# HY23 Results Presentation

28 August 2023

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# WPR Investment Proposition

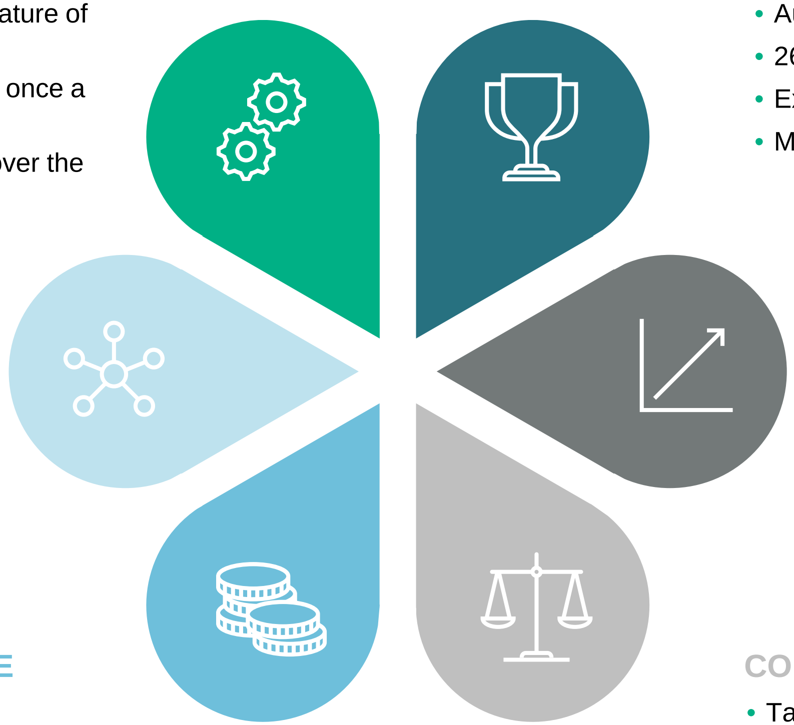
## Secure rental income with embedded growth, underpinned by long-term leases to top-tier tenants

### ESSENTIAL ECONOMIC INFRASTRUCTURE

- COVID-19 reinforced the 'essential services' nature of F&C retail tenants and properties
- Approx. 3/4 of Australian drivers refuel at least once a fortnight (c. 1/3rd at least once a week)[1]
- Convenience store sales growth of 3.8% p.a. over the past five years (7.4% in 2022)[2]

### ASX-LISTED MAJOR TENANT (VIVA ENERGY)

- Australia's largest owned and operated F&C network (>700 sites)
- 26% Australian market share (petrol, diesel and jet fuel sales)[3]
- Exclusive supplier of Shell fuels in Australia
- Market capitalisation of ~$4.8 billion (August 2023)



### IRREPLICABLE NETWORK

- National footprint acquired/built over 100+ years
- Aligned with population density and concentrated in metropolitan locations along Australia's eastern seaboard
- Underpinned by ~2 million square metres of land

### PREDICTABLE INCOME + GROWTH

- 99.9% occupancy, 8.6-year WALE, 89.6% NNN leases
- Strong organic rental growth underpinned by 3.0% WARR[4]
- Further growth potential via acquisitions, development fund-throughs and reinvestment in the portfolio

### INTERNAL MANAGEMENT STRUCTURE

- Majority-independent board of directors
- One of the lowest MERs in the S&P/ASX 200 REIT Index (1H23: 31bp)

### CONSERVATIVE CAPITAL STRUCTURE

- Target gearing range of 30-40%
- Investment grade credit rating (Moody's Baa1)[5]
- Diversified debt sources and tenor

[1] Source: Budget Direct Fuel Consumption Survey and Statistics 2022. [2] Source: AACS State of the Industry Report 2022.
[3] Source: VEA HY23 Results Presentation. [4] Assumes long term CPI of 3.0% for leases with CPI-linked rent reviews.
[5] Credit rating must not be used, and WPR does not intend to authorise its use, in the support of, or in relation to, the marketing of its securities to retail investors in Australia or internationally.

# Portfolio Snapshot

## High quality portfolio with 91% weighting to metropolitan and highway locations

| Category | Description | # | Book Value (Jun-23) | WACR (Jun-23) | Avg. Value (Jun-23) | Avg. Site Area | Avg. Popn (500m/ 3km) | WALE (Jun-23) |
|---|---|---|---|---|---|---|---|---|
| Capital Cities | Capitals of the 8 states and territories of Australia | 271 | $2,021.5m (69% of portfolio) | 5.05% | $7.5m | $3,518m^2$ | 1,967 / 58,711 | 8.5yrs |
| Other Metro | Urban areas with populations ~100k+ | 42 | $314.7m (11% of portfolio) | 5.69% | $7.5m | $4,074m^2$ | 1,384 / 32,131 | 9.0yrs |
| Highway | Service centres along key transport routes | 37 | $317.0m (11% of portfolio) | 6.39% | $8.6m | $17,319m^2$ | 285 / 7,470 | 9.0yrs |
| Regional | Smaller regional cities and towns (<100k population) | 52 | $267.3m (9% of portfolio) | 6.58% | $5.1m | $3,649m^2$ | 598 / 10,841 | 7.8yrs |
| **Total** | | **402** | **$2,920.4m** | **5.40%** | **$7.3m** | **$4,863m^2$** | **1,574 / 45,026** | **8.6yrs** |

| Key Portfolio Statistics | |
|---|---|
| **8.6 yrs** | WALE (by income) |
| **99.9%** | Occupancy (by income) |
| **3.0%**[1] | WARR (by income) |
| **89.6%** | NNN leases (by income) |
| **96.5%** | of total rental income |

[1] Assumes 3.0% CPI for leases with CPI-linked rent reviews

# Agenda



g Director

## HY23 Highlights

**Hadyn Stephens**
Managing Director and CEO

# HY23 Highlights

## Performance in line with guidance, gearing maintained at lower end of range, strong hedging position

### Financial Performance

**Distributable EPS: 8.28cps[1]**

-3.7% on 1H22
Performance in line with guidance

**NTA: $2.97 per security**

-$0.05 (-1.7%) since Dec-22
-$0.21 (-6.6%) since Jun-22

**MER: 31bp (annualised)**

+2bp on 1H22
Remains one of the lowest MERs in the S&P/ASX REIT 200

### Property Portfolio

**$2.9bn portfolio**

402 properties
8.6-year WALE
99.9% occupancy

**WACR of 5.40%**

+12bp since Dec-22 (-0.9% portfolio value)
+39bp since Jun-22 (-5.3% portfolio value)
Partially offset by contracted rent escalation

**Leasing (Fawkner, VIC)**

VEA option exercised (-2% reversion)
One of three non-fuel leases renewed so far, remaining leases expected to be finalised in 2H23

### Capital Management

**Gearing: 31.1%**

Lower end of 30-40% target range
286 bp of cap rate headroom to 50% covenant[2]

**WADM: 3.9 years**

No expiries until April 2025

**Strong hedging position**

Average 2H23 hedging 93%
Average FY24 hedging 93%

### Other

**ESG**

Key priorities for FY23 unchanged (maintain carbon neutral status, enhance ESG disclosure, support tenant initiatives)

**Viva Energy Australia[3]**

1H23 Convenience & Mobility EBITDA +40%
OTR completion expected 2H23 (subject to regulatory approvals)

**National C-store sales[4]**

2022: +7.4% (+13.8% excl. tobacco)
1H23: +4.3% (+10.7% excl. tobacco)

[1] Based on weighted average number of securities on issue during the period.
[2] Represents headroom to WPR's 50% gearing covenant, which is an Event of Default under WPR's debt facilities. Pro forma basis with all variables other than cap rate being held constant.
[3] Source: VEA's HY23 Results Presentation.
[4] Source: AACS State of the Industry Report 2022 and Half-year Report 2023.


# Financial Results and Capital Management

**Aditya Asawa**
Chief Financial Officer

# Financial Performance

## 1H23 DEPS consistent with FY23 guidance

| | | 1H23 $m | 1H22 $m | Change $m | Change % |
|---|---|---|---|---|---|
| 1 | Rental income | 77.9 | 80.2 | (2.3) | (2.9) |
| 2 | M&A expenses | (5.0) | (4.7) | (0.3) | 6.4 |
| | **Operating EBIT** | **72.9** | **75.5** | **(2.6)** | **(3.4)** |
| 3 | Net interest expense | (17.3) | (14.1) | (3.2) | 22.7 |
| | **Distributable Earnings (DE)** | **55.6** | **61.4** | **(5.8)** | **(9.4)** |
| 4 | Weighted average number of securities (m) | 671.8 | 714.1 | (42.3) | (5.9) |
| | **Distributable EPS (cents)[1]** | **8.28** | **8.59** | **(0.31)** | **(3.7)** |
| 5 | Statutory net profit | 29.1 | 213.8 | (184.7) | (86.4) |
| 6 | MER[2] | 31bp | 29bp | +2bp | |

| | Commentary |
|---|---|
| 1 | Reduction due to asset sales ($4.8m) partially offset by like for like rent growth (3.2%) |
| 2 | Increase in M&A expenses mainly due to higher repair & maintenance costs in 1H23 |
| 3 | Increase in interest expense as a result of a higher cost of debt |
| 4 | Reduction in securities on issue due to security buyback completed in FY22 |
| 5 | Refer to page 22 for reconciliation between statutory net profit and DE |
| 6 | Non-property expenses were slightly lower in 1H23 vs 1H22. Increase in MER was due to a lower average asset balance (affecting denominator) |

[1] Based on weighted average number of securities on issue during the period.
[2] Excludes net property expenses of 1H FY23: $0.5m; 1H FY22: $0.1m. Average assets used in calculation – 1H FY22: $3.2bn; 1H FY23: $2.9bn (both figures exclude mark to market of derivatives).

# Balance Sheet

## Gearing at lower end of target range

| | | Jun-23 $m | Dec-22 $m | Change $m | Change % |
|---|---|---|---|---|---|
| | Cash and equivalents | 13.6 | 14.0 | (0.4) | (2.9) |
| 1 | Investment properties | 2,920.4 | 2,947.6 | (27.2) | (0.9) |
| | Other assets | 24.3 | 26.5 | (2.2) | (8.3) |
| | **Total assets** | **2,958.3** | **2,988.1** | **(29.8)** | **(1.0)** |
| | Distribution payable | 27.9 | 27.1 | 0.8 | 3.0 |
| | Interest bearing debt[1] | 928.6 | 927.1 | 1.5 | 0.2 |
| | Other liabilities | 4.2 | 5.5 | (1.3) | (23.6) |
| | **Total liabilities** | **960.7** | **959.7** | **1.0** | **0.1** |
| | **Net assets** | **1,997.6** | **2,028.4** | **(30.8)** | **(1.5)** |
| | Securities on issue (m) | 671.8 | 671.8 | - | - |
| 2 | **NTA per security ($)** | **$2.97** | **$3.02** | **($0.05)** | **(1.7)** |
| 3 | **Gearing (%)[2]** | **31.1%** | **30.7%** | | **0.4** |

| | Commentary |
|---|---|
| 1 | Reduction primarily due to net revaluation loss ($31.1m) partially offset by straight lining rent adjustment ($3.8m) and capital expenditure ($0.1m) |
| 2 | NTA per security reduced over the period primarily as a result of net revaluation losses ($0.04) and derivative valuation movements ($0.01) |
| 3 | Gearing of 31.1% remains at the lower end of the target range (30 – 40%) |

[1] Borrowings includes USPP stated at its hedged amount based on in-place cross-currency swaps.
[2] Net debt (excluding foreign exchange and fair value hedge adjustments) / total assets less cash.

