



PEET

1H21

FINANCIAL RESULTS

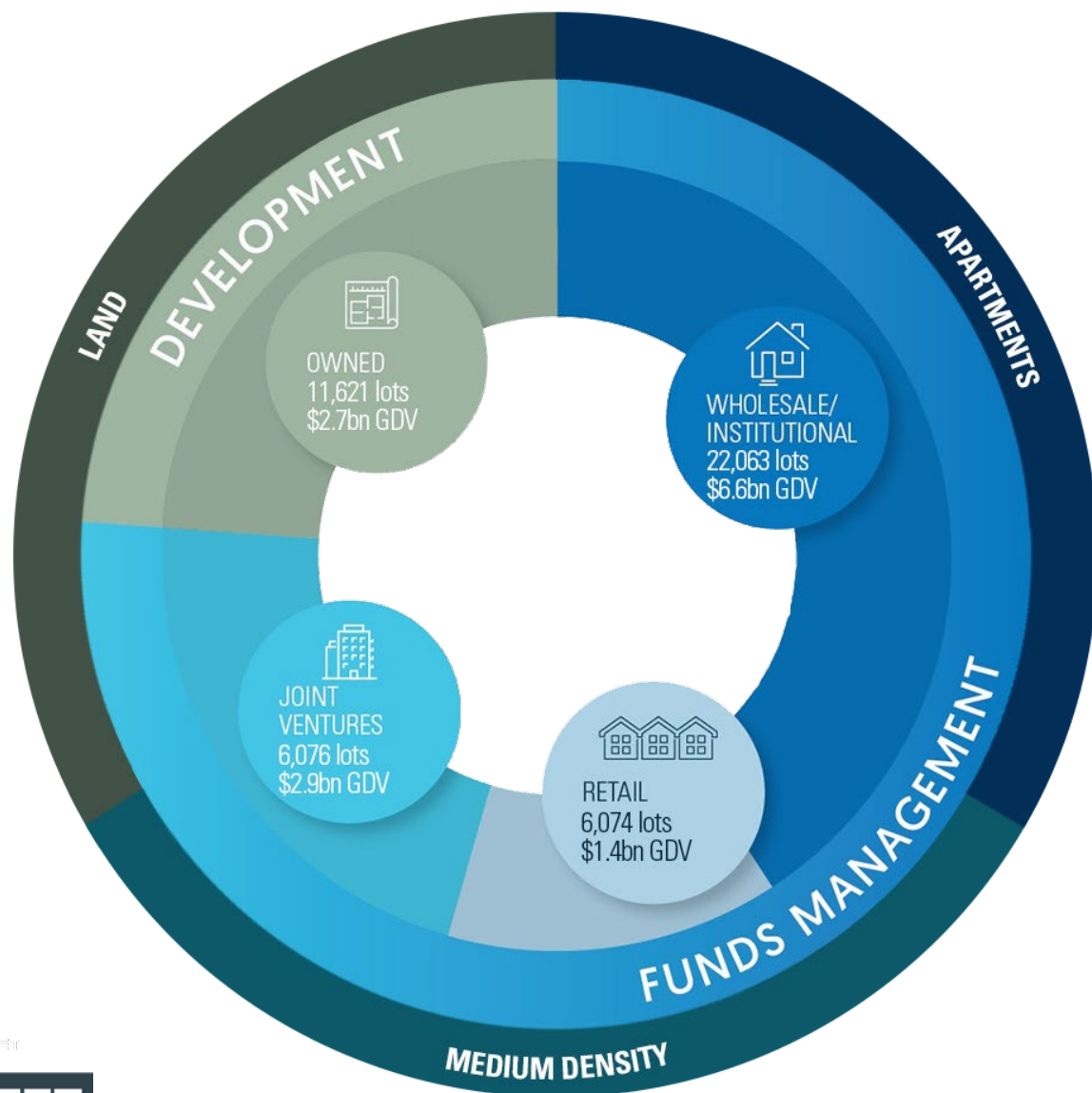
25 FEBRUARY 2021

PEET IS WELL POSITIONED TO LEVERAGE MARKET RECOVERY

- 1 1H21 operating earnings of \$10.1m – up 101%
- 2 Strong sales growth in 1H21 across national portfolio – up 50%
- 3 Contracts on hand up 15% providing positive momentum into 2H21
- 4 Government stimulus packages have supported a further improvement in sales and enquiry activity
- 5 Non-core divestment program ahead of expectations with \$39m under contract
- 6 Focused on driving operating leverage with >80% of the land bank expected to be in development by FY23

LARGEST 'PURE PLAY' RESIDENTIAL DEVELOPER IN AUSTRALIA

INTEGRATED MODEL WITH PROVEN CAPITAL PARTNERING CAPABILITY



- Property development company established in 1895
- Listed on the ASX in 2004

- ✓ **Significant and diversified land bank** encompassing more than 45,800 lots across 52 projects
- ✓ **Integrated platform** with broad product expertise across land, medium density townhouses and low rise apartments
- ✓ **Flexible and unique funding model** underpinned by proven capital partnering capability of c.34,000 lots held in capital efficient arrangements

BROAD CUSTOMER AND PRODUCT REACH

SCALE PIPELINE WITH LOW COST BASE



45,834
LOTS

Peet manages a broad property portfolio, encompassing 45,800 lots across 52 projects

\$13.6bn
END VALUE

Diversified land bank strategically located in growth corridors of major cities in every mainland state of Australia

