PFI

NZX Virtual Investor Event 2022

WELCOME

TO THE **NZX** VIRTUAL INVESTOR EVENT

PFI GENERATES INCOME FOR INVESTORS AS PROFESSIONAL LANDLORDS TO THE INDUSTRIAL ECONOMY, GENERATING PROSPERITY FOR NEW ZEALAND.

EST. 1993

NZX LISTED PROPERTY VEHICLE FOCUSED ON THE **INDUSTRIAL SECTOR**

$2.19 BILLION PORTFOLIO

with an **82% Auckland weighting**

99.0%

AVERAGE OCCUPANCY
over prior 10 years

5.32
YEAR WALT

Sound risk management and portfolio metrics.
Company gearing of

27.6 %

EXPERIENCED MANAGEMENT TEAM
SUPPORTED BY
STRONG GOVERNANCE FRAMEWORK

Industrial property is a **unique asset class**, assets are typically:

SMALLER

PFI AVERAGE

~7,950 M^2

1.4

PFI AVERAGE TENANTS PER PROPERTY

Generic and occupied by a small number of tenants, making them **less management intensive**

PFI owns

MORE LIQUID

$22.6

MILLION PFI AVG.

Requiring lower levels of capex and present a **reduced seismic risk**

Stable operating result:

$23.8M

Interim profit after tax

FFO

5.13CPS

Funds From Operations (FFO)

AFFO

4.64CPS

Adjusted Funds From Operations (AFFO)

Valuation gains:

▲ $18.9 M

OR 9.8 %

11 properties valued at the half year

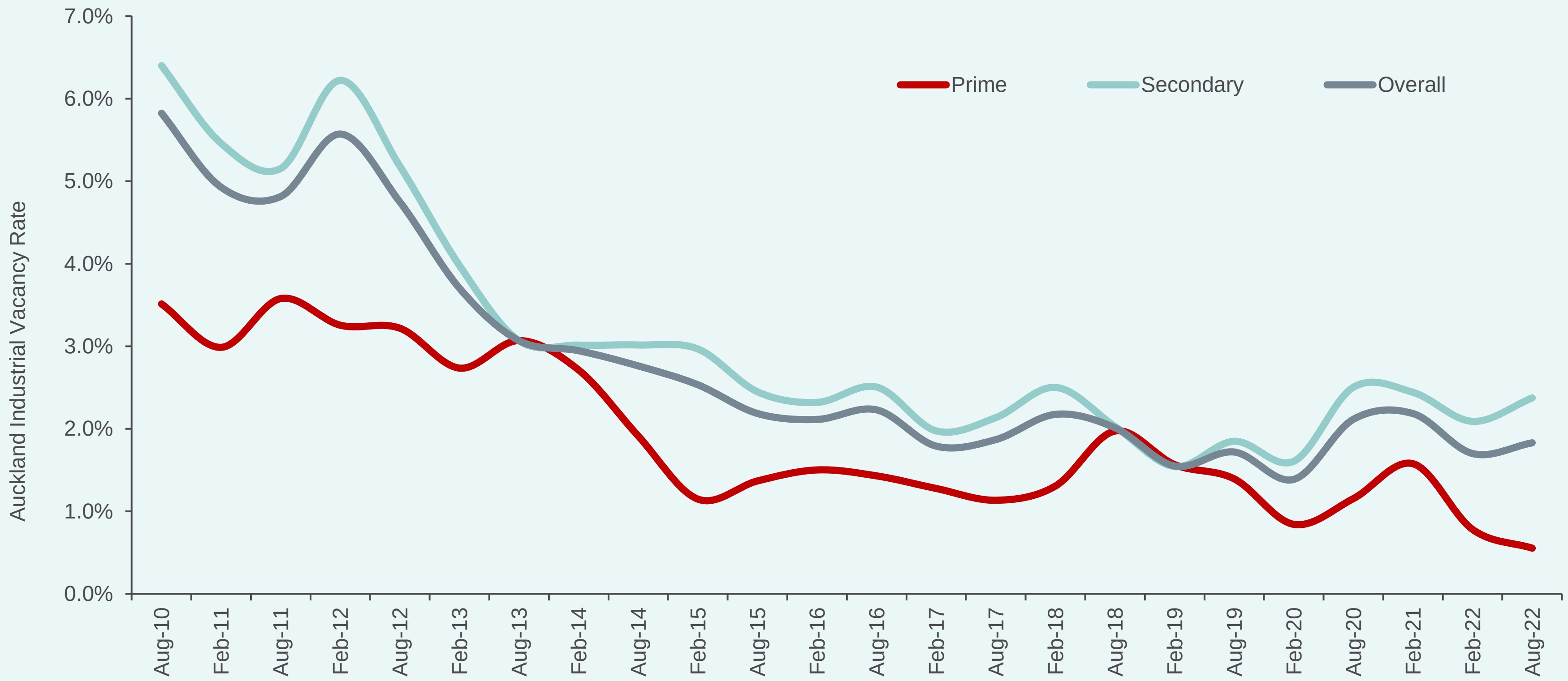
▲ 6.2 CENTS

OR 2.0 %

Increase in net tangible assets per share, now 309.6 cents per share

Elevated Demand for Industrial Workspace

Vacancy holds at historically low levels



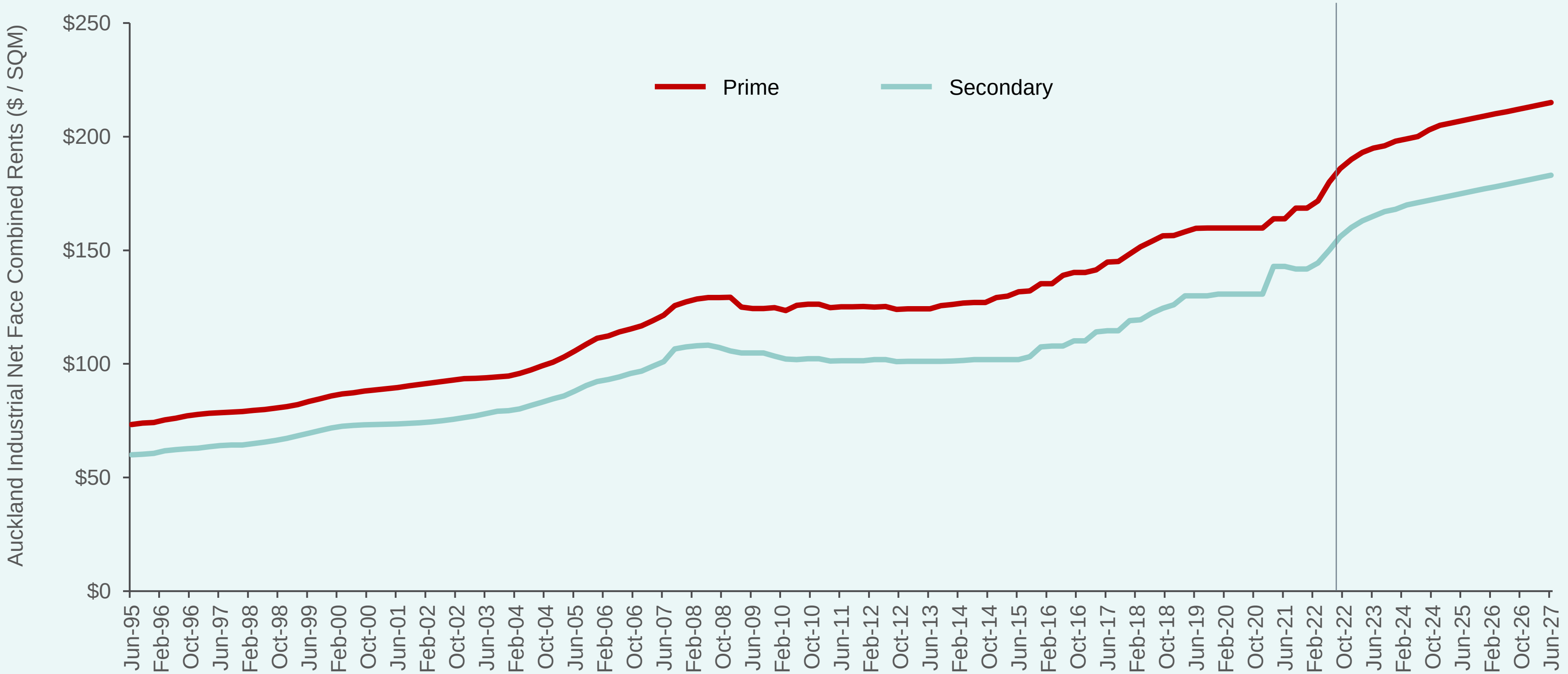
Elevated demand causing low vacancy

Market rents growing quickly

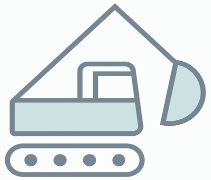
Source: Colliers International Research

Tight Market Conditions Drive Rental Growth

Rental growth outperforms market norms



Evident in our rental review data



Progressing brownfields to meet demand

Source: Colliers International Research

LEASING ACTIVITY

66, 755

SQM LEASED

9.6% of portfolio by rent

▲ 8.2%

Average increase on December-21 market rent

POSITIVE RE-LEASING SPREAD

▲ 16% on previous contract rent

AVERAGE INCENTIVE

0.2 MONTHS per year of term

LEASE RENEWALS

79% of contract rent secured

4 new leases
15 renewals

