EUROZ ROTTNEST CONFERENCE

11 MARCH 2020

Life YOUR WAY

PEET

125 YEARS

OVERVIEW

PEET 125 YEARS

PEET IS WELL POSITIONED TO LEVERAGE ITS UNIQUE MODEL

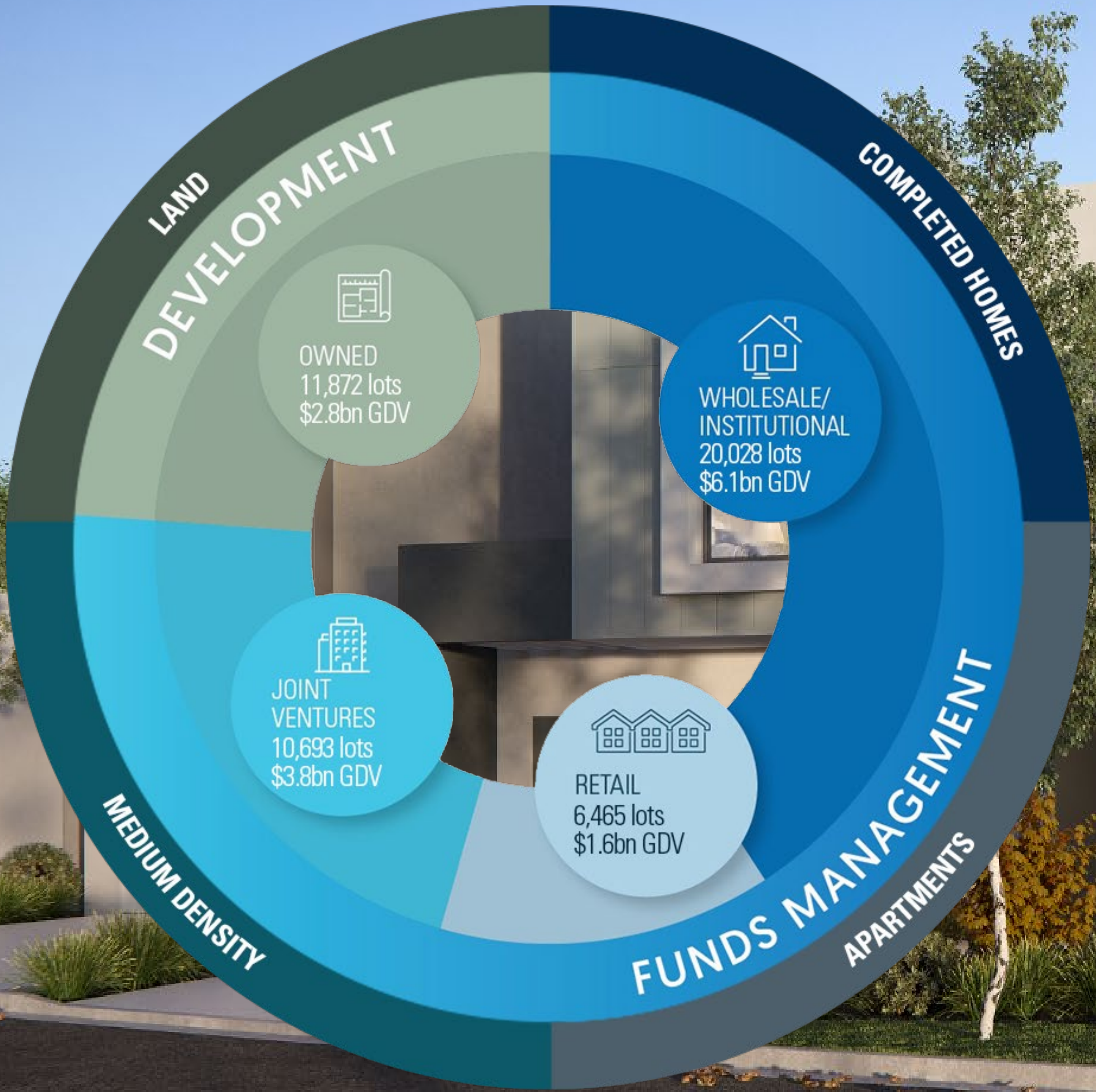
MEDIUM TERM OUTLOOK SUPPORTED BY ONGOING MARKET RECOVERY

1. 1H FY20 result in-line with expectations given significant second half weighting of forecast settlements
2. Recovery in market conditions demonstrated by 52% increase in sales during 1H20, compared to 2H19
3. Previous interest rates cuts and easing of credit availability expected to support ongoing recovery
4. Significant operating leverage potential with c.80% of the land bank expected to be in development by FY22
5. Ability to leverage integrated platform, strong brand, cost efficient land bank and flexible funding model

