

HY17 Results Presentation Appendices





Appendix A

Segment balance sheet

Abacus balance sheet	Property	Self-Storage	Funds	Property Ventures	Corporate	Dec 2016	June 2016
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Investment properties	875.1	609.2				1,484.3	1,384.1
Inventory				72.9		72.9	64.8
Property, plant and equipment	0.6	4.2				4.8	4.7
Loans and interest			151.4	339.7		491.1	530.9
Other investments and financial assets	30.0		18.6	43.6		92.2	49.7
Equity accounted investments	168.7			36.2		204.9	179.9
Cash and cash equivalents					27.6	27.6	36.3
Other assets					12.3	12.3	19.4
Goodwill and intangibles					32.5	32.5	32.5
Total assets	1,074.4	613.4	170.0	492.4	72.4	2,422.6	2,302.3
Interest bearing liabilities						573.9	631.3
Other liabilities						108.9	118.5
Total liabilities						682.8	749.8
Net assets						1,739.8	1,552.5

Appendix B

Segment earnings (underlying profit)

	Property	Self-storage	Funds	Property Ventures	HY17 Total	HY16 Total
Rental and Self-storage income	35.7	34.4			70.1	63.4
Finance income ¹				18.8	18.8	29.5
Funds management income			6.7		6.7	6.5
Share of profit from equity accounted investments ²	7.6 ³		0.2	7.0 ⁴	14.8	10.1
Sale of inventory ⁴					-	1.4
Net change in fair value of investments derecognised ⁴	15.6				15.6	0.5
Fee and Other Income	2.6			0.9 ⁴	3.5	-
Interest					0.2	0.2
Total Underlying Revenue	61.5	34.4	6.9	26.7	129.7	111.6
Expenses	(6.5)	(12.6)			(19.1)	(20.0)
Segment result before corporate overheads	55.0	21.8	6.9	26.7	110.6	91.6
Corporate and other costs	(5.1)	(2.8)	(1.1)	(2.2)	(11.2)	(11.2)
Underlying EBITDA	49.9	19.0	5.8	24.5	99.4	80.4
Finance costs					(16.9)	(14.6)
Depreciation, amortisation and impairment expense	(0.9)	(0.2)			(1.1)	(1.2)
Tax expense					(11.0)	(7.1)
Non-controlling interests					(0.9)	(0.4)
Underlying Profit					69.5	57.1
Change in fair value of investments					92.2	44.4
Change in fair value of derivatives					3.1	(2.1)
Impairment of land development					-	(40.6)
Tax (expense) / benefit on significant items					(3.4)	12.1
Abacus AIFRS Statutory Profit					161.4	70.9

1. Interest on loans

2. Distributions from joint ventures

3. Excludes fair value gain of \$15.9 million

4. Transactional activities

Appendix C

Net tangible asset reconciliation

	31 December 2016	30 June 2016
Consolidated Group net assets	1,750.4	1,559.3
<i>Less</i>		
Total external non-controlling interest	(44.6)	(43.3)
Total stapled security holders' interest in equity	1,705.8	1,516.0
<i>Less</i>		
Intangible assets and goodwill	(32.5)	(32.5)
Deferred tax assets/liabilities (net)	10.1	(3.5)
Total net tangible assets	1,683.4	1,480.0
Securities on issue	572.3	556.6
Net tangible assets per security	2.94	2.66

Appendix D

Abacus cashflow analysis¹

	\$'000
CASHFLOWS FROM OPERATING ACTIVITIES	
Income receipts	122,335
Interest received	558
Distributions received	209
Income tax paid	(3,644)
Borrowing costs paid	(16,105)
Operating payments	(49,650)
Payment for land acquisition	(7,205)
NET CASHFLOWS FROM OPERATING ACTIVITIES²	46,498
CASHFLOWS FROM INVESTING ACTIVITIES	
Payments for investments and funds advanced	(36,612)
Proceeds from sale / settlement of investments and funds repaid	74,203
Purchase and disposal of property, plant and equipment	(441)
Purchase of investment properties	(128,961)
Disposal of investment properties	103,334
Payment for other investments	(796)
NET CASHFLOWS FROM INVESTING ACTIVITIES	10,727
CASHFLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of stapled securities and return of capital	14,008
Payment of finance and issue costs	(547)
Repayment of borrowings	(68,017)
Proceeds from borrowings	5,521
Distributions paid	(16,855)
NET CASHFLOWS USED IN FINANCING ACTIVITIES	(65,890)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,665)
Net foreign exchange differences	16
Cash and cash equivalents at beginning of period	36,284
CASH AND CASH EQUIVALENTS AT END OF PERIOD	27,635