52
PROJECTS

Range of affordable product type appealing to all buyer segments

WA NO. OF PROJECTS 20

VIC NO. OF PROJECTS 10

NSW NO. OF PROJECTS 2

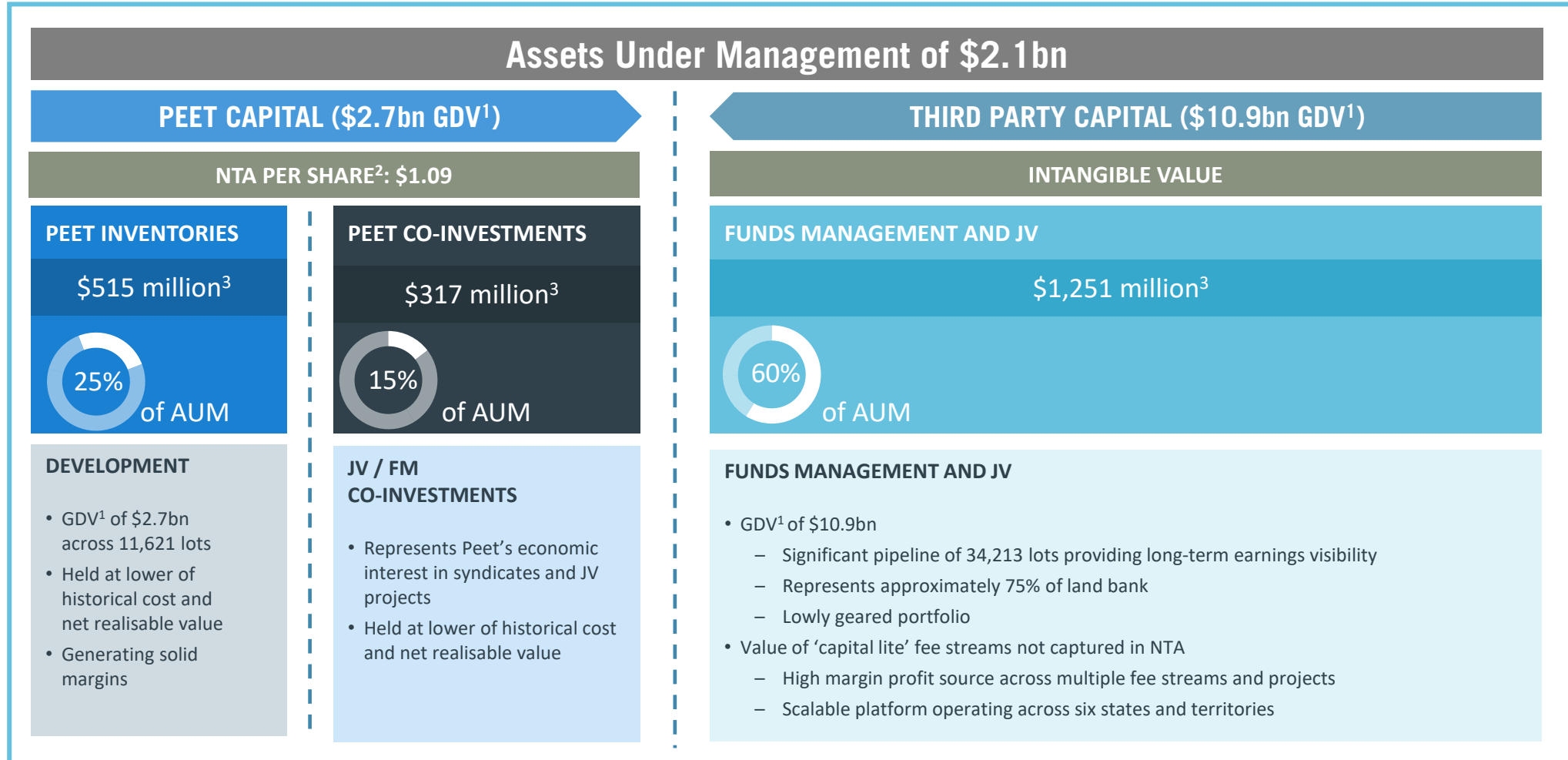
QLD NO. OF PROJECTS 12

ACT NO. OF PROJECTS 2

SA NO. OF PROJECTS 6

UNIQUE FUNDS MANAGEMENT MODEL

SIGNIFICANT FUNDS MANAGEMENT PLATFORM VALUE NOT CAPTURED IN NTA



NOTES:

1. Gross Development Value
2. NTA before application of AASB 16 Leases.
3. Based on book value of assets at 31 December 2020

DELIVERING AGAINST OUR STRATEGY

PORTFOLIO WELL POSITIONED FOR POSITIVE MEDIUM TO LONG TERM GROWTH AND VALUE CREATION

STRATEGY

KEY ACHIEVEMENTS (1H21)

INVEST



Invest in high quality land in strategic locations across country

- One townhouse site (Vic) and one low-rise apartment site (WA) acquired during 1H21

ENHANCE



Enhance, plan and create communities and homes targeting the low to middle market segment

- Three new projects commenced development / sales during 2Q21
- c.70% of landbank under development

EXPAND



Expand product offering and geographic presence to appeal to wider variety of customers

- Broadened product offering to townhouses and low-rise apartments
 - Pipeline of approx. 1,050 townhouses/low-rise apartments

MAINTAIN



Maintain strong capital management

- Gearing of 30% - expected to trend lower in 1H22 resulting from Medium Density settlements and non-core asset divestments
- \$39m of \$75m non-core asset divestment program under contract with settlement proceeds in 2H21 and FY22



RESULTS OVERVIEW



PEET

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GROUP 1H21 FINANCIAL RESULTS

IMPROVING RESULTS WITH MARKET RECOVERY

KEY PERFORMANCE STATISTICS	1H21	1H20	VAR (%)
Lot sales ¹	1,522	1,012	50%
Lot settlements ¹	1,254	773	62%
Revenue ²	\$100.6m	\$90.5m	11%
EBITDA³	\$20.9m	\$12.7m	65%
EBITDA ³ margin	21%	14%	7%
Operating profit after tax⁴	\$10.1m	\$5.1m	101%
KEY METRICS	1H21	1H20	VAR (%)
EPS (operating)	2.10c	1.05c	100%
DPS ⁵	1.0c	0.5c	100%
	DEC 20	JUN 20	VAR (%)
Book NTA per share ⁶	\$1.09	\$1.09	-

Group sales were up due to improving market conditions and government stimulus

Group settlements increased due to FY20 contracts on hand and increased sales volumes

