

16 October 2024

Lendlease Stakeholder Engagement Presentation

Attached is a presentation to be referred to during engagement meetings throughout October and November 2024 between Lendlease Chair, Michael Ullmer AO, Lendlease Chair-elect John Gillam, Lendlease Chair of the People & Culture Committee, Elizabeth Proust AO and key stakeholders.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

Investors:

Michael Vercoe
Head of Investor Relations
+61 488 245 205
michael.vercoe@lendlease.com

Media:

Stephen Ellaway
Executive GM, Corporate Affairs
+61 417 851 287
stephen.ellaway@lendlease.com

Authorised for lodgement by the Lendlease Group Disclosure Committee



Melbourne Quarter Tower, Melbourne

Stakeholder engagement

Michael Ullmer, AO
Chairman, Lendlease Group

John Gillam
Chairman-elect, Lendlease Group

Elizabeth Proust, AO
Chair, People & Culture Committee

October - November 2024



Our strategic direction

Positioning Lendlease to be Australia's leading integrated real estate business with a strong international investment management capability



- Simplifying the organisation and reducing costs
- Lowering the risk profile of the Group and divesting lower return businesses
- Recycling capital to deploy more productively or return to securityholders
- Investing in our high-return Australian operations and growing our Investments platform

Strategic and operational performance

Strategic Progress

- \$2.8b FY25 on-market asset sales program well progressed, supporting future debt reduction and balance sheet strengthening
 - Announced sales; Communities, Military Housing and new Life Sciences Joint Venture
 - Active processes to recycle a further \$0.9b+ of capital in FY25
- Removed regional management structure
- Announced a further \$125m of pre-tax run-rate cost savings, with run-rate targeted by the end of FY25
- Sale of US Construction operations complete; Preparing UK Construction business for sale

FY24 Operational Update

- Strong underlying FUM growth, delivering \$3.4b of new additions against ongoing valuation headwinds
- More than \$8b of Development completions
- Strong expected cash inflows in FY25 from announced transactions and contracted settlements
- Achieved \$60m targeted pre-tax savings in FY24
- Continued focus on safety with zero fatalities
- Progress towards Net Zero Carbon Scope 1 and 2 FY25 target

Execution well progressed, including majority of \$2.8b asset sales program; improved financial performance in 2H24 led by Development

FY25 progress

Growth across our integrated Australian business and International Investments platform

Integrated Australian business

- Establishment of a new joint venture with Mitsubishi Estate Asia to secure One Darling Point in Sydney – a \$0.5b luxury residential-led project
- First-ever partnership with Nippon Steel Kowa Real Estate to deliver a \$0.5b build-to-rent apartment development in Melbourne
- Exemplar Health consortium named preferred proponent, to deliver the new Melton Hospital project in Victoria valued at over \$0.9b, with Lendlease as design and construction partner and Lendlease's Capella Capital as sponsor, investor and asset manager
- Continuing to target value accretive development origination opportunities on the East Coast of Australia, including actively pursuing further opportunities in the luxury residential market
- Building on the strong Construction backlog and preferred workbook with commencements and new wins across social infrastructure, data centres, defence, transport, workplace and residential apartments

International Investments platform

- Acquisition of a ~S\$1.6b investment portfolio of Singapore real estate assets by Lendlease's life sciences platform joint venture with Warburg Pincus
 - Increases the scale of international funds under management and is expected to deliver returns comfortably above Lendlease's cost of equity

FY24 financial result

\$263m Core operating¹ Profit after Tax

38.1c Earnings per stapled security	4.4% ² Return on Equity
16.0cps ³ Full Year distribution	42% Payout ratio