1. 31 December 2016 cashflow statement for ABP excluding the consolidation of funds under AASB10

2. Cashflow from operations of \$64.6 million adds back the purchase of non-current inventory & development costs (\$7.2m) and the change in fair value of investment properties derecognised (\$10.9m)

Appendix E

Debt facilities

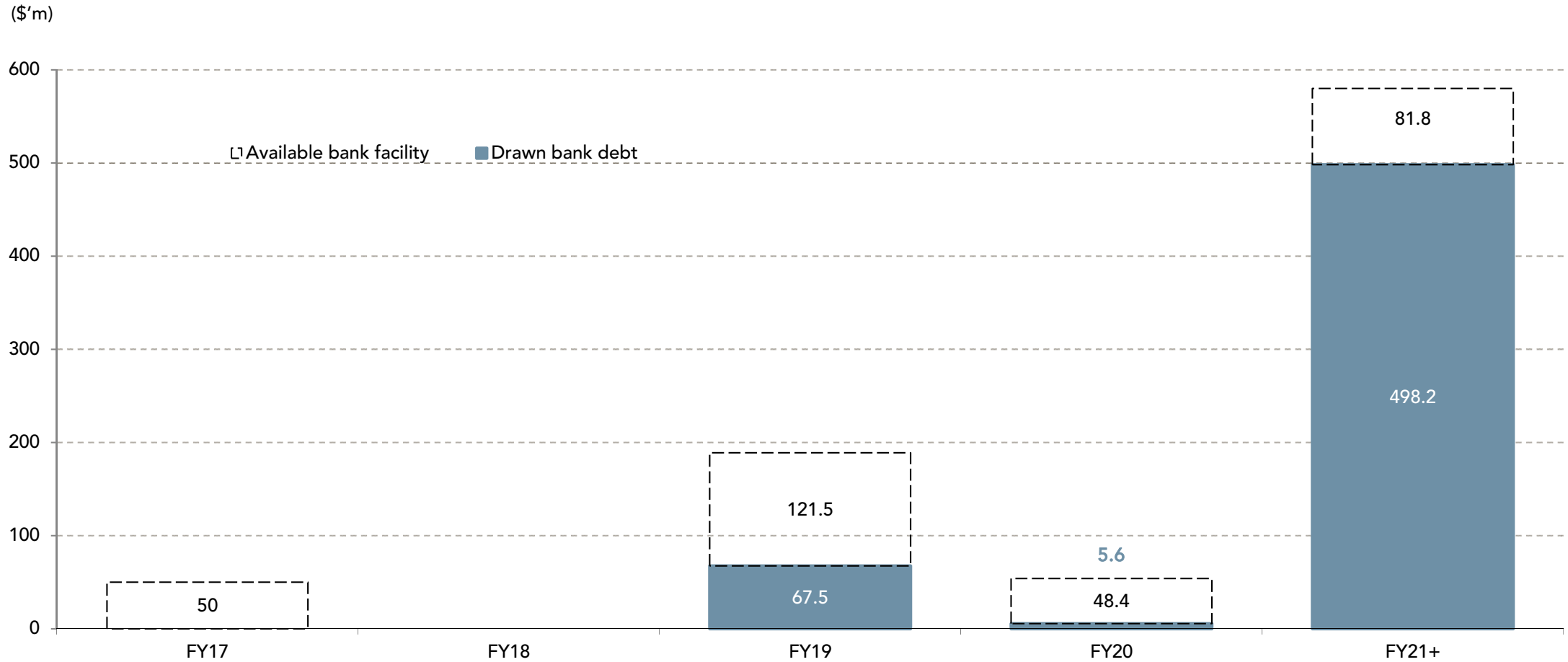
Capital management metrics	December 2016	June 2016
Total debt facilities	\$873m	\$873m
Total debt drawn	\$571m	\$629m
Term to maturity	3.5 yrs	4.0 yrs
% hedged	59%	53%
Weighted average hedge maturity	2.7 yrs	2.7 yrs
Average cost of debt – drawn	5.3%	5.4%
Group gearing ¹	22.7%	25.8%
Look through gearing ²	26.8%	30.3%
Covenant gearing	25.7%	29.5%
Covenant gearing limit	50.0%	50.0%
Interest Coverage Ratio	6.2x	4.2x
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 F

