AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

Goodman produces another strong financial performance but disappointing security price performance

Company/ASX Code	**Goodman Group/GMG**
AGM time and date	**10.00am Thursday, 19 November 2026**
Location	InterContinental Sydney, 16 Phillip Street, Sydney
Registry	Computershare
Type of meeting	Hybrid meeting
Monitor	Richard McDonald, Lewis Gomes, and Mary Curran
Pre-AGM Meeting	Stephen Johns (Chairman) and James Inwood (Head of Group Stakeholder Relations)

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

1. How we intend to vote

No.	Resolution description	Voting
2	To appoint the auditor of Goodman Logistics (HK) Limited	For
3(a) 3(b)	Re-election of Stephen Johns as a director of Goodman Limited and Goodman Logistics (HK) Limited	For
3(c)	Re-election of Mark Johnson as a director of Goodman Limited	For
3(d)	Re-election of Belinda Robson as a director of Goodman Limited	For
3(e)	Re-election of George Zoghbi as a director of Goodman Limited	For
3(f)	Re-election of Kitty Chung as a director of Goodman Logistics (HK) Limited	For
4	Adoption of Remuneration Report	For
5(a)	Issue of Performance Rights under the Long-Term Incentive Plan to Gregory Goodman	For
5(b)	Issue of Performance Rights under the Long-Term Incentive Plan to Danny Peeters	For
5(c)	Issue of Performance Rights under the Long-Term Incentive Plan to Anthony Rozic	For
6(a)	Amendment of Constitution of Goodman Group	For
6(b)	Amendment of Constitution of Goodman Industrial Trust	For

6(c)	Amendment of Articles of Association of Goodman Logistics (HK) Limited	For
6(d)	Capital Reduction by Goodman Logistics (HK) Limited	For
6(e)	Outgoing Capital Reduction by Goodman Logistics (HK) Limited	For
7(a)	Amendment of Constitution of Goodman Group	Against
7(b)	Request for disclosure of framework for data centres	Against

2. Summary of Issues and Voting Intentions for AGM

Goodman Group, in association with New York-listed Digital Realty Trust, was reported by the press to have acquired a 7.5% holding in NEXTDC (ASX: NXT) through Ackland Investments. This holding was press reporting, not an outcome confirmed by NEXTDC. In its 5 November announcement, NEXTDC said Ackland had sought to acquire up to 9.9% at $9.50 per share and that NEXTDC did not know the outcome. NXT's share price rose from $6.53 at close of business on Wednesday and jumped almost 39% to trade at $9.07 the following morning. NEXTDC advised that it had not received a takeover offer, and Goodman has not given any details of its motives or further plans for the holding. Goodman's security price rose nearly 6% to $28.425 late on Thursday 5 November. NXT's share price had fallen significantly from around $10 to $5.40 in recent days following issues with power supply to its M3 data centre in Melbourne and consequent concerns about its ongoing funding capacity for other projects. Further questions are likely at the upcoming AGM, where additional details may be provided.

Goodman Group delivered a strong FY26 financial result as it continued to strengthen its position as a global provider of essential infrastructure for the digital economy. Demand for well-located logistics facilities remained resilient, while data centres became the principal growth engine, supported by scarce powered sites, rising cloud and artificial-intelligence investment, and capital-partner demand. Notwithstanding the good financial result, GMG's security price has fallen by up to 30% from past highs, primarily due to industry-wide concerns over increasing capital expenditure (capex) needs and uncertain profit and cash flow outlooks.

The Group achieved operating earnings per security (EPS) growth of just over 10% with low gearing, substantial liquidity and a large development pipeline. For Goodman, work-in-progress (WIP) grew over FY26 from circa $13 billion to $20 billion while substantial equity was raised amongst its capital partners and capital note raisings. A key question for GMG is the sustainability of this increasing WIP and the outlook for eventual returns of profits to security holders in the form of increased distributions.

Remuneration levels continue to be high but reasonable in the light of its consistent financial performance. Performance awards for the CEO and KMP are similar to last year and will be supported this year. Increases have been made to director fees and minor adjustments made to fixed remuneration for staff.

Director re-elections are supported although the number of directorships (being 5) held by Mr Mark Johnson is a concern and will be noted at the AGM.

