



ASX release

Goodman Group delivers strong operating profit¹ of \$1,222.4 million for 1H25 and announces a \$4.0 billion underwritten Placement to fund data centre growth opportunities and provide financial and operational flexibility

19 February 2025

Goodman Group (Goodman or Group) today released its results for the half year ended 31 December 2024. The Group delivered operating profit¹ of \$1,222.4 million, up 8% on 1H24, and operating earnings per security (OEPS) of 63.8 cents², up 7.8% on the same period last year. Statutory profit was \$799.8 million.

Goodman has continued to execute its global strategy in FY25 as providers of essential infrastructure. It has evolved with the changing economic and technological environment – which provides new growth opportunities for data centre development in its metropolitan locations.

Goodman is raising \$4.0 billion through a fully underwritten³ ‘pro-rata’ institutional placement (Placement) and will undertake a non-underwritten Security Purchase Plan (SPP) for eligible Securityholders to raise up to \$400 million (together, the “Equity Raising”). The net proceeds raised provides the Group with greater financial flexibility to pursue a number of growth opportunities across Goodman’s logistics and data centre operations, a reduction in gearing in the short term, and for working capital generally.

The Group maintains its 9% OEPS growth forecast for FY25, which includes the impact of the issue of new securities under the Equity Raising. OEPS growth guidance would have been increased to 10% had the Equity Raising not occurred.

Key highlights for the period are:
(note all figures are in AUD and pre-Equity Raising)

Financial

- + Operating profit¹ of \$1,222.4 million, up 8% on 1H24
- + OEPS² of 63.8 cents, up 7.8% on 1H24
- + Statutory profit of \$799.8 million (loss of \$220.1 million 1H24)
- + Gearing⁴ at 16.8% (8.4% at 30 June 2024), the increase driven by US Partnership restructuring
- + Interest cover ratio⁵ of 50.6x. Look through 11.9x
- + Liquidity including undrawn lines of \$2.7 billion and significant liquidity available in the Partnerships
- + Net tangible assets per security of \$9.44, up 7% on FY24
- + Distribution per security of 15.0 cents for the half year and forecast 30.0 cents for FY25.

Goodman Group

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Operational

- + Total portfolio of \$84.4 billion, up 7% from 30 June 2024
- + Revaluation gains of \$1.0 billion across the Group and Partnerships (\$0.2 billion for the Group's share)
- + Portfolio occupancy remains high at 97.1%⁶ and like-for-like net property income (NPI) growth of 4.7%⁶
- + Estimated end value of development work in progress (WIP)⁷ is \$13.0 billion, across 68 projects, with a forecast yield on cost of 6.7%
- + Data centres currently make up 46% of the development WIP⁷ with significant projects expected to commence by June 2026⁸. The global power bank is 5.0 GW across 13 major global cities, of which 2.6 GW is secured and 2.4 GW in advanced stages of procurement
- + Increased solar PV to 343 MW installed or committed to, and consistently high ratings in sustainability benchmarks.

Group Chief Executive Officer, Greg Goodman said:

"Goodman's strategy of providing essential infrastructure for the digital economy – both through our logistics facilities and data centres – has set a strong foundation for the growth we expect to see by executing the global data centre opportunity before us.

Our 5 GW power bank sits across 13 major global cities – primarily in metro locations – to facilitate cloud and AI deployments. By June 2026, we expect to have commenced the development of new powered shells and fully fitted facilities, reflecting approximately 0.5 GW⁸. These projects across Sydney, Melbourne, Los Angeles, Tokyo, Paris, Amsterdam and Hong Kong will have an estimated end value of greater than \$10.0 billion.

Goodman is well positioned to maximise the significant data centre demand across our markets. The additional funds raised provide us with greater financial and operational flexibility to manage the next phase of growth."

Data centre progress – expanding customer service offering ahead of substantial starts

The escalating demand for data centres is being fuelled by the increasing use of cloud-based technologies, migration of data, and AI and machine learning, and the Group continues to make strong progress on its data centre strategy to support this. During the half, we expanded our customer solutions, commenced new projects, established a new data centre capital Partnership, and further strengthened our specialist global data centre team.