PEET 125 YEARS

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 49,000 lots across 51 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 with more than 37,000 lots held in capital efficient arrangements

BROAD CUSTOMER AND PRODUCT REACH

SCALE PIPELINE WITH LOW COST BASE PROVIDING SOLID EMBEDDED MARGINS

NT	NO. OF PROJECTS 1
WA	NO. OF PROJECTS 19
QLD	NO. OF PROJECTS 12
VIC	NO. OF PROJECTS 10
ACT	NO. OF PROJECTS 2
NSW	NO. OF PROJECTS 2
SA	NO. OF PROJECTS 5

49,058 LOTS

$14.3bn END VALUE

51 PROJECTS

Peet manages a broad property portfolio, encompassing **49,000 lots** across 51 projects

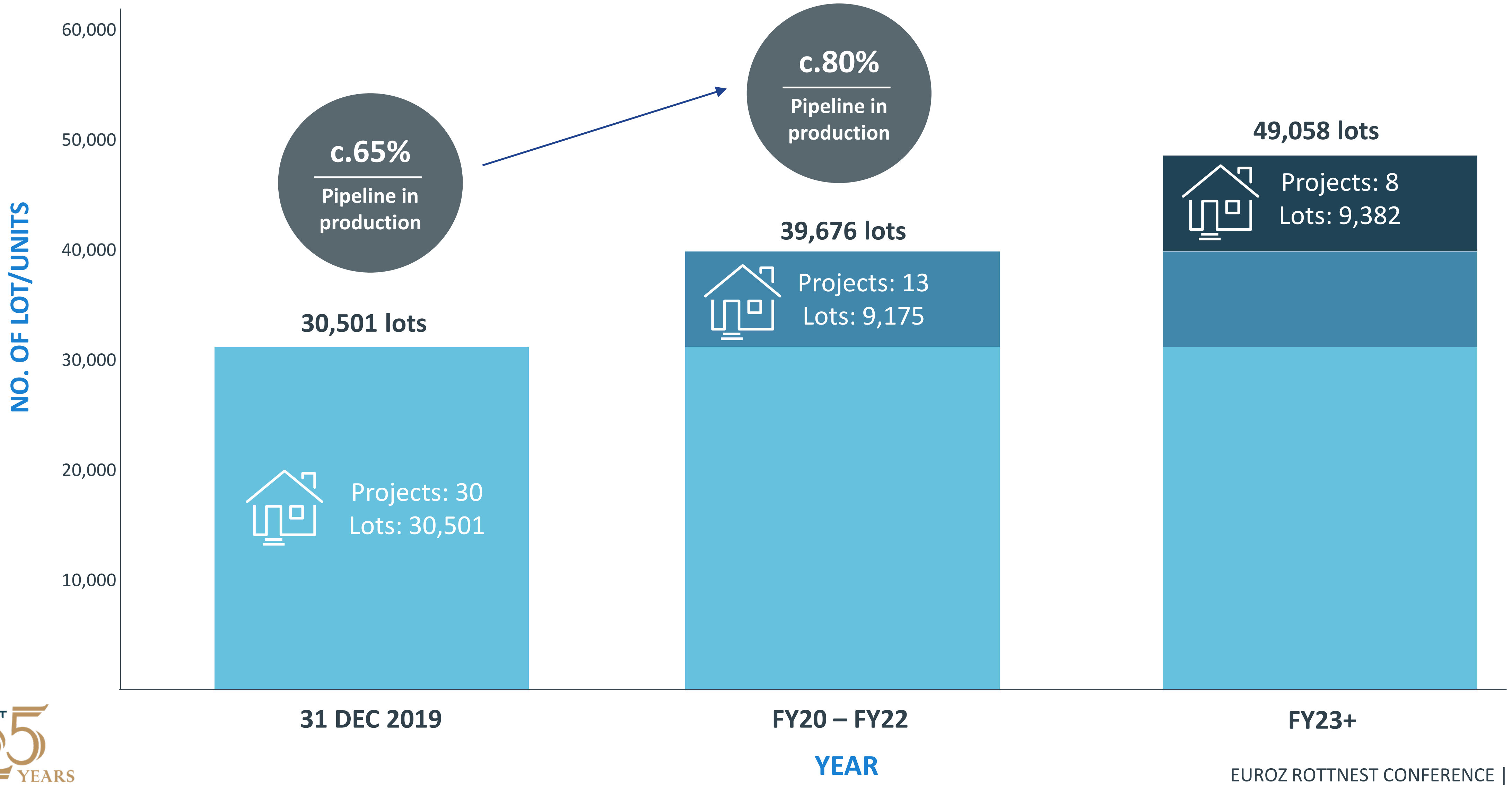
Diversified land bank strategically located in growth corridors of major cities in every mainland state and territory of Australia

