



15 November 2018

The Manager  
Company Notices Section  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**GOODMAN GROUP (GOODMAN) ANNUAL GENERAL MEETINGS –  
CHAIRMAN'S AND CEO'S PRESENTATIONS**

Please find attached the Chairman's presentation and Group Chief Executive Officer's presentation and written address for Goodman's Annual General Meetings being held today.

A live webcast of the Annual General Meetings will also be available on the Goodman website ([www.goodman.com](http://www.goodman.com))

Yours faithfully

Carl Bicego  
**Company Secretary**

**Goodman Group**

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Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621  
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GOODMAN GROUP

# ANNUAL GENERAL MEETINGS 2018



# DIRECTORS AND EXECUTIVES

## MR IAN FERRIER, AM

INDEPENDENT CHAIRMAN

## MR GREGORY GOODMAN

GROUP CHIEF EXECUTIVE OFFICER

## MS REBECCA McGRATH

INDEPENDENT DIRECTOR

## MR STEPHEN JOHNS

INDEPENDENT DIRECTOR

## MR JIM SLOMAN

INDEPENDENT DIRECTOR

## MR CARL BICEGO

COMPANY SECRETARY

## MS PENNY WINN

INDEPENDENT DIRECTOR

## MR PHILLIP PRYKE

INDEPENDENT DIRECTOR

## MR ANTHONY ROZIC

EXECUTIVE DIRECTOR

## MR DANNY PEETERS

EXECUTIVE DIRECTOR



# AGENDA

Chairman's address

Group CEO's address

Goodman's purpose video

Formal business





# CHAIRMAN'S ADDRESS





# FINANCIAL OVERVIEW



# FINANCIAL OVERVIEW

## GOODMAN PERFORMED VERY WELL IN FY18

- + Operating profit of \$845.9 million, a 9% increase on FY17
- + Statutory profit of \$1098.2 million
- + Operating earnings per security of 46.7 cents, up 8.3% on FY17
- + Distribution per security of 28.0 cents, up 8.1% on FY17.



Goodman Akamatsudai, Kobe City, Japan.

# KEY HIGHLIGHTS OVER THE PAST FIVE YEARS

## + Repositioned and improved the quality of the property portfolio

- Concentrated our portfolio in key infill and urban locations providing close proximity to consumers.

## + Expanded into the US and Brazil

- In FY18, The Americas contributed to 25% of the Group's development completions with \$2.3 billion in assets across 13 properties
- Global operations now provide economies of scale.

