

Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002

Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL316409

www.growthpoint.com.au

Space to thrive.

1H20 results.

25 February 2020

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



1H20 highlights

- > Strong valuation uplift across portfolio
- > Leased 111,000 sqm, representing 15% of total portfolio income
- > Signed 25-year lease agreement with largest single tenant
- > Increased average NABERS Energy rating to 4.9 stars
- > Reduced cost of debt and extended debt facilities
- > Reaffirmed FY20 guidance

6.4yrs

WALE

30 June 2019: 5.0yrs, +1.4yrs

11.8cps

Distribution

1H19: 11.4cps, +3.5%

\$4.2b

Property portfolio value

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

12.6cps

FFO

1H19: 12.5cps, +0.8%

\$3.66

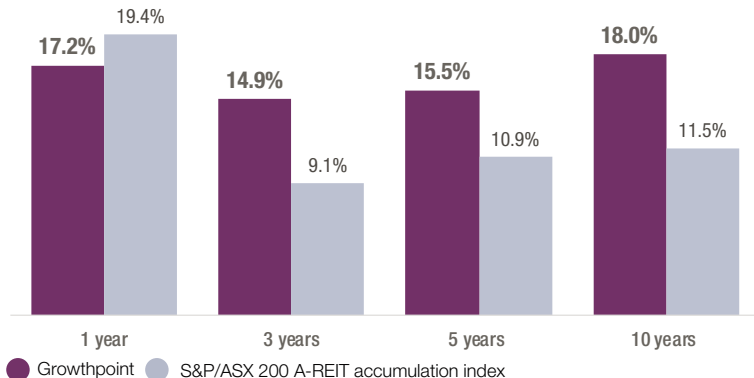
NTA per security

30 June 2019: \$3.50, +4.6%

Strong track record of delivering value for Securityholders

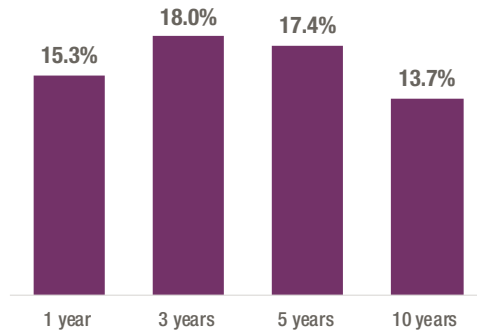
Total Securityholder return¹

to 31 December 2019



Return on equity

to 31 December 2019



1. UBS Investment Research. Annual compound returns to 31 December 2019.

Property portfolio update.

Michael Green
Chief Investment Officer






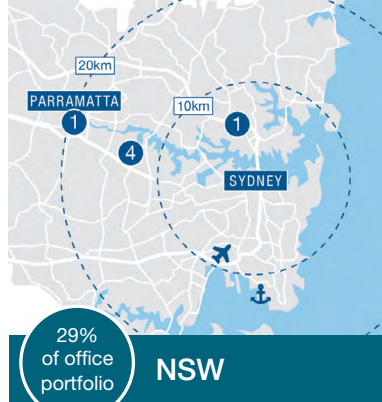
Metro office market update

Accessibility and desirability of metro markets continued to be enhanced by new infrastructure and population growth



Key

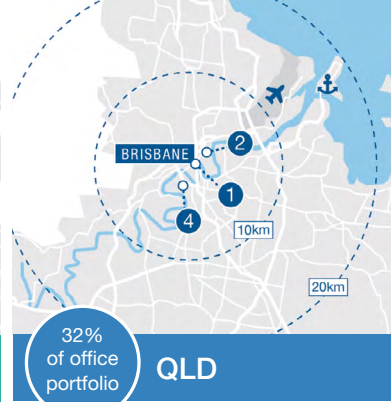
-  Airport
-  Port
-  Number of assets



- > Vacancy rates remained low and supply remains constrained in most metro markets
- > Above average face and effective rent growth continued; Parramatta the strongest performer
- > Strong investment activity as Sydney remained a focal point of investor interest. New pricing benchmarks achieved following further yield compression



- > Vacancy rates remained stable in most metro markets
- > Increased supply in fringe markets including Richmond and Cremorne as the precinct evolves as a creative and technology precinct
- > Rent growth evident in Melbourne's fringe markets, stable in the south-east suburbs
- > Further yield compression observed in most markets as Melbourne remained a preferred investment location



- > Strong positive net absorption recorded in Brisbane's CBD
- > Vacancy rates continued to decline in CBD and fringe markets
- > Investment demand continued to strengthen due to increased confidence in leasing markets and lack of opportunities in Sydney and Melbourne

Industrial market update

Transformation of the industrial sector continued as demand strengthens



Key



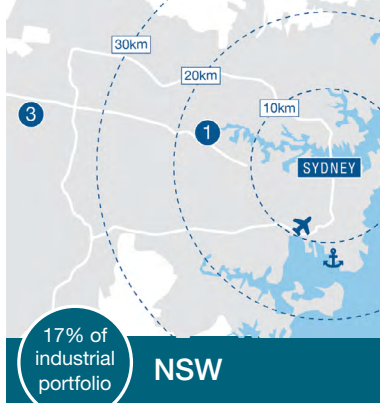
Airport



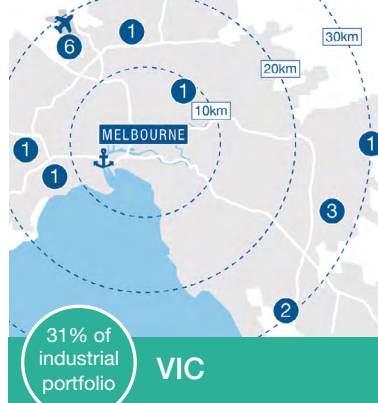
Port



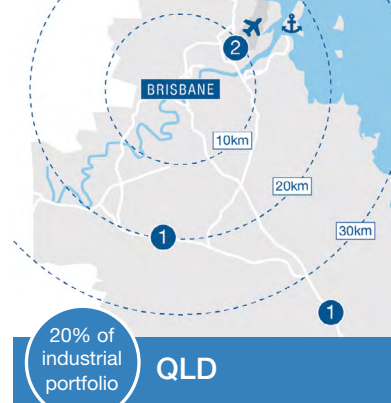
Number of assets



- > Land availability in core markets is limited in the short term
- > Supply completions were above average, although the majority was pre-committed
- > The rate of capital flows continued to accelerate as investors re-weight to the sector
- > Investment yields continued to trend down, the result of strengthening demand and limited stock availability



- > Land values continued to grow, given limited supply and strong leasing demand
- > Face rent growth evident in most Melbourne industrial sub-markets
- > Increased occupier and investor attention on Melbourne's north
- > Yield compression cycle continued



- > Face rents within the prime markets continued to grow
- > Infrastructure projects supported investment activity within Brisbane market
- > Strong competition for industrial assets led to further yield compression

Property portfolio highlights

Significant valuation uplift, driven by leasing success and development projects

- > Strong valuation gains across both office and industrial portfolios
- > WALE extended by 1.4 years to 6.4 years



1. Assumes CPI change of 1.8% per annum as per ABS release for CY19.
2. Assumes CPI change of 1.6% per annum as per ABS release for FY19.

