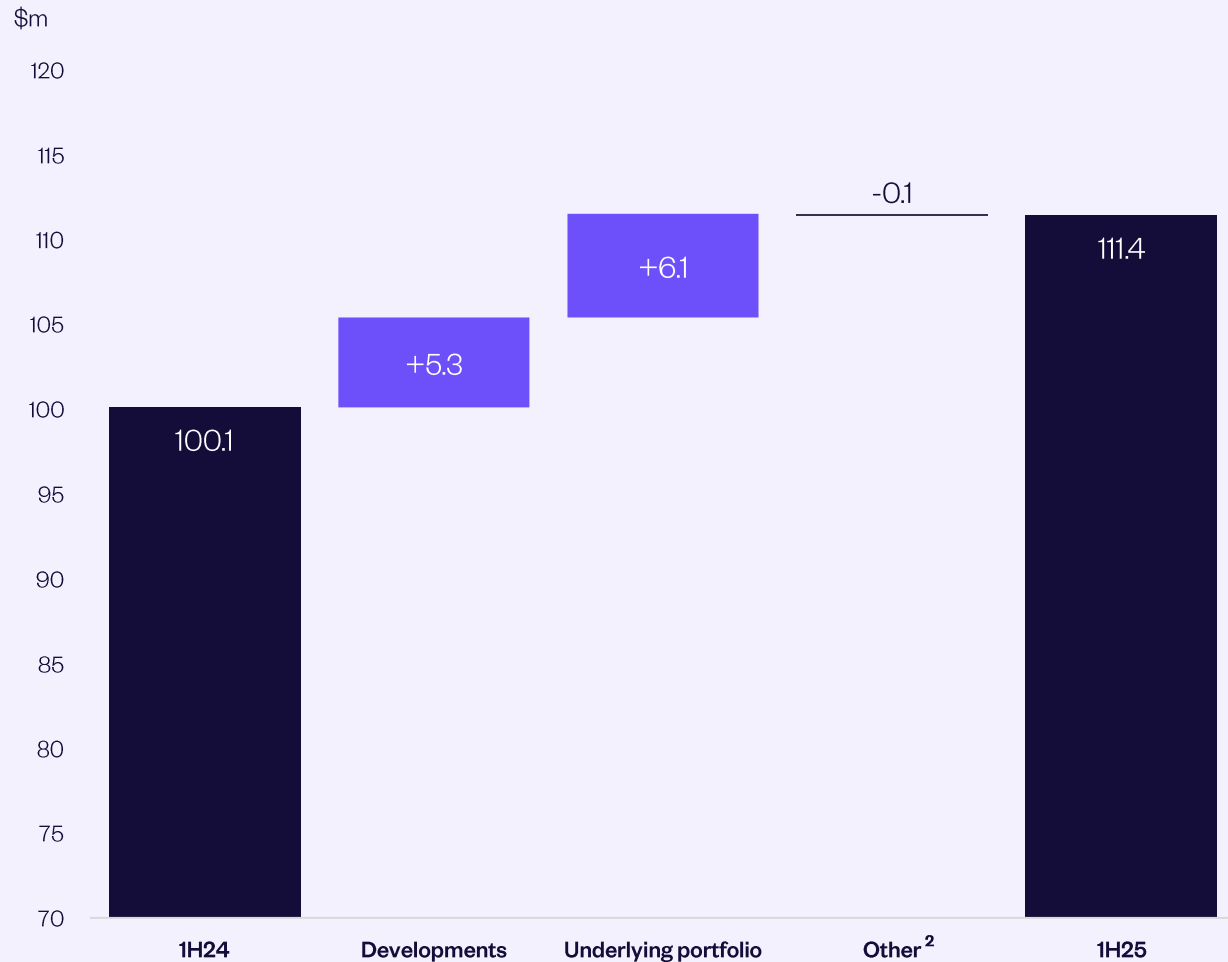
¹ Cash earnings is a non-GAAP financial measure that assesses underlying cash flows, on a per unit basis, after adjusting for certain items. FY24 cash earnings have been restated for comparability, removing the benefit of tax deductions relating to building depreciation. Refer to slide 16 for its calculation.

