

EUROZ HARTLEYS ROTTNEST CONFERENCE

9 MARCH 2022



Life
YOUR WAY
PEET

RESIDENTIAL SALES MOMENTUM UNDERPINS FUTURE EARNINGS

1H22 Results Summary

Operating¹ and
Statutory Profit
After Tax

↑ **103%**

\$20.6
million

OPERATING EARNINGS
OF **4.3 CENTS**
PER SHARE

↑ **103%**



DIVIDEND OF
2.25 CENTS
PER SHARE
FULLY FRANKED



GEARING² OF
27.5%



1,809

LOTS³ SOLD

19%

INCREASE ON
1H21



1,251

LOTS³ SETTLED

\$817m

CONTRACTS
VALUE ON HAND

49%

INCREASE ON
30 JUNE 2021

CASH AND
UNDRAWN
FACILITIES

>\$140m

26%

EBITDA⁴ MARGIN

↑ **5%**



2

NEW PROJECTS
COMMENCED SALES/
DEVELOPMENT

Notes:

- 1 Operating profit is a non-IFRS measure that is determined to present the ongoing activities of the Group in a way that reflects its operating performance. Operating profit excludes unrealised fair value gains/(losses) arising from the effect of revaluing assets and liabilities and adjustments for realised/(unrealised) transactions outside the core ongoing business activities
- 2 Calculated as (Total interest-bearing liabilities (including land vendor liabilities) less cash)/(Total assets less cash, less intangible assets)
- 3 Includes equivalent lots
- 4 EBITDA is a non-IFRS measure that includes effects of non-cash movements in investments in associates and joint venture

BROAD CUSTOMER AND PRODUCT REACH

SCALE PIPELINE WITH LOW COST BASE



42,630
LOTS

Peet manages a broad property portfolio, encompassing 42,630 lots across 51 projects

\$14.3bn
END VALUE

Diversified land bank strategically located in growth corridors of major cities in every mainland state of Australia

51
PROJECTS

Range of affordable product type appealing to all buyer segments

WA | NO. OF PROJECTS
21

VIC | NO. OF PROJECTS
9

NSW | NO. OF PROJECTS
2

QLD | NO. OF PROJECTS
12

ACT | NO. OF PROJECTS
1

SA | NO. OF PROJECTS
6

GROUP PRIORITIES AND STRATEGIC FOCUS

Executing our strategy for future growth and value creation

DIVERSIFY PORTFOLIO

- Continue to increase weighting of portfolio to east coast markets
- Balance portfolio between land and built form projects
 - Remain focussed on the right product in the right markets
 - Townhouses and apartments targeting inner and middle rings of major cities
- Executing on \$75m non-core asset divestment program - c.80% complete



ACCELERATE PIPELINE

- Optimising land bank through continuous master planning improvements
 - Product diversity to meet evolving customer needs
 - Continue to focus on improving operating margins
- Accelerate planning approvals and production levels to meet current and future demand
 - Continued focus on improving operating cash flows

MAINTAIN STRONG CAPITAL MANAGEMENT

- Continue to assess capital recycling opportunities
- Continue to develop FM/JV initiatives with existing and new capital partners
- Consider selective acquisitions to maintain development pipeline in line with the Group's strategic focus

