



Logistics Investor Day

3 November 2022



Artist impression Melbourne Business Park VIC

Stockland acknowledges the Traditional Custodians and knowledge holders of the land where we live, work and play, and pay our respects to their Elders past, present and emerging. Furthermore, we thank all Aboriginal and Torres Strait Islander Peoples for enriching our nation with their leadership, language, art, story-telling and ongoing connection to Country.



Artwork created by Maurice Mickelo



Agenda

Our Logistics
Strategy

Louise Mason
CEO, Commercial Property

Logistics
fundamental drivers

Louise Mason
CEO, Commercial Property

Our portfolio and
development pipeline

Tony D'Addona
Executive GM, Logistics

Our platform
and capability

Louise Mason
CEO, Commercial Property

Tony D'Addona
Executive GM, Logistics

Summary

Louise Mason
CEO, Commercial Property



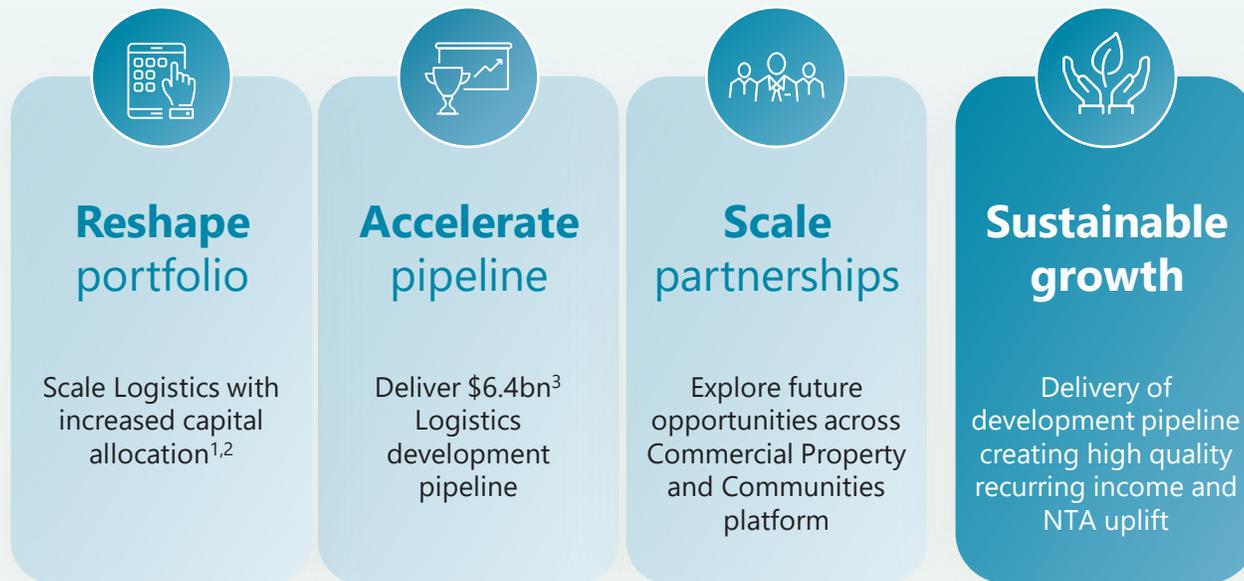
Our Logistics strategy

Louise Mason

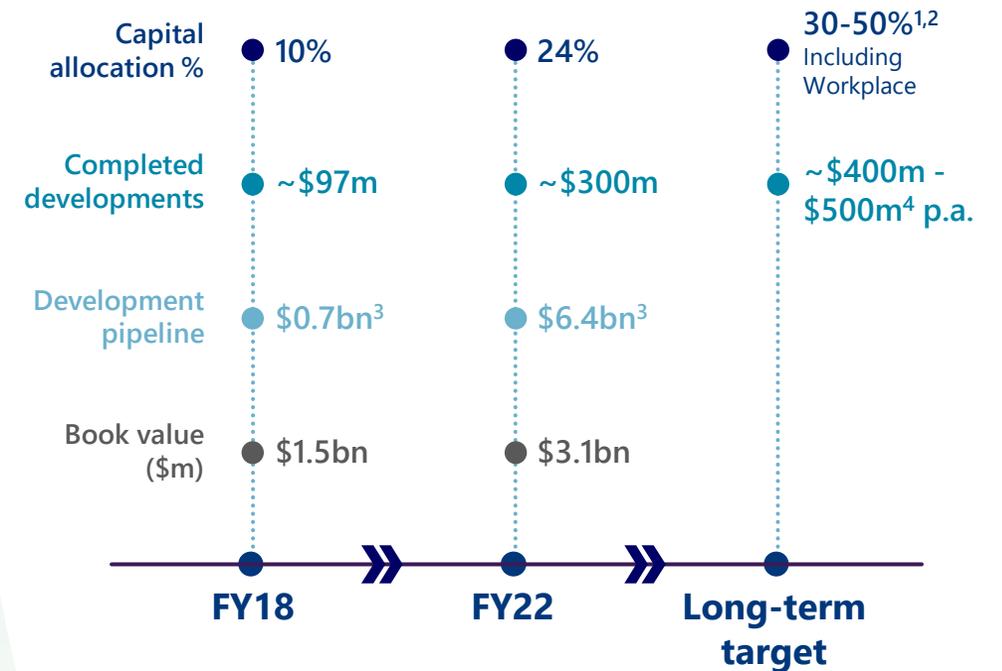


Group strategic priorities

Logistics is a key part of our Group strategy



Rapid growth and well positioned for further scale



- Scaled significantly over the past 5 years
- Built deep end-to-end capability in the platform
- Positioned for further scale and significant growth

1. Indicative five-year target capital allocation of 30-50% for Logistics and Workplace. All forward looking statements are based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations expressed in or implied by such statements.
 2. Based on Net Funds Employed, calculated as Book Value excluding non-cash items such as deferred land payables and cost-to-complete provisions.
 3. Forecast end value on completion, subject to planning and relevant approvals.
 4. Forecast end value on completion, subject to planning and relevant approvals, over a 5-year average.

Logistics portfolio strategy

Targeted approach in delivering our priorities

Our approach

- **Develop-to-hold strategy** reweighting the portfolio toward high quality logistics assets
- **Capital efficient approach** to acquisitions and pipeline restocking
- **Disciplined investment approach** to investigating opportunities

Our preferred precincts

- Based on market fundamentals¹
 - **Inner / Middle Ring:** land constrained markets with strong tenant demand
 - **Established Precincts:** strong drivers, liquid markets and deep pool of tenants
 - **Greenfield Growth Corridors:** connectivity to growth areas and ability to accommodate large facilities

1

Strategic priorities underpinned by long-term structural factors

2

High quality portfolio and development pipeline

3

Proven platform with scale and capability

Logistics fundamental drivers

Louise Mason



Key thematics

Tailwinds providing support for logistics over the long-term



Ongoing major trends

- **Population growth** rebounding in land-constrained urban centres
- **Investment demand** for high quality real estate
- **Ongoing consumer demand** for speed, flexibility and convenience



Structural changes

- **Accelerated digitisation** driven by COVID-19 impacts
- **Supply chain resilience** driving higher inventory requirements
- **Flight to quality** with preference for modern, sustainable solutions



Cyclical influences

- **Elevated tenant demand** driving low vacancy and strong rental growth
- **Limited developable land** available over next 12-24 months
- **Staged release** of developable land over medium-term given planning requirements



