

ANNUAL GENERAL MEETING

OF SHAREHOLDERS 2019

Sunland Group

FY19 Key Results

SUNLAND REMAINS WELL POSITIONED TO CAPITALISE ON THE DELIVERY OF STRATEGIC SITES, PARTICULARLY IN SOUTH-EAST QUEENSLAND AND ACROSS THE GROUP'S SUBSTANTIAL MULTI-STOREY DEVELOPMENT PORTFOLIO.

RESULT AFFECTED BY 1H19 NET REALISABLE VALUE (NRV) ADJUSTMENT OF \$9.0 MILLION AFTER TAX AT BAYSIDE, TOWNSVILLE. UNDERLYING CONTRIBUTION ACCEPTABLE.

- Statutory Net Profit After Tax of \$17.7 million (2018: \$34.7 million).
- Earnings per share 13.0 cents¹.
- Underlying contribution from operations \$26.7 million.
- Total value of fully franked dividends 8cps comprising:
 - Interim 4cps paid March 2019
 - Final 4cps September 2019
 - Represents a dividend payout ratio of 62% after the NRV adjustment.
- 237 sales and 382 settlements (2018: 304 sales and 487 settlements).
- Contracted lots in hand total \$228.6 million.
- Group consolidated Net Tangible Assets per share of \$2.56 (2018: \$2.47)².

1. BASED ON CONSOLIDATED ISSUED SHARES AS AT BALANCE DATE.

2. COMMENTARY RELATES TO FINANCIAL YEAR ENDED 30 JUNE 2019 UNLESS OTHERWISE STATED.

FY19 Key Results

CAPITAL MANAGEMENT REMAINS A PRIORITY, BALANCING SHARE BUY BACK, DIVIDENDS, PORTFOLIO REPLENISHMENT AND LEVERAGE IN DELIVERING PROJECTS

- \$19.8 million in new site acquisitions:
 - Carrum Downs (VIC): \$13.0M
 - Maraylya (NSW): \$6.8M.
- Acquired 11.1 million shares for a total value of \$17.7 million under the buyback program.
- This buyback is now complete following the purchase of an additional 4.1 million shares for \$6.5 million during 1H20.
- The combined programs have reduced issued shares by 59% at an average cost of 100 cents per share.
- Gearing 24% debt to assets; 36% debt to equity.
- Balance sheet provides capacity as at 30 June 2019 of \$19.8 million in cash and \$185 million in undrawn working capital.

COMMENTARY RELATES TO FINANCIAL YEAR ENDED 30 JUNE 2019 UNLESS OTHERWISE STATED.

Ordinary Business

MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

REMUNERATION REPORT

OTHER BUSINESS

36 Years of Celebrating Art, Beauty & Community

PORTFOLIO 1983 — 2019

TOTAL NUMBER OF PROJECTS	162
RESIDENCES, UNITS, LOTS & HOTEL ROOMS	30,938
RETAIL & COMMERCIAL ASSETS	13
COMBINED END VALUE	\$11.8 BILLION

National Portfolio

THE GROUP'S PORTFOLIO COMPRISES 4,244 RESIDENTIAL HOMES, URBAN LAND LOTS, MULTI-STOREY APARTMENTS, AND 17,988SQM OF RETAIL, REPRESENTING \$3.0 BILLION.*

MULTI-STOREY	RESIDENTIAL HOUSING	URBAN	TOTAL	RETAIL	TOTAL PORTFOLIO
# 2,102	# 895	# 1,247	# 4,244	M ² 17,988	
\$M 2,047	\$M 579	\$M 243	\$M 2,870	\$M 163	\$B 3.0

Development Portfolio

◇ Completed Projects

▲ Under Construction

TOWNSVILLE

▲ BAYSIDE – BUSHLAND BEACH
URBAN DEVELOPMENT

BRISBANE

▲ KIRKDALE RESIDENCES
RESIDENTIAL HOUSING

▲ THE HILLS RESIDENCES
RESIDENTIAL HOUSING

GOLD COAST

▲ ARBOUR & PARK RESIDENCES
RESIDENTIAL HOUSING

▲ THE LANES RESIDENCES
MULTI-STOREY

▲ 272 HEDGES AVENUE
MULTI-STOREY

▲ THE HEIGHTS
URBAN DEVELOPMENT

▲ MAGNOLI APARTMENTS
MULTI-STOREY

◇ MARINA CONCOURSE
MULTI-STOREY

SYDNEY

▲ MONTAINE RESIDENCES
RESIDENTIAL HOUSING

▲ MARAYLYA
RESIDENTIAL HOUSING

MELBOURNE

○ Future Projects

○ GRACE ON CORONATION
MULTI-STOREY

○ HYDE RESIDENCES
RESIDENTIAL HOUSING

○ 180 MARINE PARADE
MULTI-STOREY

○ GREENMOUNT RESIDENCES
MULTI-STOREY

○ THE LANES
RETAIL

○ INGLESIDE
RESIDENTIAL HOUSING

○ CARRUM DOWNS
RESIDENTIAL HOUSING

Financial Performance

PORTFOLIO

- Projects strategically target the owner-occupier market, with a particular focus on first home buyers and downsizers.
- Contracted lots in hand total 211 with an end value of \$228.6 million.
- Longer approval timeframes are impacting project releases and commencement dates.
- End user finance remains an issue that is affecting buyer confidence – both owner occupiers and investors.
- Combined development portfolio contributed a return on cost of 25% which is above the Group's 20% target.