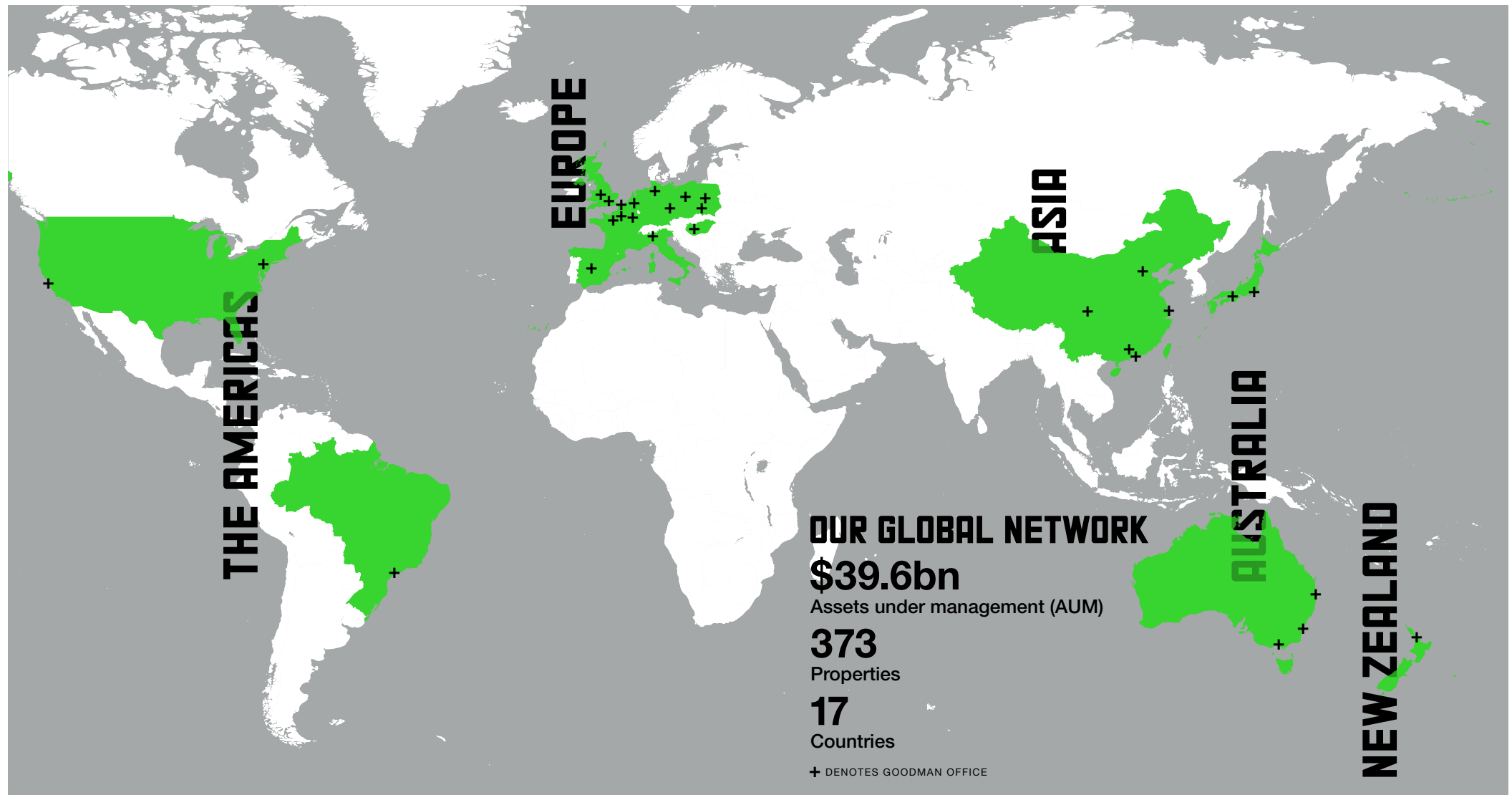


Goodman Commerce Center Eastvale, Los Angeles, USA.



# KEY HIGHLIGHTS OVER THE PAST FIVE YEARS

Created a truly global international business with 60% of our earnings and 70% of our people outside Australia.



# KEY HIGHLIGHTS OVER PAST FIVE YEARS

## + Continued strengthening of our capital position for long term security

- Completion of extensive debt programme which doubled weighted average debt expiry to 6.9 years and reduced cost of debt to approximately 3% p.a.
- Maintained a strong financial position with balance sheet capacity and gearing stable at 5.1%
- Group liquidity of \$3.2bn
- Group can now selectively deploy capital to appropriate markets based on risk and return parameters.

**2018 saw a continuation of this strategy, prudential expansion and our success sustained by retaining and rewarding our people.**



Goodman Interlink, Hong Kong, China.



# PAY FOR PERFORMANCE

## PARTNERING SECURITYHOLDERS AND ALL EMPLOYEES

- + Securityholders and employees are mutually impacted by our performance, with Securityholders' interests met before short-term incentive awards are paid or long-term incentives vest
- + Significant emphasis on long-term incentives for all employees which are at risk with a three year testing period and vesting over three to five years
- + Employees must satisfy their KPI's over the subsequent testing period by generating agreed value and doing better than the median TSR of the ASX.
- + These two requirements underpin the alignment of all employees and Securityholders.