Debt maturity profile as at 31 December 2016



Revaluation process for Abacus resulted in a net increase in the investment properties values for HY17 of approximately 4.3% or \$61.0 million

- \$48.6 million across the wholly owned commercial properties
- \$12.4 million across the self-storage portfolio
- Revaluation of assets owned across our third party capital platform resulted in a net increase of \$15.9 million

Average cap rate across the Abacus commercial portfolio has decreased to 6.9%

Abacus' self-storage portfolio increase in value largely due to improved occupancy rates over the period. The WACR for the self-storage portfolio reduced slightly to 7.9% from 8.0%.

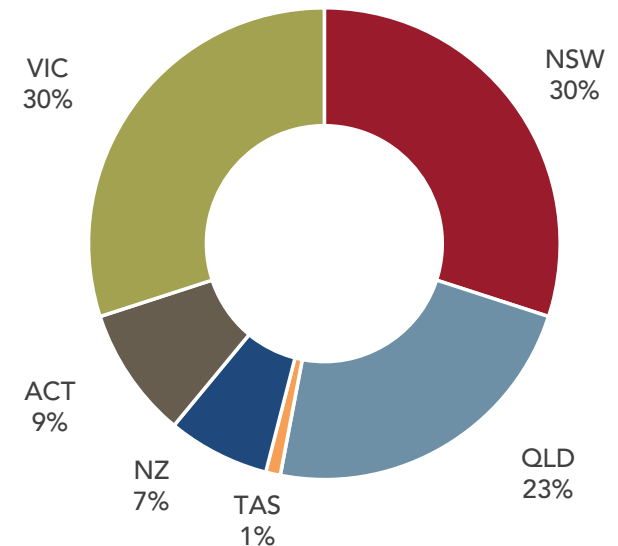
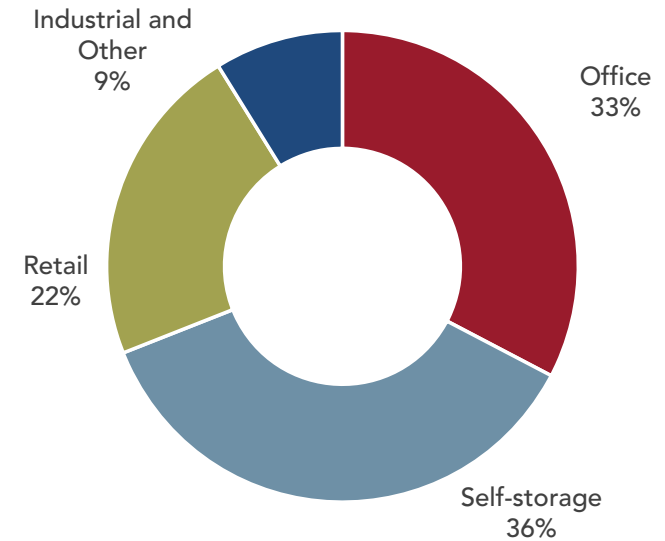
Abacus investment portfolio by sector	Valuation 31 December 2016 \$'000	Weighted average cap rate 31 December 2016
Retail	373,889	6.58%
Office	551,519	6.97%
Industrial & Other	149,027	8.15%
Total commercial portfolio	1,074,435	6.91%
Self-storage	613,381	7.93%
Total investment portfolio	1,687,816	7.31%

Appendix H

Summary commercial portfolio metrics

Key portfolio metrics	Dec 16	Jun 16
Investment portfolio value ¹ (\$m)	1,688	1,568
Commercial portfolio ¹ (\$m)	1,074	994
Self-storage portfolio (\$m)	614	574
WACR ^{1,4} (%)	7.31	7.48
No. of commercial assets ¹	34	32
NLA (sqm) ^{2,3}	308,709	302,888
Occupancy ^{2,3} (% by area)	90.4	91.2
WALE ^{2,3} (yrs by income)	4.1	4.3
Like for like rental growth ^{2,3} (%)	2.2	2.7

