PFI ANNOUNCES ANNUAL RESULTS

Property for Industry Limited (the Company, PFI), today announced the Company's annual results for the twelve months ended 30 June 2025 (FY25)[1].

"PFI has delivered a strong result, reflecting its strategic positioning and the resilience of its core industrial portfolio," says Chief Executive Officer, Simon Woodhams. "An uplift in valuations has driven an increase in reported profit, while earnings growth has been supported by strong re-leasing outcomes and a more favourable interest rate environment. Together, these factors have underpinned further dividend growth, reinforcing PFI's commitment to delivering sustainable returns to shareholders."

With the valuation cycle turning and floating interest rates now nearing projected cycle-lows[2], the operating environment has become increasingly supportive. PFI is well placed to harness embedded rental growth and capitalise on recent development completions and portfolio optimisation initiatives, positioning the Company for expected continued earnings and cash flow momentum.

Highlights

- **Annual results:** Profit after tax of $106.0m, up $152.1m on the pcp, incorporating fair value gains on properties of $70.7m, as compared to losses of $90.0m in the pcp, Funds From Operations (FFO)[3] up 5.4% on the pcp to 10.69 cents per share (cps), Adjusted Funds From Operations (AFFO) up 8.1% on the pcp to 9.59 cps, FY25 cash dividends of 8.60 cps, an increase of 3.6% on annualised FP24 cash dividends.
- **Valuation cycle turning, embedded rental growth being realised:** Positive momentum continuing across PFI's $2.17b industrial portfolio, fair value gains on properties of $70.7m or 3.4%, net tangible assets (NTA) up 4.7% to $2.84 per share, $73.2m of contract rent reviewed during FY25 delivering an average annualised uplift of 5.3%, $7.9m of contract rent leased during FY25 at an average of 20.1% above previous contract rents, occupancy increased to 99.9%.
- **Green Star development pipeline bolstered:** Stage 2 of the redevelopment of 78 Springs Road tracking under-budget and ahead of programme, planning progressing for Harris Road redevelopment opportunity, runway to deploy ~$350m on Green Star certified projects over the medium-term.
- **Well-capitalised for strategic execution**: $700m of facilities refinanced or established during FY25 – including $150m PFI030 bonds issued in March 2025, ~$318m of facility headroom, gearing stable at 32.6%.
- **Positive outlook**: PFI enters FY26 with confidence – reinforced by just 1.2% of contract rent expiring in FY26 and an increasingly supportive operating environment – guiding to expected cash dividends of at least 8.90 cps, an increase of at least 0.30 cps or 3.5% on FY25 dividends.

[1] Following the change in PFI and its subsidiaries' balance date from 31 December to 30 June, throughout this announcement (and the accompanying annual results presentation), in order to provide a useful basis for comparison, the audited FY25 annual results (FY25) have been compared to the unaudited results for the twelve-month period from 1 July 2023 to 30 June 2024 (the prior comparable period, or 'pcp'), which comprises the periods H2 2023 and FP24 (FP24 being the a six-month "stub" period ended 30 June 2024, resulting from PFI's balance date change), unless otherwise noted. This differs from the financial statements, which present FP24 as the comparative period for FY25 in accordance with applicable accounting standards.

[2] Reserve Bank of New Zealand (RBNZ), Bloomberg, ANZ Research, ASB Economics, BNZ Research, Westpac Economics as at 22 August 2025.

[3] Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO) are non-GAAP financial information and are common property investor metrics, which have been calculated in accordance with the guidelines issued by the Property Council of Australia. Please refer to Appendix 2 of the FY25 annual results presentation for more detail as to how these measures were calculated.

Annual results
PFI reported a FY25 profit after tax of $106.0m (21.11 cps), reversing a $46.1m loss (9.18 cps loss) in the pcp. This included a $70.7m fair value gain on investment properties, as compared to a $90.0m fair value loss in the pcp.

FY25 net rental income[4] increased 12.7% on the pcp to $108.0m, driven by leasing activity (+$8.6m) and development projects completing (+$6.3m), partly offset by divestments (-$2.3m) and vacancy (-$0.7m).

Profit before finance income and expenses, other gains and losses and income tax[5] increased from $82.4m in the pcp to $94.4m in FY25. Interest and fees increased by $3.8m, driven by lower levels of capitalised interest as a result of developments completing. Current tax of $8.9m increased by $4.0m on the pcp, primarily due to tax legislation changes removing depreciation on building structures.