# Capital Management

## Prudent capital management position with headroom to covenants

| | | Jun-23 | Dec-22 | Change |
|---|---|---|---|---|
| | Facility limit ($m) | 1,048.6 | 1,048.6 | - |
| | Drawn debt ($m)[1] | 928.6 | 927.1 | 1.5 |
| | Undrawn debt ($m) | 120.0 | 121.5 | (1.5) |
| | Liquidity ($m) | 100.1 | 102.9 | (2.8) |
| 1 | Gearing (%) | 31.1 | 30.7 | 0.4 |
| 2 | Weighted average debt maturity (years) | 3.9 | 4.4 | (0.5) |
| | Weighted average hedge maturity (years)[2] | 3.3 | 3.4 | (0.5) |
| 3 | Hedge cover (%) | 93 | 94 | (1) |
| | Credit rating (Moody's)[3] | Baa1 (stable) | Baa1 (stable) | - |
| | | **1H23** | **1H22** | **Change** |
| 4 | Weighted average cost of debt (%) | 3.7 | 2.9 | 0.8 |
| 5 | Interest cover ratio (times) | 4.4 | 5.7 | (1.3) |

**Commentary**

1. Gearing at lower end of target range (30-40%)

   Covenant gearing is 32.8%. Significant cap rate headroom[4] exists as follows:
   - 120bp of headroom to 40% gearing (up to 25bp margin step-up on $415m of facilities)
   - 203bp of headroom to 45% gearing (draw-stop provisions on all facilities)
   - 286bp of headroom to 50% gearing (event of default on all facilities)
2. No debt expiries until FY25
3. Hedging cover remains strong, providing some insulation from rising floating rates
4. Increase primarily due to higher base rates on hedged (up 36 bp) and unhedged debt (up ~400 bp since Jan 2022), partially offset by higher interest income
5. Significant headroom to covenant minimum of 2.0x

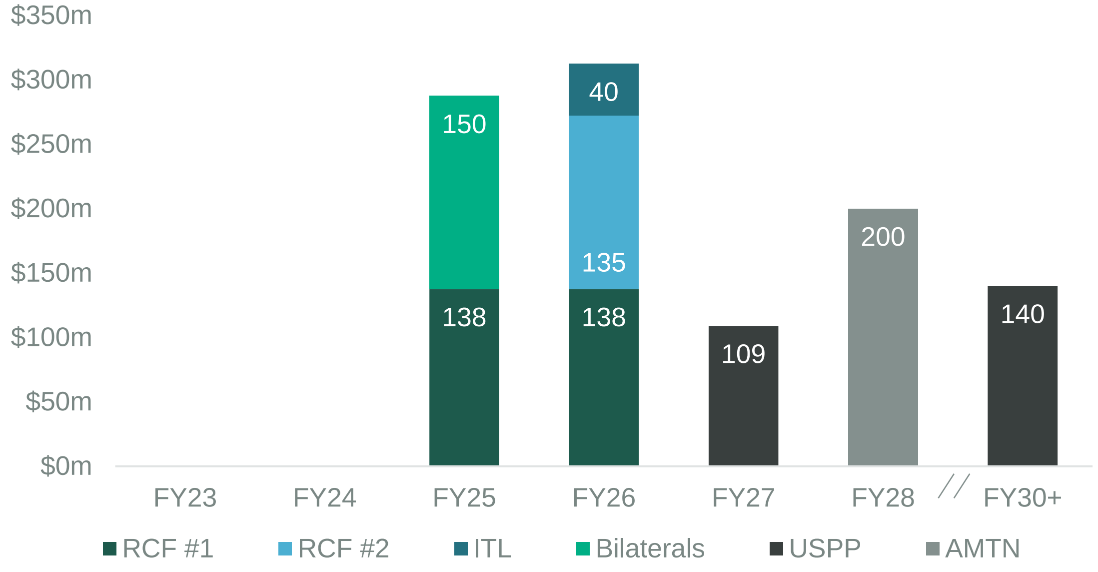
[1] Reflects AUD equivalent of USPP proceeds on date of funding as cross currency swaps in place.
[2] Includes hedges put in place post balance date as at the time of reporting.
[3] Credit rating must not be used, and WPR does not intend to authorise its use, in the support of, or in relation to, the marketing of its securities to retail investors in Australia or internationally.
[4] Headroom analysis is on a pro forma basis with all variables other than cap rate being held constant.

# Debt and Hedging Profile

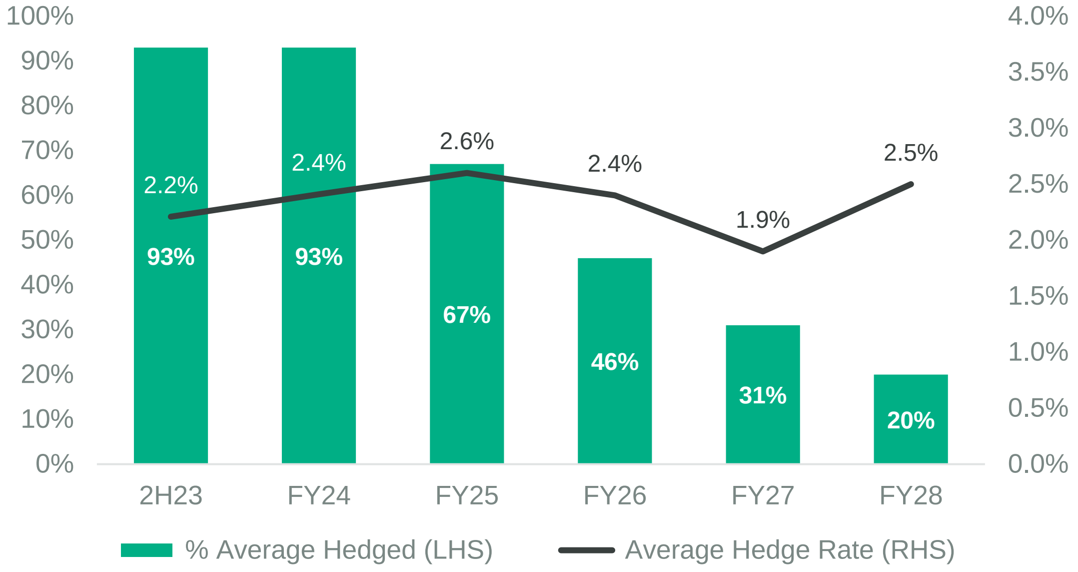
## No debt maturing until FY25 and a high proportion of FY23-24 debt is hedged

- WPR remains largely insulated from volatility in floating rates for the next 18 months
  - Hedging for 2H23 remains high at 93%
  - Hedging for FY24 increased to 93% (from 81% at 31 Dec 22) via entry into $110.0m of forward start hedges commencing 1 January 2024 and expiring on 31 December 2024
  - Hedging for FY25+ increased through:
    - > Restructure of $80.0m of interest rate caps (caps were at 2.5%, expiring August 2025) into vanilla interest rate swaps at same rate with maturities extended into early 2026
    - > $50.0m of forward start hedges commencing February 2025 and expiring 31 December 2029

### Debt maturity profile




### Hedge maturity profile[1]




[1] Based on drawn debt of $928.6m as at date of reporting. Includes all interest rate swap instruments and fixed rate AMTN. Includes hedges put in place post balance date as at the time of reporting.