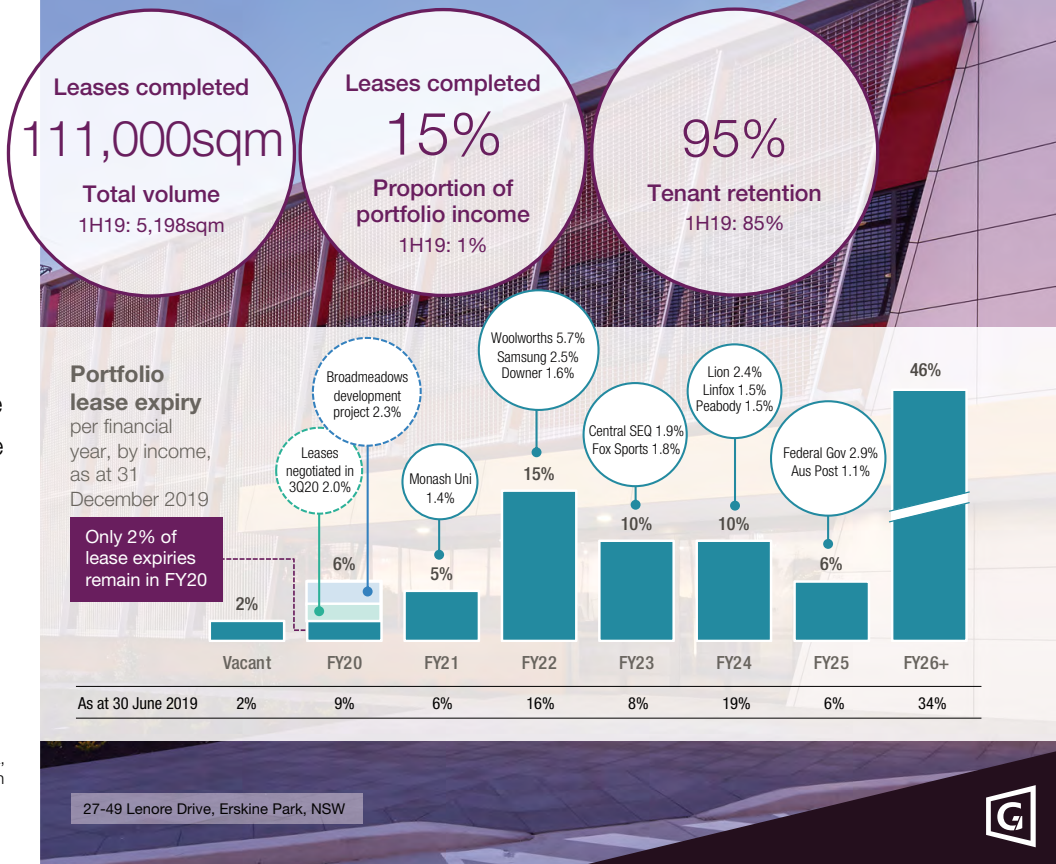


Leasing update

Continued focus on tenant satisfaction, leading to higher levels of retention

- > 27 new leases/renewals signed, representing 15% of portfolio income
- > Signed new 25-year lease with single largest tenant, NSW Police Force
- > Renewed leases with key tenants, Optus and ANZ, for 7 years and 6 years, respectively
- > More than 25,000sqm of leasing success since 31 December 2019 – FY20 expiries now less than 2% of portfolio income¹

1. Excludes 120 Northcorp Boulevard, Broadmeadows, Victoria, which may be developed or sold post Woolworths vacating in February 2020.



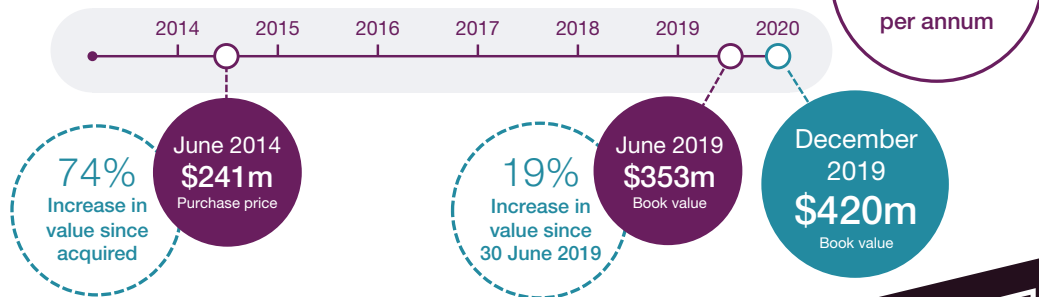
Case study: creating value

Signed longest lease agreement to date with single largest tenant

Curtis Cheng Centre, 1 Charles Street, Parramatta, NSW

Tenant	NSW Police Force
Lettable area	32,356sqm, 444 car parks
Lease term	25 years
Annual rent	\$21.1 million
Rent escalation	3.5% per annum ¹
Upgrade works	\$44 million

