1Q23 Update

17 October 2022

Ingleburn Logistics Park, NSW

September 2022 quarter update

Key highlights

Group	• Retirement Living Business divestment completed in July 2022 • Transfer of Stockland Halcyon Nirimba, QLD, and Stockland Halcyon Berwick, VIC, into the Stockland Residential Rental Partnership (SRRP) completed in July 2022, generating cash-backed profit on settlement • Maintained solid financial position, with total available liquidity of $1.4bn[1] • Balance sheet strength and liquidity position provides resilience in the current macroeconomic environment and flexibility to take advantage of market opportunities
Commercial Property	• Strong operational metrics, with 98%[2] rent collection for 1Q23 and high occupancy levels across the portfolio • Logistics rental growth accelerated to 12.1%[3] and Town Centre leasing spreads remained positive over the quarter • Accelerated Logistics pipeline underway, with ~$1.2bn[4] of projects in active development, and the targeted ~$600m of FY23 development completions now 88% pre-leased • Completed the settlement of Stockland Bull Creek (WA) in August 2022 for $78m, above book value • M_Park (Macquarie Park, NSW): Stage 1[5] (~$750m expected end value) construction progressing in line with expectations, with tenant discussions underway • Affinity Place (North Sydney, NSW) development design process progressing, and Piccadilly (Sydney CBD, NSW) continuing through the authority approvals process
Communities	• 6,006 MPC contracts on hand in 1Q23, at ~13.6% higher average pricing vs FY22[6] • 1Q23 MPC net sales of 845, in line with expectations, with enquiry returning to pre-COVID-19 levels • Targeting FY23 operating profit margin of ~18% and ~6,000 settlements in MPC, with a skew to 2H23 • Resilient Land Lease Communities (LLC) business, with solid operational metrics in the established portfolio and ongoing preference for over-50s lifestyle communities product • 1Q23 LLC net sales of 63 homesites reflects staging of releases to allow production to catch up with demand • Targeting FY23 LLC development operating profit margin within the range of 10-15% and settlements of ~350 pre-sold homesites

1. Total available liquidity of $1.4bn vs $1.0bn at 30 June 2022, reflecting the settlement of the Retirement Living divestment, payment of 2H22 distribution, early repayment of ~$250m domestic medium-term notes and the implementation of additional bank debt facilities.
2. Rent collection rates across the Commercial Property portfolio up to 30 September 2022 on September year-to-date billings.
3. Average rental growth on new leases and renewals negotiated and executed in 1Q23.
4. Forecast end value on completion.
5. M_Park Capital Partnership with Ivanhoé Cambridge.
6. Average price per lot of contracts on hand vs FY22 settlements.

Commercial Property

Stockland Rockhampton, QLD

Logistics & Workplace

Solid operational metrics from a high quality portfolio

Logistics

- High occupancy level of 99.9%[1,2] and rent collection rate of 99%[2] over the quarter
- Portfolio WALE[3] of 3.3 years, with focus on maximising income generation opportunities in upcoming lease expiries
- Demand remains strong, underpinned by growing investments in onshore supply chains, driving growth in prime net face rents across Sydney and Melbourne
- Over 112,000 sqm of leasing activity achieving average rental growth of 12.1%[4] over the quarter
- Accelerated Logistics development pipeline underway, with the ~$600m[5] of targeted FY23 completions now 88% pre-leased

	1Q23 3 months ended 30 September 2022	1Q22 3 months ended 30 September 2021
Leased area	44,563 sqm	76,039 sqm
Leases under HOA[2]	93,883 sqm	79,693 sqm
Portfolio occupancy[1,2]	99.9%	99.9%
Portfolio WALE[2,3]	3.3 years	3.5 years