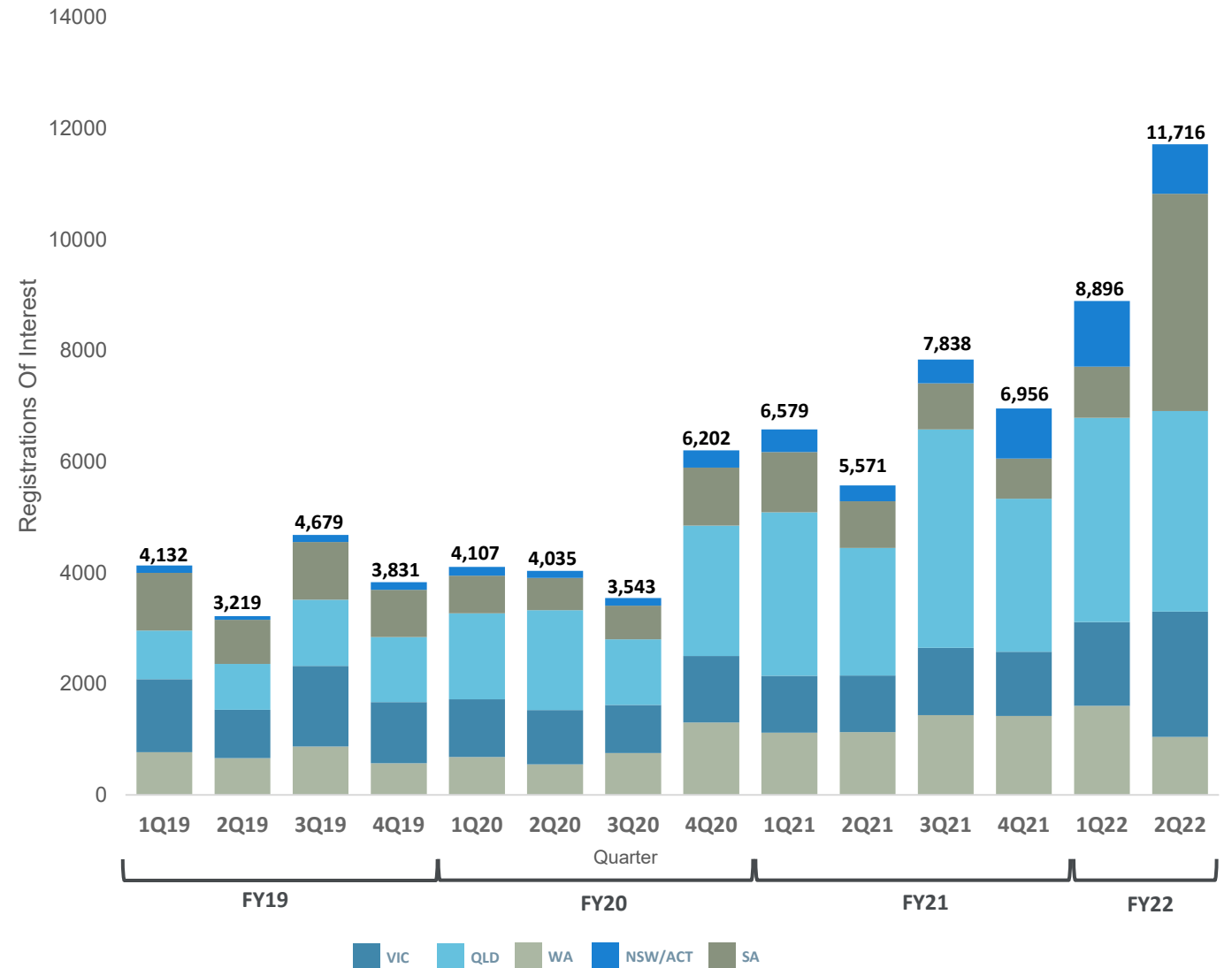


Key achievements

- Full ownership of Flagstone City and University of Canberra on long dated settlement terms
- Divestment of QLD broadacre site for \$80m – 83% premium to book value
 - Settlement contracted for 1H23
- Two new projects commenced development/sales in 1H22 with a further three projects to be launched 2H22
- Two built form projects acquired in 1H22; pipeline of approx. 1,000 dwellings