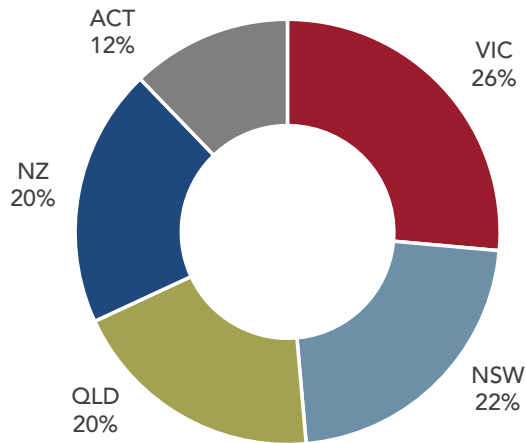
1. Includes assets acquired under our third party capital platform, inventory and PP&E
2. Excludes self-storage assets
3. Excludes development assets
4. Weighted Average Cap Rate



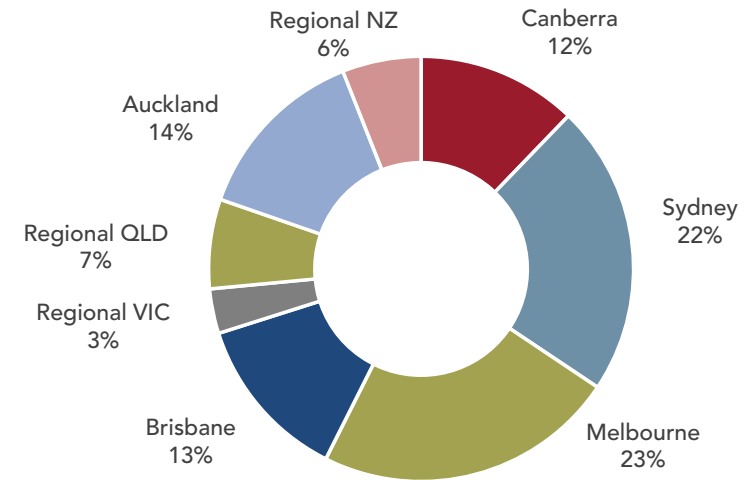
Appendix H

Summary self-storage portfolio metrics

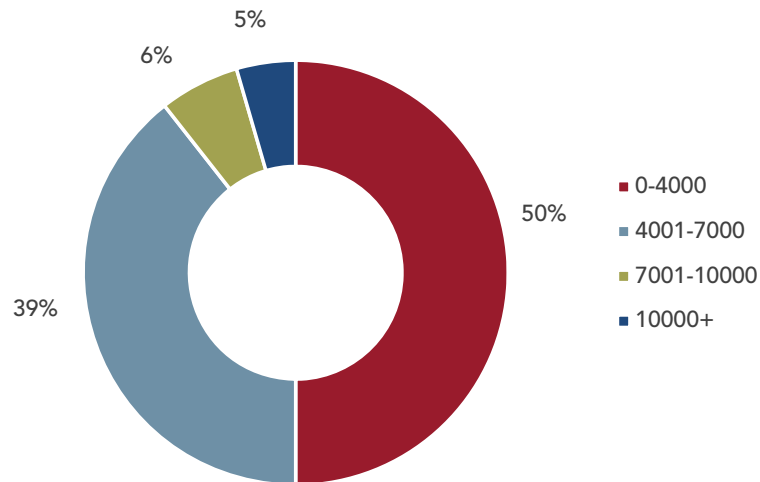
State geographic diversity by NLA



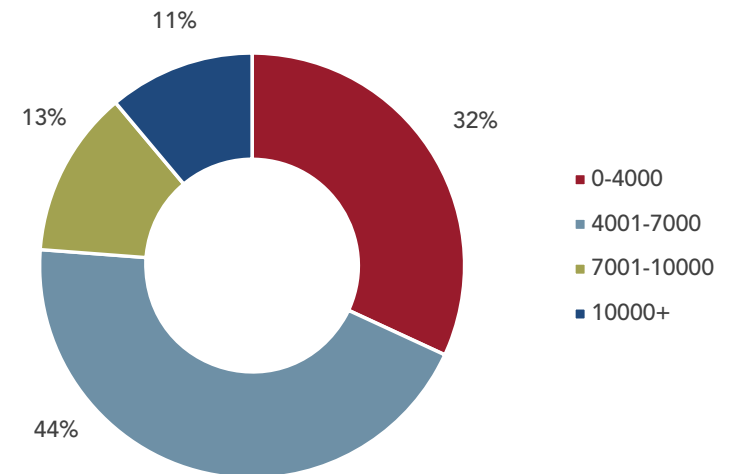
Regional geographic diversity by NLA



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



Asset net lettable area (m²) split by value



Appendix H

Summary portfolio metrics

Portfolio metrics	Office		Retail		Industrial		Self-storage	
								
	Dec 16	Jun 16	Dec 16	Jun 16	Dec 16	Jun 16	Dec 16	Jun 16
Portfolio (\$m)	551	492	374	375	149	127	613	574
No. of assets	17	16	6	7	11	9	66	62
Lettable area (sqm) ¹	87,435	89,004	78,625	83,106	142,649	130,778	302,000	290,000
WACR (%)	6.97	7.33	6.58	6.74	8.15	8.39	7.93	7.98
Occupancy ¹ (% by area)	88.6	91.8	89.4	85.7	92.1	94.4	88.7 ³	87.4 ³
Average rent psqm	\$409	\$460	\$451	\$446	\$82	\$82	A\$262 ³	A\$260 ^{3,4}
WALE ¹ (yrs by income)	3.8	4.1	4.7	4.9	3.2	3.5	–	–
Rental growth ^{1,2} (%)	(0.1)	2.5	4.5	7.6	2.0	(7.4)	–	–
RevPAM (per available sqm)	–	–	–	–	–	–	A\$232 ³	A\$227 ^{3,4}

