GOODMAN DELIVERS STRONG FIRST QUARTER AS DIGITAL ECONOMY CONTINUES TO GROW

Q1 FY21 OPERATIONAL UPDATE

5 NOVEMBER 2020

The current global environment has reinforced the consumer need for convenience and heightened the use of technology. This has continued to accelerate the adoption of physical infrastructure necessary to support e-commerce, including warehouse and data centre space.

Goodman continues to provide solutions to meet strong levels of customer demand in our markets. This has supported robust underlying portfolio fundamentals and growth in development work in progress which has increased to $7.3 billion.

"COVID-19 continues to disrupt markets. We have adapted the way our business is operating to meet these changes. Importantly we are well positioned to provide opportunities for our customers to meet supply chain requirements".

Customers demand for our sites globally has seen the scale and quality of our development program increase. Development WIP has doubled over the past 12 months with strong levels of pre-commitment and long lease terms being sought by our customers, as they secure essential infrastructure to support their operations.

The Group remains on track for a strong FY21."

– Greg Goodman, Group CEO

KEY HIGHLIGHTS[1]

for the three months to 30 September 2020

+ $51.7 billion total assets under management (AUM)[2]
+ 2.9% like-for-like net property income (NPI) growth in our managed Partnerships[2]
+ 97.8% occupancy across the Partnerships[2]
+ $7.3 billion of development work in progress (WIP) with 83% undertaken in Partnerships
+ $1.7 billion of development commencements
+ Reaffirm forecast FY21 operating earnings per security of 62.7 cents, up 9% on FY20.

$51.7bn	**$7.3bn**	**97.8%**
TOTAL ASSETS UNDER MANAGEMENT	DEVELOPMENT WORK IN PROGRESS	OCCUPANCY

1. All figures in AUD
2. As at 30 September 2020

OWN

Real estate fundamentals in our markets are strong and are expected to support continued leasing activity. Demand is being driven by our customers adapting to the acceleration in online and digital activity and more intensively utilising available space in our markets.

This is translating into strong portfolio performance.

The limited supply in our markets and growing demand is reflected in stable occupancy at 97.8% and continues to support like-for-like NPI growth at 2.9%.

+ Leased 3.4 million sqm across the platform over the 12 months to 30 September, equating to $447.3 million of rent per annum
+ Like-for-like NPI growth of 2.9%
+ WALE of 4.4 years
+ Occupancy of 97.8%

97.8%
OCCUPANCY

3.4m
SQUARE METRES LEASED

4.4years
WALE

LEASING[1]

Region	Leasing area (sqm)	Net annual rent ($M)	Average lease term (years)
Australia / New Zealand	1,288,780	173.9	3.8
Asia	1,317,726	198.9	3.8
UK / Europe	815,565	74.5	6.1
Total	**3,422,071**	**447.3**	**4.2**

Artist's impression – Amazon facility at Oakdale West Industrial Estate, Sydney, Australia.

1. Leasing of stabilised portfolio over the twelve months to 30 September 2020. Excludes development and acquired leases.

DEVELOP

Strong demand from our customers, particularly those engaged in the digital economy, has continued in the first quarter and maintained our confidence to further increase development activity. WIP has grown to $7.3 billion and is expected to increase further in FY21.

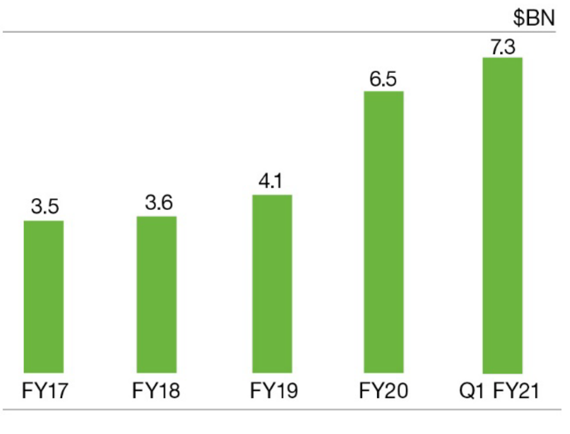
The Group's WIP continues to evolve reflecting the desirability and limited supply of land in our markets. This is resulting in increased scale and intensity of projects, including multi-storey industrial and data centres and longer lease terms which are all contributing to higher values per square metre. Yield on cost has remained stable at 6.7%.

We continue to incrementally acquire sites globally to complement our existing development opportunity set.

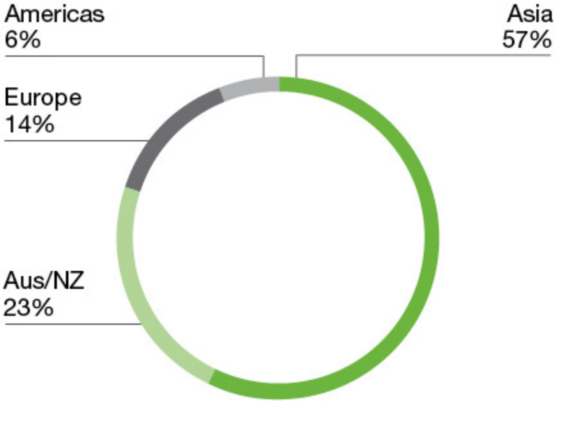
- At 30 September 2020, development WIP of $7.3 billion across 47 projects. Forecast yield on cost of 6.7%
- Continued capital partnering of projects with 83% of current WIP being undertaken within Partnerships or for third parties
- Development commencements of $1.7 billion with 62% pre-committed[1]
- Development completions of $0.9 billion with 92% leased[1]
- Long WALE on pre-committed projects of 14.9 years.

