

# STRIDE



Stride Property Group  
Annual Shareholder Meetings 2024

# Boards of Directors



**Tim Storey**

Chair of Boards,  
Independent



**Ross Buckley**

Chair of the Audit and Risk  
Committee, Independent



**Jacqueline Cheyne**

Chair of the Sustainability  
Committee, Independent



**Nick Jacobson**

Independent



**Tracey Jones**

Independent



**Michelle Tierney**

Independent

# Management



**Philip Littlewood**  
Chief Executive Officer



**Jennifer Whooley**  
Chief Financial Officer



**Louise Hill**  
Company Secretary and General  
Manager Corporate Services



# Agenda

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Chair's Address

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Chief Executive Officer's  
Address

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Consideration of 2024 Annual  
Report

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Resolution for Stride Property  
Limited

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Resolutions for Stride  
Investment Management  
Limited

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General Business and  
Shareholder Questions

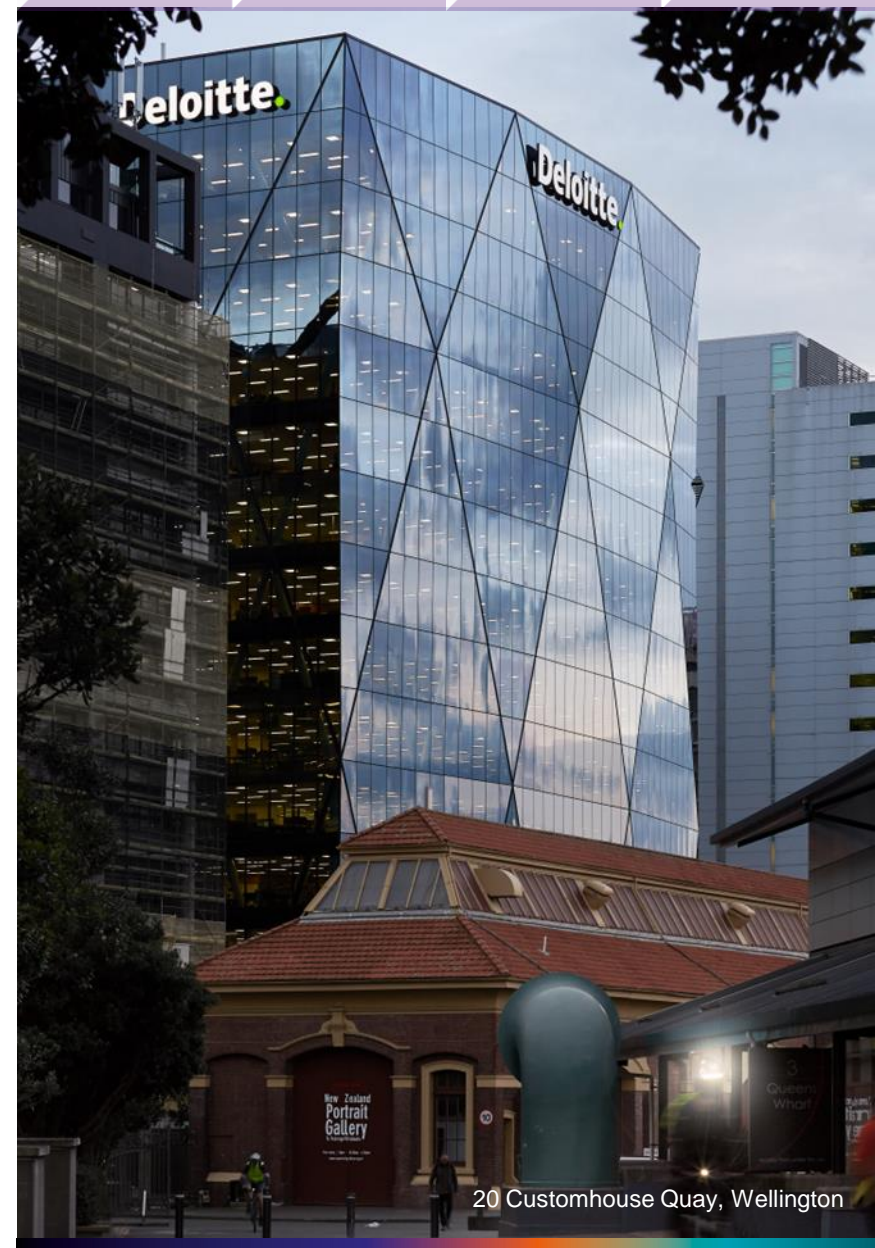
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# Chair's Address