² Adjusted for post balance date \$150 million wholesale green bond issuance and \$205 million bank facility cancellation.

³ Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements.

NET PROPERTY INCOME

Net property income



- + Net property income increased by \$11.3 million to \$111.4 million, an 11.3% increase on 1H24
- + Strong leasing results and development completions were the main drivers of the increase in net property income in the year to date
- + Underlying like-for-like net property income growth on the stabilised portfolio of 7.3% for the period¹

¹ Net rental income on underlying portfolio, adjusted to remove vacancy, incentives & leasing costs, straight line rent adjustments, turnover rent & fitout rent and operating expenses.

² Other includes movements due to vacancy, incentives & leasing costs, additional income, turnover rent & fitout rent, operating expenses, provisions and straight-line rents.

CORPORATE COSTS

Net corporate costs

\$m

	1H25	1H24 ¹
Manager's base fee	-	(9.7)
Property services and other fees	-	(11.8)
Total fees	-	(21.5)
Salaries and other short-term benefits	(6.8)	-
Other administrative expenses	(4.6)	(1.8)
Gross corporate costs	(11.4)	(23.3)
Recognised in property expenses	3.5	3.9
Capitalised to properties being developed	2.0	8.8
Net corporate costs	(5.9)	(10.6)

- + \$4.7 million, or 44.3%, reduction in GMT's net corporate costs in the first six months of the year
- + With management now brought in-house, external management fees have been replaced with the direct costs of employee remuneration and benefits and other corporate costs
- + A remuneration subcommittee of the Board was formed. Details of the Remuneration Policy were announced on 30 September 2024, and are available online at: <https://nz.goodman.com/about-goodman/corporate-governance>
- + Administrative expenses have increased, including:
 - The structural change which has introduced new costs such as Directors fees, IT costs and occupancy costs, previously borne by the external manager
 - The like-for-like cost of certain administration, including the cost of professional fees and compliance
- + Capitalised corporate costs have decreased, with capitalisation of fees in the prior period replaced by staff costs capitalisation only

¹ Presentation of 1H24 costs have been amended to provide a comparison to 1H25. Other fees and a portion of the Manager's base fee were directly capitalised or directly recognised in property expenses in prior periods.

FINANCIAL PERFORMANCE

Statement of comprehensive income

\$m

	1H25	1H24	% change
Net property income	111.4	100.1	11.3%
Net interest cost	(30.2)	(21.4)	41.1%
Net corporate costs	(5.9)	(10.6)	(44.3%)
Total expenses	(36.1)	(32.0)	12.8%
Operating earnings before tax	75.3	68.1	10.6%
Income tax on operating earnings	(13.2)	(6.8)	94.1%
Operating earnings after tax	62.1	61.3	1.3%
Movement in fair value of investment properties	3.6	(226.5)	(101.6%)
Movement in fair value of financial instruments	(16.5)	5.0	(430.0%)
Transitional services	(0.5)	-	-
Remeasurement of pre-existing LTIPs	(8.8)	-	-
Income tax on non-operating earnings	4.2	-	-
Deferred tax	1.4	(3.0)	(146.7%)
Net profit / (or loss) after tax	45.5	(163.2)	(127.9%)

Operating performance

- + Operating earnings before tax are 10.6% higher than the prior period, with the 11.3% increase in net property income and 44.3% saving in net corporate costs outweighing the impact of a higher interest rate environment
- + A higher WACD of 5.0% (1H24 4.7%), and a lower proportion of borrowing costs being capitalised as developments have reached completion, have contributed to a 41.1% increase in net interest costs
- + The removal of tax deductions for building depreciation increased the effective tax rate to 17.5% (1H24 10.0%, or 14.2% on a like-for-like basis)
- + Operating earnings after tax have continued to grow despite the lower depreciation deductions, increasing to \$62.1 million from \$61.3 million
- + GMT has recorded an improved statutory result with an interim profit of \$45.5 million after tax
 - A desktop review by independent valuers confirmed stable property values
 - The movement in fair value of financial instruments and movement in valuation of pre-existing employee benefits (settled by Goodman Group as part of the internalisation transaction) are the main non-cash expenses recognised in the period