Increased revenue was due to FM fees and equity accounted earnings

Group EBITDA³ margin higher due to improved FM/JV performance and cost reduction initiatives during 1H21, despite completion of Aston (Vic) project during FY20

Group NTA does not fully reflect:

- Value uplift on co-investment stakes in funds and joint ventures
- Value of Funds Management business

NOTES:

1. Includes equivalent lots
2. Includes share of net profit from associates and JVs
3. EBITDA is a non-IFRS measure that includes effects of non-cash movements in investments in associates and joint ventures
4. Operating profit is a non-IFRS measure that is determined to present the ongoing activities of the Group in a way that reflects its operating performance. Operating profit excludes unrealised fair value gains/(losses) arising from the effect of revaluing assets and liabilities and adjustments for realised/unrealised transactions outside the core ongoing business activities
5. Fully franked
6. NTA before application of AASB 16 Leases.

GROUP BALANCE SHEET

CAPITAL MANAGEMENT METRICS	1H21	FY20
Cash at bank ¹	\$21.8m	\$46.8m
Bank debt ²	\$57.7m	\$59.3m
Peet bonds/convertible notes ³	\$225.0m	\$225.0m
Gearing ⁴	30.0%	28.8%
Interest cover ratio ⁵	1.9x	1.6x
Weighted average debt maturity	1.7 years	2.1 years
Debt fixed/hedged	92%	91%
Weighted average cash cost of debt	7.3%	7.3%

- Cash and debt facility headroom of \$122m provides capacity to fund current portfolio and consider growth opportunities

- All bank debt financial covenants waived until 30 June 2021

- Refinancing of \$100m bond process commenced. The Group is currently assessing several alternatives

- Gearing of 30% - expected to trend lower in 1H22 resulting from Medium Density settlements and non-core asset divestments

- Cash cost of debt expected to reduce post refinancing of bonds

Notes:

- 1 Includes cash at bank of syndicates consolidated under AASB10
- 2 Includes bank debt of syndicates consolidated under AASB10
- 3 Excluding transaction costs
- 4 (Total interest bearing liabilities (including land vendor liabilities) less cash) / (Total assets less cash, less intangible assets)
- 5 12 month rolling EBIT (excluding restructuring and divestment-related provisions) / Total interest cost (including capitalised interest).

GROUP CASH FLOW SUMMARY

CASH FLOWS RELATED TO OPERATING ACTIVITIES	1H21 \$M	1H20 \$M
Receipts from customers	98.6	90.8
Payments for development and infrastructure	(49.7)	(61.3)
Payments to suppliers and employees	(22.1)	(27.3)
Borrowing costs	(11.2)	(10.7)
Distributions and dividends from associates and joint ventures	6.8	1.0
Net taxes paid	(2.4)	(5.2)
Operating cash flow before acquisitions	20.0	(12.7)
Payments for land acquisitions – Term payments	(6.9)	-
Payments for land acquisitions – Land & Medium Density Sites	(35.8)	(11.3)
Net operating cash flow	(22.7)	(24.0)

Receipts primarily higher due to increased project management fees and settlements from new project commencements

Development and infrastructure outlays impacted by the following:

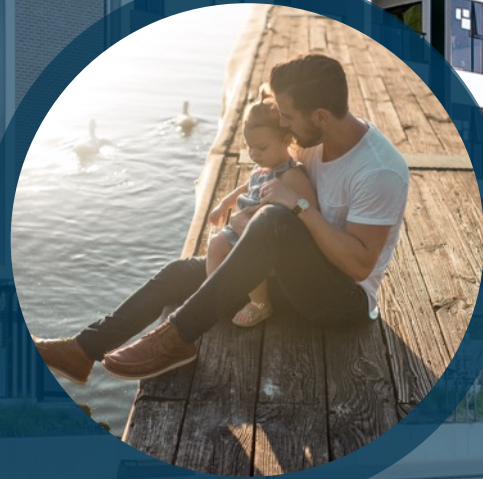
- completion of Aston project (Owned) in FY20
- construction of townhouses and low rise apartments during 1H21
- stock required to meet strong sales demand

Substantial capital expected to be recycled from townhouse settlements during 2H21 and FY22

Distributions from funds and joint ventures increased due to higher settlements

Acquired three new development sites

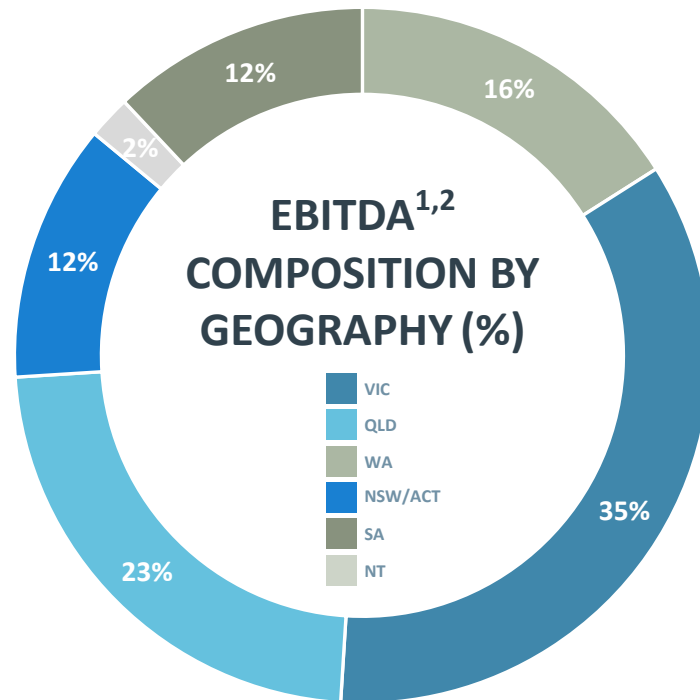
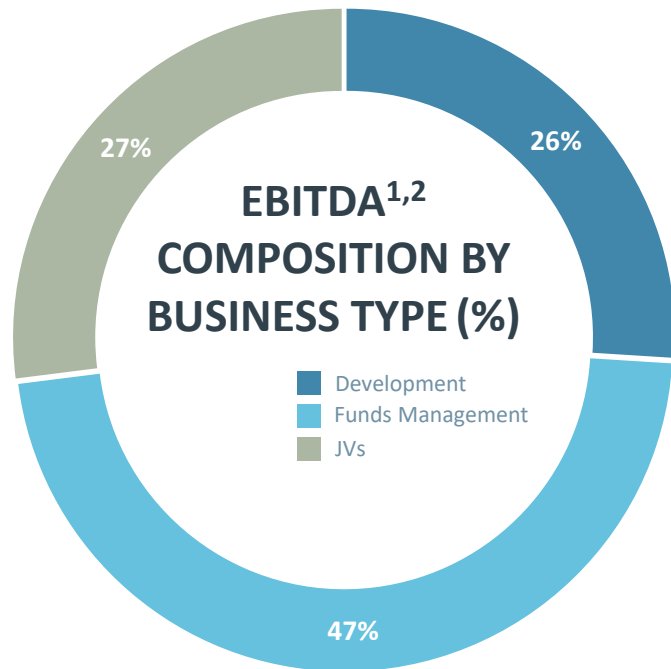
OPERATING PERFORMANCE