Sustainable growth

- **Favourable demand-supply** imbalance driven by barriers to entry
- **Sustainable future rental growth** driven by shortage of available space
- **Demand for new product** driving ongoing investment and attractive risk-adjusted returns



Fundamental drivers are favourable

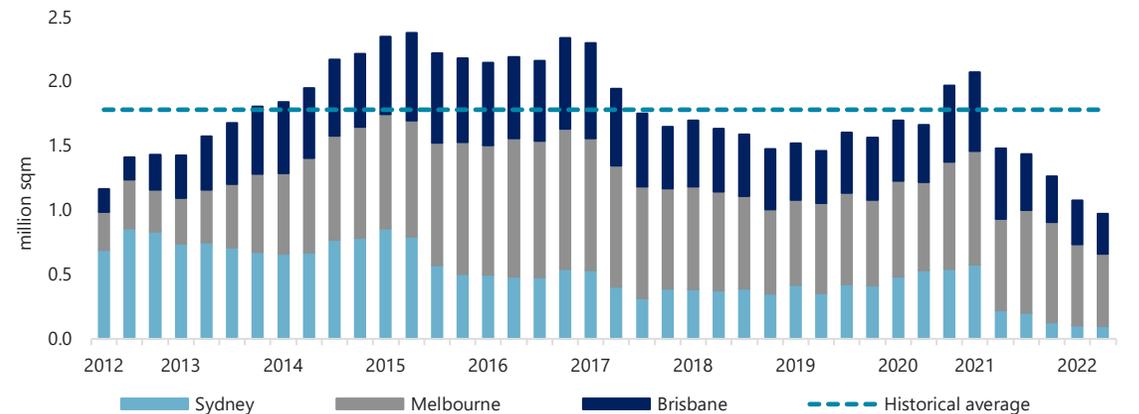
Elevated tenant demand amidst staged release of developable land in the medium-term

- Over the long-term, fundamental drivers for logistics in Australia remain favourable
- On the demand side:
 - Population growth in Australia is rebounding to 1.3% p.a., vs an average 0.4% p.a. across OECD countries¹
 - Online penetration is rising, accelerated by the impact of COVID-19
 - Industrial space requirements for online retailers are estimated to be ~3x larger than bricks and mortar retailers²
- On the supply side:
 - Near-term completions expected to be below historical average levels of take-up
 - Whilst rezoning has increased land supply, elongated planning process has limited the near-term supply of developable land
 - Typical timeframe of 4-5 years from land rezoning to achieving practical completion of a development³
- Demand-supply imbalance has driven strong rental growth and record low vacancy levels in major Eastern seaboard markets

Strong face rent growth across the precincts⁴



Vacancy levels at record lows across the Eastern seaboard⁵



Our portfolio and development pipeline

Tony D'Addona



Our Logistics portfolio today

High quality portfolio strategically located across the Eastern seaboard

3.3 yrs
WALE^{1,2}

4.1%
WACR³

12.1%
Average
rental
growth^{1,4}

99.9%
Occupancy^{1,5}



Portfolio: \$0.5bn, 16% by book value³
Pipeline: \$0.4bn, 7% by end value⁶

Portfolio: \$1.9bn, 61% by book value³
Pipeline: \$3.4bn, 53% by end value⁶

Portfolio: \$0.7bn, 23% by book value³
Pipeline: \$2.6bn, 40% by end value⁶

Attractive development pipeline

Rapid expansion of a competitive pipeline

Estimated construction timelines ¹		FY22	FY23	FY24	FY25	FY26	FY27+
Active Developments \$1.2bn ²	Ingleburn, NSW - Stage 3						
	Leppington Business Park, NSW - Stage 2						
	Willawong Distribution Centre, QLD - Stage 3						
	Yatala Distribution Centre, QLD - Stage 3						
	20 & 42 Amherst Drive, Truganina, VIC ^{3,4}						
	Cranbourne West, VIC ³						
	Melbourne Business Park, VIC - Lot 45						
	Silica Street Industrial Park, Carole Park, QLD - Stage 2						
Progressed Planning \$1.0bn ²	Yatala, 77 Darlington Drive, QLD						
	Kemps Creek 1, NSW ⁵						
	Kemps Creek 2, NSW ⁵						
	Willawong Distribution Centre, QLD - Stages 4-5						
	Altona Industrial Estate, VIC - Stages 1 - 2						
	Willawong Joint Venture Project, QLD ⁵						
	Melbourne Business Park, VIC - Stage 2						
Masterplanning \$4.2bn ²	Kemps Creek 3, NSW ⁵						
	Padstow, NSW						
	Yennora Distribution Centre, NSW - Stages 1-3						
	Brooklyn Distribution Centre, VIC - Stages 1-3						
	Melbourne Business Park, VIC - Future Stages						
Other pipeline opportunities							

Total
~\$6.4bn
development pipeline²

Targeting
~5-6%
yield on cost⁶

Targeting
~\$600m
development completions for
FY23²

1. Subject to approvals and where applicable, the acquisition and/or completion of the property.
2. Forecast end value on completion, subject to planning and relevant approvals.
3. Formerly under conditional contract and part of a joint venture arrangement. Stockland acquired the joint venture partners interest on 6 June 2022 and the asset is now 100% owned.
4. Formerly 'Leakes Road, Truganina, VIC'.
5. Under a joint venture arrangement with FIFE Group.
6. Stabilised incremental FFO yield, includes property management fees.

Well positioned development pipeline

1 In attractive locations

- Inner and middle ring locations with high barriers to entry
 - Land-constrained infill and brownfield locations
 - Stockland greenfield exposure positioned for activation ahead of competing supply
- Infrastructure-enabled with access to population
 - Population of ~3.5m within 45 mins drive from each asset¹
- Elevated tenant demand with low vacancy rates in the submarkets²

