

FY18 Results Presentation Appendices



Appendix A

Segment balance sheet

Abacus balance sheet	Property Investment (\$m)	Property Development (\$m)	Unallocated (\$m)	FY18 (\$m)	FY17 (\$m)
Commercial investment properties	1,274.0			1,274.0	946.3
Self-storage investment properties	662.0			662.0	625.2
Inventory		95.4		95.4	93.1
Loans	89.1	291.7		380.8	400.3
Equity accounted investments	99.2	55.7		154.9	167.3
Property, plant and equipment	4.8			4.8	4.7
Other investments and financial assets	1.4	6.6		8.0	42.5
Cash and cash equivalents			73.3	73.3	27.6
Other assets			32.5	32.5	29.7
Goodwill and intangibles			32.4	32.4	32.4
Total assets	2,130.5	449.4	138.2	2,718.1	2,369.1
Interest bearing liabilities				686.9	523.3
Other liabilities				138.9	65.0
Total liabilities				825.8	588.3
Net assets				1,892.3	1,780.8

	Commercial	Self-storage	Development	FY18 Total	FY17 Total
Rental income	78.6	73.8		152.4	145.0
Finance income ¹			47.5	47.5	43.9
Fee income ²	7.9			7.9	12.6
Share of profit from equity accounted investments ^{3,4,5}	37.7		31.4	69.1	53.5
Sale of inventory			63.8	63.8	-
Net change in fair value of investments derecognised	10.6	9.0	6.7	26.3	43.5
Other income	4.1		0.1	4.2	3.5
Interest				0.3	0.4
Total Underlying Revenue	138.9	82.8	149.5	371.5	302.4
Expenses	(19.5)	(27.0)		(46.5)	(44.1)
Cost of inventory sales/reversal of impairment			(47.7)	(47.7)	-
Segment result before corporate overheads	119.4	55.8	101.8	277.3	258.3
Administrative and other expenses	(21.1)		(9.0)	(30.1)	(25.5)
Underlying EBITDA	98.3	55.8	92.8	247.2	232.8
Finance costs				(30.5)	(32.9)
Depreciation and amortisation expense				(2.7)	(2.3)
Tax expense				(30.7)	(9.8)
Non-controlling interests				-	(1.0)
Underlying Profit				183.3	186.8
Change in fair value of investments				59.0	64.9
Change in fair value of derivatives				0.7	4.3
Tax benefit on significant items				1.9	1.9
Net Profit attributable to Abacus securityholders				244.9	257.9

1. Fee and interest on loans

2. Income from third party capital JV's and funds

3. Distributions from joint ventures

4. Excludes fair value gain of \$4.6 million

5. Includes divestment gains of \$30.2 million

Appendix C

Funds from operations (FFO)

Underlying profit to FFO reconciliation	FY18	FY17
Underlying Profit	183.3	186.8
Adjust for:		
(Reversal of impairment of inventory) / impairment of inventory	(2.7)	3.0
Net change in fair value of investment properties derecognised	(15.3)	(36.8)
Depreciation on owner occupied property, plant and equipment	1.1	0.7
Amortisation of rent abatement incentives	2.0	1.3
Amortisation of other tenant incentives	1.7	1.6
Tax benefit/(expense) on Non-FFO Items	(0.3)	(0.2)
Abacus Funds From Operations (“FFO”)	169.8	156.4
Funds from operations per security	29.4c	27.4c

Appendix D

Net tangible asset reconciliation

	FY18	FY17
Consolidated Group net assets	1,916.7	1,814.6
<i>Less</i>		
Total external non–controlling interest	(46.6)	(48.5)
Total stapled security holders’ interest in equity	1,870.1	1,766.1
<i>Less</i>		
Intangible assets and goodwill	(32.4)	(32.4)
Deferred tax assets/liabilities (net)	4.0	3.4
Total net tangible assets	1,841.7	1,737.1
<i>Less</i>		
Distributions proposed ¹	-	(50.4)
Securities on issue	579.4	575.6
Net tangible assets per security	3.18	2.93