Range of affordable product type appealing to all buyer segments with a core focus on **first home buyers**

PEET 125 YEARS

SIGNIFICANT OPERATING LEVERAGE POTENTIAL

c.80% OF LAND BANK EXPECTED TO BE IN PRODUCTION BY FY22



NET ASSET VALUE (NAV)

SIGNIFICANT FUNDS MANAGEMENT PLATFORM VALUE NOT CAPTURED IN NTA

NET ASSET VALUATION - $2.1bn in Assets Under Management

PEET CAPITAL

NTA PER SHARE[3]: $1.18

PEET INVENTORIES

$539 million[1]

26% of AUM

DEVELOPMENT
- GDV[2] of $2.8bn across 11,872 lots
- Held at lower of historical cost and net realisable value
- Generating solid margins

PEET CO-INVESTMENTS

$328 million[1]

15% of AUM

JV / FM CO-INVESTMENTS
- Represents Peet's economic interest in syndicates and JV projects
- Held at lower of historical cost and net realisable value

THIRD PARTY CAPITAL

NAV

FUNDS MANAGEMENT AND JV

$1,241 million[1]

59% of AUM

FUNDS MANAGEMENT AND JV
- GDV[2] of $11.5bn
  – Significant pipeline of 37,186 lots providing long-term earnings visibility
  – Represents more than 75% of land bank
  – Lowly geared portfolio
- Value of 'capital lite' fee streams not captured in NTA
  – High margin profit source across multiple fee streams and projects
  – Scalable platform operating across seven states and territories

NOTES:
1. Based on book value of assets at 31 December 2019
2. Gross Development Value
3. NTA before application of *AASB 16 Leases*. NTA including *AASB 16 Leases* is $1.17

DELIVERING AGAINST OUR STRATEGY

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

STRATEGY		KEY ACHIEVEMENTS (1H20)
INVEST	Invest in high quality land in strategic locations across country	• Two medium density townhouse sites and one broadacre project secured during 1H20 on attractive terms
ENHANCE	Enhance, plan and create communities and homes targeting the low to middle market segment	• One new project commenced development / sales during 1H20 with a further two commencing in 2H20 • c.65% of landbank under development
EXPAND	Expand product offering and geographic presence to appeal to wider variety of customers	• Broadened product offering to Medium Density Townhouses and low rise Apartments - Pipeline of approx 1,400 townhouses/low rise apartments
MAINTAIN	Maintain strong capital management	• Flexible funding model: Development, Funds Management, JVs • Disciplined balance sheet utilisation, gearing of 28% within target range

PEET 125 YEARS

RESULTS OVERVIEW

PEET 125 YEARS

GROUP 1H20 FINANCIAL RESULTS

RESULT IN LINE WITH EXPECTATIONS GIVEN SIGNIFICANT SECOND HALF SETTLEMENT SKEW

KEY PERFORMANCE STATISTICS	1H20	1H19	VAR (%)
Lot sales[1]	1,012	964	5%
Lot settlements[1]	773	1,417	(45%)
Revenue[2]	$90.5m	$117.1	(23%)
EBITDA[3]	**$12.7m**	**$36.3m**	(65%)
EBITDA[3] margin	14%	31%	(17%)
Operating profit after tax[4]	**$5.1m**	**$23.1m**	(78%)
KEY METRICS	**1H20**	**1H19**	**VAR (%)**
EPS (operating)	1.05c	4.74c	(78%)
DPS[5]	0.5c	2.0c	(75%)
	DEC 19	**JUN 19**	**VAR (%)**
Book NTA per share[6]	1.18	1.20	(2%)

