

Full-year results to 30 June 2023

August 2023



BWPP
TRUST

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Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and their continuing connection to lands and waterways upon which we depend. We pay our respects to their Elders, past and present.

Presentation outline

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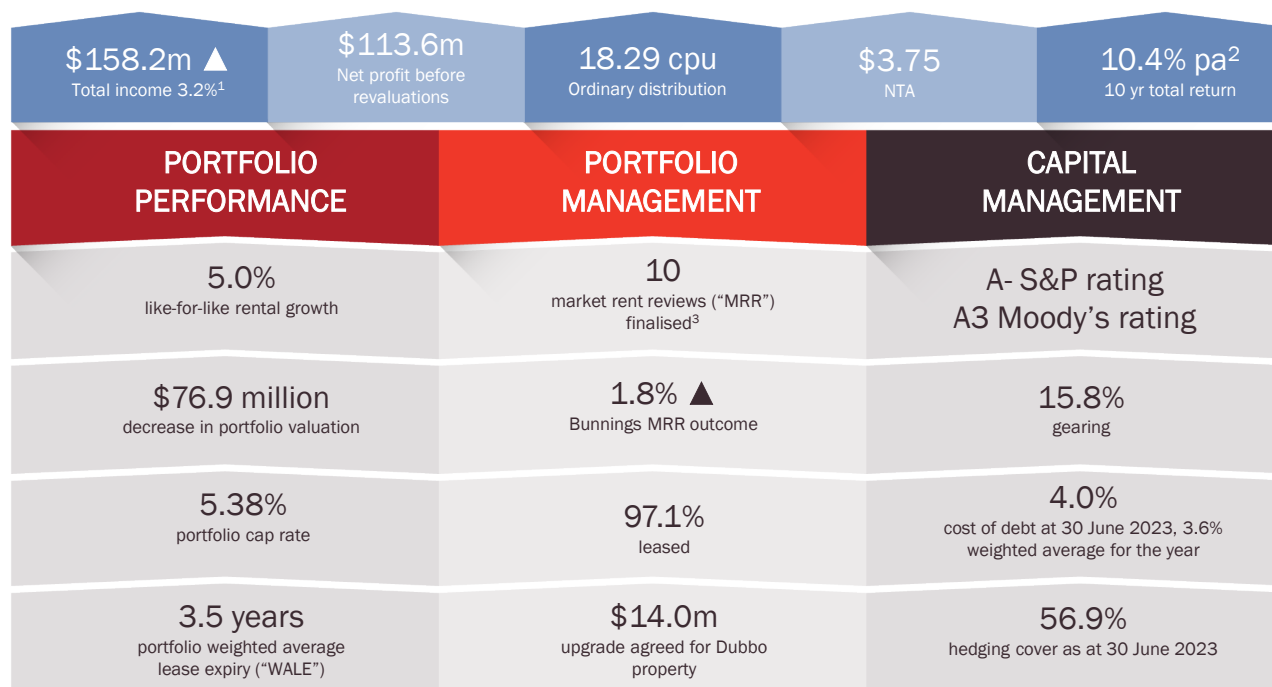
Summary



HOME GLADSTONE, QLD

2023 Full-year results

AT A GLANCE



¹ In comparison to prior corresponding period.

² Source: UBS. Total returns include movement in security price and distributions (which are assumed to be reinvested). Annual compound returns.

³ Includes nine Bunnings Warehouse properties.

Adapting for a low-carbon economy

PROGRESS

- > No Scope 1 emissions are produced as the Trust's business activities do not directly release emissions into the atmosphere
- > Net-zero Scope 2 emissions for year ended 30 June 2023
 - Purchased green electricity for eight properties where the Trust is responsible for some electricity usage and reduced emissions to 49 tonnes CO₂e (120 tonnes pcp)
 - Surrendered 55 Australian Carbon Credit Units to offset these emissions
 - Completed external assurance of Scope 2 emissions inventory
- > Finalising Scope 3 emissions inventory
- > Solar is installed at 24 properties, including one with a Tesla battery to collect surplus energy
- > 693,717 kWh of solar energy production from the Trust's installations
- > Avoided an extra 390 tonnes of CO₂e as a result of solar generation at properties where the Trust has some responsibility for electricity usage
- > 15 air conditioning units replaced to phase out ozone depleting refrigerant models
- > 100 per cent of properties have LED lighting in one or more carpark, nursery trading area, canopy trading area, or in the main store

Results



BUNNINGS FRANKSTON, VIC

2023 financial performance

VS PCP

	FY23	PCP ¹
Total income (\$m)	158.2	153.3
Other expenses (\$m)	10.0	8.7
Net profit ² (excluding revaluations) (\$m)	113.6	114.7
Management expense ratio ³ (%)	0.64	0.64
Number of units on issue (m)	642.4	642.4
Full-year ordinary distribution (cents per unit)	18.29	18.29
Total assets (\$m)	2,960.2	3,021.9
Borrowings (\$m)	468.5	455.6
Net tangible assets (\$ per unit)	3.75	3.87
Gearing (debt to total assets) (%)	15.8	15.1

¹ PCP: prior corresponding period, being the 12 months ended 30 June 2022 or as at 30 June 2022 as relevant.