2 Strong embedded value

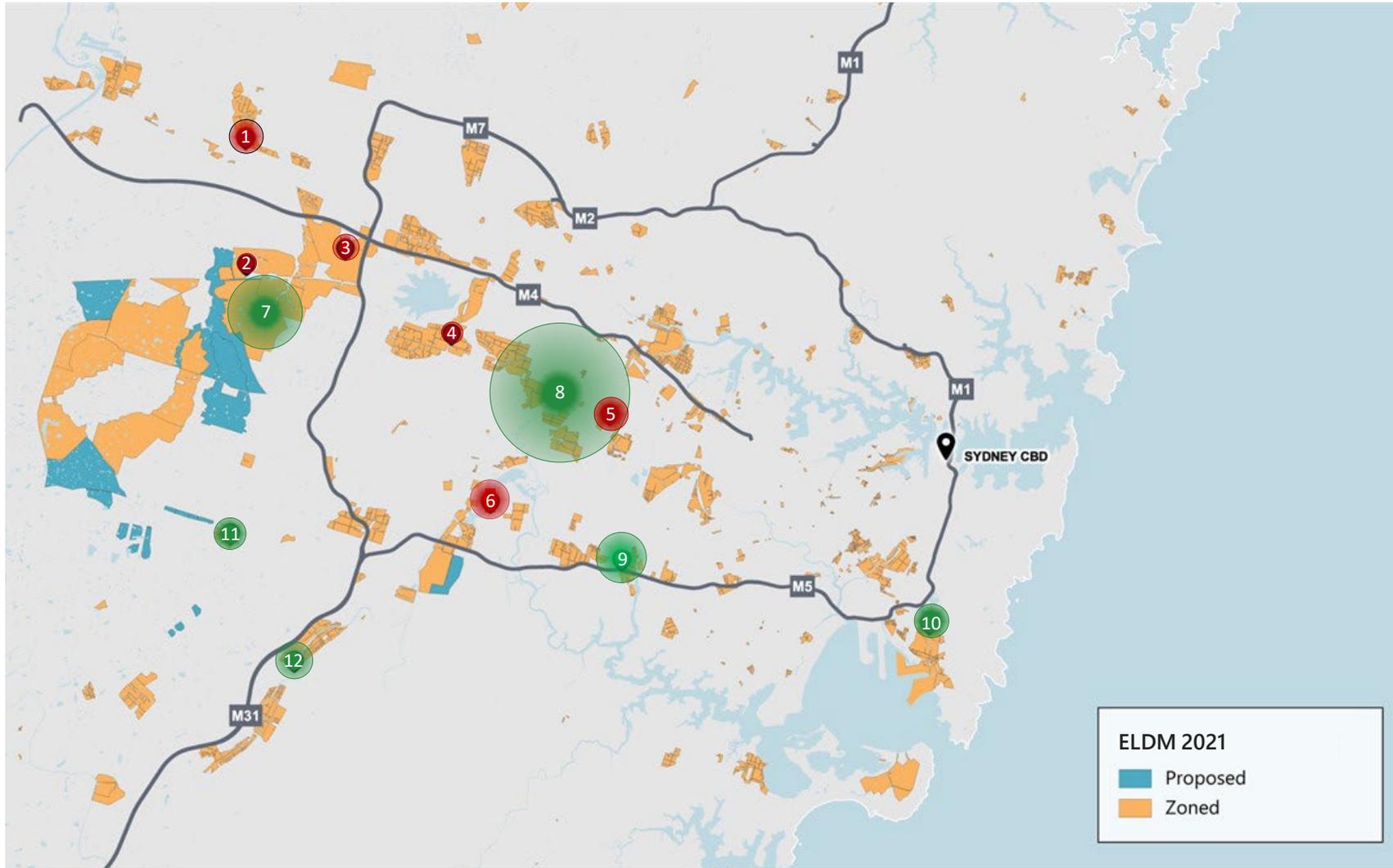
- Maximising the value of our asset base through masterplanning
 - ~45% of our \$6.4bn³ pipeline identified on sites held for >7 years
 - Further upside as we explore alternate uses and densification
- Acquiring well at attractive points in the cycle²
 - Margins underpinned by material land price growth since site acquisition

3 Capital efficient

- Capital efficiency provides flexibility and optionality over the \$6.4bn³ total pipeline:
 - 49% identified on underutilised sites within our existing portfolio
 - 39% secured on capital efficient terms
 - 12% remainder is currently under production

In attractive locations – Sydney pipeline

Weighted toward brownfield precincts

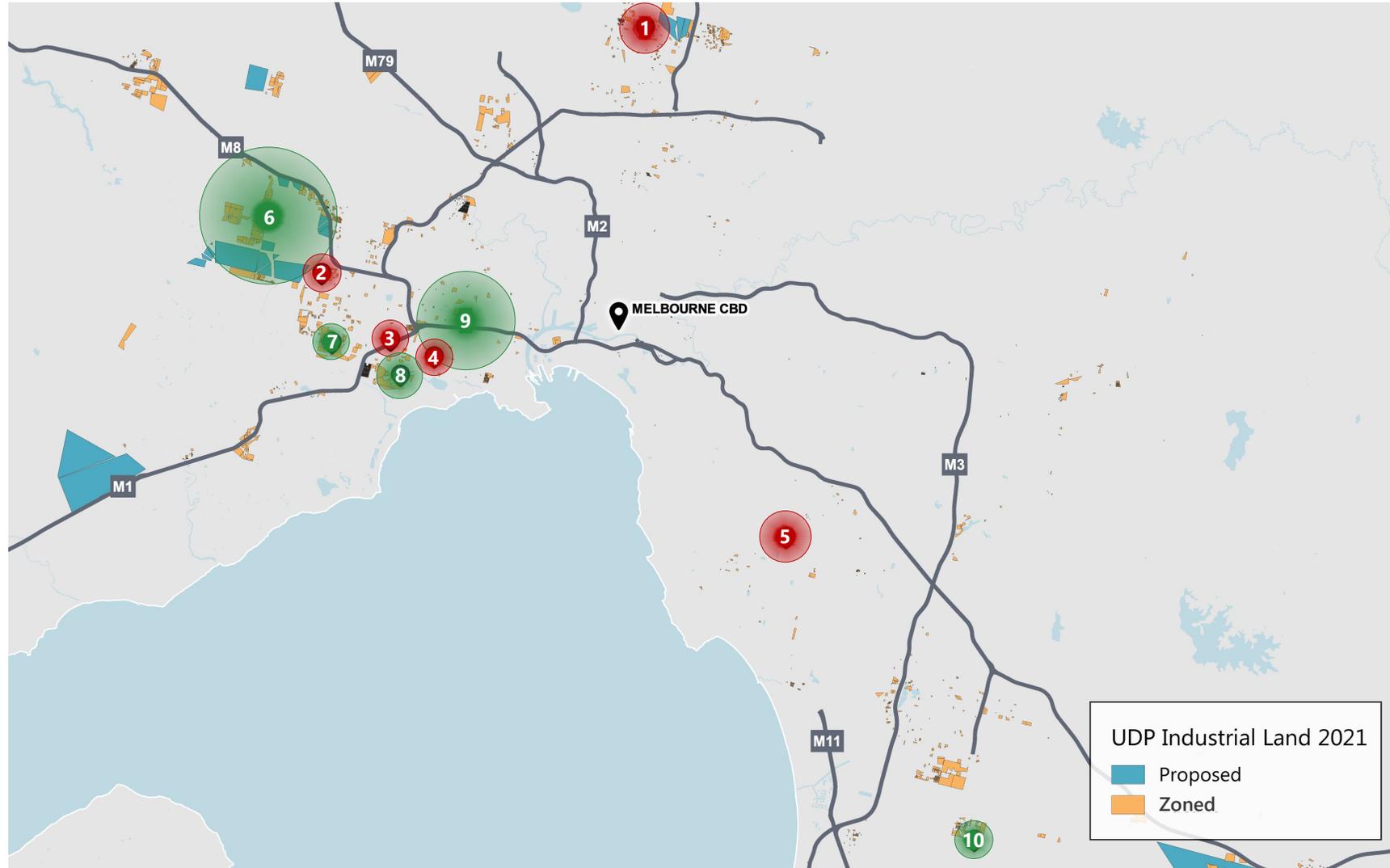


Label	Established Asset
1	Forrester Distribution Centre
2	Quarry Road
3	23 Wonderland Drive
4	Wetherill Park Distribution Centre
5	Granville Industrial Estate
6	Coopers Paddock, Warwick Farm

Label	Development Asset
7	Kemps Creek
8	Yennora Distribution Centre
9	96-112 Gow Street, Padstow
10	Smeg Distribution Centre
11	Leppington Business Park
12	Ingleburn Logistics Park