There are five resolutions relating to a capital transfer from Goodman Logistics (HK) Limited to Goodman Industrial Trust following on from the circa $4 billion capital raising in February 2025. The Notice of Meeting advises that the transfer "will not be treated as a dividend or taxable distribution" but rather as a reallocation of capital within the Goodman Group which will be reflected in adjustments to the cost bases of the two entities. The transfer is not expected to have any tax consequences for security holders but is subject to a yet-to-be-released determination by the ATO. While the ASA will vote in support of these resolutions, security holders should seek their own financial advice on this matter in deciding whether to give a directed proxy to the ASA.

Two related shareholder resolutions are being put to the AGM seeking more disclosure of Goodman's processes around the planning and approving of data centres. This matter arose out of recent concerns and publicity with a proposed data centre development at Lane Cove West (known as Project Mars) in Sydney. The first resolution (Item 7(a)) seeks an amendment to the constitution of GMG as a special resolution to allow the second specific ordinary resolution to be put to the AGM. While the ASA recognises the importance of appropriate community engagement on data centres, it does not as a matter of principle support special resolutions seeking to amend the constitution of companies as such amendments would detract from the orderly running of the company.

3. Matters Considered

Financial performance

Goodman Group (Goodman or GMG) put in another strong year of financial performance while the security price continued to decline due to concerns generally about AI and data centre capex demands (as discussed later). That is, security holders have not seen the good financial outcomes reflected in the market price of the stock and the distribution rate of 30 cps has remained unchanged resulting in a very low yield of about 1%.

Operating profit of $2,674 million was up 15.7% on FY25 while operating EPS of 129.9 cents was up 10.1% on FY25. Statutory profit, which includes property revaluations, non-cash items and mark-to-market movements was $2,779 million, a substantial uplift on the FY25 figure of $1,666 million due mainly to "fair value adjustments on derivative financial instruments" of $630 million and property revaluations of around $200 million.

The total portfolio value reached $89.0 billion up 4.0% on FY25, with occupancy of 95.6% and like-for-like net property income growth of 4.0%. Development work in progress (WIP) expanded over FY26 by 53% to $19.7 billion across 50 projects in 12 countries, with a forecast yield on cost of 8.2%. Data centres represented 78% of this pipeline (the rounded amounts of $15.4 billion and $19.7 billion imply approximately 78.2%). Development completions totalled $3.6 billion. Goodman's global power bank rose to 6.4 gigawatts (GW) of which 3.6 GW is "secured" and 2.8 GW is "in advanced stages of procurement". More specifically, Goodman "remains on track with 0.5 GW of powered shell and fully fitted capacity in WIP and total data centre WIP of $15.4 billion" of which about 90% is held within data centre partnerships. Goodman has ten data centres in development across major cities in Australia, Asia, Europe and the United States, reinforcing its capacity to deliver large-scale digital infrastructure in supply-constrained locations.

Gearing has remained very low at 6.5% (4.3% in FY25) while net tangible assets (NTA) per security was up by 6.9% to $11.79. Over the 12 months of FY26, GMG's security price has fluctuated from a high of about $34 to a low of $31 but in recent months has

fallen further to around $26 at the time of preparing this Voting Intention. GMG experienced several years of very strong security price growth, reaching around $38 in early 2025, due primarily to its growing investment in data centres, and in February 2025 it executed a well-timed capital raising of about $4 billion. The reasons for the recent retreat in security price are unclear but there have been growing market concerns both locally and internationally around data centre and “big tech” companies (also known as hyperscalers) due to the increasing capital spending and uncertain financial returns. Having said that, Goodman is much more than a data centre company with its longstanding industrial property investment, development and management businesses continuing to do well.

Importantly, Goodman sees itself primarily as a landlord and developer/manager of industrial infrastructure and not as a data centre operator. We were advised, for example, at our pre-AGM meeting with the Chairman that Goodman does not procure the all-important chips (e.g. GPUs from Nvidia) but rather has its tenants (typically hyperscalers) taking on these funding needs and associated supply and obsolescence risks.

Security-based compensation continues to be on the high side of comparable companies in the view of the ASA. In FY26 security-based payments expense was $466 million compared with $356 million in FY25 while security holders received in total about $611 million in FY26 compared with $572 million in FY25. That is, FY26 security-based compensation amounted to about 76% of total dividends and distributions to security holders while the percentage of operating profits being distributed to security holders fell to 23%. It should be noted that security-based compensation is expected to reduce going forward because of the falling security price but, while well below the levels of a few years ago, is still considerable.

