ASX Announcement

27 May 2024

Lendlease Group strategy update

Lendlease Group ("Lendlease" or "the Company") today announces a strategy update that outlines decisive actions to:

- Simplify its organisational structure and right size its cost base
- Focus on its market-leading Australian business and international Investments platform
- Recycle $4.5 billion of capital by completing transactions announced and underway, exiting international construction and accelerating capital release from its offshore development projects and assets

In combination, these steps leverage the Company's competitive strengths and simplify the business to enhance Lendlease's integrated real estate business in Australia with international investment management capabilities. Significant progress is expected within the next 12 to 18 months, with a range of important initiatives already well progressed.

The execution of the refocused strategy should enhance securityholder value through measures that include:

- A structurally lower cost base with a further $125 million of annualised pre-tax savings, to be achieved within 12 months and additional opportunities to follow
- Releasing approximately $3.42 per security of net tangible assets from a newly established Capital Release Unit (CRU), with the majority anticipated by end of FY25
- A stronger balance sheet with significantly reduced gearing to within a revised target range of 5%-15% anticipated by the end of FY26 (down from 10-20%)
- A phased return of capital to securityholders with an intention to undertake an initial $500 million on-market buy-back
- A lower risk business positioned for profitable future growth with attractive Return on Equity where Lendlease has a proven track record and competitive advantage
- Improved earnings on a like-for-like basis

Debt reduction and capital returns for securityholders will be prioritised through the implementation of a disciplined Capital Allocation Framework that reflects the changed business priorities and provides a transparent hierarchy for capital deployment.

Lendlease Chairman Michael Ullmer said, "We recognise that our security price performance and securityholder returns have been poor as we have faced structural challenges and a prolonged market downturn. We need to take significant action at an accelerated pace to deliver value for our securityholders, capital partners and customers.

Lendlease Corporation Limited ABN 32 000 226 228 and
Lendlease Responsible Entity Limited ABN 72 122 883 185 AFS Licence 308983
as responsible entity for **Lendlease Trust** ABN 39 944 184 773 ARSN 128 052 595

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“Today we have announced the blueprint to position Lendlease for success – focussing on our core strengths and competitive advantages.

“We have thought very carefully about the necessary strategic refocus and made some tough decisions. I am confident that we have the right team and commitment to realise the value for our securityholders that is inherent in our business. And I am determined to dedicate my final months with this great company to ensure momentum builds toward the exciting future that lies ahead.”

Lendlease Group Chief Executive Officer and Managing Director, Tony Lombardo said, “Through the decisive actions announced today, a new Lendlease is emerging. One that is firmly anchored in the very best of our proud legacy, but less complex, more focused and fit for purpose. This new Lendlease will be more easily understood by our people and customers, and transparent and predictable for securityholders.

“By reshaping the portfolio, concentrating on our core competencies in markets where we have proven we have the right to play, and the competitive advantage to win, the financial and operational risk profile will be lower, and we believe the quality of our earnings ultimately higher and more sustainable.

“Importantly, we do not launch this strategy from a standing start. Significant work has already been undertaken and we anticipate making further positive announcements in the near-term on our progress. We are well advanced on several transactions, and we have clear plans of action to implement the necessary change to reorient the organisation. We are confident in the strategy and have conviction in how we will execute.

“The optimum path we have chosen is built upon the creation of lasting economic value. We will not walk away from commitments to our valued customers, and we will treat our people around the world with the care and respect they deserve as our business changes.

“There is no question that the Australian business of Lendlease is market leading and unique in the breadth and strength of its integrated capability and services. Moreover, the opportunities to grow remain significant with a robust project pipeline that plays to our core competitive strengths, especially in urban regeneration. We are exceptionally well placed to benefit from the key structural shifts underway in the economy.

“We have retained our Investments platform in international markets for several compelling reasons. Lendlease has deep relationships with major capital partners, and this presents an appealing long-term growth vector through continuing to build our Funds Under Management. We will leverage our scale and improve performance through active portfolio management, reducing our co-ownership interests over time, and right sizing our cost base through removal of regional cost structures that have weighed on performance.

“The establishment of the Capital Release Unit (CRU) is central to our new strategy. The CRU will facilitate the recycling of $4.5 billion in capital of which $2.8 billion is anticipated by the end of FY25. Our priority will be to pay down debt and efficiently return capital to securityholders. This is a profound change. And is based upon making some very tough but necessary decisions.”

The Strategy includes decisions which give rise to various impairments and charges. It is anticipated these will be in the order of $1.150 - $1.475 billion pre-tax in FY24 and are not anticipated to be recorded within core Operating Profit After Tax (OPAT). These impairments and charges include a write down of goodwill attached to the US and UK construction businesses, which arose as a consequence of the Bovis acquisition in 1999, impairments of certain overseas development projects, where their intended use has changed, and other charges related to redundancy and other break costs.

Lendlease maintains its FY24 guidance of 7 per cent return on Group equity, equating to approximately $450m of OPAT. FY24 Group gearing is expected to be modestly above the mid-point of the 10-20% target range. This guidance on both earnings and gearing is before the anticipated provision for impairments and charges at FY24 and is subject to the completion of transactions, including the announced sale of 12 Communities projects and the sale of our Asia Life Sciences interests into a joint venture with Warburg Pincus, both of which remain subject to conditions precedent.

ENDS

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Authorised for lodgement by the Lendlease Group Disclosure Committee


Gurrowa Place, Melbourne (artist's impression)

Strategy Update

May 2024

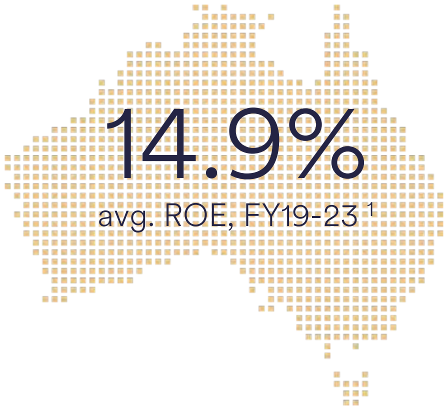
lendlease

Acknowledgement of country

As an investor, developer, builder and manager of assets on land across Australia, we pay our respects to the Traditional Owners, especially their Elders, past and present, and value their custodianship of these lands.

