

FULL-YEAR RESULTS TO 30 JUNE 2020

August 2020

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PRESENTATION OUTLINE



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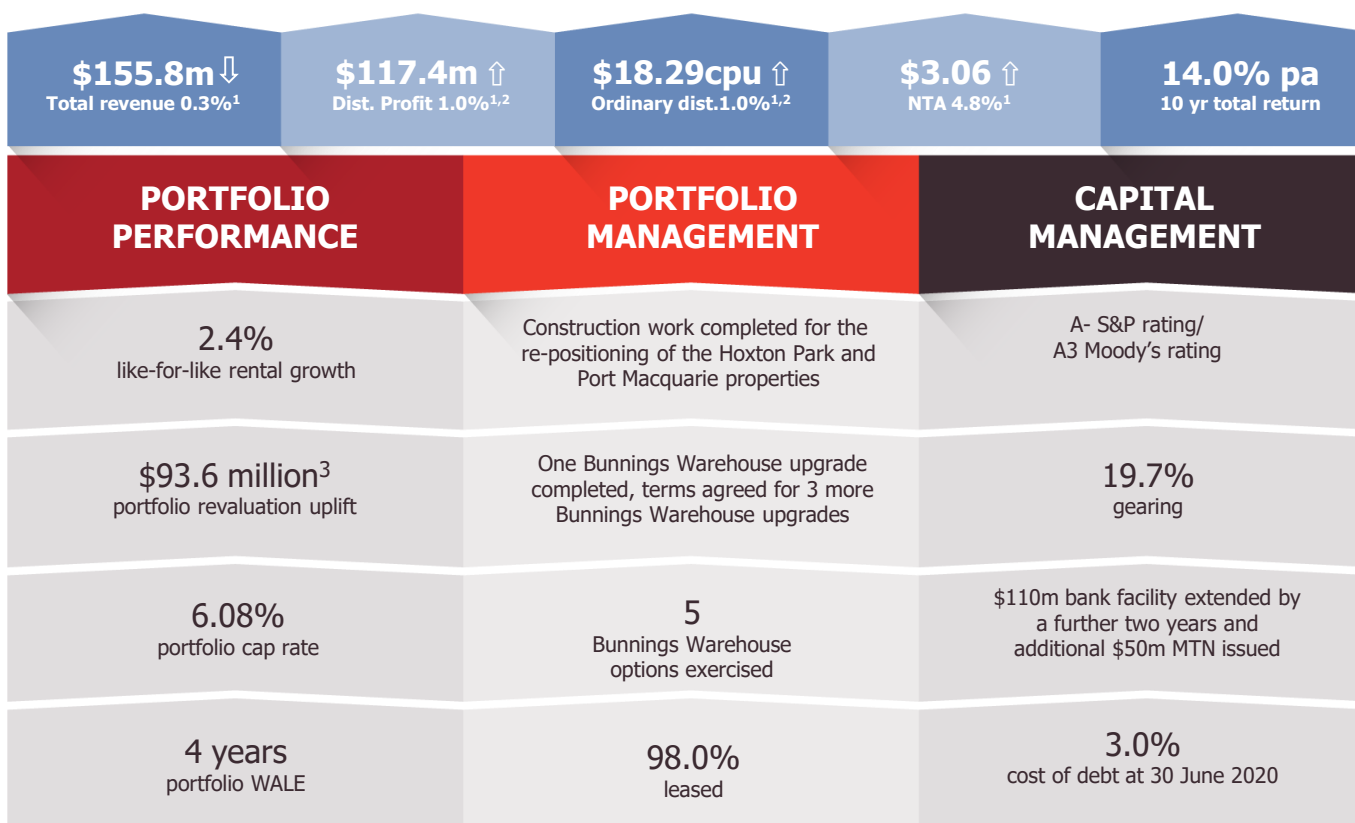
- > Summary
- > Results
- > Portfolio
- > Core portfolio
- > Alternative use properties
- > Capital management
- > Outlook

SUMMARY



Mile End, SA

2020 FULL-YEAR RESULTS AT A GLANCE



¹ In comparison to prior corresponding period.

² Excludes special distribution paid in 2019, including amount released from capital profits for the special distribution.

³ Gross movements in valuations a \$96.7 million revaluation gain before adjustments made for straight-lining of rent.