In attractive locations – Melbourne pipeline

Diversity of development product in greenfield and brownfield locations



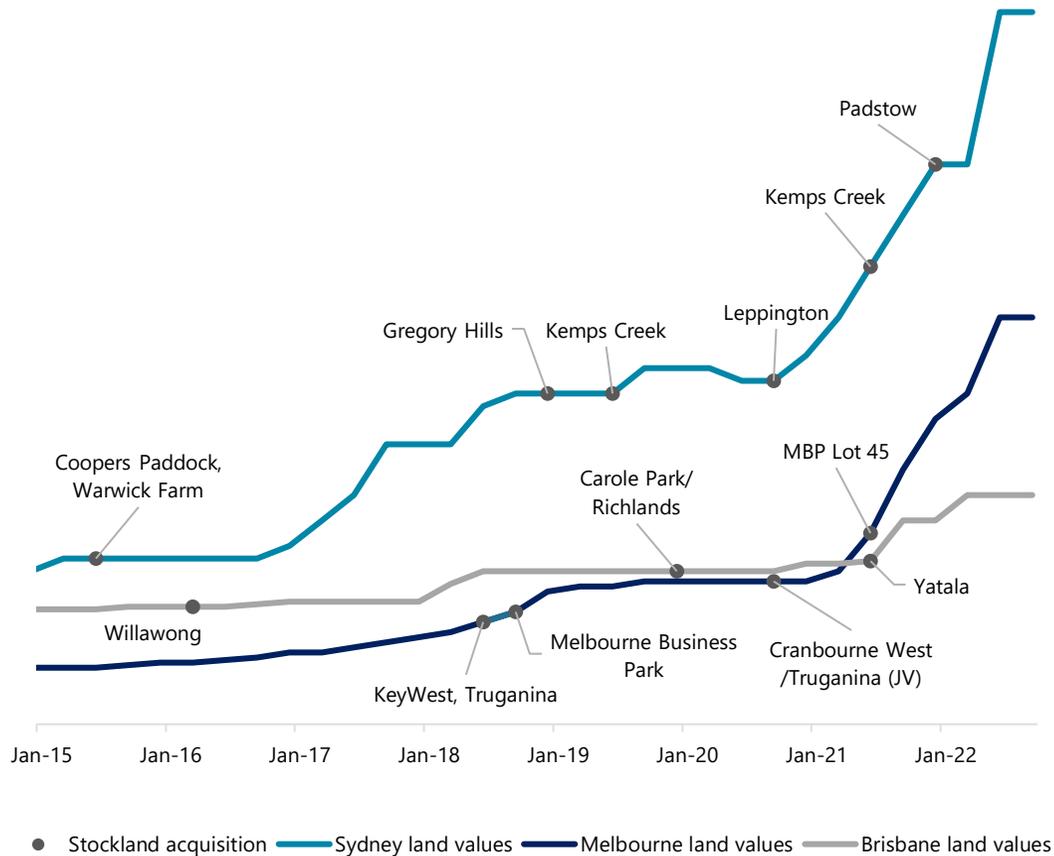
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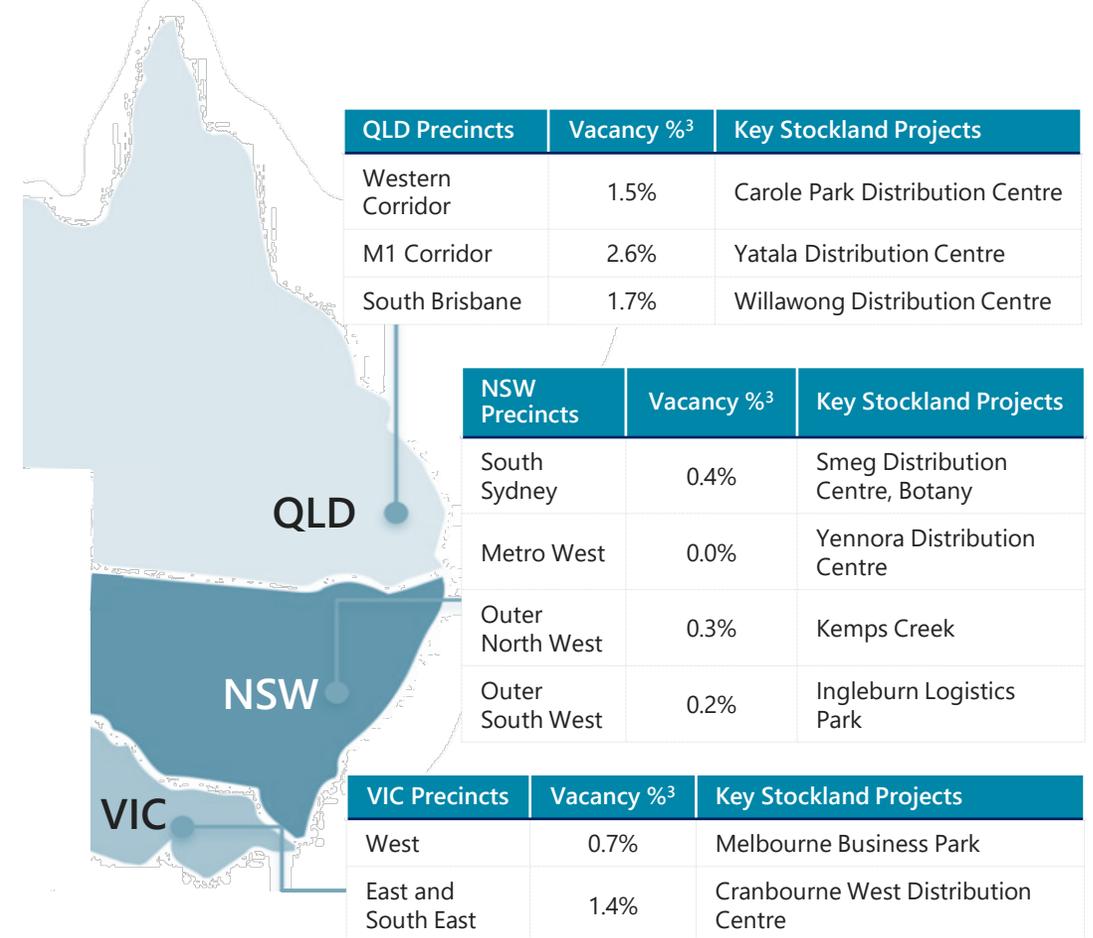
Strong embedded value – acquired well in attractive locations

Acquired at attractive points in the cycle, in desirable locations with strong tenant demand

Landbank acquired at attractive points in the cycle^{1,2}



Low vacancy rates in our key development submarkets



Case study: Greenfield development

Competitive advantage leveraging the strength of our landbank and masterplanning capabilities

Melbourne Business Park, Truganina, VIC

~260ha site set to become one of the largest integrated logistics estates in Australia; adjacent to Stockland's Mt Atkinson residential development

- ✓ In an attractive location: 25km west of Melbourne CBD, with excellent access to the Western Freeway and future Outer Metropolitan Ring Road
- ✓ Strong embedded value: opportunity secured from Dec-2018, leveraging Stockland's Masterplanned Communities (MPC) business
- ✓ Capital efficient: under a Project Delivery Agreement

Kemps Creek, NSW

Development of an integrated industrial estate set over ~100ha, within the Western Sydney Employment Area

- ✓ In an attractive location: excellent access to the M4, M7, and Aerotropolis. Stockland's joint venture sites are positioned for activation ahead of competing supply
- ✓ Strong embedded value: opportunity secured from 2019
- ✓ Capital efficient terms: under joint venture arrangements

Willawong Distribution Centre, QLD

20ha estate that will comprise ~100,000sqm of prime industrial space when fully developed, with potential for 24/7 operation

- ✓ In an attractive location: ~19.5km south of Brisbane CBD, midway between the Logan Motorway and the Acacia Ridge Rail Marshalling Yards
- ✓ Strong embedded value: Stockland ownership since Mar-2016, secured through leveraging Stockland's MPC capability
- ✓ Capital efficient: Stages 1 and 2 are complete, and 100% occupied