Goodman offers a range of deployment options to our customers, from powered shell to fully fitted facilities with operational solutions. We are also meeting the needs of our capital Partners by establishing long-term ownership structures including dedicated data centre investment vehicles.

Most importantly, the 0.5 GW of new data centre development projects that are anticipated to be underway by June 2026⁸ illustrate the opportunity available to the Group. These identified projects comprise a mix of powered shell and fully fitted facilities with operational solutions and represent approximately 10% of the Group's global power bank.

Key highlights include:

- + Power bank of 5.0 GW across 13 major global cities, primarily in metro markets
- + Power bank includes 2.6 GW secured power consisting of 0.5 GW stabilised, 0.4 GW work in progress and 1.7 GW secured pipeline. The remaining 2.4 GW is in advanced stages of procurement on sites that are owned or controlled by Goodman and its Partnerships
- + Approximately 0.5 GW of starts expected before June 2026⁸ with an estimated end value of greater than \$10.0 billion
- + Established new data centre Partnership in Continental Europe during 1H25
- + Continued to expand resourcing capability with several recent key hires across design, operational, technical and commercial teams.

Equity Raising to support growth

Demand for data centres is strong across our urban markets. We continuously evaluate the Group's capital allocation, to both existing and potential opportunities, alongside our investment Partners where appropriate. Importantly, the active rotation of our capital will continue to be a key strategy to fund sustained earnings growth over the long term.

- + Fully underwritten 'pro rata' Placement to raise \$4.0 billion
- + The Group will also offer eligible Securityholders a non-underwritten SPP to raise up to \$400 million
- + The Equity Raising provides the Group with greater financial flexibility to pursue a number of growth opportunities across logistics and data centre operations
- + Net proceeds from the Equity Raising will provide development working capital needs over the next few years, allowing the Group to:
 - Commence the development of new powered shells and fully fitted projects
 - The projects, expected to be active by June 2026, reflect ~0.5 GW⁸ of power and have an estimated end value of >\$10 billion⁸
 - The Group's share of development cost over the next few years is expected to be ~\$2.7 billion
 - Progress other growth opportunities in the data centre and logistics space, including the balance of the Group's significant 5.0 GW data centre pipeline
 - Provide maximum flexibility for the Group to execute the optimal long term ownership structures for its assets
 - Maintain conservative gearing and liquidity in the Group's target range
- + In the short term, proceeds will be used to repay debt and provide Goodman with an enhanced liquidity position for future development and acquisition opportunities.

'Pro-rata' Placement

Fully underwritten 'pro-rata' placement of new fully paid ordinary securities to eligible institutional investors to raise \$4.0 billion.

- + The Placement price of \$33.50 per security represents a 6.9% discount to Goodman's closing price of \$35.98 on 18 February 2025
- + Approximately 119.4 million new securities are expected to be issued, representing approximately 6.2% of Goodman's total securities outstanding.

It is intended that eligible institutional Securityholders who bid for up to their 'pro-rata' share of new securities under the Placement will be allocated their full bid, on a best endeavours basis.⁹ New securities issued under the Placement will rank equally with existing Goodman securities from the date of issue. They will not be entitled to the FY25 interim distribution because the record date for that distribution has passed.

Security Purchase Plan

Eligible Goodman Securityholders, being Securityholders who had a registered address in Australia or New Zealand on Goodman's register at 7.00pm (AEST) on 18 February 2025, will be invited to apply for up to \$30,000 of new securities under the SPP at the Placement Price and free of any brokerage, commissions or transaction costs.

It is intended that the SPP will raise up to a maximum \$400 million. In the event of excess demand, Goodman retains the right to scale back applications at its absolute discretion. New securities issued under the SPP will rank equally with existing Goodman securities from the date of issue, but will not be entitled to the FY25 interim distribution because the record date for that distribution has passed, however will be entitled to future distributions. The SPP is not underwritten.

