



19 October 2021

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**ANNUAL GENERAL MEETING OF STOCKLAND CORPORATION LIMITED AND MEETING  
OF UNIT HOLDERS OF STOCKLAND TRUST – ADDRESSES OF CHAIRMAN AND  
MANAGING DIRECTOR**

Enclosed are copies of the addresses to be given at today's Annual General Meeting of Stockland Corporation Limited and Meeting of Unitholders of Stockland Trust by:

1. Mr Tom Pockett, Chairman; and
2. Mr Tarun Gupta, Managing Director and CEO.

**ENDS**

This announcement is authorised for release to the market by Ms Katherine Grace, Company Secretary.

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**Stockland**

Stockland (ASX:SGP) was founded in 1952 and has grown to become one of Australia's largest diversified property groups – owning, developing and managing a large portfolio of shopping centres, residential communities, workplace and logistic assets and retirement living villages. Stockland is consistently rated as one of the most sustainable real estate companies in the world by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.



# Chairman's address

Annual General Meeting 2021

## **TOM POCKETT – CHAIRMAN, STOCKLAND**

Good afternoon ladies and gentlemen.

When I spoke to you last year, at our first virtual AGM, I was hoping that this year we might return to some form of normality.

Unfortunately, this was not to be.

As we emerge out of our last lockdown, it is pleasing to see that Australia is accelerating its response to COVID-19 as the national vaccination plan continues to be rolled out. Living with COVID will be Australia's next big challenge.

While as a nation we are still grappling with these challenges, I am very proud of our people and the way they demonstrate their commitment and resilience daily, protecting the wellbeing of our residents, customers and communities.

I also want to acknowledge our customers and thank them for their continuing support across all our assets including tenants in our Retail Town Centres, Workplace and Logistics assets, our residents in our Retirement Living villages and our Masterplanned and Land Lease communities. We very much appreciate your support and understanding during these uncertain times.

As a Board, we have been proactive and decisive in responding to this environment to both safeguard our business and strategically position Stockland to access future opportunities.

Our responses have been measured and focused on optimising outcomes for all stakeholders while minimising the impact on our business.

During the year, we rigorously managed our cash flows and raised long-term and short-term debt to boost available liquidity and maintain capital strength through this period of economic disruption, and as a result the Group did not need to raise dilutive equity.

We also retained all employees in full time paid employment and did not receive any assistance from the federal government JobKeeper scheme.

Turning to our FY21 result, the operating results reflect the continued impacts from the pandemic but also the strength of our diversified portfolio.

Funds From Operations were \$788 million, down 4.6% on FY20, but towards the top end of our market guidance.

Our FFO per security was 33.1 cents.

Our statutory profit of \$1.1 billion was largely due to net increase in revaluations in Commercial Property, as well as a recovery in our second half income as COVID-19 impacts eased and we saw an improvement in market conditions.

Our full year distribution was 24.6 cents per security, with a distribution payout ratio of 75% which was within our target range and fully covered by operating cashflows.

We are mindful of the importance of this distribution to our securityholders and have balanced this with our future capital needs to ensure our balance sheet is well positioned for the future recovery phase.

Stockland is taking a market leading position on all ESG related issues and matters. ESG is deeply embedded in the culture of Stockland.

We have retained our leadership rankings on global sustainability investment indices and benchmarks.

We continue to build climate resilience in our portfolio and reduce our emissions profile. To that end, we have brought forward our net carbon zero plan from 2030 to 2028.

We have also released our second Modern Slavery Statement outlining further actions to access and address modern slavery risks.

As you are no doubt aware, at the end of May 2021, after more than eight and a half years Mark Steinert retired as Managing Director and Chief Executive Officer of the Group.

Once again, on behalf of the Board I'd like to thank Mark for his dedication and leadership over his time as Managing Director and CEO and for his numerous achievements over his time at Stockland.

Mark laid the foundations for a forward thinking and purpose driven company that will continue to serve our customers, securityholders and the community well into the future.

I would like to acknowledge Mark's absolute focus on driving our business during the CEO transition, and also to thank our Stockland Leadership Team which has also taken a lead role in ensuring the organisation remained focus on the continued execution of our strategy.

Our new Managing Director and CEO, Tarun Gupta, joined Stockland on 1 June 2021.

Tarun previously held a wide range of senior roles during his 26 years at Lendlease. Tarun brings with him a breadth of experience across the property sector including communities, retirement living, commercial property and investment management.

Tarun's experience has provided for a smooth transition following Mark Steinert's departure and sets Stockland up for continued future growth.

Turning now to the resolutions for today's meeting.

Resolutions 2, 3, 4 and 5 relate to the election or re-election of non-executive directors.

In November last year, we announced the appointment of Laurence Brindle to the Board as part of our structured approach to Board succession. I look forward to introducing him shortly when we reach the resolution on his election.