COVID-19 IMPACT TO 30 JUNE 2020



- > 98.8 per cent of rent received during March to June 2020
- > Rent abatement totalling \$435,886 provided to Code of Conduct tenants during the period ended 30 June 2020
- > Bunnings and the significant majority of other tenants have been able to operate on an unrestricted basis from the Trust's properties
- > Bunnings reported 11.3 per cent year to date (to May 2020) total sales growth, comprising 5.8 per cent growth in the first half of the year, and 19.2 per cent growth in the second half of the year to May 2020 ¹
- > A small number of tenants such as gym operators were subject to COVID-19 mandatory closure by Federal and/or State Governments for some, or all of March, April, May and June this year
- > Rent abatements were granted in accordance with the relevant Code of Conduction legislation

¹ Source: Wesfarmers Retail trading update, 9 June 2020, page 1.

CLIMATE RISK AND SUSTAINABILITY ACTIONS

- > 89 per cent of the Trust's properties have LED lighting in one or more of the car park, nursery trading area, canopy trading area, or in the main store
- > 19 properties in portfolio have solar power generation installed
- > 92 per cent of the properties in portfolio have in place water tanks for the recycling of roof collected rainwater
- > Tesla battery installed at Mandurah property to store excess energy from the solar installation at that location
- > Climate risk assessment undertaken for each property in the portfolio annually
- > Progressing with the implementation of relevant Task Force on Climate-related Financial Disclosure recommendations, with the current focus on climate risk scenario modelling



RESULTS



Villawood, NSW

FINANCIAL PERFORMANCE VS PCP¹



	FY20	PCP
Total revenue	\$155.8m	\$156.3m
Management expense ratio	0.64%	0.62%
Other expenses	\$8.8m	\$7.3m
Distributable profit ² (excluding revaluations)	\$117.1m	\$115.9m
Number of units on issue	642.4m	642.4m
Full-year ordinary distribution per unit	18.29 cents	18.11 cents
Special distribution per unit ³	-	1.56 cents
Total assets	\$2,552.6m	\$2,382.3m
Borrowings	\$503.2 m	\$412.7m
Net tangible assets per unit	\$3.06	\$2.92
Gearing (debt to total assets)	19.7%	17.3%

¹ pcp: prior corresponding period, being the 12 months ended 30 June 2019 or as at 30 June 2019 as relevant.

² Excludes any capital profits released.

³ Following the divestment of four properties during the year ended 30 June 2019, a special distribution was declared with the release of \$10.0 million of capital profits.

FINANCIAL PERFORMANCE

6 MONTHLY



	6 months to Jun 2020	6 months to Dec 2019	6 months to Jun 2019
Total revenue	\$79.5m	\$76.2m	\$77.3m
Management expense ratio ¹	0.64%	0.63%	0.62%
Other expenses	\$4.6m	\$4.2m	\$3.8m
Distributable amount ²	\$59.5m	\$57.9m	\$59.0m
Property revaluation gains	\$15.1m ³	\$78.5m ³	\$33.3m ³
Net profit including property revaluations	\$75.0m	\$135.6m	\$90.5m
Number of units on issue ⁴	642.4m	642.4m	642.4m
Six months distribution ² (per unit)	9.27 cents	9.02 cents	9.18 cents
Total assets ⁴	\$2,552.6m	\$2,487.1m	\$2,382.3m
Borrowings ⁴	\$503.2m	\$447.0m	\$412.7m
Weighted average cost of debt ⁵ (p.a.)	3.19%	3.53%	\$4.24%
Net tangible assets ⁴ (per unit)	\$3.06	\$3.04	\$2.92
Weighted average cap rate ⁴	6.08%	6.08%	6.30%

¹ Expenses other than property outgoings and borrowing costs as a percentage of average total assets.

*figures above subject to rounding

² Excludes special distribution paid in the year ended 30 June 2019.

³ After adjustments made for the straight-lining of rent.

⁴ As at the respective period end rather than for six months to.

⁵ Finance costs divided by average borrowings for the six months.

FINANCIAL SUMMARY

5 YEAR PERFORMANCE



	FY2020	FY2019	FY2018	FY2017	FY2016
Revenue	\$155.8m	\$156.3m	\$153.4m	\$152.5m	\$150.2m
Distributable profit ¹	\$117.5m	\$116.4m	\$114.4m	\$112.5m	\$107.9m
Total assets	\$2,552.6m	\$2,382.3m	\$2,369.5m	\$2,312.8m	\$2,200.5m
Borrowings	\$503.2m	\$412.7m	\$457.6m	\$471.1m	\$472.3m
Gearing (debt to total assets)	19.7%	17.3%	19.3%	20.4%	21.5%
Weighted average cost of debt ²	3.4%	4.3%	4.6%	4.6%	5.0%
Weighted average cap rate	6.08%	6.30%	6.48%	6.59%	6.77%
Management expense ratio ³	0.64%	0.62%	0.60%	0.60%	0.64%
Total ordinary distribution per unit	18.29 cents	18.11 cents	17.81 cents	17.51 cents	16.79 cents

