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STOCKLAND - COMPLETION OF RETIREMENT LIVING SALE AND BUSINESS UPDATE

Stockland (ASX: SGP) confirms that following the satisfaction of all completion conditions, it is expected that the sale of its Retirement Living business to EQT Infrastructure will settle today¹.

CEO and Managing Director of Stockland, Tarun Gupta said “The sale of the Retirement Living business is a significant step in the execution of the Stockland strategy. I thank all of the employees in the Retirement Living business for their contribution over the years, and their focus and commitment during this transition period.

With the settlement of the transaction, we continue our focus on the execution of our strategic priorities. We have started FY23 in a strong position with good earnings visibility from residential contracts on hand, a resilient commercial property business, strong balance sheet and an active development pipeline. In addition, proceeds from the transaction will result in a proforma reduction in gearing of circa 5%.”

Stockland expects FY22 FFO to be at the top end of the previously advised guidance range of 35.1-35.6 cents per security².

As previously disclosed, the sale of the Retirement Living business will result in a taxable gain for Stockland. This accelerated strategic reshaping of the portfolio is expected to return Stockland Corporation Limited to an income tax paying position from FY23³. It is anticipated

¹ As previously disclosed, Stockland will continue to provide administrative support to the Retirement Living business in areas such as finance and technology for an agreed period post completion to support an effective transfer of the business.

² Current market conditions remain uncertain and all forward looking statements including in relation to FY23 remain subject to no material deterioration in current market conditions and the continued recovery from COVID-19 restrictions. All statements in relation to FY22 remain subject to review by the Group’s external auditors and finalisation of end of financial year processes.

³ Stockland Group is structured as a stapled entity and represents the consolidation of Stockland Corporation Limited and Stockland Trust and their respective controlled entities. Under current Australian income tax legislation, the tax rate of 30% applies to Stockland Corporation Limited and its controlled entities whereas Stockland Trust and its sub-trusts are not liable for income tax on their taxable income provided that the unitholders are attributed the taxable income of Stockland Trust. Securityholders are liable to pay tax at their effective tax rate on the amounts attributed from Stockland Trust and its controlled entities.

Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia’s largest diversified property group – owning, developing and managing a large portfolio of retail town centres, residential communities, retirement living villages, workplace and logistics assets. Stockland is recognised as one of the most sustainable real estate companies in the world by the S&P Dow Jones Sustainability Indices (DJSI) and as a global sector leader by the Global Real Estate Sustainability Benchmark. Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency (WGEA).

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that in FY23 the tax payable will be in the range of 5-10% of Group FFO⁴. Stockland will maintain its distribution policy of the higher of 100% of Trust taxable income or 75-85% of FFO on an annual basis over time, noting that in FY23 Group FFO will include tax payable.

Stockland will release its FY22 results on Friday 19 August 2022.

ENDS

This announcement is authorised for release to the market by Ms Katherine Grace, Stockland's Company Secretary.

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⁴ In FY23 it is anticipated that the Group will have the benefit of some remaining carry forward tax losses.