CASH EARNINGS

Cash earnings

\$m

	1H25	1H24 ¹	% change
Operating earnings before tax	75.3	68.1	10.6%
Current tax on operating earnings	(13.2)	(6.8)	94.1%
Operating earnings after tax	62.1	61.3	1.3%
Straight line rent adjustments	(2.2)	(2.2)	-
Capitalised borrowing costs – land	(0.4)	(2.6)	(84.6%)
Capitalised management fees – land	-	(0.2)	(100.0%)
Maintenance capex	(2.0)	(2.2)	(9.1%)
Tax – benefit of building depreciation ¹	-	(2.9)	(100.0%)
Cash earnings¹	57.5	51.2	12.3%
Weighted units on issue (million)	1,538.8	1,403.3	9.7%
Cash earnings per unit¹	3.74 cpu	3.65 cpu	2.5%
Distributions per unit	3.25 cpu	3.10 cpu	4.8%
Distributions % cash earnings per unit ¹	86.9%	84.9%	


Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items.

¹ FY24 cash earnings have been restated to remove the benefit of tax deductions relating to building depreciation.

- + Cash earnings of \$57.5 million are a 12.3% increase on the first half of FY24:
 - The main driver is the 10.6% increase in operating earnings before tax
 - When adjusted to exclude the benefits of \$2.9 million of building depreciation in FY24, tax expense for cash earnings has increased by 36.1%
 - The reduction in capitalised borrowing costs to land relates to the smaller landbank, with the greenfield land at Waitomokia now classified as active work-in-progress
- + Cash earnings of 3.74 cents per unit are a 2.5% increase on the first half of FY24, including the impact of additional units on issue as a result of the internalisation transaction
- + Distributions of 3.25 cents per unit increased 4.8% from the first half of FY24 and represent 86.9% of underlying cash earnings

Full-year outlook

- + FY25 cash earnings are expected to be consistent with earlier guidance at around 7.5 cents per unit, compared to restated FY24 cash earnings of 7.18 cents per unit¹
- + FY25 distributions are reaffirmed at 6.5 cents per unit, 4.8% higher than FY24

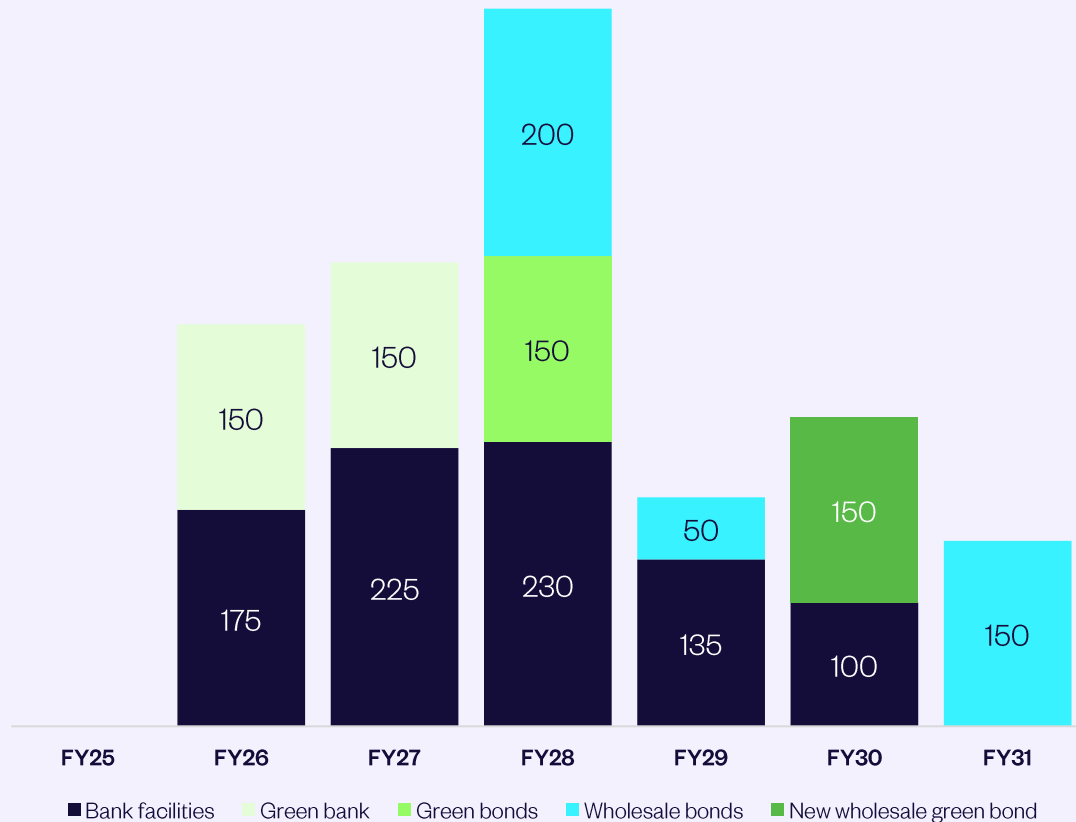
A construction worker in an orange safety vest and hard hat is working with a large bundle of rebar. The rebar is suspended by chains. The worker is holding a tool, possibly a wrench, and appears to be adjusting or securing the rebar. The background shows a construction site with various materials and structures.