Case study: Infill and Brownfield development

Redevelopment of underutilised assets in land constrained, established markets

Yennora Distribution Centre, NSW

Potential intermodal redevelopment; one of the largest single landholdings in Yennora, set over 70ha

- ✓ **In an attractive location:** direct rail access through the intermodal terminal and future Western Sydney Freight Line. Population of ~4.4m within 45-min drive¹
- ✓ **Strong embedded value:** Stockland ownership since Jul-2000; unlocking value through masterplanning
- ✓ **Capital efficient:** 100% occupancy, WALE 3.0 yrs²

96-112 Gow Street, Padstow, NSW

Potential multi-storey facility in strategic infill location, ideal for 'last-mile' logistics

- ✓ **In an attractive location:** proximity to Port Botany, Sydney Airport and Sydney CBD. Population of ~4.5m within 45-min drive¹
- ✓ **Strong embedded value:** potential for site intensification through masterplanning
- ✓ **Capital efficient:** 100% occupancy, WALE 1.7 yrs²

Brooklyn Distribution Centre, VIC

Potential redevelopment of a 22ha site into a modern, efficient industrial estate

- ✓ **In an attractive location:** 12km west of Melbourne CBD, links to Melbourne port, CityLink and CBD. Population of ~3.7m within 45-min drive¹
- ✓ **Strong embedded value:** Stockland ownership since Jun-2003
- ✓ **Capital efficient:** 100% occupancy, WALE 2.4 yrs²



Our platform and capability

Louise Mason and Tony D'Addona



Proven Logistics platform with strong leadership and capability



Louise Mason
CEO Commercial Property

- Over 30 years of experience in real estate
- Former COO of AMP Capital Real Estate, and Managing Director for Office and Logistics
- Led the ~\$2bn Quay Quarter Sydney regeneration project



Tony D'Addona
Executive General Manager, Logistics

- Over 25 years of property experience
- Former General Manager of Property at Goodman, spanning Australia, UK and Europe
- Led the significant growth of the Stockland Logistics portfolio



Petie Walker
Group Head of Sustainability and Delivery

- Over 25 years of experience in project delivery
- Former Project Director and General Manager at CPB, spanning Australia and Asia
- Leads the design and construction delivery of Stockland's development pipeline including integration of sustainability



Craig Lenarduzzi
National Development Manager, Logistics

- Over 20 years of experience in development, asset management and leasing
- Former Director of Commercial Management at Savills
- Key projects include Willawong Distribution Centre, QLD, Melbourne Business Park, VIC, Ingleburn Logistics Park, Yennora Distribution Centre¹, Leppington Business Park, NSW



Robert Salerno
Head of Property Management and Regional Manager – Logistics

- Over 25 years of commercial property experience
- Former General Manager of Asset Management, and Director of Property and Asset Management (Europe) at Goodman
- Worked closely with international customers on key projects, including Amazon in Leipzig, Germany, Khune & Nagel in Helmond, Netherlands, and DHL in Machelen, Belgium

Diversified platform with deep and broad expertise

- **Strong leadership team** driving operational excellence and strategic focus
- **Diversified platform** leverages cross-functional experts and leading innovation and ESG capabilities
- **Fully integrated in-house team** with differentiated approach to originations, masterplanning, development and asset management

Diversified platform with end-to-end capability

Leveraging competitive benefits for origination, development and asset management

Diversified platform

- Cross-sector origination opportunities and masterplanning for multiple uses
- Insight into retailer space requirements through Town Centres business
- MPC business provides visibility into land opportunities at scale

Scale and critical mass

- Scale enables cross-leasing and tenant incubation
- Unlocking new developments while freeing older sites for redevelopment
- Strength of landbank provides visibility into land supply
- Long runway of opportunities on existing sites enables flexibility for selective acquisition criteria



Vertically integrated capability

- Dedicated in-house Logistics team
- Expertise across all aspects of Logistics investment, development and asset management
- Differentiated management strategies tailored to industry, asset positioning and submarkets

Cross-functional expertise

- Ability to acquire, develop and deliver high quality product competitively and efficiently
- Deep tenant and market insights enables differentiated leasing strategies
- Group ESG, stakeholder and customer teams enhancing the resilience of our portfolio, operations and relationships

Origination and acquisition

Development and masterplanning

Planning approvals and authorities

Detailed design

Project management and procurement

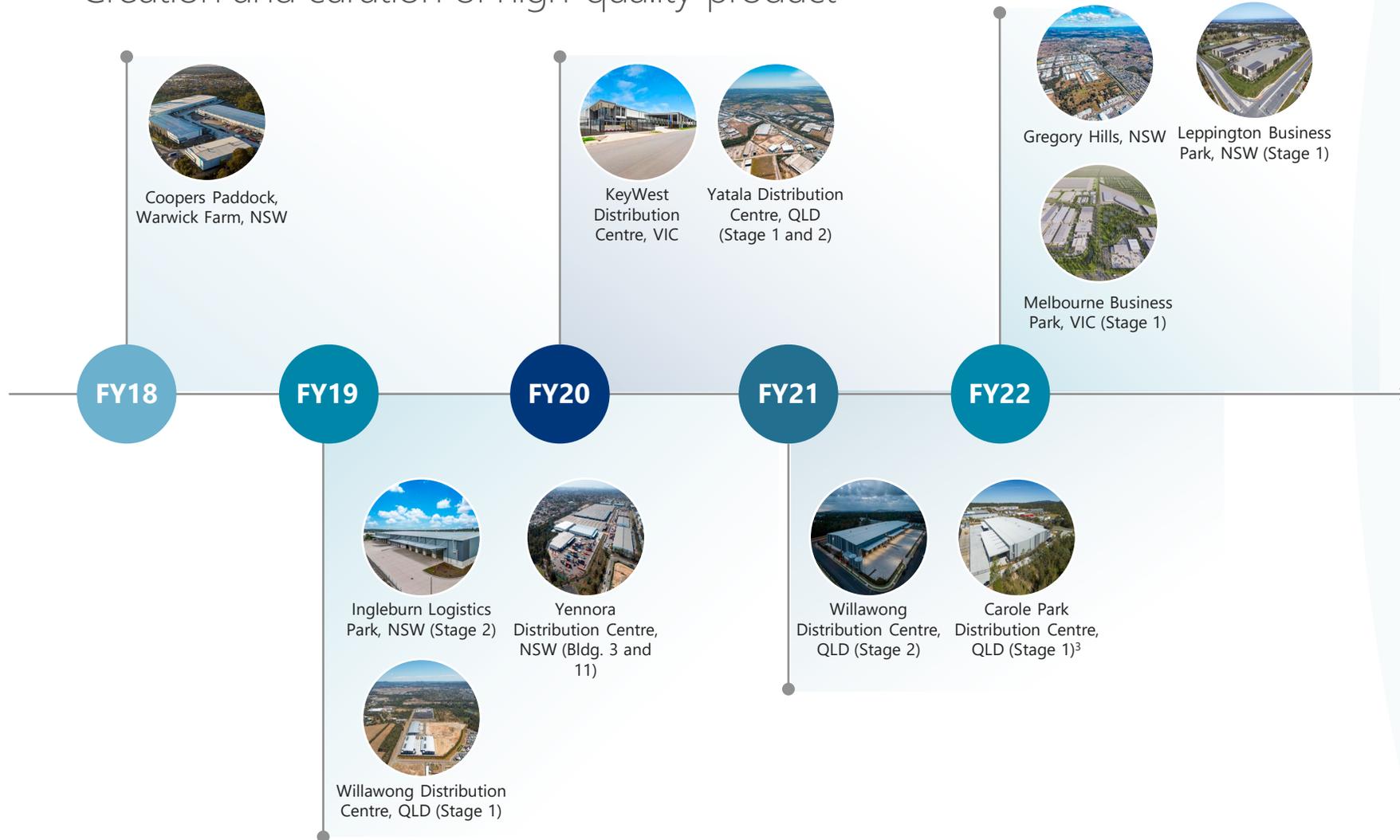
Project delivery

Asset Management

Future planning

Strong track record

Creation and curation of high-quality product



263,000 sqm
over
FY18-FY22

~\$700m
development
completions delivered
over FY18-FY22

~\$600m¹ p.a.
expected completions
over FY23;
now 88% preleased²

Summary

Louise Mason



Accelerating Group strategic priorities

Delivery of our development pipeline creating value and high quality recurring income