Chairman's introduction

Impetus for strategy update



14.9%

avg. ROE, FY19-23 [1]

Clear competitive advantage and long track record of strong performance in Australia

>80%

of overseas Development projects expected to complete during or after FY30 [2]

Overweight long-dated development projects overseas, impacting securityholder returns

0.6%

avg. EBITDA margin for overseas Construction, FY19-23

Low overseas construction earnings

Simplifying the business to drive efficiency and remove further costs

Expediting capital recycling to reduce gearing, return capital to securityholders and redeploy for growth

1. Australia only. Excludes Communities, Retirement Living, Engineering and Services. Calculated as statutory profit after tax divided by average equity. 2. Based on total project end value.

Key actions to simplify Lendlease

1 Restructuring the organisation and reducing costs	2 Transactions announced and underway	3 Divesting international Construction	4 Releasing capital from international Development
0-12 months	0-12 months	0-18 months	staged
Removing regional management structure	$2.8b of assets on market [1]	Targeting trade sales as going concerns	$1.7b of assets available for sale [1,2]
$125m of initial pre-tax run-rate cost savings within 12 months	Communities (Australia) and Asia Life Sciences sales announced	Ongoing Construction business focused solely on Australia	No new Development origination in overseas markets
~250-350 FTE reduction (primarily international)	~760 FTE reduction (international) [3,4]	~1,400 FTE reduction (international) [4]	FTE reduced further based on lower activity

1. Net of anticipated impairments assumed for this presentation at the midpoint of the estimated range, for illustrative purposes only.
2. Net of funding for Engineering and Services and working capital associated with the international Construction business. 3. Excludes Communities (Australia). 4. Reduction via divestments.

Delivering our strategy

Focused, simplified structure

Investments

International investment management capability

Development

Australia only [1]

Construction

Australia only

Capital Release Unit

$2.8b of capital release anticipated by the end of FY25 [2]

Segment CEOs

Focused on segment performance

P&L accountability

CRU Senior Leadership

Focused on divesting assets and businesses to accelerate capital release

1. Capital Release Unit will continue to develop select projects with existing capital commitments in the short-to-mid-term prior to sale.
2. Net of anticipated impairments assumed for this presentation at the midpoint of the estimated range, for illustrative purposes only.

Strategic focus areas

Investments	Development	Construction	Capital Release Unit
Focus on performance, earnings and profitability	Expand development pipeline in Australia	Maintain efficiency and risk management	Unlock value for securityholders
Strengthen existing and add new capital partnerships	Increase capital partnering and focus on productivity and returns	Delivery capability for integrated model in Australia	Capital release from overseas developments and other businesses
Expand beyond traditional Develop-to-Core product offerings	Greater focus on capital partner preferences in product origination	Partner of choice for governments and other key clients	$2.8b of capital release anticipated by the end of FY25

Measuring our performance

Investments	Development	Construction	Capital Release Unit
$3.2b invested capital, HY24	$1.8b invested capital, HY24	$(0.6)b invested capital, HY24	$3.42 NTA per security, HY24 [9,10,11]
$50.4b FUM, HY24 [1,2]	$10.4b work in progress, HY24 [5,6,7]	$4.5b backlog revenue, HY24 [5,8]	$2.8b assets on market, FY24-25 [11]
$123m base mgmt. revenue, HY24 [2,3]	$2.9b master planned or in conversion, HY24 [5,6]	$3.4b avg. revenue, FY19-23 [5,8]	$1.7b assets available for sale, FY25-28+ [11,12]
41.2% avg. EBITDA margin, FY19-23 [2,3,4]	18.2% avg. ROIC, FY19-23 [5,6]	3.3% avg. EBITDA margin, FY19-23 [5,8]	Anticipated positive earnings contribution to the Group

1. Includes previously reported FUM and AUM. 2. Excludes Military Housing and Retirement Living (Australia). 3. Excludes transaction and performance fees. 4. Management EBITDA margin. 5. Australia only. 6. Excludes Communities (Australia). 7. Stated on 100% basis. Lendlease share of WIP equal to $5.1b. 8. Excludes Engineering and Services. 9. Net tangible assets per security. 10. Invested capital per security. 11. Net of anticipated impairments assumed for this presentation at the midpoint of the estimated range (i.e., $1.3b), for illustrative purposes only. 12. Net of funding for Engineering and Services and working capital associated with the international Construction business.

Australia is our key growth focus

Our history of excellence in Australia


Caltex House, Sydney


Australia Square, Sydney


Sydney Opera House


MLC Centre, Sydney


The Regent of Sydney


Tullamarine Airport, Melbourne


Sydney Olympic Park


Aurora Place, Sydney


Sydney Airport


National Museum of Australia, Canberra

Deutsche Bank Place, Sydney


Darling Quarter, Sydney


Victoria Harbour, Melbourne


Gold Coast University Hospital


Adelaide Oval


Royal Children's Hospital, Melbourne


Rod Laver Arena, Melbourne

Gold Coast Commonwealth Games


Darling Square, Sydney


Western Sydney Stadium


Air Traffic Control


Melbourne Quarter

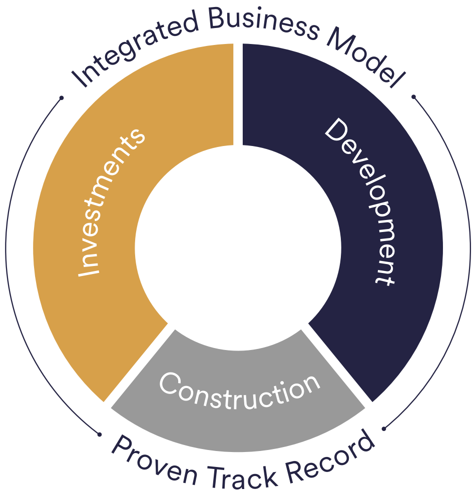

Sunshine Coast University Hospital


Barangaroo South, Sydney


Data Centres


Salesforce Tower, Sydney

Core competitive strengths



Market-leading Australian integrated real estate business

We leverage our integrated business model of Investments, Development and Construction to create and manage mixed-use precincts and civic and social infrastructure

Australia's leading builder and developer of real estate

Results-focused partner of choice for governments, businesses, capital partners

One of Australia's largest real estate investment management platforms

Market-leading sustainability track record and credentials

Australian Development pipeline

Large and diverse domestic opportunity set

Existing secured pipeline of $13b and actively competing on $13b of new development projects from our current target market of $40b [1]

	End value [1]	No. of projects by stage	
		Advanced [2]	Early stage [3]
Urban regeneration (mixed-use)	$25b	3	11
Residential	$8b	-	7
Commercial	$7b	3	1
	$40b	$13b	$27b

Leveraging our core capabilities:

Large scale urban regeneration

- Landmark developments, including Barangaroo and Darling Square precincts

Residential for sale, residential for rent

- Leader in luxury residential; established build-to-rent capabilities and pipeline

Trusted partner for governments with an ability to unlock new opportunities

- Strong policy support for new housing initiatives across Australia

Over-station development expertise

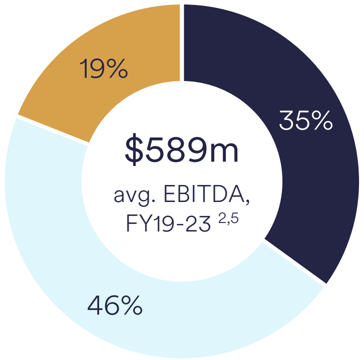
- Strong pipeline and opportunity set across Sydney and Melbourne metro areas

1. Total estimated end value. Projects from FY24+. 2. Exclusive stage or “one of two.” 3. MOU, off-market, EOI, RFP, pre-market.