1. FY18 net assets includes a provision for distribution of \$52.1m declared on 21 June 2018

Appendix E

Abacus cashflow analysis¹

\$'000

CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	350,667
Interest received	295
Distributions received	544
Income tax paid	(8,067)
Borrowing costs paid	(26,472)
Operating payments	(84,735)
Payment for land acquisition	(47,923)
NET CASHFLOWS FROM OPERATING ACTIVITIES²	184,309
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(65,727)
Proceeds from sale / settlement of investments and funds repaid	132,271
Purchase and disposal of property, plant and equipment	876
Purchase of investment properties	(346,821)
Disposal of investment properties	58,050
Payment for other investments	(3,860)
NET CASHFLOWS USED IN INVESTING ACTIVITIES	(225,211)
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities and return of capital	(42)
Payment of finance and issue costs	(1,734)
Repayment of borrowings	(63,116)
Proceeds from borrowings	243,794
Distributions paid	(92,274)
NET CASHFLOWS FROM FINANCING ACTIVITIES	86,628
NET DECREASE IN CASH AND CASH EQUIVALENTS	45,726
Net foreign exchange differences	(81)
Cash and cash equivalents at beginning of period	27,617
CASH AND CASH EQUIVALENTS AT END OF PERIOD	73,262

1. 30 June 2018 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Cashflow from operations of \$168.4 million deducts sale of inventory (\$63.8m) and adds back the purchase of non-current inventory and development costs of \$47.9m

Capital management metrics	FY18	FY17
Total bank debt facilities	\$891m	\$873m
Total bank debt drawn	\$695m	\$514m
Term to maturity	3.8 yrs	3.4 yrs
% hedged	42%	49%
Weighted average hedge maturity	2.3 yrs	2.5 yrs
Average cost of debt – drawn	4.3%	5.2%
Group gearing ¹	23.3%	20.5%
Look through gearing ²	23.5%	25.1%
Gearing calculated for covenant measures	29.2%	23.9%
Covenant gearing limit	50.0%	50.0%
Interest Coverage Ratio	8.7x	7.4x
Interest Coverage Ratio covenant	2.0x	2.0x

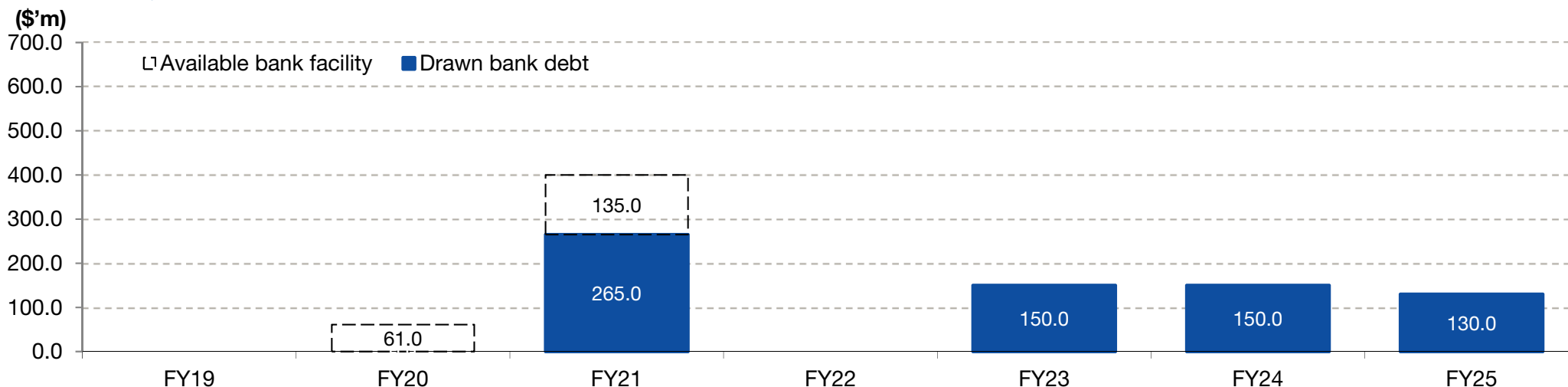
1. Abacus max target group gearing of up to 35%