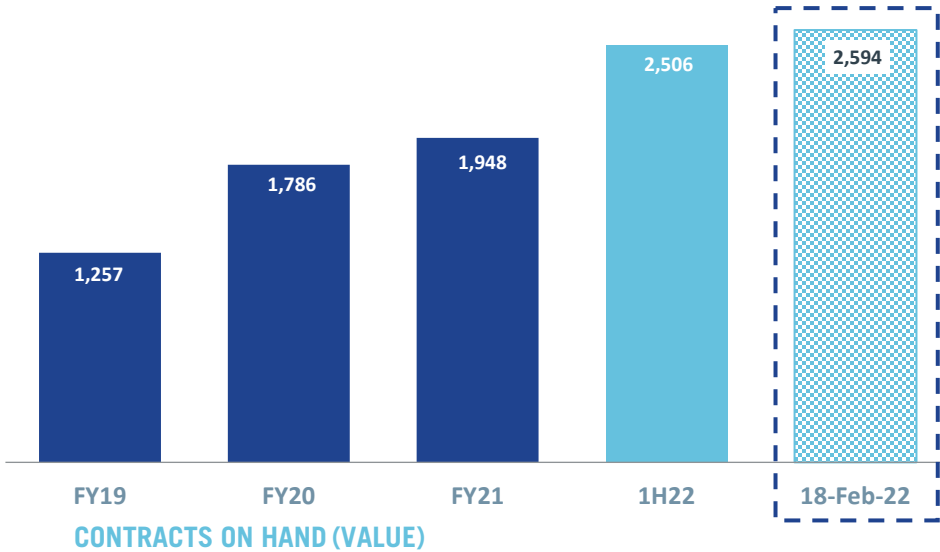
ENQUIRY LEVELS REMAIN STRONG

- Substantial uplift in VIC and SA due to launch of new projects and new stage releases
- WA enquiry lower due to capacity constraints impacting land supply and builder time frames
 - Expect WA enquiry levels to improve post border opening

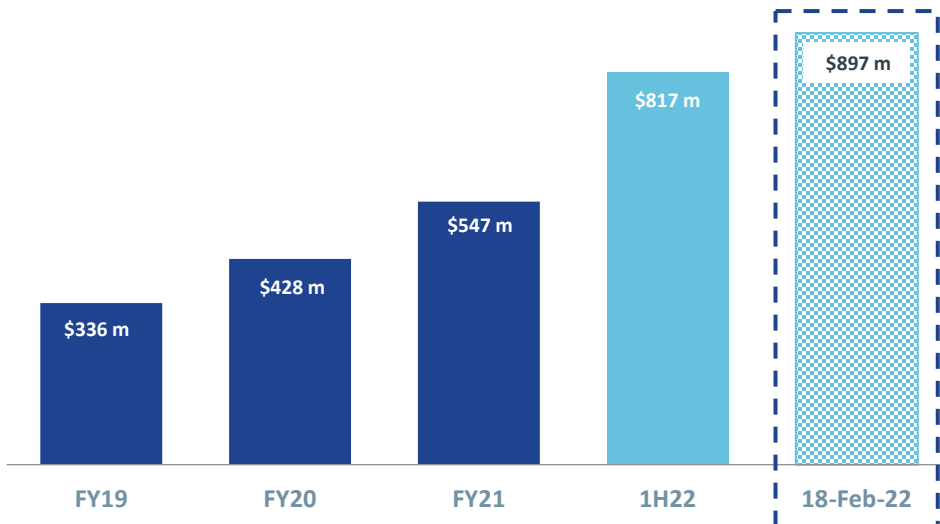


CONTRACTS ON HAND

CONTRACTS ON HAND¹ (LOTS)



CONTRACTS ON HAND (VALUE)



INCREASE IN CONTRACTS ON HAND REFLECTS STRONG MARKET CONDITIONS

Contracts on hand¹ increased by 29% since 30 June 2021 to 2,506 lots

- Reflects strong market conditions across all of the Group's markets

Contracts value of \$817m – up 49% since 30 June 2021

Sales momentum continuing into 2H22 resulting in further increased contracts on hand

- Contracts value have increased by 10% to \$897m since half year end

NEW PROJECTS PROVIDE MEDIUM TERM EARNINGS VISIBILITY

Pipeline of approximately 43,000 lots providing visibility of future earnings

- Up to six new land community projects and seven townhouse/apartment sites to commence development within the next three years
- Planned project releases will be fully funded from internally generated cash flows and existing debt facilities

FY22 – FY24 NEW PROJECT RELEASE SCHEDULE

PROJECT	STATE	SEGMENT	PROJECT START ¹	LOTS ² / UNITS	GDV	PROJECT LIFE (YEARS)
Communities						
University of Canberra	ACT	Owned	FY23	2,654	\$1,992m	15
Fort Largs	SA	Owned	FY22	268	\$92m	4
Jumping Creek	NSW	Owned	FY22	218	\$162m	3
Ellery	VIC	Owned	FY22	279	\$209m	2
Aston West	VIC	Owned	FY23	1,121	\$353m	7
Palmview DMA	QLD	Funds	FY24	737	\$114m	5
Townhouses						
Nudgee	QLD	Owned	FY22	84	\$46m	2
Rochedale	QLD	Owned	FY23	36	\$25m	1
South Morang	VIC	Owned	FY22	71	\$42m	2
Keysborough	VIC	Owned	FY23	100	\$92m	3
Cranbourne East	VIC	Owned	FY23	57	\$34m	3
Glendalough	WA	Owned	FY23	100	\$75m	2
Apartments						
Glyde Street	WA	Owned	FY23	51	\$47m	3
Total				5,776	\$3,283m	