Further details of the SPP will be set out in the SPP Offer Booklet, which will be released to the ASX and made available to eligible Securityholders in Australia and New Zealand on or around Thursday, 27 February 2025.

Indicative Equity Raising Timetable

Event	Date
Record date for SPP (7:00pm)	Tuesday, 18 February 2025
Trading halt, announcement of 1H25 Results and the Placement	Wednesday, 19 February 2025
Placement bookbuild	Wednesday, 19 February 2025
Announcement of the completion of the Placement	Thursday, 20 February 2025
Trading halt lifted	Thursday, 20 February 2025
Settlement of new securities issued under the Placement	Monday, 24 February 2025
Allotment and normal trading of new securities issued under the Placement	Tuesday, 25 February 2025
Expected SPP offer opening date (9:00am)	Thursday, 27 February 2025
Expected SPP offer closing date (5:00pm)	Thursday, 13 March 2025
Expected issue and allotment of new securities under the SPP	Thursday, 20 March 2025
Expected trading of new securities issued under the SPP commences	Friday, 21 March 2025
Expected SPP holding statements despatched	Monday, 24 March 2025

These dates are indicative only and are subject to change without notice. All times and dates refer to times and dates in Sydney, Australia. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Goodman reserves the right, with the consent of the underwriters, to amend the timetable, including extending the SPP offer period or accepting late applications (either generally or in particular cases) without notice.

Property investment – strong underlying fundamentals and limited supply

Goodman's total portfolio was \$84.4 billion at 31 December 2024, up 7% on 30 June 2024. Our customers continue to focus on productivity, including investment in technology and key locations which is reflected in our high occupancy of 97.1%.⁶ Underlying property fundamentals continue to be characterised by low vacancy rates and minimal new supply in our markets. Earnings from Partnership investments increased 12% to \$311.9 million due to rent growth, acquisitions and development completions.

Key highlights include:

- + Total portfolio of \$84.4 billion, an increase of 7% on FY24
- + Valuations were up \$1.0 billion across the Group and Partnerships on FY24 (\$0.2 billion for the Group's share), driven by market rent and cashflow growth and adjustments on development assets
- + Cap rates tightened by 3bps overall to 5.14%
- + Occupancy remains high at 97.1%
- + Like-for-like net property income (NPI) growth of 4.7%
- + Average reversion to market rents across the portfolio is approximately 17%.¹⁰

Development – continued strong contribution to results

Goodman's positive development metrics reflect the quality of our workbook in urban locations. The Group's global development WIP⁷ was maintained at \$13.0 billion with an annualised production rate of \$6.5 billion.¹¹ Yield on cost of 6.7% for projects in WIP are providing strong margins with development earnings of \$700.7 million for 1H25. Earnings are expected to provide an equally strong contribution in the second half of the year.

Data centre projects now represent 46% of current WIP and we expect latent logistics demand to grow in future years. We have been executing the physical works program by securing power and planning, and commencing infrastructure and ground works, to increase speed to market. Goodman's development capabilities, extensive land bank, and financial capacity position the Group to capitalise on significant opportunities, including orienting the development workbook towards data centres and higher intensity use outcomes.

Key highlights include:

- + Work in progress (WIP)⁷ of \$13.0 billion with a development yield on cost (YOC) of 6.7%
- + 68 projects in WIP⁷ in 12 countries, covering 3.6 million square metres
- + WIP is 64% pre-committed with an average 13 year weighted average lease expiry (WALE)
- + Data centres account for 46% of current WIP
- + 71% of current WIP⁷ is being undertaken for Partnerships or third-parties
- + \$1.4 billion development completions.

Management – optimising return on capital

The Group manages \$70.8 billion of external AUM and Management earnings of \$462.3 million were up 28% on 1H24. This was driven primarily by higher transactional and portfolio performance income. Goodman continues to optimise capital allocation for the long term and has worked with existing capital Partners' evolving requirements and new Partners' demand. The reorganisation of the Goodman North America Partnership (GNAP) is an example of this optimisation where we have welcomed a new Partner and have created the opportunity for another to join with us on a portion of the assets we have received on our balance sheet.

