



HY24 RESULTS PRESENTATION

27 FEBRUARY 2024



201 Elizabeth Street, Sydney NSW

ABACUS GROUP HY24 RESULTS



Agenda

01

Overview

Steven Sewell,
Managing Director

02

Key financial metrics
and capital management

Evan Goodridge,
CFO

03

Operating performance

Steven Sewell,
Managing Director

04

Outlook and guidance

Steven Sewell,
Managing Director

HY24 HIGHLIGHTS



Portfolio

21
Assets

Solid occupancy and WALE across our strategically located portfolio, driving FFO¹ growth of 4.0% compared to HY23



Office

12.5%
Leasing spreads

53 new deals in HY24, with leasing spreads driven by 201 Elizabeth Street, achieving spreads of over 35%



Retail

5.4%
Average rent review

Strong rent review driven by approximately 40% of the Retail portfolio being linked to CPI reviews



Diversified earnings

4
Income streams

53% Office
20% Retail
20% Self Storage (ASK investment + fees)
7% Other



Capital allocation

\$96 million²
Net divestment

Divested two properties within 5% of June 2023 book values

Limited near term capex

1. FFO from continued operations.

2. Includes \$107 million of proceeds from non-core assets divested post balance date net of \$11m purchase of small adjacent site to 99 Walker Street, North Sydney.

HY24 PLATFORM METRICS



	TOTAL ASSETS	WEIGHTED AVG CAP RATE ²	GEARING	NET TANGIBLE ASSETS
31 December 2023 (Pro forma) ¹	\$2.7bn	6.08%	30.2%	\$1.92ps
	—	—	—	—
31 December 2023	\$2.8bn	6.07%	31.6%	\$1.92ps
	—	—	—	—
	STATUTORY PROFIT	FFO	FFO PER SECURITY	DPS
	(\$143.6m)	\$40.1m	4.49cps	4.25cps

1. Includes \$107 million of proceeds from non-core assets divested post balance date and payment of the HY24 distribution to be paid on or about 29 February 2024.

2. Cap rate applied to 31 December 2023 pro forma investment properties of \$1,920.1m and 31 December 2023 investment properties of \$2,027.1m.



HY24 BALANCE SHEET ALLOCATION

31 December 2023 (pro forma)¹

\$2.7bn Total Assets

60% OFFICE \$1.6 bn **15% RETAIL** \$0.4 bn **15% ASK** \$0.4 bn **10% OTHER** \$0.3 bn



Office \$1,608 m 14 properties



Retail \$385 m 3 properties



ASK \$400 m 19.8% shareholding in ASK



Other \$276 m Non-property assets and 2 greenfield assets (Riverlands³ and Camellia⁴)

30 June 2023

\$2.5bn Total Assets²

67% OFFICE \$1.7 bn **19% RETAIL** \$0.5 bn **14% OTHER** \$0.3 bn



Office \$1,703 m 15 properties



Retail \$466 m 4 properties



Other \$365 m Non-property assets and 2 greenfield assets (Riverlands and Camellia)

1. Includes \$107 million of proceeds from non-core assets divested post balance date and payment of the HY24 distribution to be paid on or about 29 February 2024.

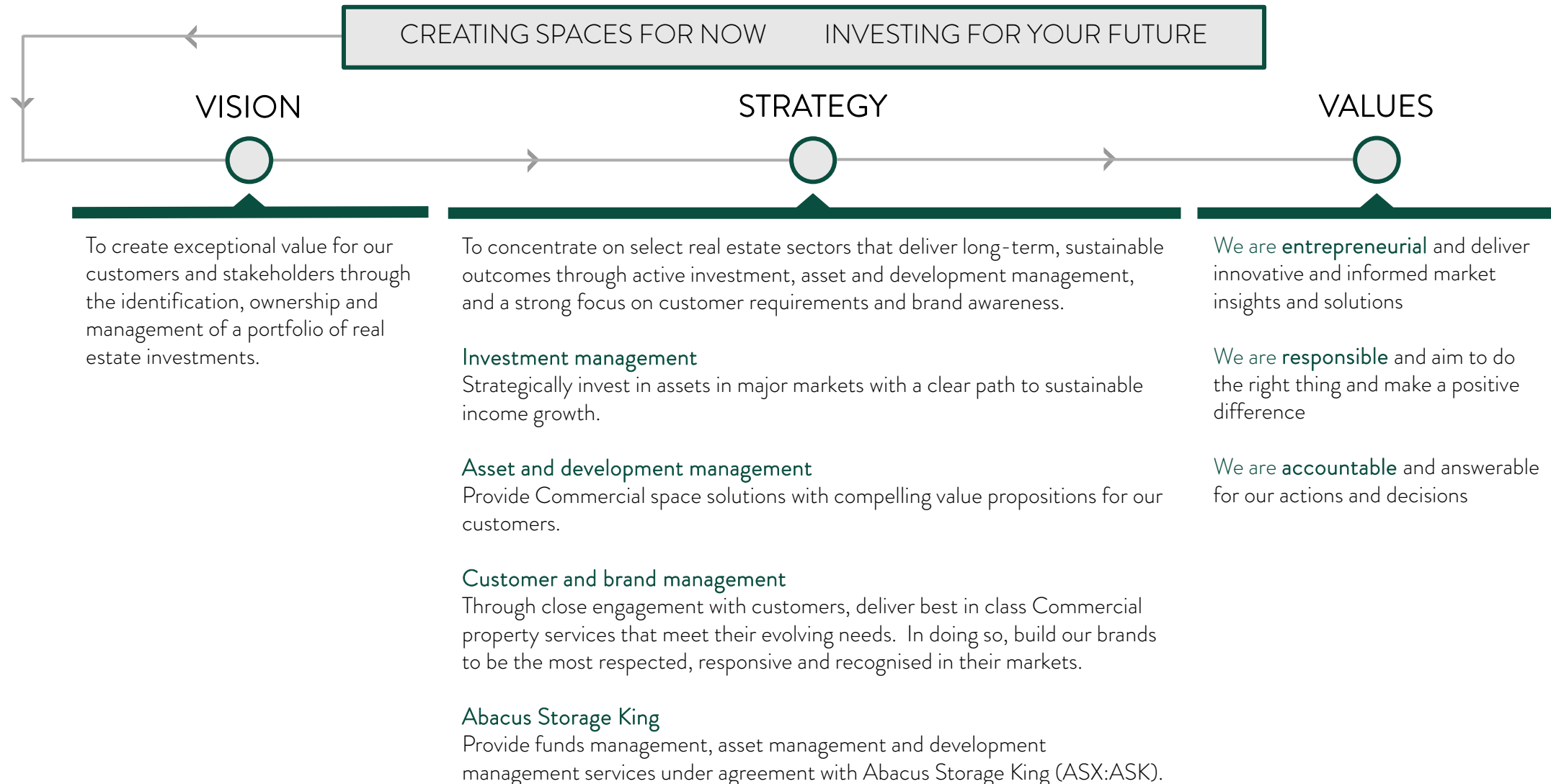
2. Excludes assets associated with discontinued operations of \$3.1 billion.