\$1,502m Statutory Loss after Tax

\$1,756m ⁴ Non-operating items
\$9m Non-core segment loss

Stable financial position

21% ⁵ Gearing
\$2.2b Available liquidity

- Core operating Profit after Tax impacted by announced delays to the sale of Communities projects and Asia Life Sciences interests; now FY25
- Statutory Loss after Tax affected by Non-operating items:
 - \$1,384m post-tax strategy impact, including \$513m of goodwill (primarily from the 1999 acquisition of Bovis Construction), deferred tax assets, development asset impairments, and redundancy, tenancy and other costs
 - \$260m post-tax impact of property revaluations in the Investments segment
 - \$95m post-tax restructuring costs from business optimisation initiatives
 - \$17m of costs in relation to retrospective building remediation regulations in the UK
- Gearing of 21% (including 1% from strategy-related costs)
 - Expected to reduce in FY25 with \$2.4b⁶ of contracted and anticipated cash inflows

1. Statutory profit adjusted for Investment property revaluations (including in Other financial assets and Equity accounted investments) that are classified in the Investments segment, and material one-off items that could not reasonably have been expected to arise from normal operations, including impairments and charges required to implement the May 2024 strategy update. 2. Return on Equity is calculated using Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity. 3. Combined Trust distributions and management company dividend. Dividend component fully franked. 4. Includes Investments segment valuation decreases post tax of \$260m. 5. Net debt to total tangible assets, less cash. 6. Expected pre-tax contracted and announced net cash inflows from the sale of 12 Communities projects, the US Military Housing business and Asia Life Sciences interests, and One Sydney Harbour apartment settlements.

FY24 highlights

Australia

- Communities sale announced
- Completion of Residences One, OSH
- One Circular Quay 70% pre-sold
- Build to rent focus; MQ West progress
- Strong construction preferred book

Asia

- Established Life Sciences Joint Venture
- Completed \$2.0b TRX retail and residential projects; delivering \$1.5b FUM and AUM

Europe

- Planning approvals received at key projects, including Smithfield, Birmingham
- Elephant Park residential partnership
- Completed Park and Sayer build to sell
- Land sale at Stratford Cross

US

- Military Housing sale announced
- Heads of Terms agreed for the sale of East Coast Construction (sale now complete)
- Completed 100 Claremont, New York (luxury residential) and The Reed, Chicago (build to rent and build to sell)
- Topped out Forum (60 Guest)

Sydney: Victoria Cross Tower
Artist's impression



Melbourne: Town Hall Place
Artist's impression



Chicago:
The Reed



New York:
100 Claremont



6

London:
Elephant Park



London:
Turing Building – Topping out



Kuala Lumpur:
The Exchange TRX



Health and Safety

FY24 highlights

- No corporate reportable fatalities across the organisation in FY24
- Maintained a low frequency rate for Critical Incidents and Lost Time injuries following the record lows recorded in FY23
- 3P's Safety Strategy (Physical, Product, Psychological) continuing momentum with Psychological Safety Workshops being rolled out across all regions

Physical safety

Risk of incidents from the work activities we oversee

Product safety

Risk of failure from the product we provide

Psychological safety

Risk of a culture that inhibits respect for all

Key performance indicators at record rates

Critical Incident Frequency Rate¹



Operations without a critical incident² (%)



Lost Time Injury Frequency Rate¹



Environmental, Social and Governance

FY24 key achievements

On track to achieve our 2025 targets; Net Zero for Scope 1 & 2 emissions & \$250m of Social Value



53%¹
reduction in gross
Scope 1 & 2
emissions since
Mission Zero
launched in 2020

65%²
global electricity
use from
renewable sources

\$222m of social
value created,
which equates to
89% of our \$250m
by 2025 target

12 global and
14 regional
2023 GRESB
sector leadership
awards



Released FY23
ESG Databook

Published FY23
Modern Slavery
Statement

Submitted
2024 UNGC
Communication
on Progress

\$4.1b or over 70%
of the Group's total
financing facilities
are green or
sustainability-linked



1. This figure excludes emission reductions achieved through divestment of non-core businesses. Scope 2 emissions have been calculated using the market-based method, which includes the use of renewable energy certificates, power purchase agreements, renewable tariffs and the benefit of inherent grid renewable electricity where we have evidence that there is no claim by another entity.

