



MACQUARIE AUSTRALIA CONFERENCE

1 May 2018

www.industriareit.com.au
ASX: IDR



INDUSTRIAREIT

Industria REIT at a glance

-  **PORTFOLIO** WELL LOCATED AUSTRALIAN INDUSTRIAL AND BUSINESS PARKS
-  **HIGH QUALITY ASSETS** WITH STRONG INCOME PROFILES
-  **ALIGNED MANAGEMENT** ~\$67 MILLION CO-INVESTED
-  **STRONG BALANCE SHEET** CAPACITY TO GROW

\$640 MILLION
TOTAL ASSETS

\$410 MILLION
MARKET
CAPITALISATION¹

S&P/ASX 300
INDEX
MEMBER

6.5%
ANNUAL CASH
DISTRIBUTION YIELD¹

32.2%
GEARING

7.3 YEAR
WALE

95%
OCCUPANCY

1. As at 1 May 2018. All other metrics at 31 December 2017

Diversified portfolio



Rhodes Corporate Park

- Inner west Sydney
- ~\$193 million invested
- 2 buildings
- 4.2 year WALE



Industrial

- Melbourne, Adelaide
- Key industrial precincts
- ~\$112 million invested
- 6 buildings
- 5.1 year WALE



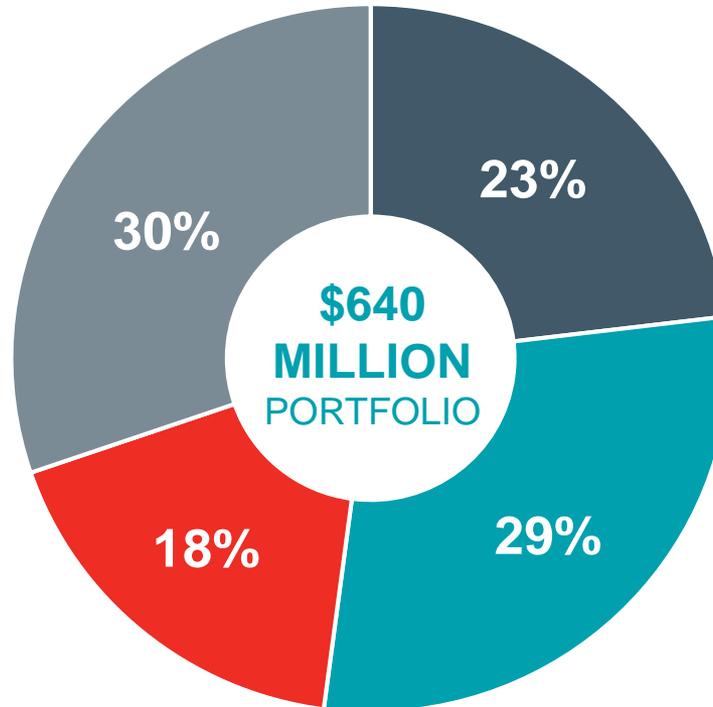
Brisbane Technology Park

- 15 mins south of CBD
- ~\$151 million invested
- 12 buildings
- 3.1 year WALE



WesTrac Newcastle

- Located adjacent to M1 motorway
- ~\$184 million invested
- 16.7 year WALE

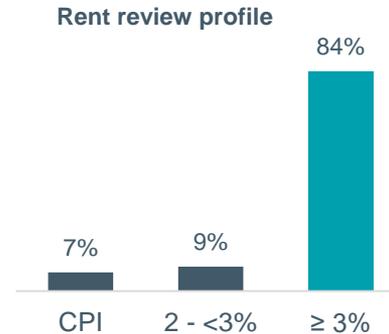


HIGH QUALITY ASSETS IN SOUGHT AFTER LOCATIONS

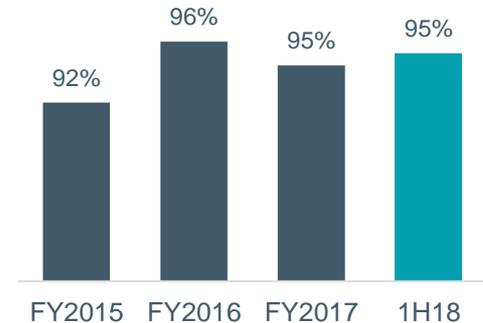
Strong income visibility with leasing upside potential

- Sustainable growth underpinned by $\geq 3\%$ rent reviews over 84% of portfolio income
- Occupancy of 95% provides scope for income upside
- Continued demand from infrastructure services, healthcare and IT occupiers
- Limited expiry risk near-term:
 - Less than 5% expiring over remainder of FY18 and FY19
 - High levels of client engagement provide confidence on lease expiries
- Proactive and nimble management team – with demonstrated ability to execute initiatives that create value

