Goodman

GOODMAN PROPERTY TRUST

ANNUAL RESULT 2024

CONTENTS

PRESENTED BY:

James Spence Chief Executive Officer | **Andy Eakin** Chief Financial Officer

03 OVERVIEW

YEAR IN REVIEW

Portfolio

+ Portfolio occupancy of 99.5% and WALT of 6.2 years
+ 141,284 sqm of stabilised leasing during the period produced rental reversion of 21.5%
+ Potential rent reversion to market of 23%
+ Underlying like-for-like net property income growth of 6.5% for the year
+ Four recently completed developments targeting 5 Star Green Star built ratings, added 79,452 sqm to the portfolio and are 100% leased
+ 50,261 sqm development work in progress is 89% leased

FY24 Result

+ 9.3% increase in operating earnings after tax to $121.4 million
+ 4.8% increase in underlying cash earnings to 7.44 cents per unit[1], and a 5.1% increase in distributions to 6.20 cents per unit
+ Statutory loss after tax of $564.9 million, including one-off costs of $275.5 million relating to the Internalisation, and fair value losses resulting from independent property valuations

Capital Management

+ $310 million extension of bank facilities to $1.4 billion
+ Year end gearing of 31.5%, with committed gearing of 32.1%
+ $760 million in available liquidity at balance date
+ 70% of debt hedged for FY25, providing ongoing protection in the persistently high interest rate environment

[1] Underlying cash earnings are adjusted to normalise for the change to diminishing value for building depreciation in FY24. Refer to slide 18 for detail.

05 INVESTMENT PORTFOLIO

FY24 DEVELOPMENT COMPLETIONS

Completion value

$368.9m

Net lettable area

79,452 sqm

Yield on additional cost

8.4%

WALT

17.4 years

Leased

100%


NZ POST, ROMA ROAD


MAINFREIGHT, FAVONA

VISCOUNT FCC, NORTHPOINT, HIGHBROOK


FACKELMANN, NORTHPOINT, HIGHBROOK


NZ POST, ROSEDALE

NEARING COMPLETION

+ 50,261 sqm of work-in-progress to complete in FY25
+ Work-in-progress is 89% leased, with a WALT of 9.6 years and a yield on additional cost of 8.3%. Exposure to build-to-lease development is just 0.4% of the total portfolio

Work in progress summary

Estate	Lettable area (sqm)	Expected completion date	Leased
Roma Road	26,961	Jun-24	81%
Savill Link	23,300	Sep-24	100%
Total work in progress	**50,261**		**89%**

Property portfolio

$4.5 bn

Occupancy

99.5%

Portfolio WALT[1]

6.2 years

PORTFOLIO PERFORMANCE

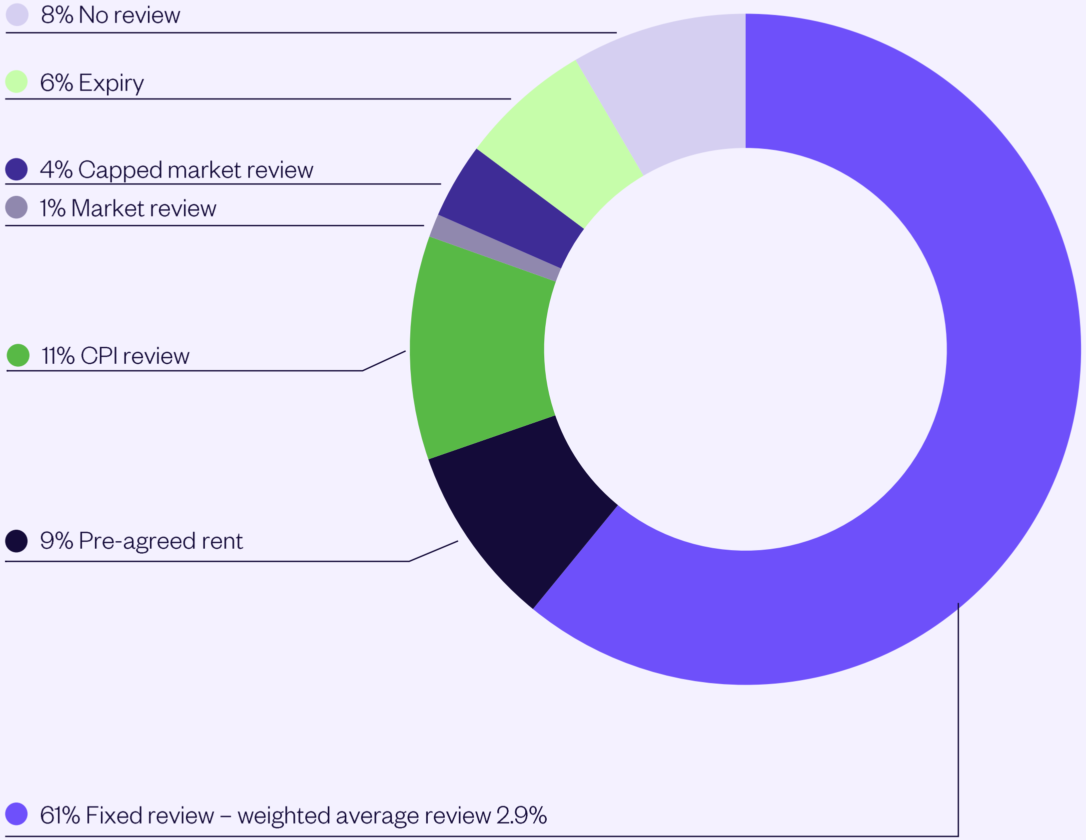
+ 141,284 sqm of space, or 12% of the portfolio, was leased on new or revised terms in FY24:
  - rental uplift of 21.5% achieved on these leases, with an average warehouse rate of $200 psm on core portfolio leases
  - average new lease term of 6.2 years and 2.5 month lease up period
  - incentives of 2.4%
+ Capex of $32.3 million spent in FY24, $11.9 million of which was for sustainability upgrades and $4.3 million for maintenance. The balance was spent on capital upgrade projects including those related to lease deals
+ Portfolio cap rate of 6.0% is a softening of around 80 bps over the 12 months to 31 March 2024, partially offset by an 8.4% increase in valuer assessed market rents over the same period
+ $478.4 million, or 9.5%, reduction in portfolio value to $4,533.9 million