2. Includes renewable energy certificates, power purchase agreements, renewable tariffs and the benefit of inherent grid renewable electricity where we have evidence that there is no claim by another entity.

Chair appointment and process

Appointment of John Gillam as Chairman-elect; securityholders to vote on the election at the 2024 AGM

In May 2024, the retirement of Chairman, Michael Ullmer, and Independent Non-Executive Director, Nicola Wakefield Evans, was announced, effective upon the conclusion of the November 2024 AGM.

A leading advisory firm was appointed by the Board to conduct a comprehensive external search process for a new Chair, concluding with the Board's decision in October.

Appointment criteria were determined by the Board and a preliminary list of more than 20 potential candidates identified, including from property and non-property backgrounds. A consistent view from securityholders emerged that deep real estate experience was not a necessary requirement.

The Board welcomed feedback from securityholders throughout the process, including identification of potential candidates, all of whom were fully considered by the Board as part of the formal process.

A number of candidates were short-listed by the Board and interviewed by a Board sub-committee. The final candidates were separately interviewed by all members of the Board, and met the CEO, before meeting with the full Board in October (excluding the CEO).

The Chair-elect was then determined by the Board (excluding CEO), having regard for the agreed appointment criteria, candidate availability and feedback obtained throughout the formal process, including reference checks for final candidates.

Key appointment criteria, incorporating feedback from securityholders, included:

- Experience as a Director with ASX-listed companies, preferably with leadership experience as CEO or Chair
- Australia based, operating P&L leadership experience of relevant scale
- A strong record of efficient, profitable business management, including experience with performance improvement
- Strong financial acumen and understanding of capital management
- Real Estate Investment Management experience is also relevant, ideally in combination with real estate development experience
- A select number of highly commercial, former CEOs without property sector experience who have delivered restructuring and change in a complex environment may also be considered
- Strong domestic experience and networks, coupled with international experience
- Proven experience building strong relationships with investors and key stakeholders
- Experience bringing together a Board and implementing performance and accountability disciplines for both the Leadership Team and Directors
- A fit to Lendlease in terms of their commitment to sustainability, diversity, social responsibility and the importance of health and safety outcomes
- The availability and willingness to invest a significant amount of time in the Chair of Lendlease role, including meeting key stakeholders. An appropriate bandwidth with respect to time, energy, travel will be required

Chairman-elect, John Gillam



John Gillam,
Chairman-elect, Lendlease
(Independent Non-executive Director)

Skills, experience and qualifications

John Gillam is an experienced Chair of listed companies. He has been Chair of Nufarm Limited since September 2020, an ASX listed business that has since been transformed into a leader in agricultural innovation and technology with the majority of revenues now generated in overseas markets. From 2018 to 2024 John was also Chair of CSR Limited, where he worked closely with the CEO and Board in diversifying the company's operations and improving its financial performance, delivering significant profit growth during his tenure.

Prior to serving as a Non-Executive Director and Chair of listed entities, he was CEO of Bunnings Group from 2004 to 2016 and Chair of Officeworks from 2008 to 2016, where he was instrumental in driving operational efficiency and strategic growth initiatives.