Group sales were up due to improving east coast markets and lower cancellation rates as restrictive lending conditions gradually ease

Reflects the impact of lower sales volumes in FY19 carrying into FY20

1H20 revenue was lower due to settlement volumes and timing of product mix

Group EBITDA[3] impacted by lower settlement volumes

Result in line with expectations with a significant weighting to 2H20

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 transactions outside the core ongoing business activities
5. Fully franked
6. NTA before application of *AASB 16 Leases.* NTA including *AASB 16 Leases* is $1.17

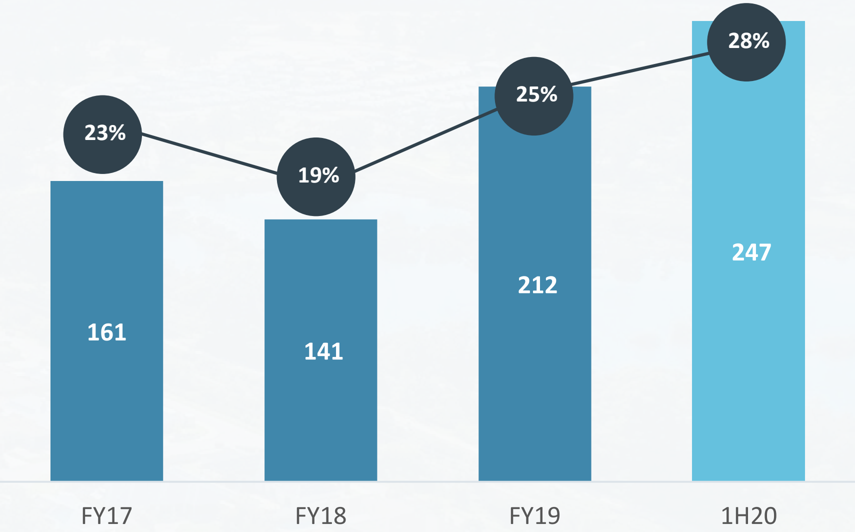
PEET 125 YEARS

GROUP BALANCE SHEET

CONTINUED EXECUTION OF CAPITAL MANAGEMENT STRATEGY

CAPITAL MANAGEMENT METRICS	1H20	FY19
Cash at bank[1]	$29.2m	$33.6m
Bank debt[2]	$53.5m	$23.2m
Peet bonds/convertible notes[3]	$225.0m	$225.0m
Gearing[4]	28.1%	24.6%
Interest cover ratio[5]	2.7x	4.0x
Weighted average debt maturity	2.6 years	3.1 years
Debt fixed/hedged	92%	91%
Weighted average cash cost of debt	7.4%	8.0%

NET DEBT[6] ($M) AND GEARING[4] (%)



FLEXIBLE AND DIVERSE

The Group has a flexible and diverse funding profile

Long term debt maturity profile including Corporate Bonds

BALANCE SHEET

Balance sheet remains strong:

- Total net debt[6] of $247m, including corporate bonds
- Gearing[4] of 28.1% - within target range

STRATEGY

Implementing Built Form strategy to improve and diversify portfolio:

- Inventory build up of medium density product
- Inventory capital to be recycled from FY21

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 / Total interest cost (including capitalised interest). Excludes syndicates consolidated under AASB10
6 Net of transaction costs

GROUP CASH FLOW SUMMARY

OPERATING CASH FLOW IMPACTED BY LOWER SETTLEMENT VOLUMES IN 1H20

CASH FLOWS RELATED TO OPERATING ACTIVITIES	1H20 $M	1H19 $M
Receipts from customers	90.8	120.7
Payments for development and infrastructure	(62.0)	(54.4)
Payments to suppliers and employees	(27.3)	(40.6)
Borrowing costs	(10.7)	(6.9)
Distributions and dividends from associates and joint ventures	1.0	5.3
Net taxes paid	(5.2)	(9.0)
Operating cash flow before acquisitions	**(13.4)**	**15.1**
Payments for land acquisitions – Term payments	-	(10.6)
Payments for land acquisitions – Land & Medium Density Sites	(11.3)	(14.8)
Net operating cash flow	**(24.7)**	**(10.3)**