PEET

GROUP OPERATING PERFORMANCE

IMPROVED RESULTS ACROSS NATIONAL PORTFOLIO



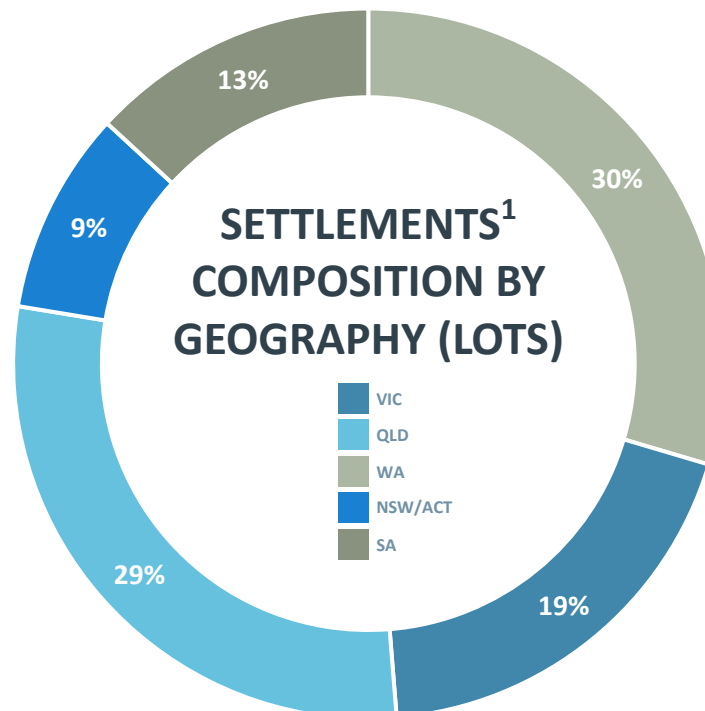
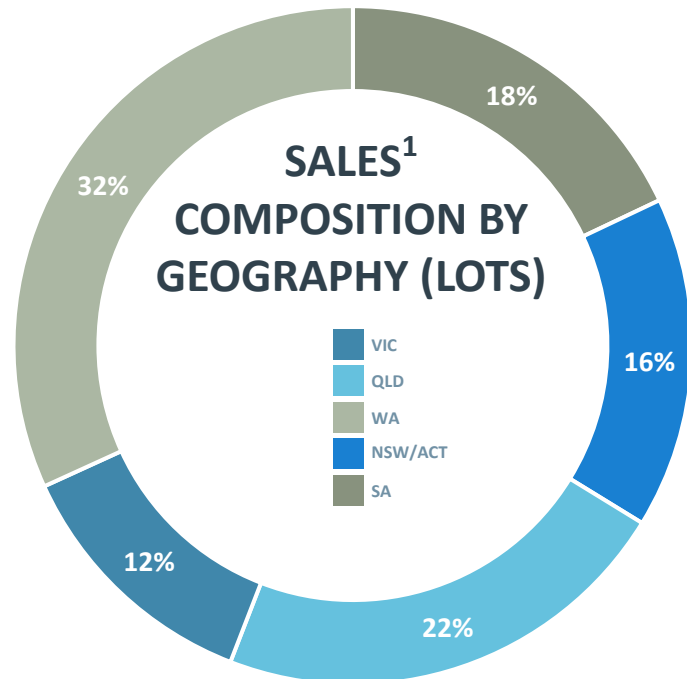
- Group EBITDA up 65% on significant increase in sales and settlement volumes
- Contribution from eastern states' projects represented 84% of EBITDA^{1,2} during the first half
 - WA and QLD contribution improving on the back of government stimulus
- FM/JV business provided solid capital-lite earnings base representing c.74% of Group EBITDA^{1,2}
- Continued focus on overhead management and other operational efficiencies

Notes:

- 1 EBITDA is a non-IFRS measure that includes effects of non-cash movements in investments in associates and joint ventures
- 2 Pre-overheads