▲ 28.7 M

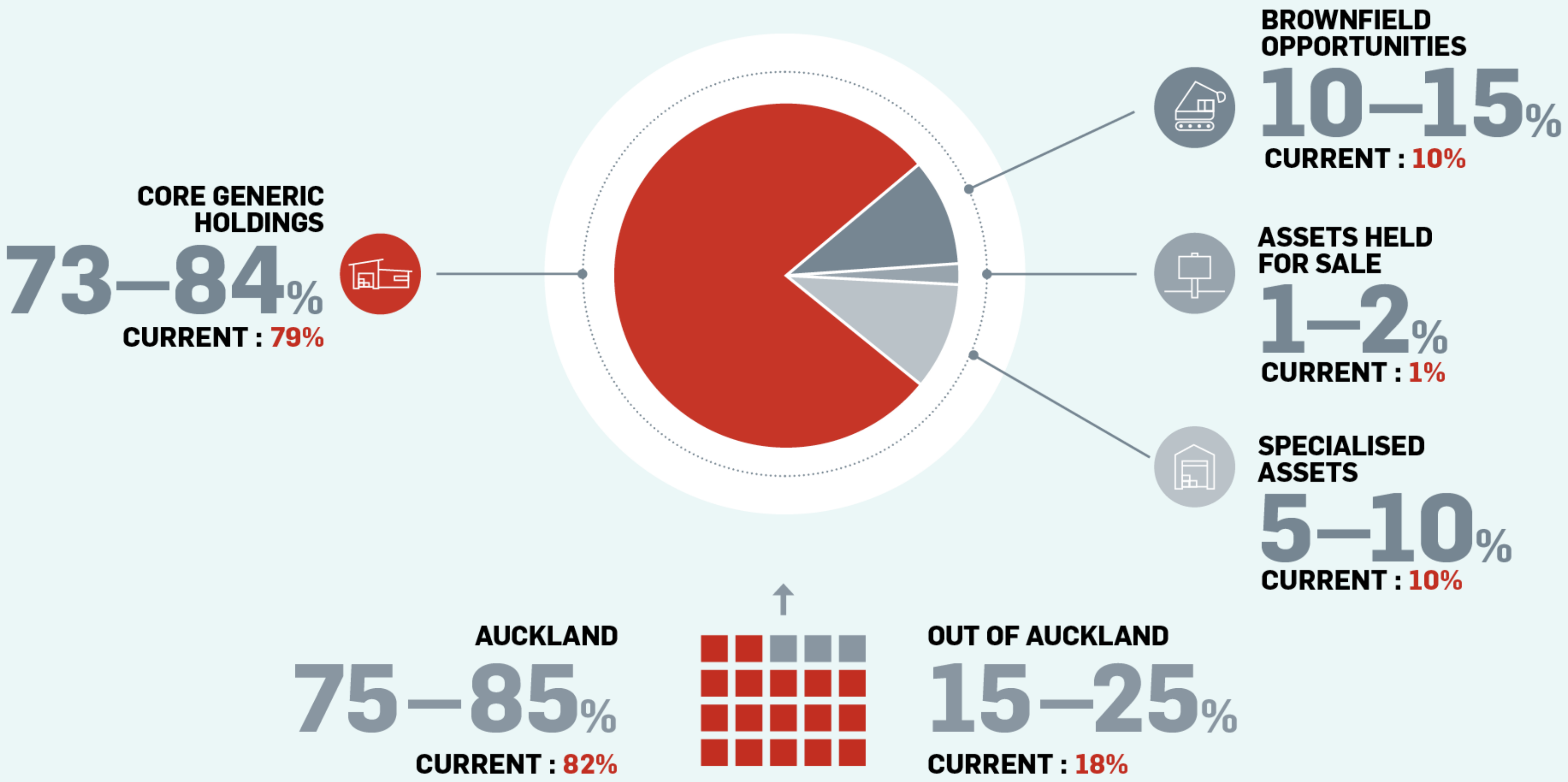
CONTRACT RENT REVIEWED

RENT REVIEWS COMPLETED

61

▲ 4.8 %

AVERAGE **ANNUALISED UPLIFT**


CORE GENERIC HOLDINGS
73–84%
CURRENT : 79%
BROWNFIELD OPPORTUNITIES
10–15%
CURRENT : 10%
ASSETS HELD FOR SALE
1–2%
CURRENT : 1%
SPECIALISED ASSETS
5–10%
CURRENT : 10%
AUCKLAND
75–85%
CURRENT : 82%
OUT OF AUCKLAND
15–25%
CURRENT : 18%

- ~$219 million or 10% of the portfolio held in brownfield opportunities, providing a growing pipeline of medium-term development opportunities
- 318 Neilson Street (purchased in March 2022 for $6.825 million) provides the opportunity to enable 'drive-round' access to 304 and 306 Neilson Street, improving leasing appeal on redevelopment
- Significant progress made at 30-32 Bowden Road and 78 Springs Road (see next slides)
- Remaining brownfield opportunities set to unlock parcels of land in key industrial precincts, providing PFI with the opportunity to deploy balance sheet capacity on accretive projects