3. Valued at \$12.5m as at 31 December 2023.

4. Valued at \$65.2m as at 31 December 2023.



CONSISTENT STRATEGY





KEY FINANCIAL METRICS & CAPITAL MANAGEMENT

EVAN GOODRIDGE



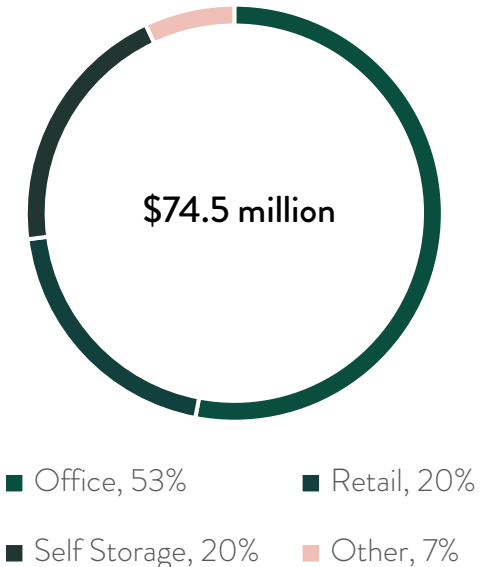
99 Walker Street, North Sydney NSW

OPERATING EARNINGS SUMMARY



\$ millions	HY24	HY23 ²	Change	Comments
Office LFL net rental FFO ¹	33.5	32.3	3.7%	Driven by increase in occupancy and rent reviews
Office Non-LFL net rental FFO ¹	5.9	8.4	(29.8%)	Includes divestments of 33 Queen Street, Brisbane QLD and 187 Todd Road, Port Melbourne VIC
Retail LFL net rental FFO ¹	14.9	14.4	3.5%	Approximately 40% of rent reviews for the period are CPI linked
Self Storage - ASK fees	7.1	-	-	Reflects 40bps GAV from August 2023 and development management fees
Self Storage - ASK return on investment	7.4	-	-	Equity return on the Group's 19.8% ownership of ASK
Other fees & income	5.7	6.1	(6.6%)	Management fees and other income from JV's and co-ownerships
Operating earnings	74.5	61.2	21.7%	
Administrative and other expenses	(16.0)	(17.1)	(6.4%)	
EBIT	58.5	44.1	32.7%	
Net finance costs	(19.4)	(4.4)		Reflects HY24 WACD of 4.1%
Tax expense	(0.2)	(2.3)		Reflective of lower tax payable during the period
FFO from continuing operations	38.9	37.4	4.0%	
FFO from discontinuing operations	1.2			Reflects one month of fees, and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	40.1			
FFO per security (cents)	4.5			
Distribution per security (cents)	4.25			
FFO payout ratio	95%			

HY24 operating earnings



1. FFO adjusted rental income less property expenses. FFO is defined on slide 23.

2. Reflects FFO from the four remaining stapled entities of Abacus Group.



CAPITAL MANAGEMENT

~\$200m acquisition capacity, with low levels of capital expenditure forecast in the short to medium term

