

Goodman produces another strong financial performance with its focus on data centres and a capital raising to support future growth

Company/ASX Code	Goodman Group/GMG
AGM time and date	10.00am on Tuesday, 11 November 2025
Location	InterContinental Sydney, 16 Phillip Street, Sydney
Registry	Computershare
Type of meeting	Hybrid
Monitor	Lewis Gomes
Pre-AGM Meeting	Stephen Johns (Chairman) and John Inwood (Head of Group Shareholder Relations) with Lewis Gomes and Richard McDonald

Monitor Shareholding: Several of the individuals (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	Voting
1	To appoint the auditor of Goodman Logistics (HK) Limited	For
2	Re-election of Chris Green as a director of Goodman Limited	Undecided
3	Re-election of Vanessa Liu as a director of Goodman Limited	For
4	Re-election of Anthony Rozic as a director of Goodman Limited	For
5	Re-election of Hilary Spann as a director of Goodman Limited	For
6	Adoption of Remuneration Report	For
7	Issue of Performance Rights under the Long-Term Incentive Plan to Gregory Goodman	For
8	Issue of Performance Rights under the Long-Term Incentive Plan to Danny Peeters	For
9	Issue of Performance Rights under the Long-Term Incentive Plan to Anthony Rozic	For
10	Spill resolution (conditional item)	Against

2. Summary of Issues and Voting Intentions for AGM

- Another strong financial performance with increasing focus on data centres
- Successful institutional capital raising at near peak security price but SPP fails
- Property valuations turned positive due to reducing cap rates (which follow interest rates)
- Outlook continues to be very positive with strong support from capital partners
- Remuneration levels continue to be high notwithstanding some moderation in performance awards after the strike at the 2024 AGM
- High actual remunerations driven partly by historic large increases in the security price and strong financial performance
- Security price over FY25 has moderated after several strong years of increases
- Continued focus on ESG matters and reductions in carbon-based emissions
- Director elections and re-elections are supported
- Performance awards for the CEO and KMP are supported this year following further changes to the remuneration plan

3. Matters Considered

Financial performance

While many property development and management companies in Australia continued to experience challenging times due to rising interest rates and negative property revaluations, Goodman Group (Goodman or GMG) put in another strong year. Operating profit of \$2,311 million was up 13% on FY24 while operating EPS of 118.0 cents was up 9.8% on FY24 and ahead of initial guidance of 9.0%. Statutory profit, which includes property revaluations, non-cash items and mark-to-mark movements was \$1,666 million, a marked improvement on FY24 which saw a loss of \$99 million. The turnaround in statutory profit was largely driven by reducing cap rates in the latter half of the year as the general outlook for property companies improved.

Development earnings continued to be strong with an operating EBIT of \$1.34 billion (\$1.28 billion in FY24) while the EBIT contribution from Property investment was \$678 million (\$567 million in FY24) and from Management was \$838 million (\$776 million in FY24). The strength of Development is also reflected in the completion of \$5.1 billion of new projects (\$4.2 billion in FY24) while maintaining work-in-progress (WIP) at \$12.9 billion across 57 projects. Total assets under management (AUM) were up 9% on FY24 to \$85.6 billion while portfolio occupancy continued at a high 96.5% while like-for-like net property income (NPI) grew by 4.3%.

Gearing remained very low at 4.3% (8.4% in FY24) while net tangible assets (NTA) per security was up by 25% to \$11.03 due mainly to improvements in property valuations. While most listed property companies continued to trade during the year at discounts to NTA, Goodman has maintained a significant premium trading at around 3 to 4 times its NTA, a very strong endorsement by the market of GMG's performance. Over the 12 months of FY25, GMG's security price has fluctuated from a high of about \$38 to a low of about \$26 (after Trump's Liberation Day announcement) after several years of strong security price increases. While the reasons for the security price strength cannot be fully explained, much of it is thought to be a combination of GMG's consistent financial

performance and the strong attention now being given to its growing investments in data centres within its newer industrial developments, as discussed later. Some of the earlier market hype for data centres during 2024 has since moderated as evidenced by some listed pure-play data centre stocks (e.g. DigiCo).