[1] Includes leased developments

RENT REVERSION

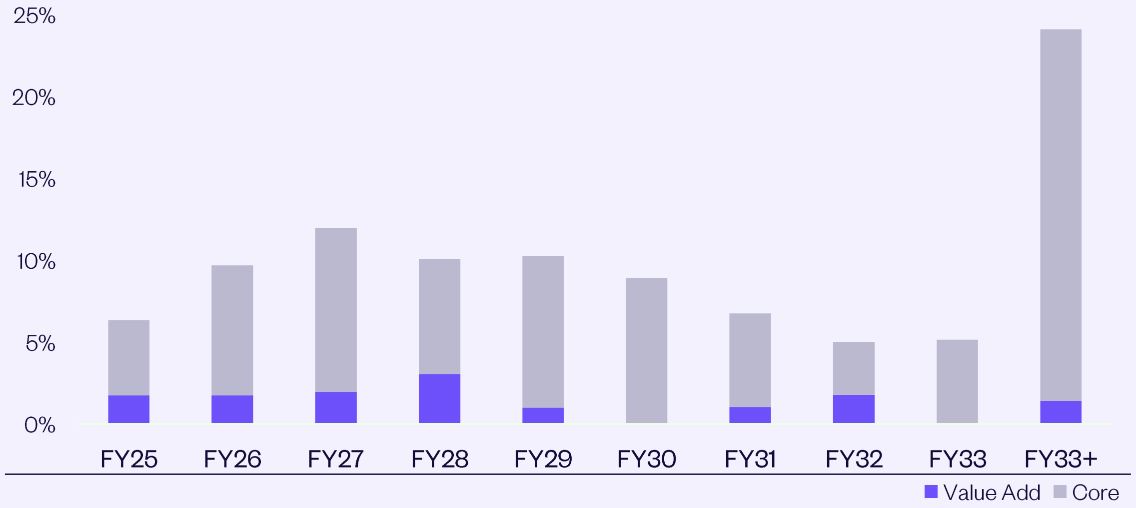
FY25 stabilised portfolio review profile

% of stabilised portfolio income



10-year lease expiry profile

% of stabilised portfolio income



+ Potential rent reversion to market of 23%[1], which equates to under-renting of around $52 million
+ 6.3% of portfolio income to expire in FY25
+ Portfolio weighted term to market review or expiry of around 4.7 years[2], with approximately a quarter of these subject to a weighted cap of 9%

[1] Difference between valuer assessed market rents and current passing rents, divided by current passing rent

[2] Weighted by current passing rent

10 SUSTAINABILITY

SUSTAINABILITY HIGHLIGHTS

CDP Climate Change score

A-

for CY 2023

Toitū certified operations[1]

Net carbonzero

since 2021

Greenhouse gas emissions[1]

40.9%

reduction from FY20 base year

Customer energy data monitored

68%

of portfolio net lettable area

Upfront embodied carbon reduction[2]

15%

on Green Star development programme

Climate risk assessments[3]

Low risk

across 97% of the core portfolio

[1] Certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust. It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control. The assessment employed a location-based approach.
[2] Independent assessment of whole site, upfront embodied carbon (A1-A5) compared to similar sized reference buildings
[3] Weighted by net property income and based on the results of physical climate risk assessments carried out by Aon Global Risk Consulting

CASE STUDY
TĀWHARAU LANE

Tāwharau Lane's annual operational greenhouse gas emissions are more than 80% below an equivalent reference building, helping to minimise our customers' carbon footprint

NZ's first industrial 6 Green Star Built rating

+ Completed in 2023, the three warehouse development totalling 8,135 sqm was designed to be highly sustainable and operationally efficient.
+ Representing world leadership standard, the 6 Green Star Built rating for the development reflects Goodman's commitment to lower emission, more resource efficient and resilient buildings.

Exceptional sustainability features

+ Rooftop 83 kWp solar energy systems
+ Electrical submetering to facilitate ongoing energy monitoring
+ Rainwater harvesting and low-flow fittings
+ Efficient LED lighting with intelligent switching
+ 11.7% less upfront embodied carbon compared to an equivalent reference case
+ EV charging stations to promote more sustainable commuting

DELIVERING ON OUR COMMITMENTS

The progress made on GMT's sustainability targets is delivering more operationally efficient properties that reduce customers' emissions and lower their occupancy costs

	Target	Progress	Impact
Green Star	Target 5 Green Star rating from NZGBC on all new developments	100%	5 and 6 Green Star ratings achieved for 82,088 sqm of completed developments, since commitment made
Solar	Install 2.0MWp by 2025	100%	Generation from 2.26MWp installed across 262,203 sqm is equivalent to powering 340 New Zealand homes annually
LEDs	100% of core portfolio to feature LED lighting by 2025	76% / 9%	172,524 sqm upgraded and forecast to save customers over $0.8 million operational costs and around 340 tCO_2e annually
Refrigerants	Upgrade 100% of core portfolio R22 refrigerants to lower GWP refrigerants by 2025	60% / 22%	Reducing harmful emissions and improving cooling efficiency across 18,324 sqm of upgraded space
Submetering	Upgrade 100% of the core portfolio by 2026	14% / 28%	144,488 sqm space now metered across 22 sites, helping customers improve operational efficiency

Complete   In progress

14 FINANCIAL RESULT

FINANCIAL SUMMARY

Net property income

$203.1m

14.7% increase in net property income

Operating earnings after tax[1]

$121.4m

9.3% increase in operating earnings

Underlying cash earnings[2]

7.44 cpu

4.8% growth in underlying cash earnings

Distributions

6.20 cpu

5.1% increase in cash distributions

Loss after tax

($564.9m)

Net tangible assets per unit

201.4 cpu

Available liquidity

$760m

Loan-to-value ratio[3]