GROUP SALES AND SETTLEMENT ACTIVITY

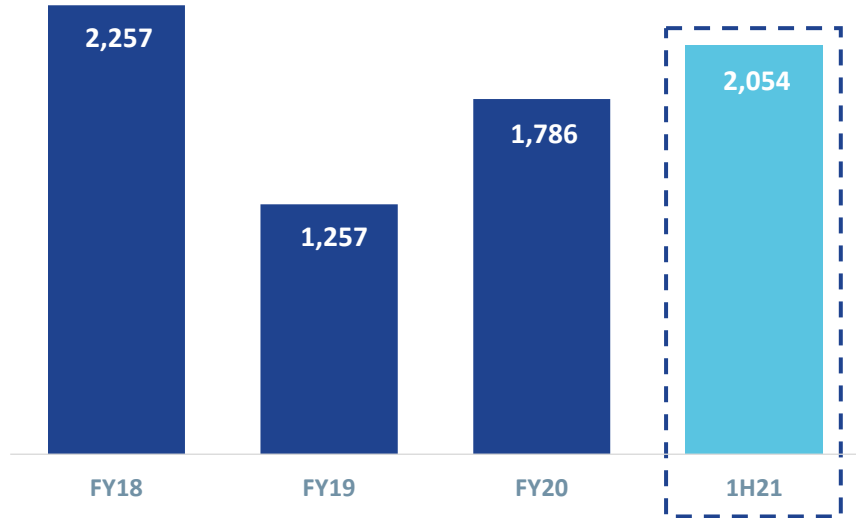
MARKET IMPROVEMENT DRIVING SALES PERFORMANCE



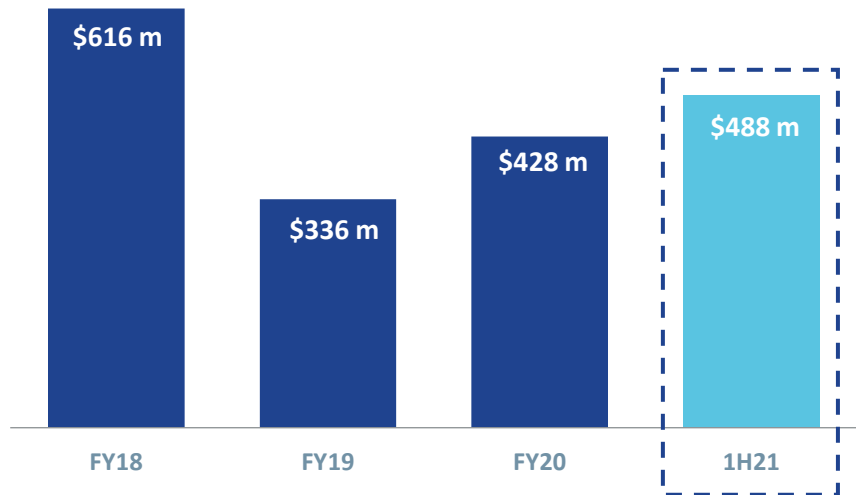
- Group sales¹ for 1H21 of 1,522 lots – up 50%
 - Group sales were up due to improving WA and QLD market conditions and government stimulus
 - Cancellation rates are moderating towards more normalised levels
- Vic sales activity during the first half were impacted by COVID-19 lockdown restrictions
- Credit availability and continuing low interest rates remain positive
- Group settlements¹ of 1,254 lots – up 62%

CONTRACTS ON HAND

CONTRACTS ON HAND¹ (LOTS)



CONTRACTS ON HAND (VALUE)



CONTRACTS ON HAND REFLECT IMPROVING MARKET CONDITIONS

Contracts on hand¹ have increased by 15% since 30 June 2020 to 2,054 lots

- Reflects improving market conditions and government stimulus

Contracts value of \$488m – up 14% since 30 June 2020

- Cancellation rates continue to moderate towards more normalised levels

OUTLOOK



PEET



NEW PROJECTS PROVIDE MEDIUM TERM EARNINGS VISIBILITY

PIPELINE OF APPROXIMATELY 45,800 LOTS PROVIDING VISIBILITY OF FUTURE EARNINGS

Up to four new land community projects and nine townhouse/apartment sites to commence development within the next three years

- Approximately 60% of the lots in these projects sit within the FM/JV business

Planned project releases will be fully funded from internally generated cash flows, existing debt facilities and third party capital

FY21 – FY23 NEW PROJECT RELEASE SCHEDULE

PROJECT	STATE	SEGMENT	PROJECT START ¹	LOTS ² / UNITS	GDV	PROJECT LIFE (YEARS)
Communities						
University of Canberra ³	ACT	JV	FY22	3,300	\$1,856m	20
Fort Largs	SA	Owned	FY22	335	\$90m	6
Jumping Creek	NSW	Owned	FY22	219	\$88m	3
Aston West	VIC	Owned	FY23	1,134	\$360m	8
Townhouses						
Strathpine	QLD	Owned	FY21	76	\$31m	2
Nudgee	QLD	Owned	FY21	84	\$40m	2
Rochedale	QLD	Owned	FY21	36	\$23m	1
Acacia	VIC	Owned	FY21	80	\$36m	2
Lightwood	VIC	Owned	FY21	81	\$34m	2
South Morang	VIC	Owned	FY22	71	\$37m	3
Keysborough	VIC	Owned	FY23	130	\$100m	4
Apartments						
Pier Street	WA	JV	FY21	188	\$103m	3
Glyde Street	WA	Owned	FY22	44	\$35m	3
Total				5,778	\$2,833m	

Notes:

- Commencement of sales / development
- Refers to lots and/or dwellings
- Subject to satisfaction of conditions

MARKET CONDITIONS: BY STATE

PEET'S SUMMARY

WA

- Significant lots under contract after strong 1Q21 as a result of government stimulus
- New development stages now completed enabling stimulus sales to proceed to settlement, with relaxation of bank credit conditions assisting
- First home buyers remain the most active segment
- Net pricing improved due to strength of demand
- Sales cancellation rate in line with medium term rates

QLD

- 1H21 resulted in solid sales and settlement volumes
- Volume and net pricing improvements experienced across the portfolio
- New stage releases to meet increased demand continue to sell but capacity constraints are being experienced by some builders and contractors, that may result in delayed settlements

VIC

- Positive economic rebound post COVID-19 lockdown
- Significant Government investment in infrastructure continues
- Greenfield markets performing strongly compared to inner ring markets

SA

- Strong new home and allotment sales in 2020 on back of HomeBuilder
- Market strength underpinned by low interest rates, which will continue into foreseeable future
- Owner occupier market is most active
- Detached home market is most active
- Rental vacancy rates are improving (impacted by lack of rental supply)
- Rents are increasing