NTA^{1,5}

\$1.92ps

ABG total assets⁵

\$2.7bn

Acquisition capacity^{2,5}

\$194m

Avg. cost of drawn debt³

4.1%

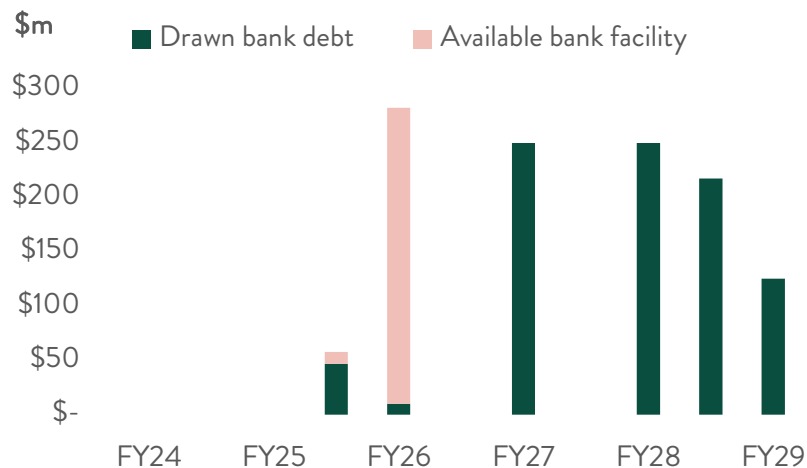
Gearing^{4,5}

30.2%

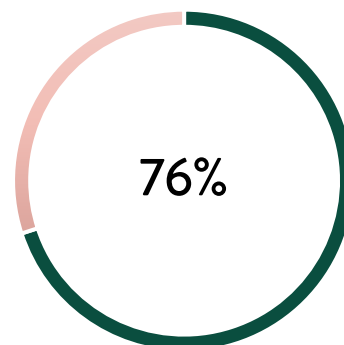
Debt term to maturity

3.9yrs

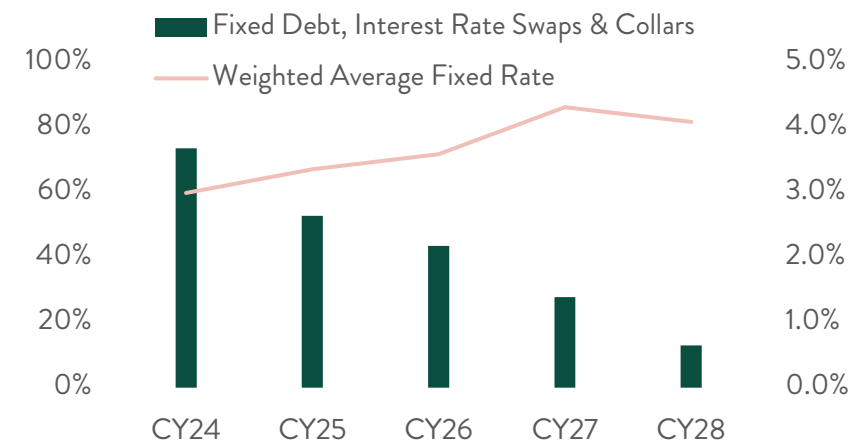
Debt expiry profile



Interest rate hedging – drawn debt



Hedging profile expiry



1. NTA calculated as: (net assets less goodwill less DTA plus DTL) divided by total securities as at 31 December 2023.

2. Based off 35% gearing (top of target 25%-35% gearing range).

3. FY24 guidance for avg. cost of drawn debt 4.5% assuming average floating rate of 4.5%.





4. Calculated as bank debt (\$830.2m) less cash (\$33.7m) divided by total assets less cash (\$2,669.1m).

5. Pro forma: includes \$107 million of proceeds from non-core assets divested post balance date and payment of the HY24 distribution to be paid on or about 29 February 2024.



HY24 VALUATION UPDATE

Bond yields continue to impact cap rates

Investment Portfolio		Office	Retail	ASK	Other
No. of properties	31 December	15 assets	4 assets	n/a	2 assets
	31 December (pro forma) ¹	14 assets 	3 assets 	n/a 	2 assets 
HY24 carrying value	31 December	\$1,639m	\$461m	\$400m	\$276m ²
	31 December (pro forma) ¹	\$1,608m	\$385m	\$400m	\$276m ²
Investment property valuation movement since FY23		↓ \$114 million ↓ 7.1%	↓ \$18 million ↓ 3.7%	n/a	↓ \$7 million ↓ 9.2%
HY24 WACR		5.95%	6.36%	n/a	n/a
FY23 WACR		5.59% ³	6.16% ⁴	n/a	n/a

1. Pro forma: includes \$107 million of proceeds from non-core assets divested post balance date and payment of the HY24 distribution to be paid on or about 29 February 2024.

2. Includes 2 greenfield assets: Riverlands (\$12.5m) and Camellia (\$62.5m).

3. Cap rate applied to office portfolio properties of \$1,703m.

4. Cap rate applied to retail portfolio properties of \$466m.





ABACUS

OPERATING PERFORMANCE

STEVEN SEWELL

459-471 Church Street, Richmond VIC

BUSINESS MODEL





OFFICE SNAPSHOT

Portfolio of 15 Office assets valued at \$1.6 billion¹

OCCUPANCY^{1,2}

92.6%

FY23: 95.0%

WALE^{1,2}

3.8yrs

FY23: 3.7yrs

YTD LEASING DEALS

53

HY23: 54

YTD LFL RENT GROWTH²

5.4%

HY23: 3.0%

WACR¹

5.95%

FY23: 5.59%

A GRADE BUILDINGS^{1,3}

76%

FY23: 76%

TENANT CUSTOMERS^{1,4}

319

FY23: 314

SME CUSTOMERS^{1,4,5}

63%

FY23: 61%

1. As at 31 December 2023.

2. Excludes development affected assets (201 Elizabeth Street, Sydney NSW and Virginia Park, Bentleigh East VIC).

3. Excludes Virginia Park, Bentleigh East VIC (part Industrial).

4. Includes all assets managed by Abacus Group (Office portfolio as well as 4 Martin Place, Sydney NSW).

5. By number of customers.



76% A GRADE OFFICE PORTFOLIO

A grade portfolio in premium locations underpinned by a diversified SME customer base