In July this year, we announced the appointment of Adam Tindall to the Board as part of our structured approach to Board succession. I also look forward to introducing him shortly when we reach the resolution on his election.

Both Melinda Conrad and Christine O'Reilly will stand for re-election today with unanimous support from the Board and we will hear from both Melinda and Christine when we reach the resolutions on their election.

We consider the remuneration outcomes for FY21, as set out in the Remuneration Report, to be an appropriate reflection of business performance and the experiences of our stakeholders.

We continue to give careful thought to how our remuneration framework supports the execution of our business strategy.

In FY21 we took steps to simplify the Remuneration Framework and improve alignment with securityholder outcomes.



The Managing Director and Leadership Team is currently undertaking a strategic review of the business and the findings from this review will help inform any further changes to the Remuneration Framework for FY23, noting that our key principles of simplicity and securityholder alignment will continue to guide our design.

Resolutions 8.1 and 8.2 relates to amendments to the constitutions for Stockland Corporation and Stockland Trust.

Stockland's current constitutions were last amended at the 2013 Annual General Meeting.

Stockland has undertaken a review of the Company constitution and Trust constitution and, as a result, it is proposed that amendments be made to these constitutions. The proposed amendments are set out in detail in the explanatory notes to the Notice of Meetings.

Both resolutions are required to be passed as special resolutions for the amendments to both constitutions to take effect.

Resolution 9 relates to the renewal of the proportional takeover provisions currently in the constitution for Stockland Corporation.

This is also a special resolution. This resolution is required to be presented to the AGM every three years.

As Australia continues to tackle the impact of the pandemic, we have taken opportunities to improve our business profitability and resilience, while remaining agile in the execution of our strategic priorities. Tarun will speak to this in more detail shortly.

I am confident in the management and governance structures we have in place to respond to the ongoing challenges and balance our response with the long-term interests of our securityholders and the community.

Before handing over to Tarun to present his first report I want to thank my Board colleagues and the executive team for their leadership throughout the year. I would also particularly like to thank our employees who have demonstrated great resilience and dedication throughout these challenging times.

And finally, thank you, our securityholders, for your ongoing support.



# Managing Director's address

Annual General Meeting 2021

## TARUN GUPTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Good afternoon ladies and gentlemen.

I would like to start by acknowledging the traditional owners of the land where I am today, the Gadigal people of the Eora Nation, and I pay my respects to Elders past, present and emerging.

I am very pleased to be joining you today for my first AGM as CEO of Stockland. It is a privilege to be leading this iconic organisation, which has made a valuable contribution to our nation's success for almost 70 years by creating vibrant and connected communities.

I want to acknowledge the contribution Mark Steinert made to Stockland over the past 8 and a half years as CEO. I also want to thank all our employees who continue to focus on keeping our tenants, residents, customers and assets safe in these challenging times.

It is energising to join an organisation that is so strongly driven by its purpose, vision and values. What has stood out to me the most in my first five months at Stockland is how strongly our people live these values every day.

We have a strong platform, and we have a number of very exciting specific opportunities to create long term value for you, our security holders, and for the community as a whole.

Across our portfolio, we control over 60 million square metres of land - equivalent to more than 20 Sydney CBDs. Our focus is on maximising the value of every square metre of this land.

Our \$9bn Commercial Property development pipeline enables us to create - at scale - the investment product heavily favoured by institutional capital partners. These partners value the strong reputation, experience and capability that Stockland can provide.

Stockland's position as Australia's leading developer of master-planned communities creates unique opportunities for us to leverage this leadership position across the broader residential sector.

The acquisition of the Halcyon land lease business in July 2021 demonstrates our determination to leverage our scale, reach and expertise in masterplanned communities to create both additional revenue streams and higher quality recurring earnings in the residential sector.

More broadly, we are finalising a comprehensive strategic review of Stockland's business to set us up for long term success, and we will report to you on its outcomes early next month.

This review is focused on positioning Stockland to capitalise on four key longer-term trends that we expect to shape our industry: continued urbanisation; the impact of rapid technological advancement on real estate uses and customer preferences; the exponential growth of institutional capital flows into real estate; and the critical importance of environmental, social and governance considerations across our business and our communities.

We will be looking to scale our leadership in the residential, workplace and logistics sectors by accelerating our secured \$33 billion development pipeline. We will fund this growth by recycling capital from the Retail and Retirement businesses and utilising third party capital.

We are investing in people and talent. We have made several senior executive appointments across our business to scale and enhance our capabilities in apartments and mixed-use execution.

We also look forward to welcoming two new members of the Stockland Leadership Team: Alison

Harrop, who will be joining us in January as our new Group Chief Financial Officer; and Justin Louis, who joins early next month as our new Chief Investment Officer.

I would also like to wish our current Chief Financial Officer, Tiernan O'Rourke, all the best for his new role outside the organisation, and thank him for his contributions to Stockland over the last eight years.