² Excludes any capital profits released.

³ Expenses other than property outgoings and borrowings as a percentage of average total assets.

2023 financial performance

SIX MONTHLY

	6 months to Jun 2023	6 months to Dec 2022	6 months to Jun 2022
Total income (\$m)	79.6	78.6	77.4
Other expenses (\$m)	5.5	4.5	4.4
Distributable amount (\$m)	59.6	57.9	59.6
Property revaluation gains/(losses) ¹ (\$m)	(130.8)	53.9	80.1
Net profit/(loss) including property revaluations (\$m)	(74.6)	111.3	138.4
Management expense ratio ² (%)	0.64	0.64	0.64
Number of units on issue ³ (m)	642.4	642.4	642.4
Six months distribution (cents per unit)	9.27	9.02	9.27
Total assets ³ (\$m)	2,960.2	3,091.0	3,021.9
Borrowings ³ (\$m)	468.5	472.1	455.6
Weighted average cost of debt ⁴ (pa) (%)	3.87	3.27	2.74
Net tangible assets ³ (\$ per unit)	3.75	3.95	3.87
Weighted average cap rate ³ (%)	5.38	5.05	5.04

¹ After adjustments made for the straight-lining of rent.

² Expenses other than property outgoings and borrowing costs as a percentage of average total assets.

³ As at the respective period end rather than for six months to.

⁴ Finance costs divided by average borrowings for the six months.

2023 financial performance

FIVE-YEAR PERFORMANCE

	FY23	FY22	FY21	FY20	FY19
Income (\$m)	158.2	153.3	152.2	155.8	156.3
Distributable profit ¹ (\$m)	117.5	117.5	117.5	117.5	116.4
Total assets (\$m)	2,960.2	3,021.9	2,674.6	2,552.6	2,382.3
Borrowings (\$m)	468.5	455.6	474.7	503.2	412.7
Gearing (debt to total assets) (%)	15.8	15.1	17.7	19.7	17.3
Weighted average cost of debt ² (%)	3.6	3.0	3.1	3.4	4.3
Weighted average cap rate (%)	5.38	5.04	5.65	6.08	6.30
Management expense ratio ³ (%)	0.64	0.64	0.63	0.64	0.62
Total ordinary distribution (cents per unit)	18.29	18.29	18.29	18.29	18.11

¹ Includes any capital profits released relating to ordinary distributions (FY23: \$3.9 million, FY22: \$2.8 million, FY21: \$3.5 million; FY20: \$0.4 million; FY19: \$0.5 million).

² Finance costs divided by average borrowings.

³ Expenses other than property outgoings and borrowing costs as a percentage of average total assets.