KEY FINANCIAL HIGHLIGHTS FOR PERIOD ENDING 30 JUNE 2019

	\$M	FY19	FY18
TOTAL REVENUE		282.7	329.9
REVENUE - SALE OF PROPERTY		277.6	321.6
STATUTORY NET PROFIT BEFORE TAX		25.4	48.2
STATUTORY NET PROFIT AFTER TAX		17.7	34.7
TOTAL DIVIDENDS		8.0	11.0

PERFORMANCE INDICATORS

DEVELOPMENT RETURN ON COST		
- LAND AND HOUSING	28%	23%
- MULTI-STOREY	9%	22%
- OVERALL	25%	23%

RETURN RESULTS EXCLUDE THE NRV ADJUSTMENT.

Financial Performance

RESIDENTIAL HOUSING AND URBAN DEVELOPMENT

- The residential housing and urban development portfolio comprises 2,142 products with value \$822 million.
- Residential housing and urban development continued to provide a sound earnings profile and was strategically complemented by the multi-storey portfolio.
- The land and housing portfolio is generally leveraged to 35% of inventory value.

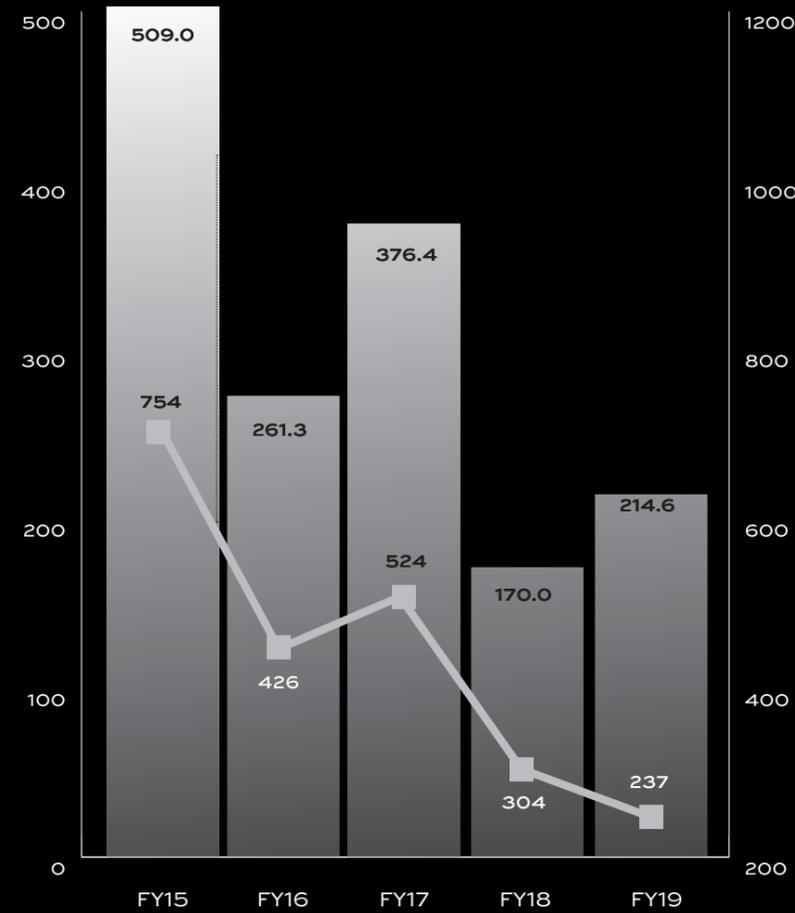
MULTI-STOREY

- The multi-storey portfolio comprises 2,102 products with value \$2,047 million.
- The multi-storey portfolio is strategically focused on projects that are up to 15 storeys with the exception of 272 Hedges Avenue.
- Construction of multi-storey is externally delivered by third party builders.