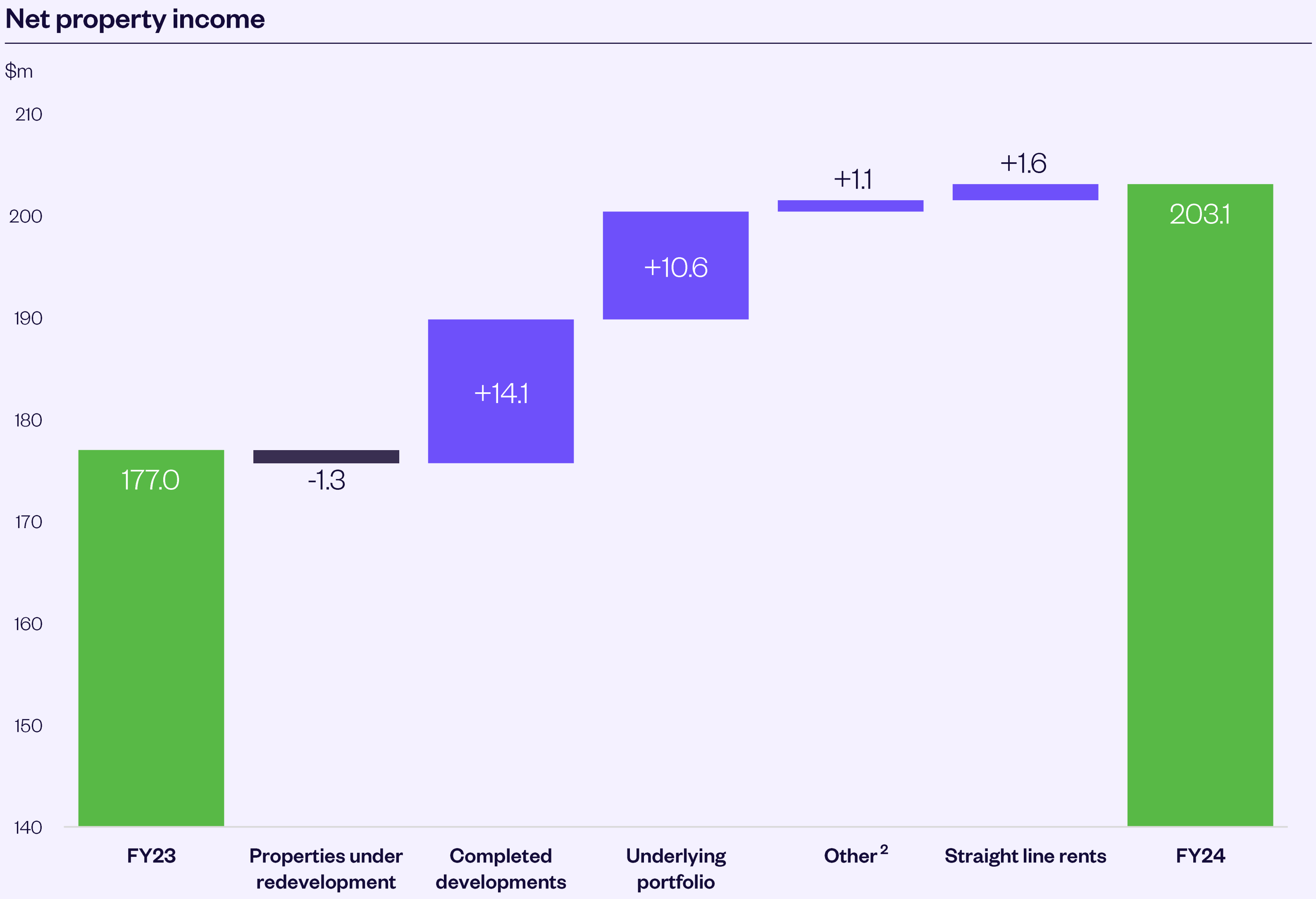
31.5%

[1] Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. The calculation is set out in GMT's Statement of Comprehensive Income and in note 3.1 of the financial statements.

[2] Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. Refer to slide 18 for its calculation.

[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 increased by $26.1 million to $203.1 million, a 14.7% increase on FY23
- Completion of $368.9 million of developments contributed significantly to the increase in net property income this year
- Underlying like-for-like net property income growth on the stabilised portfolio of 6.5% for the period[1]

[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, turnover rent & fitout rent and operating expenses.

FINANCIAL PERFORMANCE

Statement of comprehensive income

$m

	FY24	FY23	% change
Property income	244.1	213.8	14.2%
Property expenses	(41.0)	(36.8)	11.4%
Net property income	**203.1**	**177.0**	**14.7%**
Interest cost	(47.3)	(29.8)	58.7%
Interest income	0.6	0.3	100.0%
Net interest costs	**(46.7)**	**(29.5)**	**58.3%**
Administrative expenses	(3.6)	(3.4)	5.9%
Manager's base fee	(17.2)	(17.6)	(2.3%)
Operating earnings before tax	**135.6**	**126.5**	**7.2%**
Movement in fair value of investment properties	(478.4)	(237.7)	101.3%
Movement in fair value of financial instruments	(8.2)	(14.8)	(44.6%)
Internalisation transaction	(275.5)	-	-
Loss before tax	**(626.5)**	**(126.0)**	**397.2%**
Current tax on operating earnings	(14.2)	(15.4)	(7.8%)
Current tax on non-operating items	15.7	-	-
Deferred tax	60.1	6.0	901.7%
Loss after tax	**(564.9)**	**(135.4)**	**317.2%**

Operating performance

+ Additional revenue from new development completions and strong leasing outcomes has outweighed the impact of higher interest costs, contributing to a 7.2% increase in operating earnings before tax
+ GMT's effective tax rate was 10.5% (FY23 12.2%) as a result of additional deductions for GMT's development activity, new leasing on the stabilised portfolio, and a change to diminishing value for building depreciation

Statutory result

+ While GMT's underlying operating performance was strong, fair value losses following independent valuations and one-off internalisation costs resulted in a statutory loss after tax of $564.9 million for FY24
+ Internalisation transactions totalling $290 million contracted with Goodman Group, of which $275.5 million was expensed. All of the $290 million consideration was used to subscribe for new units in GMT, with no impact on GMT's debt levels or gearing
+ With the majority of the internalisation expense being deductible for tax purposes, there is a total tax benefit of $75.8 million

CASH EARNINGS

Cash earnings

$m

	FY24	FY23	% change
Operating earnings before tax	135.6	126.5	7.2%
Current tax on operating earnings	(14.2)	(15.4)	(7.8%)
Operating earnings after tax	**121.4**	**111.1**	**9.3%**
Straight line rent adjustments	(4.4)	(2.8)	57.1%
Capitalised borrowing costs – land	(5.4)	(4.1)	31.7%
Capitalised management fees – land	(0.5)	(0.4)	25.0%
Maintenance capex	(4.3)	(4.2)	2.4%
Cash earnings	**106.8**	**99.6**	**7.2%**
Tax – change to DV for building depreciation	(2.3)	-	-
Underlying cash earnings	**104.5**	**99.6**	**4.9%**
Underlying cash earnings per unit	**7.44 cpu**	**7.10 cpu**	**4.8%**
Distributions per unit	6.20 cpu	5.90 cpu	5.1%
Distributions % underlying cash earnings	83.3%	83.1%	0.2%

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

[1] Adjusted to normalise for the removal of tax deductions relating to building depreciation from FY25.