Infrastructure style investments like data centres are attracting significant interest, and the Group is working with several potential partners, with varying risk return requirements.

Key highlights include:

- + External AUM of \$70.8 billion (up 1% on 30 June 2024), impacted by GNAP restructure
- + Cash and undrawn debt lines of \$7.1 billion in the Partnerships (in addition to equity commitments which are subject to investment committee approval) and average Partnership gearing of 24.0%
- + Rotation of capital to take advantage of opportunities that enhance total return on assets and create future funding sources matched to appetite from capital Partners
- + Addition of a new data centre focused Partnership to the investment platform taking the total number of Partnerships to 23
- + Restructure of GNAP, including
 - Introduction of Norges Bank Investment Management into GNAP at the end of 1H25 replacing CPP Investments
 - Goodman Group receiving a number of assets with future development potential
 - Currently negotiating a second Partnership involving a portion of the assets now on the Group balance sheet
 - First right of refusal over US acquisitions have been returned to Goodman.

Sustainability – contributing to communities

Goodman is actively working to reduce its environmental impact and improve social outcomes in the areas we operate in. The Group had 343 MW of solar PV installed or committed to across its global platform at 31 December 2024. We also continue to perform strongly in key ESG ratings, with a current MSCI ESG rating of 'AA', and a "Negligible" ESG Risk rating in the Sustainalytics benchmark.

Our social contribution has seen \$7.1 million donated to support communities in the first of half the year. We also announced a \$10 million partnership over five years with Children's Ground, to help facilitate long term positive change in Alice Springs (Mparntwe) for First Nations people.

Outlook – embedded significant value in the Group's assets

Commenting on the outlook, Greg Goodman said:

"The global opportunity set provided by the increased demand for data centres is driving the positive outlook for the Group. With access to power on existing sites in metro locations, and proven track record in delivering complex infrastructure developments, Goodman is well-positioned to benefit from this demand.

Supply remains constrained in our locations, and combined with our attractive development workbook, provides opportunities to optimise our capital allocation and support future growth – particularly in the data centre space.

We expect to maintain 9% OEPS growth for FY25 which includes the impact of the issue of new securities under the Equity Raising. Had the raising not occurred, OEPS growth guidance would have been increased to 10%.

The proceeds raised will provide working capital and financial flexibility to assist over the short and long term. It will enable the Group to advance the execution of its strategy, accelerate a large program of data centre construction, and optimise risk and return."

Goodman sets its targets annually and reviews them regularly. Forecasts are subject to there being no material adverse change in market conditions, or the occurrence of other unforeseen events.

Investor conference call

Goodman will host a teleconference and Q&A session for analysts and institutional investors at 9.00am (AEDT) today, Wednesday 19 February 2025.

Participant joining instructions:

1. All participants must pre-register to join this conference using the Participant Registration link: <https://register.vevent.com/register/BI096d17024f3a4b13a8431f467e8e7fbf>
2. Once registered, an email will be sent with dial in numbers and a unique PIN code. This personal PIN is to be kept confidential and not shared with other participants.

Alternatively, to view the webcast please go to the [Goodman Group Investor Centre](#) or copy and paste the following link into your web browser: <https://edge.media-server.com/mmc/p/eqjwv9ax>.

Further information and Securityholder enquiries

For further information on the SPP, or if you are an eligible Securityholder and you want to receive a copy of the SPP Offer Booklet, please contact the Goodman Group Investor Information line on 1300 723 040 (toll free from within Australia) or +61 3 9415 4043 (from outside Australia), from 8.30am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) during the SPP offer period, or visit Goodman's website at <https://www.goodman.com/investor-centre>

– ENDS –

Authorised for release to the ASX by Carl Bicego, Company Secretary and Group Head of Legal and Risk.