Revenue lower due to lower land settlements and development settlement mix

- Includes construction of medium density townhouses and low rise apartments totalling $29.5m during 1H20
- Increased capital to be deployed during FY20 into development and construction of Medium Density products
- Substantial capital from Medium Density products expected to be recycled as settlements commence from FY21

Distributions from funds and joint ventures impacted by lower settlements

Secured three new development sites on attractive terms

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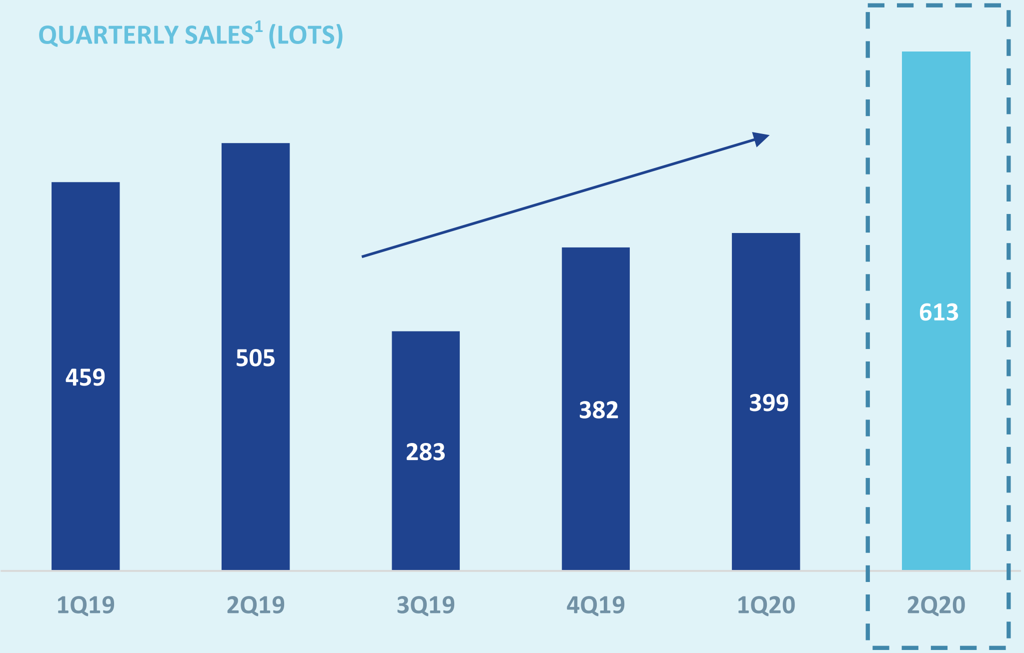
OPERATING PERFORMANCE

IMPROVING SALES ACTIVITY UNDERPINNING OUTLOOK

QUARTERLY SALES[1] (LOTS)



DECEMBER QUARTER SALES UP 54% ON PRIOR QUARTER

Strong recovery in sales volumes, albeit off a low base

- Notable uptick in December quarter with sales up 54% on prior quarter
- VIC and QLD seeing strongest recovery

Enquiry levels continue to improve along with conversion rates

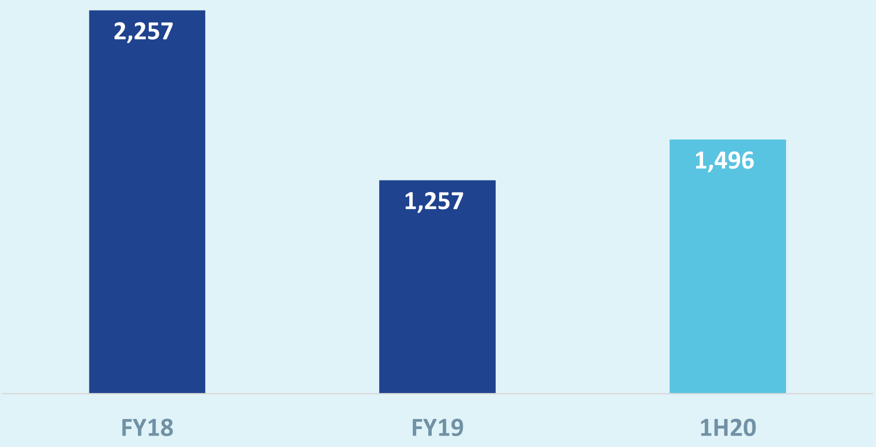
New projects with expected first settlements in 2H20 and FY21 include