Operational Review & Sale of Properties

HISTORICAL SALES VALUE AND VOLUME

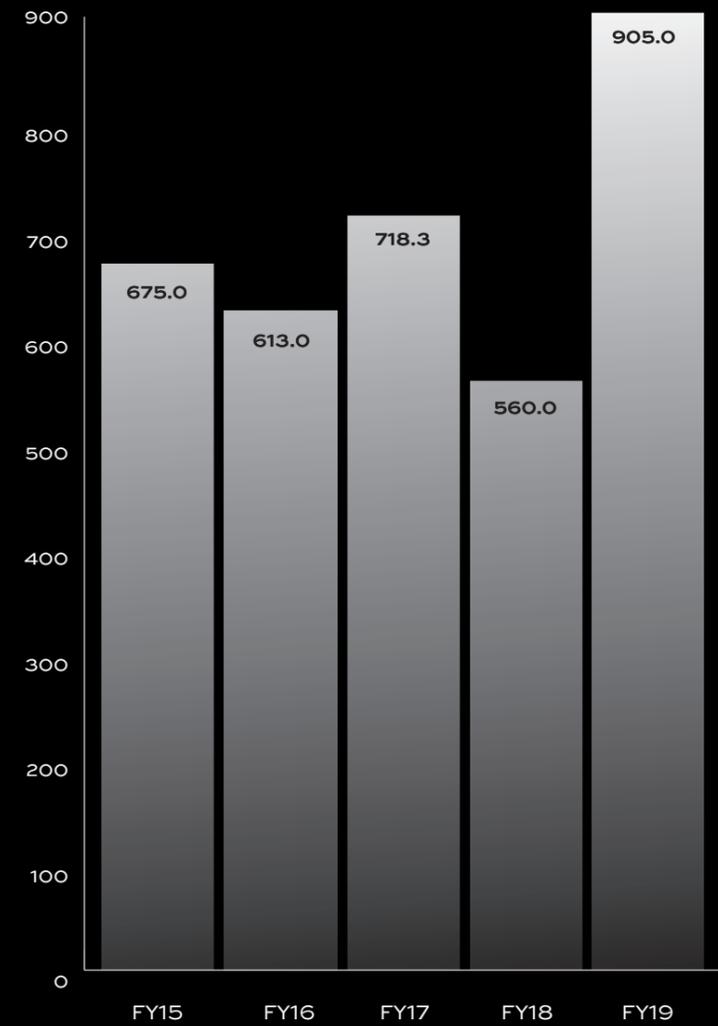
(YEAR ENDING 30 JUNE 2019)



■ SALES VALUE (\$M)
■ NUMBER OF SALES

AVERAGE SALE PRICE

(YEAR ENDING 30 JUNE 2019)



Financial Performance

FUNDING AND CAPITAL

- Buy back strategy has substantially enhanced EPS and NTA per share. Over the last ten years we have observed our NTA increase from \$1.20 per share to \$2.56 per share (113% increase).
- The Group's funding options remain diversified with FIIG note and bank term debt each with a 5-year term. FIIG note has been renewed on 31st October 2019 for a further 5-year term.
- Funding structures are aligned to match short, medium and longer term delivery programs of the development portfolio. The balance sheet provides capacity of \$19.8 million in cash and \$185 million in undrawn working capital.
- Sale of Lakeview Retail and Ingleside properties during 1H20 has generated revenue of \$36.5 million and contributed \$11.3 million net profit after tax.

FY19 Outlook

THE HISTORIC HEADWINDS in the residential sector, evidenced by the slowing sales rate and volume across the sector in FY19, are being offset by recent rate reductions and improved access to finance. We are observing green shoots in market conditions nonetheless the Group remains cautious in the management and delivery of its portfolio.

SUNLAND GROUP'S PORTFOLIO is strategically weighted to the owner-occupier market, with a particular focus on downsizers, first home buyers, and subsequent home buyers.

THE GROUP IS FOCUSED on delivering a stable, consistent performance during a period of continued adjustment and consolidation. This includes a strategic approach to geographic and portfolio diversification and the conservative delivery of our portfolio in line with market conditions whilst identifying opportunities for replenishment.

THE GROUP'S MID-RISE PORTFOLIO will continue to expand as part of an integrated housing strategy that enables us to mitigate risk through staged delivery.

WE REMAIN COGNISANT of the need to maintain a conservative balance sheet and will evaluate all future project releases in line with this approach. Our capital management initiatives, strong balance sheet, and access to capital continues to provide a stable platform from which to maintain profitability and deliver sustainable shareholder returns.

GROUP'S GUIDANCE FOR FY20 sales rates and therefore timing of settlements are difficult to forecast in the current climate. Whilst the Directors are confident FY20 should exceed FY19 results, no guidance is provided for now.