96%

exposed to
the Eastern
Seaboard¹

76%
A grade^{1,2}

76/100

Tenant satisfaction
across investment
properties⁵

Market profile: Geography¹



Asset profile: Grade^{1,2}



Asset profile: Life cycle¹



Customer profile: Top 5 industries³



Customer profile: SME customers⁴



1. By fair value.
2. Excludes Virginia Park, Bentleigh East VIC (part Industrial).
3. By rent.
4. By count.

5. Customer Satisfaction Survey (completed on behalf of ABG by Future Forma). Poor (<15), below average (<40), average (<65), above average (<85), very good (<100).

OFFICE LEASING METRICS

Strong leasing spreads achieved in a challenging office environment



22,776
sqm leased¹

HY23: 25,379sqm

70% new
30% renewals



31%
average gross
incentive

HY23: 31%

31% on new deals
31% on renewals



12.5%
leasing spreads

HY23: 9.4%

11.5% on new deals
13.4% on renewals



3.7%
average rent
review

HY23: 4.1%

98% fixed
2% CPI



\$743psm
average net face
rent²

HY23: \$737psm

\$901 average CBD²
rent
\$521 average fringe²
rent

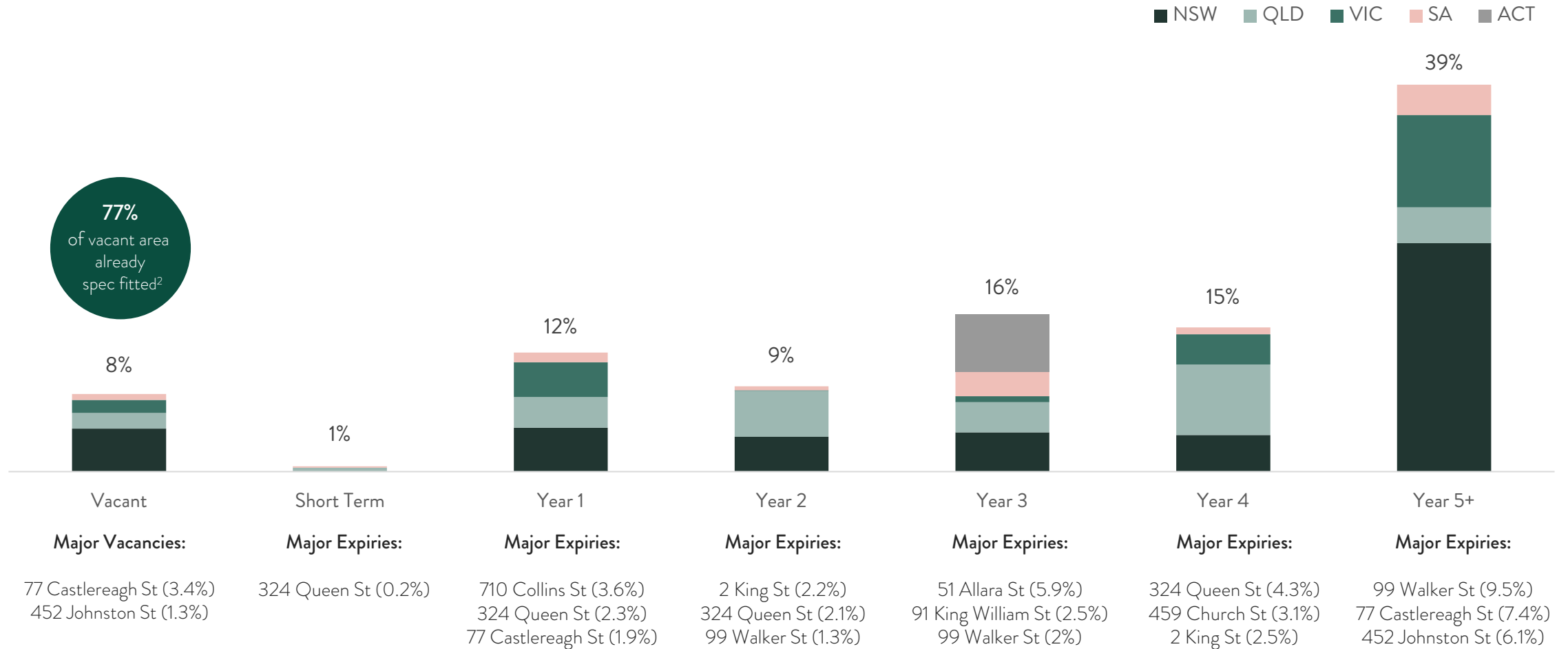
1. Based on 100% ownership.