Security-based compensation for executives continues to be excessive in the view of the ASA but has moderated to \$366 million in FY25 from \$501 million for FY24 and \$286 million in FY23. The FY25 amount represents almost 25 % of operating profit for the year compared with \$572 million in dividends and distributions to security holders. In response to the remuneration strike from the 2024 AGM, GMG has presented an analysis of the treatment of security-based compensation (Page 76 of AR) which seeks to demonstrate that the current practice of not including these payments as an operating expense is more than compensated by requiring an increased operating profit to counter the increase in the number of issued securities, thus maintaining remuneration eps hurdles. Of note is that the eps target of 9 cps was still exceeded notwithstanding the large capital raising conducted in February 2025 (refer Key events).

As can be seen in the following table, the dividend per share has remained stationary at 30 cents, notwithstanding the doubling in EPS over these 5 years. Goodman maintains that the extra earnings are needed to fund the WIP and the business in general rather than being given to shareholders. It argues that the benefits of the growth in the business are reflected in the security price which indirectly benefits shareholders. However, it is noted that securities would have to be sold to realise these benefits and only after the likely impost of considerable capital gains taxes for many security holders.

It is noted that the substantial increases in WIP have levelled off in recent years. At the end of FY19, WIP stood at \$4.0 billion, then \$6.5 billion for FY20 then \$10.6 billion for FY21 to \$13.6 billion at the end of FY22 and \$13.0 billion at the end of FY23, FY24 and FY25. In our Pre-AGM meeting with GMG in October 2025, the Chairman advised that WIP is likely to increase substantially over the next few years as it progresses further opportunities in data centres and associated partnerships. He also noted that it has been investing about \$1.4 billion annually to support its capital investments in its partnerships in order to maintain its relative equity of around 25% to 30% in these ventures.

The capital demands on its partners and GMG are likely to increase substantially with the notional target of 5GW of powered data centres having a capex need of around \$100 billion, if not more due to the increasing costs and complexities associated with data centres. He also advised that the completion of projects rolling off WIP is adding about \$6 billion of income-earning assets each year but the WIP is being rebuilt and actually increasing with new projects. Hence the Chairman sees the outlook for distributions as largely unchanged with capex needs outweighing any likely increases in direct returns to security holders.

GMG has given guidance for FY26 of EPS growth of 9.0% which would equate to an operating profit of \$2.6 billion or 128 cps.

Summary 5 Year Financial Table

(As at FYE)	2025	2024	2023	2022	2021
Statutory Profit (\$m)	1,666	(99)	1,560	3,414	2,312
Operating Profit (\$m)	2,311	2,049	1,783	1,528	1,219
Share price (\$)	34.24	34.75	20.07	17.84	21.17
Dividend (cents)	30	30	30	30	30
Simple TSR (%)	-0.6	74.6	14.2	(14.3)	43.3
Operating EPS (cents)	118.0	107.5	94.3	81.3	65.6
CEO total remuneration, actual (\$m)	20.3	26.7	27.4	44.3	37.0

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

Goodman Limited has a board of 10 directors, including the CEO and two other executive directors. Of this group, 3 are women. There are two additional directors of Goodman Logistics (HK) Limited who are not on the main board.

There are 5 nominated Key Management Personnel (KMP) including the 3 executive directors, all of whom are men. Of the top 20 executives, only one is a woman.

Goodman has a board diversity target of 40/40/20 for non-executive directors (now 30% female) while GMG has 41% overall female representation with 31% in senior executive roles. Following recent elections of new directors, the geographic spread has improved with now 30% of directors based in the US, 20% in Hong Kong and the rest in Australia.

In our meeting with GMG in October 2024 we asked about the selection and management of KPMG as auditors to the Group. We were advised that Goodman continues to be pleased with the services provided by KPMG notwithstanding that they have been the auditors for many years and are able to provide the international experience and resources that the role requires. The lead partner is rotated every 5 years and the Chairman stated that he sees no reason for changing arrangements that have worked very well over many years.