1. Except in January 2025. In January 2025, the rental escalation will be 0%.

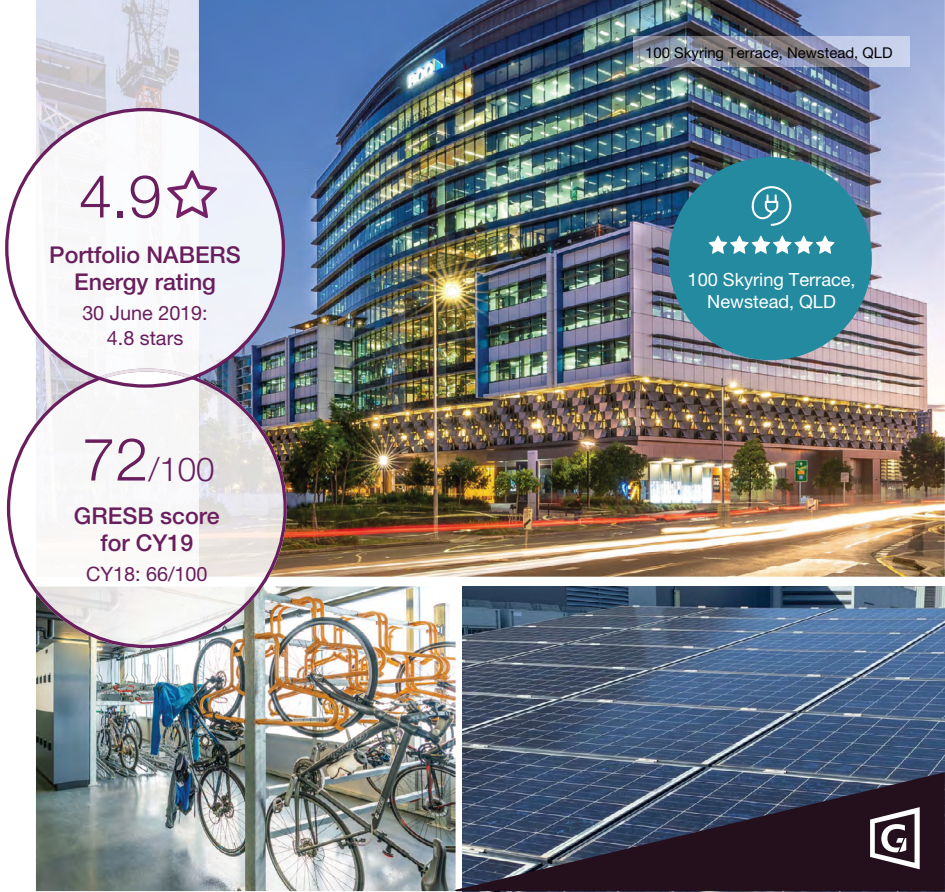


Sustainability

Investing in initiatives across our business to deliver better outcomes to all stakeholders

- > Achieved highest NABERS Energy rating (6-star) at 100 Skyring Terrace, Newstead – now own 2 of only 31 buildings in Australia with this rating¹
- > Installed solar panels at 75 Dorcas Street, South Melbourne. Expected to decrease the property's green house gas emissions by ~150tCO₂-e
- > Upgraded lighting to LED in all car park areas at A1, 32 Cordelia Street, South Brisbane and CB2, 42 Merivale Street, South Brisbane

1. NABERS. As at 31 January 2020.



4.9 ☆

Portfolio NABERS
Energy rating

30 June 2019:
4.8 stars

72/100

GRESB score
for CY19

CY18: 66/100



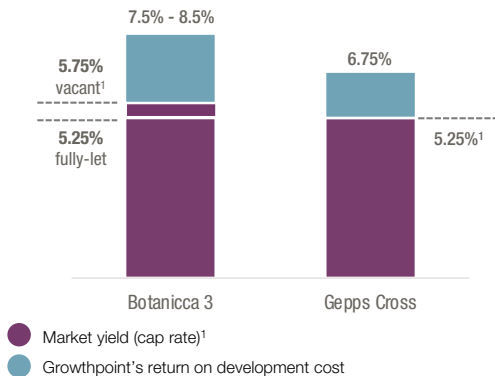
★★★★★★

100 Skyring Terrace,
Newstead, QLD

Development

Development projects expected to deliver attractive returns

Expected yield on development cost compared to market yield



1. As per 31 December 2019 external valuation.

Expected completion

FY19
FY20
FY21
FY22
FY23
FY24

3Q20

Woolworths distribution centre, Gepps Cross, SA

1Q21

Northside 120, Broadmeadows, VIC

Botanica 3, Richmond, VIC

Development

Botanicca 3 practical completion achieved ahead of schedule

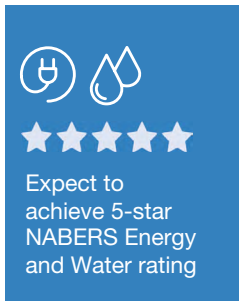
- > A-grade office building includes hotel style end-of-trip facilities and dedicated fitness studio
- > Vacant on completion; no impact on FY20 guidance
- > Expect to be progressively leased over FY21



1. As per 31 December 2019 external valuation.
2. Estimated total development cost to achieve practical completion. Does not include costs associated with leasing to achieve full occupancy.



Building exterior and solar installation complete



Expect to achieve 5-star NABERS Energy and Water rating

Perforated sunshades



Lift foyer

\$149m

Value upon completion¹

\$113m

Development cost²

\$36m

Development profit

~\$200m

Fully-leased value

Development

Opportunity to significantly increase value at Broadmeadows

- > Progressed master plan for Broadmeadows redevelopment
- > Expect to complete and lease new warehouses progressively from FY22
- > Lodged town planning application for 13,000 sqm warehouse to occupy a vacant lot in the south eastern corner of the site



1. Broadmeadows development is subject to Board and third-party approvals. On-completion value based on an estimate capital value calculated at \$1,250 per sqm of area. Growthpoint may also consider leasing the property 'as is' or selling the property.

120,000sqm

Potential lettable area

250,000sqm

Total site size

\$150m

Estimated end value¹



Financial results.

Dion Andrews
Chief Financial Officer

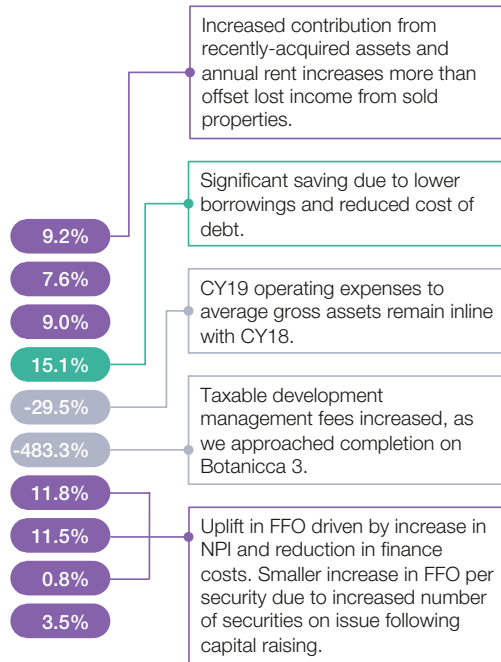


Financial summary

Strong 1H20 results

1H20 P&L analysis

Components of FFO		1H20	1H19
NPI	\$m	121.4	111.3
Add back amortisation of incentives	\$m	9.9	9.2
NPI excluding amortisation of incentives	\$m	131.3	120.5
Net finance costs	\$m	(23.1)	(27.2)
Operating and trust expenses (less depreciation)	\$m	(7.9)	(6.1)
Income tax expense (excluding deferred tax expense)	\$m	(3.5)	(0.6)
FFO	\$m	96.8	86.6
Weighted average securities	m	770.2	690.6
FFO per security	cents	12.6	12.5
Distribution per security	cents	11.8	11.4



