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GMT Annual Meeting of Unitholders

Date 22 July 2020

Release Immediate

WELCOME

Good afternoon ladies and gentlemen and welcome to this annual meeting of Unitholders. I'm Keith Smith, Independent Director and Chairman of Goodman (NZ) Limited, the Manager of Goodman Property Trust.

Adopting a virtual format for this year's meeting reflects the unique times in which we are living. While our preference was to hold a physical meeting, the potential disruption from COVID-19 made a webcast the most appropriate format for this year's event. The uncertainty created by an extended lead-time, the travel restrictions on our Australian based directors and the possible health and safety risks of a public gathering meant a virtual meeting was the most pragmatic solution.

Today's presentations will focus on the recent operating performance of the Trust and the strategy for a more challenging economic environment. The meeting will also consider one ordinary resolution, relating to the re-appointment of Susan Paterson as an Independent Director.

A key difference between a virtual meeting and a physical one is in the way questions are dealt with and how voting is conducted.

Now the meeting has started, you can submit questions through the webcast portal. It's a simple process, just click on the speech bubble icon at the top of the instruction screen. This will open a text window that will allow you to type and submit your question.

While we have allocated time at the end of the presentations to answer these, I encourage you submit your questions at any stage.

Polling on the resolution has also opened. Unitholders can now vote by selecting the polling icon on the instruction screen and following the prompts. Votes can be amended up until the time the poll closes, at the conclusion of the meeting.

If you experience any technical issues asking questions or casting your vote, please refer to the instructions provided in the Virtual Annual Meeting Guide that accompanied the Notice of Meeting.

If you'd like to utilise the full-screen view of the presentation slides, which I recommend, please use the icon and arrow at the top right of the screen to expand and reduce the frame size.

ATTENDANCE AND BOARD COMPOSITION

I would now like to introduce the members of the Board and executives of the Manager who are in attendance today.

In addition to myself we have Greg Goodman, Peter Simmonds, Leonie Freeman, Phil Pryke, Susan Paterson, John Dakin and Andy Eakin.

The composition of the Board is unchanged from last year, and a majority of Independent Directors is maintained. It is an experienced and capable group who have overseen the growth of the business and the successful repositioning of GMT as New Zealand's leading industrial space provider.

As I noted last year, a Board refresh is on the governance agenda. To maintain continuity and ensure an orderly transition, the timing of Director retirements and new appointments will be staggered over the next two to three years.

REPRESENTATIVES OF TRUSTEE AND ADVISORS

In addition to the directors and executives present today, we also have representatives of the Trustee and other advisors dialled in to the meeting. Listed on screen now, these representatives will be available to answer any questions directed to them later in the meeting.

MEETING FORMALITIES

I'd now like to work through some of the procedural formalities of an annual meeting.

I'd like it noted that in accordance with the Trust Deed, I have been nominated by the Trustee to act as Chair of this meeting and I have now tabled this nomination.

I also confirm that the meeting has been properly convened and notice has been properly given to Unitholders.

And finally, I can confirm that we have satisfied the requirements for a quorum.

Now the formalities are dealt with we can proceed.

YEAR IN REVIEW

GMT's financial year ended on 31 March 2020, just as COVID-19 began to disrupt the New Zealand economy. Due to the timing, the pandemic only had a limited impact on the Trust's 2020 financial results.

GMT delivered another strong operating performance over the year, with significant growth in asset values, positive leasing outcomes, new development projects and strategic acquisitions all contributing to a statutory profit of \$284.4 million, before tax.

Capital management initiatives also proved timely, with bank refinancing and \$175 million of new equity providing substantial capacity for future investment and development opportunities.

While the economic environment has deteriorated from last year, our investment strategy remains focused on the Auckland industrial market. It has continued to be the country's best performing commercial real estate sector, providing the logistics infrastructure that supports critical supply chains.

As we look ahead, the quality and scale of the portfolio, together with the low level of gearing and focused investment strategy gives the Board confidence that the Trust will continue to deliver sustainable long-term growth.

COVID-19 IMPACTS

The health and safety of Goodman staff, customers and contractors has been the priority of the Board and Manager since COVID-19 first began to impact New Zealand.

Business continuity plans were implemented, with development sites and management offices closed in accordance with the Government's Alert Level restrictions.

As an essential business we continued to operate throughout the lockdown period, along with many of our customers. Agile work practices enabled our team of 60 to continue working remotely with only minor disruption to our normal business operations.

Four months into the new financial year we have more clarity on the economic impacts of the pandemic. The Trust has performed relatively well, with distribution and logistics assets being the least affected of the various property investment classes.