Q1 FY20 Developments	Completions[1]	Commencements[1]	Work in progress
Value ($bn)	0.9	1.7	7.3
Area (m sqm)	0.4	0.5	2.0
Yield (%)	6.5	6.4	6.7
Pre-committed (%)	92	62	77
Weighted average lease term (years)	14.4	14.3	14.9
Development for third parties or Partnerships (%)	86	78	83
Australia / New Zealand (%) of WIP	19	9	23
Asia (%) of WIP	8	52	57
Americas (%) of WIP	26	0	6
UK / Europe (%) of WIP	47	39	14

Development WIP



Work in progress as at 30 September 2020



1. For the three months to 30 September 2020

MANAGE

AUM stable at $51.7 billion with development progress, completions of $0.9 billion and positive revaluations offsetting asset sales.

Current strong levels of demand from the capital markets for logistics real estate is expected to continue to support pricing, with further cap rate compression likely near term.

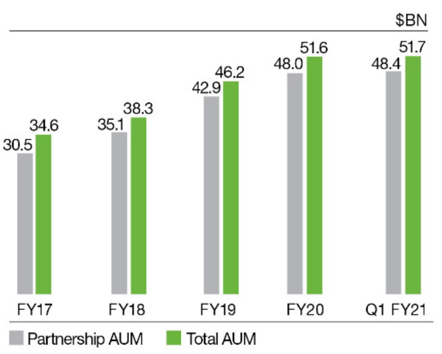
These conditions, combined with positive rental growth and high occupancy, should deliver ongoing valuation growth across the portfolio and underpin total returns in FY21.

The capital position of the Partnerships remains strong with significant liquidity and low leverage.

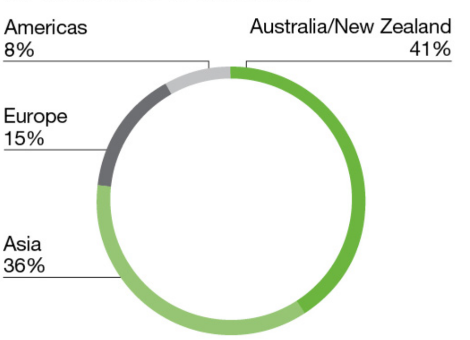
+ Partnerships exceeding benchmark returns
+ Strong transactional activity through the quarter indicating cap rate compression

+ AUM growth driven by:
  – revaluation gains
  – development completions and net acquisitions

Assets Under Management



Total AUM by geography



	GAIP Australia	GHKLP Hong Kong	GEP Europe	GCLP China	GAP Australia	GNAP USA	GJCP Japan	GMT[2] New Zealand	GUKP UK
Total assets	$9.1bn	$8.8bn	$5.8bn	$5.1bn	$4.7bn	$4.2bn	$3.8bn	$3.1bn	$0.9bn
GMG co-investment	29%	20%	20%	20%	20%	55%	15%	21%	33%
GMG co-investment	$1.8bn	$1.5bn	$0.7bn	$0.7bn	$0.7bn	$1.9bn	$0.4bn	$0.5bn	$0.3bn
Number of properties	100	11	90	36	34	17	16	11	7
Occupancy[1]	95%	98%	98%	97%	97%	100%	100%	99%	100%
Weighted average lease expiry[1]	4.5 years	3.2 years	4.9 years	3.1 years	3.9 years	7.3 years	3.0 years	5.5 years	9.1 years

$48.4bn
EXTERNAL ASSETS UNDER MANAGEMENT

83%
DEVELOPMENT IN PARTNERSHIPS OR FOR THIRD PARTIES

346
PROPERTIES IN PARTNERSHIPS

1. WALE and Occupancy of stabilised portfolio as at 30 September 2020
2. GMT: Results are for the year ended March 2020 as reported to the New Zealand Stock Exchange

OUTLOOK

COVID-19 continues to disrupt markets. We have adapted the way our business is operating to meet these changes and have introduced flexible working arrangements for our people globally to prioritise their safety, while at the same time facilitating the ongoing operations of the business.

The logistics and warehousing sectors globally continue to play an important role, providing essential infrastructure for the digital economy and enabling distribution of products to consumers. This has lead to high utilisation of warehouse space, occupancy at 97.8% and continued rental growth.

Physical real estate solutions are evolving with structural change and Goodman is facilitating this through its growing development program. We are experiencing strong growth from existing customers and new online operators. This is reflected in increased development WIP of $7.3 billion and expected further growth in WIP through FY21.

The Group retains a significant cash balance, liquidity, a strong balance sheet and continues to retain profits to fund its share of future capital commitments. In addition, the Partnerships have significant financial capacity to support the development program and resulting strong growth in AUM over the next few years.

We reaffirm our earnings guidance for full year FY21 at 62.7cps, up 9% on the prior year, and full year distribution of 30cps.

Authorised for release to the ASX by Carl Bicego, Company Secretary and Group Head of Legal.

ABOUT GOODMAN

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe, the United Kingdom, North America and Brazil. Goodman Group, comprised of the stapled entities Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist investment managers of industrial property and business space globally.
Goodman's global property expertise, integrated own+develop+manage customer service offering and significant investment management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.

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