ACT/NSW

- Solid employment conditions and tight supply supporting a strong market
- Volumes up materially in 1H21 due to Government stimulus and accommodating lending conditions

MARKET OUTLOOK

WA

- Land sales strong in 1H21 with focus on converting to settlements
- Relative affordability & strength of the local economy will continue to support this market.
- Established housing market continues to strengthen with positive growth
- Strength of mining sector helping employment & overall confidence
- 2H21 sales activity expected to moderate due to a bring forward of demand from stimulus
- Rental vacancy rates lowest since 2007

QLD

- SEQ continues to benefit from solid interstate migration throughout COVID-19 at >25,000 persons annualised
- NSW and Victoria contribute ~89% of net interstate migration by state due to relative affordability and lifestyle.
- Population growth offset by negative overseas migration in June 20 quarter ABS period
- Softer sales conditions originally expected in 2H21 as a result of bringing forward demand, likely to be delayed until 4Q21 as stimulus ends

VIC

- Elevated volumes expected to continue through the course of FY21 due to HomeBuilder impact
- Prices showing early signs of recovery

SA

- Current volumes and price growth expected to be maintained throughout FY21, subject to any negative impact from end of HomeBuilder and Jobkeeper
- Market in "modest growth mode" and expected to continue throughout CY21

ACT/NSW

- Limited competition to underpin demand in the short to medium term
- Modest price growth forecast to continue through FY21 and into FY22

GROUP OUTLOOK

FOCUSED ON POSITIONING FOR AN IMPROVING MARKET THROUGH A CONSERVATIVE APPROACH TO PROJECT DELIVERY AND IDENTIFYING GROWTH OPPORTUNITIES

- Consider opportunistic acquisitions to restock pipeline when appropriate
- Currently accelerating production to meet current demand
 - Sales momentum continuing into 2H21
- Improving market conditions due to Government stimulus and improving consumer confidence has contributed to strong sales in 1H21
- Residential markets are expected to remain positive over the medium term supported by low interest rates, accommodative credit conditions and an improving employment outlook
- The Group enters 2H21 with positive momentum supported by contracts on hand, improving sales activity, as well as new project commencements planned in the coming 2 years



APPENDICES



PEET

FM OPERATING PERFORMANCE

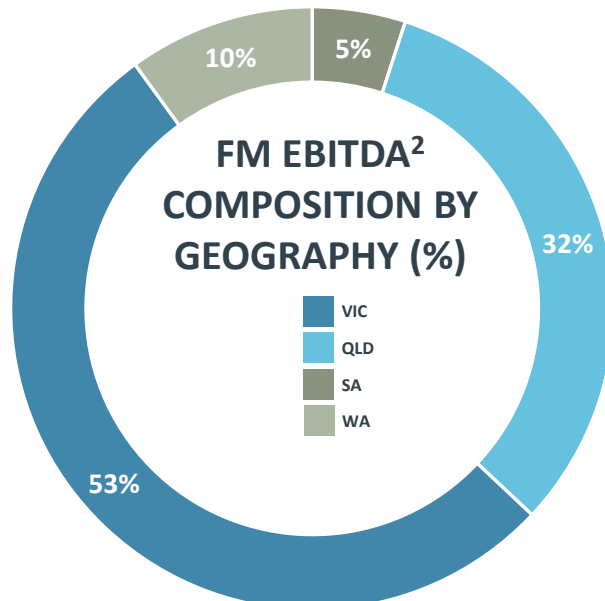
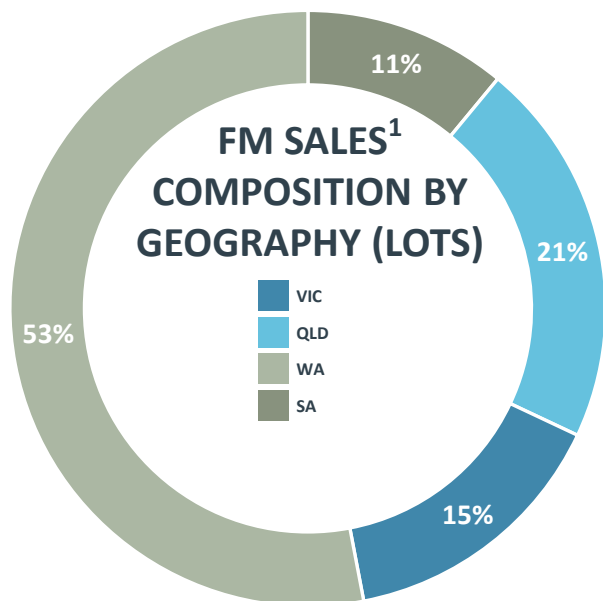
KEY PERFORMANCE STATISTICS	1H21	1H20	VAR (%)
Lot sales ¹	710	566	25%
Lot settlements ¹	769	408	88%
Revenue	\$16.6m	\$10.5m	58%
Share of net profit of equity accounted investments	\$2.5m	\$1.1m	127%
EBITDA ²	\$12.3m	\$5.8m	112%
EBITDA ² margin	64%	50%	14%
	DEC 20	JUN 20	VAR (%)
Contracts on hand ¹	1,114	1,173	(5%)

FM sales were up due to improving market conditions and government stimulus

Reflects the strong contracts on hand at 30 June 2020 and increased sales activity

1H21 revenue higher due to settlement volumes and performance fees

Improved earnings due to higher settlement volumes and performance fees



Notes:

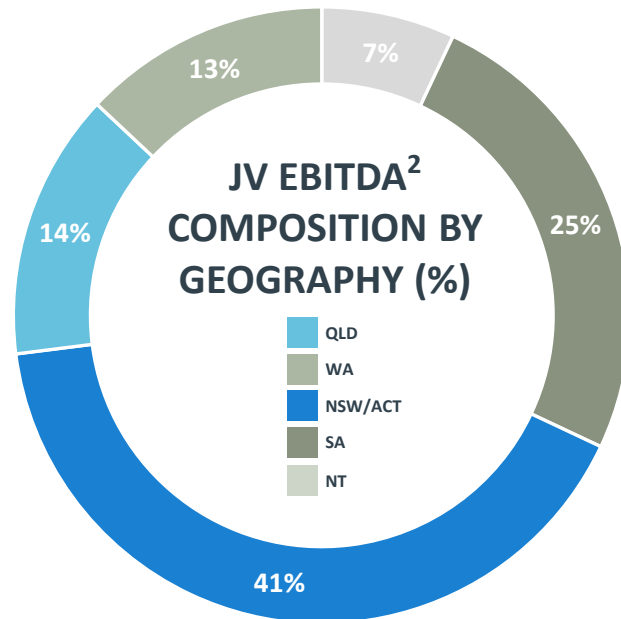
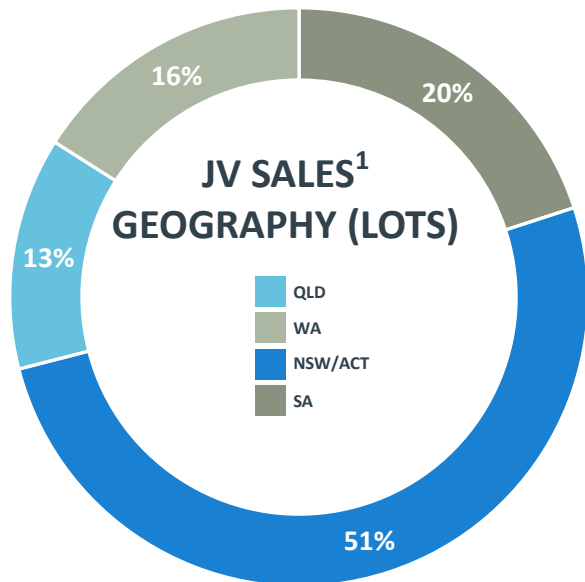
- 1 Includes equivalent lots
- 2 Includes effects of non-cash movements in investments in associates

JV OPERATING PERFORMANCE

KEY PERFORMANCE STATISTICS	1H21	1H20	VAR (%)
Lot sales ¹	477	194	146%
Lot settlements ¹	312	197	58%
Revenue	\$20.3m	\$19.5m	4%
Share of net profit of equity accounted investments	\$2.8m	\$1.3m	115%
EBITDA ²	\$7.1m	\$5.0m	42%
EBITDA ² margin	31%	24%	7%
	DEC 20	JUN 20	VAR (%)
Contracts on hand ¹	569	404	41%

Reflects the strong contracts on hand at 30 June 2020 and increased sales activity

Earnings up due to increased sales and settlement volumes



Notes:

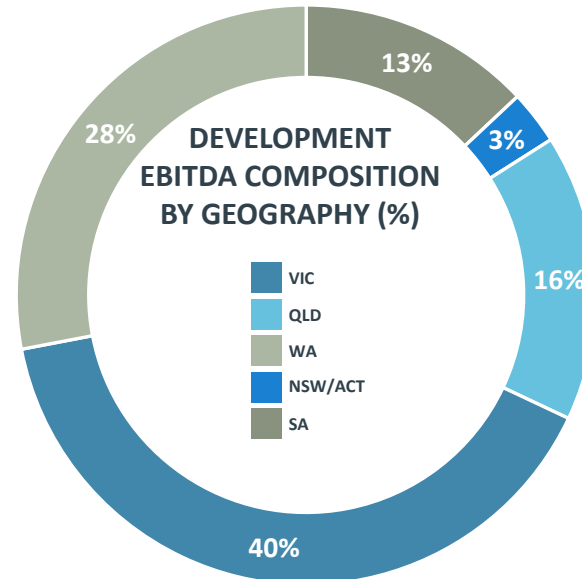
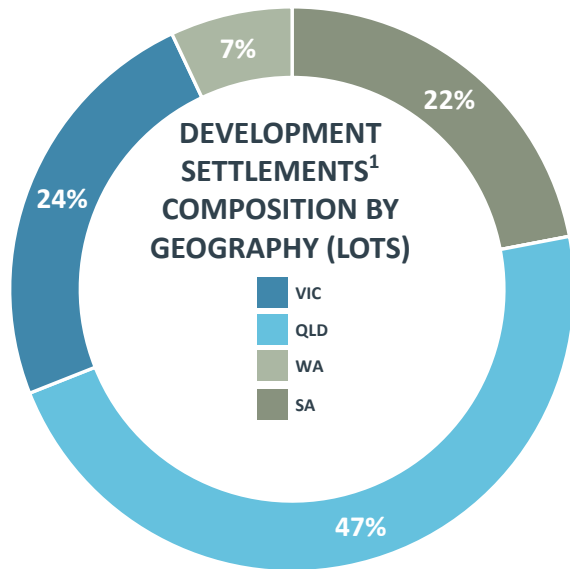
- 1 Includes equivalent lots
- 2 Includes effects of non-cash movements in investments in JVs

DEVELOPMENT OPERATING PERFORMANCE

KEY PERFORMANCE STATISTICS	1H21	1H20	VAR (%)
Lot sales ¹	335	252	33%
Lot settlements ¹	173	168	3%
<i>Land only</i>	155	168	(8%)
<i>Medium Density product</i>	18	-	-
Completed Homes ²	33	71	(54%)
Revenue	\$56.5m	\$56.1m	1%
EBITDA	\$6.7m	\$7.2m	(7%)
EBITDA margin	12%	13%	(1%)
	DEC 20	JUN 20	VAR (%)
Contracts on hand ¹	371	209	78%

Higher sales due to government stimulus

Earnings impacted by completion of Aston (Vic) project



Notes:

- Includes equivalent lots
- Includes settlements of both Completed Homes built on Company-managed third-party owned land and Completed Homes built on company-owned land