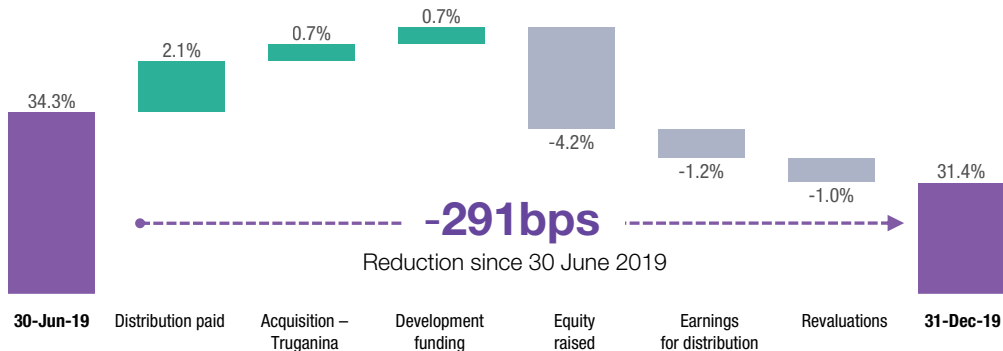
Capital management

Maintained strong balance sheet and healthy leverage ratios

- > Raised \$173.6 million of equity in 1H20
- > Gearing reduced by 291bps to 31.4%, below the bottom of our target range, 35% - 45%
- > Able to deploy up to \$231 million of uncommitted debt at a rate of 1.59% and remain below bottom of target gearing range

Gearing movement

for the six months ended 31 December 2019



Stress testing covenants

LVR < 60%

GOZ: 33.5%

To breach this covenant, GOZ cap rate would need to rise by 453 bps¹

ICR > 1.6x

GOZ: 4.58x

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

Secured property percentage > 85%

GOZ: 98%

Percentage must remain above 85%

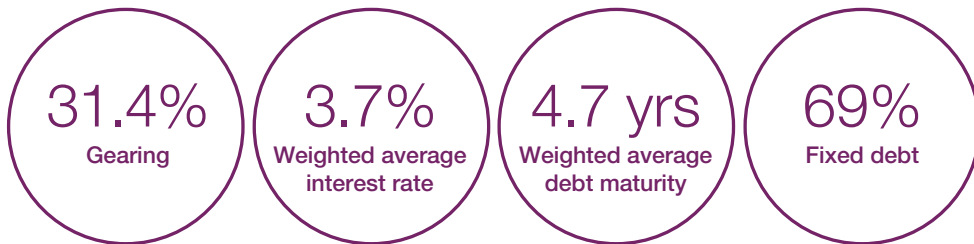
1. As at 31 December 2019. For illustrative purposes only. Assumes no change to other inputs that could impact the calculation of this metric.



Capital management

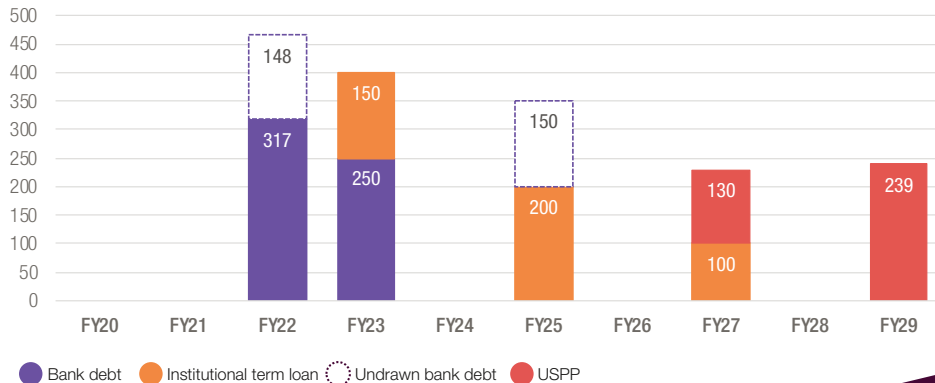
Reduced
borrowing costs
and extended
debt facilities

- > Refinanced \$250 million of debt during 1H20
- > Reduced weighted average interest rate by 20 basis points
- > Extended weighted average debt maturity to 4.7 years



Debt maturity profile

as at 31 December 2019, \$m



Outlook.

Timothy Collyer
Managing Director



Outlook

Well positioned in attractive markets to deliver sustainable growth

**FY20
guidance**

**FFO per security:
at least 25.4 cents**

**Distribution:
23.8cps**

1. Distribution yield is the FY20 DPS guidance of \$0.238 per security divided by the closing ASX price as at 31 December of \$4.15.

Market outlook

- > Australian economic growth remains below trend
- > Low business and consumer confidence may lead to an easing of occupier demand, but unlikely a significant contraction
- > Office and industrial markets well placed to accommodate moderating occupier demand given historically low vacancy, a lack of short-term oversupply and broad-based investment demand
- > Financing costs are expected to remain low with the market expecting further cash rate cuts in CY20
- > Australian commercial real estate likely to remain attractive to investors due to relatively high yields

Group outlook

- > Fundamentals of Growthpoint's property portfolio remain strong
- > Development pipeline expected to deliver above market returns
- > Gearing below target range, providing scope for accretive acquisitions
- > Further scope to lower cost of debt and extend debt tenure
- > Exploring options to diversify income streams
- > FY20 DPS guidance of 23.8 cps, representing a DPS yield of 5.7%¹

Supplementary information.

1. Detailed financial information.
2. Property portfolio.
3. Market outlook.
4. Growthpoint Properties South Africa.
5. Glossary.



Detailed financial
information.



Summary financials

		1H20	1H19	Change	% Change
NPI	\$m	121.4	111.3	10.1	9.1
Like-for-like NPI	\$m	110.0	107.1	2.9	2.7
Statutory accounting profit	\$m	202.0	188.8	13.2	7.0
Statutory accounting profit per security	¢	26.2	27.3	(1.1)	(4.0)
FFO	\$m	96.8	86.6	10.2	11.8
Distributions	\$m	91.1	83.0	8.1	9.8
Payout ratio	%	94.1	95.8		(1.7)
FFO per security	¢	12.6	12.5	0.1	0.8
Distributions per security	¢	11.8	11.4	0.4	3.5
Calendar year ICR (times)	times	4.6	4.0	0.6	15.0
Calendar year MER	%	0.38	0.38		-
		As at 31 Dec 2019	As at 31 Jun 2019	Change	% Change
NTA per stapled security	\$	3.66	3.50	0.16	4.6
Gearing	%	31.4	34.3		(2.9)

Reconciliation from statutory profit to FFO

	1H20	1H19	Change	Change
	\$m	\$m	\$m	%
Profit after tax	202.0	188.8	13.2	7.0
Less non-FFO items:				
– Straight line adjustment to property revenue	8.1	(2.9)	11.0	
– Finance lease adjustments to expenses	(0.3)	–	(0.3)	
– Finance cost associated with leases	2.0	–	2.0	
– Net changes in fair value of investment property	(139.9)	(101.4)	(38.5)	
– Net change in fair value of investment in securities	(0.6)	(2.4)	1.8	
– Net change in fair value of derivatives	(3.8)	(5.3)	1.5	
– Net foreign exchange movement on interest bearing liabilities	19.2	–	19.2	
– Depreciation	0.1	0.1	–	
– Amortisation of incentives	9.9	9.2	0.7	
– Deferred tax benefit	0.1	0.5	(0.4)	
FFO	96.8	86.6	10.2	11.8

