

# Axiom Properties Limited

AGM Presentation

21 November 2018

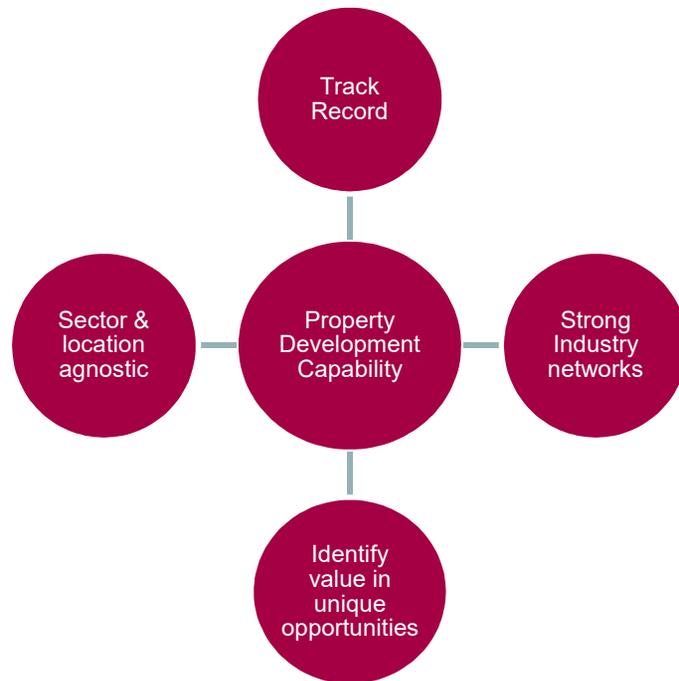
# Agenda

## **Axiom Properties Limited History**

Highlights of the Past Year

Axiom Current Projects

# Axiom Properties Limited



- ASX listed property development company (ASX code: AXI).
- Strong track record of creating and delivering large scale, institutional-grade property across Australia.
- Project diversity has included shopping centres, large format retail centres, office buildings, medical centres, childcare centres, broad acre subdivisions and apartments.
- Efforts are focused on where we believe we are uniquely positioned to leverage our expertise, relationships and local knowledge.
- Strong networks: Government (both Federal and State) and Industry (Member of the Large Format Retailers Association, other national and international major retailers, Institutions).
- Track record of delivering for its shareholders, investors/JV partners.
- Consistently grown NTA through equity-protected and risk mitigated development opportunities.
- Management assessment of NTA far exceeds Reported/Statutory NTA.

# AXIOM OVERVIEW

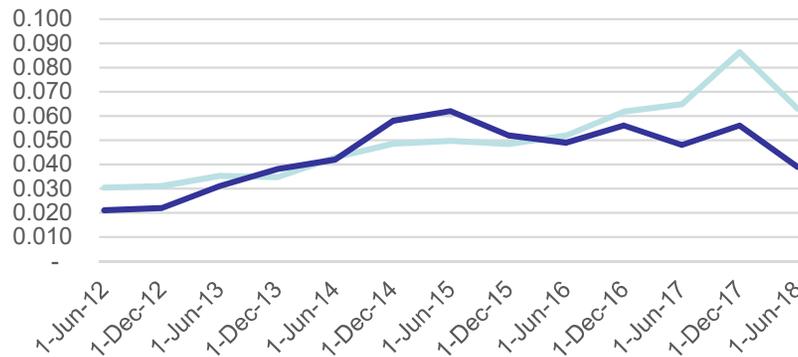
## Capital Structure

Share Price (cents) as at 18 Nov 2018	4.4
Fully Paid Ordinary Shares (m)	433.83m
Market Capitalisation (\$m)	\$19.09m

## Major Shareholders

Pivot Group	35.81%
Oriental University City Holdings	18.96%
Ben Laurance	15.94%

## NTA per Share



	30-Jun-12	31-Dec-12	30-Jun-13	31-Dec-13	30-Jun-14	31-Dec-14	30-Jun-15	31-Dec-15	30-Jun-16	31-Dec-16	30-Jun-17	31-Dec-17	30-Jun-18
NTA per Share	0.03	0.03	0.03	0.03	0.04	0.04	0.05	0.04	0.05	0.06	0.06	0.08	0.06
ASX Price	0.02	0.02	0.03	0.03	0.04	0.05	0.06	0.05	0.04	0.05	0.04	0.05	0.03