Workplace

- Maintained strong rent collection of 98%[2]
- Portfolio occupancy[1,2] of 90.5%, with WALE[3] of 4.5 years
- $5.8bn[5] development pipeline progressing:
  - Construction on M_Park Stage 1 (Macquarie Park, NSW) development, in capital partnership with Ivanhoé Cambridge, progressing in line with expectations
  - Affinity Place (North Sydney, NSW) development design progressing
  - Piccadilly (Sydney CBD, NSW) development project continuing through the authority approvals process

	1Q23 3 months ended 30 September 2022	1Q22 3 months ended 30 September 2021
Leased area	5,251 sqm	2,342 sqm
Leases under HOA[2]	11,273 sqm	3,078 sqm
Portfolio occupancy[1,2]	90.5%	93.9%
Portfolio WALE[2,3]	4.5 years	4.6 years

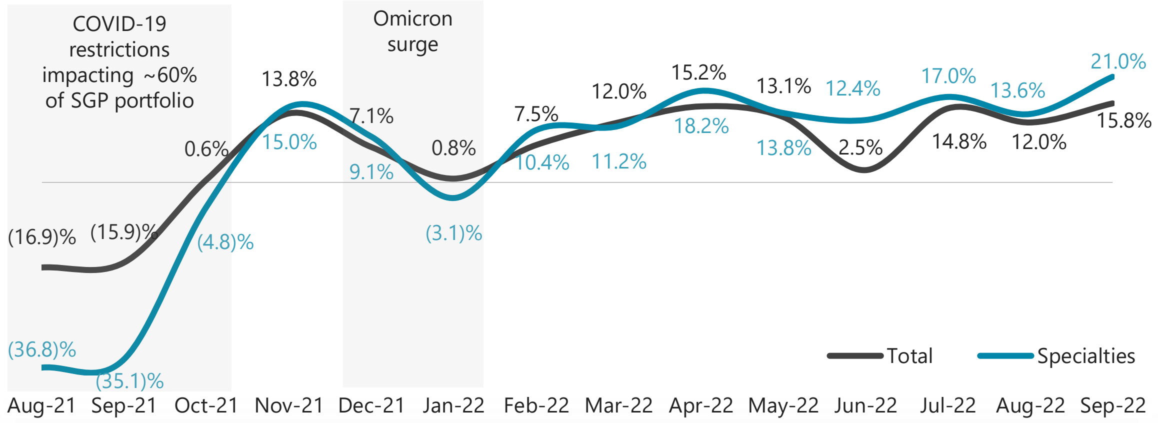
1. By income.
2. At 30 September 2022.
3. Weighted average lease expiry, by income.
4. Average rental growth on new leases and renewals negotiated and executed in 1Q23.
5. Forecast value on completion.

Town Centres

Strong performance from essentials-based portfolio

- Resilient sales underpinned by ~75% exposure to essentials-based categories[1]
- Maintained positive leasing spreads across new leases and renewals with high portfolio occupancy at 99.1%[2] and strong rent collection at 97%[3]
- Post lockdown total comparable sales growth of 10.3%, and comparable specialty sales growth of 12.4%, vs pre-COVID-19 corresponding period[4,5]
- Total comparable[4] sales growth of 36.0% relative to 1Q22, reflecting the impact of extensive trade restrictions in NSW and VIC over 1Q22
- Relative to 1Q19, total comparable sales[4] were up by 14.9%
- 1Q23 Specialty occupancy cost of 15.1%[6]
- Completed the disposal of Stockland Bull Creek, WA in August 2022 for $78m, above book value

Resilient sales recovering from COVID-19 impacts [4,7]



To 30 September 2022	Total portfolio[8]		Comparable centres[4]		
Retail sales by category	MAT $m	MAT growth	MAT growth	1Q23 vs 1Q22	1Q23 vs 1Q19
Total	5,579	10.3%	10.1%	36.0%	14.9%
Specialties	1,766	14.9%	15.7%	79.3%	17.2%
Supermarkets	1,900	3.7%	2.5%	5.5%	11.3%
DDS/DS	778	10.2%	11.0%	54.0%	30.0%
Mini majors	782	8.9%	8.2%	30.7%	38.0%