Financial position

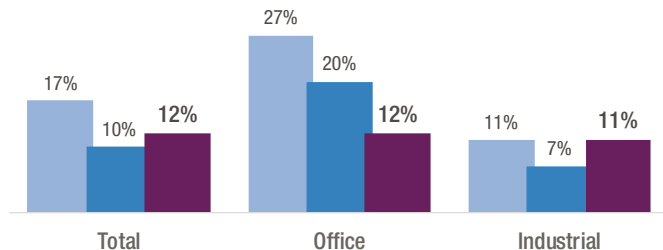
	31 December 2019	30 June 2019
	\$m	\$m
Assets		
Cash and cash equivalents	38.6	30.2
Investment properties	4,323.0	3,983.8
Investment in securities	86.2	85.6
Other assets	26.2	18.3
Total assets	4,474.0	4,117.9
Liabilities		
Borrowings	1,399.6	1,433.3
Distributions payable	91.1	84.4
Finance lease liabilities	105.7	-
Other liabilities	49.1	53.7
Total liabilities	1,645.5	1,571.4
Net assets	2,828.5	2,546.5
Securities on issue	m	771.8
NTA per security	\$	3.66
Balance sheet gearing	%	31.4

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:

Average lease incentives

● FY18 ● FY19 ● 1H20



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 1H20 were rent abatement of \$3.9 million and rent free incentives of \$0.3 million. These two amounts form part of the unamortised lease incentives balance in the Consolidated Statement of Financial Position.
3. Includes establishment costs such as legal costs and agent fees.

Consolidated Statement of Profit and Loss	1H20	1H19
	\$m	\$m
Property revenue (excluding incentives)	135.4	124.2
Amortisation of tenant incentives	(9.9)	(9.2)
Property revenue	125.5	115.0
Net changes in value of investment properties (excluding incentives)	135.0	122.1
Net value of tenant incentive changes during the period	4.9	(20.7)
Net changes in value of investment properties	139.9	101.4

Consolidated Cash Flow Statement	1H20	1H19
	\$m	\$m
Cash generated from operating expenses (excluding incentives)	121.0	98.9
Incentives paid ²	(0.3)	(20.2)
Cash generated from operating activities	120.7	78.7

Consolidated Statement of Financial Position	1H20	1H19
	\$m	\$m
Unamortised lease incentives, recognised within investment property as a reconciling item	60.7	72.2
Unamortised leasing costs recognised within investment property as a reconciling item ³	3.5	3.5

Operating and capital expenses

Operating expenses

		CY19	CY18
Total operating expenses	\$m	15.7	13.5
Average gross assets value	\$m	4,101.6	3,523.0
Operating expenses to average	%	0.38	0.38

Expected to
remain around

0.40%

based on current
portfolio

Capital expenditure

		CY19	CY18
Total portfolio capex	\$m	16.4	9.1
Average property asset value	\$m	4,018.3	3,550.3
Capital expenditure to average property portfolio value	%	0.41	0.26

Expected to
average

0.3%-0.5%

over medium-term
based on current
portfolio

Capital management

3.57%

Weighted average
fixed debt rate

65%-100%

Target fixed/hedged
debt

5.5 yrs

Weighted average
fixed debt term

Maturity date	Time to maturity	Fixed rate	Face value of swap
Interest rate swaps			
Jun-2024	4.5 yrs	1.21%	\$100m
Jun-2025	5.5 yrs	1.29%	\$100m
Jun-2023	3.5 yrs	1.15%	\$75m
Jun-2023	3.5 yrs	1.15%	\$25m
Weighted average interest rate swaps	4.5 yrs	1.21%	\$300m
Fixed rate debt facilities			
Mar-2025	5.2 yrs	4.67%	\$200m
Dec-2022	3.0 yrs	4.39%	\$90m
Dec-2026	7.0 yrs	3.27%	\$100m
Dec-2022	3.0 yrs	4.40%	\$60m
Jun-2027	7.5 yrs	5.28%	\$142m
Jun-2029	9.5 yrs	5.46%	\$57m
Jun-2029	9.5 yrs	5.35%	\$26m
Weighted average fixed rate debt facilities	6.0 yrs	4.62%	\$675m
Weighted average fixed debt	5.5 yrs	3.57%	\$975m
Debt fixed at 31 December 2019	69%		

Key debt metrics and changes during 1H20

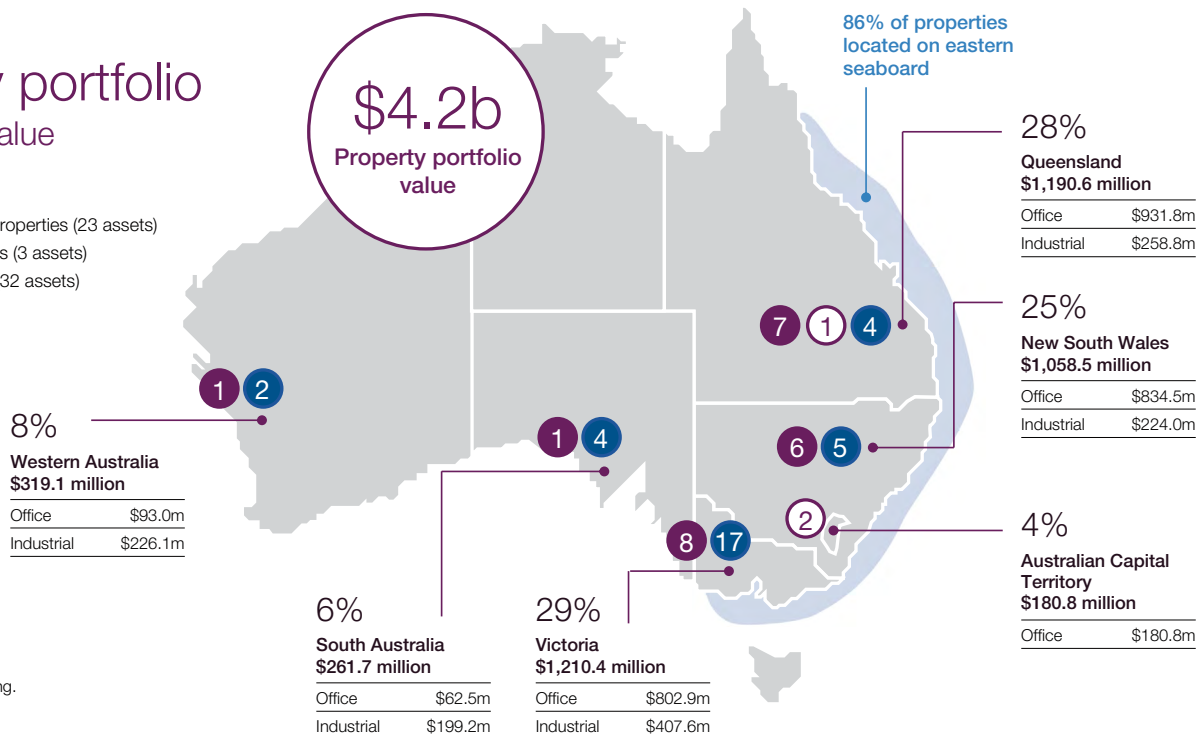
		31 Dec 2019	30 Jun 2019	Change	% change
Gross assets	\$m	4,474.0	4,117.9	356.1	8.6
Interest bearing liabilities	\$m	1,399.6	1,433.3	(33.7)	(2.4)
Total debt facilities	\$m	1,703.7	1,684.5	19.2	1.1
Undrawn debt	\$m	298.0	245.7	52.3	21.3
Gearing	%	31.4	34.3	2.9	
Weighted average interest rate	%	3.7	3.9	0.2	
Weighted average debt maturity	years	4.7	4.6	0.1	2.2
ICR / Covenant ICR	times	4.6 / 1.6	4.1 / 1.6	0.5 / -	
LVR / Covenant LVR	%	33.5 / 60	36.2 / 60	(2.7) / -	
Weighted average fixed debt maturity	years	5.5	5.6	(0.1)	(1.8)
Proportion of debt fixed	%	69	67	2.0	