Income receipts have remained stable and around 95% of the rent due over the last four months has been paid by customers.

While this has been a reassuring result, we remain wary of the longer-term financial impacts of COVID-19. Adapting to a more uncertain operating environment, while the economy recovers, will ensure the Trust's stable cashflows and strong financial position are maintained.

DISTRIBUTION POLICY AMENDED

GMT's investment strategy has been refined in recent years to meet the increasing demand for warehouse and distribution space across Auckland.

The repositioning has also included initiatives to enhance the Trust's capital structure. Asset sales and equity issuance have significantly deleveraged the balance sheet, while new debt issues have diversified the Trust's sources of funding and extended the term of its debt.

To ensure the business can continue to grow sustainably, the Board has amended its distribution policy for the Trust. Adopting a target payout ratio of between 80% and 90% of cash earnings, on average over time, better aligns distributions with the underlying cashflows from the Trust's stabilised portfolio.

It's another step in the evolution of a high-quality, low risk, property business, focused on sustainable long-term growth.

Under the new policy, cash distributions of at least 5.3 cents per unit are expected to be paid in FY21. The distribution represents around 85% of the Trust's forecast cash earnings.

I'd now like to pass over to Andy Eakin, who will give a more detailed overview of the Trust's recent financial results.

ANDY EAKIN'S ADDRESS

Thank you, Keith, and good afternoon ladies and gentlemen.

It's great that technology enables us to engage safely with our Unitholders. While a virtual format is new for our annual meetings, we have always webcast these events for investors that are unable to attend.

I'm pleased to report that 2020 was another successful year for GMT. Investing in the supply-constrained Auckland industrial market has continued to deliver outstanding returns to Unitholders. It has also positioned the Trust to benefit from the continuing growth of e-commerce.

Consumers have responded to the risks of COVID-19 by embracing the convenience and safety of online sales and contactless delivery. It's another positive demand driver for industrial property and GMT's portfolio is ideal for logistics and fulfilment businesses that want convenient access to Auckland's large population base.

FY20 FINANCIAL AND OPERATIONAL HIGHLIGHTS

GMT delivered a strong operating performance last year with sustained customer demand being reflected in positive leasing results and new development commitments.

Asset sales in prior years, and the recent equity raise, have provided the balance sheet capacity to fund these new projects. They have also allowed the Trust to make strategic acquisitions, including the T&G Global facility in Mt Wellington.

The additional income from new developments and acquisitions has offset the reduction in income from balance sheet deleveraging, with net rental income of \$145.3 million being a new record for GMT.

While these operating results contribute to the Trust's financial performance, it is the revaluation of the Trust's property portfolio that has had the greatest impact, contributing \$165.8 million of fair value gains to GMT's \$261.9 million after-tax profit.

The 5.7% increase in asset values to \$3.1 billion reflects the quality of the portfolio, higher market rentals and positive investor sentiment toward Auckland industrial property.

Although fair value gains are not distributed, they add to GMT's net tangible asset backing which has increased 10%, to \$1.72 per unit at 31 March. With a current stock price of around \$2.15 per unit, the Trust is trading at a very strong 25% premium to its asset value.

INVESTMENT RETURNS

The strength of GMT's recent stock price performance reflects investor support of our strategy. The inclusion of GMT in the FTSE EPRA NAREIT Global Real Estate Index in March 2020 is expected to add greater diversity and liquidity to the register, with many offshore funds now required to hold GMT stock.

With a Total Unitholder Return of 28.1%, last year, the Trust significantly outperformed its listed peers through the period.

With a relative return 39.4% above its benchmark index, a performance fee of \$11.4 million was earned by Goodman as Manager of the Trust. The relative performance hurdle measure means the Manager only earns a performance fee when GMT out-performs its listed property peer-group, and provides positive total returns to investors.

The Manager is also required to use the performance fee to subscribe for new units in the Trust. It's a Trust Deed requirement that ensures the close alignment of interests between Goodman, as Manager and cornerstone investor, and other Unitholders. The total return calculation includes both the movement in GMT's stock price and the distributions paid to Unitholders.

Totalling almost \$90 million, cash distributions of 6.65 cents per unit were paid in respect of FY20. As Keith has noted earlier, we have amended our distribution policy and will now retain between 10% and 20% of cash earnings. For the current year, this means around \$19 million will be reinvested back into the portfolio ensuring it remains of very high quality.

GEARING AND LIQUIDITY

The extensive sales programme that has repositioned the Trust and deleveraged the balance sheet, was concluded during the year, with the last of the asset sales being completed.