Generating organic growth



High occupancy



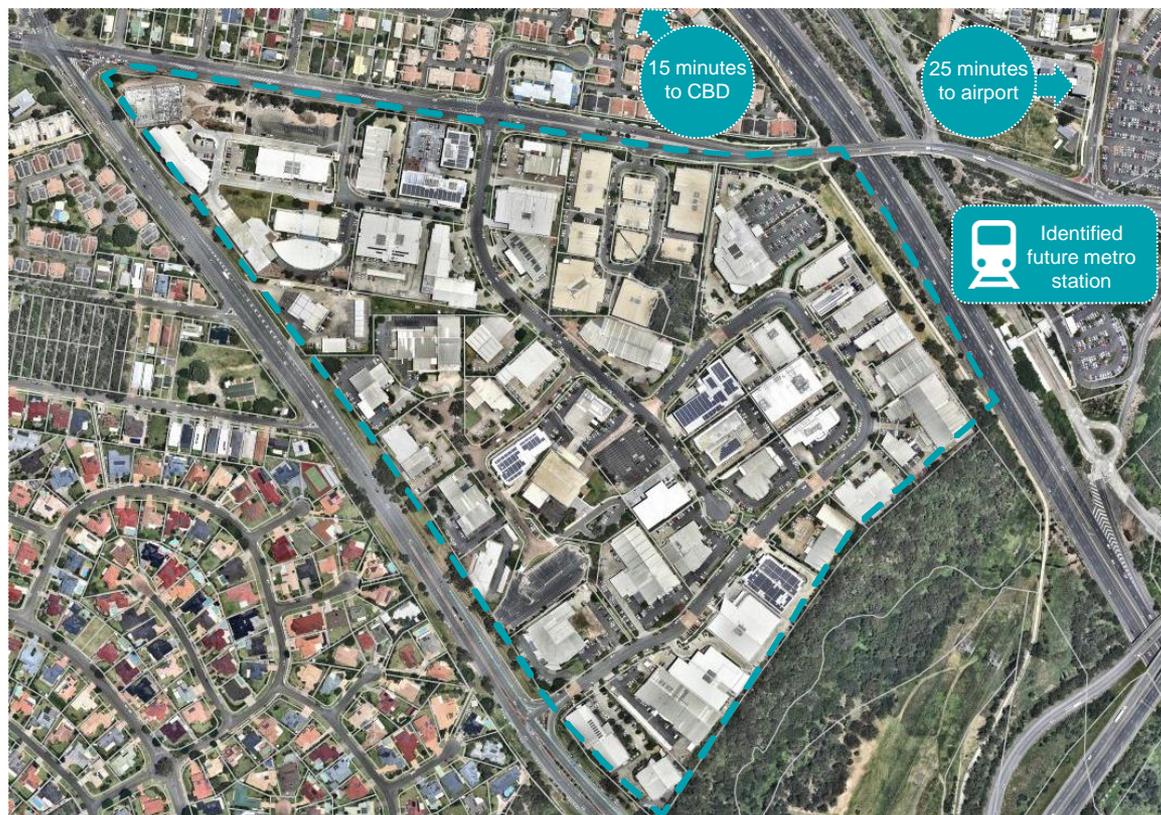
Strong income visibility - expiry profile (by income)



Brisbane Technology Park

- Industria owns ~33,000sqm across 12 buildings at Brisbane Technology Park (BTP)
- BTP is the most significant business park outside the CBD and near-fringe
- Carrying values reflect average 7.6% cap rate based off WALE of 3 years and average age of 8 years
- Opportunities to add meaningful value by leveraging wide planning remit to introduce new amenity (e.g. childcare) whilst continuing to drive lease-up of ~7,000sqm
- Working with government to create a globally significant precinct over the long term

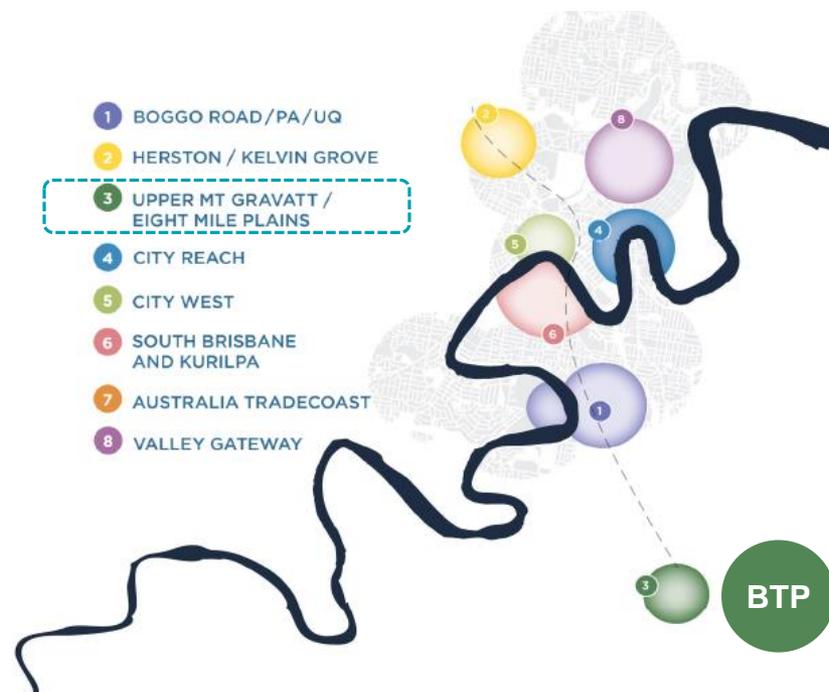
Brisbane Technology Park (Eight Mile Plains)