Property portfolio.



Property portfolio by property value

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

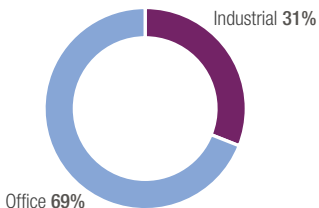


May not sum due to rounding.

Portfolio summary

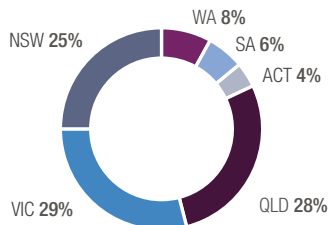
Sector diversity

by property value,
as at 31 December 2019



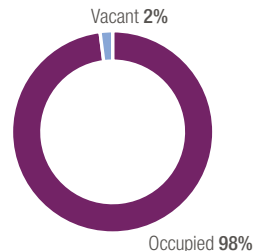
Geographic diversity

by property value,
as at 31 December 2019



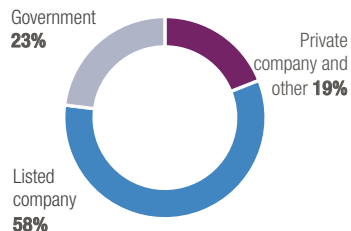
Occupancy

by income,
as at 31 December 2019



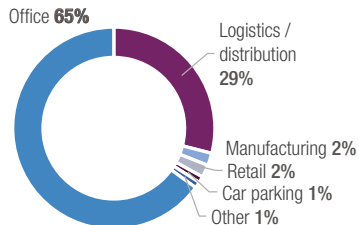
Tenant type

by income,
as at 31 December 2019



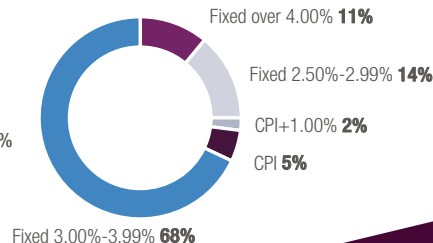
Tenant use

by income,
as at 31 December 2019



Annual rent review type

by income,
as at 31 December 2019



Portfolio metrics

Key metrics

	31 December 2019	30 June 2019
Number of assets	58	57
Property portfolio value	\$4.2 billion	\$4.0 billion
Number of tenants	161	155
Portfolio occupancy	98%	98%
WALE	6.4 years	5.0 years
Weighted average property age	11.6 years	11.3 years
Weighted average capitalisation rate	5.7%	5.9%
WARR ¹	3.3% ¹	3.3% ²

Like-for-like NPI growth (1H19 to 1H20)

	Office	Industrial	Distributions from equity investments	Total
NPI growth	3.9%	0.8%	2.9%	2.7%

1. Assumes CPI change of 1.8% per annum as per ABS release for CY19.

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

Largest tenants by passing rent



Top ten tenants, total portfolio
as at 31 December 2019

	%	WALE (yrs)
Woolworths	14	4.8
NSW Police Force	8	25.0
Commonwealth of Australia	8	6.6
Bank of Queensland	4	7.1
Country Road Group	4	12.5
Linfox	3	3.4
Samsung Electronics	2	2.2
Lion	2	4.3
ANZ Banking Group	2	6.2
Jacobs Group	2	6.8
Total / weighted average	49	8.9
Balance of portfolio	51	3.9
Total portfolio	100	6.4



Top ten office tenants
as at 31 December 2019

	%	WALE (yrs)
NSW Police Force	11	25.0
Commonwealth of Australia	11	6.6
Bank of Queensland	6	7.1
Country Road Group	5	12.5
Samsung Electronics	4	2.2
Lion	4	4.3
ANZ Banking Group	3	6.2
Jacobs Group	3	6.8
Collection House	3	6.4
Queensland Urban Utilities	3	3.3
Total / weighted average	53	10.6
Balance of portfolio	47	3.5
Total portfolio	100	7.3



Top ten industrial tenants
as at 31 December 2019

	%	WALE (yrs)
Woolworths	44	4.8
Linfox	11	3.4
Australian Postal Corp.	3	4.5
Laminex Group	3	2.5
HB Commerce	3	2.7
Brown & Watson International	3	5.6
The Workwear Group	2	7.5
Autocare Services	2	10.8
Symbion	2	9.0
Cheap as Chips	1	0.9
Total / weighted average	74	4.6
Balance of portfolio	26	4.1
Total portfolio	100	4.5

Leasing

Office leases executed in 1H20

Location	Tenant	Start date	Term (yrs)	NLA (sqm)	Car parks (No.)
1 Charles Street, Parramatta, NSW	NSW Police Force	3Q20	25.0	32,356	444
75 Dorcas Street, South Melbourne, VIC	ANZ Banking Group	3Q20	6.0	13,744	120
15 Green Square Close, Fortitude Valley, QLD	Optus Administration	1Q21	7.0	5,924	40
333 Ann Street, Brisbane, QLD	Federation University Australia	3Q24	3.3	2,556	3
A4, 52 Merivale Street, South Brisbane, QLD	Stantec Australia	4Q20	7.0	1,239	16
333 Ann Street, Brisbane, QLD	Federation University Australia	4Q20	7.0	867	–
Building C, 211 Wellington Road, Mulgrave, VIC	Becton Dickinson	3Q20	5.0	679	18
A4, 52 Merivale Street, South Brisbane, QLD	Elders Rural Services Australia	2Q20	3.0	572	4
333 Ann Street, Brisbane, QLD	Harris Black	2Q21	5.0	472	5
CB1, 22 Cordelia Street, South Brisbane, QLD	Toll Transport	2Q20	3.0	332	3
A1, 32 Cordelia Street, South Brisbane, QLD	DBM Vircon Services (Australia)	2Q20	3.0	315	4
333 Ann Street, Brisbane, QLD	Federation University Australia	3Q24	3.3	291	–
6 Parkview Drive, Sydney Olympic Park, NSW	Dynamic Support Services	2Q20	3.0	153	4
6 Parkview Drive, Sydney Olympic Park, NSW	MyBos	1Q20	3.0	150	2
6 Parkview Drive, Sydney Olympic Park, NSW	GJS Partners	2Q20	5.0	135	7
102 Bennelong Parkway, Sydney Olympic Park, NSW	Delica Domestic	2Q20	3.0	113	4
333 Ann Street, Brisbane, QLD	St Hilliers Property	2Q20	1.5	111	–
15 Green Square Close, Fortitude Valley, QLD	Seer Medical	1Q20	3.0	110	1
6 Parkview Drive, Sydney Olympic Park, NSW	Power Ideas	1Q20	2.0	65	2
102 Bennelong Parkway, Sydney Olympic Park, NSW	Potukuchi Trading	1Q20	1.0	34	1
Total / weighted average			16.7	60,218	678