2. Includes joint venture and fund assets and debt consolidated proportionately with Abacus' equity interest

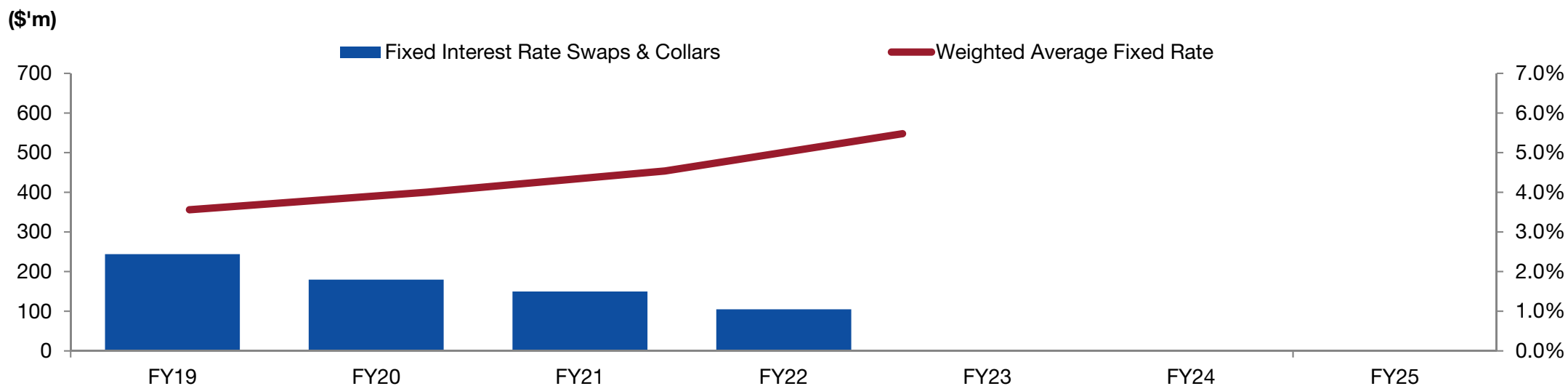
Appendix G

Debt maturity profile as at 30 June 2018

Debt maturity profile as at 30 June 2018



Fixed hedging maturity profile as at 30 June 2018



Revaluation process for Abacus resulted in a net increase in the investment properties values for FY18 of approximately 3.2% or \$60.7 million

- \$42.3 million across the self-storage portfolio
- \$18.4 million across the wholly owned commercial properties
- Revaluation of assets owned across our third party capital platform resulted in a net increase of \$4.6 million

Average cap rate across the Abacus commercial and self-storage portfolios has decreased to 6.16% and 7.45% from 6.72% and 7.72% respectively