¹ Includes any capital profits released relating to ordinary distributions (FY2020: \$0.4 million, FY2019: \$0.5 million; FY2018: \$1.2 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



North Lakes, QLD

BUNNINGS MARKET RENT REVIEW OUTCOMES



> Seven Bunnings market rent reviews were resolved during the year

Property Location	Passing rent (\$pa)	Reviewed rent (\$pa)	Effective date	Variance (%)
Belrose, NSW ^{1,2}	2,111,952	2,035,000	9-Feb-18	(3.6)
Balcatta, WA ^{2,3}	2,336,761	2,220,000	23-Sep-18	(5.0)
Coburg, VIC ^{3,4}	1,531,347	1,684,481	3-Nov-18	10.0
Tuggeranong, ACT ^{2,3}	1,847,740	1,800,000	1-Dec-18	(2.6)
Cannon Hill, QLD ^{2,3}	2,548,846	2,550,000	1-Apr-19	0.0
Bayswater, VIC ^{2,3}	1,950,248	2,025,000	21-Apr-19	3.8
Port Melbourne, VIC ⁵	2,159,917	2,311,111	17-Mar-20	7.0
Total/ Weighted Average	14,486,811	14,625,592		1.0

¹ The market rent review was due during the year ended 30 June 2018, but the outcome was only finalized during the current financial year.

² The market rent review was determined by an independent valuer.

³ The market rent review was due during the year ended 30 June 2019, but the outcome was only finalised during the current financial year.

⁴ The market rent review was agreed between the parties at the 10 per cent cap in the lease.

⁵ The market rent review was agreed between the parties.

FY2020 RENT REVIEWS

	First-half	Second-half	% of Rental Income ³
CPI	25	16	49
Fixed	22	24	49
Market	2	1	2
Total	49	41	100

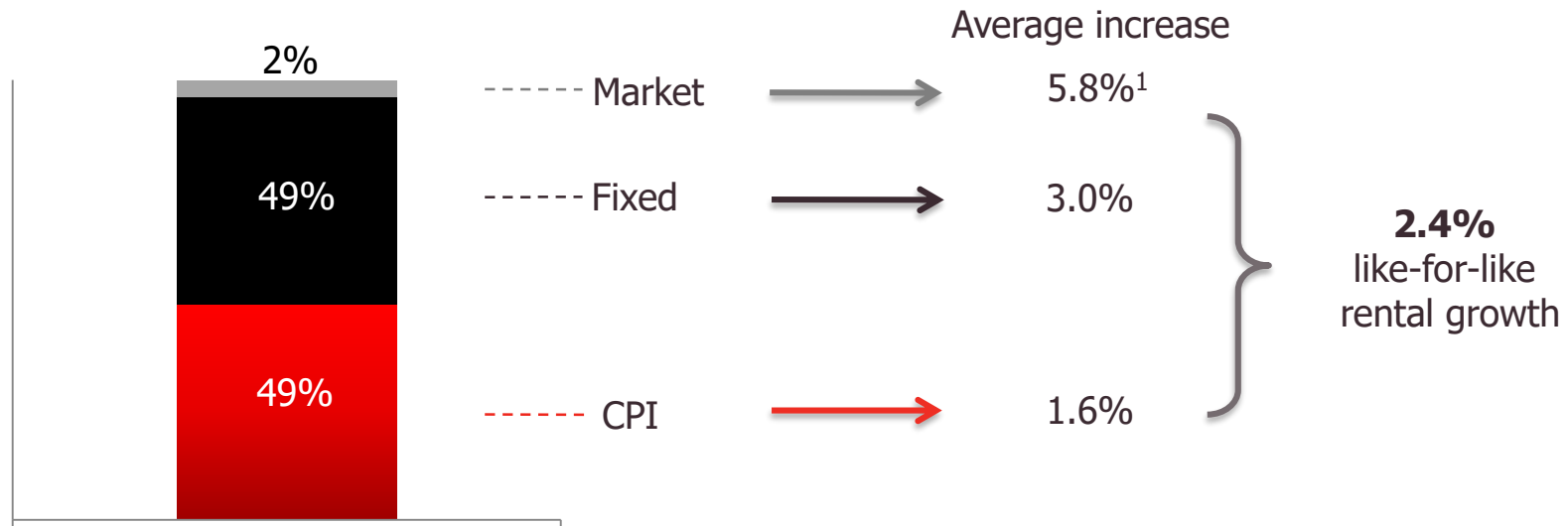
Two Bunnings market rent reviews from FY2018¹, one market rent review from FY2019² and 10 market rent reviews due during the 12 months to 30 June 2020 are being negotiated or determined by independent valuers and remain unresolved

¹ Wollongong (NSW) and Villawood (NSW).