1. Excludes development assets

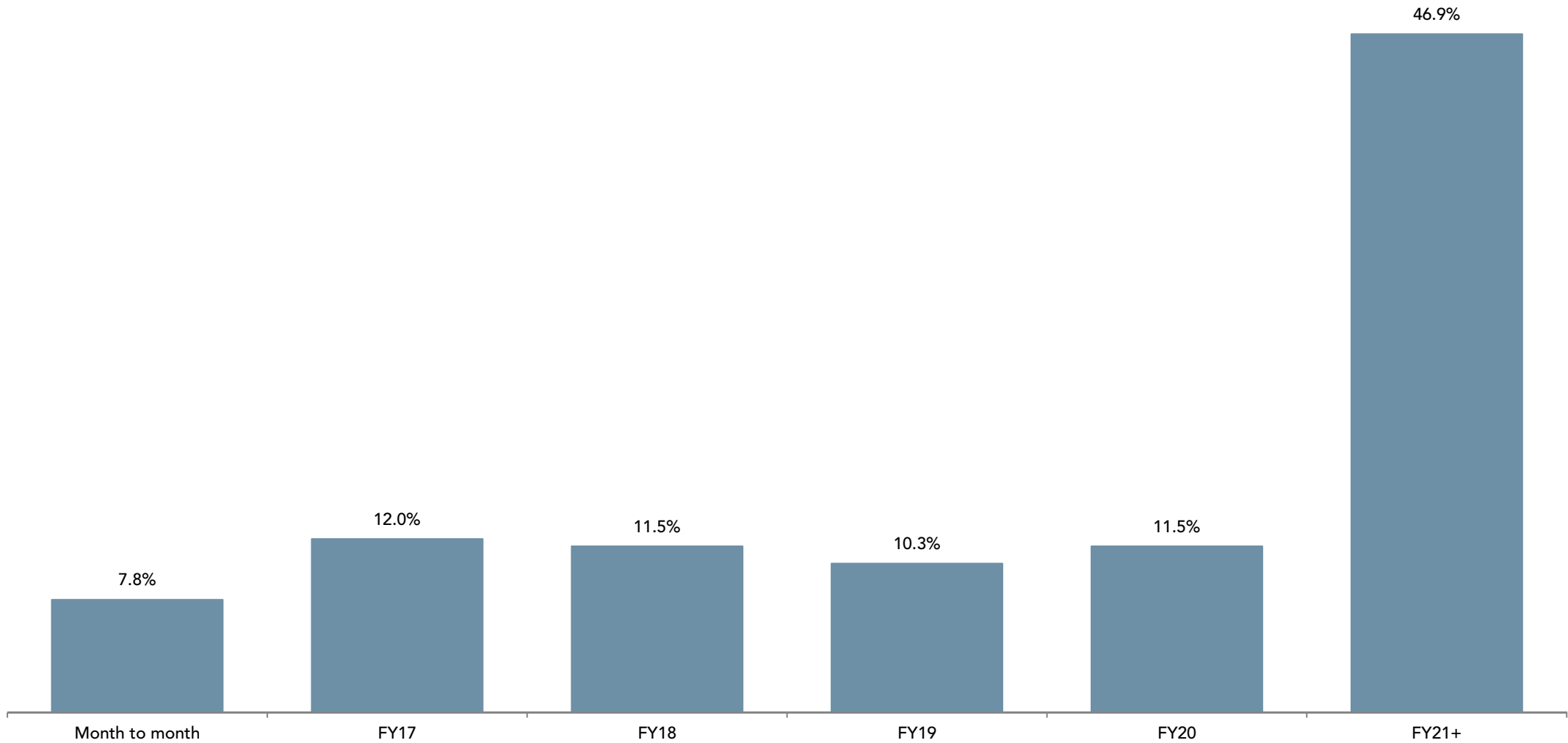
2. Like for like rent growth

3. Average over last 6 months (by area) of all trading assets

4. Adjusted to HY17 FX rate of \$1.0397 for comparison purposes

Appendix H

Summary portfolio metrics - lease expiry profile



Appendix I

Property ventures

Projects	Type	Equity	Loans	Total	Interest rate	Security	Returns
RCL Portfolio, NSW	JV/Loan	\$59.4m	\$95.7m	\$155.1m		1 st Mortgagee	50% profit share
Campsie, NSW	Loan	-	\$38.8m	\$38.8m		1 st Mortgagee	50% profit share
Erskineville (One A), NSW	JV	\$1.5m	\$28.3m	\$29.8m		Unsecured	50% profit share
Merivale St (IVY and EVE), QLD	JV	\$27.5m	-	\$27.5m		Equity	49% profit share
Marsden Park, NSW	Loan	-	\$25.0m	\$25.0m		1 st Mortgagee	Exit fee upon repayment
Grand Ave, Camellia, NSW	Loan	-	\$16.9m	\$16.9m		1 st Mortgagee	50% profit share
Belmore, NSW	Loan	-	\$15.2m	\$15.2m		1 st Mortgagee	50% profit share