Leasing

Industrial leases executed in 1H20

Location	Tenant	Start date	Term (yrs)	NLA (sqm)
Lots 2, 3 & 4, 34-44 Raglan Street, Preston, VIC	Paper Australia	1Q20	5.0	14,110
75 Annandale Road, Melbourne Airport, VIC	Unipart Group Australia	2Q20	3.0	10,280
Lots 2, 3 & 4, 34-44 Raglan Street, Preston, VIC	Victoria Police	2Q20	3.6	7,631
Lots 2, 3 & 4, 34-44 Raglan Street, Preston, VIC	Amcor Flexibles (Australia)	2Q20	4.6	6,236
10 Hugh Edwards Drive, Perth Airport, WA	Clifford Hallam Healthcare	3Q20	7.0	6,072
1-3 Pope Court, Beverley, SA	Ball & Doggett	2Q21	5.0	5,312
58 Tarlton Crescent, Perth Airport, WA	Perth Inflight Catering Services	2Q20	3.0	1,013
Total / weighted average			4.6	50,654

Market outlook.



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 19.9%

	Prime	Secondary
R	\$355 net	\$262 net
I	35%	36%
Y	7.00-8.25%	7.00-9.25%

0% of Growthpoint Portfolio

Perth - CBD

Vacancy 19.1%

	Prime	Secondary
R	\$623 net	\$375 net
I	47%	51%
Y	5.75-7.75%	7.50-9.50%

0% of Growthpoint Portfolio

Adelaide - CBD

Vacancy 14.4%

	Prime	Secondary
R	\$517 gross	\$358 gross
I	36%	36%
Y	5.75-7.50%	6.50-8.75%

3% of Growthpoint Portfolio

Brisbane - CBD

Vacancy 11.7%

	Prime	Secondary
R	\$744 gross	\$583 gross
I	38%	40%
Y	5.00-6.25%	5.75-7.00%

19% of Growthpoint Portfolio

Brisbane - Fringe

Vacancy 13.7%

	Prime	Secondary
R	\$576 gross	\$463 gross
I	39%	39%
Y	5.75-7.25%	6.00-7.75%

10% of Growthpoint Portfolio

Sydney - Parramatta

Vacancy 5.4%

	Prime	Secondary
R	\$549 net	\$413 net
I	17%	19%
Y	5.00-6.13%	5.50-6.50%

7% of Growthpoint Portfolio

Sydney Olympic Park

Vacancy 19.9%

	Prime
R	\$409 net
I	21%
Y	5.75-6.75%

0% of Growthpoint Portfolio

Sydney - CBD

Vacancy 5.0%

	Prime	Secondary
R	\$1,177 net	\$864 net
I	21%	19%
Y	4.25-4.75%	4.63-4.88%

4% of Growthpoint Portfolio

Canberra

Vacancy 10.6%

	Prime	Secondary
R	\$460 gross	\$389 gross
I	20%	25%
Y	5.00-6.50%	6.25-12.00%

0% of Growthpoint Portfolio

Melbourne - CBD

Vacancy 3.4%

	Prime	Secondary
R	\$623 net	\$452 net
I	29%	26%
Y	4.38-5.13%	4.50-5.63%

16% of Growthpoint Portfolio

Melbourne - Fringe

Vacancy 6.3%

	Prime	Secondary
R	\$456 net	\$369 net
I	21%	24%
Y	4.88-5.50%	4.88-5.75%

3% of Growthpoint Portfolio

Melbourne – SE Suburbs

Vacancy 6.5%

	Prime	Secondary
R	\$396 net	\$290 net
I	20%	25%
Y	5.00-5.75%	5.25-6.75%

Sources: JLL, Knight Frank, Growthpoint research



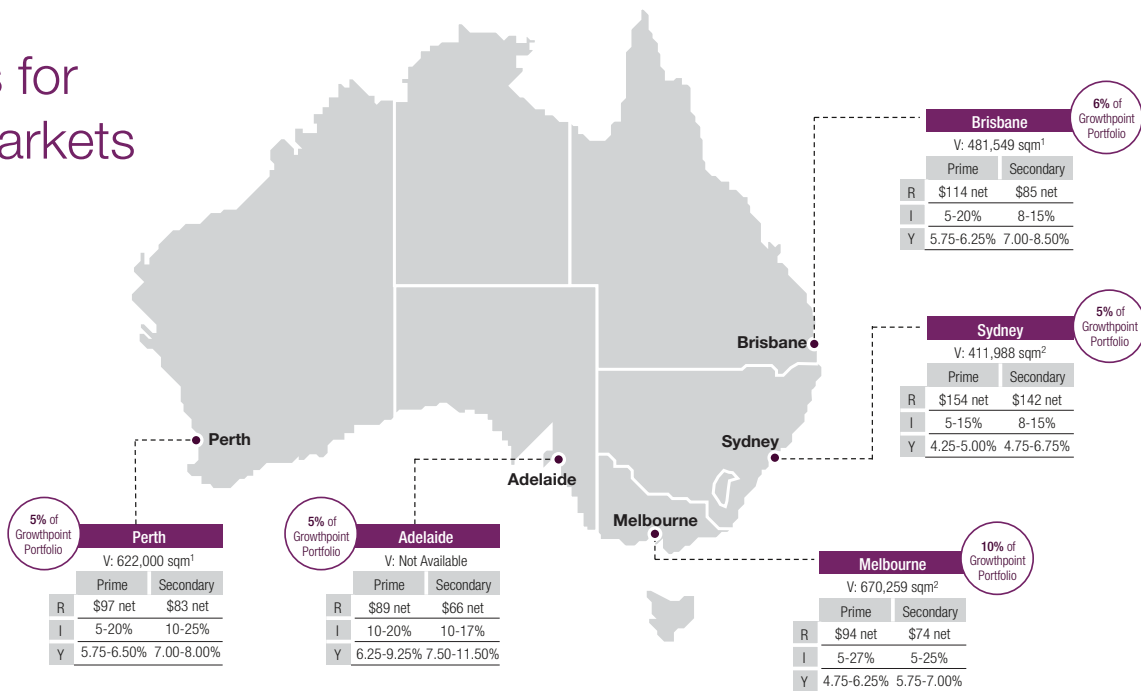
Key metrics for industrial markets

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.