2. As at 31 December 2023. Sydney and Melbourne assets excluding development affected assets.



OFFICE LEASING EXPIRY¹

Underpinned by geographical diversity



1. By income and excludes development affected assets as at 31 December 2023.

2. As at 27 February 2024, 77% of vacant space has completed fitouts that are ready to lease.

RETAIL SNAPSHOT

Portfolio of 4 Retail assets (3 centres and 1 CBD asset)
valued at \$0.5 billion¹

OCCUPANCY¹

94.5%

FY23: 95.2%

WALE¹

5.5yrs

FY23: 5.8yrs

YTD LEASING DEALS²

20

HY23: 30

YTD RENT GROWTH

5.5%

HY23: 0.2%

WACR¹

6.36%

FY23: 6.16%

LEASING SPREAD

3.3%

FY23: (1.6%)

1. As at 31 December 2023.

2. 32 leading deals completed in HY24, however 12 deals are subject to approval of the Ashfield Mall purchaser (refer to ASX announcement on 23 January 2024).





SUSTAINABILITY PROGRESS

Abacus continues to embed sustainable practices across the business



NET ZERO TARGET

Scope 1 & 2 GHG Emissions by 2030 for Office assets under Abacus control



39% reduction in Scope 1 & 2 GHG Emissions Intensity compared to FY19 baseline

HY24 Results



Released the FY23 Modern Slavery Statement



99 Walker Street certified as Carbon Neutral Building (Climate Active Certificate)



STRONG NABERS RATINGS

4.8 and 4.0 stars respectively for energy and water in our Office portfolio.



FY23 Sustainability Report released



ESG Workshops

Conducted extensive workshops to refine ABG's ESG Strategy



Inclusion of ESG organisational KPI



SUSTAINABILITY: TRACKING OUR PROGRESS



1. Emission and Water intensities of HY24 are from January 2023 to December 2023.

2. NABERS Energy and Water ratings of HY24 are based on 2024 SPI (office assets).

3. Diversion from landfill of HY24 is from July 2023 to December 2023.

ABACUS

OUTLOOK AND GUIDANCE

STEVEN SEWELL



OUTLOOK AND GUIDANCE



Owning and managing an Australian eastern seaboard focused Commercial portfolio and external management of Abacus Storage King (ASX:ASK)



Abacus Group

Active asset management and diversified leasing strategies to drive income growth throughout our portfolio



FY24 Guidance

- Reaffirming Abacus Group FY24 distribution guidance of 8.5 cents per security
- Distribution payout ratio assumed to be in the range of 85%-95% of FFO

Our guidance is predicated on no material deterioration in current business conditions



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STATUTORY EARNINGS RECONCILIATION

Performance metrics (\$m)	HY24
Net profit attributable to ABG securityholders	(143.6)
Discontinued operations	(1.0)
Fair value adjustments	170.9
Depreciation and amortisation	1.7
Rent straight-lining & incentives & one off adjustments	7.9
Tax benefit on FFO items	4.2
FFO	40.1

Term	Definition
Funds from operations (FFO)	FFO is in line with the PCA's definition and comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investment properties accounted for at fair value, fair value of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.



FFO PROFIT AND LOSS

Performance metrics (\$m) ¹	HY24	HY23	Comments
Rental income	77.4	76.4	Driven by increase in LFL occupancy and rent reviews
Fee, finance and other income	9.7	2.4	Increase due to ASK fees received from August 2023
Share of profit from equity accounted investments	10.5	3.7	Increase due to 19.8% ownership of ASK
Total revenue	97.6	82.5	
Property expenses	(23.1)	(21.3)	Increase primarily due to statutory, insurance and electricity (including purchase of green power)
Operating earnings	74.5	61.2	
Administrative and other expenses	(16.0)	(17.1)	Reduction mainly driven by savings in rent due to Abacus head office relocation to 77 Castlereagh Street and other cost saving initiatives
EBIT	58.5	44.1	
Net finance costs	(19.4)	(4.4)	Reflects HY24 WACD of 4.1%
Tax expense	(0.2)	(2.3)	Reflective of lower tax payable during the period
FFO from continuing operations	38.9	37.4	
FFO from discontinued operations	1.2		Reflects one month of fees, and ownership of three Self Storage assets sold to ASK as part of the de-staple
FFO	40.1		
Weighted average securities as at December 2023²	893,657,633		

1. FFO is defined on slide 23.

2. Weighted average securities used in FFO/security calculation.

BALANCE SHEET OVERVIEW



\$ millions	HY24
Investment properties	\$2,027.1m
PP&E, equity and other investments, financial and other assets	\$619.5m
Loans	\$55.9m
Cash and cash equivalents	\$33.7m
Goodwill and intangibles	\$32.4m
Deferred tax assets	\$7.5m
Total assets	\$2,776.1m
Interest bearing liabilities	\$934.2m
Other liabilities	\$86.5m
Deferred tax liabilities	\$9.7m
Total liabilities	\$1,030.4m
Net assets	\$1,745.7m
Total securities as at 31 December 2023	893,657,633

31 December 2023

\$2.8bn

Total Assets

59% OFFICE \$1.6 bn **17% RETAIL** \$0.5 bn **14% ASK** \$0.4 bn **10% OTHER** \$0.3 bn



Office

\$1,639 m

15 properties



Retail

\$461 m

4 properties



ASK

\$400 m

19.8% shareholding in ASK



Other

\$276 m

Non-property assets and 2 greenfield assets (Riverlands¹ and Camelia²)