PROPERTY	JUNE 2022 VALUE	LETTABLE AREA(SQM)	SITE COVERAGE	% OF CONTRACT RENT	LEASE EXPIRY
30-32 BOWDEN ROAD	$32.5m	17,047	44%	1.9%	31-Mar-23
92-98 HARRIS ROAD	$23.8m	7,194	27%	1.5%	3-Nov-23
170 SWANSON ROAD	$33.5m	5,183	12%	1.2%	31-Jan-24
78 SPRINGS ROAD	$102.5m	41,536	40%	6.7%	8-Oct-24
304 NEILSON STREET	$19.5m	4,538	22%	0.8%	30-Jun-27
318 NEILSON STREET	$7.2m	590	12%	0.2%	30-Jun-27
TOTAL	**$219m**	**76,089**		**12.2%**	

30-32 BOWDEN ROAD

30-32
BOWDEN ROAD, MT WELLINGTON

- Large 3.9ha site in one of Auckland's prime industrial locations
- ~40% of development (inside the red lines) pre-leased to Tokyo Food, for a lease term of 12-years from June 2024, committed to develop the remainder of the site on a speculative basis
- Estimated total project cost of up to $66 million, targeting a yield on cost including land in excess of 5%
- Project will target a Five Green Star rating, creating PFI's first fully Green Star rated industrial estate