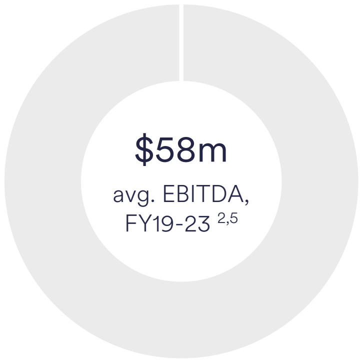
Financials

Pro-forma financials

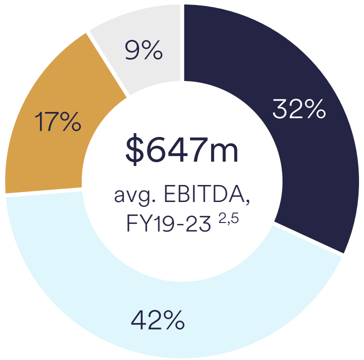
I / D / C



Capital Release Unit



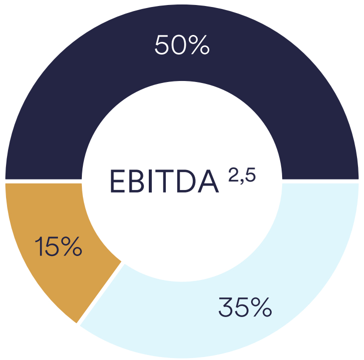
Group



- Investments
- Development
- Construction
- CRU

Group target [1]

(post-simplification)



$m, FY19-23 avg:

	I / D / C	Capital Release Unit	Group
Operating PAT [3,5,6]	312	(156)	156
Operating ROE [4,5,6]	11.8%	(3.7%)	2.3%
Group ROE [4,5,7]	10.0%	(6.1%)	0.2%

Group ROE [4,5,7] sustainably above cost of equity

1. Through-the-cycle target. 2. Segment EBITDA only. Includes Engineering and Services (Non-Core). Excludes corporate costs. 3. Operating profit after tax. Includes corporate and treasury costs.
4. Return on Equity. Calculated as profit after tax divided by average equity. 5. Excludes investment property revaluations in the Investments segment. 6. Excludes other exceptional items. 7. Includes other exceptional items.

Significant cost reductions

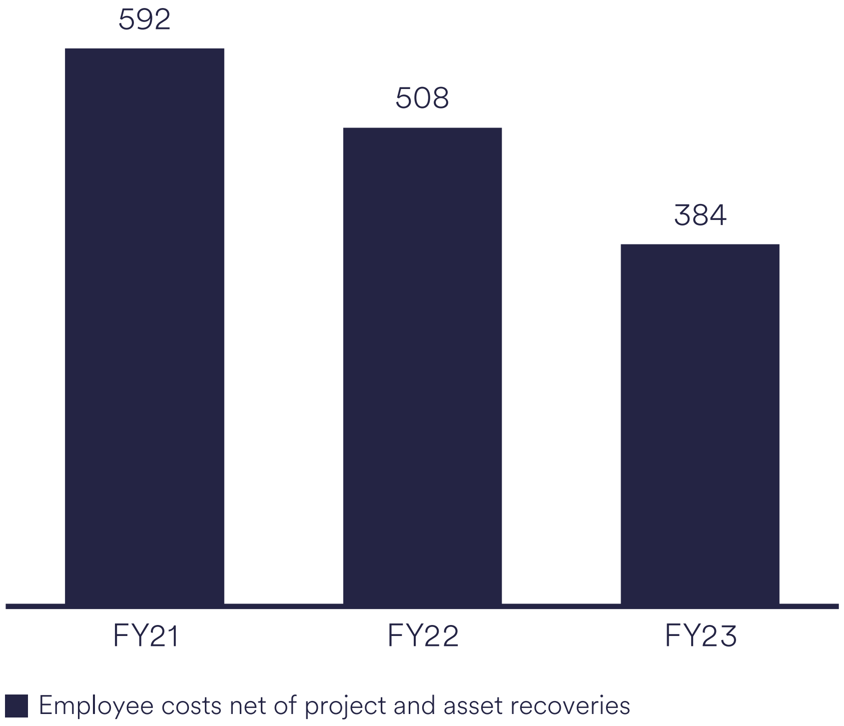
Substantial savings have been realised since FY21

$125m p.a. of further run-rate pre-tax savings associated with the initial restructuring are anticipated to be realised within 12 months:

- $65m of employee costs
- $60m of IT and other costs

Further savings are also anticipated to be achieved as projects and businesses are wound down over time

Employee overhead expense, $m [1]



Note 7. Other Expenses [2]	FY23
Total Employee Benefit Expense	1,878
Less: Recoveries through projects	(1,570)
Superannuation accumulation plan expense	85
Net defined benefit plans expense	(9)
Total	**384**

1. Total combined employee overhead expense across IDC, CRU and Corporate. 2. Refers to Section A, Note 7 in Notes to Consolidated Financial Statements within the Lendlease Annual Report 2023.

Financial impacts to accelerate our strategy

Impairments and charges are required to accelerate the release of capital

	Estimated range (before tax)	
Overseas development project impairments	$450m	$550m
Redundancy, tenancy and other break costs	$75m	$150m
Construction goodwill, deferred tax assets, and other costs [1]	$625m	$775m

- Impairments of overseas developments relate to projects with substantial office and/or residential condominium exposure where there has been a material change in development strategy
- The decision to divest international construction operations will result in the impairment of related goodwill and deferred tax assets
- These decisions will also result in redundancy, tenancy and other break costs
- Anticipated impairments and charges will be assessed at 30 June 2024 and are expected to:
  - increase FY24 gearing by 0.6-0.7% [2]
  - decrease net tangible assets per security by 80-118 cents [2]

1. Includes a portion of goodwill and deferred tax assets related to overseas development projects. 2 Based on anticipated average securityholders' equity at the end of FY24.