It is noted that Goodman continues to invest in two entities associated with Chris Green, a director of Goodman Limited (the head entity). In discussions with the Chairman, it was stated that the investments offer insights to technology and trends for a small (for Goodman) total investment of now about \$40 million (AR Page 103). While this may be the case, the benefits to Goodman are not apparent in the AR and we are advised that the funding is not significant for the interests of Chris Green. In any event, in the absence of clear benefits to GMG, these investments are seen as being contrary to the principles of good governance and are not supported by the ASA.

Key events

This year marks 30 years since Goodman Group listed on the ASX. Over that time Goodman has evolved from a local industrial property group with assets worth about \$75 million to a global player with assets now valued at about \$86 billion. Its near-death experience during the GFC as a result of high debts and over-extension has embedded a long-lasting conservatism in the business which nowadays is, by comparison with other property companies, very much under-gearred.

Goodman has continued its increasing focus on data centre developments which now account for 57% of development WIP up from 40% in FY24. With a total global power bank of 5.0GW strategically located across 13 major global cities, it is seen as a source of competitive advantage as GMG repositions several of its industrial sites to higher value data centres. The 5.0GW power bank includes 2.7GW of secured power and 2.3GW in advanced stages of procurement. Approximately 0.5GW of work is expected to be underway by the end of FY26 which represents only about 10% of the longer-term ambition of 5GW. New data centre partnerships are being launched in Australia, Hong Kong and Europe to facilitate funding of these opportunities while a partnership has been established in Japan. Goodman is developing a range of data centre facilities from “powered shells” to be fitted out and operated by others (e.g. Microsoft) to fully operating centres managed by Goodman.

To support the capital needs of these data centres and increasing balance sheet funding, Goodman raised approximately \$4 billion in new equity in February from institutional investors at \$33.50 being a 7% discount to the then prevailing security price of about \$36. This offer was heavily oversubscribed. A retail security purchase plan seeking to raise a further \$400 million at the same price was launched shortly afterwards but the market (and Goodman) took an unexpected drop in late February through to early April (US President Trump’s “Liberation Day” announcement) with the GMG security price dropping below \$30. Consequently, and not surprisingly, the SPP raised minimal new funds with perhaps security holders taking advantage of the lower on-market pricing to top up their holdings.

All of Goodman’s partnership funds are unlisted with the past exception of a small, listed fund in New Zealand (Goodman Property Trust (GMT)), the management of which has recently been internalised. During FY24, the Goodman North America Partnership (GNAP) saw the exit of a major investor who was seeking to move their funds elsewhere with GMG buying back the equity but then reissuing it to a new investor, Norges Bank Investment Management.

Key board or senior management changes

There have been no changes in the membership of the board nor in senior management ranks.

The AR (Page 264) lists three substantial securityholders being Vanguard Group (8.2%), Blackrock Group (8.0%), State Street Corporation (8.3%). The China Investment Corporation held some 7.9% of stock last year and had done so for many years (since the GFC in 2008) but exited its holding in FY25.

Sustainability/ESG

Goodman has for a long time taken sustainability and ESG into consideration in its projects and corporate activities. Apart from its own desire to meet community expectations, there is an obvious benefit to its business activities as more clients are demanding ever increasing attention to these matters. Goodman has incorporated specific climate reporting and other sustainability initiatives into its annual report (refer Pages 35 to 60).

Among its achievements for FY25 are reductions in Scope 1 and 2 emissions of 11% since FY21 despite a substantial increase in the number of facilities within the Group. Use of renewable electricity has reached close to 100% and added 20MW of solar PV installations to a total to date of 350MW. Goodman has recently reset its previous target of 400MW by 2025 target to 350MW to 370MW due to more of its developments being in multistorey buildings where the available roof space relative to floor space is lower. Details are presented in the AR of all GHG emissions and sources. One aspect that could be given further consideration by Goodman is the likely substantial increases in electricity usage as its data centre portfolio increases toward its 5GW target which is equivalent to 2 to 3 conventional coal fired powered stations.