² Browns Plains (QLD).

³ Based on portfolio rental as at 30 June 2020.

FY2020 LIKE-FOR-LIKE RENTAL GROWTH



Year ended 30 June (%)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Rental growth ²	2.4	2.3	2.5 ³	2.1	2.4	2.9	4.0	2.1	4.0	3.4
CPI Growth ⁵	1.6	2.0 ⁴	2.0	1.4	1.6	2.5	2.3	1.7	3.4	2.9

¹ All finalised market rent reviews relating to the year ending 30 June 2020.

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.

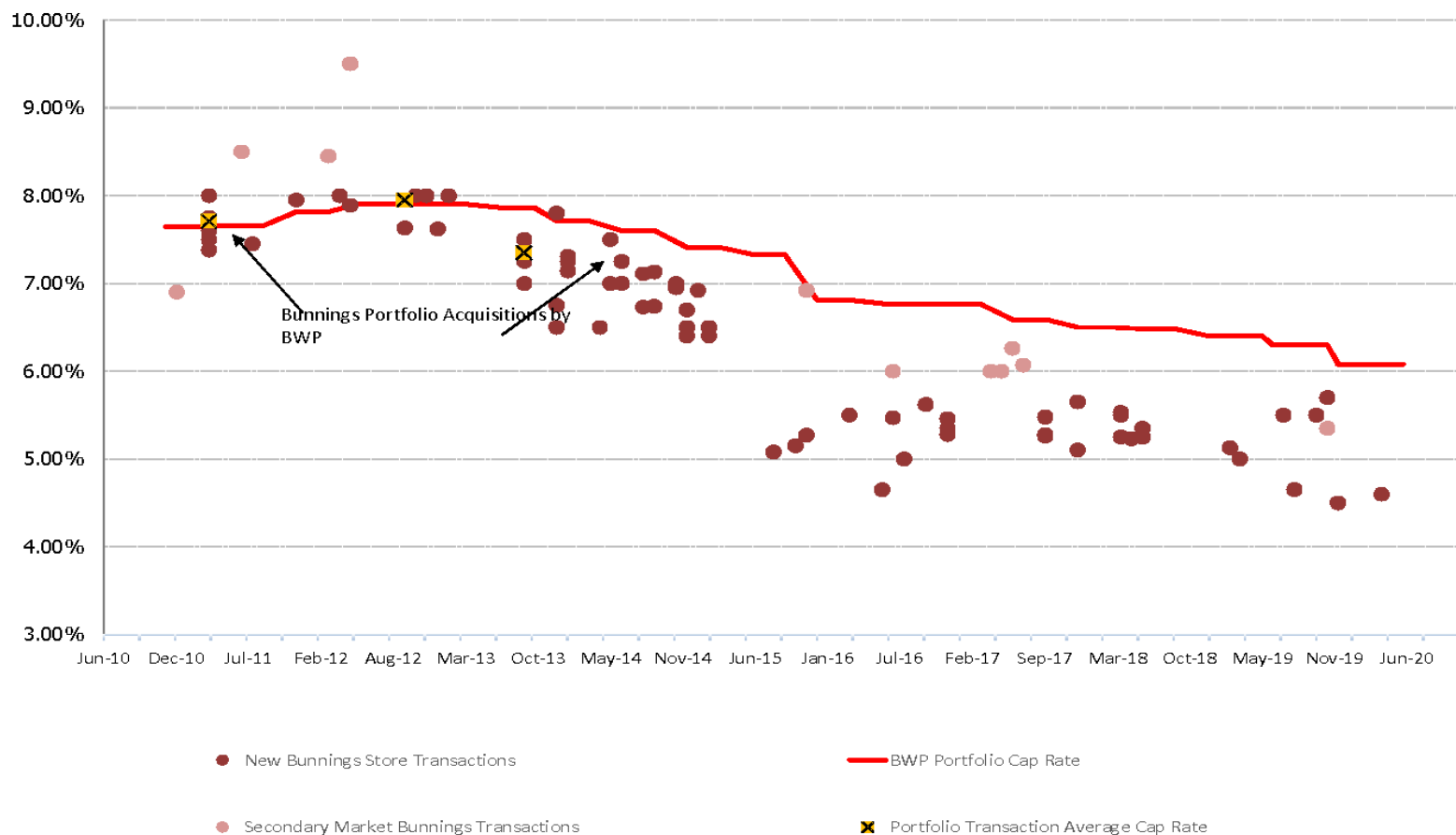
³ Amended from 2.4 per cent to take into account market rent reviews finalised post year end.