Operating cash flows rose $6.4m to $60.7m ($54.3m in the pcp). FFO earnings were up 5.4% on the pcp to 10.69 cps, whilst AFFO earnings of 9.59 cps were up 8.1% on the pcp, reflecting the aforementioned increases in net rental income, partly offset by higher interest and current tax.

The PFI Board resolved to pay a fourth quarter final cash dividend of 2.50 cps[6], taking FY25 cash dividends to 8.60 cps, an increase of 0.30 cps or 3.6% on annualised FP24 cash dividends.

Further detail on PFI's FY25 annual results are included in the presentation and Annual Report released with this announcement. PFI expects to publish its Sustainability and Climate Report in September.

Valuation cycle turning, embedded rental growth being realised
Strong re-leasing outcomes, structured rental growth and completed development projects have resulted in significant increases in the Company's weighted average lease term (WALT) to 5.47 years, and in total contract rent to $112.3m, at the end of FY25. PFI's portfolio is near fully-occupied at 99.9% and just 1.2% of contract rent is due to expire in FY26.

Rent reviews were completed on 110 leases during FY25, delivering an average uplift of 6.2% (5.3% annualised) on ~$73.2m of contract rent.

Around 150,000 square metres (sqm), $21.6m or 19.2% of rent, was leased in FY25 across 10 new deals and 15 renewals, extending terms by an average of 8.8 years. Minimal incentives were required to secure leases on stabilised contract rent, and a positive re-leasing spread[7] in excess of 20% was observed where rents were agreed on stabilised properties.

Combined, over 88% of contract rent was reviewed, varied, or leased during the year.

An increase from independent valuations of $70.7m or 3.4% saw PFI end FY25 with a property portfolio valued at $2.17b. Around half of the valuation outcome came from firming market capitalisation rates, with the balance attributable to realised rental growth. As a result of portfolio and valuation activity[8], PFI's passing yield increased by nine basis points to 5.23%, while the portfolio market cap rate firmed by 14 basis points to 5.75%.

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[4] Refer note 2.2 of the financial statements. Excludes service charge income recovered from tenants and management fee income. Additional detail on the pcp is provided in Appendix 4 of the FY25 annual results presentation.
[5] Profit before finance income and expenses, other gains and losses and income tax is a non-GAAP financial measure. Please refer to page 18 of the FY25 annual report for further detail.
[6] The dividend reinvestment scheme will not operate for this dividend.
[7] A re-leasing spread is the difference between what a landlord charges on an expiring lease, and what they get on a renewed or new lease for the same asset.
[8] Excluding the Company's active development site (being Stages 2 & 3 of 78 Springs Road, East Tamaki).

An independent market rental assessment confirmed PFI's portfolio to be ~11.5% under-rented (June 2024: ~16.2%). On a like-for-like basis, market rents grew by ~1.7% over the period, while PFI achieved 6.9% growth in those same rents, reflecting the effective capture of market rents. Post-balance date, three market rent reviews – covering $2.6m of contract rent – settled at an average of 1.3% above 30 June 2025 valuer-assessed market rents, supporting continued earnings growth.

NTA per share increased 12.9 cps (4.7%) to $2.84, supported by fair value gains on investment properties and partly offset by a decrease in the value of derivative financial instruments.

Green Star development pipeline bolstered

Following a refresh of the Company's strategy during FY25, PFI targets holding between 5 - 15% of the portfolio in development opportunities, with ~$177m (~8%) of the portfolio currently held in this category[9]. Consistent with PFI's sustainability strategy, all significant new developments will target a 5 Green Star rating.

At 78 Springs Road, the Company is developing a dual-unit ~11,300 sqm warehouse (Stage 2), ~60% pre-leased to MiTek[10] for 12-years. PFI has seen construction costs for the project fall by ~$5m or ~15% compared to initial December 2024 estimates. The expected completion date for Stage 2 is ahead of schedule, now expected in April 2026. These two factors have combined to lift the project's expected yield on cost to at least 6.5%, including land.

The post-balance date early lease surrender at 92-98 Harris Road has accelerated access to a prime redevelopment opportunity in East Tamaki. The early lease surrender is expected to deliver an after-tax benefit of ~$3.5m to FY26 AFFO. Planning is underway for a ~14,500 sqm industrial facility, with the potential project involving ~$40m of additional investment (excluding land), targeting a yield on cost of ~6.5%, including land.