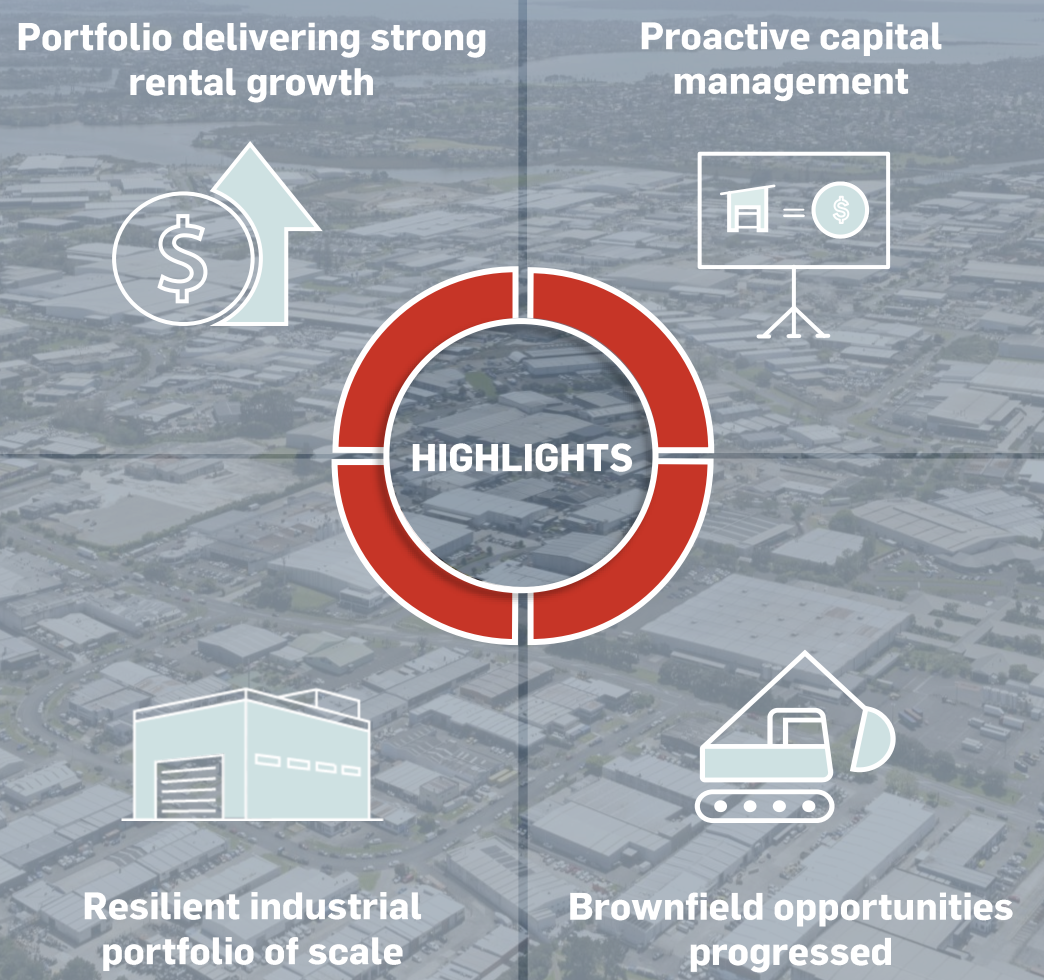
78 SPRINGS ROAD

78
SPRINGS ROAD, EAST TAMAKI

- Significant 10.4-hectare site in East Tamaki
- Multiple warehouse redevelopment and refurbishment options on a versatile heavy industrial zoned site that can accommodate large-scale facilities
- October 2024 lease expiry provides PFI with a significant brownfields opportunity, which could involve an investment of ~$150 million split across multiple stages
- PFI will target Five Green Star ratings on all new buildings

78 SPRINGS ROAD, EAST TAMAKI

"Our proactive capital management is providing us with the balance sheet to execute on a growing portfolio of brownfield opportunities. At the same time, PFI has delivered a stable operating result, with the Company's resilient industrial $2.2 billion portfolio delivering strong rental growth. Looking forward, we believe that PFI is well placed to respond to challenges, but just as importantly, the Company is ready to take advantage of opportunities that will no doubt present themselves."



Questions?

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SLIDE 3

OVERVIEW OF PFI

All Statistics as at 30 June 2022, aside from occupancy, which is an average of the last 10 years.

SLIDE 4

PORTFOLIO CHARACTERISTICS

All Statistics as at 30 June 2022.

SLIDE 5, 6, 9 & 10

OUR RECENT RESULTS

All figures as at 30 June 2022. Funds From Operations and Adjusted Funds From Operations are non-GAAP financial information and are common investor metrics, which have been calculated in accordance with the guidelines issued by the Property Council of Australia.