# FY24 financial highlights

Net rental income	<b>\$72.3m</b> up +1.7% from FY23
Loss after income tax	<b>\$(56.1)m</b> compared to \$(116.7)m loss after income tax for FY23
Distributable profit <sup>1</sup> after current income tax	<b>\$59.1m</b> up +2.6% from FY23
Net tangible assets per share	<b>\$1.78</b> down (10.1)% from 31 March 2023
FY24 combined cash dividend	<b>8.0 cents</b> per share

1. Distributable profit is a non-GAAP measure and consists of profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items, share of profit/(loss) in equity-accounted investments, dividends received from equity-accounted investments and current tax. Further information, including the calculation of distributable profit and the adjustments to profit/(loss) before income tax, is set out in note 4.2 to the consolidated financial statements.



20 Customhouse Quay, Wellington

# Capital management

As at 31 March 2024

37.2%

bank LVR<sup>1</sup>  
on a  
committed<sup>2</sup>  
basis

28.1%

balance  
sheet LVR<sup>3</sup>  
on a  
committed<sup>4</sup>  
basis

73%

SPL drawn  
debt fixed  
on a  
committed<sup>2</sup>  
basis

4.22%

SPL weighted  
average cost  
of debt

1. Calculated as bank debt as a percentage of the value of investment property for mortgage security purposes. Includes SPL's office and town centre properties and the debt associated with these properties and excludes SPL's interest in the Industrie joint operation and associated bank debt which are reported as part of the assets and liabilities of SPL (refer note 7.3 to the consolidated financial statements for further information).
2. SPL commitments include: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements).
3. Balance sheet LVR includes SPL's office and town centre properties, as well as the value of SPL's interests in each of the Stride Products, and SPL's direct debt, which excludes Industrie joint operation debt.
4. Commitments include: SPL: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); IPL: (1) various capital expenditure commitments; and (2) the reduced Q4 FY24 dividend; Industrie: development of the property at 16A Wickham Street, Hamilton, and the purchase price of the property at 160 Higgins Road, Hamilton, which was committed to post balance date, together with the equity contributions from the JV partner associated with these transactions.

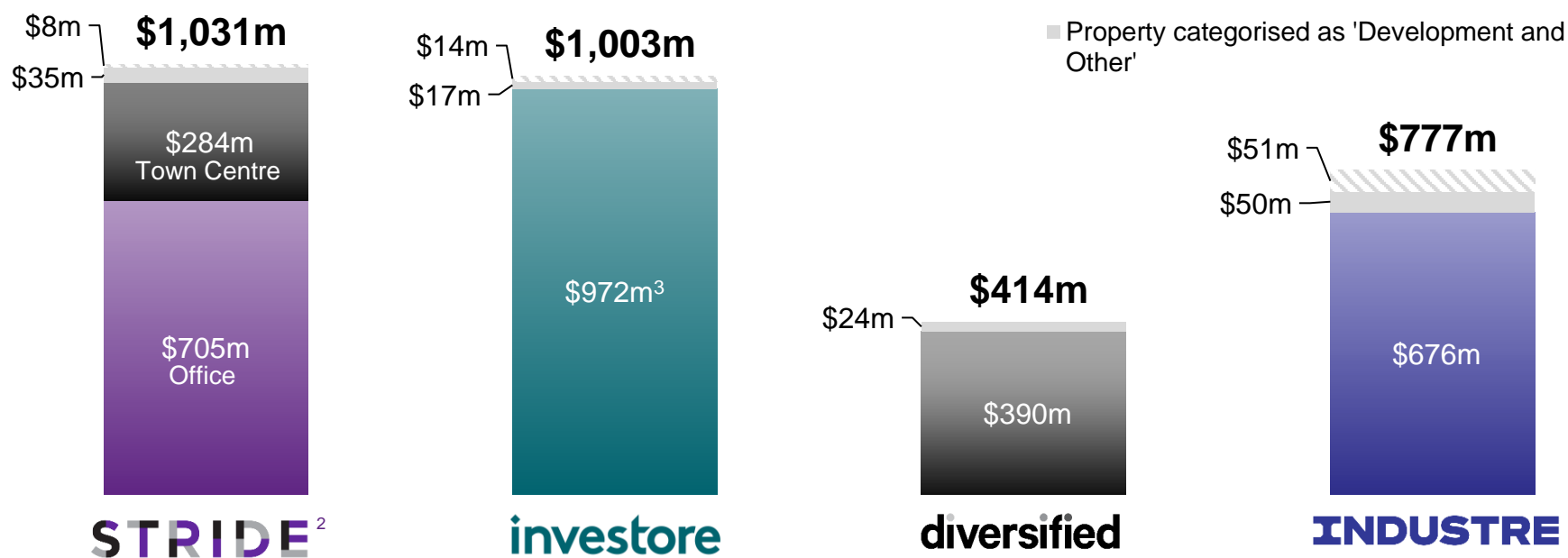
# Chief Executive Officer's Address



# Products

Stride has committed<sup>1</sup> AUM of \$3.2bn, including developments

Portfolio composition by value as at 31 March 2024



Note: Numbers in chart may not sum due to rounding.