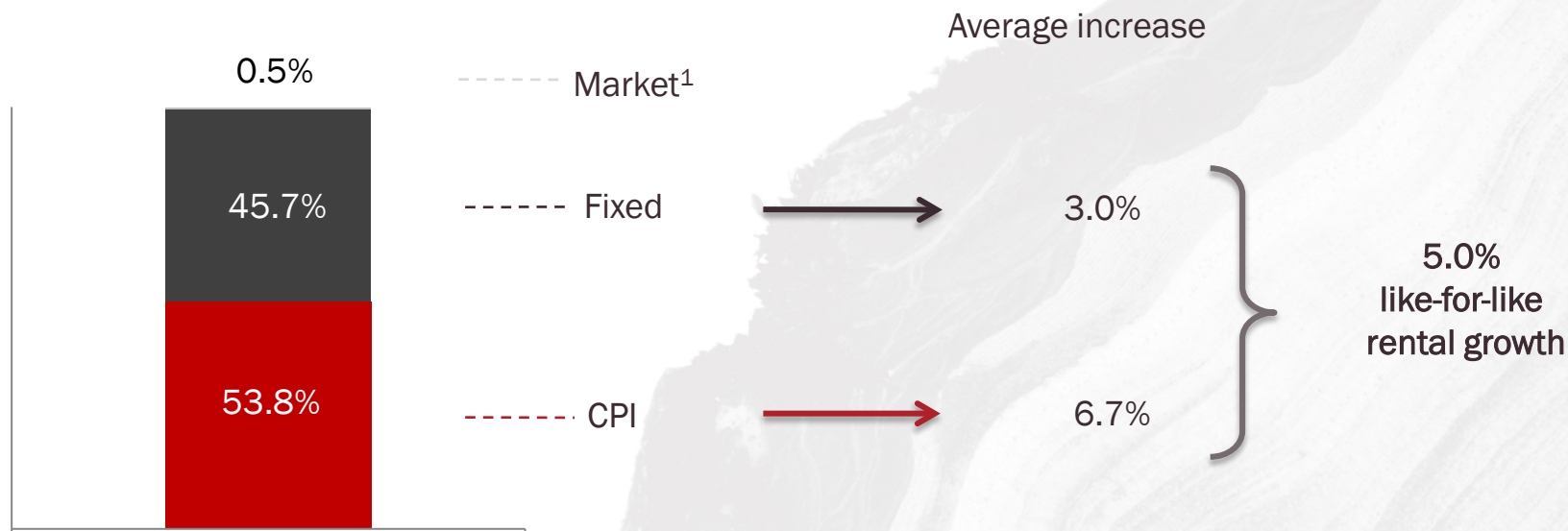
Portfolio



BROWNS PLAINS, QLD

Like-for-like rental growth

FY2023



Year ended 30 June (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Rental growth ²	5.0	3.0 ³	1.2	2.1	2.3	2.5	2.1	2.4	2.9	4.0
CPI Growth ⁴	6.7	3.3	0.5	1.6	2.0	2.0	1.4	1.6	2.5	2.3

¹ There were no Bunnings market rent reviews finalised relating to the year ending 30 June 2023.

² Like-for-like rental growth compares the passing rent at the end of the period to the passing rent at the end of the previous corresponding period, but excludes any properties acquired, divested, vacated, developed or upgraded during or since the previous corresponding period.

³ Amended from 3.3 per cent to take into account market rent reviews finalised post year-end.

⁴ Reflects the annual average like-for-like growth resulting from CPI rent reviews completed during each period.

Bunnings market rent review

OUTCOMES

- > Nine Bunnings market rent reviews were finalised during the year

Property Location	Passing rent (\$pa)	Reviewed rent (\$pa)	Variance (%)	Effective date
Hawthorn, VIC ^{1,7}	3,380,642	3,325,207	(1.6)	29-Oct-20
Coburg, VIC ^{1,2}	1,706,685	1,877,353	10.0	3-Nov-20
Pakenham, VIC ^{1,3}	1,402,631	1,542,894	10.0	31-Mar-21
Wagga Wagga, NSW ^{1,4}	1,565,728	1,565,728	-	31-Mar-21
Caroline Springs, VIC ^{1,5}	1,891,921	2,081,113	10.0	22-May-21
Dubbo, NSW ^{4,6}	1,402,631	1,262,368	(10.0)	4-Aug-21
Geraldton, WA ^{4,6}	1,350,262	1,309,754	(3.0)	10-Dec-21
Frankston, VIC ^{6,7}	2,170,603	2,309,000	6.4	20-Dec-21
Greenacre, NSW ^{4,6}	2,955,032	2,870,000	(2.9)	3-Apr-22
Total/ Weighted Average	17,826,135	18,143,417	1.8	

¹ The market rent review was due during the year ended 30 June 2021, but the outcome was only finalised during the current financial year.

² The market rent review was determined by an independent valuer. The independently determined rent was 13.4 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

³ The market rent review was determined by an independent valuer. The independently determined rent was 21.6 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

⁴ The market rent review was agreed between the parties.

⁵ The market rent review was determined by an independent valuer. The independently determined rent was 13.6 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

⁶ The market rent review was due during the year ended 30 June 2022, but the outcome was only finalised during the current financial year.

⁷ The market rent review was determined by an independent valuer.

Lease covenant summary

AS AT 30 JUNE 2023

Covenant	% of total rent
Wesfarmers Group	85.2
Commonwealth and State Governments	2.8
Other national retailers, automotive and self-storage businesses ¹	11.0
Remaining tenants	1.0
Total	100.0

¹Includes Amart, AP Eagers, Autobarn, Beacon Lighting, Chemist Warehouse, Crunch Fitness, Goodlife, Harvey Norman, Jaycar, Kennards Storage, Petbarn, Petstock, Pillow Talk, Repco, Spotlight, RSEA, Snooze, Super Retail Group, Sydney Tools, Trek, The Good Guys and Total Tools