- Palmview and Strathpine in QLD;
- Brabham in WA; and
- Jumping Creek in ACT

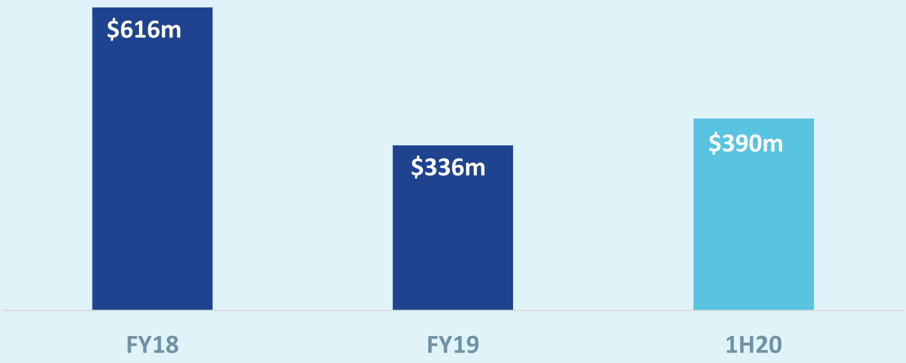
Notes:
1. Includes equivalent lots.

CONTRACTS ON HAND

CONTRACTS ON HAND[1] (LOTS)



CONTRACTS ON HAND (VALUE)



CONTRACTS ON HAND REFLECT IMPROVING MARKET CONDITIONS

Contracts on hand[1] have increased by 19% since 30 June 2019 to 1,496 lots

- Reflects gradually improving market conditions across eastern states
- Restrictive lending conditions easing
- Improved conversion timeframes

Contracts value of $390m – up 16% since 30 June 2019

Lower contracts on hand as at 30 June 2019 to impact lot settlements in FY20

- The number of cancellations is moderating and is expected to improve over the balance of FY20 and to normalised levels during FY21

Notes:
1. Includes equivalent lots.

OUTLOOK

NEW PROJECTS PROVIDE MEDIUM TERM EARNINGS VISIBILITY

PIPELINE OF APPROXIMATELY 49,000 LOTS PROVIDING VISIBILITY OF FUTURE EARNINGS

Up to seven new land projects and six medium density townhouse sites to commence development within the next two years

- **Approximately 86% of the lots in these projects sit within the FM/JV business**
- **Average project duration of c.seven years providing visibility of future earnings and cash flows**

New projects will be fully funded from internally generated cash flows, existing debt facilities and third party capital

FY20 – FY22 NEW PROJECT RELEASE SCHEDULE

Project	State	Segment	Commencement of Sales/Development	Lots[1]/Units	Project Life (Years)
Palmview	QLD	Owned	**FY20**	441	**4**
University of Canberra	ACT	JV	**FY21**	3,300	**18**
Brabham	WA	JV	**FY21**	3,333	**14**
Medium Density – Townhouses	VIC/QLD	Owned	**FY20 – FY22**	473	**3**
Pier Street Apartments	WA	JV	**FY21**	186	**3**
Strathpine	QLD	Owned	**FY20**	182	**4**
Eglinton	WA	Funds	**FY21**	1,041	**8**
Jumping Creek	NSW	Owned	**FY21**	219	**3**
Total				**9,175**	**Av 7**

Notes:
1 Refers to lots and/or dwellings


Flagstone
Local shopping and school
Proposed residential
Sports Fields
Major Shopping
Stage 1
Mixed industry and business
School
Train line
Regional park
Future train station
Proposed residential
Flagstone Rise
Local shopping and school
Flagstone State Community College & Flagstone State School
Future residential
Flagstone Central
A thriving new 126 hectare CBD and employment centre in the making, which will bring together retail, commercial, health care and new job opportunities.
Train line
Make it Yours