PFI also expects to settle the acquisition of ~5.8 hectares of land at the Spedding Road Industrial Estate in the first quarter of FY26. Planning for Stage 1 is in the early-stages, potentially commencing without tenant commitment in the third quarter of FY26, subject to feasibility and consents. Stage 1 could involve an investment of ~$40m (including land), with a further ~4.0 hectares of land to be developed over the next 3-4 years for an estimated cost of ~$70m.

PFI holds ~$118m in additional development opportunities, enabling the deployment of a further ~$175m over the medium-term. These projects aim to transform obsolete assets into best-in-class, 5 Green Star-rated industrial facilities, unlocking value and supporting long-term earnings growth.

Well-capitalised for strategic execution

PFI refinanced or established $700m of facilities in FY25, including the $150m PFI030 bonds issued in March 2025. At the end of FY25, PFI's debt instruments have a weighted average term to expiry of 3.4 years, and the Company has approximately $318m of unutilised bank facility capacity.

Gearing at the end of FY25 was 32.6% (covenant: 50%) and the interest cover ratio was 2.5 times (covenant: 2 times). Interest rate hedging covers ~76% of forecast debt at an average rate of ~3.08% for FY26.

Positive outlook

As announced on 6 August 2025, the PFI Board expects to pay FY26 cash dividends of at least 8.90 cps, an increase of at least 3.5% on FY25 dividends. FY26 cash dividends of at least 8.90 cps are

[9] Reflects 30 June 2025 valuations of properties classified as near-to-medium term development opportunities. See Appendix 6 of the FY25 annual results presentation for details.
[10] MiTek New Zealand Limited.

expected to result in a one-year AFFO pay-out ratio of ~85% (or ~88% after normalising FY26 earnings for the early lease surrender payment at Harris Road).

Any decision to pay FY26 cash dividends above 8.90 cps will depend on several factors under review, including leasing progress for the remainder of Stage 2 of 78 Springs Road, clarity on development plans and timings for 92-98 Harris Road, and progress on material FY27 lease expiries. The Board will continue to assess these as part of its FY26 dividend considerations.

"PFI's FY25 annual results reflect the successful execution of our strategy and strength of our portfolio," says Simon Woodhams. "We've delivered earnings and dividend growth – supported by an uplift in valuations – while bolstering our Green Star development pipeline and maintaining a strong capital position. With the operating environment improving, PFI enters FY26 well placed to harness its ~$350m development runway, driving long-term value and growing returns for investors."

Key Metrics ($000, unless noted)	**FY25**	**PCP**
Net rental income	107,961	95,837
Profit before finance income and expenses, other gains and losses and income tax	94,391	82,423
Funds From Operations (FFO)	10.69 cps	10.14 cps
Adjusted Funds From Operations (AFFO)	9.59 cps	8.87 cps
Dividends	8.60 cps	8.30 cps[11]
Investment properties	2,166,200	2,050,525
Net tangible assets per share	$2.84	$2.71
Gearing	32.6%	32.9%

ENDS

The PFI Management Team will present the results via live webcast from 10am NZT on 25 August 2025. To view and listen to the webcast, please visit https://edge.media-server.com/mmc/p/b4py7n9r. Anyone wishing to participate in the webcast (for example, to ask a question) must pre-register for the conference call at https://register-conf.media-server.com/register/BI025c36e0618749e48f256af7a04850f0. Upon registering, participants will be provided with participant dial-in numbers, a passcode and a unique registrant ID. In the 10 minutes prior to the call start time, you will need to use the conference access information provided in the email received at the point of registering, in addition to opening the webcast (using the details above).

[11] Reflects annualised FP24 dividends.

ABOUT PFI & CONTACT

PFI is an NZX listed industrial property specialist, owning over 90 quality properties worth more than $2 billion. Our well diversified portfolio is focused on strategic locations that drive value and growth for the industrial sector, for our tenants, and for our investors. Since listing on the NZX in 1994, we've built a strong track record of delivering consistent returns. We invest for the long-term, combining our capital and specialist industry capability to deliver the successful outcomes all our stakeholders need.

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Attachments

NZX Form – Results Announcement
NZX Form – Distribution Notice
Annual Results Presentation
Annual Report