Indicative development expenditure and completions profile

~\$1.2bn^{1,2} Forecast end value on completion of active projects

5-6%³ Target yield on cost

\$45m+ Potential NOI created (fully leased, annualised basis)

~\$5.2bn¹ forecast end value of future pipeline

~\$600m¹



by FY23

~\$600m¹



by FY24

Targeting
~\$400m-\$500m⁴ p.a.
development completions

Future pipeline

■ Development uplift

■ Development expenditure

■ Land



- ✓ Balance sheet strength provides deployment capacity and flexibility
- ✓ Accretive pipeline creating high quality recurring income and NTA uplift
- ✓ Reweighting Stockland's portfolio toward high quality logistics assets

Our Logistics business

Strong platform with clear strategic priorities and proven execution capability



1

Strategic priorities underpinned by long-term structural factors

- Clear strategic priorities underpinned by major trends and long-term structural factors
- Disciplined approach to navigating near-term cyclical influences
- Favourable demand-supply imbalance driving elevated tenant demand amidst constrained developable land

2

High quality portfolio and development pipeline

- Strong operational metrics from our high quality portfolio
- ~\$6.4bn¹ development pipeline in attractive locations and with strong embedded value
- Capital efficient approach to delivering the development pipeline

3

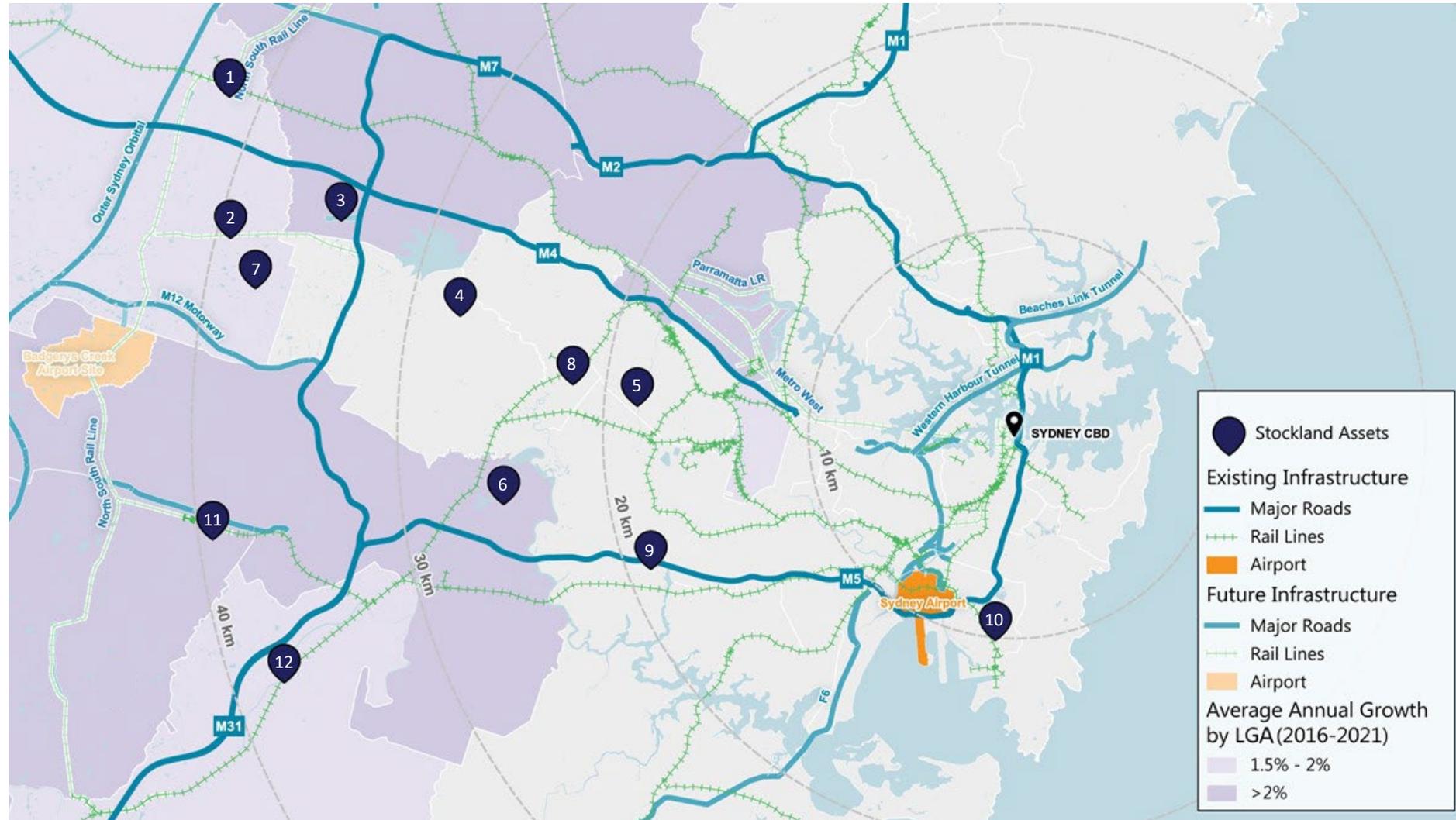
Proven platform with scale and capability

- Strong leadership and management team driving platform growth and success
- Diversified platform driving competitive advantages in origination, development and asset management
- Proven track record in investing, creating and managing a high quality portfolio