FLAGSTONE - QLD

- 1,245 ha master planned community situated in a key South East Queensland growth corridor 38 km south west of Brisbane's CBD
- Total yield of approx. 12,000 lots with a GDV of more than $3.4 billion - Expected settlement period to FY40
- The only town-centre in the 7,000ha Greater Flagstone Priority Development Area, which will support the region's expected population of more than 150,000
- State and local government Infrastructure Agreement signed for more than $1.2 billion of essential infrastructure including roads, sewer and water which provides certainty for the next 25 years of development
- Statutory approvals in place including Federal environment approvals

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FLAGSTONE - QLD

- Flagstone City will create over 10,000 new jobs and support retail, commercial, education and childcare, recreation, health, sporting and community infrastructure
- Achieved $30 million in commercial site sales to end users such as Coles, Catholic Education, McDonald's and various retail, bistro and service industry users
- Sold over 600 residential lots sold since commencement in 2017
- Residential land price range from $130k to $235k

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BRABHAM - WA

- 220 hectare landholding, 20 km from the Perth CBD, adjacent to the proposed future METRONET Whiteman Park Station
- Development Management Agreement with Department of Communities
- Total yield of approximately 3,300 dwellings with a GDV of approx. $750 million
- First sales release expected to commence 2H20, and first settlements from 2H21. Expected settlement period FY21 – FY35

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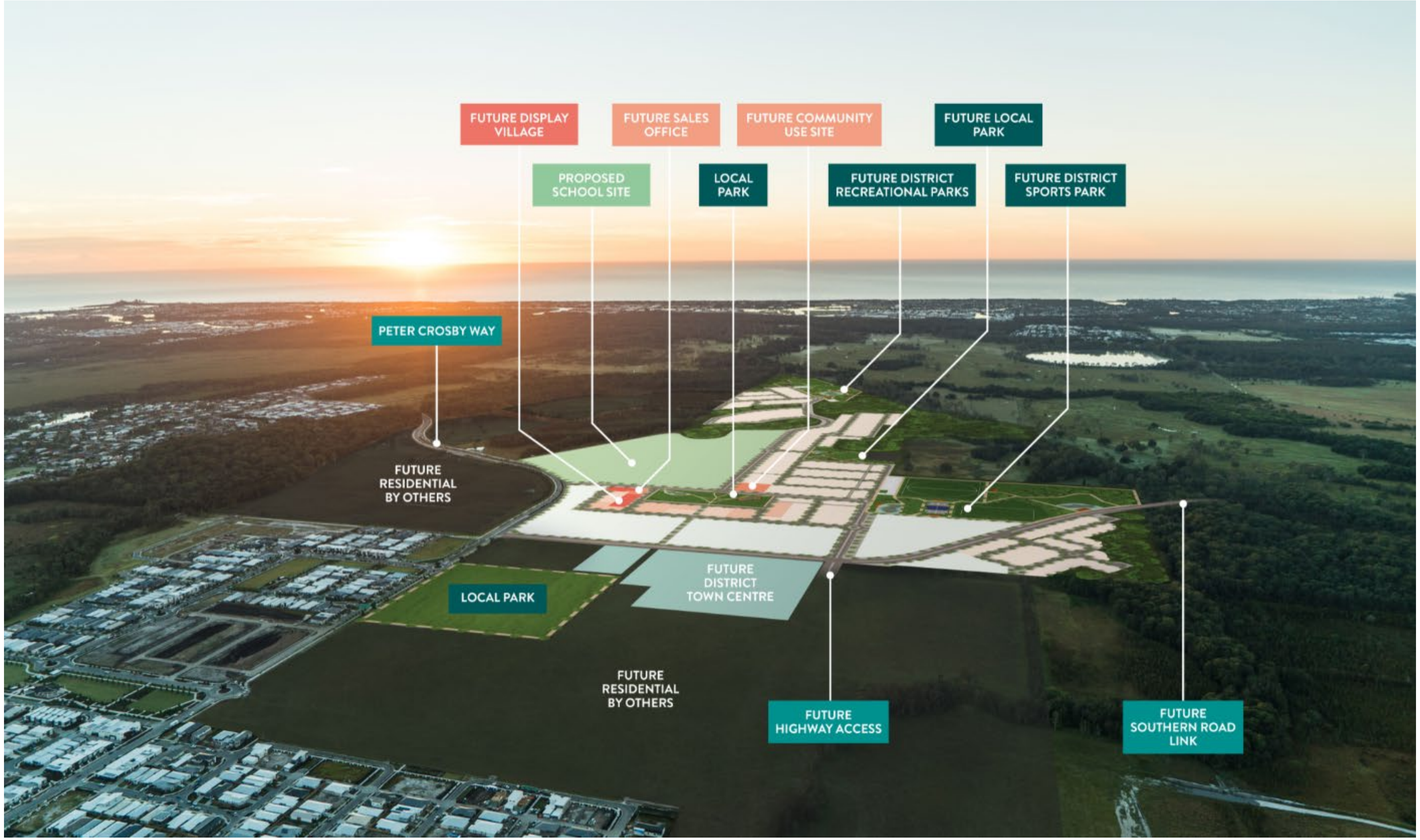
CRAIGIEBURN WEST - VIC

