GOODMAN CONFIRMS FY20 GUIDANCE

Q3 FY20 OPERATIONAL UPDATE

7 MAY 2020

Goodman Group (Goodman or Group) has reviewed the impact of COVID-19 on its business and will continue to respond to future changes. The Group remains in a sound position and reaffirms FY20 earnings and distribution guidance.

Despite the challenging global environment, customer demand in the online, logistics, food, consumer goods and digital economy, is supporting portfolio fundamentals and development activity.

"We acknowledge the unprecedented times we're experiencing and the terrible impact COVID-19 is having on people's lives and livelihoods around the world.

The markets we're in have been affected at various times and to varying degrees. Throughout, our priority continues to be the safety and wellbeing of our people, customers and Partners.

Alongside our customers and the logistics and warehousing sector globally, we are playing an important role in delivering essential infrastructure and enabling distribution of critical supplies. We are also working on a one-on-one basis with our customers who are genuinely suffering financial distress as a direct result of COVID-19."

– Greg Goodman, Group CEO

KEY HIGHLIGHTS

for the nine months to 31 March 2020

- $55.1 billion total assets under management (AUM)[1]
- 3.0% like-for-like NPI growth in our managed Partnerships
- 97.5% occupancy across the Group and Partnerships
- $4.8 billion of development work in progress with 76% undertaken in Partnerships
- $2.5 billion of development commencements for the nine months to 31 March 2020
- Reaffirm forecast FY20 operating earnings per security of 57.3 cents, up 11% on FY19.

$55.1bn

TOTAL ASSETS UNDER MANAGEMENT

$4.8bn

DEVELOPMENT WORK IN PROGRESS

97.5%

OCCUPANCY

1. As at 31 March 2020

OWN

The Group's focus on urban infill locations to efficiently service consumers is providing resilient cashflows across the global portfolio. This is particularly important in uncertain times, with our assets providing critical infrastructure for delivery of essential goods and services.

We have experienced increased demand for both temporary and permanent space from customers in the food, consumer goods and logistics sectors, particularly related to e-commerce operators and those transitioning to online. Our portfolio occupancy remains stable at 97.5% and in general, Goodman has experienced relatively limited closure or disruption of warehouse facilities over the past few months.

Some of our customers have been facing difficulty due to COVID-19 disruptions and we are working with them on a case-by-case basis.

- Leased 2.4 million sqm across the platform over the nine month period, equating to $344.5 million of rent p.a
- Like-for-like NPI growth of 3.0%
- WALE of 4.5 years
- Occupancy maintained at 97.5%
- Quality of the portfolio and the focus on infill markets is supporting income and value.

97.5%
OCCUPANCY

2.4m
SQUARE METRES LEASED

4.5years
WALE

LEASING[1]

Region	Leasing area (sqm)	Net annual rent ($M)	Average lease term (years)
Australia / New Zealand	811,314	111.0	4.1
Asia	812,588	164.5	3.9
UK / Europe	727,001	69.0	5.4
Total	2,350,903	344.5	4.3

Bedford Commercial Park, Bedford, United Kingdom

Redbank Motorway Estate, QLD, Australia

1. YTD Leasing of stabilised portfolio. Excludes development and acquired leases.

DEVELOP

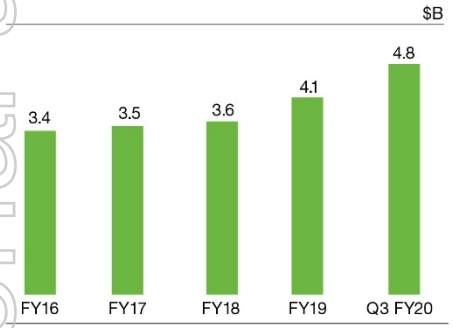
Many of our customers continue to progress discussions regarding demand for new space in line with ongoing supply chain consolidation, online expansion and growth in the digital economy. This has seen WIP grow to $4.8 billion at 31 March 2020.

Our concentration on urban logistics developments and the limited supply of land in our markets is expected to support global activity in future periods. Based on deals that have been executed since March, and current demand, WIP is forecast to be in excess of $5 billion by June 2020.

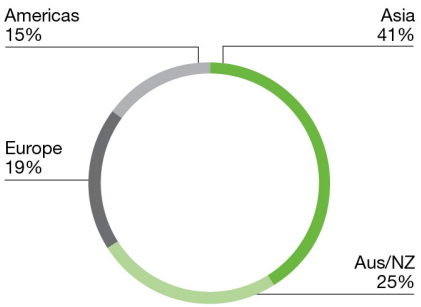
The Group has mitigated risk by global diversification and investment partnering, undertaking 76% of developments within the Partnerships. WIP is currently 68% pre-committed (uncommitted space represents only ~2% of total global portfolio area).

- At 31 March 2020, development WIP of $4.8 billion across 46 projects. Forecast yield on cost of 6.4%
- Continued capital partnering of projects with 76% of WIP undertaken within Partnerships or for third parties
- Development commencements of $2.5 billion for the nine months to 31 March 2020 with 69% pre-committed
- Development completions of $2.3 billion for the nine months to 31 March 2020 with 82% leased.