⁴ Amended from 1.9 per cent to take into account CPI rent reviews finalised post year end.

⁵ Reflects the annual average like-for-like growth resulting from CPI rent reviews completed during each period.

CAPITALISATION RATE TRENDS

> One Bunnings Warehouse transaction in the last 6 months



JUNE 2020 REVALUATIONS

- > June 2020 weighted average capitalisation rate 6.08 per cent (Dec 2019: 6.08 per cent)
 - 14 independent valuations (19 per cent of BWP portfolio value), average cap rate 6.00 per cent
 - 61 internal valuations, average cap rate 6.09 per cent
 - Stand alone Bunnings Warehouses weighted average cap rate of 5.90 per cent
 - Cap rate movement; 3 properties decreased, 67 properties no change and 5 properties increased
- > FY2020 gross fair value gain of \$96.7¹ million on revaluation
 - Rental growth largely contributed to the net fair value gain during the period after the portfolio average cap rate decreased by 22 bps

Revaluations by state 30 June 2020	No. of properties	Rental \$/m/annum ²	Cap rate (%)	Value (\$m)
NSW/ACT	18	34,632	6.12	583.2
QLD	19	38,092	6.07	625.1
SA	2	4,087	5.93	68.8
VIC	20	47,346	5.64	808.4
WA	16	27,201	6.92	398.7
<i>Total/ weighted average</i>	75	151,358	6.08	2,484.2

¹ Gross movement in valuations; statutory accounts reflect a \$93.6 million revaluation gain after adjustments made for straight-lining of rent.

² Subject to rounding.

JUNE 2020 INDEPENDENT REVALUATIONS



Property	State	Dec 2019 Cap Rate (%)	Dec 2019 Valuation (\$m)	Jun 2020 Cap Rate (%)	Jun 2020 Valuation (\$m)	Cap rate movement	Valuation movement (\$m)	Jun 2020 Term Certain (years)
Australind	WA	6.00	23.4	6.00	24.2	0.00	0.8	7.0
Brendale	QLD	5.50	38.4	5.50	38.4	0.00	0.0	6.5
Craigieburn	VIC	6.00	28.7	5.75	30.8	(0.25)	2.1	1.9
Fountain Gate	VIC	5.75	30.6	5.75	30.6	0.00	0.0	4.6
Hervey Bay	QLD	7.50	16.8	7.50	16.8	0.00	0.0	2.5
Hoxton Park	NSW	7.00	58.3	6.75	58.5	(0.25)	0.2	10.2
Maribyrnong	VIC	5.00	57.2	4.75	62.0	(0.25)	4.8	6.6
Mentone	VIC	5.50	30.4	5.50	32.5	0.00	2.1	9.6
Mile End	SA	5.75	43.6	5.75	43.5	0.00	(0.1)	4.7
Mindarie	WA	9.58	18.1	11.48	15.1	1.90	(3.0)	1.2
Morayfield	QLD	5.75	30.7	5.75	30.5	0.00	(0.2)	4.7
Noarlunga	SA	6.25	25.3	6.25	25.3	0.00	0.0	4.3
Villawood	NSW	5.50	35.0	5.50	35.0	0.00	0.0	6.9
Wollongong	NSW	6.25	23.5	6.25	23.5	0.00	0.0	2.6
Total/ average¹		6.05	460.0	6.00	466.7	(0.05)	6.7	5.7

¹ Figures subject to rounding.