Mr Gillam holds a Bachelor of Commerce from the University of Western Australia and is a Member of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

Listed company Board appointments

- Chairman of Nufarm Limited (since September 2020)
- Chairman of CSR Limited (June 2018 to July 2024)

Other Board appointments

- Chairman of BlueFit Pty Limited
- Chairman of VetPartners Group
- Director of Clontarf Foundation

Board of Directors

Retiring from Board post Nov 2024 AGM



Michael Ullmer, AO
Chairman
(Joined Dec 2011)



Nicola Wakefield Evans, AM
Ind. Non-executive Director
(Joined Sept 2013)



John Gillam
Chairman-elect
(Joined Oct 2024)

Standing for election

Standing for re-election



Nick Collishaw
Ind. Non-executive Director
(Joined Dec 2021)

- Chair of the Risk Committee and Member of the Audit, Nomination and People & Culture Committees
- 40 years' experience in Investments, Development & Construction
- High profile roles in property and funds management including ex CEO Mirvac and Centuria Capital (Listed Property division)

Managing Director / Group CEO



Tony Lombardo
(Joined Board Sept 2021,
CEO since Jun 2021)



David Craig
(Joined Mar 2016)



Phil Coffey
(Joined Jan 2017)



Elizabeth Proust, AO
(Joined Feb 2018)



Robert Welanetz
(Joined Mar 2020)



Margaret Lui
(Joined Dec 2022)



Barbara Knoflach
(Joined Oct 2023)

Independent Non-executive Directors not standing for re-election

People and Culture

Key areas of focus for the Board and the P&C Committee during FY24

Learning: Investing in building capabilities

- Global leadership programs successfully delivered across all regions
- Ignite and Mosaic programs delivered globally - sponsorship of diverse talent by senior leaders
- Values Based Decision Making learning conducted for our leaders and to be rolled out to all employees

Culture: Relentless commitment to improving performance anchored by our values

- Committed to continually improving our operating model and performance culture to deliver enhanced securityholder outcomes
- Employee listening with 85% participation in our new employee engagement survey platform. Reflected a modest decrease in engagement despite the difficult operating environment

Leadership: A strong and diverse succession bench

- All key leadership roles have one or more identified successors – fifty per cent of those successors are ready now
- Prioritising the development of our top talent through a robust external assessment process to inform their development needs

Careers: Talent for today and tomorrow

- Focus on horizontal development to retain key talent in development and construction projects
- Ongoing Leadership program offerings to engage and prepare next generation of leaders
- Targeted holistic retention strategies for critical talent (including CRU)

Supporting our people through change

Following the strategy announcement in May 2024, the organisation has undertaken and continues to undertake significant structural change. To support our employees through this change and build engagement, we have focused on:

Tailored communication and change management approach to lead our people through change

- Execution of timely and clear communication aligned with varied impacts in each market.
- Resilience and Managing Through Change training to support performance and retention.

Building Resilience

- Tailored support to our people in Navigating Uncertainty.
- People Leader training on how to support their teams through change.

Wellbeing Initiatives

Leveraging our wellbeing platforms to support our people through change and uncertainty.

- **Unmind** - A holistic wellbeing mental fitness platform – **4,500 sessions completed. ~1,500 active users**
- **Heart on My Sleeve - Real Conversations** - Promoting organisational psychological safety by embedding leadership behaviours that foster a culture of trust, inclusion and engagement.

Response to FY23 Remuneration Report Strike

Key Management Personnel (KMP) Reward

Response to FY23 Remuneration Report Strike – KMP Reward

At the 2023 AGM, Lendlease received a first strike against the FY23 Remuneration Report. The snapshot below summarises the key response to the first strike:

“A key theme arising from the FY23 strike relates to the need to strengthen the alignment of KMP reward to securityholder outcomes”



ERS remains fit for purpose



FY25 STA replaced with an options plan to drive security price growth



Zero FY24 STA awarded and Zero LTA vested



Zero Fixed Remuneration Increase



LTA to have greater weighting on securityholder return measure

Executive Reward Strategy (ERS)

- The Board determined that the fundamental structure of the current ERS remains fit for purpose in a ‘business as usual’ context.
- However, the FY25 framework requires a clearer linkage to security price recovery and the delivery of the turnaround strategy

FY24 Short Term Award (STA)

- Exercised downward discretion to reduce FY24 STA payments to **zero** for the Group CEO and the Corporate Leadership Team (CLT)

FY25 Transformation Award (TA)