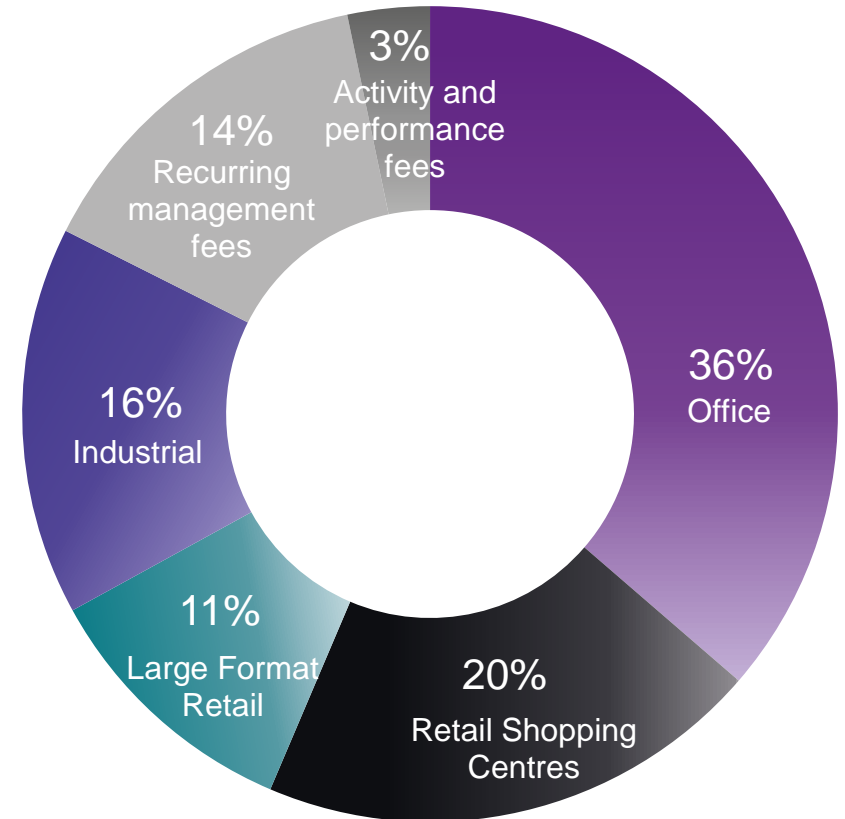
1. Commitments include: SPL: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); IPL: (1) various capital expenditure commitments; and (2) the reduced Q4 FY24 dividend; Industrie: development of the property at 16A Wickham Street, Hamilton, and the purchase price of the property at 160 Higgins Road, Hamilton, which was committed to post balance date, together with the equity contributions from the JV partner associated with these transactions.
2. Excludes: (1) SPL's 51.7% interest in the joint operation component of Industrie Property Joint Venture which is reported as part of assets of SPL in the consolidated financial statements (refer note 3.2 to the consolidated financial statements); and (2) lease liabilities. Includes: (1) the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment'; and (2) the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.
3. Excludes lease liabilities.

# Diversified revenue sources

Stride combines a property investment business (SPL) with an investment management business (SIML)