# Market Update, Valuations and Leasing

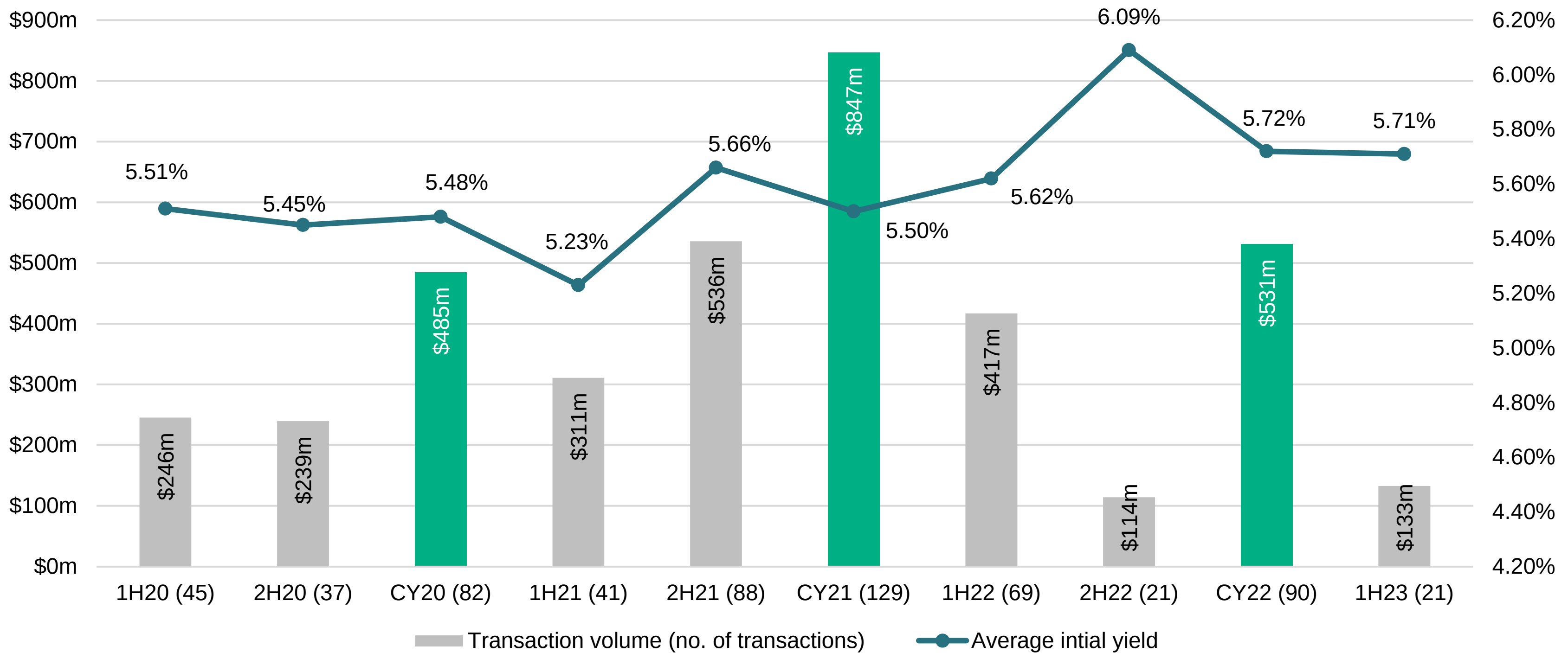
**Hadyn Stephens**

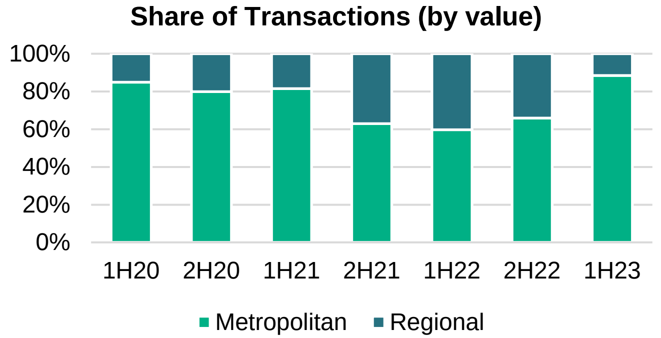
Managing Director and CEO

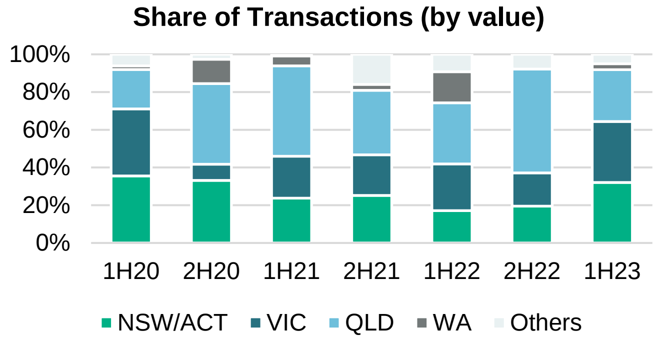
# Investment Market Update

## Transaction volumes remain subdued, strong skew towards metro sites in NSW and VIC

- 21 transactions were completed in 1H23, in line with 2H22 but down significantly on historical levels
- Metro sites accounted for ~80% of transactions by number and ~90% of transactions by value in 1H23
- NSW and VIC accounted for ~2/3rds of transactions by value in 1H23 (~40% in 2022)
- Average initial yield of 5.71% in 1H23 was 38bp lower than 2H22; skew towards tighter yield assets (metro) and markets (NSW/VIC)




Source: Company research. Data is indicative only and may not capture all transactions. Excludes sales of assets leased to independent operators and portfolio transactions where individual asset values are not disclosed. Includes WPR asset sales (portfolio and individual assets). Yields are weighted average initial yields, i.e. combined passing income divided by combined sale price.

# Metro / Regional Trends (2019-23)

## Regional yields and volumes have experienced the most softening since 'market peak' in CY21

| | Metro Transactions | | | Regional Transactions | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | # | $ | Yield | # | $ | Yield | # | $ | Yield |
| 1H19 | 16 | $110m | 5.78% | 2 | $10m | 5.65% | 18 | $120m | 5.77% |
| 2H19 | 31 | $167m | 5.47% | 7 | $28m | 6.21% | 38 | $196m | 5.57% |
| **CY19** | **47** | **$277m** | **5.59%** | **9** | **$38m** | **6.06%** | **56** | **$316m** | **5.65%** |
| 1H20 | 38 | $208m | 5.44% | 7 | $37m | 5.93% | 45 | $246m | 5.51% |
| 2H20 | 28 | $191m | 5.35% | 9 | $48m | 5.66% | 37 | $239m | 5.45% |
| **CY20** | **66** | **$399m** | **5.40%** | **16** | **$85m** | **5.87%** | **82** | **$485m** | **5.48%** |
| 1H21 | 30 | $254m | 5.13% | 11 | $57m | 5.66% | 41 | $311m | 5.23% |
| 2H21 | 48 | $337m | 5.28% | 40 | $199m | 6.30% | 88 | $536m | 5.66% |
| **CY21** | **78** | **$591m** | **5.22%** | **51** | **$256m** | **6.16%** | **129** | **$847m** | **5.50%** |
| 1H22 | 35 | $249m | 5.32% | 34 | $168m | 6.07% | 69 | $417m | 5.62% |
| 2H22 | 11 | $75m | 6.01% | 10 | $39m | 6.24% | 21 | $114m | 6.09% |
| **CY22** | **46** | **$324m** | **5.48%** | **44** | **$207m** | **6.10%** | **90** | **$531m** | **5.72%** |
| **1H23** | **17** | **$118m** | **5.54%** | **4** | **$15m** | **6.99%** | **21** | **$133m** | **5.71%** |

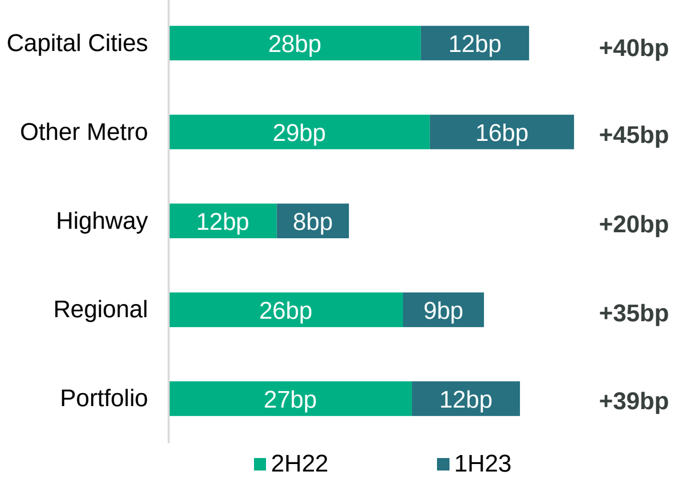
Source: Company research. Data is indicative only and may not capture all transactions. Excludes sales of assets leased to independent operators and portfolio transactions where individual asset values are not disclosed. Includes WPR asset sales (portfolio and individual assets). Yields are weighted average initial yields, i.e. combined passing income divided by combined sale price.

# Valuations[1]

## 12bp increase in portfolio WACR partly offset by rent increases; Highway sites proving most resilient

| | # of Properties @ 30-Jun-23 | Gross Value ($m)[1] | | | WACR (%) | | |
|---|---|---|---|---|---|---|---|
| | | Dec-22 | Jun-23 | Variance | Dec-22 | Jun-23 | Change |
| Capital Cities | 52 | 379.7 | 366.9 | (12.8) | 4.99 | 5.11 | +0.12 |
| Other Metro | 8 | 54.6 | 53.1 | (1.5) | 5.40 | 5.46 | +0.06 |
| Highway | 7 | 67.9 | 67.0 | (0.9) | 6.33 | 6.34 | +0.01 |
| Regional | 11 | 61.6 | 60.0 | (1.6) | 6.52 | 6.67 | +0.15 |
| **Independent valuations** | **78 (19%)** | **563.8** | **547.0** | **(16.8)** | **5.36** | **5.46** | **+0.11** |
| Capital Cities | 219 | 1,661.5 | 1,654.6 | (6.9) | 4.91 | 5.04 | +0.13 |
| Other Metro | 34 | 264.0 | 261.6 | (2.3) | 5.55 | 5.73 | +0.18 |
| Highway | 30 | 251.7 | 250.0 | (1.8) | 6.30 | 6.41 | +0.11 |
| Regional | 41 | 206.5 | 207.3 | 0.7 | 6.47 | 6.55 | +0.07 |
| **Directors' valuations** | **324 (81%)** | **2,383.7** | **2,373.4** | **(10.3)** | **5.27** | **5.39** | **+0.13** |
| **Portfolio** | **402** | **2,947.6** | **2,920.4** | **(27.1)** | **5.28** | **5.40** | **+0.12** |

### Cap Rate Expansion




### Number of properties by cap rate band

| Cap rate | Jun-22 | Dec-22 | Jun-23 |
|---|---|---|---|
| <=4.00% | 60 | 27 | 8 |
| 4.01 - 4.50% | 63 | 56 | 51 |
| 4.51 - 5.00% | 60 | 72 | 85 |
| 5.01 - 5.50% | 90 | 68 | 69 |
| 5.51 - 6.00% | 65 | 90 | 100 |
| 6.00%+ | 64 | 89 | 89 |
| **Total** | **402** | **402** | **402** |

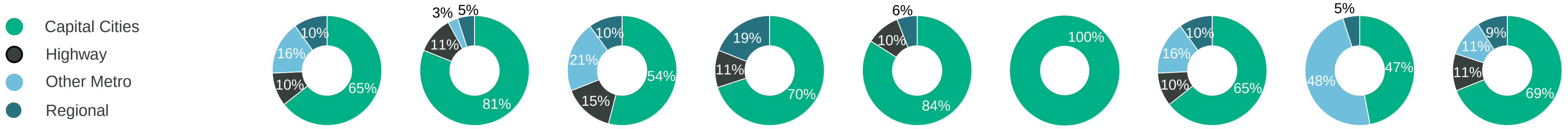
[1] Gross value includes $0.1m capital expenditure within the period.