- Located in the Craigieburn West Precinct Structure Plan
- 25km north of the Melbourne CBD
- Approximate yield: 1,200 dwellings
- Acquired across 2014 and 2015
- Leverage existing amenity in Peet's adjacent Aston development
  - 1,700 dwellings
  - 12 hectares of waterways and parklands
  - 8 hectares of sporting fields associated club facilities
  - Government secondary school opening in 2020
  - Child care centre on site
  - Future retail centre
- Expected settlement period FY23+
- Price range $250k to $350k

PALMVIEW - QLD

- A 129 ha site located 9 km from Maroochydore CBD on the Sunshine Coast QLD
- Total yield of approx. 1,100 dwellings, comprising Land and Medium Density Townhouses
- Expected settlements from FY21 – FY32
- Key strategic location, central to the Sunshine Coast and in close proximity to university, schools and hospitals
- Price range $232k to $300k



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TONSLEY - SA

- 11 hectare site located 9 km south west of Adelaide CBD
- Launched in January 2018, stage 1 now complete with first residents.
- A total yield of more than 800 dwellings with a GDV of approx. $200 million
- High density mixed use development in Tonsley Innovation District
- Expected settlement period FY20 – FY28
- Studio Apartment ranging from $219k to $395k
- Terrance Homes ranging from $335k to $495k

PEET 125 YEARS

STRATHPINE - QLD

- A 16ha site located 24 km north of the Brisbane CBD
- 182 dwellings comprising 106 detached lots and 76 townhouses
- Settlements expected in FY20 to FY22
- Amenity includes 6 ha of parks and open space, close proximity to Strathpine regional shopping centre and within 800 metres of train station
- Residential land price range from $230k to $300k
- Townhouse price range $420k to $470k

PIER STREET - WA

- Inner city location approx. 500m east of Perth CBD, adjacent to Northbridge
- Joint Venture Structure
  - WA State Government (landowner)
  - Peet (equity partner, development manager)
- 27 level building comprising of 186 apartments
- Planning approval received June 2019
- Pre-sales expected to commence 1H21 with construction to commence 2H21
- 30% already pre-sold to Dept of Communities
- Price range $280k (studio) to $800k (3 bed)

MARKET OUTLOOK

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

- Steady employment growth, continued low interest rates, income tax cuts and significant Government infrastructure investment are supporting underlying demand
- Market conditions continue to recover notwithstanding subdued consumer confidence
- Cancellation rates are returning to more normalised levels, as restrictive lending conditions ease
- The Group continues to have a strong focus on capital management
  - Selective deployment of development capital to reflect market conditions and outlook
  - Continued focus on overhead management and other operational efficiencies
- As previously indicated, the Group's lower contracts on hand going into FY20 will result in earnings being significantly weighted towards the second half of FY20
- Notwithstanding the early indications of a market recovery, we continue to expect FY20 earnings to be down on FY19. However, our pipeline of projects and the underlying fundamentals of the residential property sector means that Peet is well positioned to respond to increasing demand as market conditions improve and lending conditions continue to normalise

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This announcement is authorised for release to the market by Dom Scafetta, Peet's Group Company Secretary.