Capital management

Capital breakdown by segment

Invested capital [1]

- Investments $4.0b
- Development $7.2b
- Construction ($0.6b)
- Non-Core ($0.4b)
- Impairments ($1.3b) [7]

Total: $8.9b [7]

I / D / C

$3.2b	$1.3b Australia [2] $0.6b Europe $1.0b Asia $0.3b Americas [3]
$1.8b	Development (Australia) [4]
($0.6b)	Construction (Australia) • ($1.2b) working capital • $0.6b goodwill

Total: $4.4b

Capital Release Unit

$0.8b	$0.4b US Military Housing $0.4b Retirement Living (Aus) [5]
$5.4b	$4.1b Development (int'l) [6] $1.3b Communities (Aus)
($0.0b)	Construction (international) • ($0.5b) working capital • $0.5b goodwill
($0.4b)	Engineering and Services (Non-Core)
($1.3b) [7]	($0.8b) tangible assets ($0.5b) goodwill

Total: $4.5b [7]

Assets on market $2.8b [7]

- $1.3b Communities (Aus)
- $0.4b US Military Housing
- $0.4b Retirement Living (Aus) [5]
- $0.7b Development (int'l)

Assets available for sale $1.7b [7]

- ($0.5b) Construction (int'l) [7]
- $2.5b Development (int'l) [6,7]

($0.4b) Engineering and Services *(in run-off)*

1. As at 31 December 2023. 2. Excludes Retirement Living (Australia). 3. Excludes US Military Housing. 4. Excludes Communities (Australia). 5. Net of deferred tax liability.
6. Net of $0.3b UK Building Safety Act provision. 7. Net of anticipated impairments assumed for this presentation at the midpoint of the estimated range (i.e., $1.3b), for illustrative purposes only.

Capital allocation framework

Released capital will be reallocated based on our transparent hierarchy for capital deployment:

Operating productivity

Capital productivity

Net operating cash flow

Maximise cash flow through **lower costs, productivity, technology** and **culture**

Strong balance sheet

30-50% distribution payout ratio [1]

Distribution **linked to business performance**

Excess cash flow

Debt reduction	To target gearing level (5-15%) by the end of FY26 [2]
Capital return	Security buy-backs, additional distributions
Growth	Subject to strict investment hurdles

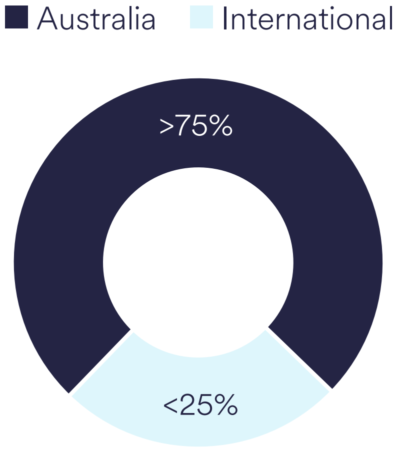
Maximise securityholder value and returns

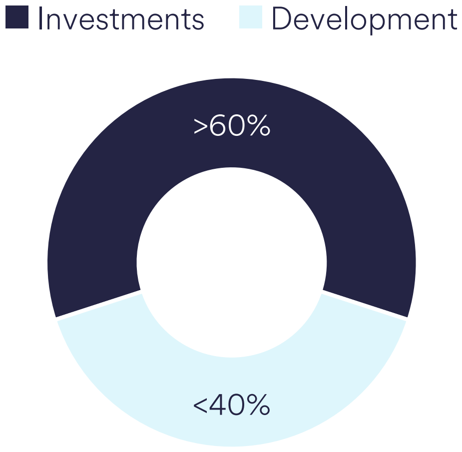
Sustainable returns above cost of equity

1. Based on statutory profit after tax excluding investment property revaluations in the Investments segment and other exceptional items, as determined by the Board. 2. Consolidated gearing calculated as net debt divided by total tangible assets less cash.

Capital allocation targets

Invested capital [1]





Capital structure [1]

Consolidated gearing [2]	5-15% [3]
Credit rating	Investment grade
Distribution policy	30-50% payout ratio [4]

Improved financial position

Higher quality, recurring income

Sustainable returns above cost of equity

1. Through-the-cycle targets. 2. Consolidated gearing calculated as net debt divided by total tangible assets less cash. 3. Target gearing level anticipated to be reached by the end of FY26.
4. Based on statutory profit after tax excluding investment property revaluations in the Investments segment and other exceptional items, as determined by the Board.

Returning capital through buy-backs

Security buy-back program

Committed to prioritising near-term return of capital to securityholders and debt reduction over redeployment

Buy-back program guidelines

up to $500m
initial planned buy-back amount

up to 10% of outstanding securities

credit rating and covenant thresholds to be maintained

- Up to 10% of outstanding securities to be bought back, subject to the following:
  - completion of the previously announced Communities transaction
  - forecast gearing reaching target 5-15% level by the end of FY26, irrespective of security buy-backs
  - maintaining existing credit ratings
  - buy-backs being accretive to Earnings per Security (EPS)
- Disciplined capital allocation framework to be maintained and to leave ample room for debt reduction and future growth upon further capital release, particularly to expand the Development pipeline in Australia

Summary

Enhancing securityholder value

- Lower risk profile and lower cost base
- $2.8b of capital release anticipated within next 12 months to:
  - Reduce gearing and strengthen balance sheet
  - Return capital to securityholders through buy-backs
  - Invest in future growth in proven segments with stringent return hurdles
- $1.7b of anticipated further net capital release

Simplifying Lendlease to be...

