

ANNUAL
GENERAL MEETING
OF SHAREHOLDERS 2020

Sunland Group

FY20 KEY RESULTS

HEADLINE RESULT AFFECTED BY INVENTORY
ADJUSTMENTS OF \$13.9 MILLION AFTER TAX.

- Statutory Net Profit After Tax of \$2.4 million (2019: \$17.7 million).
- Underlying earnings of \$16.3 million after tax (2019: \$26.7 million).
- Statutory earnings per share 1.8 cents and underlying earnings per share 12 cents¹ (2019: 12 cents and 19 cents respectively)
- Total value of fully franked dividends 10cps comprising (2019: 8cps):
 - › Final dividend 7cps paid September 2020
 - › Special dividend 3cps paid September 2020
- 357 sales and 236 settlements (2019: 237 sales and 382 settlements).

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

ORDINARY BUSINESS

MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

REMUNERATION REPORT

CONSTITUTION

OTHER BUSINESS

SUNLAND GROUP STRATEGIC PLAN

- On 20 October 2020 Directors announced that it had undertaken a strategic review of its operations.
- Sunland intends to sell certain inventory which is not currently under development; and complete development of certain other projects.
- The implementation phase will be approximately three years, with the intention to convert assets to cash, repay all liabilities and returning net asset value to its shareholders.
- The objective is to return to shareholders the current net asset value of approximately \$2.56 per share (internal estimate as at 30 June 2020) by way of progressive dividends and capital payments.

HISTORICAL OVERVIEW

OVER THE PAST TEN YEARS, THE DIRECTORS
HAVE FOCUSED ON THE FOLLOWING:

- Delivering stable, consistent performance during a period of continued adjustment and consolidation in market cycles.
- Execution of a risk management program aimed at reducing business and operating risks to assist with such endeavours.
- Initiatives implemented by Sunland Group have included:
 - › Share buy-back programs - reduced issued shares from some 320 million to 133 million
 - › Dividend program.
 - › Counter-cyclical acquisition and sale of inventory.
 - › Outsourcing of multi-storey construction.
 - › Reduction of capital and funding requirements due to smaller mid rise projects.
- Approximately \$680 million has been allocated in order to achieve these initiatives.

PROGRAM FOR REALISING NET ASSETS

CURRENT DEVELOPMENT ACTIVITIES

- Approximately 70% of the Group's inventory value is currently under development.
- Projects are to be completed over the course of financial years ending 30 June 2021, 2022 and 2023.

NEW DEVELOPMENT ACTIVITIES

- There will be a limited number of further projects which will commence development.

SALE OF COMPLETED INVENTORY

- The portfolio comprises completed unsold stock which are intended to be sold under usual commercial arrangements.

PORTFOLIO

- ◆ Completed Projects
- ▲ Under Construction
- Future Construction

BRISBANE	○	KENMORE RESIDENTIAL HOUSING
	◆	THE HILLS RESIDENCES RESIDENTIAL HOUSING
GOLD COAST	◆	ARBOUR & PARK RESIDENCES RESIDENTIAL HOUSING
	▲	272 HEDGES AVENUE MULTI-STOREY
SYDNEY	◆	MAGNOLI APARTMENTS MULTI-STOREY
	▲	THE LANES RESIDENCES MULTI-STOREY
	○	THE LANES STAGE 1 MULTI-STOREY
	○	THE LANES STAGE 2 MULTI-STOREY
	○	THE LANES RETAIL RETAIL DEVELOPMENT
	◆	MARINA CONCOURSE MULTI-STOREY

PROGRAM FOR REALISING NET ASSETS

SALE OF UNDEVELOPED INVENTORY

- Approximately 30% of the Group's inventory value is currently not under development, awaiting final concept designs or pending development approval for intended schemes.
- These assets are intended to be placed on the market through appropriate channels and sold at market price in a orderly fashion.

RECENT ASSET SALES

Sunland Group has traditionally taken a counter cyclical approach and the Group continues to take advantage of market conditions, which recently has seen strong demand for development land despite the current economic uncertainty being experienced.

- The Group sold properties including:
 - › Development land at Ingleside (New South Wales).
 - › The Heights (Queensland) and The Lakes Retail (Queensland).
 - › Mariners Cove development site (Queensland).
- These sales have totalled approximately \$65 million which funds have been used by the Group to reduce debt, although further financial accommodation may be made available to assist the Group in the delivery of the current portfolio and strategy.
- Further project assets contracted for sale include: One Tree Hill, Royal Pines Resort (QLD), Lanes Childcare (QLD), Heights Development Land (QLD), Marine Parade Labrador (QLD).
- Net proceeds of these sales total \$31.3 million with after tax profit contribution of \$2.9 million.
- Strong appetite is evident for all other project assets available for sale.

OUTLOOK

- Property market post COVID-19 remains sound, supported by Government stimulus and as evidenced by an increase in sales activity.
- Proposed asset sales support Net Tangible Asset value.
- Increase in sales activity has been evident for completed and newly released stock.
- Interim dividend to be considered and announced with 1H21 results in February 2022.
- Board of Directors are not providing guidance at this time.

ANNEXURES TO PRESENTATION

PORTFOLIO UNDER CONSTRUCTION

AS AT 31 OCTOBER 2020

	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI-STOREY										
MARINA CONCOURSE, QLD	110	83	82	63	28	20	11	8	17	12
MAGNOLI APARTMENTS, QLD	210	152	94	66	116	86	61	45	55	41
THE LANES RESIDENCES EAST, QLD	150	126	0	0	150	126	24	20	126	106
THE LANES RESIDENCES WEST, QLD*	150	122	0	0	150	122	0	0	150	122
272 HEDGES AVENUE, QLD	98	257	0	0	98	257	88	205	10	52
SUB-TOTAL	718	740	176	129	542	611	184	277	358	334
HOUSING										
ARBOUR RESIDENCES, QLD	113	49	76	33	37	16	19	8	18	8
THE HILLS RESIDENCES, QLD	91	48	48	26	43	23	43	23	0	0
KIRKDALE RESIDENCES, QLD	33	33	25	25	8	8	6	6	2	2
MARALAYA, NSW	15	13	10	9	5	4	4	3	1	1
MONTAINE RESIDENCES, NSW	139	92	0	0	139	92	65	43	74	50
SUB-TOTAL	391	236	159	92	232	144	137	83	95	61
URBAN										
THE HEIGHTS, QLD	499	159	450	145	49	14	27	7	22	7
SUB-TOTAL	499	159	450	145	49	14	27	7	22	7
TOTAL PROJECTS UNDER CONSTRUCTION	1608	1,134	785	366	823	768	348	367	475	401

* THE LANES WEST TO BE LAUNCHED MID 2021

PROJECT SETTLEMENT TIMELINE

PORTFOLIO UNDER CONSTRUCTION

	FY21	FY22	FY23	FY24 & BEYOND
RESIDENTIAL APARTMENTS				
272 HEDGES AVENUE, QLD				
MARINA CONCOURSE, QLD				
MAGNOLI APARTMENTS, QLD				
THE LANES RESIDENCES EAST, QLD				
THE LANES RESIDENCES EAST, QLD				
RESIDENTIAL HOUSING				
ARBOUR RESIDENCES, QLD				
THE HILLS RESIDENCES, QLD				
KIRKDALE RESIDENCES, QLD				
MONTAINE RESIDENCES, NSW				
URBAN				
THE HEIGHTS, QLD				
RETAIL				
THE LANES, QLD				

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

Sunland Group