1. Valued at \$12.5m as at 31 December 2023.

2. Valued at \$65.2m as at 31 December 2023.

DEBT FACILITIES



Capital management metrics	HY24	Comments
Total bank debt facilities	\$1,183m	
Total bank debt drawn	\$899m	
Term to maturity	3.9yrs	
Interest rate hedging ¹	76%	
Weighted average hedge maturity	2.5yrs	
Average cost of debt - drawn	4.1%	
Average cost of debt - fully drawn	4.0%	
Group gearing	31.6%	Calculated as bank debt net of cash divided by total assets net of cash.
Look through gearing	36.0%	Includes impact of JV gearing: ASK 29.3%, 241 Adelaide St, QLD 42.3%, Virginia Park 16.6%. The net impact on look through gearing is an additional \$289m of assets and an additional \$235m of bank debt
Gearing calculated for covenant measures/covenant	36.7% / 50%	Total liabilities net of cash divided by total tangible assets net of cash
Interest coverage ratio/covenant	2.8x / 2.0x	EBITDA divided by interest expense



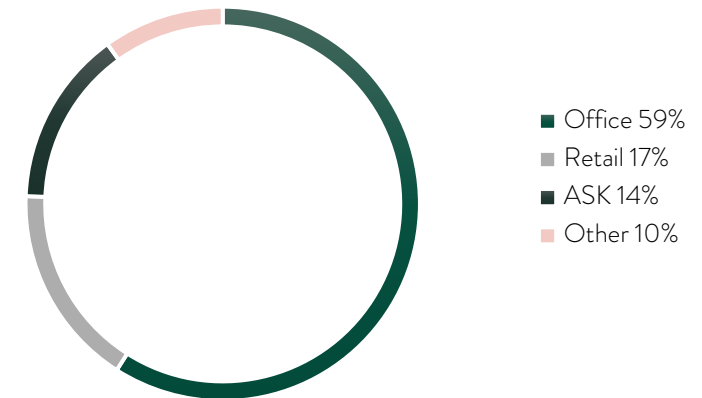
INVESTMENT PORTFOLIO METRICS

Portfolio metrics HY24	Office	Retail	ASK	Other ¹	Total
Value (\$m)	1,639	461	400	276	2,776
No. of assets	15	4	-	2	21
NLA ^{2,3} (sqm)	138,209	62,406	-	-	200,615
WACR (%)	5.95	6.36	-	-	6.04
Occupancy ² (% by area)	92.6	94.5	-	-	93.2
Average net face rent ² (\$ psm)	680	649	-	-	670
WALE ² (yrs by \$)	3.8	5.5	-	-	4.3

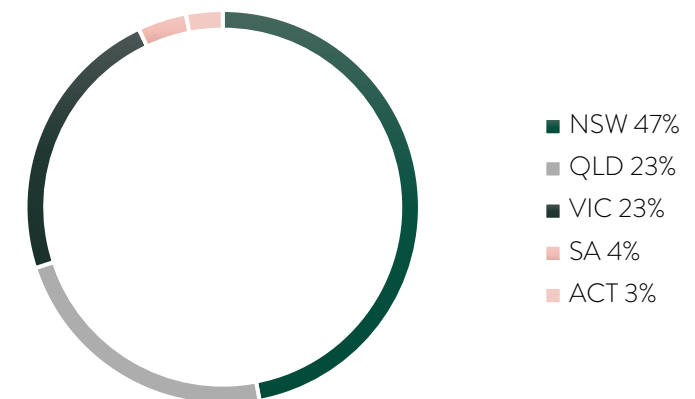
Asset ownership (number of assets)	NSW	QLD	VIC	SA	ACT
100% owned	6	2	1	-	1
50% owned	2	3	3	1	-
<50% owned	1	-	1	-	-

1. Includes cash and other non-property assets.
2. Excludes development affected assets.
3. Abacus ownership basis.
4. Excludes cash and other non-property assets.

Investment portfolio sector diversification



Investment portfolio geographic diversification⁴



COMMERCIAL CAPABILITY



Assets in focus with strong income growth potential and low capex requirements over the short to medium term

Asset						
		99 Walker Street, North Sydney NSW ¹	77 Castlereagh Street, Sydney NSW	14 Martin Place, Sydney NSW	The Oasis, Broadbeach QLD	324 Queen Street, Brisbane QLD
Key operating metrics	Occupancy (%)	98.5	77.6	94.7	93.7	95.2
	Average net face rent (\$ psm)	807	1,112	1,103	681	798
	WALE (yrs)	4.6	3.8	3.7	4.8	3.2
	NLA ² (sqm)	18,962	13,184	6,576	25,465	19,424
Active asset management strategies	End of trip			Expected FY24		
	Flex space		NA			 ³
	Suite strategy					
	Customer engaging score	83	88	70	76	71