Rance Road (Settler's Estate), NSW	Loan	-	\$14.8m	\$14.8m		1 st Mortgagee	50% profit share
Ashfield Central, NSW	Inventory	\$14.4m	-	\$14.4m		Equity	100% ownership
The Eminence, VIC	JV	-	\$13.7m	\$13.7m		Unsecured	50% profit share
Tuggeranong, ACT	JV	\$0.1m	\$13.1m	\$13.2m		1 st Mortgagee	50% profit share
Bosch, Bentleigh East, VIC	Inventory	\$11.5m	-	\$11.5m		Equity	100% ownership
Schofields, NSW	Loan	-	\$10.6m	\$10.6m		1 st Mortgagee	
107 George St, NSW	Loan	-	\$8.7m	\$8.7m		1 st Mortgagee	50% profit share
55 Aird St, NSW	Loan	-	\$7.2m	\$7.2m		1 st Mortgagee	50% profit share
Lane Cove, NSW	Loan	-	\$6.9m	\$6.9m		1 st Mortgagee	50% profit share
21A-23 George St, NSW	Loan	-	\$6.9m	\$6.9m		1 st Mortgagee	50% profit share
Doonside, NSW	Loan	-	\$6.1m	\$6.1m		1 st Mortgagee	50% profit share
17 small projects and investments	-	\$38.3m	\$31.8m	\$70.1m			
Total		\$152.7m	\$339.7m	\$492.4m	9.1%		