CORE PORTFOLIO

Artarmon, NSW

CORE PORTFOLIO SUMMARY



68
properties

4.1 years
portfolio WALE

3.3 ha
average land
area

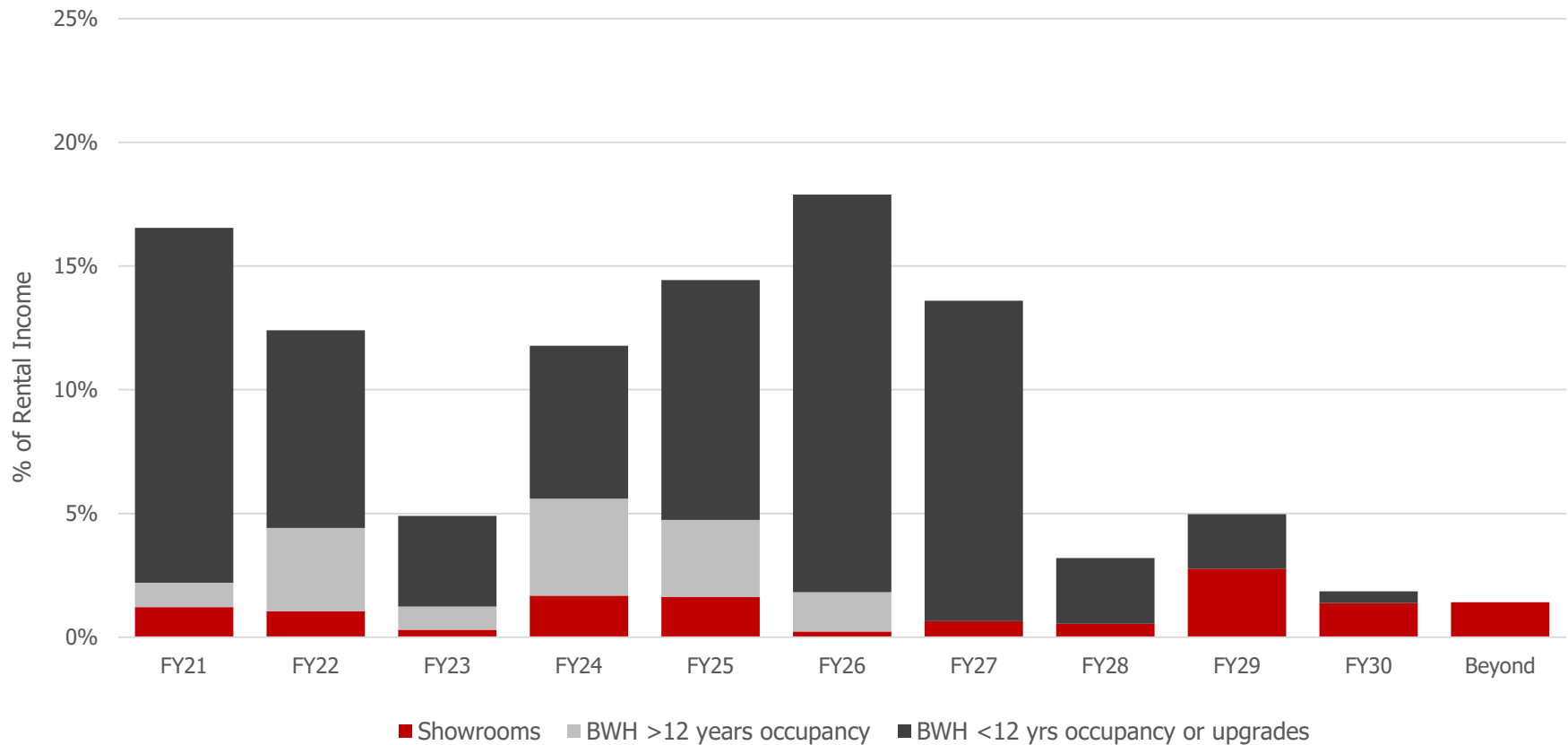
14,054m²
average lettable
area

82%
metro located
properties

76%
upgrade
properties or
occupied <12yrs

5.90%
weighted
average cap rate

WEIGHTED AVERAGE LEASE EXPIRY PROFILE



LEASE EXPIRIES NEXT THREE YEARS



- > Five year options exercised for Fountain Gate (VIC), Port Melbourne (VIC), Northland (VIC), Vermont South (VIC), Coburg (VIC) during year
- > Hawthorn (VIC) option exercised post year-end

Property	Lease expiry	Options	Rent (\$'000pa)	Comments
Mt Gravatt	Dec 2020	4 x 5 yrs	1,407	Notification required by Sep 2020
Broadmeadows	Jan 2021	10 yrs	2,041	Notification required by Oct 2020
2011 Portfolio	Mar – Oct 2021	5 x 5 yrs	16,653	Properties acquired in 2011 portfolio transaction - Belmont, Cockburn, Fairfield Waters, Pakenham, Wagga Wagga, Port Kennedy, Smithfield, Dubbo, Harrisdale and Caroline Springs
Geraldton	Dec 2021	2 x 5 yrs	1,341	Notification required by Sep 2021
Mornington	Dec 2021	2 x 5 yrs	1,760	Notification required by Sep 2021
Frankston	Dec 2021	2 x 5 yrs	2,156	Notification required by Sep 2021
Gladstone	Feb 2022	3 x 5 yrs	1,378	Notification required by Nov 2021
Greenacre	Apr 2022	5 x 5 yrs	2,869	Notification required by Oct 2021
Craigieburn	May 2022	5 x 5 yrs	1,773	Notification required by Nov 2021
Scoresby	May 2022	2 x 5 yrs	1,986	Notification required by Feb 2022
Hervey Bay	Dec 2022	1 x 5 yrs	1,347	Notification required by Sep 2022
Artarmon	Feb 2023	3 x 5 yrs	1,705	Notification required by Nov 2022
Belrose	Feb 2023	3 x 5 yrs	2,107	Notification required by Nov 2022
Wollongong	Feb 2023	2 x 5 yrs	1,405	Notification required by Nov 2022