# PAY FOR PERFORMANCE

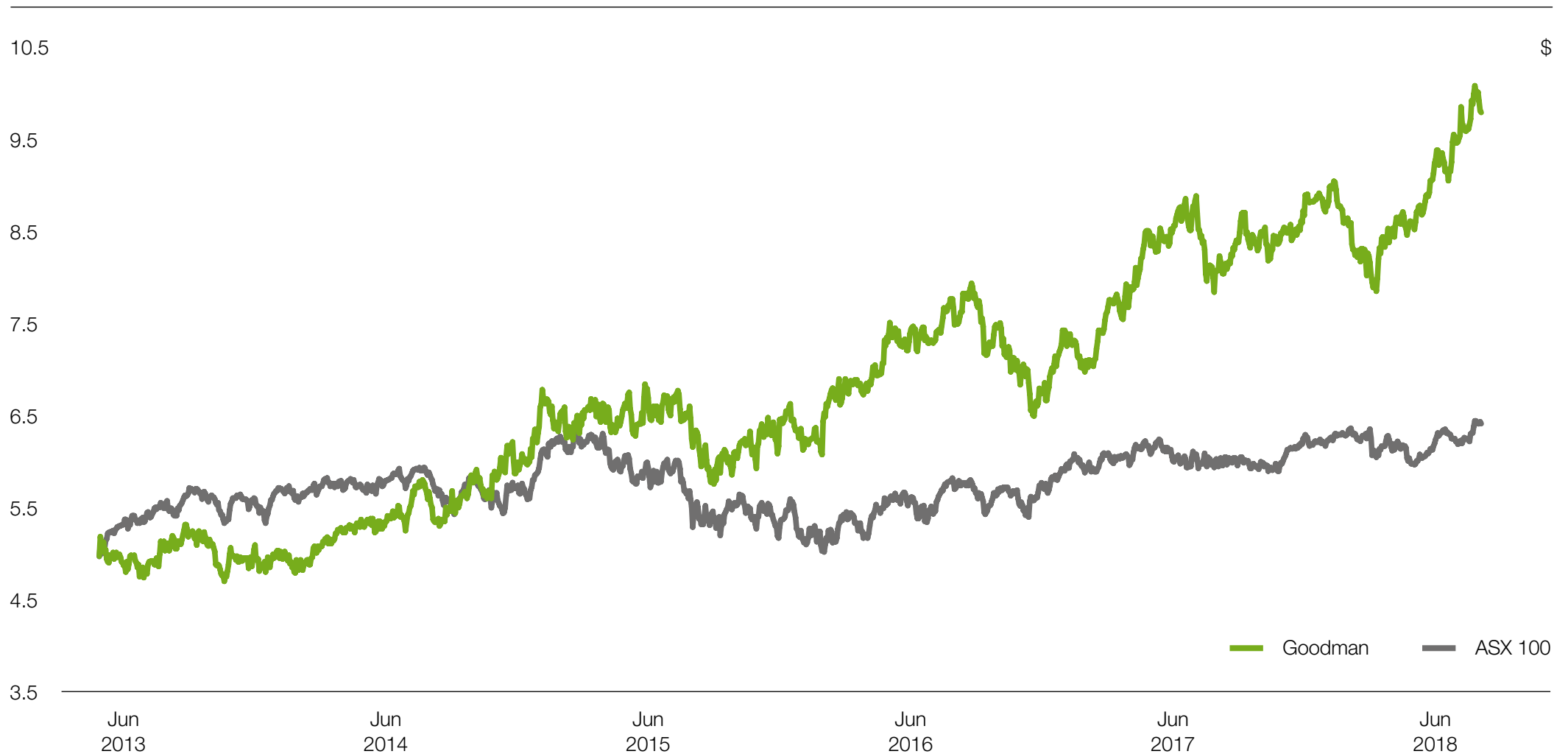
- + As at June 2018 employees created approximately \$9 billion of value
- + Goodman team highly regarded in asset class and sought after by competitors
- + LTI provides for talent retention, strong alignment and long-term decision making
- + High proportion of total remuneration is at risk
- + While we do pay well, it is because they have created this value.