1. Excludes small adjacent building.

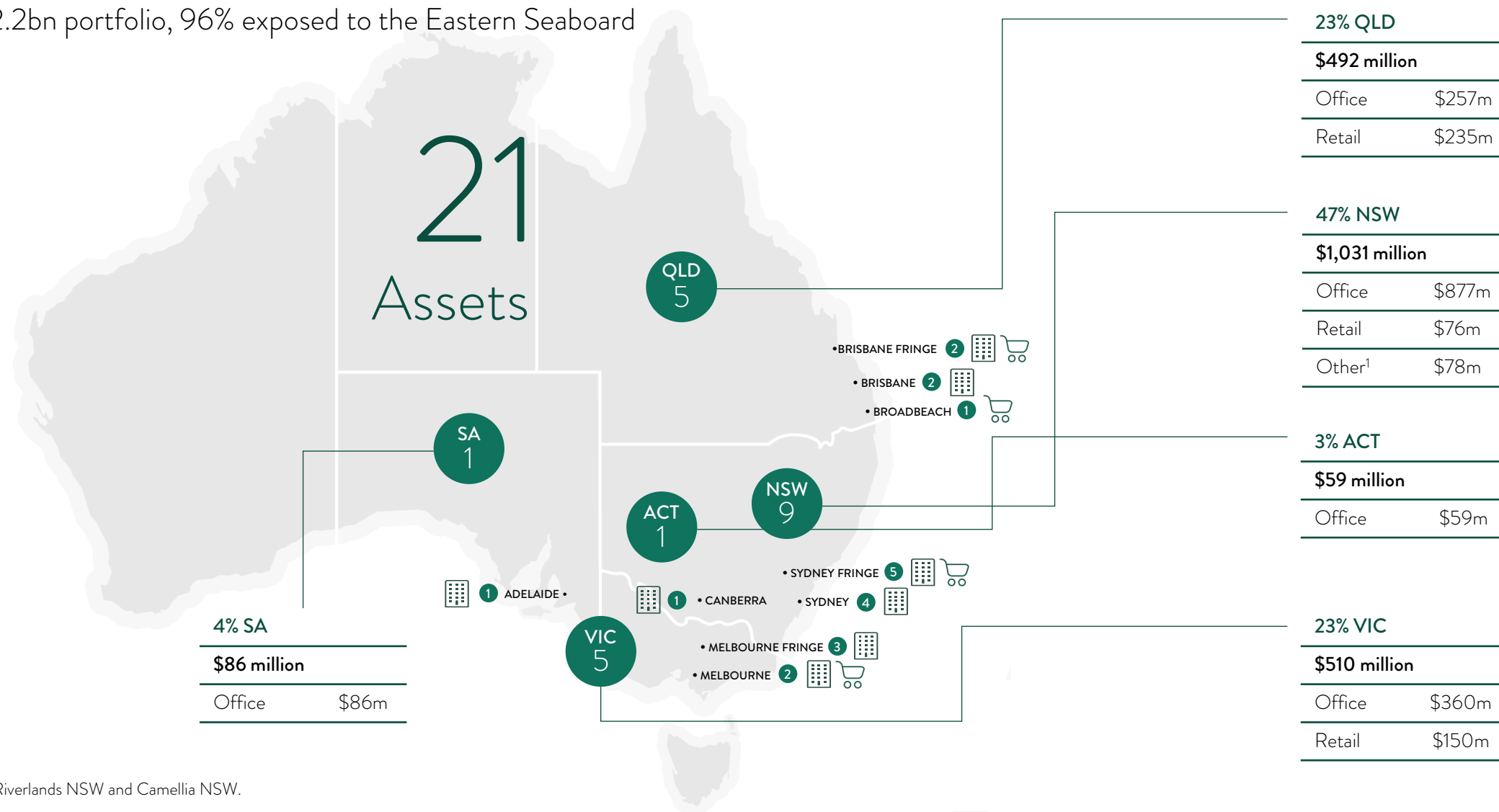
2. Abacus ownership basis.