Australia's leading integrated real estate business
with a strong international investment management capability

Analyst Q&A

Appendix

Structural options

Key structural options considered

	Status quo	Internal restructuring and accelerated capital release	Demerger
Description	• Simplifying the business through a reallocation of capital to Australia (40-60%) and Investments (50-70%)	• Internal separation of non-strategic businesses and assets • Separated business unit to focus solely on maximising capital return • Separate reporting with full transparency on progress and KPIs	• Implementation of a structural separation (e.g., Australia vs. international) • Delivers securityholders an investment in two businesses with different attributes and strategies
Key considerations	• Currently delivering insufficient returns on a risk-adjusted basis • Limited securityholder appetite for further investment into underperforming markets and segments	• Provides a clear pathway to stabilisation and unlocking value on a realistic timeline • Balances trade-off between time value of money and market timing	• Requires a capital injection • Duplicates cost base • Complex, costly and lengthy implementation

Segment summaries

Investments

International capability with strong foundations in Australia and Asia

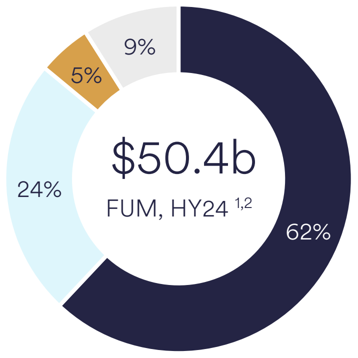
Global network of long-standing client relationships

Real estate skills to add value at the asset level

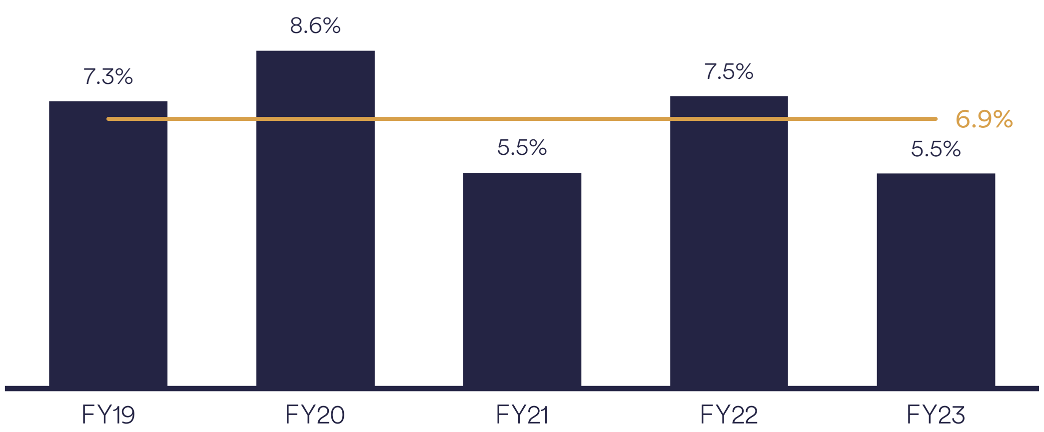
Trusted fiduciary with strong governance

>70
capital partners

10%
FUM CAGR, FY19-23 [1,2]



Historical performance (incl. international) [1]



$123m
base management revenue, HY24 [1,3]

41.2%
avg. EBITDA margin, FY19-23 [1,3,4]

6.2%
co-investment % of FUM, HY24 [1]

3.1%
co-investment yield, HY24 [1,5]

1. Excludes US Military Housing and Retirement Living (Australia). 2. Includes previously reported FUM and AUM. 3. Excludes transaction and performance fees.
4. Management EBITDA margin. 5. Co-investment distribution yield after deductions of interest, applicable taxes and fees.

Investments

Focused on improving profitability in Europe and the Americas

Strong returns have been achieved in established Australia and Asia platforms

- International operations are a substantial part of the business, contributing over 35% of FUM [1]
- Changes in structure and segment leadership are anticipated to drive improved performance and increase scale in Europe and the Americas
- Growth initiatives will focus on tailoring and matching products to investor preferences, with potential minority co-investment positions in future products

$m	FY19	FY20	FY21	FY22	FY23	HY24
Australia						
FUM ($b) [1]	25.5	25.2	28.7	32.3	31.8	31.4
Revenue [2,3]	141	125	124	135	144	69
EBITDA [2,3]	74	68	66	59	66	32
EBITDA margin [2,3]	52.5%	54.4%	53.2%	43.7%	45.8%	46.0%
Asia						
FUM ($b) [1]	8.2	8.7	8.5	9.4	10.5	11.8
Revenue [2,3]	62	123	63	78	82	41
EBITDA [2,3]	34	97	41	51	39	20
EBITDA margin [2,3]	54.8%	78.9%	65.1%	65.4%	47.6%	48.2%
Europe						
FUM ($b) [1]	1.9	1.8	2.1	1.9	4.6	4.6
Revenue [2,3]	13	8	11	14	18	9
EBITDA [2,3]	(7)	(13)	(16)	(10)	(3)	(2)
Americas [4]						
FUM ($b) [1]	0.7	1.0	1.7	2.0	2.5	2.6
Revenue [2,3]	2	3	3	7	9	4
EBITDA [2,3]	-	3	(1)	3	-	(4)

1. Includes previously reported FUM and AUM. 2. Excludes co-investment distributions and transaction gains or losses. 3. Includes transaction and performance fees. 4. Excludes US Military Housing.

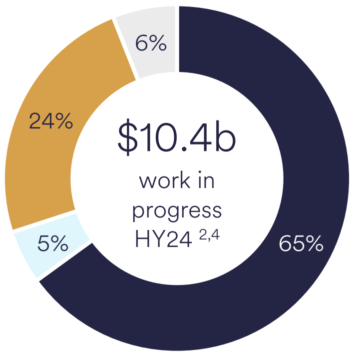
Development

Australia-only [1] developer with leading urban regeneration capability

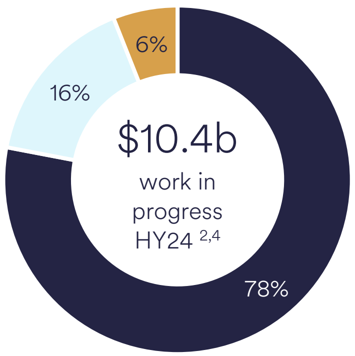
Experience across a range of sectors and products