Annexure

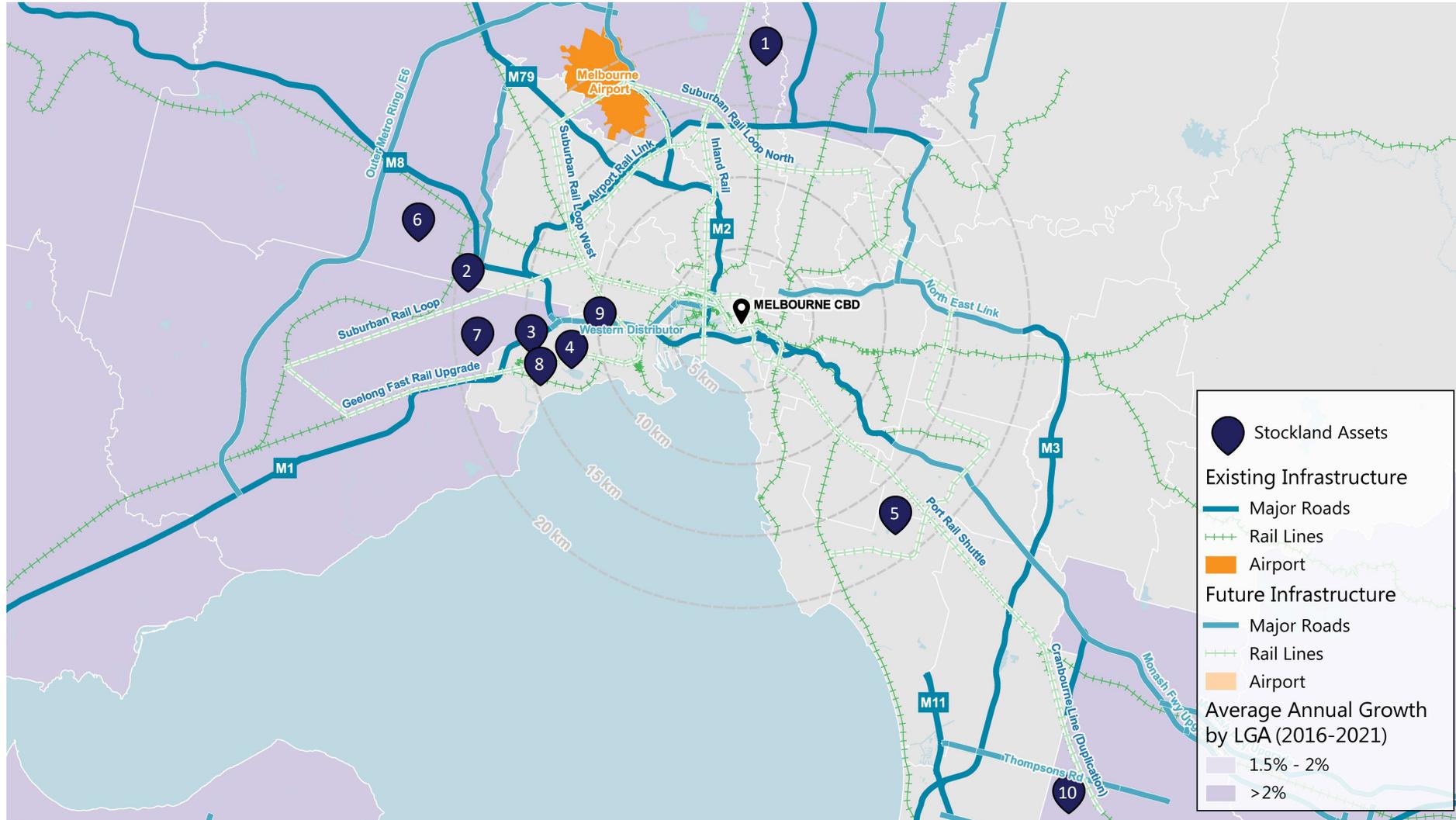


Asset map – Sydney portfolio



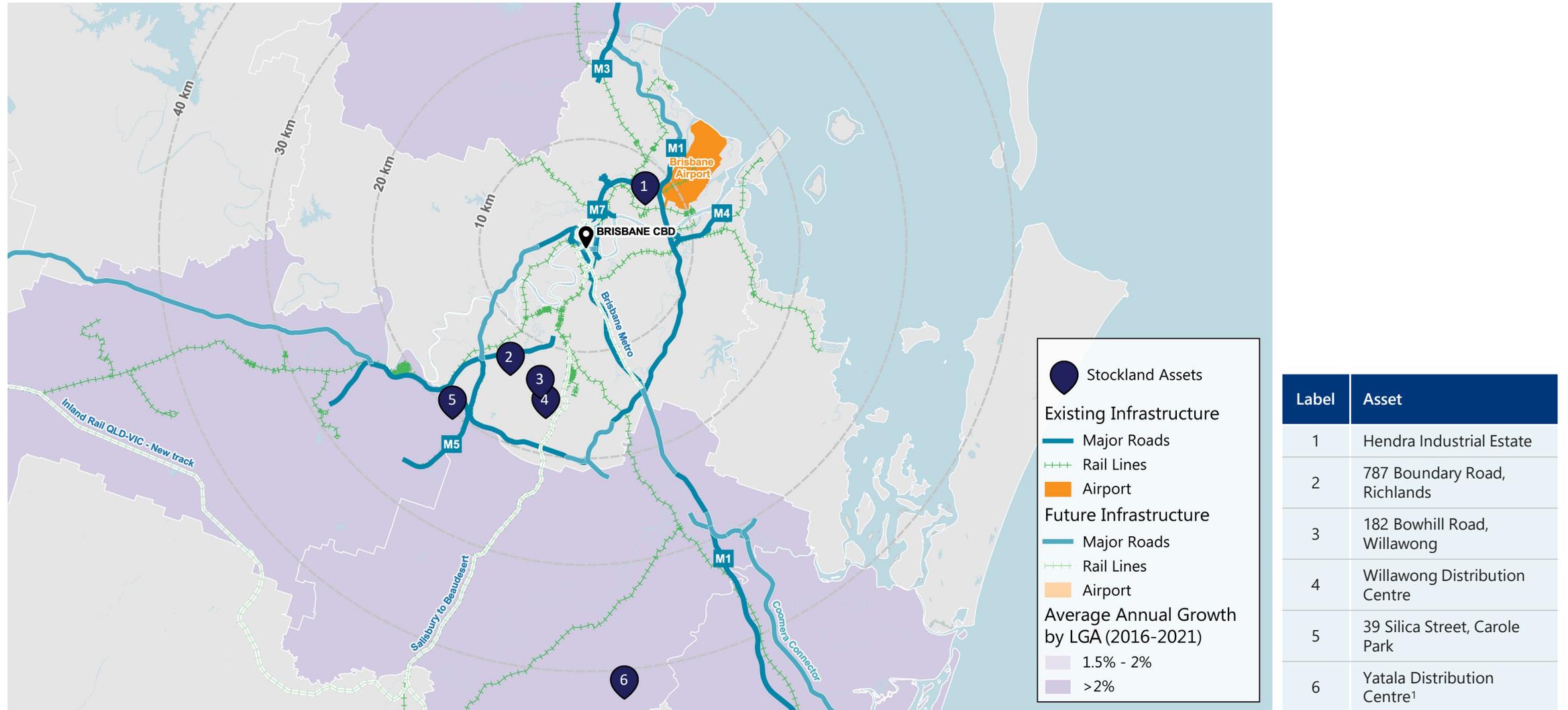
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Asset map – Melbourne portfolio



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Asset map – Brisbane portfolio



Development pipeline – Priority precincts

Precinct selection based on strong fundamentals; differentiated approach to each precinct

Sydney precinct:

Growing our Sydney portfolio is central to our Logistics strategy. Stockland’s diversified Sydney portfolio benefits from a balance of:

- **Inner / middle ring** assets with strong rental growth and redevelopment potential
- **Stable, prime grade** assets in institutional precincts on the city’s fringe
- **Deep landbank** that can deliver both short and long-term developments, creating high-quality, in-demand assets

Priority locations² include South Sydney, Metro West, Outer South-West and Outer North-West

Melbourne precinct:

Key development market for Stockland given the scale of Stockland’s landbank across both Commercial Property and Communities. Stockland’s landbank is positioned in locations with a number of benefits for development including:

- **Deep tenant pool** given relative rent affordability and excellent infrastructure
- Ability to accommodate **larger occupiers**
- **Greater certainty of costs**