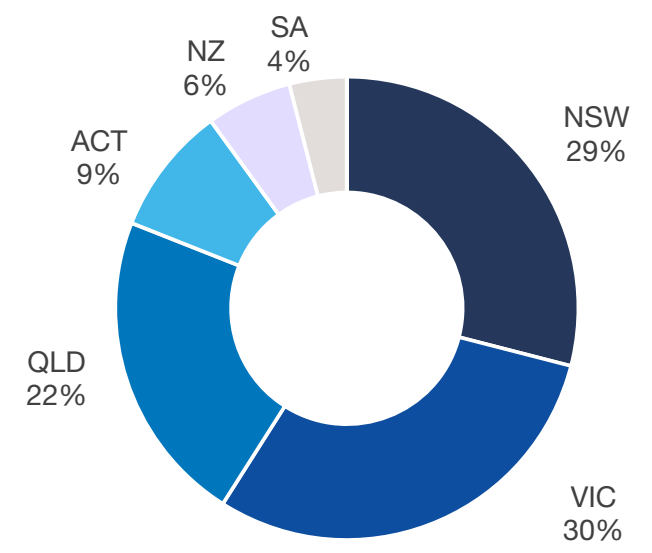
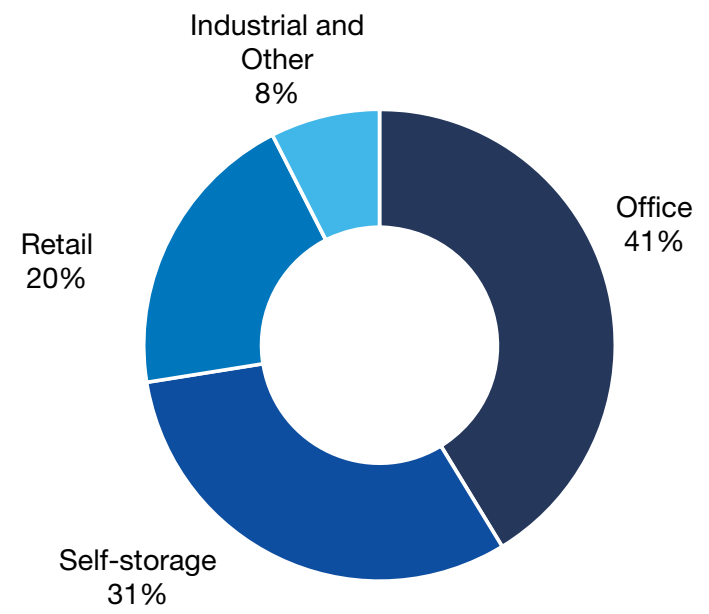
Abacus investment portfolio by sector	Valuation 30 June 2018 \$'000	Weighted average cap rate 30 June 2018
Retail	425,179	5.83%
Office	879,208	6.23%
Industrial & Other	159,830	8.31%
Total commercial portfolio	1,464,217	6.16%
Self-storage	666,252	7.45%
Total investment portfolio	2,130,469	6.58%

Appendix I

Summary portfolio metrics

Key portfolio metrics	FY18	FY17
Investment portfolio value ¹ (\$m)	2,130	1,831
Commercial portfolio ¹ (\$m)	1,464	1,202
Self-storage portfolio (\$m)	666	629
WACR ^{1,4} (%)	6.58	7.08
No. of commercial assets ¹	35	34
NLA (sqm) ^{2,3}	223,537	226,811
Occupancy ^{2,3} (% by area)	91.3	90.5
WALE ^{2,3} (yrs by income)	4.1	4.1
Like for like rental growth ^{2,3} (%)	3.6	2.7

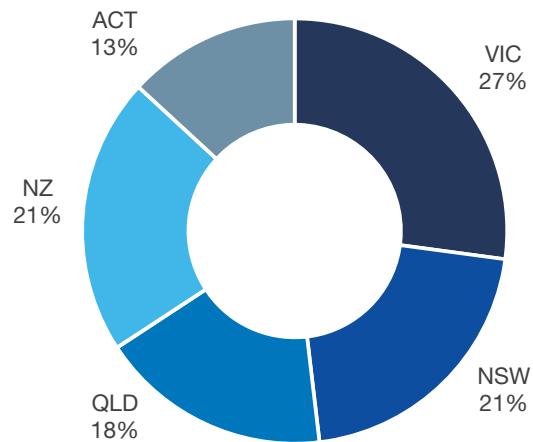
1. Includes assets acquired under our third party capital platform, inventory and PP&E
2. Excludes self-storage assets
3. Excludes development assets
4. Weighted Average Cap Rate