CAPITAL MANAGEMENT

LIQUIDITY

Maturity profile¹

\$m



Funding metrics

	30-Sep-24	31-Mar-24
Non-bank funding (% of debt drawn) ¹	47%	57%
Available liquidity ¹	\$385 million	\$760 million
Weighted average debt term (drawn) ^{1,2}	3.1 years	3.2 years
LVR covenant (<50%) ³	33.4%	32.1%

- + Debt diversity and tenor added through capital management initiatives post balance date:
 - A new 5-year \$150 million wholesale green bond was issued on 8 October 2024, BBB+ rated and paying a fixed interest rate of 5.102%
 - The new issue provides funding capacity to support new sustainable investment and development opportunities
 - Subsequent early cancellation of an undrawn \$205 million bank facility that was due to expire in June 2025
- + Strong near-term liquidity, with flexibility to pursue opportunities

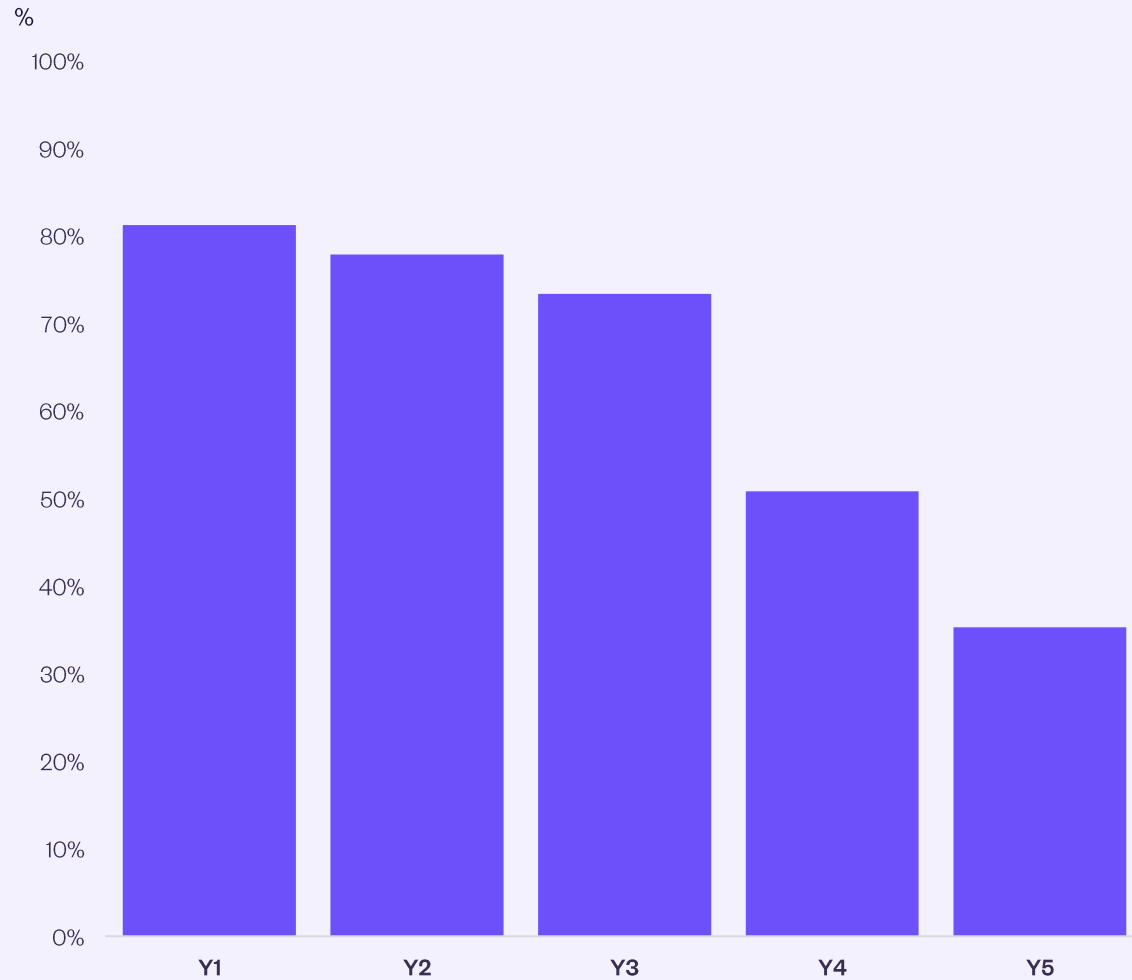
¹Adjusted for post balance date \$150 million wholesale green bond issuance and \$205 million bank facility cancellation.