Note: Decrease in 30 June 2018 NTA attributable to 2.0 cent capital return

## Directors & Senior Management

Ian Laurance A.M.	Independent Chairman
Ben Laurance	Managing Director
Professor John Howe	Independent Director
Liu Ying Chun	Independent Director
Doris Chung Gim Lian (Alternate)	Independent Director
Paul Santinon	CFO & Company Secretary
Paul Rouvray	General Manager
Anthony Lombardo	Development and Investment Manager

# Our Development & Investment Approach

## ORIGINATION

### Selective Evaluation and Acquisition

Continual evaluation of target markets to determine the unique opportunities and themes that we believe will deliver superior risk-adjusted returns.

## INCUBATION

### Risk Mitigation

Seek to manage and mitigate all risk elements of a development life-cycle through efficient use of capital and hands-on management of all aspects.

## CREATION

### Active Management

Active, hands-on approach throughout the construction, leasing and financing stages of development, leveraging deep expertise and experience of executive team and development team.

## OPTIMISATION

### Partner and Divestment Strategy

Ability to attract strong industry and institutional capital partners where appropriate. Continual evaluation of market and sector dynamics to optimise value transfer throughout development and investment phases.

# Past & Current Projects

Date	Project	Region	Type	Description	Value (\$m)
<b>Past Projects</b>					
Apr-08	100 St George's Tce	Perth CBD, WA	30,000 sq.m Office	Mixed Use Development, retail, carparking, Office	230
Dec-09	Gepps X	Metro Adelaide, SA	62,000 sq.m Large Format Retail	One of Australia's largest integrated Homemaker Centres	160
Apr-10	The Age	Melbourne CBD, VIC	Large land holding, mixed use	The former "Age" headquarters, in JV with ISPT	70
Dec-10	Worldpark Stage 1	Fringe CBD, Adelaide SA	12,000 sq.m Green Office Campus	Stage 1 of 3 office building, fully leased	48
Dec-11	Churchill South Stage 1	Metro Adelaide, SA	12,000 sq.m Large Format Retail	Bunnings Warehouse	18
Jul-14	Churchill North Stages 1 & 2	Metro Adelaide, SA	30,000 sq.m Retail Centre	Sub-regional Shopping Centre incl. Costco, Coles, Kmart	70
Oct-15	Churchill South Stages 2 & 3	Metro Adelaide, SA	10,000 sq.m Large Format Retail and pad sites	Mixed Use retail precinct and fast food restaurants	22
Apr-16	Churchill North 3	Metro Adelaide, SA	Expansion to 40,000 sq.m Retail Centre	Sub-regional Shopping Centre (Expansion of Centre)	20
<b>Total</b>					<b>638</b>
<b>Current Projects</b>					
Current	Worldpark Stage 2 & 3	Fringe CBD, Adelaide SA	24,000 sq.m Green Office Campus	Stages 2 & 3 office buildings, seeking pre-commitments	125
Current	Mt Barker Residential	Metro Adelaide, SA	Residential Sub-division	600 Lot Residential Sub-division in Adelaide	120
Current	Double Bay Mixed-Use	Sydney, NSW	35,000 sq.m Mixed Use	Cinema, Retail, Parking and Residential Apartments	250
Current	Churchill North Stage 4	Metro Adelaide, SA	7,500 sq.m Retail Centre	Stage 4 expansion of Shopping Centre	20
Current	New Opportunity	Metro Perth, WA	15,000 sq.m Large Format Retail Centre	Currently under Due Diligence	40
Current	Currie St JV	Adelaide CBD	30,000 sq.m Mixed Use commercial/hotel	Mixed Use Hotel, Office and Retail	150
Current	New Opportunity	Sydney CBD	200+ Room Lifestyle Hotel & Retail	Currently under review	150
Current	Richmond Hotel	Richmond, Western Sydney	Hotel Accommodation	120 Room Hotel	20
<b>Total</b>					<b>875</b>