# Valuations (cont.)

## NSW and VIC have seen greatest cap rate expansion over 12 months (high metro weightings, tightest cap rates)

| | NSW | VIC | QLD | WA | SA | ACT | TAS | NT | Portfolio |
|---|---|---|---|---|---|---|---|---|---|
| **% of WPR portfolio value** | 31% | 29% | 20% | 10% | 5% | 2% | 2% | 1% | |
| **Cap rate change** | | | | | | | | | |
| 2H22 | +40 bp | +23 bp | +20 bp | +17 bp | -2 bp | +43 bp | +24 bp | -45 bp | +27 bp |
| 1H23 | +20 bp | +12 bp | +8 bp | -4 bp | +23 bp | -46 bp | +17 bp | +40 bp | +12 bp |
| **LTM** | **+60 bp** | **+35 bp** | **+28 bp** | **+13 bp** | **+21 bp** | **-3 bp** | **+41 bp** | **-5 bp** | **+39 bp** |
| **WACR (30 Jun 2023)** | 5.07% | 5.02% | 5.85% | 6.25% | 5.71% | 5.58% | 6.10% | 7.05% | 5.40% |
| **Portfolio details** | | | | | | | | | |
| # of properties | 118 | 105 | 80 | 47 | 27 | 11 | 10 | 4 | 402 |
| Book value ($m) | 903.5 | 849.9 | 597.7 | 286.4 | 145.6 | 69.8 | 48.0 | 19.6 | 2,920.4 |

WPR classification (by value)

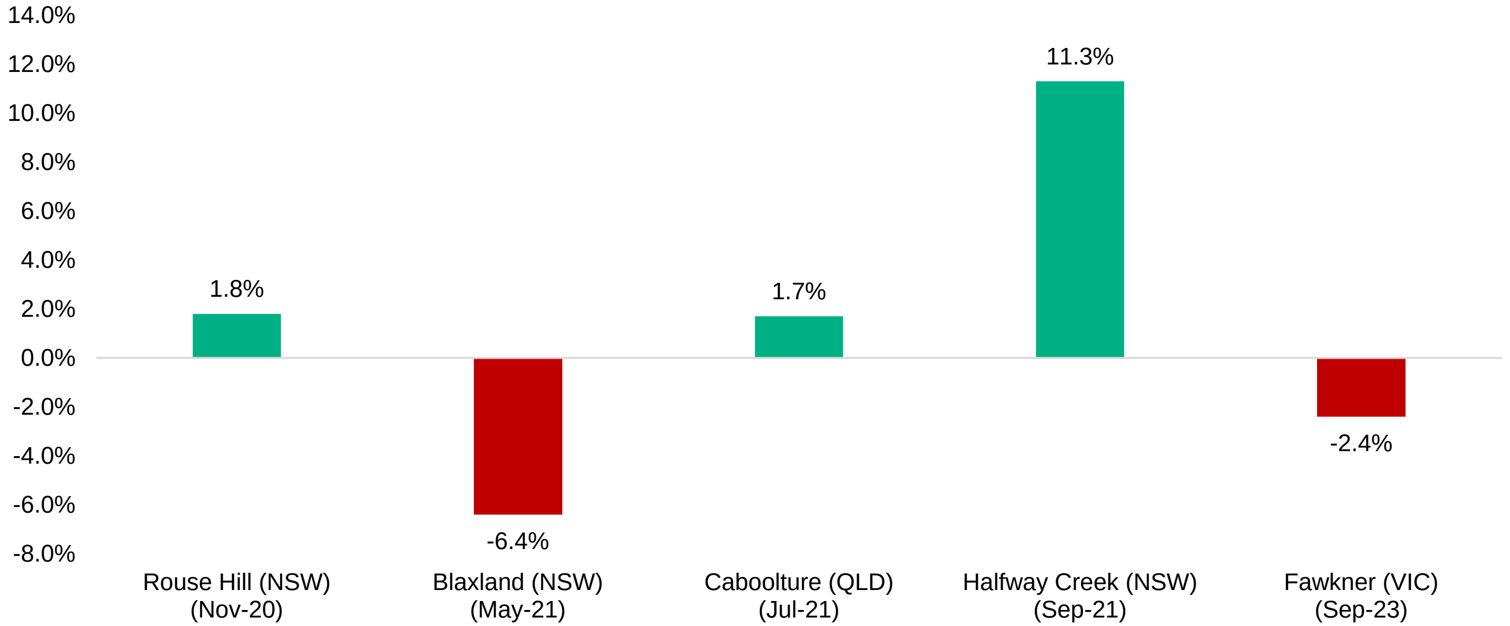


# Leasing Update

## VEA’s 5-year option at Fawkner exercised; +2.1% weighted average reversion on F&C lease extensions since IPO

- VEA’s 5-year option at Fawkner (VIC) exercised (2.4% discount to passing rent); Subway’s 5-year option at Fawkner also exercised (at passing rent)
- Two further leases at Fawkner (Capricho Grill, VEA car wash) remain subject to negotiation and documentation (expected 2H23)
- >99% of WPR’s income is from F&C tenants; average positive reversion on lease renewals since IPO of c.1-2%

**Variance to passing (F&C lease renewals since IPO)[1]**




**Reversion on lease renewals since IPO:**

| | # | Simple Average | Weighted Average |
|---|---|---|---|
| **F&C leases** | 5 | 1.2% | 2.1% |
| **Other leases*** | 5 | (5.2%) | (5.7%) |
| **Total** | **10** | **(2.0%)** | **0.9%** |

* 4 of 5 non-fuel leases renewed at or above passing rent.

[1] All F&C lease renewals were for five-year terms, other than Caboolture (15 years). Blaxland was sub-let to Dunn Group for the term of the five-year option period. Caboolture was assigned to Night Owl for the term of the new 15-year lease.

Waypoint REIT

# Key Priorities and Outlook

**Hadyn Stephens**
Managing Director and CEO

# Key Priorities and Outlook

## Guidance reaffirmed; potential site redevelopment funding remains a capital allocation priority

**Portfolio**

- Provisional ACCC findings on VEA/OTR transaction expected 21 September 2023 (final decision or Statement of Issues)
- VEA has proposed the divestiture of their operations at 14 WPR-owned sites in South Australia
  - WPR to assess implications if / when approval is granted by ACCC and details are received from VEA regarding proposed exit mechanism
- WPR expects to enter dialogue with VEA on funding of redevelopment opportunities across the portfolio if / when ACCC approval is granted, noting that there is no guarantee that the transaction will proceed and no guarantee that VEA will seek funding from WPR
- Market conditions not currently conducive to non-core asset sales, but WPR continues to consider specific opportunities

**Capital Management**

- Potential funding of redevelopments remains WPR's near-to-medium term capital allocation priority
  - Quantum and timing of capital required by VEA will be heavily influenced by ACCC decision on OTR transaction
  - WPR is not obligated to fund redevelopments, but will consider participating provided that return hurdles are met
  - Funding mix for redevelopments will be dictated by quantum / timing of capital required (further non-core asset sales possible)
- WPR is 93% hedged for 2H23 and FY24; and will monitor market conditions for maintaining FY25+ hedging in line with policy
- No debt expiring until April 2025; however WPR continues to assess early refinancing options

**Guidance**

- Reaffirm FY23 Distributable EPS guidance of 16.48 cents[1] (in line with FY22)
- Key assumptions:
  - No acquisitions or disposals
  - No further capital management initiatives
  - Average BBSW of 4.3% for 2H23
  - No material changes in market conditions

[1] Based on weighted average number of securities on issue. This guidance is subject to the disclaimer that: (a) it is subject to the assumptions referred to above and, if any of those assumptions are not met, actual results may differ from this guidance; (b) it is not a prediction or guarantee of future performance; and (c) it involves known and unknown risks, uncertainties and other factors which are beyond WPR's control, and which may cause actual results to differ from this guidance. WPR is not liable for the accuracy and/or correctness of this information and any differences between the guidance and actual outcomes. While WPR reserves the right to change its guidance from time to time, WPR does not undertake to update the guidance on a regular basis.

# Additional Information

# Reconciliation of Distributable Earnings to Statutory Profit

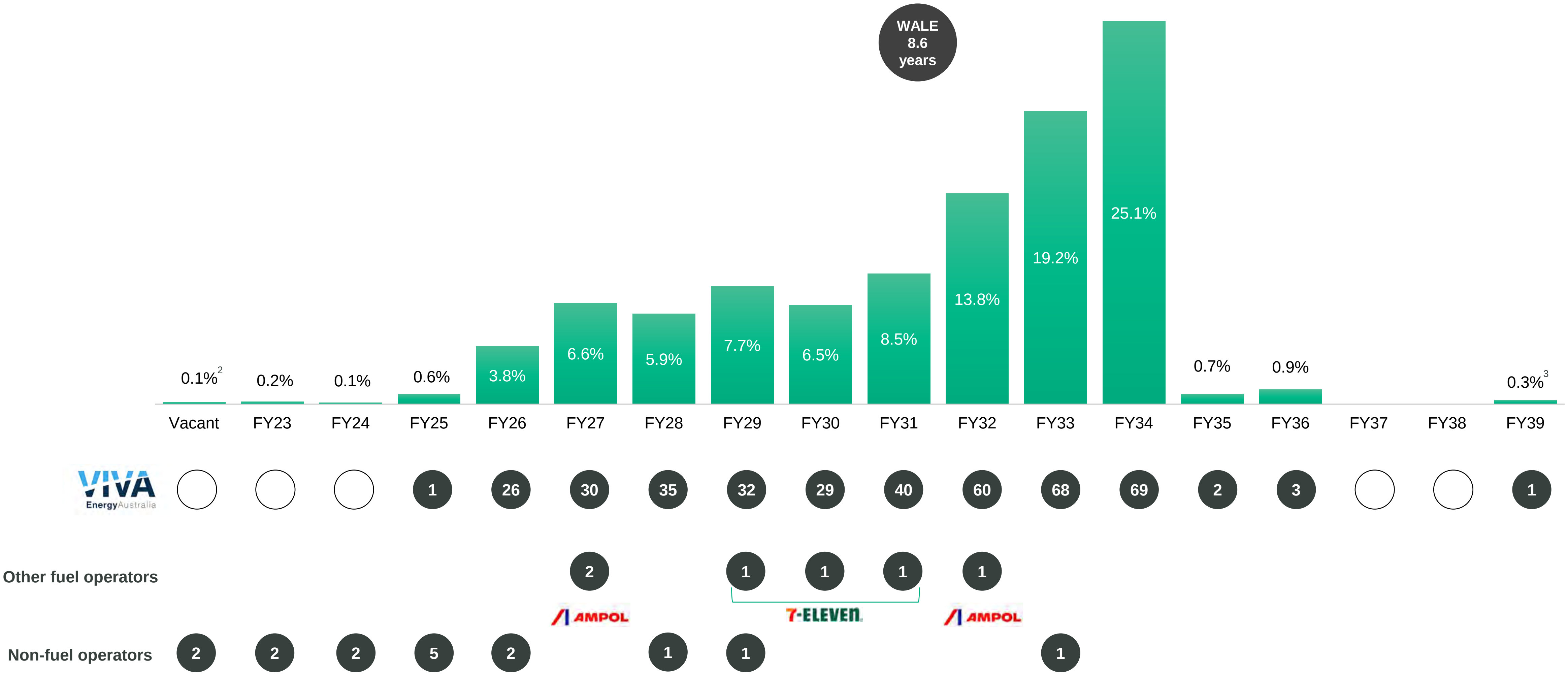
## Reduction in Statutory Profit driven by revaluation loss in 1H23

| | | 1H23 $m | 1H22 $m | Change $m |
|---|---|---|---|---|
| | **Distributable earnings** | **55.6** | **61.4** | **(5.8)** |
| 1 | Net gain / (loss) on valuation of investment properties | (31.1) | 133.2 | (164.3) |
| | Straight-line rental income | 3.8 | 6.3 | (2.5) |
| 2 | Net (loss) on sale of investment properties | - | (0.2) | 0.2 |
| | Amortisation of borrowing costs | (0.9) | (0.8) | (0.1) |
| 3 | Net gain on derivatives | 1.8 | 13.9 | (12.1) |
| | Long-term incentive plan expense | (0.1) | (0.0) | (0.1) |
| | **Statutory profit** | **29.1** | **213.8** | **(184.7)** |

| | **Commentary** |
|---|---|
| 1 | Net revaluation loss of $31.1m this period. The portfolio cap rate expanded 12bp over 1H23 to 5.40% |
| 2 | 1H23: no asset sales<br>1H22: asset sales achieved at a slight discount (0.1%) to book value and includes transaction costs |
| 3 | Favourable mark-to-market movements on derivatives |

# Lease Expiry Profile[1]

## Portfolio WALE of 8.6 years with a staggered expiry profile




[1] As at 30 June 2023.
[2] Assumed income for vacant tenancies.
[3] Lease expiry shown in FY39 represent committed lease extensions at development site, with lease term extension contracted to commence upon practical completion of the development.