Strong relationships with governments

Market leader in urban regeneration

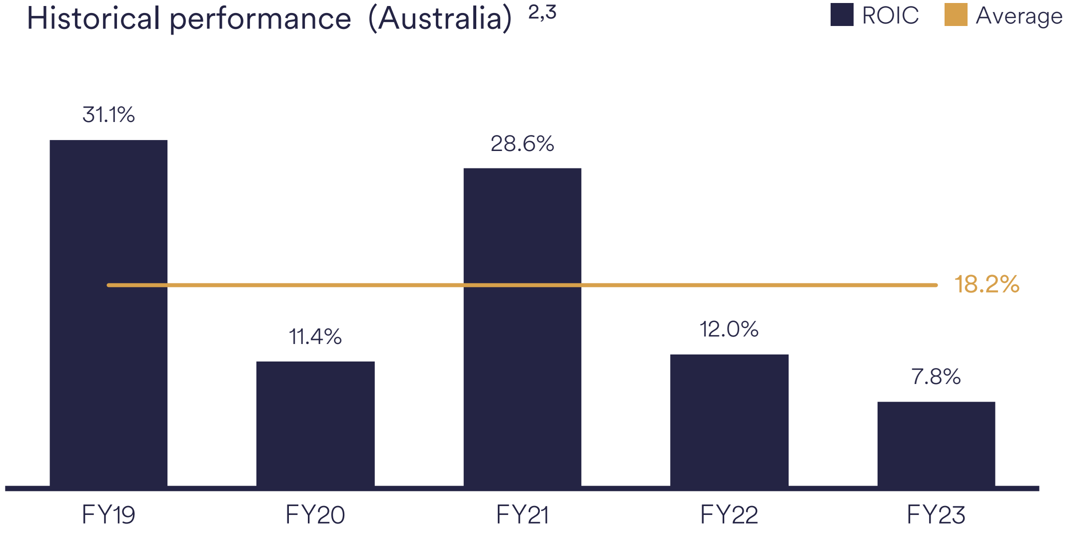


Residential (BTS) [5] Residential (BTR) [5] Workplace Other



Joint venture Fund-through Balance sheet

Historical performance (Australia) [2,3]



$10.4b work in progress HY24 [2,4]

$2.9b master planned or in conversion, HY24 [2]

$1.8b invested capital HY24 [2]

18.2% avg. ROIC FY19-23 [2]

1. Capital Release Unit will continue to develop select projects with existing capital commitments in the short-to-mid-term. 2. Australia only. Excludes Communities (Australia).
3.. Australia-only Development overheads (excluding Communities) are approximately $45-55m p.a. 4. Stated on 100% basis. Lendlease share of WIP equal to $5.1b. 5. BTS refers to "build-to-sell." BTR refers to "build-to-rent."

Development

Summary of select Australian projects

Project	City	Sector [2]	Model [3]	Ownership	Invested capital [4] FY23	Invested capital [4] HY24	End value [5] $b	Margin [6] %	Delivery timeline Start	Delivery timeline Target completion
Development (Australia only) [1]										
One Sydney Harbour R1/R2	Sydney	Residential (BTS)	Joint venture	75%	0.4	0.6	3.7	30-40%	FY20	FY25
One Sydney Harbour R3	Sydney	Residential (BTS)	Balance sheet	100%	0.1	0.2	0.6	0-10%	FY22	FY25
One Circular Quay	Sydney	Residential (BTS), Hotel	Joint venture	33%	0.1	0.2	3.1	30-40%	FY23	FY27
Victoria Harbour	Melbourne	Residential (BTS and BTR)	Balance sheet	100%	0.1	0.1	2.3	10-20%	FY24	FY30
Melbourne Quarter West	Melbourne	Residential (BTR)	Joint venture	25%	0.0	0.0	0.5	10-20%	FY23	FY26
Melbourne Quarter Tower	Melbourne	Workplace	Fund-through	0%	0.0	0.0	1.2	10-20%	FY21	FY24
Victoria Cross OSD [7]	Sydney	Workplace	Joint venture	75%	0.2	0.3	1.2	10-20%	FY23	FY25
Town Hall Place	Melbourne	Workplace	Balance sheet	100%	0.0	0.0	0.4	n.a. [8]	FY25	FY27

1. Excludes Communities. 2. BTS refers to "build-to-sell." BTR refers to "build-to-rent." 3. Current funding model. 4. Figures stated in $b. 5. Stated on 100% basis.
6. Project-level margin on cost. Excludes Development segment overhead costs. 7. OSD stands for over-station development. 8. Commercially sensitive.

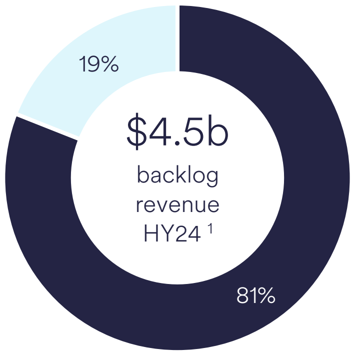
Construction

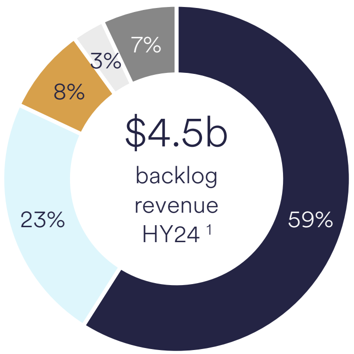
Australia-only builder with deep sector expertise and client relationships

Delivery capability for integrated model

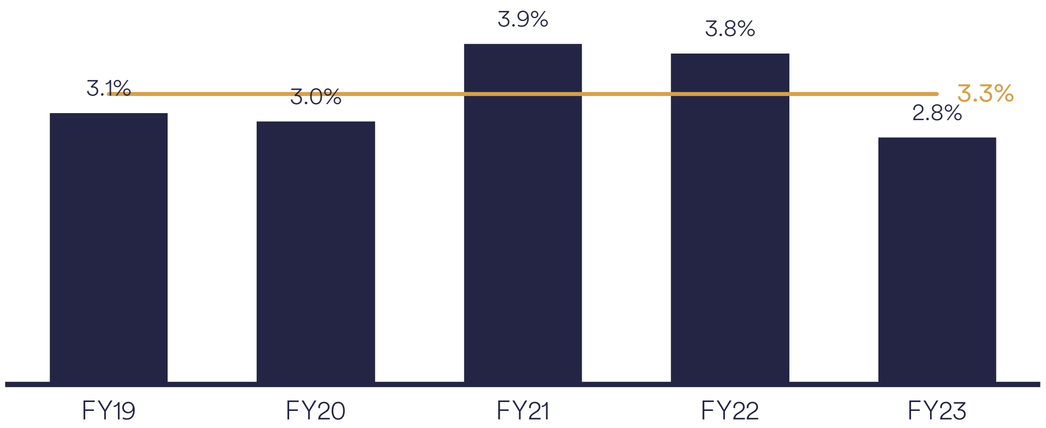
Exposure to a diverse range of sectors

Heritage of operational excellence





Historical performance (Australia) [1]



$4.5b	$6.5b	$3.4b	3.3%
backlog revenue, HY24 [1]	external preferred, HY24 [1]	avg. revenue FY19-23 [1]	avg. EBITDA margin, FY19-23 [1]

1. Australia only. Excludes Engineering and Services.

Capital Release Unit

Freeing up capital, unlocking value for securityholders

Expediting capital recycling to reduce gearing, return capital to securityholders, and redeploy for growth

$2.8b [1] of capital release anticipated by the end of FY25

Assets on market FY24-25	Assets available for sale FY25-28+
$2.8b [1]	$1.7b [1,2]
Communities (Australia) **	Construction (international)
Asia Life Sciences **	Unsold apartments (international)
US Military Housing	Other international developments *(breakdown on following page)*
Retirement Living (Australia)	
The Exchange TRX, Malaysia	
Ardor Gardens, China	

** Announced transactions. 1. Net of anticipated impairments assumed for this presentation at the midpoint of the estimated range (i.e., $1.3b), for illustrative purposes only.
2. Net of funding for Engineering and Services and working capital associated with the international Construction business.