²Weighted average debt term is calculated on drawn debt assuming bank debt is drawn from the longest dated facility available.

³LVR covenant calculation differs from reported LVR principally through the exclusion of development spend prior to completion.

INTEREST

Hedging profile¹



Borrowing metrics

	30-Sep-24	31-Mar-24
12 month forward hedging level ¹	81%	70%
Weighted average debt cost	5.0%	4.8%
ICR covenant (>2.0x)	2.6x	2.5x

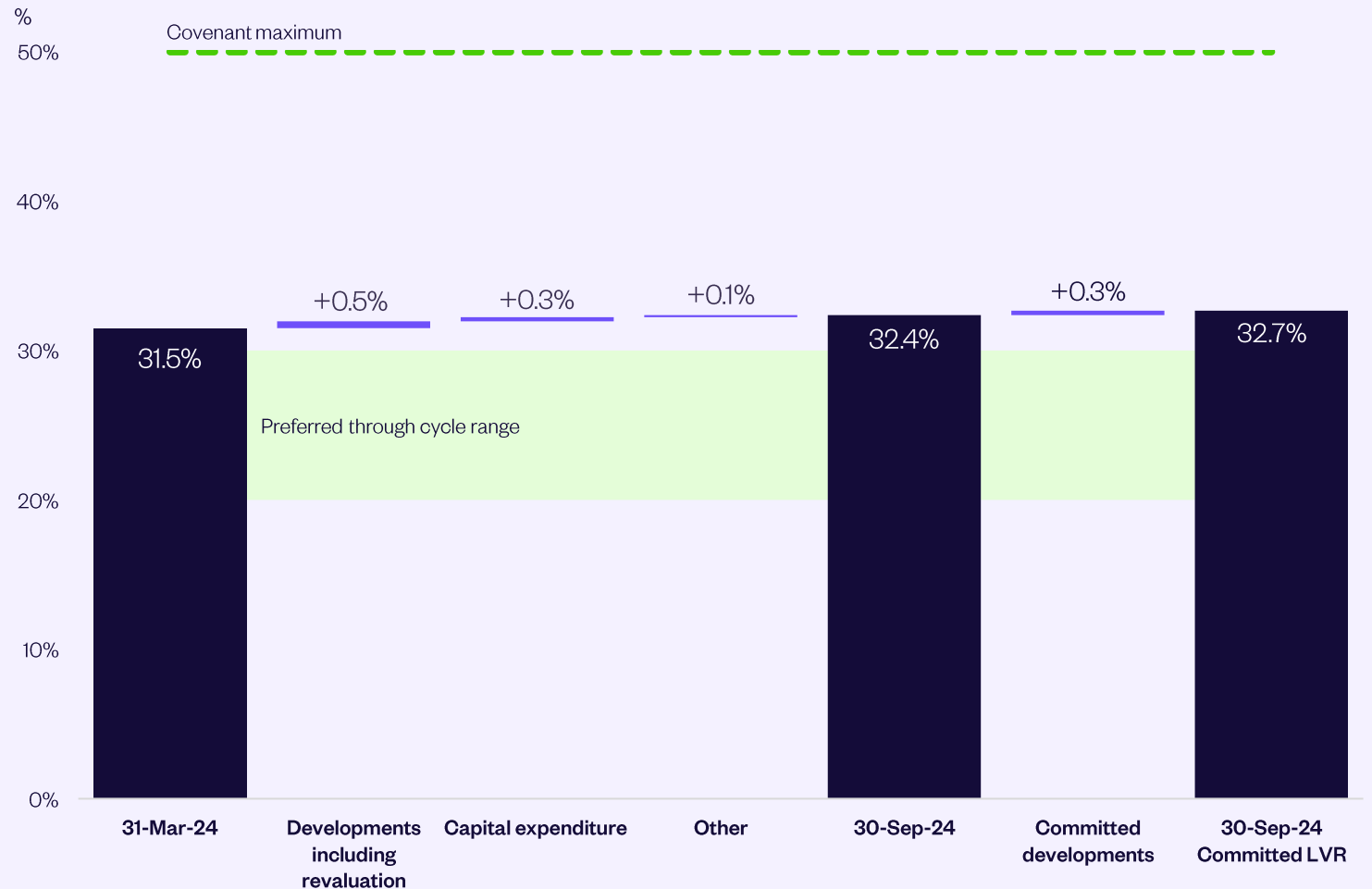
- + Weighted average debt cost increased to 5.0%, as a result of the higher interest rate environment
- + 81% hedged for the next 12 months providing certainty in the changing interest rate environment, FY25 full-year WACD expected to be 4.7%
- + Favourable interest rate environment expected, with the Official Cash Rate reduced to 4.75% from a recent high of 5.50% and further reductions forecast in the short-term
- + ICR increased to 2.6x, remains well above covenant minimum of 2.0x

¹Adjusted for post balance date \$150 million wholesale green bond issuance and \$205 million bank facility cancellation.

GEARING

- + LVR of 32.4% with fully committed LVR of 32.7%, significantly below covenant maximum of 50%
- + \$20.4 million of capital commitments include:
 - infrastructure and enabling works for the Waitomokia development
 - capex for the Highbrook Crossing Town Centre redevelopment
- + While the short-term gearing outlook is above the current preferred 20-30% range, GMT is comfortably compliant with all debt and Trust Deed covenants
- + GMT’s preferred gearing range and position within it will be dependent upon future activity, in particular the establishment of a property funds management business

Loan-to-value ratio



Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT’s balance sheet. The calculation is set out in note 2.6 of GMT’s financial statements.

2021

SUMMARY & OUTLOOK




LOOKING FORWARD

Navigating the challenging operating environment

- + We have continued to refine our business over the last six months, successfully internalising management functions while also progressing new investment and development initiatives
- + While a more challenging economic outlook has moderated customer demand, underlying property market fundamentals have continued to support high occupancy rates and positive leasing outcomes

Positioned for growth

- + By remaining focused on the delivery of our core property services and being prudent with our capital management decisions, we have grown revenue and delivered an interim operating result consistent with guidance
- + The resilience of the portfolio and strength of our financial performance gives us confidence for the balance of the year ahead



Guidance for FY25 reaffirmed with cash earnings of around 7.5 cents per unit. Cash distributions reaffirmed at 6.5 cents per unit, a 4.8% increase on FY24.