- Underlying cash earnings of 7.44 cents per unit are a 4.8% increase on FY23
- Including the $2.3 million benefit of the change to diminishing value for building depreciation, cash earnings of:
  - $106.8 million, 7.2% higher than FY23
  - 7.60 cents per unit
- Distributions of 6.20 cents per unit were a 5.1% increase from FY23 and represent 83.3% of underlying cash earnings

FY25 guidance

- FY25 cash earnings expected to be around 7.5 cents per unit, compared to restated FY24 cash earnings of 7.18 cents per unit[1]
- Full-year distributions expected to be 6.5 cents per unit, a 4.8% increase on FY24

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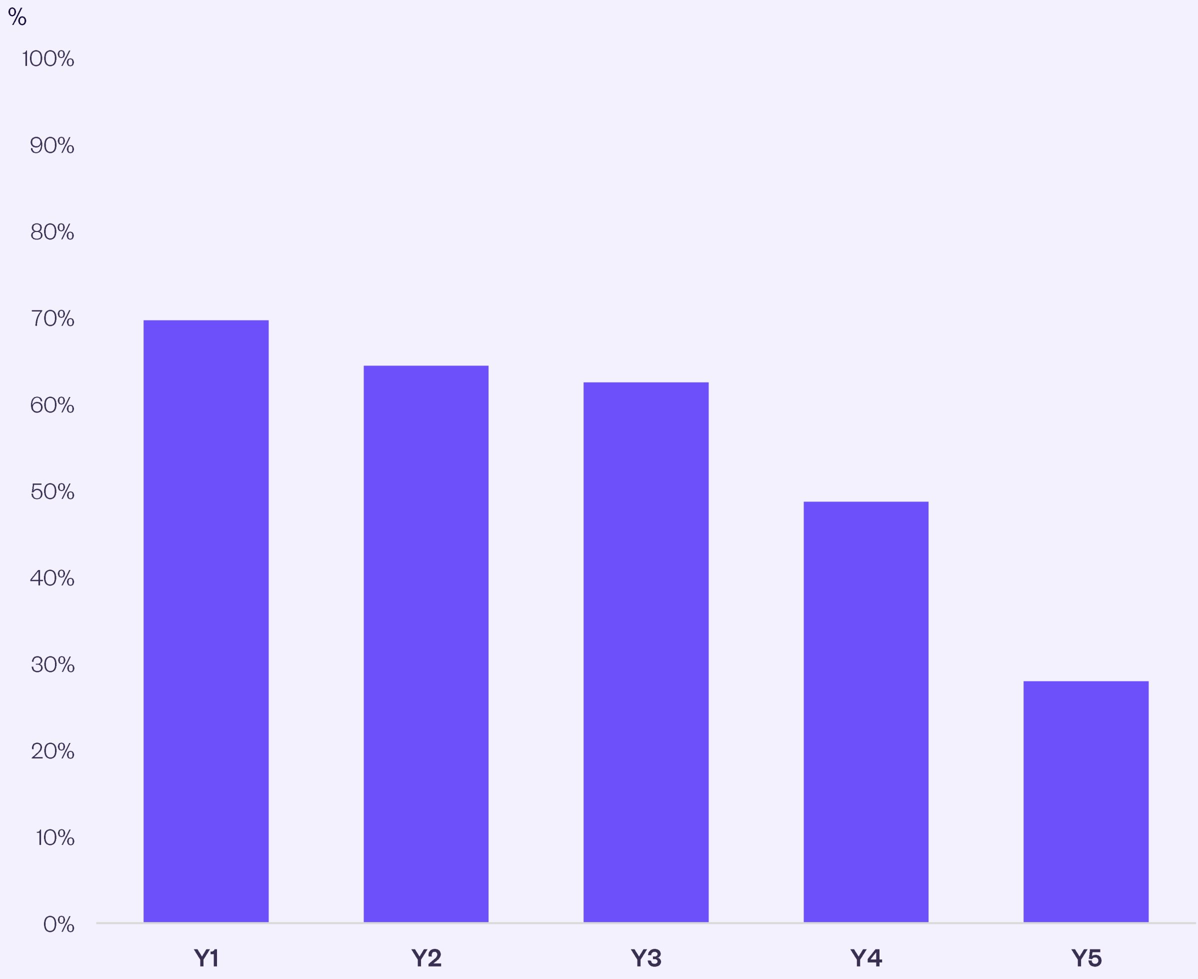
INTEREST