With more than \$1.2 billion of disposals since 2014, it has been a successful strategy realising strong profits and providing the balance sheet capacity to fund the development programme.

More than \$800 million has been reinvested into new development projects over the same timeframe. The addition of 300,000 sqm of new industrial space has significantly improved the composition and quality of the portfolio, with GMT now New Zealand's largest listed property investor by market capitalisation.

New equity initiatives, raising \$175 million in September and October 2019, have added further financial flexibility.

The additional capital, raised at \$2.10 per unit, has helped reduce committed gearing to just 20.6% at 31 March 2020. It's a conservative level that provides substantial headroom against GMT's Trust Deed and debt facility covenants which all include a maximum loan to value ratio of 50%.

The refinancing of the Trust's bank facilities during the year has also provided additional liquidity. Renewed on competitive terms, the total size of the facilities was increased by \$100 million to \$400 million.

With low gearing and only partially drawn debt facilities, GMT has a very strong balance sheet. The liquidity it provides will enable the Trust to progress its development programme and take advantage of new acquisition opportunities, well into the future.

The low gearing also ensures that GMT has the necessary headroom to absorb any significant changes in asset values should property markets soften.

TREASURY INITIATIVES

A capital structure that includes a variety of funding sources adds to GMT's financial resilience. With a combination of bank borrowings, New Zealand listed retail bonds and US Private Placement debt notes, the Trust has a diverse debt book.

At 31 March 2020, 96% of drawn debt was from non-bank sources with drawn bank borrowings of just \$25 million. These facilities are also long dated, with GMT's drawn debt having a weighted average term to expiry of around four years.

The next maturity in our treasury programme is the GMB020 bonds which expire in December this year. While we have ample capacity to repay this \$100 million bond from bank debt, we are considering further new non-bank debt issuance, possibly via a new retail bond offering. Doing so will help retain liquidity within our bank facilities and provide the Trust with significant operational flexibility.

Standard & Poor's reaffirmed their BBB credit rating of GMT earlier this month, a rating that has remained stable since it was first issued in 2009. All of GMT's existing debt, including its retail bonds, are secured over the Trust's property portfolio and is therefore rated one notch higher at BBB+.

BUSINESS STRENGTH

The investment grade credit rating reflects the strength of GMT's balance sheet and the ongoing success of our investment strategy.

While the emergence of a global pandemic couldn't have been foreseen when we started our business planning earlier this year, we're pleased with the resilience of the Trust over the last four months.

GMT has demonstrated it is a substantial and mature property business able to withstand market disruptions. By continuing to act prudently and limiting new investment to the most compelling opportunities, we will ensure it remains a well-capitalised and robust business.

I'll now hand over to John who will continue with the operational review.

JOHN DAKIN'S ADDRESS

Thank you Andy, and good afternoon to everyone participating in our virtual meeting today.

With COVID-19 disrupting the global economy it has been a turbulent start to the new financial year. The initial impacts have been acute and while New Zealand has fared relatively well, we're cautious about the outlook. As you've heard from Keith and Andy, our business remains strong and we're adapting to the more challenging operating environment.

In my presentation today I want to focus principally on the investment strategy of the Trust and our response to the pandemic. I'll also highlight some new sustainability initiatives and refinements to our corporate reporting.

INVESTMENT STRATEGY

The Alert Level restrictions have highlighted the important role a secure and efficient supply chain plays in the orderly functioning of a modern economy.

Warehouse and distribution facilities provide companies with the physical infrastructure to manage inventory, while established transport routes link these businesses with suppliers, customers and end consumers.

The continued urbanisation of cities and the rise of e-commerce are having a significant impact on demand for warehouse and logistics space in many markets around the world. A well-organised supply chain, that can quickly distribute goods and materials, is critical for our cities to function and grow.

An investment strategy focused on urban logistics space has positioned GMT to take advantage of these trends.

Auckland is the preferred investment market. It is the gateway to the country, its commercial centre and largest consumer market.

GMT's substantial property portfolio provides over one million square metres of high-quality industrial space. The map on screen shows the location of the eleven estates that make up the portfolio. You'll see these properties are strategically located in the

established industrial suburbs of East Tamaki, Mangere, Mt Roskill, Mt Wellington, Otahuhu, Penrose and Wiri.

Central to Auckland's large consumer population, each estate provides customers with specific locational advantages including direct motorway access, proximity to the airport and port facilities and even dedicated rail sidings.

CUSTOMER FOCUS

Our estates include around 150 individual buildings, leased to over 200 businesses.

These companies provide the strong rental cashflows that underpin the Trust's operating results. It is a diverse group of businesses, representing the automotive, building products, freight and logistics, retail, warehousing and distribution sectors.