# Agenda

Axiom Properties Limited History

**Highlights of the Past Year**

Axiom Current Projects

# Highlights of the Past Year

- Settlement of sale of Churchill South Large Format Retail Centre for \$22.350m in September 2017;
- Commencement and Completion of Stage One “Glenlea Estate”, Mt Barker residential sub-division;
- Sale of the Company’s 50% interest in Churchill North Sub-Regional Shopping Centre for \$42.5m;
  - Company retains ~35% of units in Purchasing Trust;
  - Company retains Development Rights to subsequent development stages;
- Returned \$8.543m of capital back to Shareholders in the form of a 2.0c per share capital return;
- Announced 6<sup>th</sup> consecutive profit with NPAT of \$8.455m;
- Continued to source and evaluate new projects across key markets:
  - Projects under review or Due Diligence include:
    - Large Format Retail Project in Perth, WA
    - 200+ Room “Lifestyle” Hotel and associated retail in Sydney CBD

# Agenda

Axiom Properties Limited History

Highlights of the Past Year

**Axiom Current Projects**

# Mixed Use Development, Double Bay, NSW

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- Mixed-use project in joint venture with national construction and development group Built.
- Double Bay is an exclusive harbour front suburb in the Eastern Suburbs of Sydney.
- Axiom/Built selected by Council to redevelop their land after an exhaustive 2 year EOI campaign.

# Mixed Use Development, Double Bay, NSW



- Public Private Partnership with Woollahra Council.
- Consistent with Woollahra Council's long-held ambitions to revitalise the Double Bay suburb.
- Project will convert 3,800 sq.m Cross St carpark site into multi-screen cinema complex, retail, commercial, car parking, and residential apartments.
- Palace Cinema to operate multi-screen cinema component on long term lease basis.
- JV currently negotiating Project Development Agreements and Planning Approvals with Council.
- Project consistent with Council's stated objectives of revitalising Double Bay and promoting and increasing activities in the Double Bay Commercial Centre.

# Mixed Use Development, Double Bay, NSW

## Mixed Use Project, Double Bay



## Property Details

<b>Location</b>	Cross Street, Double Bay
<b>Region</b>	New South Wales
<b>Asset Class</b>	Mixed Use
<b>Land area (sqm)</b>	3,800 sqm
<b>Project Mix (sqm)</b>	85+ Apartments 1,000 sqm Retail 2,000 sqm Cinema 400+ Parking Bays
<b>Current Zoning</b>	Mixed Use
<b>Project Status</b>	Project documents under negotiation Pre DA
<b>Construction Commence</b>	Estimated Jun 2020
<b>Completion Date</b>	Estimated Jun 2023
<b>End Value GRV (\$)</b>	Estimated \$250 million+

# Churchill North Shopping Centre, Adelaide



- Following the settlement of sale of the Company's 50% interest in the Centre in April 2018, Axiom retains a ~35% interest in the purchasing Trust;
- Axiom retains the development rights to subsequent development stages of the surplus land;
- Ability to develop another ~5,000 sq.m of retail;
- Construction commenced on Super Cheap Auto 1,081 sq.m large format retail box on pad site long term lease – Axiom developing on behalf of the Owners;
- Investment in purchasing Trust provides Axiom with long term stable income stream.

# Churchill North Shopping Centre, Adelaide

Churchill Shopping Centre



## Property Details

<b>Location</b>	Churchill Road, Kilburn
<b>Region</b>	South Australia
<b>Asset Class</b>	Retail
<b>Land area (sqm)</b>	17.85 ha
<b>Net lettable area (sqm)</b>	45,000+ sqm
<b>Current Zoning</b>	Retail
<b>Project Type</b>	Sub-regional Shopping Centre Investment Development exposure through expansion
<b>Project Status</b>	Stage 4 DA lodged
<b>Construction Commence</b>	N/A
<b>Completion Date</b>	Development activities ongoing
<b>Current Investment Holding (%)</b>	~35%
<b>Current Investment Value</b>	\$6.75m

# WorldPark, Adelaide, SA



- The conception and development of “Worldpark”, a Green Office campus situated on 3 hectares of land on Adelaide’s CBD fringe on Richmond Rd, Keswick, SA.