Hedging profile



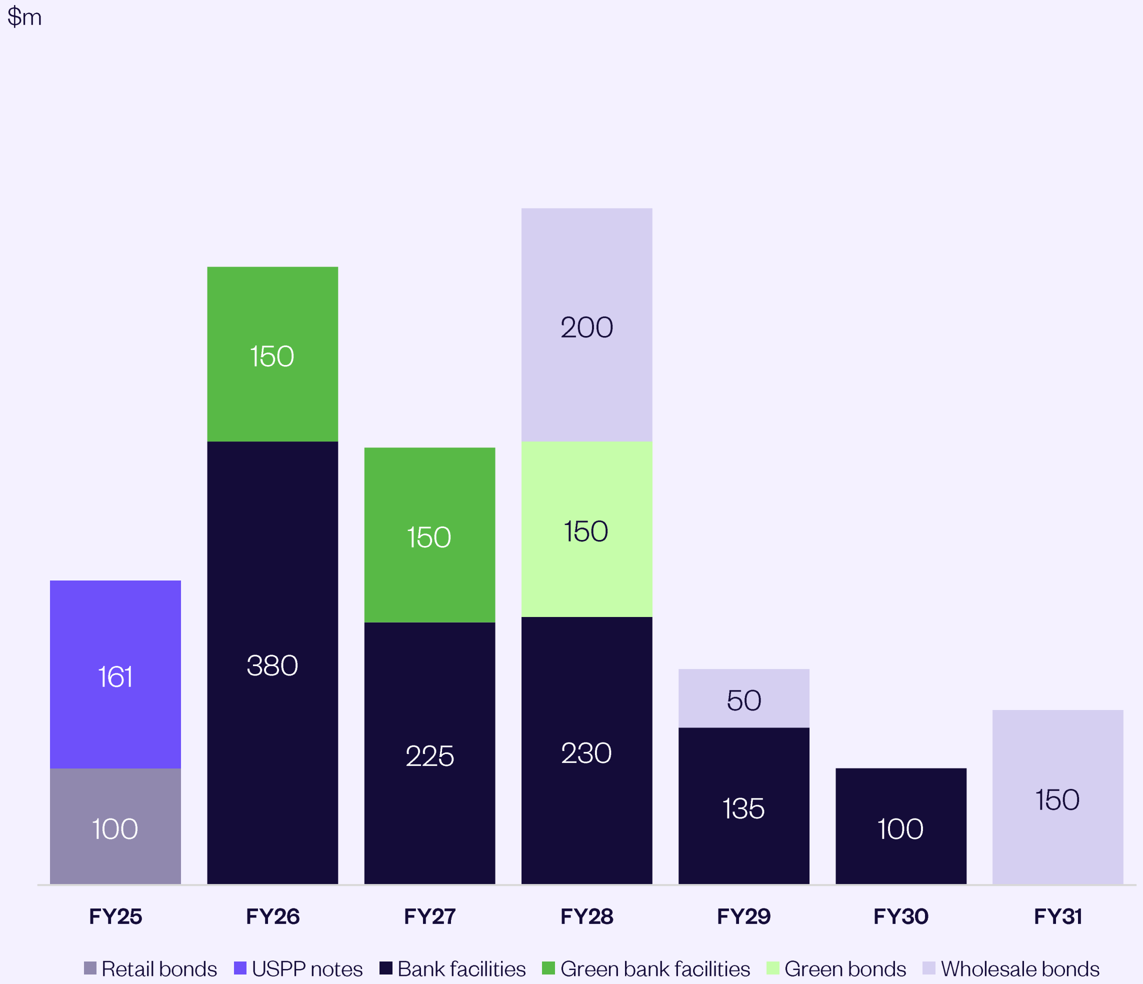
Borrowing metrics

	31-Mar-24	31-Mar-23
12 month forward hedging level	70%	84%
Weighted average debt cost	4.8%	4.0%
ICR covenant (>2.0x)	2.5x	3.6x

- 70% hedged for the next 12 months; providing ongoing protection in the persistently high interest rate environment
- Weighted average debt cost increased to 4.8% (FY23: 4.0%)
- ICR decreased to 2.5x, remains well above covenant minimum of 2.0x
- GMT's credit rating reaffirmed by S&P in September 2023 at BBB/stable. GMT's secured debt was reaffirmed one notch higher at BBB+

LIQUIDITY

Maturity profile[1]



Funding metrics

	31-Mar-24	31-Mar-23
Non-bank funding (% of debt drawn)	57%	74%
Available liquidity	$760 million	$739 million
Weighted average debt term (drawn)[2]	3.2 years	3.6 years
LVR covenant (<50%)[3]	32.1%	27.0%

+ Liquidity was extended through capital management initiatives:
  - Extension of total bank facilities from $1,060 million to $1,370 million in March 2024
+ $760 million of available liquidity as at 31 March 2024, with ample capacity to cover:
  - $39.9 million committed cost to complete developments
  - $100 million bond expiry on 31 May 2024
  - Early repayment of $161 million USPP notes in June 2024[1]

[1] The change in Manager (Internalisation) has triggered an option in the US Private Placement noteholder agreements, giving the noteholders the right to request early repayment. The USPP notes have been classified as current as at 31 March 2024.