FY24 look-through revenue sources<sup>1</sup>



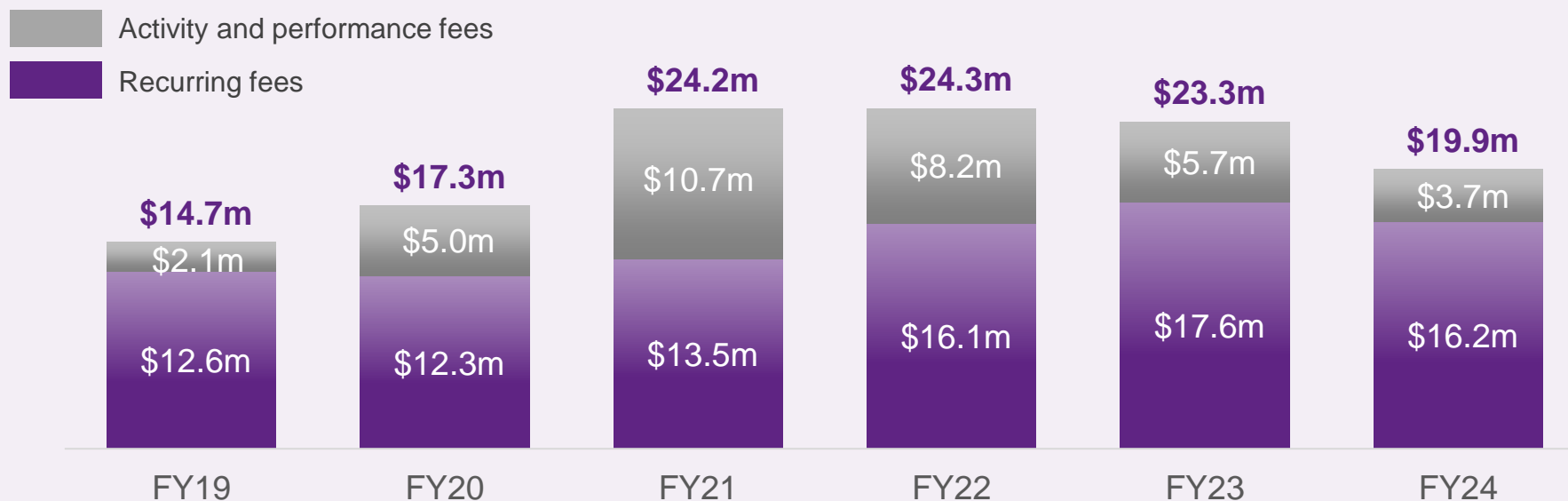
1. Stride's revenue comprises SIML management fees and SPL income derived from its directly held property plus revenue derived from its interests in the Stride Products which is calculated based on net Contract Rental on a look-through basis as at 31 March 2024. Management fees comprise FY24 management fees from Stride Products (i.e. excluding fees from SPL).

# Management fee income

FY24 management fee<sup>1</sup> income of \$19.9m, down from FY23

- Recurring fees lower than FY23 primarily due to reduced portfolio valuations of managed products
- Lower activity fees due to no performance fees and less transaction activity

## SIML management fees<sup>1</sup>



1. Net of management fees received from SPL.

# investore

- Total portfolio valuation of \$1.0bn as at 31 March 2024
- Strong portfolio<sup>1</sup> metrics including WALT of 7.4 years and occupancy of 99.4% including post balance date lease agreements
- Development of new Woolworths Waimakariri Junction, Kaiapoi, completed November 2023
- 88% drawn debt subject to a fixed interest rate as at 31 March 2024

1. Portfolio metrics exclude properties classified as 'Development and Other' in Investore's consolidated financial statements for the relevant period.



# diversified

- Sales growth contributed to strong leasing activity
- Specialty moving annual turnover<sup>2</sup> increased +3.4% against FY23
- Rent reviews generated an uplift of +5.9% on prior rentals<sup>2</sup>
- Total portfolio valuation of \$414m as at 31 March 2024

2. Metrics exclude properties classified as 'Development and Other' in Diversified's financial statements.

# INDUSTRE

- Disposal of two properties at a price 10% above combined book value
- Total portfolio valuation of \$726m as at 31 March 2024
- Development completed at 34 Airpark Drive, Auckland, delivering a 15% development margin
- Commenced development of a new warehouse at 16A Wickham Street, Hamilton
- Post balance date Industre acquired 7.9 hectares of land in Hamilton, providing future development opportunities



# SPL office and town centre portfolio

- Stride's office and town centre portfolio is valued at \$1.0bn as at 31 March 2024
- 110 Carlton Gore Road, Auckland, a new 6 Green Star Design rated building, acquired May 2023
- 22 The Terrace, Wellington, sold July 2023
- SPL's town centre assets of Silverdale Centre and NorthWest Shopping Centre are located in fast-growing regions of Auckland, with moving annual turnover increasing during FY24
- 166 rent reviews and lease renewals completed across the office and town centre portfolios during FY24, delivering a 4.9% uplift on prior rentals



# 34 Shortland Street, Auckland

During FY24, refurbishment works progressed at 34 Shortland Street:













- Lobby redeveloped
- End of trip facilities installed
- Floor upgrades continue
- Mechanical upgrades in progress, targeting a minimum 4 Star NABERSNZ rating
- Net market rentals increased by 15% since September 2022, which was prior to works commencing