**Goodman NTA, the market premium and security price**



# PAY FOR PERFORMANCE

GMG performance vs ASX 100 – past five years

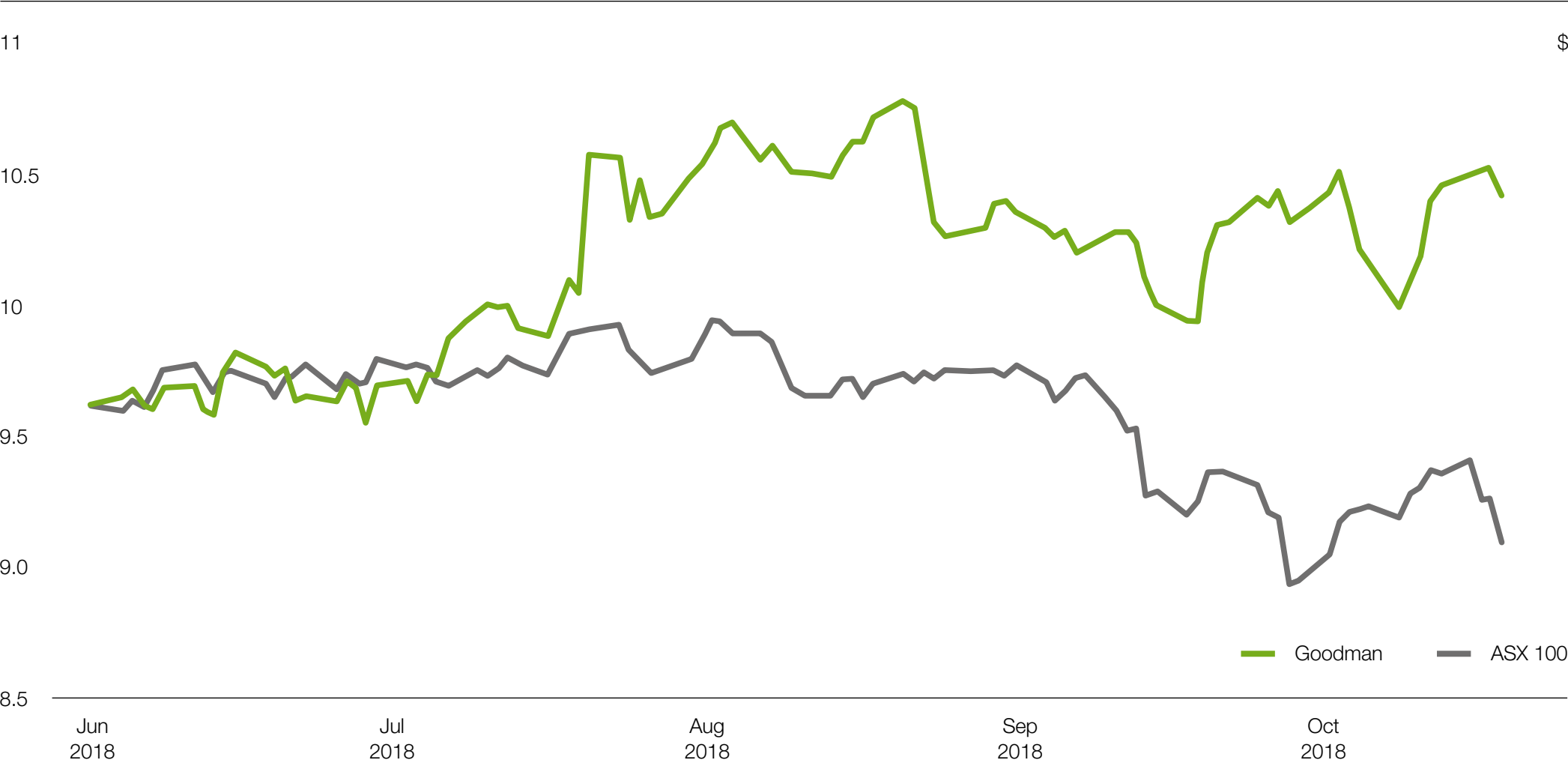


ASX rebased



# PAY FOR PERFORMANCE

GMG performance vs ASX 100 – 30 June to 14 November 2018



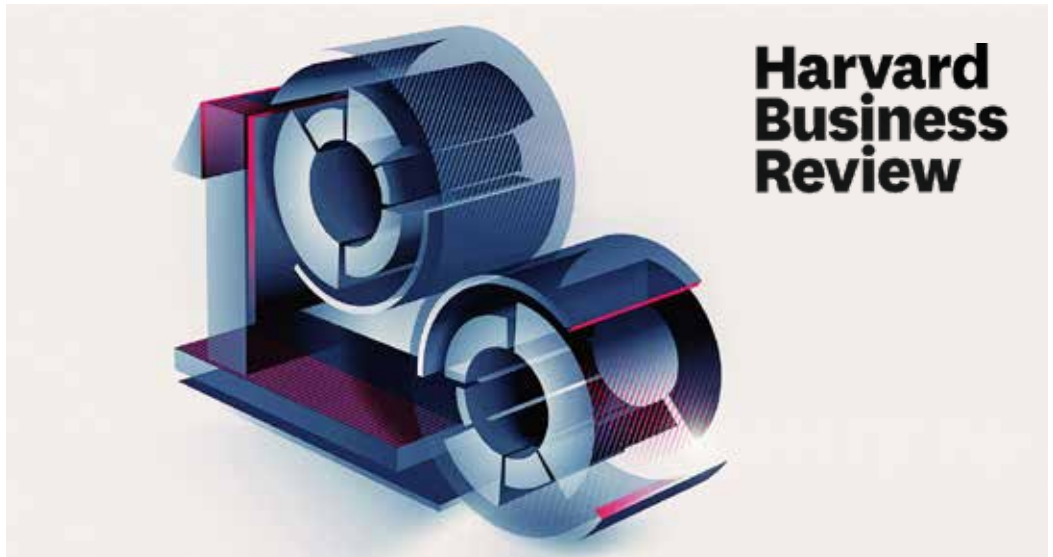
ASX rebased



# THE BEST PERFORMING CEOS IN THE WORLD

- + Harvard Business Review rank the best 100 performing CEOs in the world, based primarily on financial returns over each CEO's entire tenure. Final rankings also factor in each company's rating on environmental, social and governance (ESG) issues.
- + Greg Goodman was among the top 100 and the only Australian.