Growthpoint Properties South Africa.



Growthpoint Properties South Africa

The largest South African primary listed REIT, Growthpoint Properties South Africa (JSE: GRT), continues to support GOZ as its major Securityholder

Key facts (as at 30 June 2019)

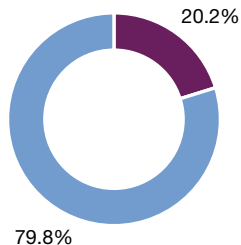
JSE	Largest primary listed South African REIT
Market capitalisation	\$7.3 billion ¹
Property portfolio	\$14.1 billion ¹
Gearing (SA only)²	36.9%
Credit rating	Moody's Global Scale Rating Baa3 Moody's National Scale Rating AAA
Constituent	FTSE EPRA/NAREIT Emerging Index FTSE/JSE Responsible Investment Index FTSE4GOOD Emerging Markets Dow Jones Sustainability Index

1. At 30 June 2019, ZAR/AUD: 9.89.

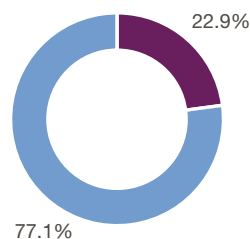
2. GRT defines and calculates gearing differently to GOZ. Their definition is nominal value of interest-bearing borrowings (net of cash), divided by the fair value of property assets, including investment property held for sale.

GOZ's contribution to GRT's FY19 results

Property portfolio

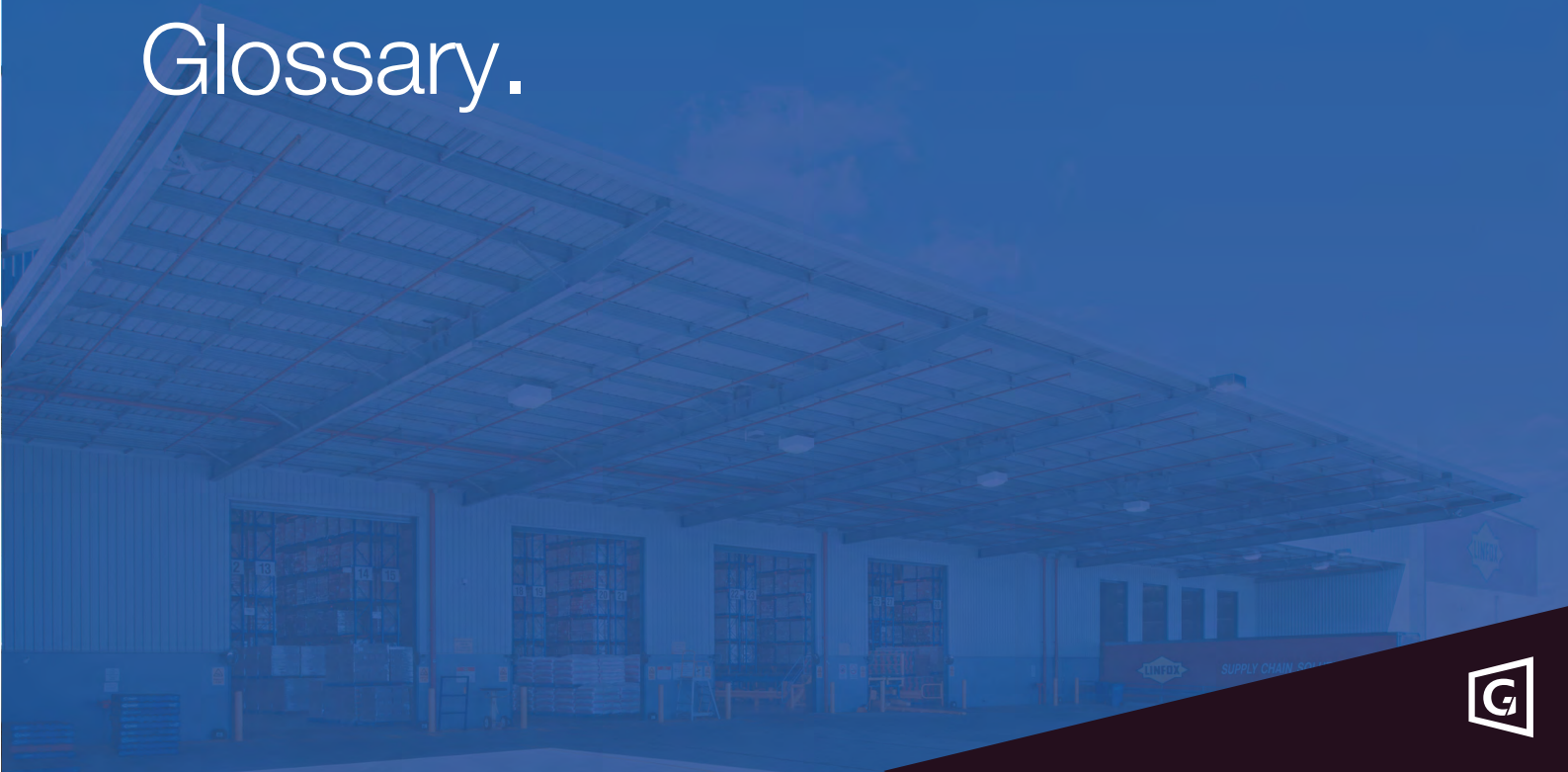


Net property income



● GOZ ● Other

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
cps	Cents per security
CPI	Consumer price index
CY	Calendar year
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
Growthpoint or the Group	Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities
GRESB	Global Real Estate Sustainability Benchmark
GRT	Growthpoint Properties Limited's (South Africa) Johannesburg Stock Exchange (JSE) trading code or ticker
ICR	Interest coverage ratio
IRR	Average annual return before gearing and corporate costs

Term	Definition
JLL	The Australian arm of Jones Lang LaSalle, an international professional services and investment management firm
JSE	Johannesburg Stock Exchange
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
Q	Quarter
QLD	Queensland, Australia
ROE or return on equity	Calculated as the percentage change in NTA plus the distributions for a given period divided by the opening NTA
Payout ratio	Distributions (\$million) divided by FFO (\$million)
SA	South Australia, Australia
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
yrs	Years



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The statements in this presentation are made as at 25 February 2020. All reference to dollars (\$) are to Australian dollars.

This presentation was authorised by Growthpoint's Board of Directors.

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GROWTHPOINT
PROPERTIES



2020 calendar.

- **28 April** – 3Q20 Investor update
- **20 August** – FY20 Results
- **29 October** – 1Q21 Investor update
- **19 November** – Annual General Meeting

Dates are indicative and subject to change.