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¹ Operating profit comprises profit attributable to Securityholders adjusted for property valuations, derivative and foreign currency mark to market and other non-cash or non-recurring items

² Operating EPS is calculated using operating profit and weighted average diluted securities of 1,916.0 million which includes 8.3 million LTIP securities that have achieved the required performance hurdles and will vest in September 2025 and September 2026

³ Refer to Annexure A, slide 60 of the investor presentation released to ASX by Goodman on 19 February 2025 for a summary of the key terms of the underwriting arrangements.

⁴ Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of \$110.6 million (30 June 2024: \$88.6 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of \$59.3 million (30 June 2024: \$41.9 million)

⁵ Interest cover is operating profit before net finance expense (operating) and income tax (operating) divided by net finance expense (operating). The calculation is in accordance with the financial covenants associated with the Group's unsecured bank loans and includes certain adjustments to the numerator and denominator

⁶ Partnership industrial and warehouse assets (excludes office properties which have been earmarked for redevelopment) and represents 98% of Partnership assets

⁷ Development work in progress (WIP) relates to active developments across Goodman and Partnerships. In most cases, WIP is the projected value of projects, however for certain longer dated projects that are in the early stages of development, WIP is the estimated cost of land and committed works

⁸ HK10 and LAX01 powered shells are under development with the ability to be developed as a fully fitted facility (at 31 December 2024)

⁹ For the purposes of the Placement, an eligible institutional Securityholder's 'pro-rata' share will be estimated by reference to Goodman's beneficial register on 31 January 2025, but without undertaking any reconciliation and ignoring securities that may be issued under the SPP. Accordingly, unlike in a rights issue, this may not truly reflect the participating Securityholder's actual pro-rata share. Nothing in this announcement gives a Securityholder a right or entitlement to participate in the Placement and Goodman has no obligation to reconcile assumed holdings when determining a Securityholder's 'pro-rata' share

¹⁰ Under renting is based on management's assessment of market rents

¹¹ Production rate is the WIP at a point in time divided by the expected time from commencement to stabilisation, reported on a per annum basis.

About Goodman

Goodman Group is a provider of essential infrastructure. It owns, develops and manages high quality, sustainable logistics properties and data centres in major global cities, that are critical to the digital economy.

Goodman has operations in key consumer markets across Australia, New Zealand, Asia, Europe, the United Kingdom, and the Americas. Goodman Group, comprised of the stapled entities Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, is the largest property group on the Australian Securities Exchange (ASX: GMG), a top 10 entity by market capitalisation, and one of the largest listed specialist investment managers of industrial property globally

The Group's property portfolio includes logistics and distribution centres, data centres, warehouses, light industrial, multi-storey industrial, and business parks. Goodman takes a long-term view, investing significantly alongside its capital Partners in its investment management platform and concentrating the portfolio where it can create the most value for customers and investors.

IMPORTANT NOTICE

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This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any new securities in Goodman under the Equity Raising (New Securities) in the United States or any other jurisdiction in which such an offer would be unlawful. The New Securities to be offered and sold under the Placement and the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or under the securities laws of any US state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly to persons in the United States or to any person acting for the account or benefit of a person in the United States, except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Securities under the SPP may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Financial information

See also the "Financial information" section in the Important Notice and Disclaimer in the investor presentation released by Goodman to ASX on 19 February 2025 for further information on the financial information included in this announcement.

Forward-looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of the Goodman Group, its directors and management. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of the Goodman Group, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to the Goodman Group as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of the Goodman Group, its representatives or advisers undertakes any obligation to provide any additional updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise.

General

Nothing contained in this announcement constitutes financial product, legal, tax or other advice or recommendation. It does not take into account the investment objectives, financial situation or needs of any particular investor. Before making any investment decision in respect of Goodman, prospective investors should consider the appropriateness of the information in this announcement and Goodman's other announcements having regard to their own investment objectives, financial situations and needs and with their own professional advice. Goodman is not licensed to provide financial product advice in respect of New Securities. Cooling off rights do not apply to the acquisition of New Securities.

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