VILLAWOOD UPGRADE COMPLETED

- > Upgrade cost of \$5.0 million at a funding rate of 3.7 per cent (specified formula in lease)
- > Upgrade increases the total retail area by 1,792 square metres incorporating an expansion the timber trade sales and nursery areas
- > Completed in November 2019
- > Bunnings has entered into a new seven lease with existing 4 x 5 year options
- > Annual fixed three per cent reviews with a market rent review on the exercise of each option
- > 10 per cent cap/collar on market rent reviews
- > No other changes to the existing lease



PORT MELBOURNE UPGRADE

- > Upgrade cost of \$6.6 million at a funding rate of 5.5 per cent
- > Upgrade increases the total retail area by 2,303 square metres incorporating an expansion of the main store and the timber trade sales areas
- > Anticipate completion mid-2021
- > On completion of the works Bunnings will enter into a new 10 year lease with existing 2 x 5 year options to remain (current term certain 4.7 years)
- > Annual CPI reviews with a market rent review on the exercise of each option
- > 10 per cent cap, 5 per cent collar per existing lease to remain on the market rent reviews
- > No other changes to the existing lease



ALTERNATIVE USE PROPERTIES



Hoxton Park, NSW

ALTERNATIVE USE PROPERTIES UPDATE



Property	Lease expiry ¹	Comments
Cairns	Expired	Concept and feasibility finalised for multi-tenanted industrial development; re-leasing campaign re-launched
Morley	Expired	Various options being considered for re-positioning
Underwood	Expired	Considering redevelopment/divestment options
Belmont North	Mar 2021	Considering redevelopment/divestment options
Midland	Sep 2021	Various options being considered for re-positioning
Mindarie	Sep 2021	Scheme amendment and structure plan approved in 2019 to allow mixed use development of the site which adjoins Ocean Keys sub-regional shopping centre; considering redevelopment/divestment options
Albany	Oct 2024	Considering redevelopment/divestment options

¹ End of the current Bunnings lease term.