Appendix I

Residential pipeline - developments

Schedule of major projects due for development

- Targeted profit on cost of c.20%
- Average interest rate on ABP loans c.9.1%

Project name	Settlement	Units/Sold	Status	ETR ¹	Ave. Unit Price	ABP Profit share	Comments
Spice apartments, QLD	HY17	274/274	Completed	~\$132m	\$534k	Structured with minimum 50%	269 Settled, 5 settlements ongoing
The Prince, ACT	HY17	152/150	Completed	~\$75m	\$550k	50%	150 Settled, 2 units to sell
The Eminence apartments, VIC	FY18	193/193	Under construction	~\$112m	\$640k	50%	Settlements begin in H217
Erskineville, NSW	FY18	175/138	Under construction	~\$152m	\$950k	50%	Settlements begin in H218
Ashfield Central, NSW	FY18	101/100	Under construction	~\$88m	\$820k	100%	Settlements begin in H218
Merivale, QLD	FY18	IVY:252/244 EVE:224/214	Under construction	~\$242m	\$515k	49%	Settlements begin in H218
Hawthorn, VIC	FY19	22 units + retail	Pre-sales	~\$38m	\$1.75m	50%	Construction to commence FY17. Completion in FY19

1. ETR: Estimated Total Revenue (net of sales costs and GST)

Appendix I

Residential pipeline - approvals

Schedule of major projects awaiting rezoning approval

- Average interest rate on ABP loans c.9.1%

Project name	Timeline	Units	Status	Est. Unit/Lot Price ¹	ABP Profit share	Comments
Campsie, NSW	FY17	Site 1: 270+83 Site 2: 86+19	Site 1+2: DA approved. s.96 lodged	~\$140k	50%	Settlement due in H217 with final sales price determined by s.96 approvals
Camellia, NSW	FY18	15,000m ² of retail + 3,250	Awaiting final council approval	~\$100k	50%	Local council amalgamations and requests for further information have delayed approval. We are providing further information while Council and DOP push forward with their studies to rezone the entire Camellia suburb
Belmore, NSW	FY18	211 + 49	Planning proposal lodged	~\$150k	50%	Stage payment for site up to \$24m determined by ultimate approval which will determine on sale price.
Parramatta: 107 George St, NSW	FY18	125+	Planning: seeking rezoning to residential		50%	Apartment/Retail building in Parramatta CBD
Parramatta: 55 Aird St, NSW	FY18	136	Planning proposal approved Submitting DA		50%	Apartment/Retail building in Parramatta CBD
Parramatta: 21A-23 George St, NSW	FY18	100+	Planning: seeking rezoning to residential		50%	Apartment/Retail building in Parramatta CBD

1. Estimated Unit/Lot Price based on market evidence

Appendix I

Residential pipeline – land sub-divisions

Schedule of land sub-divisions due for development

Project name	Timeline	Land lots/Sold	Status	Price per lot	Cost to prepare lot	ABP share	Comments
French Street Werrington (Stage 1), NSW	FY17	108/108	Sold Out	\$270k	\$100k	25%	Completed – All lots settled
French Street Werrington (Stage 2), NSW	FY17	30/30	Sold Out	\$280k	\$100k	25%	Completed – All lots settled
French Street Werrington (Stage 3), NSW	FY18	111/0	Site preparation for sales	\$270k	\$100k	25%	Approvals received. Site being prepared for 111 small lot sales. Sales to commence in H217
French Street Werrington (Stage 4), NSW	FY18/19	142/0	Awaiting gazettal	\$270k	\$100k	25%	Site can accommodate 142 small blocks. Council has approved R2 zoning, gazettal is expected early in 2017. DA is to be lodged shortly thereafter
Riverlands, NSW		450/0	Progressing rezoning	~\$450k+	\$120k	50%	Stage 1 - 15 ha has been approved for rezoning by the council and the NSW State Government via gazettal. Development application for stage one to be submitted in the near future. Abacus will look to develop out this project with its joint venture partner
Rance Road (Settlers Estate) Werrington, NSW		152/0	Seeking rezoning	~\$330k	\$100k	50%	Original plan was to obtain DA for 152 small land lots. Updated plan is to obtain a higher density on the site which requires a new planning proposal.

Appendix J

Consolidated funds under management

Funds	ADIF II	AHF	AWLF
Assets	5	1	1
Assets Under Management	\$131.6m	\$99.0m	N/A
WAV cap rate	7.43%	7.00%	N/A
Occupancy	89%	67%	N/A
Bank debt	\$21m	N/A	N/A
WAV bank debt maturity	0.5 yrs	N/A	N/A
Covenant gearing ¹	18%	N/A	N/A
NAV per unit ²	78c	63c	Nil

1. Secured loans as a percentage of bank approved security

2. Assumes that the Abacus Working Capital Facilities are treated as equity on a fund wind up

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