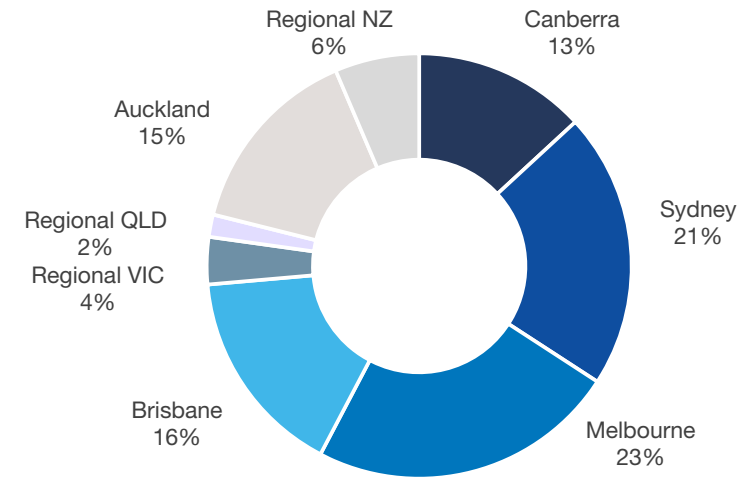
Appendix I

Summary self-storage portfolio metrics

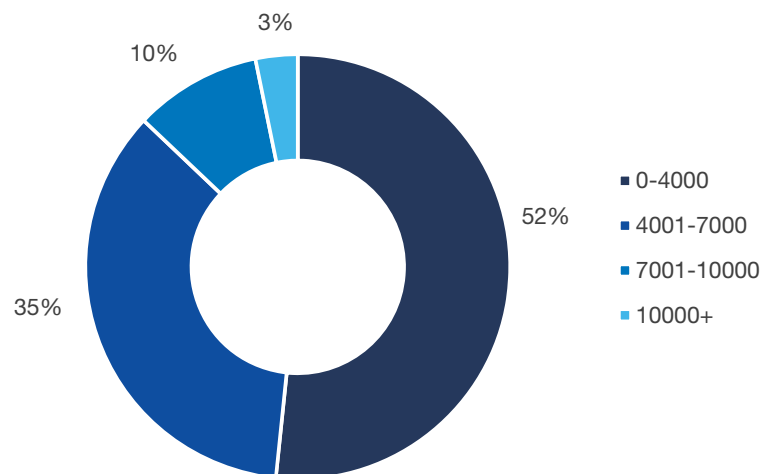
State geographic diversity by NLA



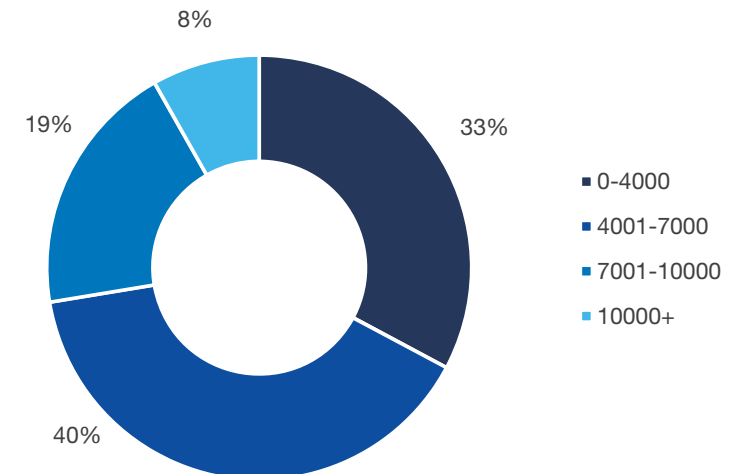
Regional geographic diversity by NLA



Asset net lettable area (m²) split by number of assets



Asset net lettable area (m²) split by value

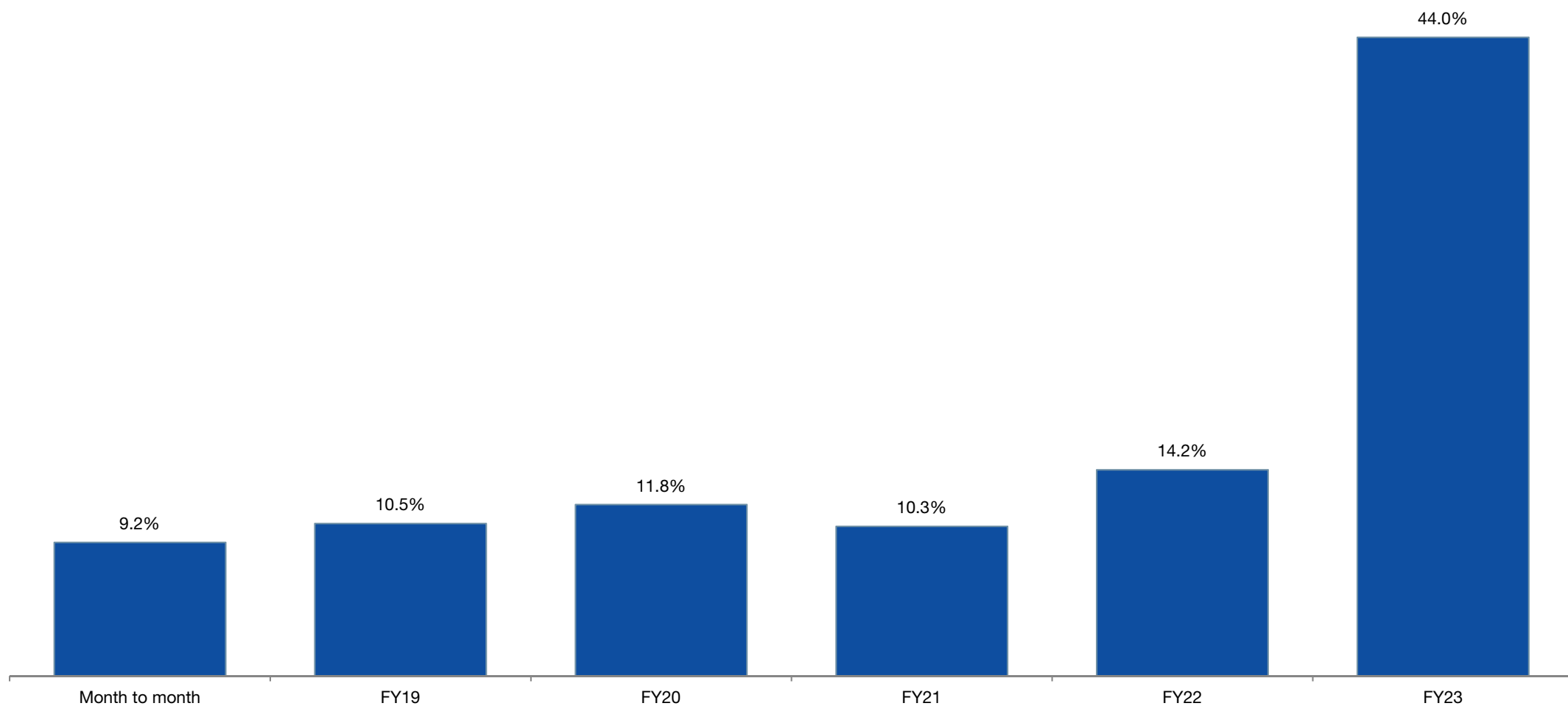


Appendix J

Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial & Other		Self-storage	
								
	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17
Portfolio (\$m)	879	623	425	402	160	177	666	629
No. of assets	20	19	5	5	10	10	62	65
Lettable area (sqm) ¹	118,284	91,732	56,488	56,250	48,765	78,829	287,725	302,000
WACR (%)	6.23	6.98	5.83	6.28	8.31	8.34	7.45	7.72
Occupancy ¹ (% by area)	86.9	81.5	92.9	92.0	100.0	100.0	89.4 ³	89.1 ^{3,4}
Average rent psqm	\$469	\$533	\$523	\$507	\$86	\$72	A\$276 ³	A\$262 ^{3,4,5}
WALE ¹ (yrs by income)	3.6	3.7	5.1	5.2	2.6	1.6	–	–
Rental growth ^{1,2} (%)	3.1	(2.2)	4.6	9.5	1.0	3.3	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A\$247 ³	A\$234 ^{3,4,5}