As noted elsewhere, Goodman has built an ESG hurdle into its remuneration framework, where up to 20% of awards could be forfeited if these targets are not met. Details are provided in the Annual Report.

The Goodman Foundation continues its philanthropic and community support activities with an annual spend of about \$10 million excluding time spent by employees.

4. Rationale for Voting Intentions

Resolution 1 - Appointment of auditor for Goodman Logistics (HK) Limited (GLHK)

This is a standard resolution each financial year required under Hong Kong law. It is proposed to reappoint KPMG as the auditor. The ASA has no reason to challenge this appointment and will vote all undirected proxies in favour of this resolution.

Resolution 2 - Re-election of Chris Green as a director of Goodman Limited

Chris was appointed a director of Goodman Group in 2019 and was previously Global Head of Macquarie Group's real estate business up until 2018. The ASA accepts that Chris makes a valuable contribution to Goodman's businesses. However, our concerns with the declared investments by Goodman in several companies controlled by Chris Green had led the ASA to question this arrangement and depending on his response to questions at the AGM, the ASA is likely to vote all undirected proxies against this resolution.

Resolution 3 - Re-election of Vanessa Liu as a director of Goodman Limited

Vanessa was appointed a director of Goodman Group in 2022. She is an experienced technology business leader and currently a director of listed Appen. The ASA has no reason to challenge her re-election and will be voting all undirected proxies in favour of this resolution.

Resolution 4 - Re-election of Anthony Rozic as a director of Goodman Limited

Anthony was appointed a director of Goodman Limited in 2013. He is an executive director and Deputy CEO of Goodman Group. He was appointed CEO North America in 2016 and is responsible for setting and managing strategy, business performance and corporate transactions for the Group's North American operations. Along with Greg Goodman as CEO and Danny Peeters, he is the third executive director on the GMG board.

The board is supportive of Anthony's re-election but the ASA does not generally support the addition of other than the CEO to boards. In our October 2024 meeting with GMG, the Chairman stated that the reasons for the additional executive directors were largely historical and would not be repeated when these directors eventually retire from the Group. Given the importance of its North American operations to Goodman and his role as Deputy CEO and likely successor to Greg Goodman, the ASA will vote all undirected votes in favour of this resolution.

Resolution 5 - Re-election of Hilary Spann as a director of Goodman Limited

Hilary was appointed a director of Goodman Group in 2022. She has a background in public and private equity markets and is a senior executive in a NYSE-listed Boston Properties Inc based in New York. We have been assured by the Chairman that Hilary is an active contributor to the board and brings significant US property experience to GMG. Hence the ASA has no reason to challenge her re-election and will be voting all undirected proxies in favour of this resolution.

Resolution 6 - Adoption of the Remuneration Report

GMG received a strike on its remuneration report at the 2024 AGM with 35% of voted securities against the resolution exceeding the 25% limit. Both the 2021 and 2022 AGM's also saw the against votes exceeding 25%. The problem can be seen in the various remuneration reports (e.g. AR Page 98) which show the number of performance rights awarded to the CEO over successive years. In FY18 and FY19, the CEO was awarded 1,600,000 rights each year. Goodman received a strike over these numbers and the following years a more reasonable path was chosen wherein the CEO was awarded 900,000 in FY20 and 950,000 in FY21.

Then suddenly in FY22, the CEO was awarded 1,560,000 rights without any meaningful justification other than the holding period on these awards being extended to 10 years. The following years saw the number of performance rights issues fall to 1,000,000 in FY22, 900,000 in FY24 and 630,000 in FY25. For FY26, the number of rights being awarded to the CEO has been further reduced to 530,000 (refer Resolution 7).

For FY24, all tested awards from previous years exceeded the hurdles for 100% vesting. The value of vested rights for FY24 at the vesting date was \$25.3 million while the value when awarded (the grant dates) was \$14.9 million (refer Page 88 of AR). Adding the CEO's fixed remuneration of \$1.4 million (unchanged since 2014) and no STI for the CEO gave a total actual remuneration for FY24 of \$26.7 million.