CAPITAL MANAGEMENT



Greenacre, NSW

DEBT FACILITIES

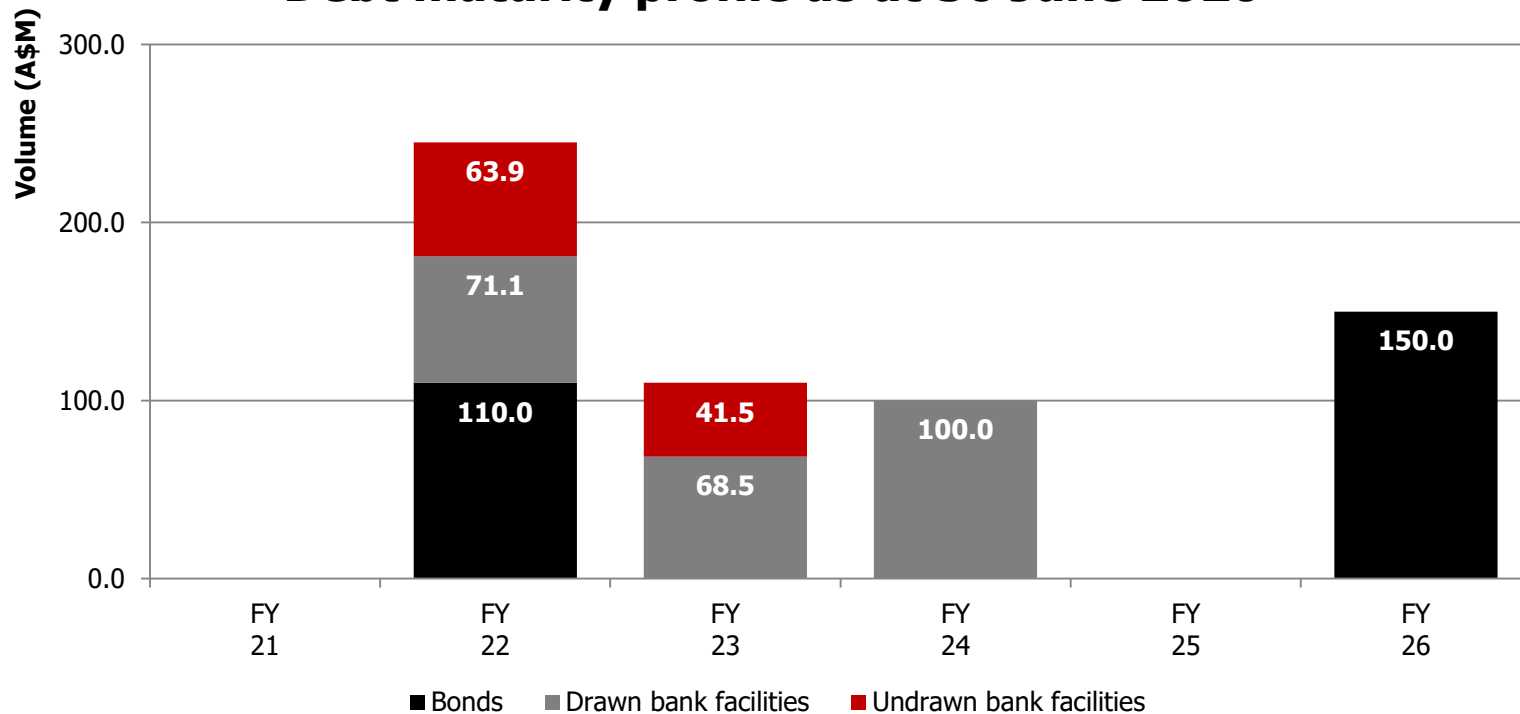


- > Average borrowings for the year \$461.9 million (up 0.8 per cent on prior corresponding period)
 - 3.4 per cent per annum weighted average cost of debt after hedging (2019: 4.3 per cent per annum)
 - Borrowing costs for the year \$15.5 million (down 20.7 per cent on prior corresponding period)
- > Bank facilities with CBA and WBC can be extended a further year each year, subject to agreement. The CBA facility was extended for a further two years during the year
- > Additional \$50 million raised on the April 2026 bonds to provide more liquidity during COVID-19
- > Cost of debt at 30 June 2020: 3.0 per cent per annum
- > Interest cover: 8.6 times at 30 June 2020 (2019: 6.8 times)
- > Gearing 19.7 per cent at 30 June 2020 (2019: 17.3 per cent)
- > A- / Stable S&P rating and A3 Moody's rating

As at 30 June 2020	Limit (\$m)	Drawn (\$m)	Expiry
CBA	110	69	31 Jul 2022
WBC	135	71	30 Apr 2022
SMBC	100	100	20 May 2024
Corporate bonds- five year	110	110	11 May 2022
Corporate bonds- seven year	150	150	10 April 2026
Total/ weighted average	605	500	3.2 years

DEBT DURATION

Debt maturity profile as at 30 June 2020



INTEREST RATE HEDGING



Hedge book profile by half-year ending		Jun 2020	Dec 2020	Jun 2021	Dec 2021	Jun 2022
Active swaps (\$m)		85	85	70	40	-
Swap rates (%)	Maximum	4.12	4.12	2.60	2.60	-
	Minimum	2.39	2.39	2.39	2.60	-
Weighted average¹		2.79	2.79	2.51	2.60	-

> Including fixed rate corporate bonds:

– \$345.0 million hedged at 1.80² per cent weighted average to maturity, at 30 June 2020

¹ Weighted average of active swaps at respective half-year end.

² Excludes margins payable on the fixed corporate bonds.

OUTLOOK



Rydalmere, NSW

OUTLOOK



Macro economic environment

- > Continuing COVID-19 outbreaks may require further rent abatements and/or deferrals for some Code of Conduct tenants
- > Demand for Bunnings Warehouse properties is expected to remain relatively stable in near term given the strength of the Bunnings covenant
- > The Trust is well positioned in the current economic environment with low gearing, sufficient liquidity and sustainable cashflow

Rental growth

- > 50 CPI/ 43 fixed rent reviews in FY2021
- > 15 Bunnings MRR's to be finalised in FY2021 (in addition to those outstanding from FY2018, FY2019 and FY2020)

Investment

- > Primary focus on leasing vacancies in the portfolio, progressing store upgrades, and extending existing leases with Bunnings through the exercise of options
- > Further improving the energy efficiency of the Trust's properties through the continued rollout of LED lighting in stores, and roof top solar installations

FY2021 distribution

- > The Trust could expect the distribution for the year ending 30 June 2021 to be similar to the ordinary distribution paid for the year ended 30 June 2020, with capital profits being utilised to support the distribution as necessary. The distribution may be reviewed in the event the COVID-19 impacts are more severe or prolonged than anticipated

QUESTIONS?



FURTHER INFORMATION

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