1. Weighting by sales.
2. Occupancy across the stable portfolio based on signed leases and agreements at 30 September 2022.
3. At 30 September 2022.
4. Comparable basket of assets as per SCCA guidelines, which excludes assets which have been redeveloped within the past 24 months. Excludes the Mobile Phones category, due to reporting changes by one retailer resulting in sales data being not comparable.
5. 11 months post lockdown (November 2021 to September 2022) vs pre-COVID-19 corresponding period (November 2018 to September 2019).
6. Occupancy cost reflects stable assets, adjusted to reflect tenants trading more than 24 months, and for COVID-19 abatements agreed to date for the period.
7. Comparable monthly growth, 2022 vs 2019.
8. Sales data includes all Stockland managed retail assets, including joint venture assets. Excludes the Mobile Phones category, due to reporting changes by one retailer resulting in sales data being not comparable.

Communities

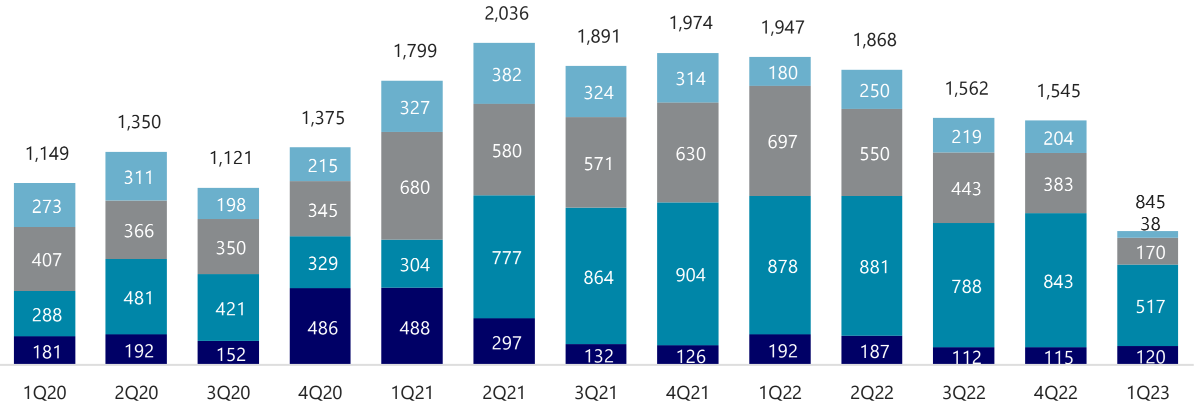
Waterlea, VIC

Masterplanned Communities

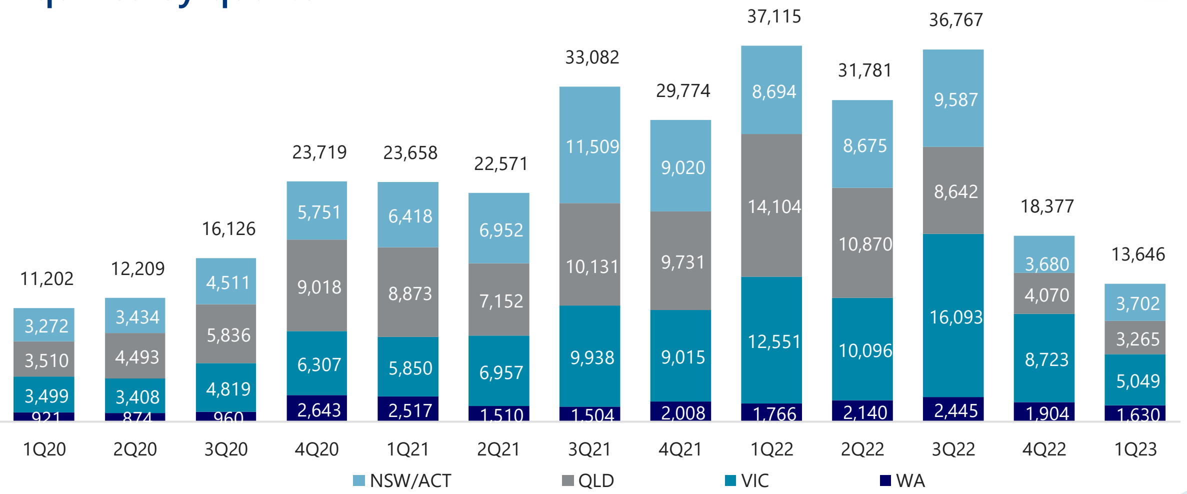
Affordability impacted by successive interest rate rises