SUMMARY INCOME STATEMENT

	1H21 \$M	1H20 \$M	Var (%)
Funds Management	16.6	10.5	58%
Development	56.5	56.1	1%
Joint Venture	20.3	19.5	4%
Share of net profit of equity accounted investments	5.3	2.4	121%
Other ¹	1.9	2.0	(5%)
Revenue	100.6	90.5	11%
EBITDA	20.9	12.7	65%
Finance costs ²	(5.8)	(4.4)	(32%)
Depreciation and amortisation	(1.5)	(1.7)	12%
NPBT	13.6	6.6	106%
Income tax expense	(3.7)	(1.7)	(118%)
Non-controlling interest	0.2	0.2	-
NPAT³	10.1	5.1	101%

Notes:

- 1 Includes AASB10 Syndicates, unallocated and elimination entries
- 2 Finance costs includes interest and finance costs expensed through cost of sales
- 3 Attributable to the owners of Peet Limited

SUMMARY BALANCE SHEET

	1H21 \$M	FY20 \$M
Assets		
Cash and cash equivalents	21.8	46.8
Receivables	114.0	119.4
Inventories	507.2	478.5
Investments accounted for using the equity method	230.9	232.1
Other	12.5	14.1
Total assets	886.4	890.9
Liabilities		
Payables	32.9	33.1
Land vendor liabilities	-	6.4
Borrowings	280.9	282.2
Other	53.1	54.4
Total liabilities	366.9	376.1
Net assets	519.5	514.8
Book NTA per share ¹	\$1.09	\$1.09

NOTES:

1. NTA before application of AASB 16 Leases.

LAND BANK FUNDS MANAGEMENT KEY PROJECTS

PROJECT LIFECYCLE

PROJECT NAME	STATE	GDV ¹	LOTS REMAINING ²	2021	2022	2023	2024	2025
Alkimos	WA	\$1,124m	2,230	[Selling]				
Brabham	WA	\$691m	3,168	[Selling]				
Burns Beach	WA	\$168m	292	[Selling]				
Eglinton	WA	\$240m	1,012	[Selling]				
Golden Bay	WA	\$115m	561	[Selling]				
Lakelands	WA	\$155m	900	[Selling]				
Yanchep Golf Estate	WA	\$387m	1,526	[Selling]				
Oakford	WA	\$136m	924	[Selling]				
Forrestdale	WA	\$199m	955	[Selling]				
Movida	WA	\$142m	640	[Selling]				
Mundijong	WA	\$239m	930	[Selling]				
Yanchep (Wholesale)	WA	\$172m	889	[Selling]				
Spring Mountain	QLD	\$56m	168	[Selling]				
Caboolture	QLD	\$109m	480	[Selling]				
Palmview DMA	QLD	\$120m	561	[Selling]				
Flagstone City	QLD	\$3,427m	10,942	[Selling]				
Cornerstone	VIC	\$129m	467	[Selling]				
Newhaven	VIC	\$313m	1,056	[Selling]				
Cranbourne	VIC	\$10m	79	[Selling]				
Mt Barker	SA	\$75m	357	[Selling]				
Total Funds Management		8,007m	28,137					

LEGEND

Planning

Selling

Notes:

- 1 Gross Development Value
- 2 Equivalent lots as at 31 December 2020

LAND BANK DEVELOPMENT KEY PROJECTS

PROJECT LIFECYCLE

PROJECT NAME	STATE	GDV ¹	LOTS REMAINING ²	2021	2022	2023	2024	2025	
Brigadoon	WA	\$30m	80	[Selling]					
Greenlea	WA	\$39m	257	[Selling]					
Mundijong	WA	\$187m	781	[Planning]					
Glyde Street	WA	\$35m	44	[Planning]	[Selling]				
Other	WA	\$651m	4,037	[Planning]					
Gladstone	QLD	\$85m	330	[Selling]					
Flagstone North	QLD	\$385m	1,680	[Planning]			[Selling]		
Palmview	QLD	\$104m	385	[Selling]					
Strathpine	QLD	\$45m	123	[Selling]					
Nudgee	QLD	\$40m	84	[Selling]					
Rochedale	QLD	\$23m	36	[Selling]					
Other	QLD	\$99m	872	[Planning]					
Aston West	VIC	\$360m	1,134	[Planning]			[Selling]		
Summerhill	VIC	\$10m	23	[Selling]					
Acacia	VIC	\$36m	80	[Selling]					
Lightwood	VIC	\$34m	81	[Selling]					
Lumeah	VIC	\$20m	45	[Selling]					
South Morang	VIC	\$37m	71	[Planning]	[Selling]				
Keysborough	VIC	\$100m	130	[Planning]			[Selling]		
Lightsview	SA	\$34m	97	[Selling]					
Tonsley	SA	\$184m	697	[Selling]					
Fort Largs	SA	\$90m	335	[Planning]	[Selling]				
Jumping Creek	NSW	\$88m	219	[Planning]	[Selling]				
Total Company-Owned		\$2,716m	11,621						

LEGEND Planning Selling

LAND BANK JOINT VENTURE KEY PROJECTS

PROJECT LIFECYCLE

PROJECT NAME	STATE	GDV ¹	LOTS REMAINING ²	2021	2022	2023	2024	2025
Wellard	WA	\$77m	365	[Dark bar]				
Pier Street	WA	\$103m	188	[Dark bar]				
Redbank Plains	QLD	\$171m	721	[Dark bar]				
Googong ³	NSW	\$622m	1,368	[Dark bar]				
Atria Apartments	ACT	\$40m	65	[Dark bar]				
University of Canberra ⁴	ACT	\$1,856m	3,300	[Light blue bar]	[Dark bar]			
Lightsview	SA	\$21m	69	[Dark bar]				
Total Joint Venture		\$2,890m	6,076					
TOTAL PIPELINE		\$13,613m	45,834					

LEGEND [Light blue box] Planning [Dark bar box] Selling

Notes:

- 1 Gross Development Value
- 2 Equivalent lots as at 31 December 2020
- 3 Googong represents 50% share of project
- 4 Conditional agreement

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