While a large proportion of these customers were classified as essential and were able to operate throughout the lockdown, a number have sought rent relief as they manage the combined impacts of trading restrictions and a sharp recession.

Our support has been directed at the most vulnerable businesses in the portfolio - those with limited financial capacity. We're balancing the needs of these customers with our obligations to Unitholders and, where possible, linking any rental concessions to mutually beneficial leasing outcomes.

The type of support we have provided has included, rental abatements, rent deferrals, and rent freezes, together with lease restructures and marketing support. We have made allowances in our FY21 guidance to cover both the cost of this support and more prudent leasing assumptions. With forecast cash earnings of 6.2 cents per unit, we are expecting to deliver an operating result consistent with last year.

We are assisting other businesses too, accelerating invoice payments to suppliers and increasing the frequency of progress payments to our construction partners. These are ongoing practices that are expected to help restore business confidence as economic activity resumes.

DEVELOPMENT PROGRAMME

Significant progress has been made in the Trust's development programme with 11 projects completed over the last 12 months and a further \$100 million of work in progress. The completed projects included several customer expansions, along with new design-build and build-to-lease facilities. The following images show some examples.

You'll see all the new development projects are high-quality and operationally efficient. They're also flexible enough to meet the requirements of many different businesses. They incorporate sustainable design elements and are constructed using materials and building processes that minimise waste and other environmental impacts. Energy saving technologies and low flow water fittings also reduce operating costs for customers.

Specialist packaging supplier, NCI is a new customer at Savill Link in Otahuhu and an example of a business utilising automated technology to improve efficiency.

The 14,000 sqm, design-built warehouse accommodates the manufacturing plant required for the production and labelling of cans used in the packaging of food, drink, milk powder and paint. The manufacturing process, that can produce up to 300 large cans per minute, includes sophisticated robotics.

With a combined value of almost \$160 million, the 11 new facilities contributed \$22.5 million of fair value gains to this year's profit result. They are now 100% leased and have an average weighted average lease term of more than 10 years.

With around 80% of the portfolio built since 2004, GMT's development capability has been a critical factor in the growth of the business.

Maintaining a development pipeline is essential if the Trust is to meet the future property requirements of its customers. New investment opportunities that provide redevelopment potential are being targeted to replenish our land bank. The recent acquisition of two neighbouring Mt Wellington properties, in separate transactions, is an example of this strategy.

Acquired on a sale and lease back basis, the existing facilities, provide steady holding income while future amalgamation of the two properties into a single 7ha site offers further development opportunity.

In the geographic centre of Auckland, with access to more than 800,000 consumers within a 20-minute delivery drive, the properties are ideally located for fulfilment and logistics businesses.

The acceleration in e-commerce, online sales and contactless delivery are established trends that are continuing to drive customer demand for the Trust's well located, warehouse and distribution facilities.

SUSTAINABILITY

OfficeMax is an existing customer at Highbrook that has recently had its premises expanded to accommodate business growth. As part of the 7,350 sqm warehouse extension, the office product and business consumable reseller is incorporating an 880 panel, solar array.

The northern orientation and extensive roof area make the building ideal for solar technology and it is expected that that the new system will provide over 20% of the customer's electricity.

With over 400,000 kWh of capacity the system is expected to generate enough electricity to power 57 New Zealand homes for a year. Using solar as an energy source will also offset 39 tonnes of greenhouse gas emissions every year.

Sustainability is an increasing area of focus for all our stakeholders and there are other initiatives underway across the business that will enhance our corporate performance.

GMT has been a regular contributor to the Carbon Disclosure Project since 2009 and we have just completed a comprehensive emissions inventory ahead of this year's annual survey. The global initiative encourages companies, cities, and states to monitor greenhouse gas emissions and implement strategies to minimise climate change impacts. With a continued reduction in our carbon emissions and independent audit assurance, we are expecting to improve on last year's rating of B minus.

We have also set targets for the future with the aim of having carbon neutral operations by 2025. Our recent annual report includes more detail on these initiatives, and I encourage you to read the document to learn more about our sustainability programme.

It also includes an overview of the Goodman Foundation.

The Foundation is an initiative of the Manager that supports the work of local community groups. The aim is to help the vulnerable and improve the social outcomes in the locations where we invest.

KiwiHarvest is the largest of our partnerships. The food rescue organisation operates a distribution facility from Highbrook Business Park, collecting and redistributing perishable food that would otherwise be consigned to landfill.

Last year the organisation rescued and redirected over 1,250 tonnes of food from businesses across New Zealand. Equivalent to 3.6 million meals, it included surplus produce, protein, mislabelled goods and grocery items approaching expiry.