Revaluations

JUNE 2023

- > June 2023 weighted average capitalisation rate 5.38 per cent (Jun 2022: 5.04 per cent Dec 2022: 5.05 per cent)
 - 12 independent valuations (16 per cent of BWP portfolio value), average cap rate 5.53 per cent
 - 61 internal valuations average cap rate 5.35 per cent
 - Stand alone Bunnings Warehouses weighted average cap rate of 5.16 per cent
 - Cap rate movement; two properties decreased, 65 properties increased, and no change on six properties
- > FY2023 gross fair value portfolio valuation decrease of \$76.4¹ million

Revaluations by state 30 June 2023	No. of properties	Rental \$m/annum ²	Cap rate (%)	Value (\$m)
NSW/ACT	18	37.5	5.35	708.5
QLD	18	41.2	5.44	718.1
SA	2	4.7	6.46	72.1
VIC	20	52.1	5.05	1,008.4
WA	15	25.3	5.92	429.5
Total/ weighted average	73	160.8	5.38	2,936.6

¹ Gross movement in valuations; statutory accounts reflect a \$76.9 million revaluation loss after adjustments made for straight-lining of rent.

² Subject to rounding.

Independent revaluations

JUNE 2023

Property	State	Dec 2022 Cap Rate (%)	Dec 2022 Valuation (\$m)	Jun 2023 Cap Rate (%)	Jun 2023 Valuation (\$m)	Cap rate movement (%)	Valuation movement (\$m)	Jun 2023 Term Certain (years)
Hoxton Park	NSW	5.75	75.5	6.00	73.0	0.25	(2.5)	8.9
Villawood	NSW	4.50	50.2	4.75	47.6	0.25	(2.6)	3.4
Brendale	QLD	4.75	48.9	5.00	46.0	0.25	(2.9)	3.5
Hervey Bay	QLD	12.00	11.0	8.00	11.0	(4.00) ¹	-	-
Morayfield	QLD	5.00	36.1	5.25	36.8	0.25	(0.7)	1.7
Mile End	SA	5.00	53.1	5.00	57.1	-	4.0	1.7
Noarlunga	SA	5.75	31.5	12.00	15.0	6.25	(16.5)	1.3
Craigieburn	VIC	4.75	38.5	5.00	36.4	0.25	(2.1)	3.9
Fountain Gate	VIC	5.50	33.4	6.50	30.0	1.00	(3.4)	1.6
Maribyrnong	VIC	4.25	73.5	4.75	67.7	0.50	(5.8)	3.6
Mentone	VIC	4.50	41.2	5.00	36.0	0.50	(5.2)	6.7
Australind	WA	5.25	29.3	5.75	27.5	0.50	(1.8)	4.0
Total/ average		5.11	522.2	5.53	484.1	0.42	(38.1)	3.9

Table subject to rounding.

¹ June 2023 cap rate applied to notional market rental where as the December 2022 cap rate reflected the yield derived from the Bunnings rental.