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

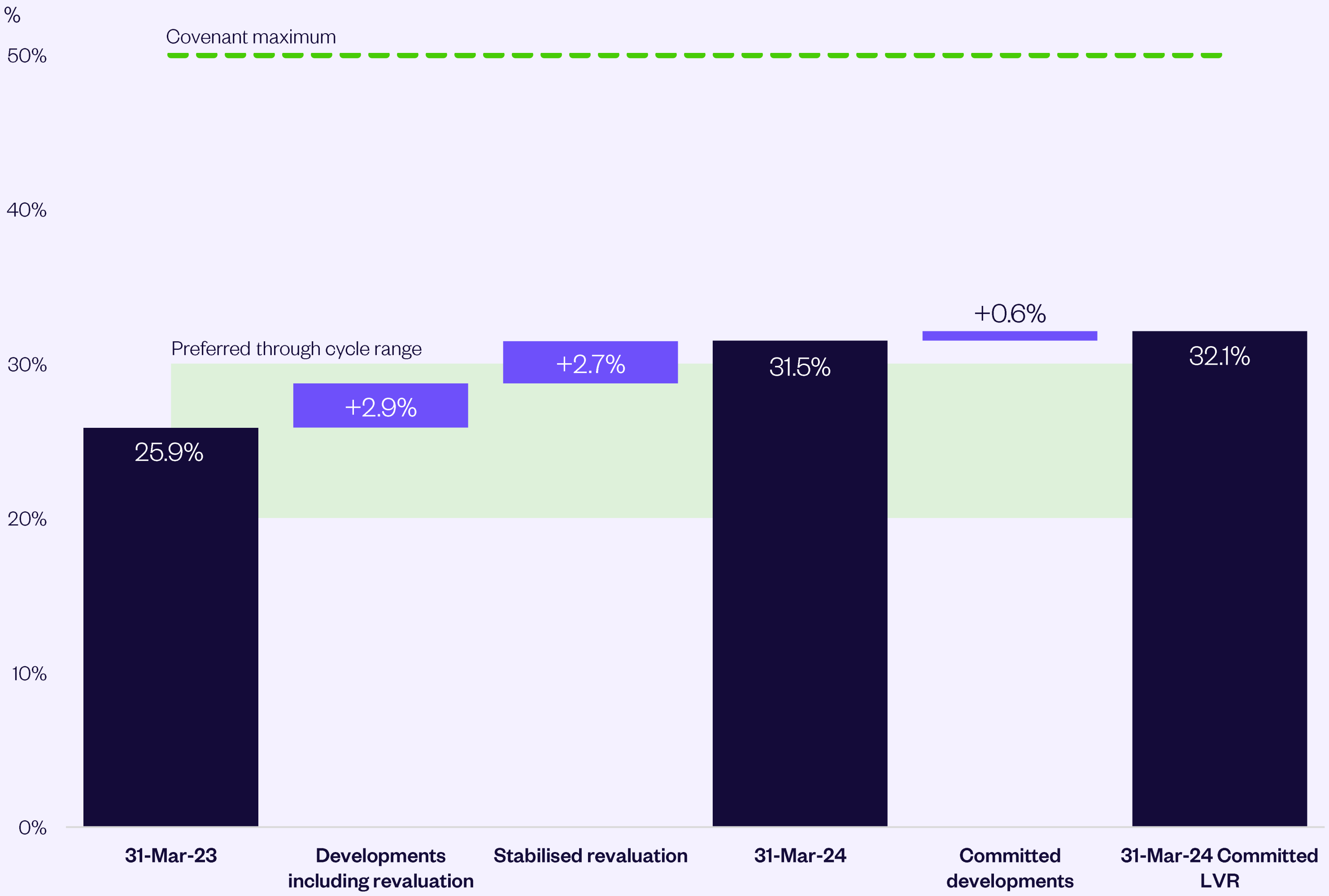
[3] LVR covenant calculation differs from reported LVR principally through the exclusion of development spend prior to completion.

GEARING

- LVR of 31.5% with fully committed LVR of 32.1%, significantly below covenant maximum of 50%
- Current committed development programme to complete mid-FY25
- 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

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.

Loan-to-value ratio



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SUMMARY& OUTLOOK

Guidance for FY25 includes cash earnings of around 7.5 cents per unit. Cash distributions expected to be 6.5 cents per unit, a 4.8% increase on FY24.

LOOKING FORWARD

Navigating the challenging economic environment

+ The strength and consistency of GMT's operating results demonstrate the resilience and agility of our business in more challenging market conditions
+ The locational advantages of the portfolio ensure GMT is well positioned to continue delivering essential infrastructure for the Auckland economy

Positioned for growth

+ Internalisation will allow GMT to pursue wider business opportunities including the establishment of a funds management platform, enabling growth in a more capital efficient manner
+ The successful execution of this strategy is expected to support annualised cash earnings growth of between 5% and 7% over the medium term
+ With a more contemporary corporate structure, the right investment strategy, and committed people, GMT is positioned for growth

QUESTIONS

Goodman

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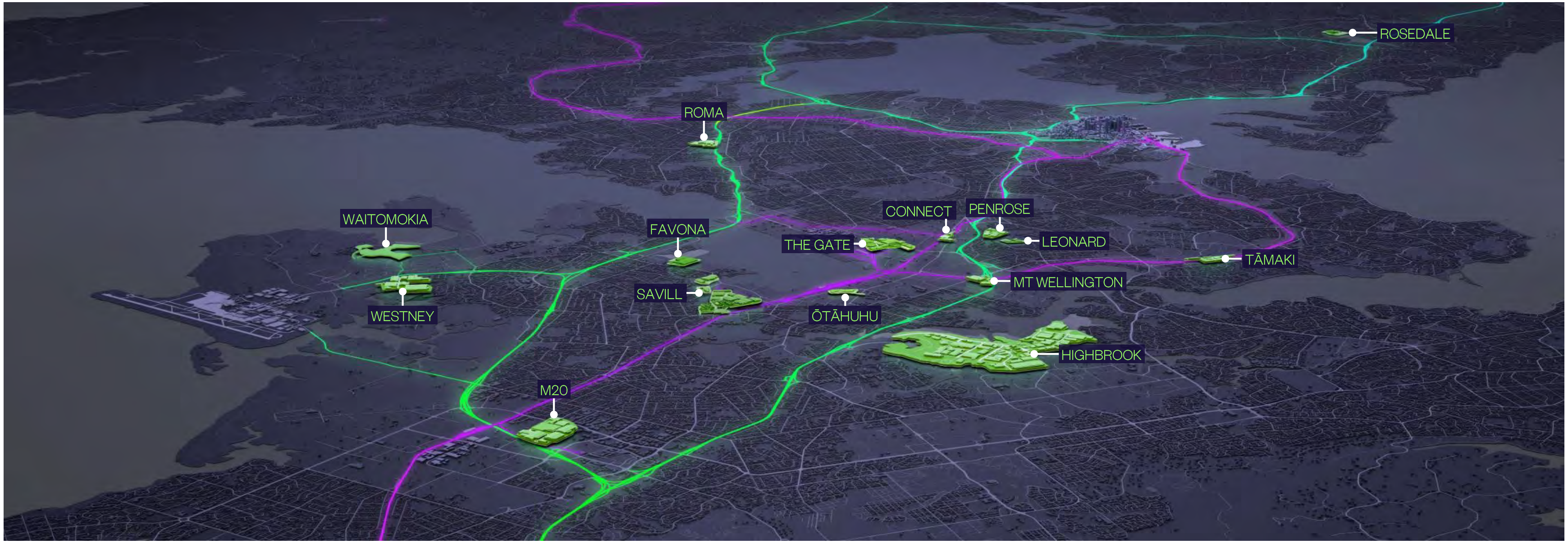
Ngā mihi