1. Excludes development assets
2. Like for like rent growth
3. Average over last 12 months (by area) of all stabilised assets
4. Excludes sale of Townsville Portfolio
5. Adjusted to FY18 FX rate of \$1.0903 for comparison purposes



Projects	Type	Equity	Loans	Total	Interest rate	Security	Returns
RCL Portfolio, NSW	JV/Loan	\$42.6m	\$115.5m	\$158.1m		1st Mortgagee	50% profit share
IVY&EVE, Merivale St, QLD	JV	\$45.6m	-	\$45.6m		Equity	49% profit share
Investment Funding Portfolio	Loan	-	\$36.4m	\$36.4m		1st Mortgagee	
Grand Ave, Camellia, NSW	Loan	-	\$18.4m	\$18.4m		1st Mortgagee	50% profit share
Belmore, NSW	Loan	-	\$16.8m	\$16.8m		1st Mortgagee	50% profit share
One A, Erskineville, NSW	JV	\$6.1m	\$10.6m	\$16.7m		Unsecured	50% profit share
Ashfield Central, NSW	Inventory	\$14.0m	-	\$14.0m		Equity	100% ownership
Rance Road (Settler's Estate), NSW	Loan	-	\$13.7m	\$13.7m		1st Mortgagee	50% profit share
Luminary, Hawthorn VIC	JV	-	\$12.6m	\$12.6m		Unsecured	50% profit share
Mina Pde, Alderley, QLD	Inventory	\$12.5m	-	\$12.5m		Equity	100% ownership
Mount Druitt, NSW	Loan	-	\$12.2m	\$12.2m		2 nd Mortgagee	
Bosch, Bentleigh East, VIC	Inventory	\$11.7m	-	\$11.7m		Equity	100% ownership
107 George St, NSW	Loan	-	\$9.8m	\$9.8m		1st Mortgagee	50% profit share
55 Aird St, NSW	Loan	-	\$8.6m	\$8.6m		1st Mortgagee	50% profit share
21a-23 George St, NSW	Loan	-	\$7.7m	\$7.7m		1st Mortgagee	50% profit share
Doonside, NSW	Loan	-	\$7.2m	\$7.2m		1st Mortgagee	50% profit share
Lane Cove, NSW	Loan	-	\$7.2m	\$7.2m		1st Mortgagee	50% profit share
16 small projects and investments	-	\$25.2m	\$15.0m	\$40.2m			
Total		\$157.7m	\$291.7m	\$449.4m	11.2%		

Schedule of major projects due for development

- Targeted profit on cost of c.20%
- Average interest rate on ABP loans c.11.2%

Project name	Settlement	Units ¹	Status	ETR ²	Ave. Unit Price	ABP Profit share	Comments
IVY & EVE, Merivale, Brisbane, QLD	FY18-19	478/383	Completed	~\$242m	\$560k	49%	81% settled. Remaining settlements contribute towards FY19 earnings
ASHFIELD CENTRAL, Ashfield, NSW	FY18-19	104/101	Completed	~\$81m	\$815k	100%	97% settled. Remaining settlements contribute towards FY19 earnings
ONE A, Erskineville, NSW	FY18-19	175/162	Completed	~\$156m	\$976k	50%	93% settled. Remaining settlements contribute towards FY19 earnings
LUMINARY, Hawthorn, VIC	FY20	26/18	Pre-sales	~\$38m	\$1.65m	50%	Construction commenced H118 with completion anticipated in FY20
Mina Parade, QLD		336 (Stage1+2) residential products	Stage 1+2 DA approved			100%	3-stage projects encompassing a variety of residential products. Stage 3 potential for further 12 products
Spencer West, VIC		194 + 1 large retail lot	DA approved			50%	Mixed use residential and retail development

- Units : Total Units / Total settlements (if completed) or total sold (pre-sales) and includes any retail units
- ETR: Estimated Total Revenue (net of sales costs and GST) including management rights