Core portfolio



WOLLONGONG, NSW

Core portfolio

SUMMARY

65
properties

3.6 years
portfolio WALE

3.3 ha
average land
area

14,107 m²
average lettable
area

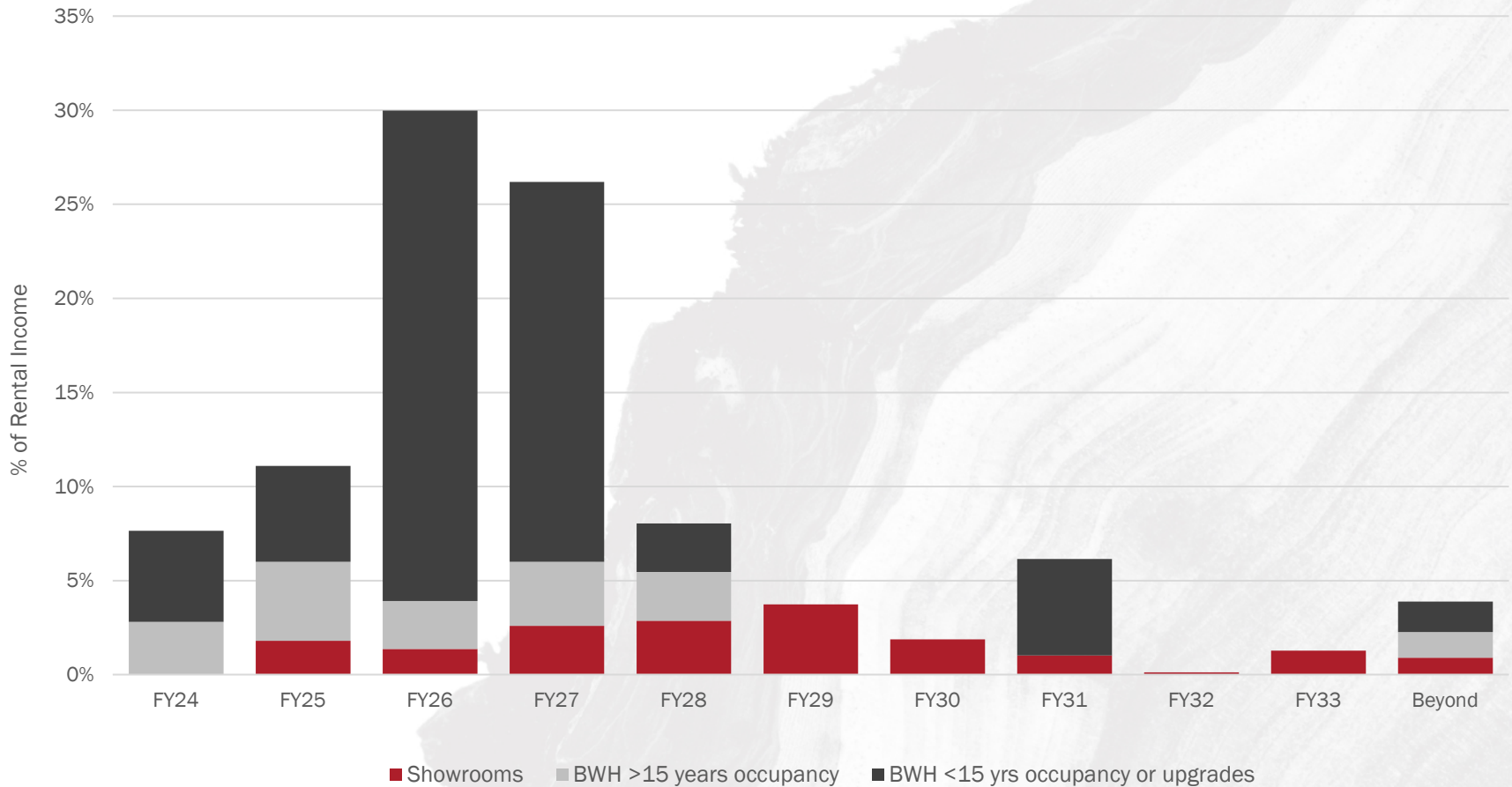
83%
metro located
properties

65.5%
upgrade
properties or
occupied <15yrs

5.24%
weighted
average cap rate

Weighted average lease expiry

PROFILE



Bunnings lease expiries

NEXT THREE YEARS

Property	Lease expiry	Options (years)	Rent (\$'000pa)	Comments
Southport	Nov 2023	10	1,953	Bunnings exercised its 10-year option in Jul 2023
Tuggeranong	Nov 2023	10	2,036	Notification required by Aug 2023
Cannon Hill	Mar 2024	10	2,923	Notification required by Dec 2023
Bayswater	Apr 2024	3 x 5	2,317	Notification required by Jan 2024
Wallsend	May 2024	5 x 5	2,426	First option, notification required by Nov 2023
Thornleigh	Sep 2024	2 x 5	1,540	Notification required by Jun 2024
Maitland	Oct 2024	2 x 5	1,575	Notification required by Jul 2024
Bibra Lake	Oct 2024	1 x 5	1,835	Notification required by Jul 2024
Fyshwick	Dec 2024	1 x 5	1,440	Notification required by Sep 2024
Nunawading	Feb 2025	10	2,782	Notification required by Nov 2024
Mile End	Mar 2025	10	2,862	Notification required by Dec 2024
Morayfield	Mar 2025	10	2,116	Notification required by Dec 2024
Vermont South	Aug 2025	3 x 5	2,422	Notification required by May 2025
Arundel	Sep 2025	5 x 6	2,766	First option, notification required by May 2025
Bethania	Sep 2025	5 x 6	2,249	First option, notification required by Mar 2025
Rocklea	Oct 2025	4 x 6	2,424	Notification required by Jul 2025
Hawthorn	Oct 2025	3 x 5	3,633	Notification required by Jul 2025
North Lakes	Oct 2025	5 x 6	3,158	First option, notification required by Feb 2025
Coburg	Nov 2025	2 x 5	2,051	New 10-year lease following completion of upgrade in Aug 2023

Bunnings lease expiries

NEXT THREE YEARS (CONTINUED)