Capital Release Unit

Maximising value capture from our international development projects

Orderly capital release from overseas development projects while maximising value and preserving key stakeholder relationships

Once completed, various joint ventures are expected to contribute up to $7.3b of FUM to the Investments segment

Land and inventory currently available for sale

Efficient and early release of capital from land and inventory currently available for sale

- Hayes Point, San Francisco
- Lakeshore East, Chicago
- Southbank, Chicago
- Deptford Landings, London
- Europe inventory (Elephant Park, Wandsworth, Potato Wharf)
- Americas inventory (Fifth Avenue, Cirrus, The Reed, Claremont)
- Other land in Europe and Americas

Joint ventures to be completed

Fulfilling commitments to existing capital partners on in-progress projects

- 1 Java Street, New York (ASF) [1]
- Habitat, Los Angeles (ASF) [1]
- Forum, Boston (CPF) [2]
- Milan Innovation District (office) (CPF) [2]
- Stratford Cross (office), London (CPF) [2]
- Elephant Park (BTS), London [3] (Daiwa House)
- Paya Lebar Green, Singapore (Certis)
- Comcentre, Singapore (Singtel)

Land management agreements to be revised

Satisfying various obligations (such as planning, remediation, etc.) to maximise value capture

- Thamesmead, London
- Euston Station, London
- Silvertown, London
- Milano Santa Giulia (land)
- Milan Innovation District (land)
- Smithfield, Birmingham
- Stratford Cross (land), London
- High Road West, London

1. ASF means Australian superannuation fund. 2. CPF means Canadian pension fund. 3. BTS refers to "build-to-sell" residential.