# Viva Energy Australia – HY23 Result[1]

## Continued strong sales and earnings performance from non-refining businesses

- **Group Highlights:**
  - EBITDA and NPAT down 41% and 51% respectively, with strong performances from C&M and C&I offset by materially lower contribution from E&I due to lower refining margins and major maintenance
- **Convenience & Mobility Highlights:**
  - EBITDA up 40%, led by higher fuel volumes and improved margins
  - Fuel volumes 4% higher at 2.27BL, led by the Liberty Convenience network
  - Weekly fuel volumes for the company-operated network (previously Coles Express) were 58ML (+3%)
  - Convenience sales were 0.9% lower at $549m (+8.7% excl. tobacco, with strong growth from food-to-go, snacks and beverages)
- **Coles Express / OTR:**
  - Acquisition of Coles Express completed on 1 May 2023, with ~6,000 Coles Express team members joining VEA
  - Proposed acquisition of OTR announced on 5 April 2023, with completion currently expected in 2H23
    - The ACCC is currently assessing the proposed transaction's impact on competition and has invited public submissions
    - As part of the proposed acquisition of OTR, VEA has offered to divest operations of 23 of its 32 retail fuel and convenience sites in Adelaide, 14 of which are owned by WPR (2% of WPR's portfolio value)

| | | HY23 | HY22 | Change |
|---|---|---|---|---|
| Convenience & Mobility fuel volumes | BL | 2.27 | 2.19 | +3.7% |
| Total fuel volumes | BL | 7.60 | 6.82 | +11.5% |
| **EBITDA:** | | | | |
| Convenience & Mobility (C&M) | $m | 123.7 | 88.6 | +39.6% |
| Commercial & Industrial (C&I) | $m | 231.2 | 164.3 | +40.7% |
| Energy & Infrastructure (E&I) | $m | 22.9 | 370.8 | (93.8%) |
| Corporate Costs | $m | (15.9) | (12.0) | +32.5% |
| **Group EBITDA** | **$m** | **361.9** | **611.7** | **(40.8%)** |
| **Group NPAT** | **$m** | **174.1** | **355.4** | **(51.0%)** |
| **Group Free Cash Flow** | **$m** | **118.8** | **394.1** | **(69.9%)** |
| | | **Jun-23** | **Dec-22** | |
| Net Cash / (Debt) | $m | (274.2) | 290.5 | - |

[1] Source: VEA's HY23 Results Presentation.

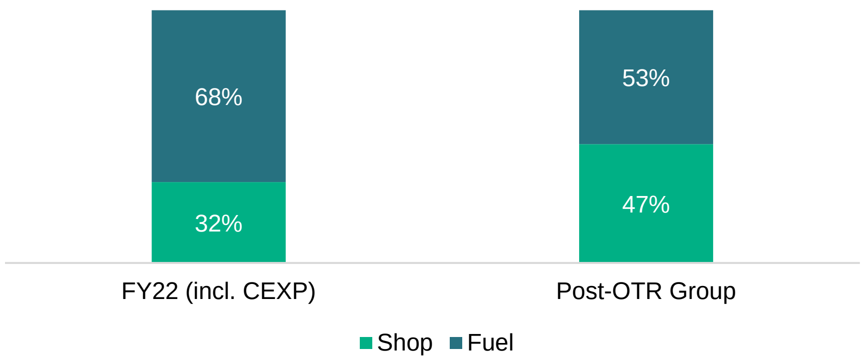
# Viva Energy Australia – OTR Overview[1]

## Leading independent convenience retailer providing VEA with enhanced earnings diversification

- **OTR Group:**
  - Leading independent convenience retailer generating more than $3 billion in annual revenue and employing approximately 6,500 people
  - Operates the OTR Convenience Retail network (205 stores), Smokemart & Giftbox network (257 stores) and the Mogas Regional and Reliable Petroleum wholesale fuel and lubricant businesses (servicing customers in regional SA)
- **OTR Convenience Retail:**
  - OTR Convenience Retail includes 205 company owned and controlled stores operating under the OTR brand (174 integrated F&C stores, 31 stand-alone stores)
  - 92 stores incorporate QSRs operated by OTR (Subway, Hungry Jack's, Oporto, Wok-in-a-Box, Guzman y Gomez)
  - OTR Convenience Retail is the primary earnings driver of the OTR Group (~70% of FY23 EBITDA)
  - Average c-store sales of $3.9m (versus $1.6m for Coles Express)
- **Acquisition Highlights:**
  - Market-leading convenience and mobility offering
  - Accelerates growth plans – largest company-controlled network in Australia with ~900 sites and pathway to more than 1,000 stores via development pipeline of ~90 stores
  - Further earnings upside from transforming suitable stores in VEA's national network to the 'full-service' OTR offer
  - Earnings diversification (gross profit from C-store sales improves from ~30% to ~50%)
  - Greater exposure to high growth convenience sector (8-year sales CAGR of 3.6%)

**Home brands** | **Licensed brands**

**Gross Profit Mix**

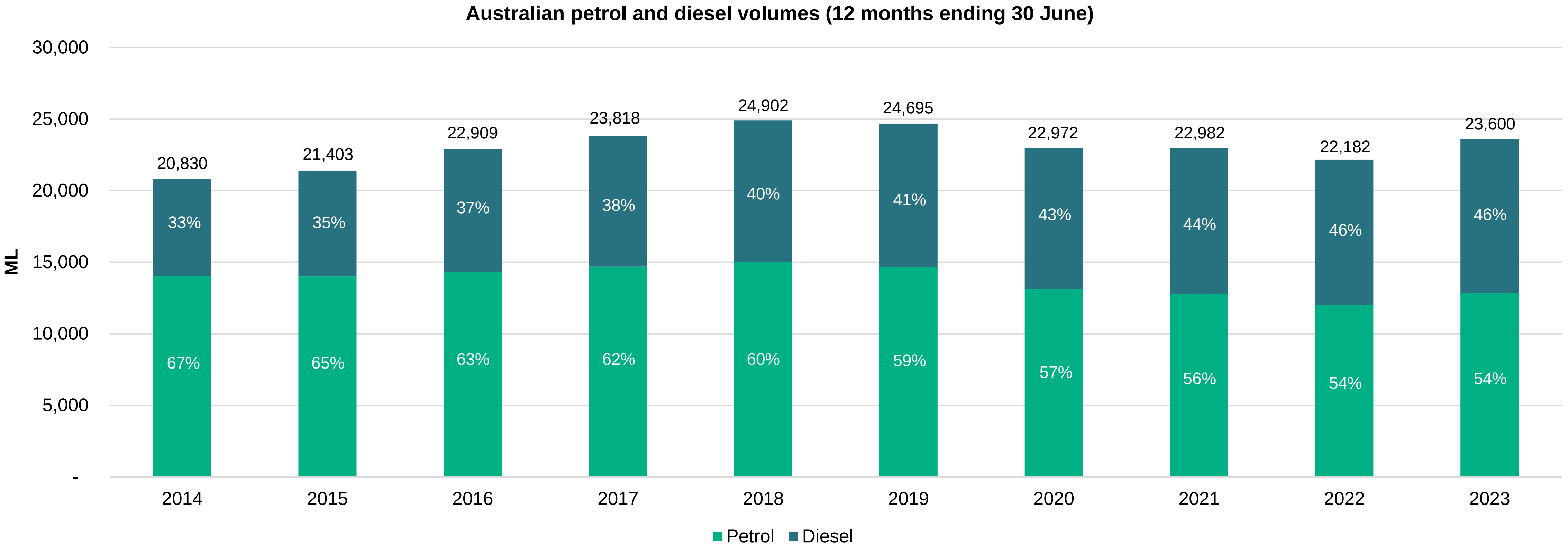



[1] Source:VEA ASX announcements. Transaction remains subject to regulatory approvals.

# Retail Fuel Volumes

## Total fuel volumes have increased by ~1% p.a. over the last 10 years, underpinned by ~59% increase in diesel

- Total fuel sales to retailers have increased by ~13% over the last 10 years (~9% decline in petrol volumes, ~59% increase in diesel volumes)
- Diesel now comprises ~46% of total fuel sales to retailers, up from 33% 10 years ago
- Total fuel sales in the 12 months to 30 June 2023 were ~4-5% lower than 2018 and 2019 due to sustained changes in post-COVID mobility and cost of living pressures

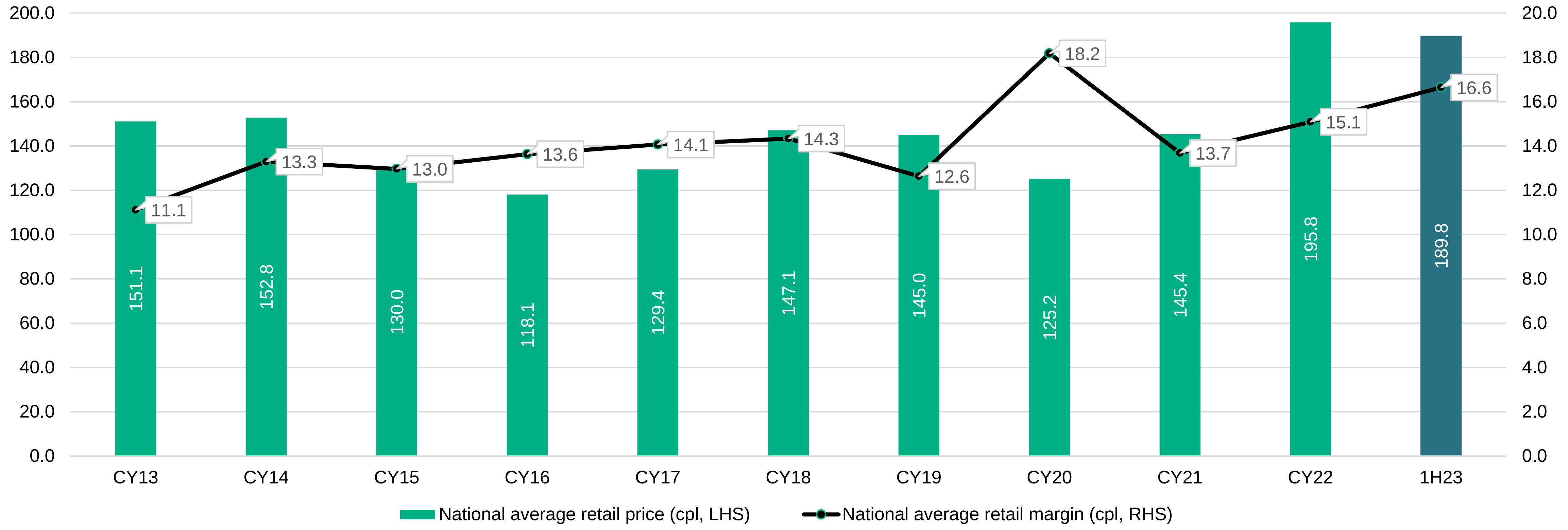



Source: Australian Petroleum Statistics (June 2023) – sales to retailers.