Property	Lease expiry	Options (years)	Rent (\$'000pa)	Comments
Ellenbrook	Dec 2025	5 x 6	2,238	First option, notification required by Jun 2025
Townsville North	Dec 2025	5 x 6	2,016	First option, notification required by Jun 2025
Springvale	Dec 2025	5 x 6	2,414	First option, notification required by Jun 2025
Mt Gravatt	Dec 2025	3 x 5	1,451	Notification required by Sep 2025
Rydalmere	Mar 2026	5 x 6	3,666	First option, notification required by Jan 2026
Belmont	Mar 2026	4 x 5	1,584	Second option, notification required by Jan 2026
Cockburn	Mar 2026	4 x 5	1,884	Second option, notification required by Jan 2026
Fairfield Waters	Mar 2026	4 x 5	1,857	Second option, notification required by Jan 2026
Pakenham	Mar 2026	4 x 5	1,637	Second option, notification required by Jan 2026
Smithfield	May 2026	4 x 5	1,750	Second option, notification required by Mar 2026
Caroline Springs	May 2026	4 x 5	2,208	Second option, notification required by Mar 2026
Sunbury	Jun 2026	5 x 6	2,167	Second option, notification required by Mar 2026

Bunnings upgrades

LISMORE, NSW

- > Upgrade cost of \$14.0 million at a funding rate of 4.0 per cent
 - Land acquisition \$1.5 million (acquired in October 2022)
 - Development \$12.5 million
- > Upgrade increases the total retail area by 2,891 square metres
- > Anticipated completion early 2024
- > On completion, new 10-year lease with 6 x 5-year options exercisable by Bunnings
 - Annual CPI reviews capped at 2.5 per cent, market rent review every 10 years
 - 10 per cent cap/collar on the market rent review
 - No other changes to the existing lease

Bunnings upgrades

COBURG, VIC

- > Upgrade cost of \$3.5 million at a funding rate of 4.0 per cent
- > Upgrade increases the total retail area by 918 square metres
- > Anticipated completion August 2023
- > On completion, new 10-year lease with 6 x 5-year options exercisable by Bunnings
 - Annual CPI reviews capped at 2.5 per cent, market rent review every 10 years
 - 10 per cent cap/collar on the market rent review
 - No other changes to the existing lease

Bunnings upgrades

DUBBO, NSW

- > Upgrade cost of \$14.0 million at a funding rate of 4.0 per cent
 - Land acquisition \$0.4 million
 - Development \$13.6 million
- > Upgrade increases the total retail area by 4,673 square metres
- > Anticipated completion late 2024
- > On completion, new 10-year lease with 6 x 5-year options exercisable by Bunnings
 - Annual CPI reviews capped at 2.5 per cent, market rent review every 10 years
 - 10 per cent cap/collar on the market rent review
 - No other changes to the existing lease

Alternative use properties



MANDURAH, WA

Alternative use properties

PROGRESS

Property	Lease expiry	Comments
Port Kennedy	Expired	Development approval for large format retail centre with leasing progressing
Belmont North	Expired	Numerous options being considered for redevelopment of site
Hervey Bay	Expired	Development approval for large format retail centre; 100 per cent lease pre-commitments to national brands; anticipate builder appointment in August 2023
Noarlunga	Sep 2024	Considering redevelopment options
Albany	Oct 2024	Tool Kit Depot store trading in ex-Bunnings; considering redevelopment/divestment options
Fountain Gate	Feb 2025	Well located opposite a Westfield shopping centre. Activity centre zoned site allowing mixed use development – master planning progressing
Northland	Aug 2025	Progressing redevelopment/rezoning options
Wagga Wagga	Mar 2026	Considering redevelopment options