3. Flex Space operated by external provider.



COMMERCIAL PORTFOLIO

\$2.2bn portfolio, 96% exposed to the Eastern Seaboard



1. Riverlands NSW and Camellia NSW.

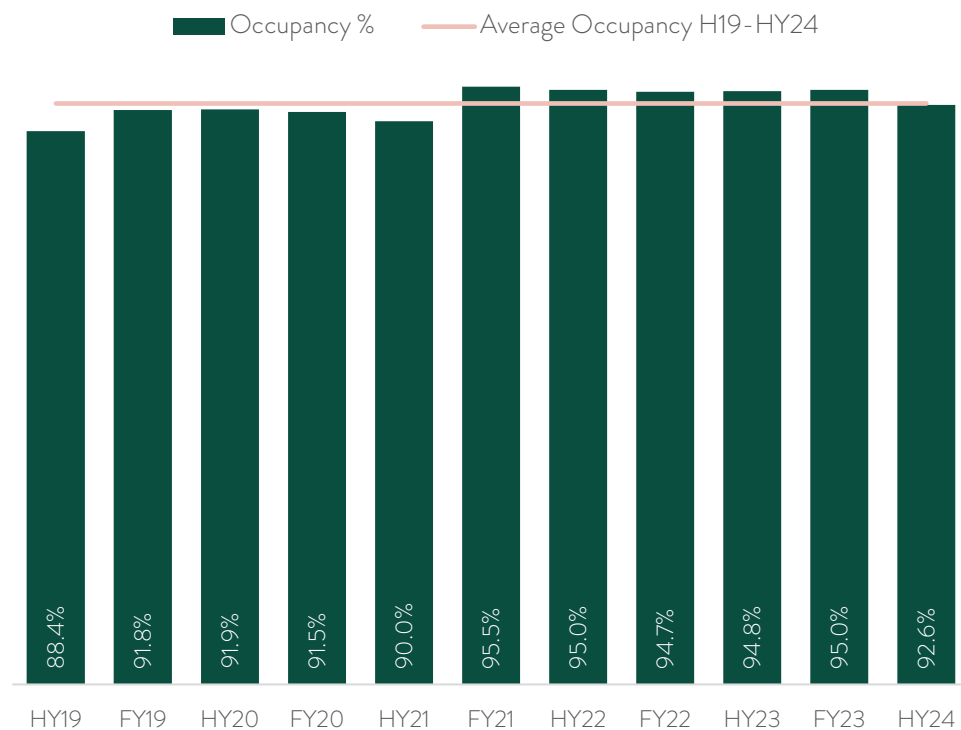


TRACK RECORD OF PERFORMANCE

Annuity style business model supported by consistent operating metrics

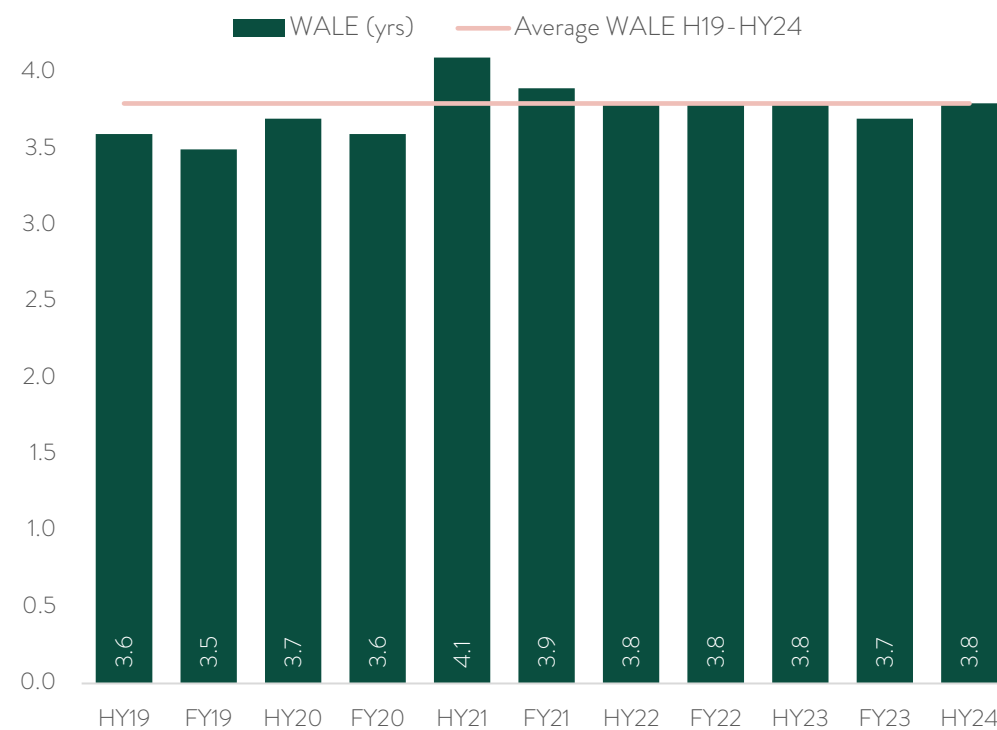
Average Occupancy¹

92.8%



Average WALE¹

3.8 yrs



1. Office portfolio excluding development affected assets.

SELF STORAGE GENERATED INCOME

ABG income and fees received from ASK

Fee type	Fee description	HY24 impact
Management fee	0.4% of ASK gross asset value	\$5.2 million ^{1,2} (40bps of \$3.1b gross assets)
Development management fee	5.0% of total development costs (TDC) up to a total of \$2.5m and 3.0% of TDC above \$2.5m Fixed fee of \$100,000 for planning work up to each development application lodgement	\$1.9m
Share of (loss) / profit from equity accounted investments	ABG's 19.8% share of ASK FFO	\$7.4 million ²

1. 40bps of \$3.1bn ASK gross assets represents the annual management fee.

2. Reflects 5 months.



Artist's Impression: Storage King Granville, NSW

GLOSSARY



Term	Definition	Term	Definition
ABG	Abacus Group	KL/SQM	Kilolitres per square metre
ASK	Abacus Storage King	KPI	Key performance indicator
ASX	Australian Securities Exchange	LFL	Like for like
CBD	Central business district	NABERS	National Australian Built Environment Rating System
CPI	Consumer price index	NLA	Net lettable area
CPS	Cents per stapled security	NTA	Net tangible assets
DPS	Distribution per stapled security	PCA	Property Council Australia
DTA	Deferred tax assets	PP&E	Property, plant and equipment
DTL	Deferred tax liabilities	PS	Per stapled security
EBIT	Earnings before interest and taxes	PSM	Per square metre
EBITDA	Earnings before interest, taxes, depreciation and amortisation	SME	Small medium enterprise
ESG	Environmental, Social and Governance	SPI	Sustainable Portfolios Index
FFO	Funds from Operations	SQM	Square metre
FY	Financial year	T/SQM	Tonnes per square metre
GAV	Gross asset value	WACD	Weighted average cost of debt
GHG	Greenhouse gas	WACR	Weighted average capitalisation rate
HY	First half of financial year	WALE	Weighted average lease expiry
JV	Joint venture	YTD	Year to date



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