As can be seen in the following table, the dividend per share has remained stationary at 30 cents, notwithstanding the significant increases 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 security holders. It argues that the benefits of the growth in the business are reflected in the security price which indirectly benefits shareholders. However, with the security price now having fallen some 30% from its peak, security holders may reasonably question this argument. Given the continuing and possibly increasing development expenditure, there is no indication from Goodman of an increase in the distribution for the foreseeable future.

GMG has given guidance for FY27 of EPS growth of 9.0% which is the same target that it has set (and exceeded) in recent past years.

Summary 5 Year Financial Table

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**
Statutory Profit ($m)	2,778	1,666	(99)	1,560	3,414
Operating Profit ($m)	2,674	2,311	2,049	1,783	1,528
Share price ($)	31.13	34.24	34.75	20.07	17.84
Dividend (cents)	30	30	30	30	30
Simple TSR (%)	(8.2)	(0.6)	74.6	14.2	(14.3)
Operating EPS (cents)	129.9	118.0	107.5	94.3	81.3
CEO total remuneration, actual ($m)	18.1	20.3	26.7	27.4	44.3

Simple TSR is calculated by dividing (the 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. The geographic spread of directors has improved with now 30% of directors based in the US, 20% in Hong Kong and the rest in Australia.

Goodman continues to be satisfied with the services provided by KPMG notwithstanding that they have been the auditors for many years. Of key importance to Goodman is the auditor's ability to provide the international experience and resources that the role requires. The lead partner is rotated every 5 years.

The ASA has commented in the past about the relationship of director Chris Green with two small companies he controls in which Goodman has invested. Details were provided in last year's Voting Intentions when Mr Green was up for re-election. The situation is unchanged.

Goodman's Annual Report provides no directors' skills matrix as most companies now do. However, reasonable experience summaries are given for all directors in the Annual Report and those up for re-election in the Notice of Meeting.

Key events

Goodman has continued its increasing focus on data centre developments which now account for 78% of development WIP up from 57% in FY25. It is evident from recent publicity both in Australia and overseas that data centres are attracting more community/political attention with regard to planning approvals, power and water supplies, noise and public amenity. Goodman will need to actively manage these concerns as the implications of not doing so risk the progress of its data centre rollout. Having said that, Goodman has a long history of successfully managing many complex and impactful projects, and the company has the capacity and experience to continue doing so.

Key board or senior management changes

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

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 79-128).

Among its achievements for FY26 are reductions in Scope 1 and 2 emissions of 22.3% since base year FY21 despite a substantial increase in the number of facilities within the Group. Use of renewable electricity has reached 98%.

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. Note that changes in climate policy and regulations have resulted in higher but necessary compliance costs. Power availability is a key risk to the development of data centres as is cooling water supply and both are actively managed.

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

Item 1 Annual Report of Goodman Group

No vote on this item is needed.

Item 2 Appointment of auditor for Goodman Logistics (HK) Limited

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.

Item 3(a) and 3(b) Re-election of Stephen Johns as a director of Goodman Limited and of Goodman Logistics (HK) Limited

Stephen was appointed a director of GMG in 2017 and is now chairman of Goodman Group. He was Finance Director and then a Group Director for Westfield for many years and subsequently took on a range of director and chairman roles at other companies.

Further details are provided in the Notice of Meeting. Stephen has been an effective director and chairman of GMG and the ASA will be voting all undirected proxies in favour of his re-election.

Item 3(c) Re-election of Mark Johnson as a director of Goodman Limited

Mark was appointed to the board of Goodman Group in June 2020. He spent 30 years in various accounting roles at PwC before taking on a wide range of non-executive roles with listed and unlisted companies and not-for-profit organisations. Details of his current board roles are provided in the Notice of Meeting. The ASA is concerned about the number of roles he has and hence his time allocation to Goodman Group. Our concerns were discussed with the Chairman who assured us of his commitment and valued input to Goodman Group. While we will be voting all undirected proxies in favour of this resolution, we will raise our concerns at the AGM.

Item 3(d) Re-election of Belinda Robson as a director of Goodman Limited

Belinda was appointed a director of Goodman Group in March 2023 and has a background in the property industry including an executive role at Lend Lease. Further details are provided in the Notice of Meeting. Belinda appears to be an effective director and the ASA will be voting all undirected proxies in favour of this resolution.

Item 3(e) Re-election of George Zoghbi as a director of Goodman Limited

George was appointed a director of Goodman Group in April 2023. He is currently CEO of The Arnott's Group following its acquisition by private equity group KKR. He has extensive international experience in consumer-packaged goods and supply chain management. The ASA has discussed his workload with the Chairman of Goodman Group and we have been reassured of his valued contribution to the Board. The ASA will therefore be voting all undirected proxies in favour of this resolution.