Capital management



BUNNINGS SOUTHPORT, QLD

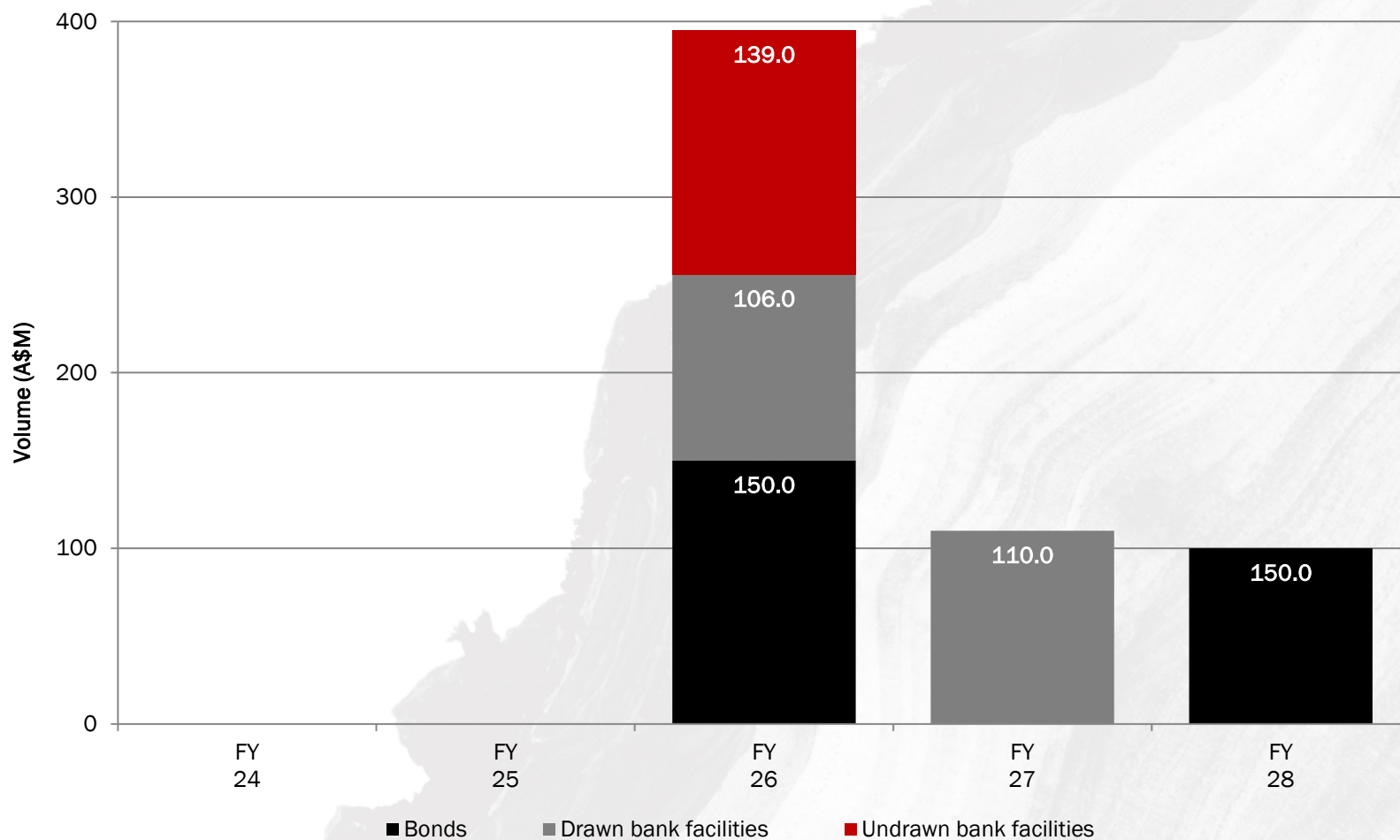
Debt facilities

- > Average borrowings for the year \$473.0 million (up 1.7 per cent on prior corresponding period)
 - 3.6 per cent per annum weighted average cost of debt after hedging (2022: 3.0 per cent per annum)
 - Borrowing costs for the year \$16.7 million (up 21.3 per cent on prior corresponding period)
- > Bank facilities with CBA and WBC can be extended a further year each year, subject to agreement.
- > As at 30 June 2023:
 - Hedging cover: 56.9 per cent
 - Weighted average rate of 1.5 per cent excluding margins
 - Weighted average term to maturity 3.5 years
 - Interest cover: 7.9 times (2022: 9.6 times)
 - Gearing: 15.8 per cent (2022: 15.1 per cent)
- > A- / Stable S&P rating and A3 Moody's rating

As at 30 June 2023	Limit (\$m)	Drawn (\$m)	Expiry
Commonwealth Bank of Australia	110.0	52.9	31 July 2025
Westpac Banking Corporation	135.0	53.1	30 April 2026
Sumitomo Mitsui Banking Corporation	110.0	110.0	15 March 2027
Corporate bonds – seven-year	150.0	150.0	10 April 2026
Corporate bonds – seven-year	100.0	100.0	24 March 2028
Total/ <i>weighted average</i>	605.0	466.0	<i>3.2 years</i>

Debt duration

DEBT MATURITY PROFILE AS AT 30 JUNE 2023



Outlook



BUNNINGS CAROLINE SPRINGS, VIC

Outlook

JUNE 2023

Operating environment

- > The Trust remains well positioned operationally with 85 per cent of rental income from the Wesfarmers Group, three per cent from the Commonwealth and Queensland Government and 11 per cent from other national large format retail, automotive and self-storage businesses
- > Demand for Bunnings Warehouse properties is expected to remain relatively stable in the near term given the strength of the Bunnings covenant

Rental growth

- > 54 CPI (27 1HY FY2024) rent reviews in FY2024
- > 61 fixed (32 1HY FY2024) rent reviews in FY2024
- > Seven Bunnings MRR's to be finalised in FY2024 (in addition to two unresolved from FY2022 and three unresolved from FY2023)