**“In turbulent times, steadiness and stability can be significant virtues. They face an array of outside forces—savvy competitors, demanding customers, profit-hungry investors, political and economic headwinds. Nonetheless, their companies have shown a remarkable ability to sustain momentum”.** HBR



# BOARD RENEWAL

- + Jim Sloman retiring at this AGM
- + **New appointments:**
  - Penny Winn February 2018
  - David Collins appointed (to the HK Board) February 2018
- + **Directors standing for re-election:**
  - Rebecca McGrath
  - Danny Peeters.





# GROUP CEO'S ADDRESS





# LOCATIONAL FOCUS DELIVERING

- + Occupancy 98%
- + Rental growth 3.3%
- + Higher valuations
- + \$3.6 billion development workbook
- + \$10 billion development pipeline
- + Strong Partnership performance
- + \$40 billion+ assets under management.



# FY19 OUTLOOK

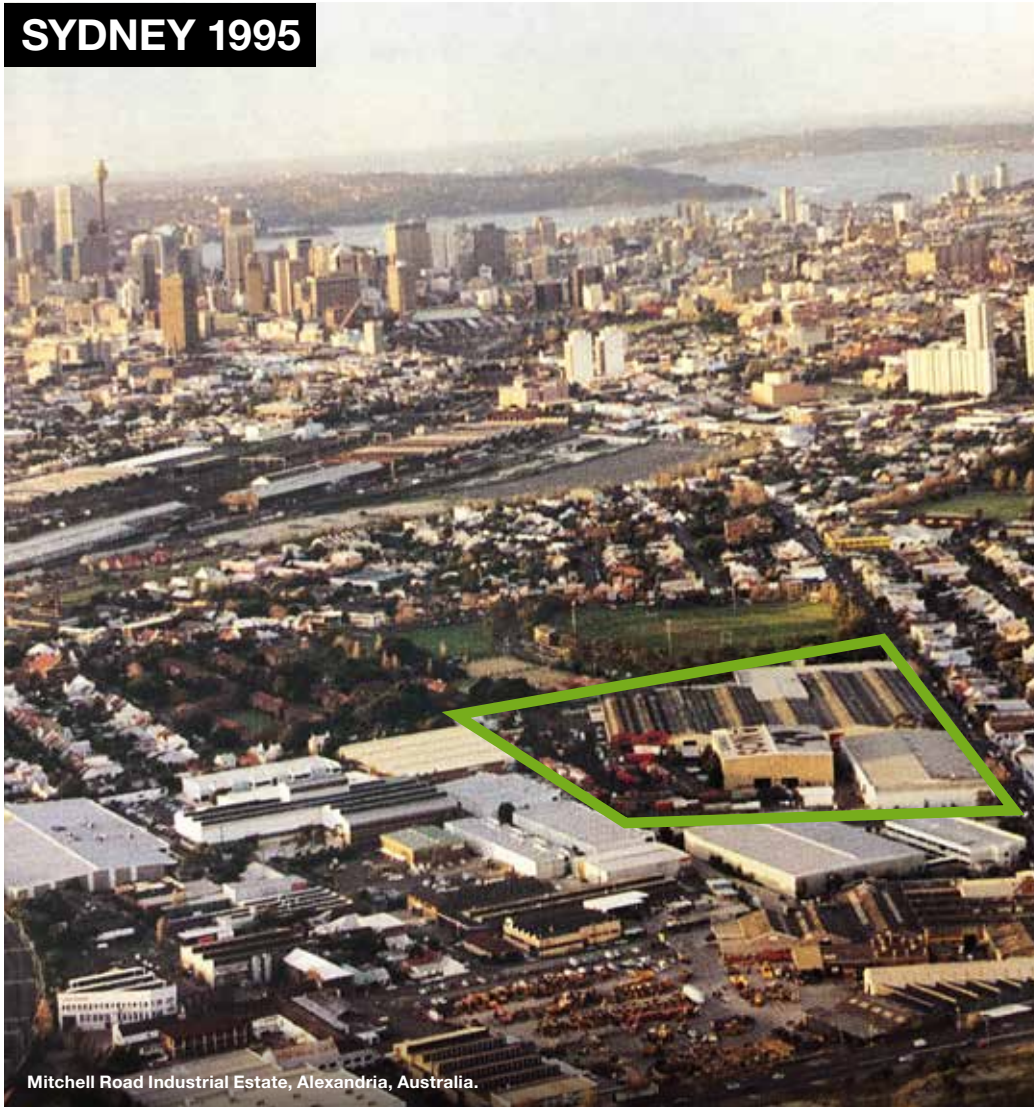
- + \$913 million operating profit, up 7%
- + Statutory profit of \$1 billion+
- + Earnings per share 50 cps, up 7%
- + Dividends 30 cps, up 7%.