Item 3(f) Re-election of Kitty Chung as a director of Goodman Logistics (HK) Limited

Kitty was appointed a director of Goodman Logistics (HK) in July 2023. She has an audit and business advisory background and is a resident of Hong Kong. Kitty appears to be an effective director and the ASA will be voting all undirected proxies in favour of this resolution.

Item 4 Adoption of the Remuneration Report

GMG's remuneration plan is consistent with past years except that the 10-year Long Term Incentive Plan (LTIP) for senior executives (of which there are 12) has been reduced to the same 5-year plan that applies to other staff. That is, a testing period of 3 years followed by a 2-year holding period. The 10-year plan seemed excessive and out of kilter with other companies resulting in some difficulties in retaining or attracting key staff. Further details are provided in the Annual Report (pages 46 to 52). The ASA therefore supports this change. The 10-year plan will continue for those plans already in place but no new 10-year plans will be activated.

The EPS hurdle of 9% annual growth over the testing period continues to operate for the short-term incentive (STI) awards in addition to a wide range of performance metrics. It should be noted that as in past years, the CEO does not receive any STI award.

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 the 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 has been readily met. The remuneration plan for the CEO for FY27 is presented in Appendix 1.

Director fees have been increased by 20% for the chairman and 4% for other board members while committee fees have been increased by 33%. The new fees are generally consistent with fees for other comparable company directors.

In summary, after voting against the Remuneration Report on some past occasions, the ASA this year will cast any undirected proxies in favour of this resolution.

Items 5(a) to 5(c) Issue of Performance Rights under the Long-Term Incentive Plan (LTIP) to Gregory 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 for FY27 to the CEO is 630,000 securities with an ASX face value of $31.13 as at 30 June 2026. This award gives a total potential remuneration value of $21.0 million including the fixed remuneration (FR) of $1.4 million plus zero STI in accordance with the CEO's wishes. This total potential value is similar to last year's figure of $20.9 million as the number of rights has been increased by about 10% to counterbalance a similar fall in the face value of securities.

For Peeters and Rozic, the grants are 335,000 and 380,000 securities respectively plus fixed remuneration plus maximum STI of 150% of FR. For Peeters fixed remuneration is shown as EUR 710,000 while Rozic's fixed remuneration is USD 990,000 which are respectively 2% and 7% higher than for FY26.

For the reasons outlined above for Resolution 4, the ASA believes these awards are realistic and justifiable, being based on face value and subject to significant hurdles for EPS growth and TSR performance as well as a 5-year holding period. In summary, the ASA will cast any undirected proxies in favour of these resolutions.

Items 6(a) to 6(e) Capital Reallocation

There are five resolutions relating to a capital transfer from Goodman Logistics (HK) Limited to Goodman Industrial Trust following on from the circa $4 billion capital raising in February 2025. The Notice of Meeting advises that the transfer "will not be treated as a dividend or taxable distribution" but rather as a reallocation of capital within the Goodman Group which will be reflected in adjustments to the cost bases of the two entities. The transfer is not expected to have any tax consequences for security holders but is subject to a yet-to-be-released determination by the ATO. While the ASA will vote in support of these resolutions, security holders should seek their own financial advice on this matter in deciding whether to give a directed proxy to the ASA.

Items 7(a) and 7(b) Resolutions by a group of security holders

Two related shareholder resolutions are being put to the AGM seeking more disclosure of Goodman's processes around the planning and approving of data centres. This matter arose out of recent concerns and publicity with a proposed data centre development at Lane Cove West in Sydney. While Goodman subsequently decided not to proceed with the development, community concerns are increasing across Australia and overseas about the

community impacts of large-scale data centres. The first resolution (Item 7(a)) seeks an amendment to the constitution of GMG as a special resolution to allow the second specific ordinary resolution to be put to the AGM. While the ASA recognises the importance of appropriate community engagement on data centres, it does not as a matter of principle support special resolutions seeking to amend the constitution of companies as such amendments would detract from the orderly running of the company.

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Appendix 1
Remuneration framework detail for the CEO for FY27

CEO rem framework for FY27	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.4	10	1.4	7
STI - Cash	Nil	0	Nil	0
STI - Equity	Nil	0	Nil	0
LTI	12.3	90	19.6	93
Total	13.7	100	21.0	100

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 frameworks set a maximum opportunity amount, but not all.