Schedule of major projects awaiting sale to third parties upon rezoning approval

- Average interest rate on ABP loans c.11.2%

Project name	Timeline	Units	Status	Est. Unit/Lot Price ¹	ABP Profit share	Comments
Camellia, NSW		15,000m ² of retail + 3,250	Awaiting final council approval	~\$100k	50%	PP with DP&E to finalise density. The DP&E recently released its draft Camellia Town centre masterplan.
Grand Avenue, Camellia NSW	FY19		Unzoned land		50%	Expressions of interest campaign underway for a sale of the site
Lane Cove, NSW	FY19		Unzoned land		50%	Expressions of interest campaign underway for a sale of the site
Parramatta: 55 Aird St, NSW		75	Awaiting finalisation of council CBD Framework Study	~\$120k	50%	Project under review. Investigating value proposition
Parramatta: 107 George St, NSW		75	Awaiting finalisation of council CBD Framework Study	~\$120k	50%	Project is under review. Investigating value proposition
Parramatta: 21a-23 George St, NSW		75	Awaiting finalisation of council CBD Framework Study	~\$120k	50%	Project is under review. Investigating value proposition
Belmore, NSW		165	Planning proposal being considered	~\$130k	50%	Project is under review. Investigating value proposition

1. Estimated Unit/Lot Price based on market evidence

Appendix L

Residential land sub-division projects

Schedule of land sub-divisions due for development

Project name	Timeline	Land lots	Status	Price per lot	Cost to prepare lot	ABP share	Comments
French Street Werrington (Stage 3), NSW		111	Site preparation for sales	\$270k	\$100k	25%	Approvals received. Marketing commenced with construction due to commence in June 2018.
Riverlands, NSW	FY19	422	Awaiting development approval	~\$450k+	\$120k	50%	Stage 1 - 15 ha has been rezoned. Development application for 241 lots in stage one has been submitted. A s.96 will further subdivide site into 422 lots. Expressions of interest requested for a sale of the site
French Street Werrington (Stage 4), NSW		140	Gazetted	\$270k	\$100k	25%	Site can accommodate 140 small blocks. Council has approved R3 zoning. This stage will commence once stage 3 has been sold.
Rance Road Werrington, NSW		80 lots 425 units	Part development approved	~\$330k per land lot	\$100k per land lot	50%	Development consent has been received for 80 small land lots. A proposal will be lodged for 425 apartments on the remainder of the site which will be sold on once approved Project is under review. Investigating value proposition

The information provided in this document is general, and may not be suitable for the specific purposes of any user of this document. It is not financial advice or a recommendation to acquire Abacus Property Group securities (ASX: ABP). Abacus Property Group believes that the information in this document is correct (although not complete or comprehensive) and does not make any specific representations regarding its suitability for any purpose. Users of this document should obtain independent professional advice before relying on this document as the basis for making any investment decision and should also refer to Abacus Property Group's financial statements lodged with the ASX for the period to which this document relates. This document contains non-AIFRS financial information that Abacus Property Group uses to assess performance and distribution levels. That information is calculated in accordance with the AICD/Finsia principles and is not audited.

Any forecasts or other forward looking statements contained in this presentation are based on assumptions concerning future events and market conditions. Actual results may vary from forecasts and any variations may be materially positive or negative.

The information in this document is current only as at the date of this document, and that information may not be updated to reflect subsequent changes.

To the extent permitted by law, the members of Abacus Property Group and those officers responsible for the preparation of this document disclaim all responsibility for damages and loss incurred by users of this document as a result of the content of, or any errors or omissions in, this document.

Abacus Property Group:

Abacus Group Holdings Limited ACN: 080 604 619

Abacus Group Projects Limited ACN: 104 066 104

Abacus Funds Management Limited ACN: 007 415 590 AFSL No. 227819

Abacus Storage Funds Management Limited ACN: 109 324 834 AFSL No. 277357

Abacus Storage Operations Limited ACN: 112 457 075