QUESTIONS



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Ngā mihi

THANK YOU



APPENDIX

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

\$ million	Note	1H25	1H24
Property income	1.1	134.8	119.5
Property expenses		(23.4)	(19.4)
Net property income		111.4	100.1
Interest cost	2.1	(30.6)	(21.7)
Interest income	2.1	0.4	0.3
Net interest cost		(30.2)	(21.4)
Net corporate costs	5	(5.9)	(10.6)
Operating earnings before other income / (expenses) and tax		75.3	68.1
Other income / (expenses)			
Movement in fair value of investment property	1.4	3.6	(226.5)
Movement in fair value of financial instruments	4.1	(16.5)	5.0
Movement in fair value of pre-existing employee benefits	7	(8.8)	-
Transitional services	9.1	(0.5)	-
Profit / (loss) before tax		53.1	(153.4)
Tax			
Current tax on operating earnings	8.1	(13.2)	(6.8)
Current tax on non-operating earnings	8.1	4.2	-
Deferred tax	8.1	1.4	(3.0)
Total tax		(7.6)	(9.8)
Profit / (loss) after tax		45.5	(163.2)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year attributable to unitholders		45.5	(163.2)

BALANCE SHEET

As at 30 September 2024

\$ million	Note	30 Sep 24	31 Mar 24
Non-current assets			
Investment property	1.3	4,595.4	4,533.9
Other assets		0.5	1.9
Investment property contracted for sale		-	1.4
Derivative financial instruments	4.2	6.3	38.4
Property, plant and equipment		1.7	3.8
Tax receivable		6.9	6.9
Deferred tax assets		23.4	30.1
Related party assets	6	45.2	56.5
Total non-current assets		4,679.4	4,672.9
Current assets			
Cash		10.9	9.4
Derivative financial instruments	4.2	2.6	3.8
Debtors and other assets		15.5	9.1
Tax receivable		1.4	2.3
Related party assets	6	16.4	19.4
Total current assets		46.8	44.0
Total assets		4,726.2	4,716.9
Non-current liabilities			
Borrowings	2.2	1,477.6	1,157.1
Lease liabilities	2.5	60.1	62.2
Derivative financial instruments	4.2	16.8	6.8
Employee benefits liabilities	7	17.0	19.2
Total non-current liabilities		1,571.5	1,245.3
Current liabilities			
Borrowings	2.2	-	300.9
Creditors and other liabilities		38.9	48.2
Lease liabilities	2.5	3.9	4.0
Derivative financial instruments	4.2	0.6	2.1
Employee benefits liabilities	7	15.6	17.3
Total current liabilities		59.0	372.5
Total liabilities		1,630.5	1,617.8
Net assets		3,095.7	3,099.1
Total equity		3,095.7	3,099.1

STATEMENT OF CASHFLOWS

For the six months ended 30 September 2024

\$ million	1H25	1H24
Cash flows from operating activities		
Property income received	133.0	114.9
Property expenses paid	(28.7)	(24.7)
Interest income received	0.4	0.3
Interest costs paid on borrowings	(29.0)	(21.1)
Interest costs paid on lease liabilities	(2.2)	(1.7)
Corporate costs paid	(5.5)	(10.6)
Net GST received	1.9	0.6
Tax paid	-	(7.6)
Net cash flows from operating activities	69.9	50.1
Cash flows from investing activities		
Proceeds from the sale of investment properties	1.4	-
Capital expenditure payments for investment properties	(56.1)	(99.2)
Holding costs capitalised to investment properties	(9.2)	(10.8)
Net cash flows from investing activities	(63.9)	(110.0)
Cash flows from financing activities		
Proceeds from borrowings	698.0	915.0
Repayments of borrowings	(638.7)	(814.0)
Settlement of derivative financial instruments	(14.9)	-
Distributions paid to unitholders	(48.9)	(42.4)
Net cash flows from financing activities	(4.5)	58.6
Net movement in cash	1.5	(1.3)
Cash at the beginning of the year	9.4	6.6
Cash at the end of the year	10.9	5.3