- Suspended the FY25 STA and replaced by a Transformation Award (TA) focused on security price recovery
- The TA will be delivered as market-priced security options with vesting contingent on achieving significant security price growth over a two-year horizon

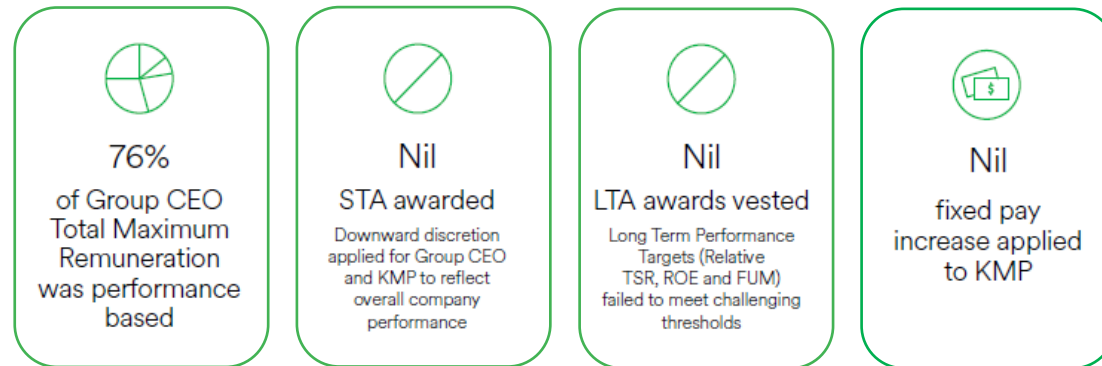
FY25 Long Term Award (LTA)

- Simplification of FY25 LTA plan with greater weighting on Relative Total Securityholder Return (TSR) and Statutory Return on Equity (ROE) to create a sharper focus on securityholder returns

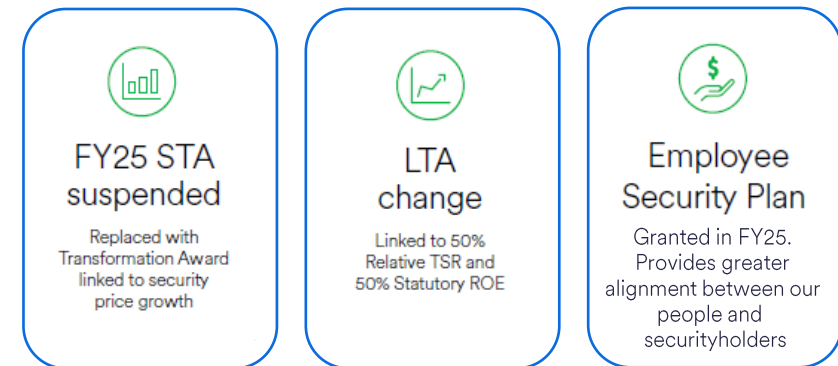
KMP remuneration

FY24 outcome and FY25 changes

FY24 remuneration snapshot



FY25 changes



KMP Changes

Based on the strategic direction announced in May 2024, Lendlease reviewed its organisational structure to align to the Investment, Development and Construction (IDC) model.

FY25 KMP Composition effective 1 July 2024

- Anthony Lombardo will remain as Group CEO
- Simon Dixon will remain as Group CFO
- Justin Gabbani appointed as CEO Investment Management
- Tom Mackellar appointed as CEO Development
- Dale Connor appointed as Group COO / CEO Construction
- Penny Ransom appointed as CIO

Former KMP

- Claire Johnston ceased as KMP effective 30 June 2024
- Andrea Ruckstuhl ceased as KMP effective 30 June 2024
- Frank Krile ceased as KMP effective 30 June 2024

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A reference to FY24 refers to the year ended 30 June 2024 unless otherwise stated. Comparative periods are to the year ended 30 June 2023 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.