Development WIP



Work in progress as at 31 March 2020



Q3 FY20 Developments	Completions[1]	Commencements[1]	Work in progress
Value ($b)	2.3	2.5	4.8
Area (m sqm)	1.2	1.2	1.8
Yield (%)	6.9	6.9	6.4
Pre-committed (%)	82	69	68
Weighted Average Lease Term (years)	9.4	14.3	14.5
Development for Third Parties or Partnerships (%)	89	71	76
Australia / New Zealand (%) of WIP	23	43	25
Asia (%) of WIP	17	28	41
Americas (%) of WIP	20	7	15
UK / Europe (%) of WIP	40	22	19

Work in progress by region	On balance sheet end value $m	Partnerships end value $m	Total end value $m	Partnerships % of total	Pre-committed % of total
Australia / New Zealand	132	1,057	1,189	89	95
Asia	94	1,893	1,987	95	58
Europe	910	23	933	2	92
Americas	-	714	714	100	24
Total	**1,136**	**3,687**	**4,823**	**76**	**68**

1. For the nine months to 31 March 2020

MANAGE

Continued progress of development projects, positive revaluations and foreign currency gains, have seen AUM across the Partnerships grow to $51.3 billion.

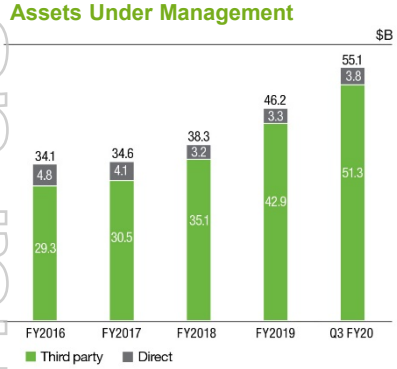
The Group remains focused on progressing its development workbook, which is experiencing good demand and provides visibility for future AUM growth. Cap rates remain stable, and combined with high occupancy and rental growth, are supporting revaluations.

The capital position of the Partnerships remains strong with significant liquidity and low leverage, providing flexibility to commence further projects as appropriate.

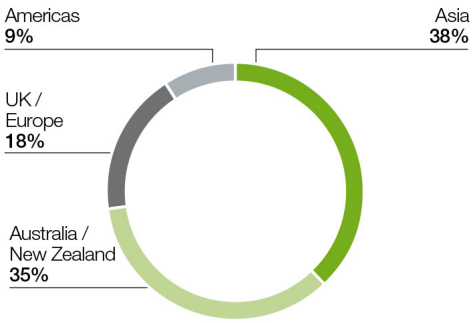
- Ongoing Partnership performance to support performance fees
- $23 billion of asset sales since 2013 has materially improved portfolio concentration in high-demand locations, providing more resilient cashflows

- AUM growth driven by:
  - revaluation gains
  - development completions and net acquisitions
  - exchange rates.

Assets Under Management



Total AUM by geography



	GHKLP	GAIP	GEP	GCLP	GNAP	GAP	GJCP	GMT[2]	GUKP
Total assets	$10.1bn	$9.0bn	$7.1bn	$5.7bn	$4.8bn	$4.4bn	$4.2bn	$2.9bn	$0.8bn
GMG co-investment	20.2%	28.7%	20.4%	20.0%	55.0%	19.9%	15.7%	21.6%	33.3%
GMG co-investment	$1.6bn	$1.7bn	$0.8bn	$0.8bn	$2.3bn	$0.8bn	$0.4bn	$0.5bn	$0.3bn
Number of properties	11	97	117	36	17	34	15	11	5
Occupancy[1]	99%	97%	99%	95%	95%	97%	100%	100%	100%
Weighted average lease expiry[1]	3.3 years	4.3 years	4.9 years	3.5 years	7.2 years	4.2 years	3.0 years	5.5 years	8.7 years

$51.3bn

EXTERNAL ASSETS UNDER MANAGEMENT

76%

DEVELOPMENT IN PARTNERSHIPS OR FOR THIRD PARTIES

368

PROPERTIES IN PARTNERSHIPS

1. Occupancy and WALE of stabilised portfolio
2. As at 30 September 2019. WALE includes leased developments

OUTLOOK

The world continues to contend with the evolving health and economic challenges that COVID-19 brings. The current conditions are particularly difficult for some of our customers who may be experiencing significant business dislocation and loss of revenue. We are working directly with customers who are genuinely suffering financial distress as a direct result of COVID-19 and have limited financial means.

Through the Goodman Foundation, we are providing further support to our charity partners who are experiencing increased demand for their services as a result of COVID-19, and the aftermath of the Australian bushfires. At this time, our primary focus is to provide specific funding to charities who are helping vulnerable people by supplying food, clothing and other essential items, and supporting people's mental health and wellbeing.

In general, the logistics and warehousing sectors globally are playing an important role in delivering essential infrastructure and enabling distribution of critical products. The trends of ongoing supply chain consolidation, online expansion and growth in the digital economy have been accelerated due to COVID-19. The focus of the Group's portfolio on infill logistics markets and providing space for customers to directly service consumers, is providing more resilient cash flows and demand. As a result, development work in progress is forecast to be in excess of $5 billion at June 2020.

The Group's gearing remains at the lower end of our 0-25% target range and available liquidity is currently $2.5 billion, reflecting cash of $1.4 billion and undrawn facilities of $1.1 billion. This will be supported through the continuation of Goodman's ~50% payout ratio and is in addition to the $18.8 billion of liquidity available within the Partnerships.

We reaffirm our earnings guidance for full year FY20 at 57.3cps and full year distribution of 30cps.

Authorised for release to the ASX by Carl Bicego, Company Secretary and Group Head of Legal.

ABOUT GOODMAN

Goodman Group is an integrated property group with operations throughout Australia, New Zealand, Asia, Europe, the United Kingdom, North America and Brazil. Goodman Group, comprised of the stapled entities Goodman Limited, Goodman Industrial Trust and Goodman Logistics (HK) Limited, is the largest industrial property group listed on the Australian Securities Exchange and one of the largest listed specialist investment managers of industrial property and business space globally.
Goodman's global property expertise, integrated own+develop+manage customer service offering and significant investment management platform ensures it creates innovative property solutions that meet the individual requirements of its customers, while seeking to deliver long-term returns for investors.

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