# Retail Fuel Prices and Margins

## Indicative industry margins increased ~10% in 1H23 vs. 2023, with diesel margins particularly strong

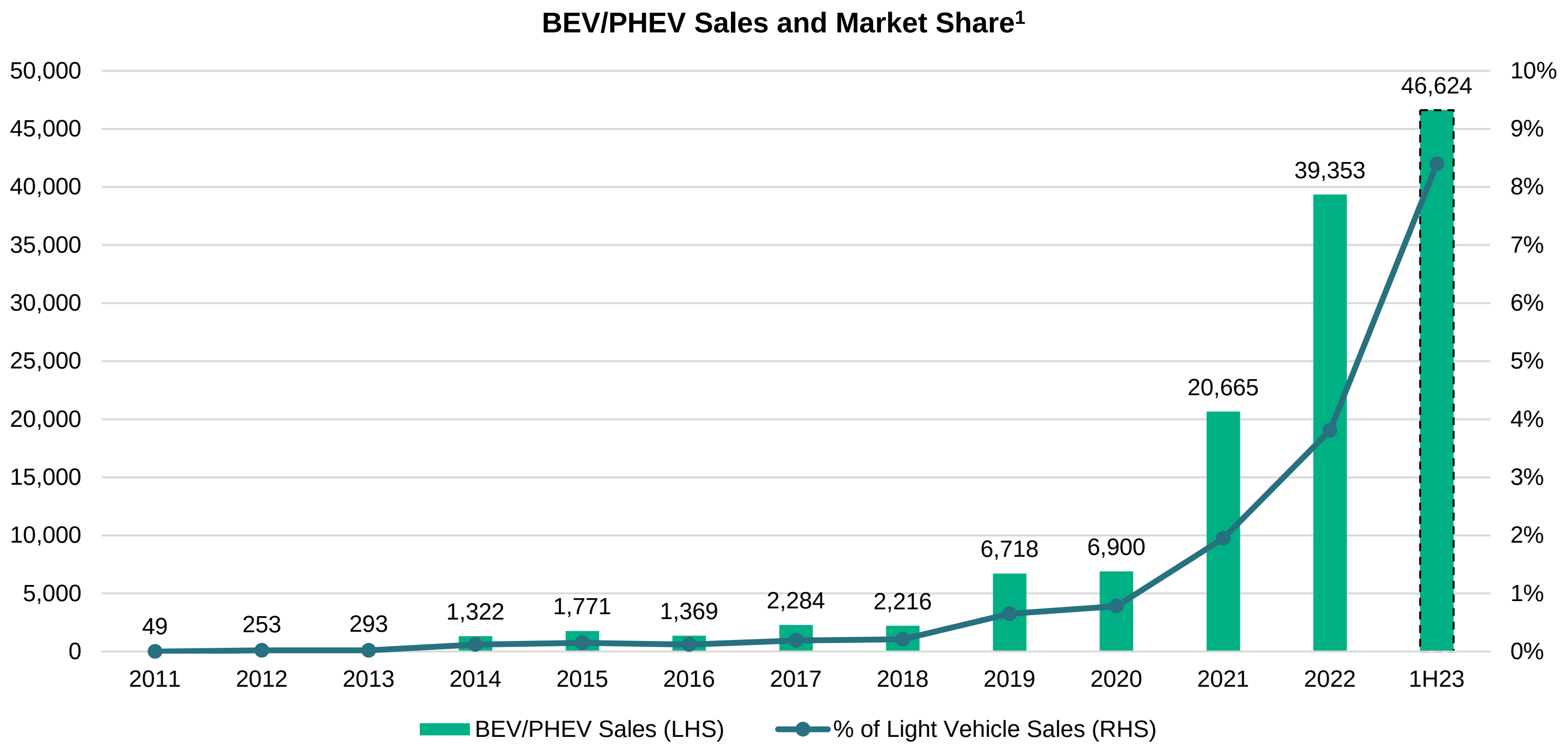
- Average fuel price fell by 6.0cpl (-3.1%), with average diesel price down 11.0cpl (-5.3%) and average petrol price down 1.0cpl (-0.5%)
- Retailers enjoyed strong market conditions in the six months to 30 June 2023, with a ~10% increase in average margin to 16.6cpl (~19% higher than 2013-22 average of 13.9cpl)
- Diesel margins were particularly strong, with a ~29% increase in average margin (20.6cpl) more than offsetting a 10% decline in average petrol margin (12.7cpl)

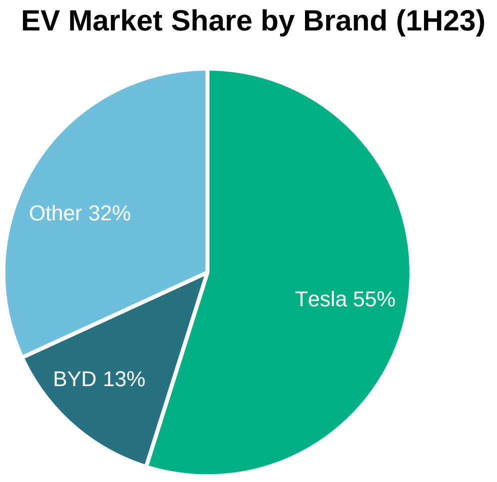


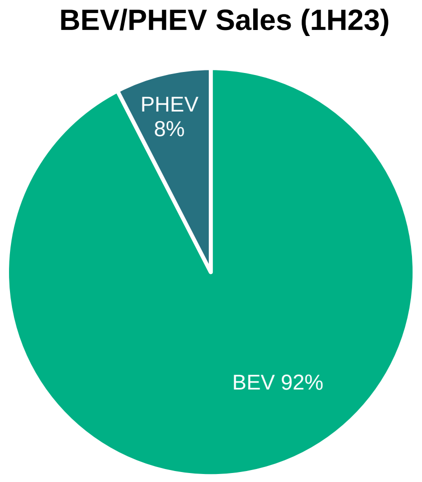

Source: AIP. National average retail price and national average retail margin assume a 50/50 split between petrol and diesel. The national average retail margin is the national average retail price less the national average Terminal Gate Price.

# Australian New Vehicle Market

## BEV/PHEV share of new car sales increased from 3.8% in 2022 to 8.4% in 1H23




- 1H23 sales up 269% on 1H22 (46,624 vs 12,620)
- New car market share of 8.4% (3.8% in 2022) compares with estimated global average of 12-14%[2]
- Tesla remains the top selling EV brand, comprising ~55% of national EV sales in 1H23[1]
- 70 different EV models delivered to the Australian market (38 BEVs, 32 PHEVs)[2]

[1] Source: Electric Vehicle Council.
[2] Source: Electric Vehicle Council, Australian Electric Vehicle Industry Recap 2022 (February 2023).

# EV Forecasts – CSIRO

## Short-term projections (to 2030) have increased, long-term (2050) projections largely unchanged

- The CSIRO published an updated report for the Australian Energy Market Operator in November 2022 regarding EV projections
- Since the previous projections in May 2021, the most significant market development has been a proliferation in stronger state and commonwealth EV policies – in particular, EV sales targets, state subsidies and Commonwealth subsidies in the form of FBT exemptions, and generally stronger climate policy settings
- Four general scenarios explored:
  - **Progressive Change:** slower energy transition. Paris Agreement objectives not achieved, slower investment in EVs and household battery storage, decarbonisation policy is less of a priority
  - **Exploring Alternatives:** decarbonisation accelerates after 2030 with net zero emissions across the economy by 2050. Commercialisation of new low emissions technologies over time, cost of new technologies continues to fall, Paris Agreement objectives not achieved
  - **Step Change:** strong climate action underpins rapid transformation of the energy sector. Government policy and corporate objectives are aligned to decarbonise, EVs soon become the dominant form of road passenger transportation
  - **Hydrogen Export:** faster decarbonisation to tackle climate change, with net zero emissions before 2050. Australia establishes strong hydrogen export partnerships to meet international demand for clean energy, the energy transition in Australia is embraced by consumers

| EV Share of Sales: | Cost Parity | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|---|---|---|---|---|---|
| Progressive Change | 2035 | 21% | 33% | 46% | 59% | 72% |
| Exploring Alternatives | 2030 | 38% | 60% | 76% | 92% | 99% |
| Step Change | 2027 | 52% | 74% | 92% | 99% | 99% |
| Hydrogen Export | 2025 | 63% | 91% | 99% | 99% | 99% |

| EV Share of Fleet: | Cost Parity | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|---|---|---|---|---|---|
| Progressive Change | 2035 | 7% | 18% | 32% | 47% | 63% |
| Exploring Alternatives | 2030 | 11% | 30% | 49% | 67% | 83% |
| Step Change | 2027 | 15% | 39% | 61% | 81% | 99% |
| Hydrogen Export | 2025 | 21% | 50% | 76% | 99% | 99% |