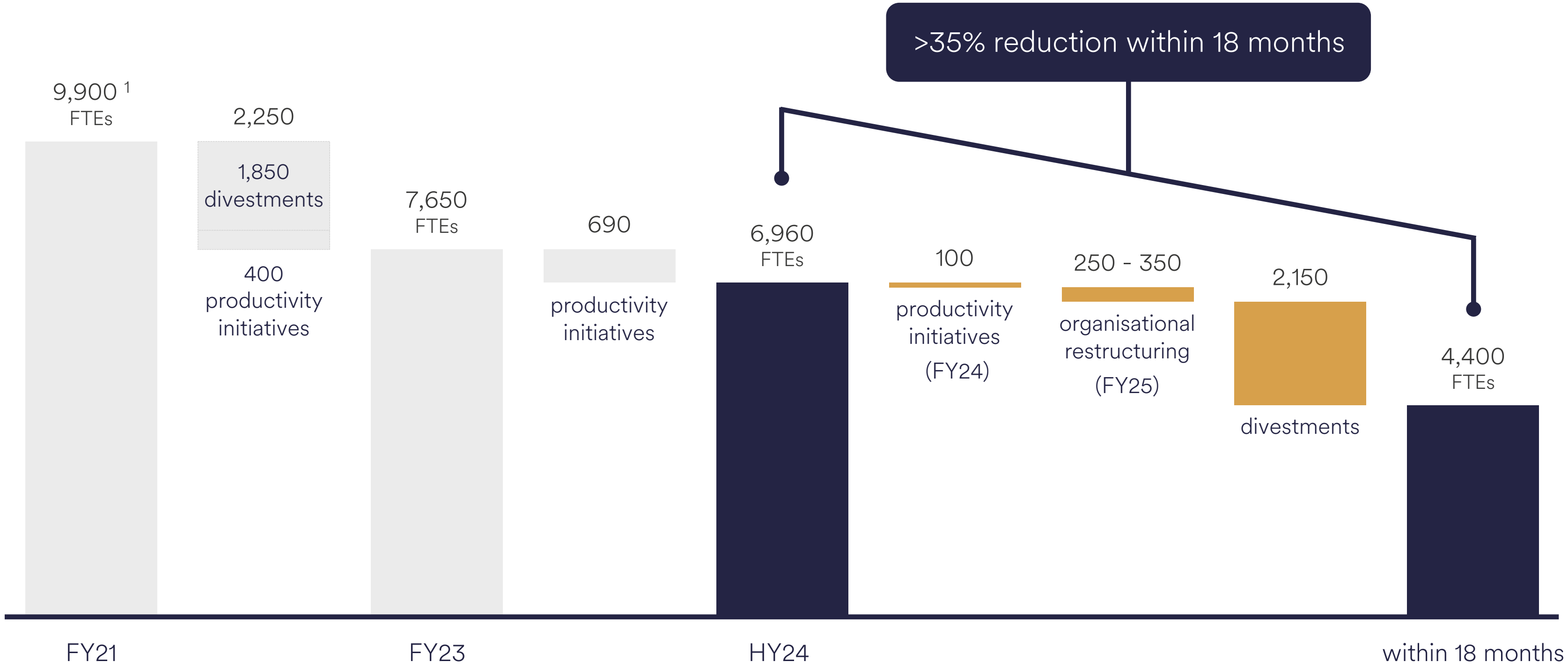
Business simplification

Continuing our business simplification

Since FY21, we have reduced our employee base by approximately 30%

Within the next 18 months, we are targeting a further >35% reduction

FTE reductions from productivity initiatives and divestments



1. Includes Services FTEs.

Financials

Historical pro-forma financials

$m	FY19	FY20	FY21	FY22	FY23	5yr avg.	HY24
Investments (incl. international) [1]							
FUM ($b) [2]	36.3	36.8	41.0	45.7	49.3	41.8	50.4
FUM growth	16.2%	1.4%	11.5%	11.5%	7.8%	9.7%	2.1%
Base management revenue [3]	200	194	192	211	243	208	123
Base management EBITDA [3,4]	85	89	81	79	92	85	46
Base management EBITDA margin [3,5]	42.5%	45.9%	42.0%	37.6%	37.8%	41.2%	37.1%
Other EBITDA [6]	42	120	19	57	15	51	(2)
Co-investment capital (closing) ($b)	1.9	2.1	2.4	2.8	3.2	2.5	3.1
% of FUM	5.1%	5.8%	5.8%	6.0%	6.6%	5.9%	6.2%
Co-investment EBITDA	67	35	45	117	98	72	49
Co-investment yield [7]	3.7%	1.7%	2.0%	4.6%	3.3%	3.0%	3.1%
Total OPAT (Investments)	138	177	125	192	164	159	72
Invested capital (closing) ($b)	1.9	2.1	2.4	2.8	3.2	2.5	3.2
- Australia	1.1	1.0	1.0	1.2	1.2	1.1	1.3
- International	0.8	1.1	1.3	1.5	2.0	1.4	1.9
ROIC [8]	7.3%	8.6%	5.5%	7.5%	5.5%	6.9%	4.5%

$m	FY19	FY20	FY21	FY22	FY23	5yr avg.	HY24
Development (Australia only) [9]							
EBITDA	512	157	354	183	134	268	(24)
OPAT	362	105	250	122	96	187	(29)
Invested capital (closing) ($b)	1.0	0.9	0.9	1.1	1.3	1.0	1.8
ROIC	31.1%	11.4%	28.6%	12.0%	7.8%	18.2%	(3.7%)
Construction (Australia only) [10]							
Revenue	4,052	3,217	2,868	3,187	3,707	3,406	1,879
EBITDA	126	97	112	121	105	112	58
Margin	3.1%	3.0%	3.9%	3.8%	2.8%	3.3%	3.1%
OPAT	84	62	72	80	58	71	30
Invested capital (closing) ($b) [11]	0.1	(0.1)	(0.1)	(0.3)	(0.6)	(0.2)	(0.6)
Capital Release Unit [12]							
EBITDA	(11)	(271)	169	246	159	58	165
OPAT	(30)	(261)	27	122	132	(2)	95
Invested capital (closing) ($b)	4.8	5.2	4.4	4.5	5.2	4.8	5.8
ROIC	(0.6%)	(5.2%)	0.6%	2.7%	2.7%	-	3.5%

1. Excludes US Military Housing and Retirement Living (Australia). 2. Includes previously reported FUM and AUM. 3. Excludes transaction and performance fees.
4. Excludes US Military Housing EBITDA contribution of $207m and $16m in FY23 and HY24, respectively. Excludes Retirement Living (Australia) EBITDA contribution of ($6m) in FY23 and $12m in HY24.
5. Management EBITDA margin. 6. Includes transaction and performance earnings. 7. Co-investment distribution yield after deductions of interest, applicable taxes and fees.
8. Excludes investment property revaluations in the Investments segment. 9. Excludes Communities (Australia). 10. Excludes Engineering and Services. 11. Inclusive of goodwill.
12. Includes US Military Housing, Communities (Australia), Retirement Living (Australia), and Engineering and Services.

Historical pro-forma financials

$m	FY19	FY20	FY21	FY22	FY23	5yr avg.	HY24
Corporate costs [1]							
I / D / C (ex-CRU)	(54)	(46)	(54)	(70)	(59)	(57)	(24)
Capital Release Unit	(86)	(83)	(74)	(89)	(79)	(82)	(32)
Group	(140)	(129)	(128)	(159)	(138)	(139)	(56)
Net debt (closing) [2]							
I / D / C (ex-CRU)	553	298	291	467	1,026	527	1,604
Capital Release Unit	872	535	404	593	1,355	752	2,140
Group	1,425	833	695	1,060	2,381	1,278	3,744
Investment property revaluations [3,4]							
I / D / C (ex-CRU)	96	(62)	30	61	(155)	(6)	(127)
Capital Release Unit	76	(39)	(4)	9	(20)	4	2
Group	172	(101)	26	70	(175)	(2)	(125)
Other exceptional items [3,5]							
I / D / C (ex-CRU)	-	-	-	(262)	-	(52)	(11)
Capital Release Unit	-	(9)	-	(159)	(295)	(93)	(67)
Group	-	(9)	-	(421)	(295)	(145)	(78)

$m	FY19	FY20	FY21	FY22	FY23	5yr avg.	HY24
Profit after tax [6,7]							
I / D / C (ex-CRU)	483	242	330	16	227	260	19
Capital Release Unit	(188)	(451)	(134)	(185)	(284)	(248)	(30)
Group	295	(209)	196	(169)	(57)	11	(11)
Earnings per security (cents) [6,7]							
I / D / C (ex-CRU)	85.2	40.1	48.0	2.3	32.9	41.7	2.7
Capital Release Unit	(33.2)	(74.8)	(19.5)	(26.8)	(41.2)	(39.1)	(4.3)
Group	52.0	(34.7)	28.5	(24.5)	(8.3)	2.6	(1.6)
Return on Equity [6,7]							
I / D / C (ex-CRU)	20.4%	9.5%	12.1%	0.5%	7.6%	10.0%	1.3%
Capital Release Unit	(4.7%)	(10.5%)	(3.1%)	(4.7%)	(7.3%)	(6.1%)	(1.6%)
Group	4.7%	(3.2%)	2.8%	(2.5%)	(0.8%)	0.2%	(0.3%)
Return on Equity (incl. investment property revaluations) [4,7]							
I / D / C (ex-CRU)	24.4%	7.1%	13.2%	2.6%	2.4%	9.9%	(7.7%)
Capital Release Unit	(2.8%)	(11.4%)	(3.2%)	(4.4%)	(7.8%)	(5.9%)	(1.5%)
Group	7.4%	(4.7%)	3.2%	(1.4%)	(3.4%)	0.2%	(4.2%)

1. Stated on a pre-tax basis. 2. Corporate costs and net debt allocated based on invested capital in each period. 3. Stated on a post-tax basis. 4. Investment property revaluations in the Investments segment only.
5. Exceptional items excluding investment property revaluations in the Investments segment. 6. Excludes investment property revaluations in the Investments segment. 7. Includes other exceptional items.

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A reference to HY24 refers to the six-month period ended 31 December 2023 unless otherwise stated. Comparative periods are to the six months ended 31 December 2022 unless otherwise stated. All figures are in AUD unless otherwise stated. Monetary amounts have been rounded to the nearest billion or million which may give rise to an anomaly between the total of a group of numbers.