# THEN AND NOW

**SYDNEY 1995**



Mitchell Road Industrial Estate, Alexandria, Australia.

**HONG KONG TODAY**



Goodman Interlink, Hong Kong, China.



# MARKET DRIVERS

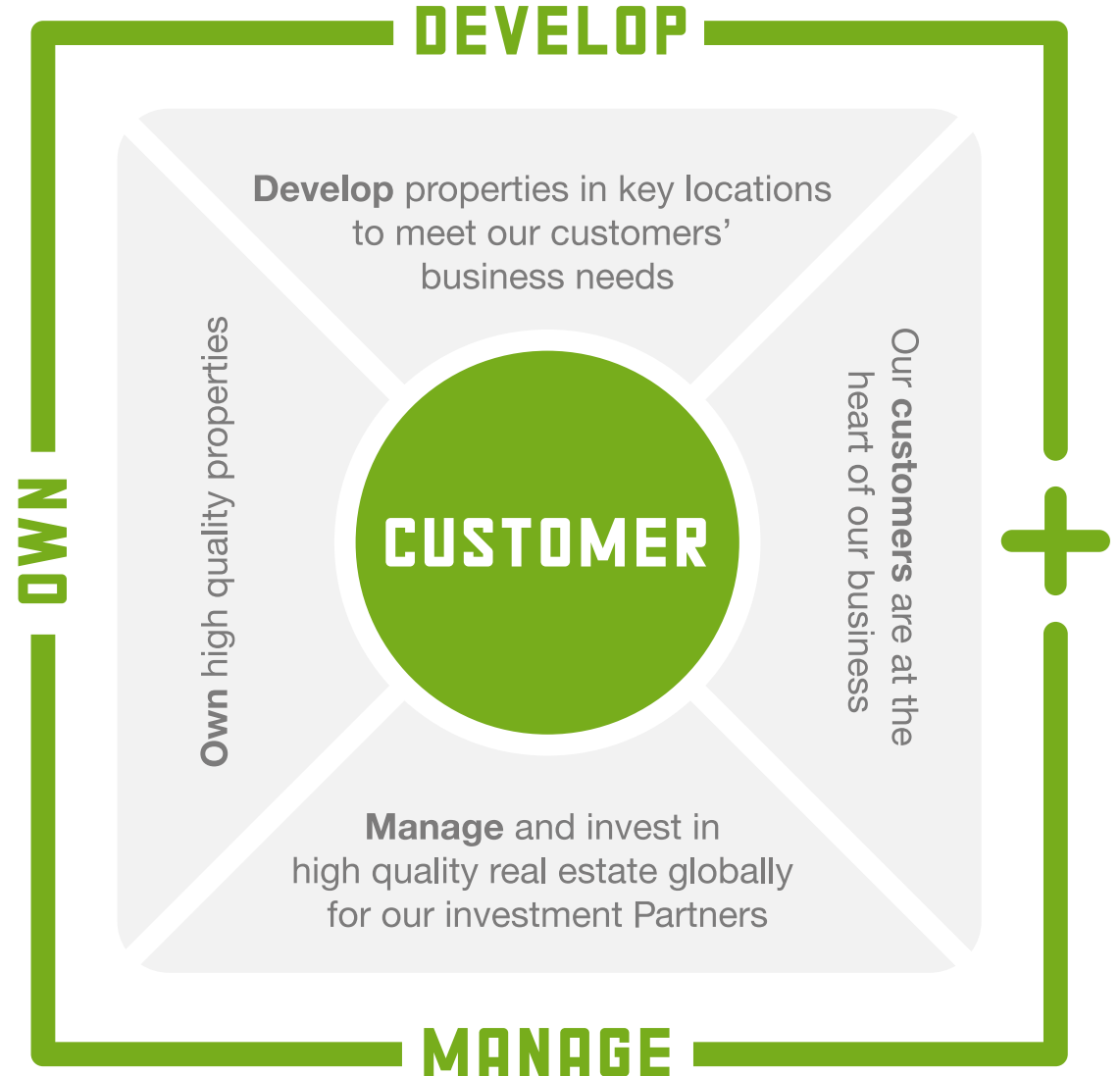
## EVOLUTION OF SUPPLY CHAINS

- + \$US67 billion is expected to be invested in robotics worldwide by 2025
- + High-quality industrial facilities to house investment
- + Location is critical.