# Sustainability



# Progress against targets

Target	FY24 Achievement
 Reduce scope 1 and 2 emissions	 18.7% decrease from FY20 baseline year
 Improve energy and water efficiency	 Gas and electricity usage down 7.1% from FY23
 Target 90% diversion of waste from landfill for development activities	 82% diversion of waste by weight from landfill
 Remove gas from all properties	 Carbon transition plan developed, including removal of gas from offices
 Develop plan to remove harmful refrigerants	 R22 refrigerant replacement programme commenced, and is ongoing
 Reduce waste to landfill	 Tenant waste to landfill increased for FY24, although total waste across operations decreased from FY23

# Transitioning to a low carbon future

## Upgrades to existing buildings

Carbon transition plan developed

## Developments

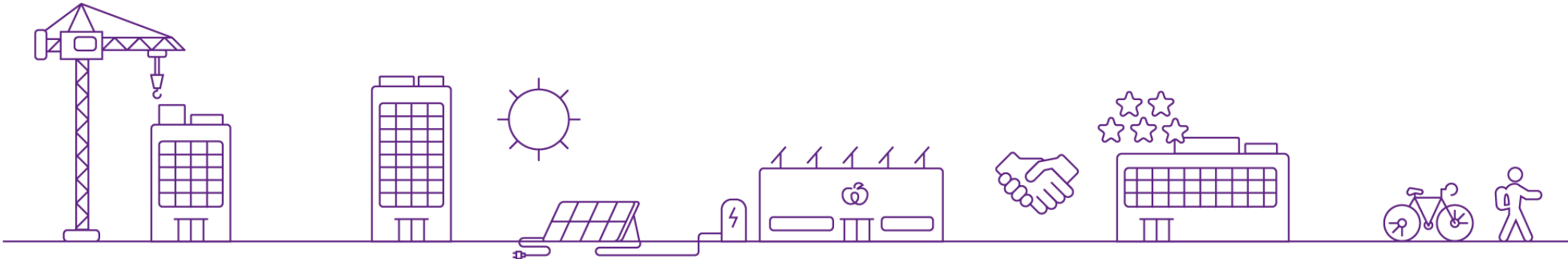
New developments target a 5 Green Star rating

## Acquisitions

New acquisitions (excl development assets) target a 5 Green Star rating where appropriate

## SIML and employee emissions

Employee commuting and business travel emissions are the initial focus, followed by other operational emissions



# Outlook

- Challenging macroeconomic conditions continue, impacting activity in the short term
- Market conditions may also create new opportunities for Stride's real estate investment management business
- Focus on delivering Industrie's development pipeline and SPL's office upgrade initiatives
- Stride Boards confirm they intend to pay a combined cash dividend for SPL and SIML during FY25 of 8.0 cents per share, subject to market conditions



# Formal Business

# Stride Property Limited Resolution

# Resolution 1: Auditor's remuneration

That the Directors be authorised to fix the remuneration of PwC as auditor of Stride Property Limited for the ensuing year

# SPL proxy votes received

## Resolution 1: Auditor's Remuneration

Proxy Votes Lodged	For	Against	Discretionary
351,765,533	95.43%	0.13%	4.44%

# Stride Investment Management Limited Resolutions



# Resolution 1: Auditor's remuneration

That the Directors be authorised to fix the remuneration of PwC as auditor of Stride Investment Management Limited for the ensuing year

# Resolution 2: Re-election of Director Ross Buckley

That Ross Buckley be re-elected as a Director of Stride Investment Management Limited



# Resolution 3: Re-election of Director Nick Jacobson

That Nick Jacobson be  
re-elected as a Director of  
Stride Investment  
Management Limited



# SIML proxy votes received

## Resolution 1: Auditor's Remuneration

Proxy Votes Lodged	For	Against	Discretionary
351,756,934	95.41%	0.13%	4.45%

## Resolution 2: Re-election of Director Ross Buckley

Proxy Votes Lodged	For	Against	Discretionary
351,791,464	95.25%	0.19%	4.56%

## Resolution 3: Re-election of Director Nick Jacobson

Proxy Votes Lodged	For	Against	Discretionary
351,595,162	95.24%	0.19%	4.57%

# General Business and Shareholder Questions

## Stride Property Group

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Auckland 1010, New Zealand

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Victoria Street West  
Auckland 1142, New Zealand

P +64 9 912 2690  
W [strideproperty.co.nz](http://strideproperty.co.nz)

# Thank you

**Important Notice:** The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Stride Property Group for the year ended 31 March 2024. Please refer to the Stride Property Group Annual Report 2024 for further information in relation to the year ended 31 March 2024. The information in this presentation does not purport to be a complete description of Stride Property Group. In making an investment decision, investors must rely on their own examination of Stride Property Group, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

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