
GMT delivers interim profit before tax of \$570 million

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Release Immediate

Goodman (NZ) Limited, the manager of Goodman Property Trust (GMT or Trust) is pleased to announce the Trust's results for the six months to 30 September 2021.

Highlights include:

- + Statutory profit of \$570.0 million before tax (including investment property valuation gains of \$504.7 million), compared to \$186.4 million before tax (including investment property valuation gains of \$140.2 million) previously
- + 17.5% increase in net tangible assets, from 212.5 cents per unit at 31 March 2021, to 249.6 cents per unit at 30 September 2021
- + Operating earnings before tax¹ of \$60.2 million, a 7.5% increase from the previous corresponding period
- + An 8.2% increase in cash earnings² to 3.29 cents per unit, and cash distributions of 2.75 cents per unit
- + Substantial balance sheet capacity, with a loan to value ratio³ of 17.5% and \$310 million of available liquidity at 30 September 2021
- + Greater level of development activity with over \$350 million of work in progress (total project cost) at 11 November 2021
- + Extension to the Trust's development programme with the conditional acquisition of 34 hectares of light industrial zoned land in Māngere for \$75 million
- + Around 134,000 sqm of new leasing (13.2% of the stabilised portfolio), occupancy of 99.5% and a weighted average lease term of more than five years

Result overview

The first six months of FY22 have been positive for GMT, with strong customer demand continuing despite the reintroduction of COVID-19 Alert Level restrictions.

Keith Smith, Chair of Goodman (NZ) Limited, said "While the Trust has recorded a substantial increase in profit, it has been the resilience of the business and the strength of the underlying operating result that have been the most pleasing aspects of the year to date."

Significant new leasing, high occupancy levels, sustained rental growth, further development progress and strategic acquisitions have all contributed to the 7.5% increase in operating earnings before tax, to \$60.2 million.

Chief Executive Officer John Dakin said "With its \$4.3 billion industrial property portfolio exclusively invested in Auckland's urban logistics market, GMT is

¹ Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings is as set out in GMT's Profit or Loss statement.

² Cash earnings is a non-GAAP financial measure that assesses underlying cashflows, on a per unit basis, after adjusting for certain items. The calculation is set out in GMT's 2022 Interim Results Presentation.

³ Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements.

benefitting from a heightened level of customer demand for well-located warehouse and logistics facilities.”

Supported by a rapidly growing digital economy and other structural changes, demand for distribution space close to consumers is exceeding supply in many locations across the city.

These positive market dynamics are expected to continue, and the Board has reaffirmed its full year guidance. Cash earnings of at least 6.5 cents per unit are forecast and cash distributions totalling 5.5 cents per unit are expected to be paid.

Further information is provided in the GMT and GMT Bond Issuer Limited Interim Report 2022. A copy of the report, which was released today, has been provided to the NZX and is available on the Trust’s website at: www.goodman.com/nz.

Sustained customer demand

The growth in e-commerce has accelerated with COVID-19, as consumers increasingly choose the safety and convenience of online shopping and contactless delivery.

John Dakin said “Businesses are adapting to a growing online marketplace, with many incorporating e-commerce fulfilment functions into existing warehouse operations. Disruption in global supply chains is also forcing local businesses to maintain higher inventory levels, creating additional demand for warehouse space.”

GMT’s recent leasing results reflect these trends, with 133,897 sqm of existing space (13.2% of the stabilised portfolio) secured on new or revised terms since 31 March 2021. The increased demand is also contributing to significant growth in rental income, with 5.1% average annual growth on a like-for-like basis.

At 30 September 2021, the portfolio had an occupancy rate of almost 100% and a weighted average lease term of more than five years.

Sustainable development-led growth

The strong leasing market has also been positive for the Trust’s development programme. GMT has over \$350 million of development work underway across 10 projects. Encompassing over 87,000 sqm, the new facilities are expected to generate around \$19.4 million of annual rental income once completed.

John Dakin said “With the development workbook almost 80% committed and with good levels of new enquiry, the strength in demand from warehouse and logistics customers indicates their confidence about the future.”

GMT’s development capability has been an important contributor to its growth, with around 90% of the core portfolio developed since 2004. These new facilities have provided high-quality property solutions for customers and generated strong investment returns.

The Trust’s development pipeline has been extended with the conditional acquisition of 34 hectares of light industrial zoned development land in Māngere. Adjoining the Villa Maria winery, and close to the airport and other freight and transport infrastructure, the \$75 million acquisition is expected to support the development of up to 120,000 sqm of new warehouse and logistics space over time.

Following settlement of the new acquisition, the development potential within the Trust’s one million sqm portfolio is estimated to exceed a further 400,000 sqm of net lettable area.

A commitment to carbonzero operations and sustainable development means all current and future projects will be carbon neutral, with all associated embodied carbon being offset. To ensure its facilities are industry leading, the Trust is also targeting a 5 Star Green Star rating for all new developments.

Looking ahead

GMT has adapted to the ongoing challenges of COVID-19 and delivered another strong operating result.

While the economic outlook is still uncertain, the Trust remains well positioned for sustainable long-term growth. A high-quality portfolio focused on urban logistics will continue to benefit from the structural trends that are driving demand for distribution facilities close to consumers.

With a low loan to value ratio of 17.5% and only partially drawn debt facilities, at 30 September 2021 the Trust retains over \$300 million of available liquidity for future investment.

For additional information please contact:

John Dakin
Chief Executive Officer
Goodman (NZ) Limited
(021) 321 541

Keith Smith
Chair
Goodman (NZ) Limited
(021) 920 659

Andy Eakin
Chief Financial Officer
Goodman (NZ) Limited
(021) 305 316

James Spence
Director Investment Management
Goodman (NZ) Limited
(021) 538 934

Attachments provided to NZX:

1. Goodman Property Trust and GMT Bond Issuer Limited Interim Report 2022
2. GMT's 2022 Interim Result Presentation
3. NZX Result Announcement

About Goodman Property Trust:

GMT is an externally managed unit trust, listed on the NZX. It has a market capitalisation of around \$3.4 billion, ranking it in the top 20 of all listed investment vehicles. The Trust is New Zealand's leading warehouse and logistics space provider. It has a substantial property portfolio, with a value of \$4.3 billion at 30 September 2021. The Trust also holds an investment grade credit rating of BBB from S&P Global Ratings.

The Manager of the Trust is Goodman (NZ) Limited, a subsidiary of the ASX listed Goodman Group. Goodman Group is a A\$62 billion specialist global manager of warehouse and logistics real estate.