# A SUSTAINABLE BUSINESS FOR THE FUTURE

- + Culture is key
- + Customer-centric
- + Long-term focus.



# PURPOSE – MAKING SPACE FOR GREATNESS

## Serving the needs of our:

- + customers
- + people
- + investment partners
- + communities.

**Our strategy continues to take a customer-led approach and develop the best opportunities only in locations where our customers want to be.**

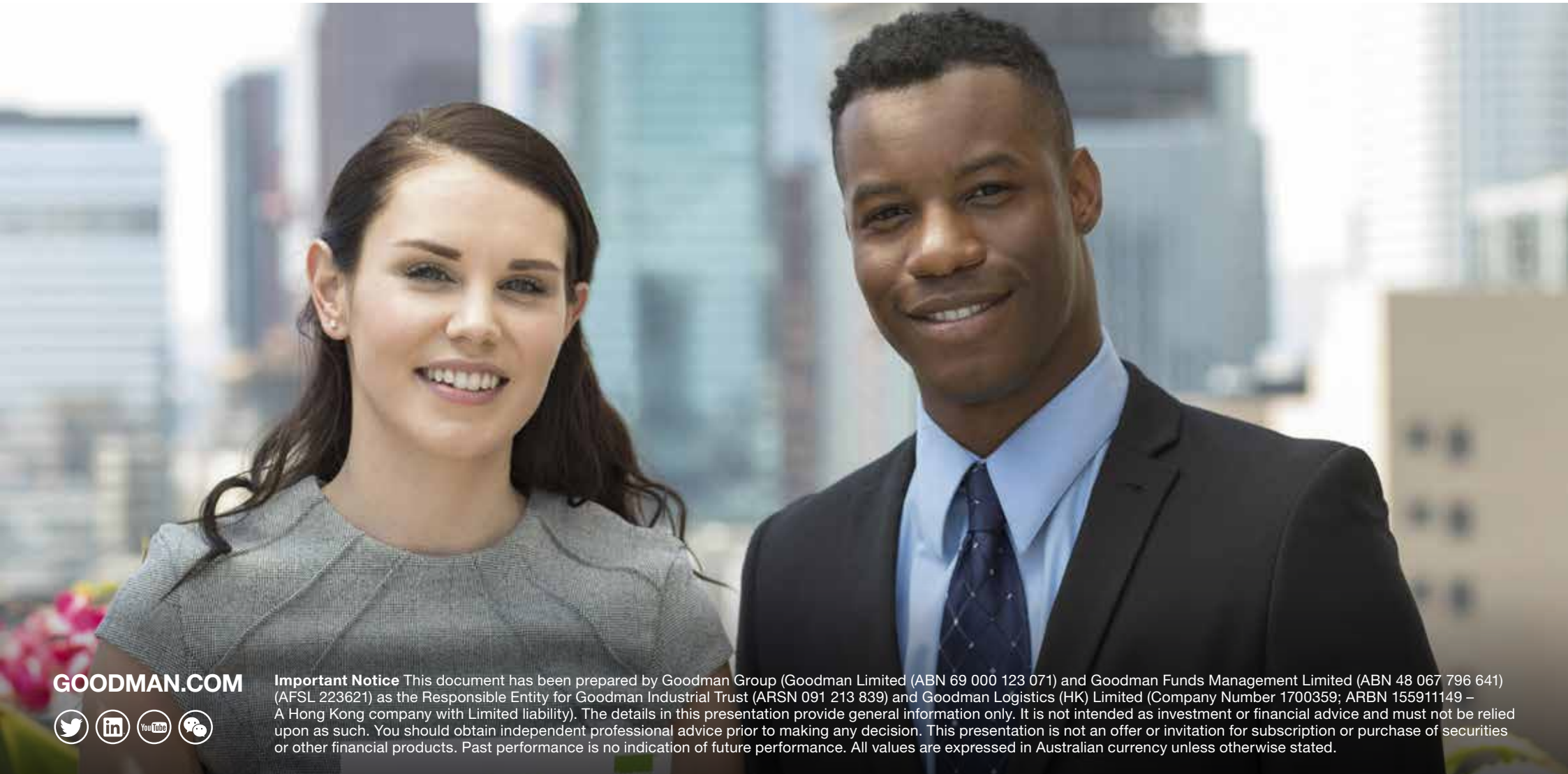


Making space for greatness.