THANK YOU

APPENDIX

PROPERTY PORTFOLIO

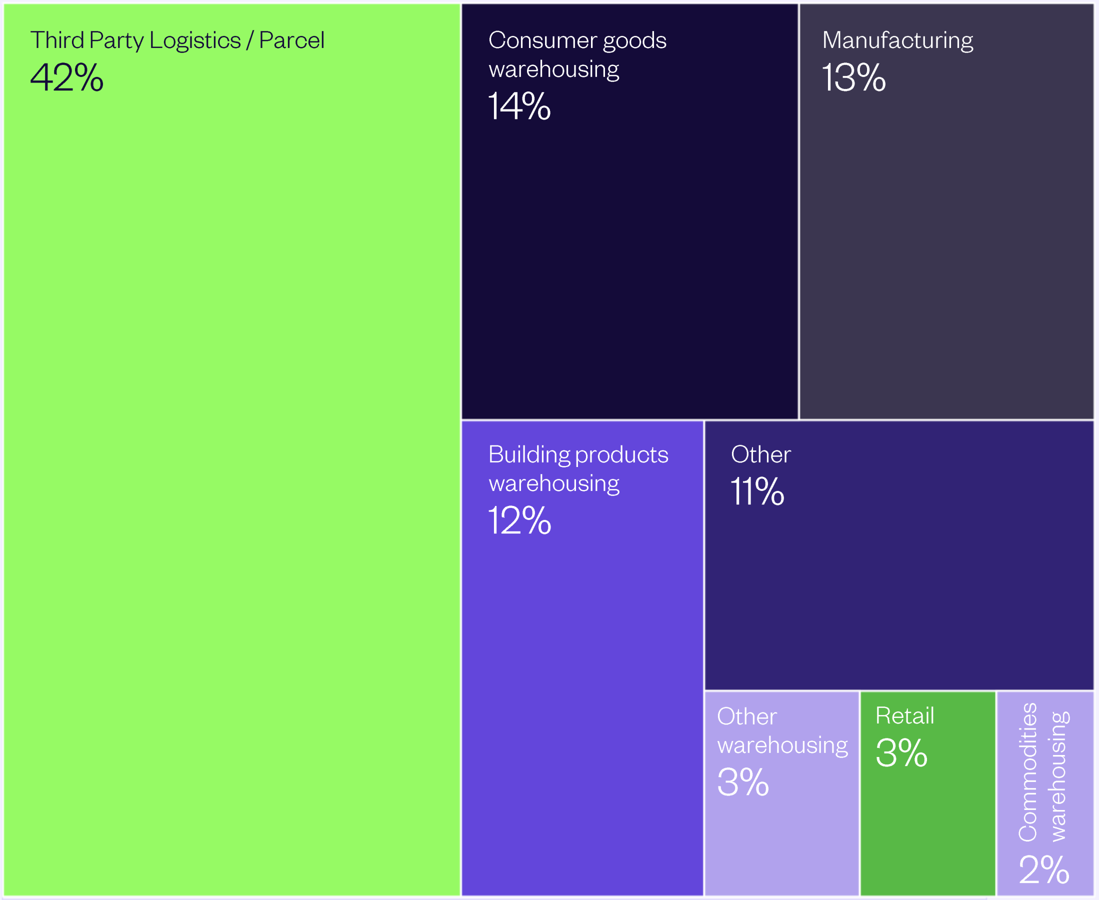


Property	Location	Classification	Market capitalisation rate %	Net lettable area sqm	Buildings	Key customer	Occupancy %	WALT years
Highbrook Business Park	East Tāmaki	Core	5.0 - 7.0	488,298	79	DHL, Freightways, Mainfreight, NZ Post, OfficeMax	99.9	5.4
Savill Link	Ōtāhuhu	Core	4.75 - 6.25	138,826	13	Coda, Mainfreight, Steel and Tube	100.0	5.2
M20 Business Park	Wiri	Core/Value Add	5.38 - 7.88	121,598	13	Frucor, Mainfreight, NZ Post	99.3	4.8
Westney Industry Park	Māngere	Core	6.75 - 7.50	114,995	11	DHL, Linfox, Supply Chain Solutions	100.0	5.7
The Gate Industry Park	Penrose	Core/Value Add	5.75 - 6.63	101,991	18	Asaleo Care, Coda	100.0	4.9
Favona Road Estate	Māngere	Core	5.75 - 6.0	39,658	3	Mainfreight	100.0	13.2
Penrose Industrial Estate	Penrose	Value Add	6.5	30,535	12	Winstone Wallboards	100.0	4.4
Tāmaki Estate	Panmure	Value Add	6.5	23,680	7	Containerco, Camelspace	100.0	2.4
Connect Industrial Estate	Penrose	Value Add	5.6	21,002	7	Fletcher Building	100.0	7.0
Mt Wellington Estate	Mt Wellington	Value Add	5.5 - 6.13	19,164	3	Ford, Tesla	95.8	4.8
Bush Road Distribution Centre	Rosedale	Core	5.4	18,007	1	NZ Post	100.0	20.0
Roma Road Estate	Mt Roskill	Core	5.1	17,706	1	NZ Post	100.0	19.1
Leonard Road Estate	Mt Wellington	Value Add	6.6	17,084	3	Sky Network Television	78.3	5.0
Great South Road Estate	Ōtāhuhu	Value Add	-	-	1	Sleepyhead	100.0	1.6
Total stabilised properties			**6.0**	**1,152,546**	**172**		**99.5**	**6.0**
Investment property under development	Ōtāhuhu, Mt Roskill, Māngere		-	50,261	5	Cotton On, Mainfreight	89.3	9.6
Total portfolio			**-**	**1,202,807**	**177**		**99.0**	**6.2**