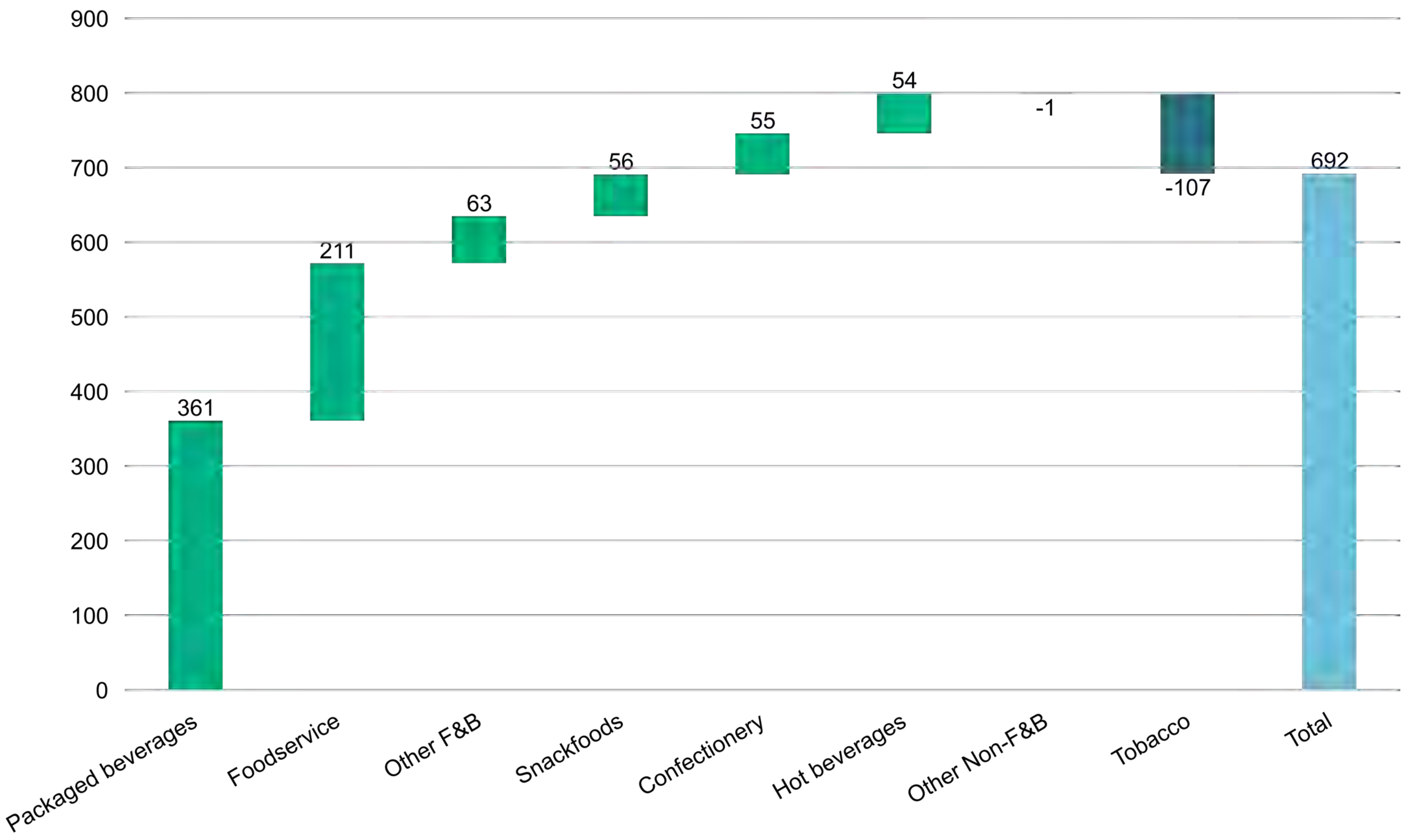
Source: CSIRO, Electric vehicle projections 2022 (November 2022).

# National Convenience Store Sales (2022 and 1H23)

## 7.4% sales growth in 2022, with tobacco, packaged beverages and foodservice accounting for 72% of total sales

| | 2022 | | | 1H23 |
|---|---|---|---|---|
| **Category** | **Sales $bn** | **Share %** | **Growth %** | **Growth %** |
| Tobacco | 3,498 | 34.7 | (3.0) | (13.7) |
| Packaged beverages | 2,546 | 25.2 | 16.5 | 11.5 |
| Foodservice | 1,198 | 11.9 | 21.4 | 13.6 |
| Confectionery | 615 | 6.1 | 9.8 | 9.9 |
| General merchandise | 500 | 5.0 | 2.2 | 6.1 |
| Hot dispensed beverages | 367 | 3.6 | 17.3 | 17.0 |
| Groceries | 299 | 3.0 | 12.0 | 2.7 |
| Snack foods | 249 | 2.5 | 29.0 | 21.2 |
| Ice cream | 190 | 1.9 | 12.4 | 9.8 |
| Communications | 187 | 1.9 | (7.4) | (4.9) |
| Milk | 163 | 1.6 | 7.2 | 9.6 |
| Car accessories | 112 | 1.1 | 4.7 | 6.1 |
| Printed material | 86 | 0.9 | (8.5) | 6.0 |
| Travel tickets | 44 | 0.4 | 15.8 | 19.7 |
| Bread | 40 | 0.4 | (2.4) | 0.9 |
| **Total** | **10,094** | **100.0** | **7.4** | **4.3** |

**Contribution to annual sales growth 2022 ($m)**



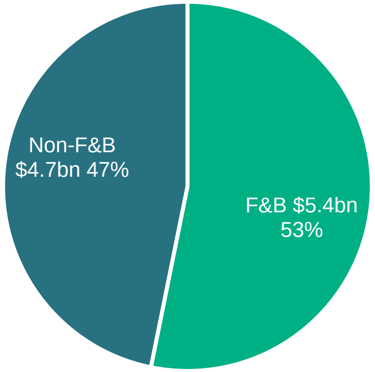

Sources: AACS State of the Industry Report 2022 and Half-Yearly Report 2023.

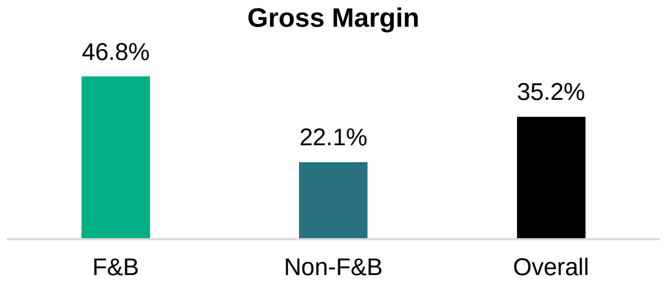
# Category Channel Sales and Gross Profit (2022)

## Higher margins on F&B (particularly vs. tobacco) drive greater share of Shop gross profit

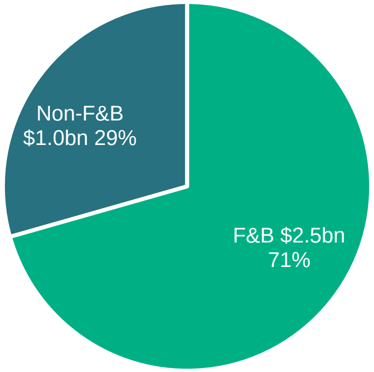
**Food & Beverage vs. Non-Food & Beverage:**

### Share of Sales



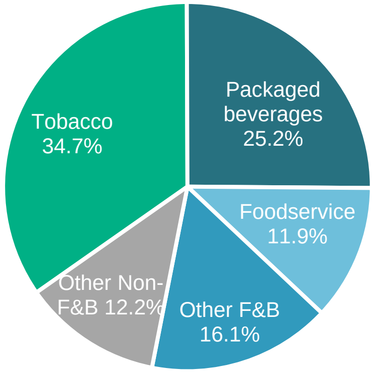



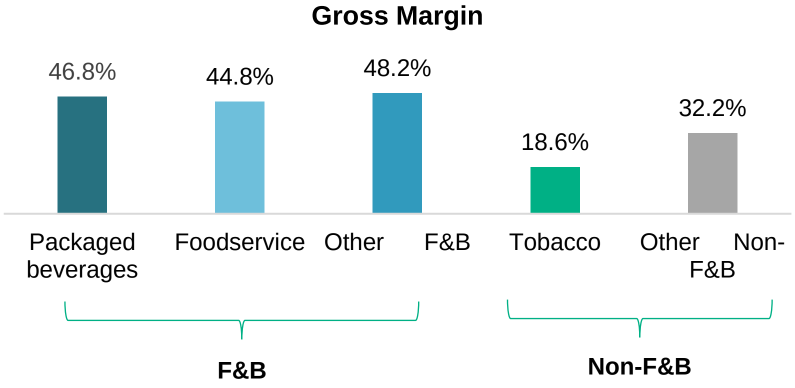

### Share of Gross Profit



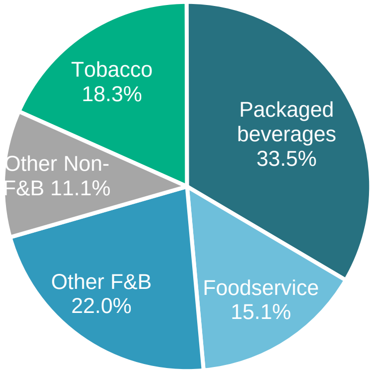

**Category Share:**

### Share of Sales



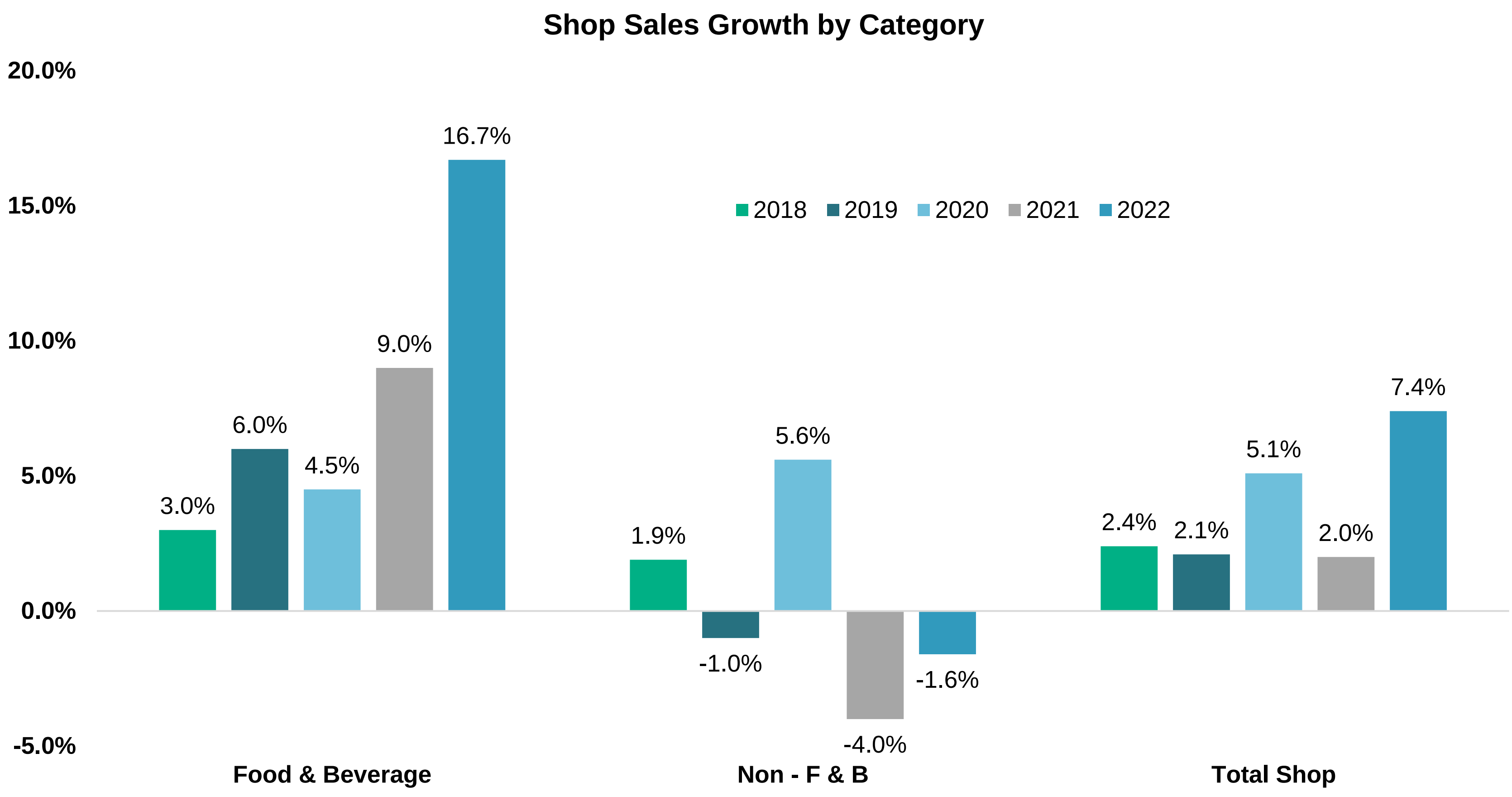

### Share of Gross Profit




Sources: AACS State of the Industry Report 2022.