Priority locations² include Melbourne South-East and Melbourne West

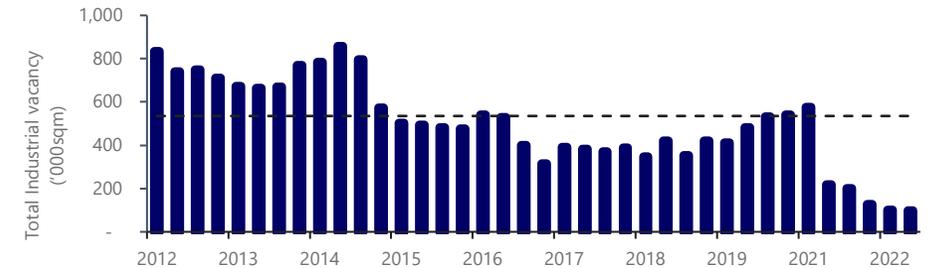
Brisbane precinct

Balanced approach to the Brisbane logistics market, scaling through disciplined development activity. Stockland’s Brisbane exposure provides a strong tenant value proposition by offering a full East Coast solution to national tenants

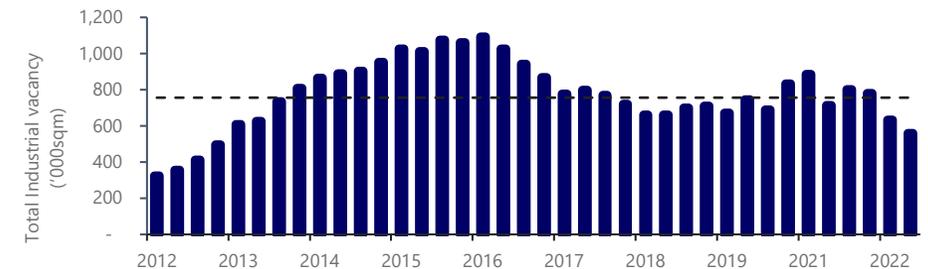
- **Development activity** is our preferred approach to growth in Brisbane
- **Disciplined investment approach** to investigating opportunities that meet our criteria and has unique strategic merit

Priority locations² include Yatala, Trade Coast and Southern Brisbane Precinct

Sydney industrial vacancy¹



Melbourne industrial vacancy¹

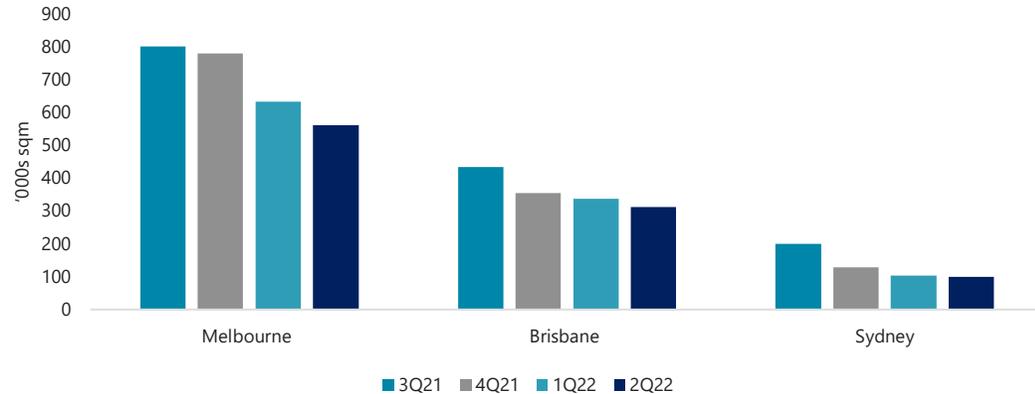


Brisbane industrial vacancy¹

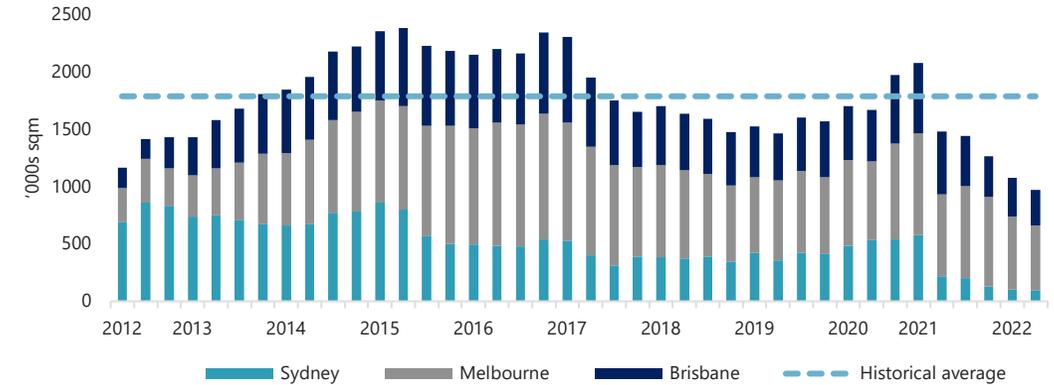


Development pipeline – strong market fundamentals across the Eastern seaboard

Eastern Seaboard vacancy – 3Q21 to 2Q22¹



Eastern Seaboard vacancy – 2012 to 2022¹



Industrial face rental growth by precinct²



Industrial incentives by precinct (1Q20-3Q22)²



Case study: Smeg Distribution Centre

Potential to deliver a modern efficient industrial estate in south Sydney

In an attractive location

- ✓ 11km south of Sydney CBD, population of ~4.3m within 45-min drive¹
- ✓ Close proximity to Port Botany and the M1 motorway

Strong embedded value

- ✓ Potential development with total GLA ~15,000 sqm; uplift of ~5,500 sqm on existing asset

Capital efficient

- ✓ Existing asset of ~9,500 sqm GLA across a large showroom, office and warehouse
- ✓ 100% occupancy, WALE 1.0 yrs²



1. Drivetime from the asset. Source: LocationIQ.

2. As 30 June 2022.

Subject to planning and authority approvals.
Image: artist impression, final design may differ.

Case study: 96-112 Gow Street, Padstow

Potential multi-storey facility ideal for 'last-mile' logistics in an strategic infill location

In an attractive location

- ✓ 17km southwest of Sydney CBD, population of ~4.5m within 45-min drive¹
- ✓ Proximity to precinct amenity and major arterial roads, M5 and M8

Strong embedded value

- ✓ Potential multi-storey development with total GLA ~50,000 sqm; uplift of ~15,000 sqm on existing asset

Capital efficient

- ✓ Existing asset across 2 adjacent properties, with total GLA of ~35,000 sqm
- ✓ 100% occupancy, WALE 1.7 yrs²



1. Drivetime from the asset. Source: LocationIQ.
2. As 30 June 2022.
Subject to planning and authority approvals.
Image: artist impression, final design may differ.

Case study: Yennora Distribution Centre

Potential intermodal redevelopment on a 70ha site;
one of the largest single landholdings in Yennora

*In an
attractive
location*

- ✓ Strategically located with direct rail access, links to Port Botany (39km), Sydney Airport (31km) and Cumberland Highway (3km) and future Western Sydney Freight Line
- ✓ Population of ~4.4m within 45-min drive¹

*Strong
embedded
value*

- ✓ Potential development with total GLA ~534,000 sqm; uplift of ~233,000 sqm on existing asset

*Capital
efficient*

- ✓ Existing intermodal asset of ~300,000 sqm across GLA 11 buildings and ~40 tenancies
- ✓ 100% occupancy, WALE 3.0 yrs²



1. Drivetime from the asset. Source: LocationIQ.

2. As 30 June 2022.

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