CUSTOMER BASE

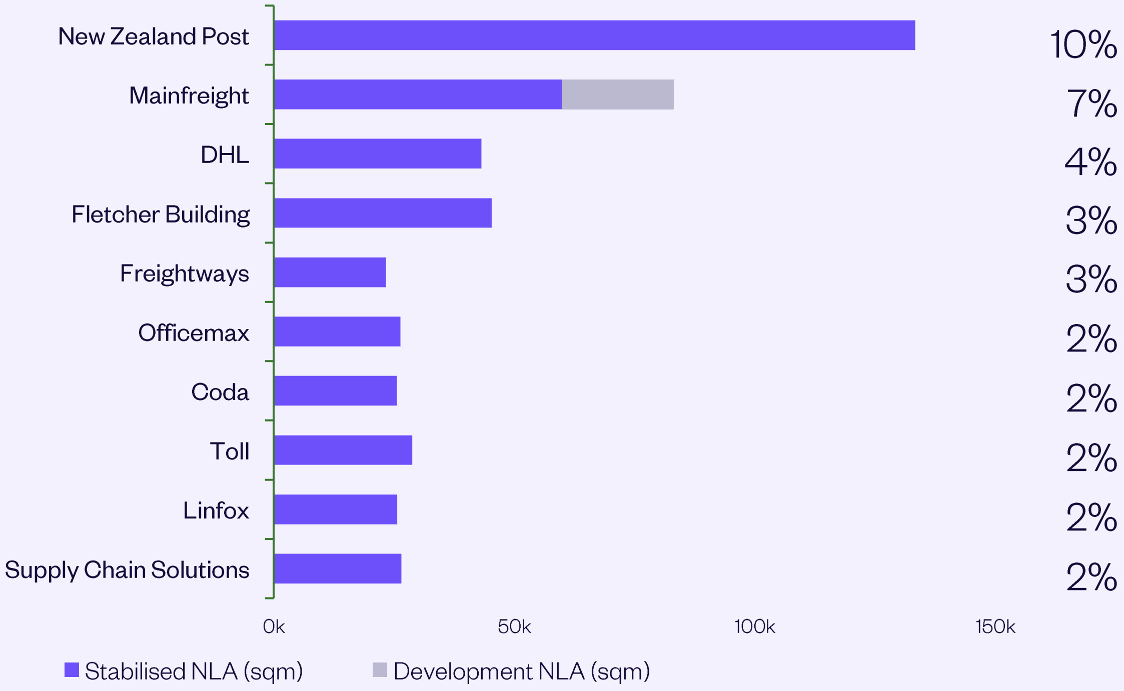
Industry Exposure

% of portfolio income



Top 10 customers

% of stabilised portfolio income



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

$ million	Note	2024	2023
Property income	1.1	244.1	213.8
Property expenses		(41.0)	(36.8)
Net property income		**203.1**	**177.0**
Interest cost	2.1	(47.3)	(29.8)
Interest income	2.1	0.6	0.3
Net interest cost		**(46.7)**	**(29.5)**
Administrative expenses	6	(3.6)	(3.4)
Manager's base fee	12	(17.2)	(17.6)
Operating earnings before other income / (expenses) and tax		**135.6**	**126.5**
Other income / (expenses)			
Movement in fair value of investment property	1.5	(478.4)	(237.7)
Movement in fair value of financial instruments	5.1	(8.2)	(14.8)
Internalisation transaction	4	(275.5)	-
Loss before tax		**(626.5)**	**(126.0)**
Tax			
Current tax on operating earnings	11.1	(14.2)	(15.4)
Current tax on non-operating earnings	11.1	15.7	-
Deferred tax	11.1	60.1	6.0
Total tax		**61.6**	**(9.4)**
Loss after tax		**(564.9)**	**(135.4)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to unitholders		**(564.9)**	**(135.4)**

BALANCE SHEET

As at 31 March 2024

$ million	Note	2024	2023
Non-current assets			
Investment property	1.3	4,533.9	4,791.2
Other assets		1.9	2.8
Investment property contracted for sale		1.4	-
Derivative financial instruments	5.2	38.4	42.9
Property, plant and equipment		3.8	-
Tax receivable		6.9	-
Deferred tax assets	11.2	30.1	-
Related party assets	7	56.5	-
Total non-current assets		**4,672.9**	**4,836.9**
Current assets			
Cash		9.4	6.6
Derivative financial instruments	5.2	3.8	-
Debtors and other assets	9	9.1	10.4
Tax receivable		2.3	-
Related party assets	7	19.4	-
Total current assets		**44.0**	**17.0**
Total assets		**4,716.9**	**4,853.9**
Non-current liabilities			
Borrowings	2.2	1,157.1	1,159.1
Lease liabilities	2.5	62.2	62.6
Derivative financial instruments	5.2	6.8	10.1
Deferred tax liabilities	11.2	-	30.0
Employee benefits liabilities	8	19.2	-
Total non-current liabilities		**1,245.3**	**1,261.8**
Current liabilities			
Borrowings	2.2	300.9	100.0
Creditors and other liabilities	10	48.2	45.1
Lease liabilities	2.5	4.0	3.3
Derivative financial instruments	5.2	2.1	0.5
Current tax payable		-	2.5
Employee benefits liabilities	8	17.3	-
Total current liabilities		**372.5**	**151.4**
Total liabilities		**1,617.8**	**1,413.2**
Net assets		**3,099.1**	**3,440.7**
Total equity		**3,099.1**	**3,440.7**

STATEMENT OF CASHFLOWS

For the year ended 31 March 2024

$ million	Note	2024	2023
Cash flows from operating activities			
Property income received		242.2	212.4
Property expenses paid		(48.7)	(40.7)
Interest income received		0.6	0.3
Interest costs paid on borrowings		(43.5)	(24.2)
Interest costs paid on lease liabilities		(3.4)	(3.3)
Administrative expenses paid		(3.6)	(3.3)
Manager's base fee paid		(18.8)	(17.6)
Manager's performance fee paid		-	(15.7)
Net GST received / (paid)		0.3	(1.2)
Tax paid		(10.0)	(15.5)
Internalisation transaction costs paid		(3.0)	-
Net cash flows from operating activities	14	**112.1**	**91.2**
Cash flows from investing activities			
Payments for the acquisition of investment properties		-	(59.1)
Capital expenditure payments for investment properties		(191.0)	(167.4)
Holding costs capitalised to investment properties		(22.5)	(20.1)
Cash acquired on acquisition of subsidiary	4	1.5	-
Net cash flows from investing activities		**(212.0)**	**(246.6)**
Cash flows from financing activities			
Proceeds from borrowings		1,742.0	1,114.0
Repayments of borrowings		(1,553.0)	(890.0)
Proceeds from the issue of units		-	15.7
Units issue costs incurred		(0.4)	-
Distributions paid to unitholders		(85.9)	(81.3)
Net cash flows from financing activities		**102.7**	**158.4**
Net movement in cash		**2.8**	**3.0**
Cash at the beginning of the year		6.6	3.6
Cash at the end of the year		**9.4**	**6.6**