Annexures to Presentation

Portfolio Under Construction

	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
Multi-Storey										
MARINA CONCOURSE, QLD	110	86	64	50	46	36	3	2	43	34
272 HEDGES AVENUE, QLD	98	250	-	-	98	250	67	148	31	102
MAGNOLI APARTMENTS, QLD	210	153	-	-	210	153	42	31	168	122
THE LANES RESIDENCES, QLD	304	245	-	-	304	245	-	-	304	245
SUB-TOTAL	722	734	64	50	658	684	112	181	546	503
Housing										
THE HEIGHTS RESIDENCES, QLD	60	27	59	26	1	-	-	-	1	-
ARBOUR RESIDENCES, QLD	113	48	37	16	76	33	7	3	69	30
PARK RESIDENCES, QLD	12	6	2	1	10	5	2	1	8	4
THE GARDENS, VIC	176	89	174	88	2	1	1	1	1	1
18 MACPHERSON STREET, NSW	79	100	77	96	2	4	1	1	1	3
PAVILIONS, QLD	60	28	56	26	4	1	1	-	3	1
MONTAINE RESIDENCES, NSW	139	89	-	-	139	89	-	-	139	89
MARAYLYA, NSW	15	14	-	-	15	14	-	-	15	14
THE HILLS RESIDENCES, QLD	91	48	-	-	91	48	44	22	47	26
KIRKDALE RESIDENCES, QLD	33	33	-	-	33	33	11	11	22	22
SUB-TOTAL	778	482	405	253	373	229	67	40	306	189
Urban										
BAYSIDE, QLD	624	98	188	33	436	66	-	-	436	66
ONE TREE HILL, QLD	29	31	23	26	6	5	-	-	6	5
THE HEIGHTS, QLD	455	113	373	93	82	21	32	8	50	12
SUB-TOTAL	1,108	242	584	151	524	91	32	8	492	83
TOTAL PROJECTS UNDER CONSTRUCTION	2,608	1,459	1,053	455	1,555	1,004	211	229	1,344	775

Portfolio to be Released

	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	(#)	(M)	(#)	(M)	(#)	(M)	(#)	(M)	(#)	(M)
Multi-Storey										
GRACE ON CORONATION, QLD	236	315			236	315			236	315
180 MARINE PARADE, QLD	99	112			99	112			99	112
THE LAKES, QLD	880	638			880	638			880	638
GREENMOUNT RESIDENCES, QLD	157	239			157	239			157	239
SUB-TOTAL	1,372	1,303			1,372	1,303			1,372	1,303
Housing										
INGLESIDE, NSW	171	179			171	179			171	179
HYDE RESIDENCES, QLD	88	67			88	67			88	67
CARRUM DOWNS, VIC	187	100			187	100			187	100
THE HEIGHTS, QLD	148	65			148	65			148	65
SUB-TOTAL	594	411			594	411			676	411
Urban										
BUSHLAND BEACH, QLD	430	75			430	75			430	75
THE HEIGHTS, QLD	293	77			293	77			293	77
SUB-TOTAL	723	152			723	152			723	152
TOTAL PORTFOLIO TO BE RELEASED	2,698	1,866			2,698	1,866			2,698	1,866

Project Settlement Timeline

PORTFOLIO UNDER CONSTRUCTION

	FY20	FY21	FY22	FY23 & BEYOND
Residential Apartments				
272 HEDGES AVENUE, QLD				
MARINA CONCOURSE, QLD				
MAGNOLI APARTMENTS, QLD				
THE LANES RESIDENCES, QLD				
Residential Housing				
THE GARDENS, VIC				
PAVILIONS, QLD				
KIRKDALE RESIDENCES, QLD				
SHEA RESIDENCES, QLD				
THE HEIGHTS RESIDENCES, QLD				
18 MACPHERSON STREET, NSW				
THE HILLS RESIDENCES, QLD				
PARK RESIDENCES, QLD				
Urban Development				
THE HEIGHTS, QLD				
BAYSIDE, QLD				
ONE TREE HILL, QLD				

NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS AND APPROPRIATE APPROVALS

Project Settlement Timeline

PORTFOLIO TO BE RELEASED

	FY20	FY21	FY22	FY23 & BEYOND
Residential Apartments				
MARINER'S COVE, QLD				
GRACE ON CORONATION, QLD				
180 MARINE PARADE, QLD				
GREENMOUNT RESIDENCES, QLD				
THE LAKES - FUTURE MIDRISE, QLD				
INGLESIDE - ELENORA, NSW				
Residential Housing				
INGLESIDE - ELANORA, NSW				
MONTAINE RESIDENCES, NSW				
THE HEIGHTS - FUTURE HOUSING, QLD				
HYDE RESIDENCES, QLD				
CARRUM DOWNS, VIC				
MARAYLYA, NSW				
Urban Development				
THE HEIGHTS, QLD				
BAYSIDE, QLD				

NB: ANTICIPATED TIMING OF SETTLEMENTS SUBJECT TO DELIVERY PROGRAMS AND APPROPRIATE APPROVALS

Sunland Group