Adding value at Brisbane Technology Park

- Top 3 priority precinct – as identified by Brisbane City Council
- Actively engaging with key stakeholders to create a globally significant precinct, leveraging:
 - Existing knowledge hub for healthcare and food science R & D, technology and infrastructure
 - Leading education and research facilities at Griffith University
 - Transport connections to be boosted by additional >\$1bn government investment – including metro departing every 3 minutes
- This focus will underpin long term value creation for investors

Brisbane City Council - priority precincts



Near-term infrastructure investment

Project	Value	Completion
Pacific Mtwy widening	~\$210 million	~2020
Brisbane metro	~\$950 million	~2022

Melbourne industrial in the west

- Land supply impacted by residential zoning encroaching on potential industrial lands:
 - Reflected in englobo land sales - rates are up from \$25psm in 2016 to \$100psm
- Rents are the cheapest in the country at \$70 – 80psm – significant scope for growth
- Precinct has doubled in size in 10 years to 5.3 million sqm
- 535 hectares remaining to be developed – equivalent to <5 years of supply¹
- Land supply is challenged in many areas of Melbourne and Sydney – however the long term attraction of the west is low rents and relative capital values

Residential and industrial land in Melbourne's west



Source: Victorian Planning Authority, APN Property Group – indicative boundaries

1. Urbis, October 2017

Summary

Well located and quality portfolio underpinned by affordable rents

- High quality with the ability to meaningfully outperform
- Income outlook underpinned strong businesses paying affordable rents
- Actively engaging with client base to seek out opportunities to drive value for our clients and our investors
- Low-risk balance sheet – gearing of 32% (target range 30 – 40%)
- Aligned manager with ~\$67 million co-invest
- FY18 FFO guidance of 18.4 – 18.6 cps – reflecting 2 to 3% growth on FY17:
 - FY18 DPS guidance of 16.5 cps – cash distribution yield of ~6.5%¹
 - Subject to current market conditions continuing and no unforeseen events



Disclaimer

This presentation has been prepared by APN Funds Management Limited (ACN 080 647 479, AFSL No. 237500) (the "Responsible Entity") as the responsible entity and issuer of the financial products in respect of Industria Trust No. 1 (ARSN 125 862 875), Industria Trust No. 2 (ARSN 125 862 491), Industria Trust No. 3 (ARSN 166 150 938), Industria Trust No. 4 (ARSN 166 163 186) and Industria Company No 1 Limited (ACN 010 497 957) ("Industria Company") collectively the Industria REIT ("IDR") stapled group. Information contained in this presentation is consistent with the 1H18 results presentation released 22 February 2018, unless stated otherwise. The information provided in this presentation does not constitute financial product advice and does not purport to contain all relevant information necessary for making an investment decision. It is provided on the basis that the recipient will be responsible for making their own assessment of financial needs and will seek further independent advice about investments as is considered appropriate. This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, nor does it form the basis of any contract or commitment.

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions, or as to the reasonableness of any assumption, contained in this presentation. By reading this presentation and to the fullest extent permitted by law, the reader releases the Responsible Entity, Industria Company and their respective affiliates, and any of their respective directors, officers, employees, representatives or advisers from any liability including, without limitation, in respect of any direct or indirect or consequential loss, damage, cost, expense, outgoing, interest, loss of profits or loss of any kind ("Losses") arising in relation to any recipient or its representatives or advisers acting on or relying on anything contained in or omitted from this presentation or any other written or oral opinions, whether the Losses arise in connection with any negligence, default or lack of care on the part of Responsible Entity or Industria Company or any other cause.

The forward-looking statements, opinions and estimates provided in this presentation are based on estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Responsible Entity and Industria Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: operating and development risks, economic risks and a number of other risks and also include unanticipated and unusual events, many of which are beyond the Responsible Entity and Industria Company's ability to control or predict. Past performance is not necessarily an indication of future performance. The forward-looking statements only speak as at the date of this presentation and, other than as required by law, the Responsible Entity and Industria Company disclaim any duty to update forward looking statements to reflect new developments. To the fullest extent permitted by law, the Responsible Entity and Industria Company make no representation and give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

The Responsible Entity, Industria Company or persons associated with them, may have an interest in the securities mentioned in this presentation, and may earn fees as a result of transactions described in this presentation or transactions in securities in IDR.

Contact

Alex Abell

Fund Manager

Ph: (03) 8656 1070

✉ aabell@industriareit.com.au

Industria REIT

Level 30, 101 Collins Street,
Melbourne, Vic 3000

industriareit.com.au