For the FY25 year, over the four-year testing period the maximum LTI was achieved for EPS growth (over 9%) but the TSR percentile fell just below the maximum due to a reduced security price over FY25. The result was a vesting of 95.3% of available awards (refer Page 87 of AR). It should be noted that the EPS maximum hurdle was exceeded notwithstanding the issue of new securities following the capital raising and staff-issued securities based on the FY24 vesting outcomes. The resulting total actual remuneration for the CEO for FY25 was \$20.3 million including the unchanged base salary of \$1.4 million and no STI award (as agreed with the CEO). The value of the CEO's vested securities when awarded as rights was \$9.4 million which doubled in value to \$18.9 million due to the rise in GMG's security price over the testing period. The FY25 actual remuneration for the CEO was down by about 24% on that for FY24.

LTI is measured against two metrics, EPS growth at 75% and TSR at 25%. The Board favours EPS as the main metric as the business has a strong cash generation focus which is more under the control of executives than security price. The awards are also subject to a gateway hurdle of EPS growth of 6% and a possible 20% reduction in LTI awards if a range of sustainability criteria are not met. Further details are provided in the Remuneration Report, including the metrics for assessing STI and LTI awards. Executives are expected to hold 100% of the value of their fixed remuneration in GMG securities, a requirement that is readily met. The remuneration plan for the CEO for FY26 is presented in Appendix 1.

The board has addressed the past issues and has articulated the outcomes of its review of the last strike (refer Pages 66 and 67 of AR). It is acknowledged that the CEO and others in GMG are very well remunerated, but collectively and under the leadership of the CEO, Goodman has built a very strong business and generated considerable wealth for its security holders in the substantial increases in security prices over recent years. Goodman now has a market value of around \$67 billion, more than 3 times that of its nearest property competitor (Scentre Group, owner of the 42 Westfield shopping centres). In summary, after voting against the Remuneration Report on many past occasions, the ASA this year will cast any undirected proxies in favour of this resolution.

Resolutions 7, 8, and 9 - Issue of Performance Rights under the Long-Term Incentive Plan (LTIP) to Greg Goodman, Danny Peeters and Anthony Rozic.

Details of these performance rights are given in the Notice of Meeting including details of the LTIP performance hurdles and the sustainability condition that must be met to avoid up to 20% of the rights lapsing. In summary, the proposed LTI grant to the CEO is 570,000 securities with an ASX face value of \$34.24 as of 30 June 2025 giving a total potential value of \$20.9 million including the fixed remuneration (FR) of \$1.4 million plus zero STI in accordance with the CEO's wishes.

For Peeters and Rozic, the grants are 300,000 and 330,000 securities respectively plus fixed remuneration plus maximum STI of 150% of FR. For Peeters fixed remuneration is shown as EUR 696,000 while Rozic's fixed remuneration is USD 926,000.

For the reasons outlined above for Resolution 4, the ASA believes these awards are now more realistic and justifiable, being based on face value and subject to significant hurdles for EPS growth and TSR performance as well as a ten-year holding period.

In summary, after previous years of voting against the issue of performance rights, the ASA this year will cast any undirected proxies in favour of these resolutions.

Resolution 10 - Spill resolution (conditional item)

This resolution arises from the strike incurred at the last AGM. It will only be put to the meeting if there is a second consecutive strike, that is, if Resolution 6 fails to attract greater than 75% of voted securities. The ASA will be voting for Resolution 6 and against this resolution in the event that it arises as a spill motion of this nature is seen as quite disruptive to the good running of the company. Further, as advised earlier in this VI, the board of GMG has responded to the concerns raised in the 2024 AGM.

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Appendix 1

Remuneration framework detail for the CEO for FY26

CEO rem. Framework for FYXX	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.4	10.3	1.4	6.7
STI - Cash	Nil	0	Nil	0
STI - Equity	Nil	0	Nil	0
LTI	12.2	89.7	19.5	93.3
Total	13.6	100.0	20.9	100.0

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.