# WorldPark, Adelaide, SA



- Stage One involved the delivery of a \$46million, 12,000 sq.m. boutique office building boasting 5 star Green credentials and setting a new benchmark in Adelaide for this style of office development. The Stage One building was completed well within time and budget and is occupied by Coffey International, Genessee and Wyoming Australia, and SA Government (Safework SA).
- Balance of development incorporates another 2 boutique office buildings.
- Axiom currently in pre-leasing phase to secure sufficient anchor tenants.

# WorldPark, Adelaide, SA

WorldPark, Adelaide



## Property Details

Location	Keswick, Adelaide
Region	South Australia
Asset Class	Office
Land area (sqm)	1.6 ha
Net lettable area (sqm)	24,000 sqm
Current Zoning	Commercial
Project Type	Office Campus
Project Status	DA approved
Construction Commence	On sufficient pre-commitment
Completion Date	N/A
Current Book Value - AXI	\$7.25m
Current Debt – AXI	Nil
AXI Equity Value (\$)	\$7.25 million

# Glenlea Estate, Mt Barker, SA



- Residential land subdivision in joint venture (50/50) with local prominent Mt Barker family.
- Mt Barker is located in the Adelaide Hills, 35kms south east of Adelaide CBD accessed from Adelaide via the South Eastern Freeway.
- Mt Barker is a large and rapidly expanding centre of business, retail and service activities.

# Glenlea Estate, Mt Barker, SA



- Mt Barker was identified by the Department of Planning and Infrastructure some years ago as a major growth area, and was earmarked for expansion within the Government's 30 year plan for Greater Adelaide.
- Mt Barker has benefited from recent Government expenditure on infrastructure, including freeways and vehicle interchanges.
- Current population of 13,842 residents (ABS Census Data 2016) and anticipated to become one of the largest settlements outside the Adelaide Metropolitan Area with a projected population of around 56,710 people by 2036.
- Project land has an approved masterplan allowing for 600 lots.
- First stage (73 lots) completed September 2018.
- Titles for first lots issued November 2018.

# Glenlea Estate, Mt Barker, SA

## Glenlea Estate



## Property Details

<b>Location</b>	Wellington Road, Mt Barker
<b>Region</b>	South Australia
<b>Asset Class</b>	Residential
<b>Land area (sqm)</b>	48.81 ha
<b>Lot Yield</b>	600 Lots
<b>Current Zoning</b>	Residential Neighbourhood
<b>Project Type</b>	Land Subdivision/Development
<b>Project Status</b>	DA Approved
<b>Construction Commence</b>	Feb 2018
<b>Completion Date</b>	First stage Sep 2018
<b>Gross Realisable Value (100%)</b>	Estimated \$120 million
<b>Current Valuation of Land</b>	\$15 million
<b>Axiom interest (50%)</b>	\$7.5 million

# Mixed Use Development, Adelaide, CBD



- Joint Venture Agreement with the owners of a strategic site in the heart of Adelaide's CBD.
- Development is expected to include a lifestyle hotel, retail, commercial office and associated ancillary uses.



# Mixed Use Development, Adelaide, CBD



- 1,238 sq.m site.
- Located adjacent to the Government's vibrant city key laneway and street transformation projects, offering thriving food and wine precincts in the middle of the main working hub in Adelaide.
- Close proximity to the redeveloped Adelaide Oval, new Royal Adelaide Hospital and Adelaide and University of South Australia new medical precincts.
- Axiom has Joint Venture right to 50% interest in the site and its development
- Exciting CBD development, end value expected in excess of \$150m
- DA expected to be lodged early CY2019

# Hotel Development, Richmond, Western Sydney



- Axiom has entered into an agreement to purchase a 2,212 sq.m site on the corner of Francis and East Market Streets in Richmond, Western Sydney from the Richmond Club, one of New South Wales' longest standing ex-servicemen's clubs, for a high-quality 120 room hotel development.

# Hotel Development, Richmond, Western Sydney



- Axiom and hotel operator (Estilo Group) entered into long term ground lease agreement for Estilo to develop hotel on land
- Incumbent on Estilo to procure all approvals and undertake construction of hotel on site
- This opportunity gives Axiom a capital-protected exposure to the fast-growing Western Sydney corridor, which is benefitting from a multi-billion-dollar government capital expenditure program on infrastructure.

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