- 1Q23 net sales of 845 in line with expectations, with enquiry returning to pre-COVID-19 levels
- This reflects the cumulative impact of successive interest rate increases on affordability
- Month-on-month sales and enquiries were stable during the quarter
- Current conditions are likely to persist until the interest rate outlook stabilises
- Early signs of moderation in rate of construction cost escalation; we continue to monitor supply chain pressures and wet weather
- Default rates remain low vs historical averages[1], reflecting strong price growth over the last 12 months
- 6,006 contracts on hand at ~13.6% higher average pricing vs FY22[2], supports settlement rates and provides good visibility into FY23 earnings
- Maintaining FY23 targets of ~18% operating profit margin and ~6,000 settlements, with a skew to 2H23

Net sales by quarter



Enquiries by quarter



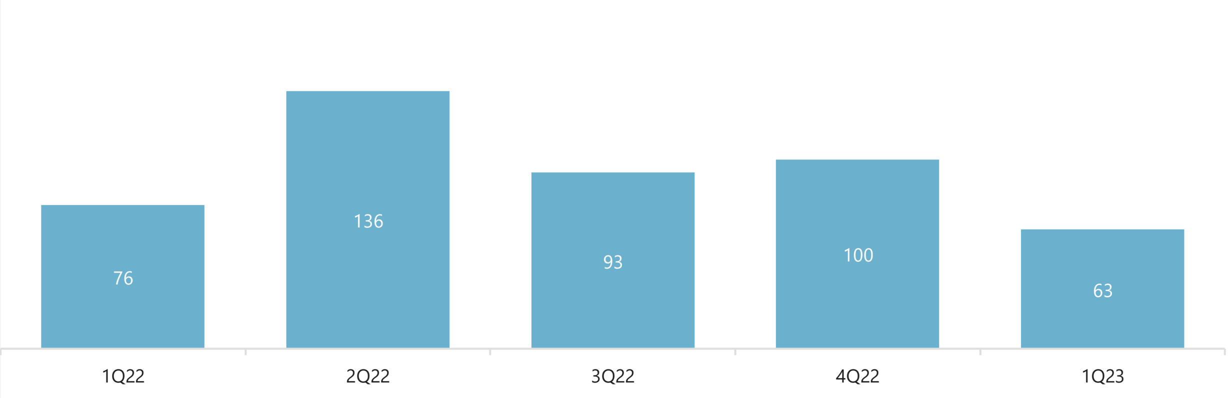
1. 6-month rolling average default rate vs 10-year 6-month rolling average default rate.
2. Average price per lot of contracts on hand vs FY22 settlements.