Portfolio

- > Primary focus for the current financial year is on leasing vacancies in the portfolio, progressing store upgrades, and extending existing leases with Bunnings through the exercise of options
- > The Trust will continue to look for opportunities to grow the portfolio that create value for the Trust

FY2024 distribution

- > Subject to there being no major disruption of the Australian economy, the Trust could expect the distribution for the year ending 30 June 2024 to be similar to the ordinary distribution paid for the year ended 30 June 2023. Capital profits may be utilised to support the distribution

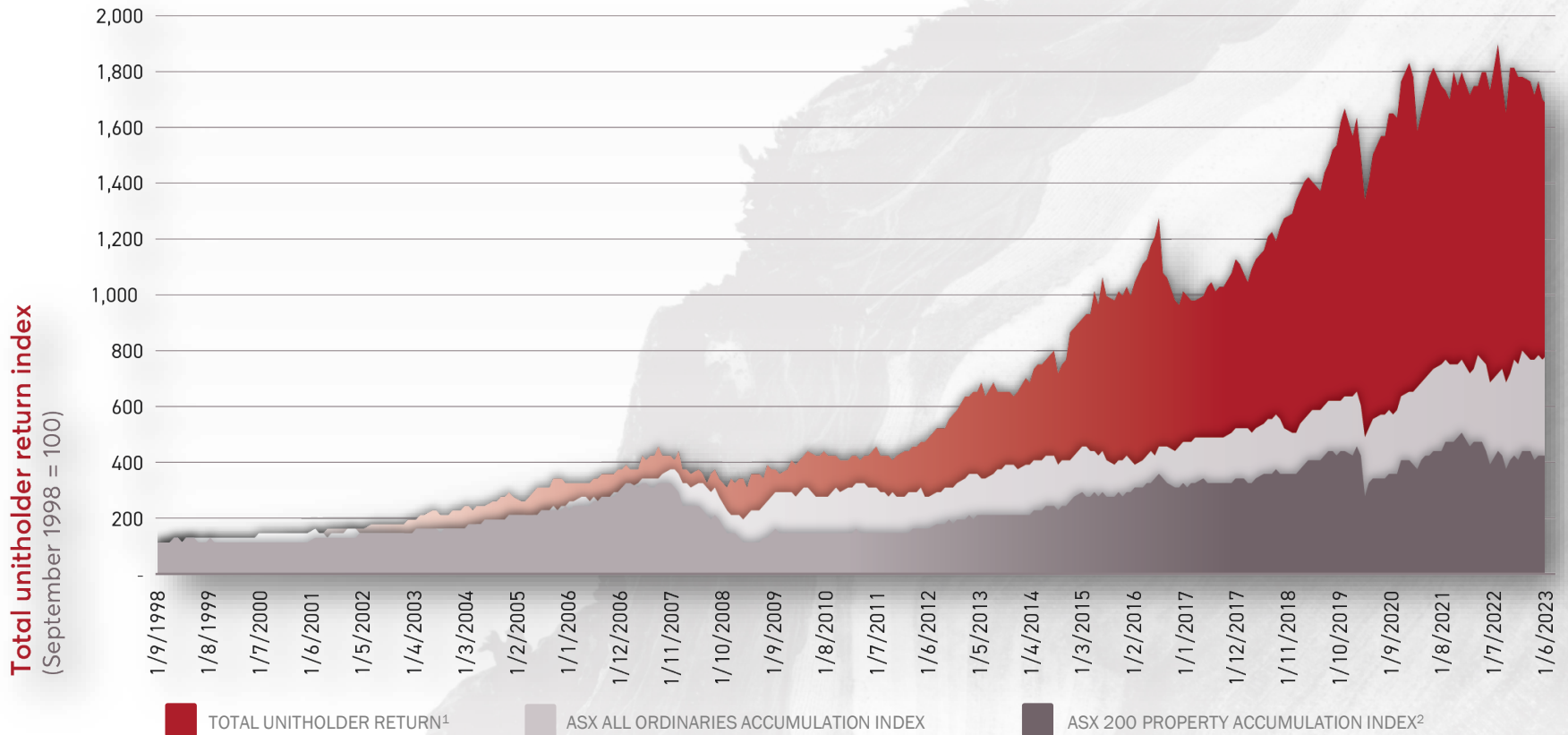
Questions?



BUNNINGS MINCHINBURY, NSW

Total unitholder return since 1998¹

BWP VS. ALL ORDINARIES & ASX 200 PROPERTY ACCUMULATION INDEX²



Source: Bloomberg as at 30 June 2023

¹ Assumes 100 per cent distribution investment on the ex-distribution date

² ASX 200 Property Accumulation series is rebased to BWP as at March 2000 as index data is not available prior to this time

Further information

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