



# ASX Announcement

19 August 2024

## GPT announces its 2024 Interim Result

The GPT Group ('GPT' or 'Group') is pleased to announce its results for the 6 months to 30 June 2024.

### Financial Highlights

- Funds From Operations (**FFO**) of \$309.1 million or 16.14 cents per security
- Adjusted Funds From Operations (**AFFO**) of \$258.4 million and an **interim distribution** of 12.0 cents per security
- **Net loss after tax** of \$249.4 million, with investment property valuation declines of \$566.8 million
- **Net Tangible Assets** per security of \$5.36
- **Gearing** of 29.6% within the stated range of 25% to 35% and **liquidity** of \$1.4 billion

### Operational Highlights

- Executive Team appointments (CEO, CFO, CIO)
- Investment Portfolio occupancy of 98.1%<sup>1</sup>
- Assets Under Management increased to \$34.4 billion
- Commenced as investment manager for Commonwealth Superannuation Corporation (**CSC**) portfolio on 1 April 2024

GPT's Chief Executive Officer, Russell Proutt, said: "GPT's first half performance reflects the strength of the Group's diversified portfolio and our disciplined approach to capital management. We remain on track to deliver on 2024 full year guidance provided earlier in the year and declared a distribution of 12.0 cents per security for the first half.

"With a \$34.4 billion Management Platform, including \$22.1 billion across funds, partnerships and mandates, and deep operational capability, our business is in an excellent position to meet the challenges and opportunities of the market.

"Over the past two years, our funds under management have grown significantly, with additional mandates and partnerships being brought on board with investor partners. This includes commencing as investment manager in the period for the Commonwealth Superannuation Corporation portfolio.

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<sup>1</sup> Including Heads of Agreement (HoA).

“Our ambition is to position GPT to become Australia’s leading diversified real estate investment manager, dedicated to providing exceptional value, innovation, and sustainable growth for our investors and stakeholders. This is an evolution of our strategy, with an acceleration and emphasis on our investment management segment.”

## **Retail**

Retail portfolio occupancy was 99.6% at 30 June 2024, with comparable income growth of 5.8%. Strong leasing activity resulted in 271 lease deals being completed during the period, with an average annual rental increase of 4.9% and an average lease term of 5.2 years achieved. The leasing spread on deals completed in the half averaged +4.3%.

Total Centre sales were up 4.0% and Total Specialty sales were up 3.7% for the six months ended 30 June 2024 compared to the same period in 2023. Specialty sales productivity for the portfolio was \$13,052 per square metre (sqm) as at 30 June 2024, delivering a portfolio Specialty occupancy cost of 15.8%.

Asset enhancement via accretive redevelopments at GPT’s most productive assets in strong growth catchment areas is a focus for the Group. Preparation for the expansion of Rouse Hill Town Centre is progressing well, with the development anticipated to commence in early 2025. At Melbourne Central, master planning for a retail expansion is underway, with the development expected to commence in early 2026.

The portfolio, including GPT’s equity interest in GPT Wholesale Shopping Centre Fund (GWSCF), recorded a net valuation increase of \$41.7 million or 0.8% in the six months to 30 June 2024, with a Weighted Average Capitalisation Rate (WACR) of 5.44% (December 2023: 5.43%). GWSCF has outperformed the MSCI/Mercer All Retail Index over 1, 2, 3, 5, 7 and 10 years.

Retail Funds Management income increased by \$2.7 million to \$15.4 million.

## **Office**

Office portfolio occupancy was 92.4%<sup>2</sup> at 30 June 2024, with a weighted average lease expiry (WALE) of 4.9 years and comparable income growth of -1.3%. During the half, 80,700sqm<sup>2</sup> of leasing across 78 deals was achieved. More than 90% of the space

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<sup>2</sup> Including HoA.

that was renewed, was for the same or larger amount of space, reflecting the high quality of GPT's buildings and the premium level of amenity provided.

The only Office development project underway is GPT Wholesale Office Fund's (GWOFF) development at 51 Flinders Lane, Melbourne, with completion expected in late 2025.

The portfolio, including GPT's equity interest in GWOFF, recorded a net valuation decline of \$579.1 million or 10.4% in the six months ended 30 June 2024, with a WACR of 6.06% (December 2023: 5.49%). GWOFF has outperformed the MSCI/Mercer Australia Core Wholesale Office Fund Index and its peers, over 1, 2 and 3 years.

Office Funds Management income decreased by \$1.1 million to \$19.1 million.

### **Logistics**

Logistics portfolio<sup>3</sup> occupancy was 99.4%<sup>4</sup> at 30 June 2024, with a WALE of 5.4 years and comparable income growth of 5.9%. Leasing of 62,400sqm<sup>4</sup> was completed in the half, with leasing spreads averaging +36%. The portfolio has opportunity to access further income upside through upcoming lease expiries.

Milestones have been progressed across the development pipeline, providing for future portfolio growth. The pipeline has an estimated end value of more than \$3 billion<sup>5</sup>.

The portfolio, including GPT's equity interest in GPT QuadReal Logistics Trust (GQLT), recorded a net valuation decline of \$29.4 million or 0.7% in the six months ended 30 June 2024, with a WACR of 5.55% (December 2023: 5.26%).

Logistics Funds Management income increased by \$1.1 million to \$2.5 million.

### **Capital Management**

During the period, the Group completed \$3.5 billion in new and refinanced debt facilities across the Management Platform, contributing to GPT's weighted average debt term of 5.6 years. GPT had a weighted average cost of debt in the period of 4.9% and is 99% hedged in 2024.

GPT is in a strong financial position, with net gearing of 29.6% within its stated range of 25% to 35% and \$1.4 billion of available liquidity at 30 June 2024. GPT maintains A- and A2 credit ratings with S&P and Moody's, respectively.

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<sup>3</sup> Logistics portfolio metrics exclude Austrak Business Park, Somerton (contracted for sale).

<sup>4</sup> Including HoA.

<sup>5</sup> Inclusive of capital partnerships and mandates.

**Distribution for the 6 months ended 30 June 2024**

The Board of GPT has declared a distribution for the six months ended 30 June 2024 of 12.0 cents per security. The distribution payment will be made on 30 August 2024.

**2024 Guidance**

GPT continues to expect to deliver 2024 FFO of approximately 32.0 cents per security and a distribution of 24.0 cents per security.

**Market Briefing**

GPT will conduct a market briefing at 10.30am (AEST) today, 19 August 2024, which will be webcast via GPT's website [www.gpt.com.au](http://www.gpt.com.au). Additional detail on GPT's 2024 Interim Result is available in the associated Interim Report, Presentation and Data Pack released to the ASX today and available at [www.gpt.com.au](http://www.gpt.com.au)

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Authorised for release by The GPT Group Board.

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