# THANK YOU



**GOODMAN.COM**



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## **CEO'S ADDRESS**

### **GOODMAN GROUP – ANNUAL GENERAL MEETINGS**

**15 NOVEMBER 2017 AT 10:00AM**

Thank you Ian and good morning ladies and gentlemen.

Goodman continues to deliver strong results and we're on track for another good year, with a positive business environment, a solid strategy, and a strong team.

Ian has pointed out the strong year we've had, so I'll focus on the year we're having, and the outlook ahead.

With the Group's portfolio located in key urban centres, we are seeing consistently high occupancy at 98%, increased rental growth of more than 3%, and higher valuations in our markets. Our locational focus is paying off.

We will continue to grow organically as our developments continue to be a major source of opportunity around the world. Our development work in progress stands at \$3.6 billion and is expected to gather momentum this year, as key sites in several countries come on line. We're set to develop out our \$10 billion pipeline over the next few years, which will continue to be replenished incrementally.

Our funds management business continues to grow strongly with assets under management in the Partnerships at approximately \$37 billion. We should see robust growth in this area with the continuation of developments and sustained valuation momentum. As a result, total assets under management for the Group are set to surpass \$40 billion this year.

We're well on track to achieve our financial targets. As announced in August, we're forecasting \$913 million operating profit for FY19. Our estimated distribution of 30 cents per security is up 7% on FY18.

In the current environment, we will continue to be conservative with our capital position, with low gearing and strong liquidity.

Goodman has grown from a company that listed in 1995 with assets of \$70 million based in Sydney and a market cap of around \$50 million, to a be top 20 ASX listed company with almost \$40 billion in assets in 17 countries, and a market cap of more than \$19 billion. Over 60% of our earnings are now generated outside of Australia so we can truly say that we are an international company, with a world of opportunities.

We are constantly evaluating our strategy and keeping abreast of changes influenced by technology and other market drivers.

More than US\$67 billion is expected to be invested in robotics worldwide by 2025. For our customers, who are investing heavily in technology, having high-quality industrial facilities that are designed to house this investment and that are close to consumers, is a key component of their strategy.

As customers continue to increase investment in the evolution and efficiency of their supply chains, the demand for high-quality industrial facilities in key urban centres continues to grow. Goodman is benefiting from these significant structural trends due to the quality and location of our global portfolio.

While we're very pleased with our results, we are conscious that it's not just what we do, but how we do it – our culture is important. We're looking beyond the short-term financial metrics to ensure we build a sustainable business for the long-term.

For the last 20 or so years, our vision was to be global experts in the industrial property sector, while putting our customers at the centre of our business. I'm proud that we've been successful in doing this thanks to the drive and passion of our people, many of whom have been with Goodman for more than 15 years.

But we also need to keep broadening our view.

To take Goodman into its next phase of growth, we need to think more broadly about the environment we're operating in and our stakeholders, especially our customers, and make space for us all to succeed. That's why our mission or purpose has evolved to "making space for greatness."

So what does that mean?

For us this means being completely focused on serving the needs of all our stakeholders – our customers, our people, our investment partners, as well as our communities.

At Goodman, we want to attract like-minded companies as customers, where we provide logistics space for the world's greatest ambitions and allow them to grow and be successful. We also want to attract people who want to reach their potential as part of our team, who can challenge our thinking and come up with new and innovative ideas to carry us into the future.

Making space for greatness made its debut in the Stakeholder Review and Annual report. The little girl on the front cover represents our customer's customer, she also represents the future, a potential customer or even one of our own people.

It's a reminder that we need to develop a genuine understanding of what our customers need and the challenges that they face when going about our business.

This is not a change, rather it's an evolution. Our strategy continues to take a customer-led approach and develop the best properties only in locations where our customers want to be.

In closing, Goodman is a long-term player and by taking a long-term approach and building a sustainable business, we will continue to provide our investors with long-term returns, and at the same time contribute to our customers' success.

While we will face challenging times ahead in this ever-changing world, we are also presented with many opportunities. I believe that our mission and strategy provide a strong platform for us to move forward in a way that is relevant, and importantly delivers for all our stakeholders.

I want to leave you with this video - that really brings our purpose to life. It's an embodiment of what we believe, and is designed to share our vision, inspire, and attract like-minded people around the world.

Thank you