As mentioned, we are building on a strong foundation. Stockland delivered in FY21 a statutory profit of \$1.1bn in a testing and challenging environment.

The result included revaluation uplifts totalling \$432 million, driven primarily by strong gains across the Logistics, Life Sciences and Technology portfolio.

We delivered funds from operations of \$788 million, down 4.6 per cent on FY20, and FFO per security of 33.1 cents, at the top end of our guidance.

The underlying contribution from our Residential business, excluding transaction profits, increased by 20.5 per cent.

The Retirement Living business also delivered a strong underlying performance for the year, with record sales and strong settlement growth.

Our Commercial Property portfolio generated solid FFO growth of 3.9 per cent. ..This included a rebound in the performance of our Retail Town Centres, with an improvement in leasing activity, rental spreads and rent collection rates over the second half of the year.

Importantly, our operating cash flow was strong at \$1.0 billion, and we ended the year with a balance sheet that provides ample flexibility to pursue strategic opportunities.

Gearing ended the period at 21.4 per cent - toward the bottom end of our target range.

The 1Q FY22 Operational Update announced today demonstrates that the strong performance of our Residential business has continued into the current financial year, with sales volumes for the September quarter up 8% on the prior corresponding period.

While we are mindful of the potential for macro prudential measures to have some marginal impact on demand over time, we continue to see very strong levels of enquiry for our residential product.

Sales rates for our Retirement Living Villages were impacted over the quarter by State Government lock downs.

We had anticipated this impact, and our experience from lock downs in 2020 tells us that these sales should bounce back fairly quickly post the removal of movement restrictions.

Integration of the Halcyon business is progressing well, and our enlarged Land Lease business remains on track to deliver approximately 300 sites in FY22.

As we expected, retailer sales across our portfolio have been heavily impacted by lockdowns in NSW and Victoria over the quarter.

However, the impact on our business to date has been consistent with the expectations we shared with you at the time of our FY21 result.

We continue to progress planning and leasing for our key development opportunities across the Logistics and Workplace portfolios.

These strong operational results have been delivered in an environment of continued disruption due to COVID-19, during this time, the well-being and safety of our employees and stakeholders has been our highest priority. Stockland has continued to provide essential retail services to its





communities, as well as enabling customers across Australia to purchase their homes via our online platforms.

While dealing with market and economic disruption is never easy, the success of our efforts is demonstrated by our high customer satisfaction, strong employee engagement scores, and the quality of our services and developments.

Stockland has been driven by its purpose - "A better way to live" - since it was founded by Ervin Graf in 1952.

We are proud of our strong track record of delivering superior environmental, social and economic outcomes, and I look forward to building on it.

We recognise that we have a responsibility - and a significant role to play - in addressing long-term challenges such as climate change, resource scarcity, growing inequality and the recovery from the COVID-19 pandemic.

These challenges are likely to affect all businesses and will accelerate into the future if left unaddressed.

For that reason, ESG leadership is an essential part of our strategy, our long-term performance, and an important source of competitive advantage.

It ensures our business remains future-focused and is crucial for Stockland to access capital, attract and retain talent, and deliver sustainable returns to our securityholders over the long term.

We focus on actions that reduce our emissions as well as those that build both Stockland's and the community's resilience to a changing climate.

In February 2021, we brought forward our Net Zero Carbon Target to 2028 in recognition of the urgency to cut emissions.

More recently, we joined the United Nations Race to Zero "Business Ambition for 1.5°C" program, confirming our desire to pursue science-based paths to emissions reduction.

Supported through our partnership with the Clean Energy Finance Corporation and along with our builder partners, we continue to pursue our shared ambition to deliver net zero homes and build momentum in the housing industry as we all transition to net zero carbon.

We are continuously innovating; piloting and testing the scalability of circular models to reduce our environmental impact.

I encourage you to refer to our Annual Report which provides many great examples of the work we are doing in these areas

Our customers' desire to live in Stockland communities is a direct result of our focus on designing and activating places that celebrate green spaces, walkability, safety and encourage connection and belonging.

We have excellent resident satisfaction and the personal wellbeing scores across our Residential and Retirement Living communities are higher than the national average.

As an organisation, we place great importance on the mental health and wellbeing of our employees, tenants, residents and customers - and this is more critical than ever, given the strains that the pandemic has placed on all of us.

The Stockland CARE Foundation plays a crucial role in navigating the challenges of COVID-19, providing resources to keep us connected when restrictions prevent physical engagement.



We continue to promote responsible business practices and sustainable development, particularly in the area of human rights and inclusion, and during the year we launched our third Reconciliation Action Plan and progressed our work to identify and remedy any modern slavery in our supply chain.

I am proud to lead a sustainable business driven by employees and partners who share a commitment to our purpose and values.

This will ultimately ensure the long-term future and performance of Stockland for the benefit of all its stakeholders.

On behalf of the Stockland team, I thank you for your ongoing support.