Notes:

- 1 Commencement of sales / development
- 2 Refers to lots and/or dwellings

FLAGSTONE CITY - QLD

- A ~11,000 lots¹ master planned community with a GDV of approximately \$4 billion
- Located 38km south-west of Brisbane's CBD and 27km from Springfield in one of the fastest growing corridors in SEQ
- The project includes the only town centre in the 7,000ha Greater Flagstone Priority Development Area (PDA), which will support the region's expected population of 150,000 people and more than 50,000 homes
- Peet acquired the remaining 50% of the project providing 100% ownership of a large scale, low cost and long-term project in a key SEQ growth corridor
- Purchase consideration of \$46.15 million
 - Paid in four instalments over three years commencing 19 January 2022 (Settlement Date)
 - Peet will assume an additional \$21 million of debt representing the previous co-owner's share of the project's development loan



FLAGSTONE CITY - QLD

- Unique opportunity to increase exposure to an actively trading and significantly de-risked project currently generating strong sales and earnings
 - FY22 sales expected to be circa 300 lots, assuming current market conditions remain
 - Strong price growth achieved in the 12 months to Dec 21
 - State and local government Infrastructure Agreement signed for more than \$1.2 billion
 - Statutory approvals in place including Federal environmental approvals providing ~10 years of unconstrained development.
- The future Town Centre comprises >80ha of land anchored by health, retail, light industrial (bulky goods), education and medium to high density residential uses centrally located in the PDA
- A future Flagstone Passenger Rail Station located within the development core



UNIVERSITY CANBERRA - ACT

- During 1H22, Peet acquired approximately 15ha of land from the University of Canberra in Belconnen, ACT for circa \$67 million
 - The transaction is a restructure of the conditional agreement between the parties for the joint development of that land, announced in April 2016
- Strategic land holding located 7km from the Canberra CBD and adjacent to the Belconnen Town Centre and Lake Ginninderra
- Mixed use urban infill development comprising over 1,650 residences through a mix of townhouses and apartments
- GDV of approx. \$1.1 billion
- The acquisition of the Property is subject to the ACT government granting a Crown Lease, with the purchase price expected to be paid in instalments over seven years commencing in 2022



UNIVERSITY CANBERRA - ACT

- The development will be a benchmark for contemporary living that demonstrates innovative planning and design in architecture, landscape and streetscape
- The project design will be modern, progressive and sustainable, delivering a diverse mix of townhouses and apartments
- Unique and rare opportunity to develop a site with significant retail, entertainment, transport and employment amenity
- It will provide Peet with a long-term presence in the Belconnen Town Centre growth corridor of Canberra
- Peet has also entered into an option agreement for the acquisition of a further 6.2ha of land from the University of Canberra (circa 1,000 dwellings with a GDV of approx. \$900 million) with the option exercisable between January 2027 and December 2030



Artist impression



Artist impression

GROUP OUTLOOK

- Residential markets are expected to remain positive over the medium term supported by improving employment outlook, population growth and current accommodating credit conditions
- Continuing residential sales momentum, a significant development pipeline and a strengthening balance sheet, positions the Group well for future growth
- The Group continues to monitor, assess and manage the ongoing impacts of COVID-19 including tight labour conditions and construction constraints
- These impacts may contribute to:
 - Development program timeframes being extended
 - Disruption to supply chains
 - Increased development and labour costs due to border restrictions and availability of labour
- The balance of FY22 is expected to see a continuing focus on the delivery of a significant number of land lots and townhouses sold along with the commencement of up to three new projects

Focused on positioning the Group for growth through a prudent approach to project delivery and identifying growth opportunities

- **The Group achieved an operating profit after tax for 1H22 of \$20.6 million which was above guidance**
- **Subject to market conditions and the timing of settlements, the Group is well-positioned for further earnings growth in 2H22 supported by substantial contracts on hand, continuing sales momentum and full ownership of the Flagstone City project**

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