Demand from social agencies for food parcels has escalated rapidly as a result of COVID-19 with the volume of food being collected and distributed by KiwiHarvest more than doubling during lockdown. To help meet the growing need and address the waste that occurs in food production and distribution, we have helped facilitate the establishment of a new national food rescue network.

With government support, the New Zealand Food Network is now operating from a new 1,000 sqm facility at Highbrook, next to KiwiHarvest. Having the two organisations side by side, will create synergies and efficiencies that will help address the issue of food poverty not only in Auckland, but across the country.

BUSINESS OUTLOOK

Creating a business that delivers sustainable long-term returns for investors, and positive outcomes for other stakeholders, has always underpinned our investment strategy.

Maintaining a low-leverage capital structure has been a deliberate part of this strategy. It has ensured that GMT is a resilient and robust business with the financial reserves to withstand market corrections and economic cycles.

Our expectations are that the impacts of COVID-19 are likely to be ongoing, constraining economic activity for the next 18 to 24 months at least.

With a high-quality portfolio focused on urban logistics, GMT is uniquely placed to benefit from the growing demand for distribution facilities close to consumers. The pandemic is accelerating this trend with businesses responding to the challenges and opportunities of a growing online marketplace.

While we're cautious about the year ahead, we're confident we have the best assets and the right strategy for a more challenging operating environment.

Thank you everyone, I'd now like to hand back to Keith for questions.

GENERAL BUSINESS

KEITH SMITH

Thanks John. Before we move to the formal business of the meeting, I'd like to reiterate a few key points from today's presentations.

GMT is a well-capitalised and resilient property trust, exclusively invested in the Auckland industrial market.

The business has responded to the challenges of COVID-19 and has continued to perform well over the first four months of the new financial year. Customer enquiry for new and existing space remains strong, portfolio occupancy has been maintained and year-to-date rental cashflows are in-line with our expectations.

Although the operating environment is more uncertain, GMT's investment strategy remains unchanged. The focus on urban logistics, in New Zealand's largest consumer market, means the Trust is uniquely positioned take advantage of any new customer requirements created by the accelerating growth of e-commerce.

As we look ahead, the quality and scale of the portfolio, together with the low level of gearing and focused investment strategy gives the Board confidence that the Trust will continue to deliver sustainable long-term growth.

That concludes the presentations ladies and gentlemen.

I encourage you to finalise any questions you'd like addressed and to submit these now. As I mentioned earlier, questions need to be entered through the webcast portal. To do so, please click on the speech bubble icon at the top of the instruction screen and follow the prompts.

Before we deal with those however, I'd like to ask Greg Goodman, the global CEO of Goodman Group to provide a brief update on current trends in the offshore markets where GMG invests.

[Greg to address the meeting]

QUESTIONS FROM UNITHOLDERS

Thank you, Greg. I'll now move onto questions.

[Keith to address any questions]

Ladies and gentlemen, as there are no further questions I will now proceed to the formal business of the meeting.

RESOLUTION AND POLL

Unitholders have the right to nominate and vote on the Independent Directors of the Manager.

This year Susan Paterson is retiring by rotation, and being eligible, has offered herself for re-election. Susan has signalled that this will be her last term as an Independent Director and she will be stepping down from the Board within the next three years.

With her commercial and governance expertise complementing the skills of the other Directors, Susan is a highly regarded and effective member of the Board. The other Directors and I unanimously recommend you vote in favour of her re-appointment.

The Resolution is set out in the Notice of Meeting and is shown on screen now.

We will shortly be closing the poll but before we do, I will invite Susan to address the meeting. If there are any questions on the resolution, I also ask that you that you submit these now.

[Susan to briefly address the Meeting]

Thank you, Susan.

[Keith to address any questions on the resolution]

As there are no further questions, we will now close the poll. The result will be announced to the NZX in due course and a copy of the announcement will also be available on our website.

Ladies and gentlemen, thank you very much for your participation this afternoon, I now declare this meeting closed.

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About Goodman Property Trust:

GMT is an externally managed unit trust, listed on the NZX. It has a market capitalisation of around \$3.0 billion, ranking it in the top 20 of all listed investment vehicles. The Manager of the Trust is a subsidiary of the ASX listed Goodman Group, Goodman Group is also the Trust's largest investor with a cornerstone unitholding of 21.4%.

GMT is New Zealand's leading industrial space provider. It has a substantial property portfolio, with a value of \$3.1 billion. The Trust holds an investment grade credit rating of BBB from Standard & Poor's.