Land Lease Communities

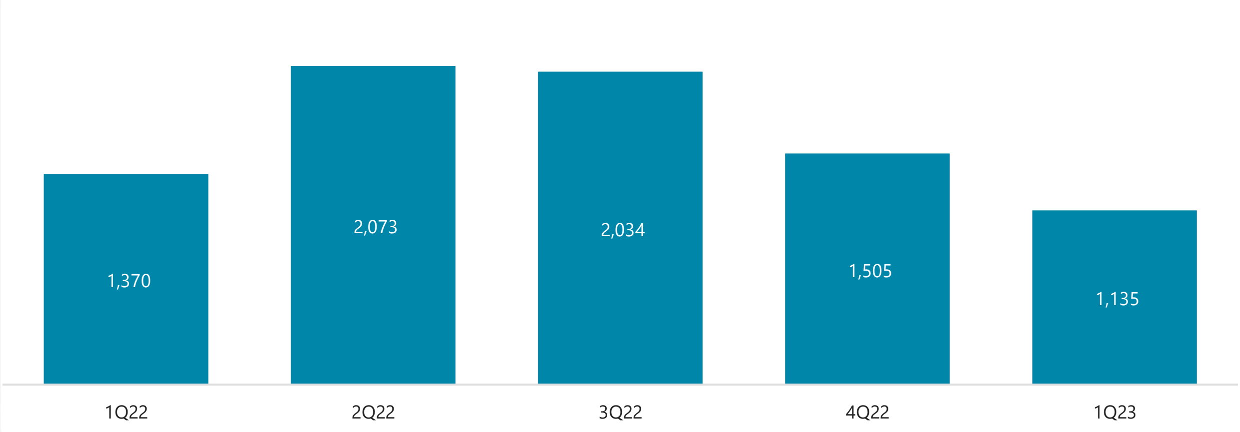
Strong performance from established portfolio and resilient demand for development product

- Strong 1Q23 operating metrics in the established portfolio:
  - Average rental growth of 6.3%[1] vs FY22
  - 100% occupancy and rent collection rates[2]
- Underlying demand for development product remains resilient relative to the broader residential market:
  - 1Q23 net sales of 63 impacted by reduced releases to allow production to catch up
  - Enquiry levels supported by ongoing preference for over-50s lifestyle communities and strong customer value proposition
- Accelerated development, with 7 new communities expected to launch before the end of FY24
- Rate of built-form construction cost increases moderating, and outpaced by strong price growth to date
- 475 contracts on hand at ~14.2% higher average pricing vs FY22[3]
- Settlement of two further land lease communities into SRRP generating cash-backed profit on settlement during the quarter[4]
- FY23 target development operating profit margin within the range of 10-15% and settlements of ~350 pre-sold homesites, with 328[5] homesites currently under construction or already settled

Net sales by quarter



Quarterly enquiries



1. Average rental growth vs FY22, effective 1 July 2022.
2. As at 30 September 2022.
3. Average price per homesite of contracts on hand vs FY22 settlements.
4. Settlement of Stockland Halcyon Nirimba, QLD, and Stockland Halcyon Berwick, VIC into the Stockland Residential Rental Partnership in July 2022, as previously disclosed in 1H22.
5. Includes 87 homesites settled in 1Q23.

Outlook

Highlands, VIC

Outlook

Outlook:
Good visibility for FY23 despite macroeconomic uncertainty

- Strength of diversified platform and delivering on strategic priorities
- Well performing Town Centre portfolio
- Growth in Logistics portfolio from accelerated development pipeline
- Increasing contribution from expanding Land Lease Communities business
- Conditions in broader residential market may persist in the near term until the interest rate outlook stabilises
- Strong balance sheet and financial position providing resilience in the current macroeconomic environment and flexibility to take advantage of market opportunities

FY23 guidance range of 36.4 to 37.4 cents for FY23[1]

- **FFO per security** guidance range of **36.4 to 37.4 cents on a pre-tax basis**[1]
- Tax payable in FY23 is expected to be in the range of 5-10% of pre-tax Group FFO, with the benefit of some remaining carry forward tax losses[1]
- **Distribution** per security within our target payout ratio of **75% to 85%** of post-tax FFO[1]

Coopers Paddock, Warwick Farm, NSW

1. All forward looking statements, including FY23 earnings guidance, remain subject to no material deterioration in current market conditions and the continued recovery from COVID-19.

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