# Historical Industry Shop Sales Growth (2018-22)

## Significant growth in F&B sales has offset flat sales in non-F&B categories and underpinned 5-year CAGR of 3.8%

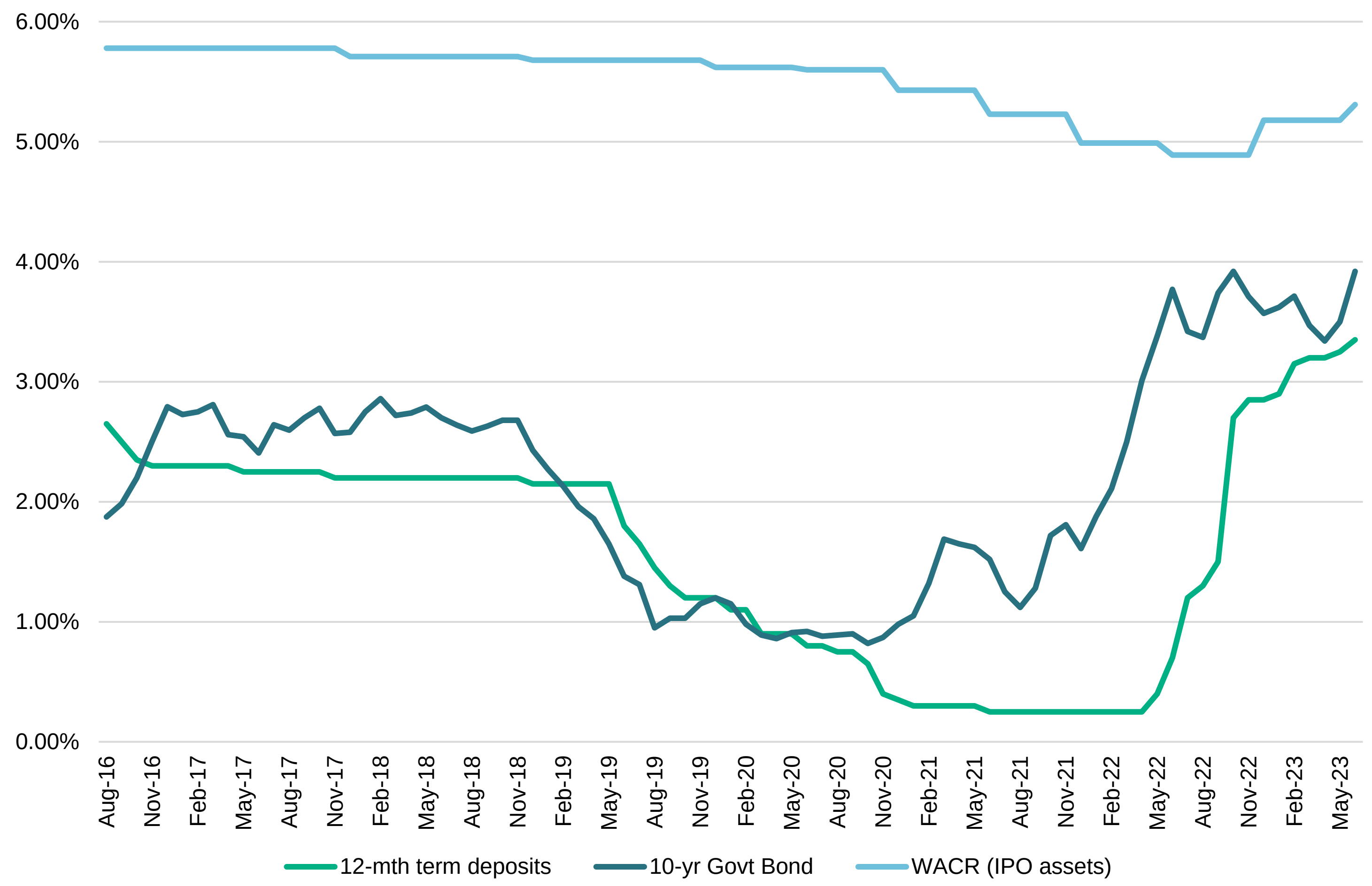



| | Share of Sales (2022) | 5-yr CAGR (2017-22) |
|---|---|---|
| Food & Beverage | 53% | 7.7% |
| Non-F&B | 47% | 0.1% |
| **Total Shop** | | **3.8%** |

Sources: AACS State of the Industry Report 2022.

# IPO Portfolio vs. Bonds and Deposit Rates

## Spread between IPO Portfolio WACR and benchmark rates has closed further and remains historically low




| | Jun-23 | 6-mth chg. | Jun-23 Spread |
|---|---|---|---|
| WACR (IPO assets) | 5.31% | +13bp | - |
| 10-yr Govt Bond | 3.92% | +35bp | 1.39% |
| 12-mth term deposits | 3.35% | +50bp | 1.96% |

Sources: Reserve Bank of Australia. WACR on IPO assets relates to the 355 IPO assets (253 Capital Cities, 41 Other Metro, 18 Highway and 43 Regional) of 402 assets in the current WPR portfolio.


# Glossary

# Glossary

| | |
|---|---|
| **AACS** | Australian Association of Convenience Stores |
| **AIP** | Australian Institute of Petroleum |
| **AMTN** | Australian Medium-Term Notes |
| **ASX** | Australian Securities Exchange |
| **BBSW** | Bank Bill Swap Rate |
| **BEV** | Battery electric vehicle.  Powered by battery, with no secondary source of power. |
| **bp** | Basis points |
| **BL** | Billion litres |
| **CAGR** | Compound annual growth rate |
| **CPI** | Consumer Price Index |
| **cpl** | Cents per litre |
| **cps** | Cents per security |
| **C-store** | Convenience store |
| **CY** | Calendar Year |
| **Distributable Earnings** | This is a non-IFRS measure of profit and is calculated as statutory net profit adjusted to remove transaction costs, specific non-recurring items and non-cash items (including straight-lining of rental income, the amortisation of debt establishment fees, long-term incentive expense and any fair value adjustment to investment properties and derivatives) |
| **DEPS** | Distributable Earnings per security.  Calculated as Distributable Earnings divided by the weighted average number of ordinary securities on issue during the period |
| **EBIT** | Earnings before interest and tax |
| **EBITDA** | Earnings before interest, tax, depreciation and amortisation |
| **EPS** | Earnings per security |

# Glossary

| | |
|---|---|
| **ESG** | Environmental, Social and Governance |
| **EV** | General term for electric vehicles, typically including Petrol Hybrid Electric Vehicles, Battery Electric Vehicles and (sometimes) Fuel Cell Electric Vehicles |
| **F&B** | Food and Beverage |
| **F&C** | Fuel and Convenience |
| **FY** | Financial year |
| **Gearing** | Net debt (excluding foreign exchange and fair value hedge adjustments) to total assets (excluding cash) |
| **HY** | Half year |
| **Interest Cover Ratio** | Covenant calculation: Distributable Earnings before interest expense plus straight-line rental income divided by Net Interest Expense (excluding borrowing cost amortisation) and calculated on a rolling 12-month basis |
| **IPO** | Initial Public Offering |
| **ITL** | Institutional Term Loan |
| **LTM** | Last Twelve Months |
| **m2** | Square metre |
| **M&A expenses** | Management and administration expenses |
| **ML** | Megalitre (metric unit of capacity equal to a million litres) |
| **MER** | Management expense ratio (calculated as the ratio of M&A expenses (excluding net property expenses) over average total assets (excluding derivative financial assets)) |
| **Moody's** | Moody's Investors Services |
| **Net Interest Expense** | Finance costs less finance income |
| **NNN** | Triple net lease, where the tenant is responsible for all outgoings relating to the property being leased in addition to the rent fee applied under the lease. This includes all repairs and maintenance (including structural repairs and maintenance), rates, taxes, insurance and other direct property costs |

# Glossary

| | |
|---|---|
| **NPAT** | Net Profit After Tax |
| **NTA** | Net tangible assets |
| **OTR** | OTR Group (“On the Run”) |
| **PHEV** | Plug-in hybrid battery electric vehicle; includes both a traditional ICE and a battery, which needs to be charged |
| **RCF** | Revolving Credit Facility |
| **S&P** | Standard & Poor's Financial Services LLC |
| **TCFD** | Task Force on Climate Change-related Financial Disclosures |
| **Terminal Gate Price** | Terminal Gate Price, as per the Australian Institute of Petroleum. Terminal Gate Price represents the national average wholesale price of petrol |
| **USPP** | United States Private Placement |
| **VEA or Viva Energy Australia** | Viva Energy Australia Pty Ltd (ABN 46 004 610 459) / Viva Energy Group Limited (ABN 74 626 661 032) (ASX: VEA) |
| **Waypoint REIT or WPR** | Stapled entity comprising one share in Waypoint REIT Limited (ABN 35 612 986 517) and one unit in the Waypoint REIT Trust (ARSN 613 146 464) |
| **WACR** | Weighted average capitalisation rate, weighted by valuation |
| **WADM** | Weighted average debt maturity |
| **WALE** | Weighted average lease expiry, weighted by rental income |
| **WARR** | Weighted average rent review, weighted by rental income |
| **Weighted average cost of debt** | Net Interest expense (excluding borrowing cost amortisation) divided by average drawn debt balance (annualised) |

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