

# investore

Managed by Stride Investment  
Management Limited

## Interim Results Presentation

For the six months ended  
30 September 2024

14 November 2024





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# Financial overview

For the 6 months ended 30 Sep 24 (HY25)

Profit before other expense and  
income tax

**\$17.1m**

down \$(0.5)m from HY24 driven by higher finance expenses

Profit after income tax

**\$9.7m**

up from HY24 loss after income tax of \$(66.5)m due to a smaller net reduction in fair value of investment properties (HY25: \$(3.5)m ; HY24: \$(82.7)m)

Distributable profit<sup>1</sup> after current  
income tax

**\$13.9m**

down \$(1.4)m or (9)% from HY24 at \$15.3m primarily due to the impact of removal of tax depreciation on buildings

Distributable profit per share

**3.73 cents**

down (0.45) cps or (11)% from HY24 at 4.18 cps

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 (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) 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 3.3 to the consolidated interim financial statements.



## Portfolio metrics

**\$1.0bn**

Portfolio valuation<sup>1</sup>

a net reduction in fair value of (0.3)% or \$(3.4)m over 6 months to 30 Sep 24

**6.63%**

Initial yield<sup>2</sup>

as at 30 Sep 24

**7.0 years**

Weighted average lease term<sup>2</sup> (WALT)

as at 30 Sep 24

**6.38%**

Average portfolio capitalisation rate<sup>2</sup>

in line with 31 Mar 24 at 6.37%

**99.3%**

Portfolio occupancy<sup>2</sup>

by area as at 30 Sep 24

**\$105m**

Unconditional transactions<sup>3</sup>

entered into during HY25

## Capital management

**4.5%**

Weighted average cost of debt

as at 30 Sep 24

**41.6%**

Loan to Value Ratio<sup>4</sup>

as at 30 Sep 24

**68%**

Debt hedged or subject to a fixed rate of interest

as at 30 Sep 24

**\$225m**

Bank facilities refinanced, all now classified as green loans

1. As at 30 Sep 24. Portfolio value excludes lease liabilities and includes properties classified as assets held for sale in note 2.4 to the consolidated interim financial statements.
2. Metrics refer to the stabilised portfolio, which excludes: (1) properties classified as 'Development and Other' in note 2.2 to the consolidated annual financial statements for the year ended 31 Mar 24 (FY24); and (2) properties classified as assets held for sale in note 2.4 to the consolidated interim financial statements.
3. The purchase price for Bunnings Westgate comprises \$51m payable in cash, plus up to a further \$7m of Investore shares as part consideration, dependent on the value of Investore's net tangible assets as at two specified dates – for more information see Investore's NZX announcement dated 22 Aug 24.
4. Loan to Value Ratio (LVR) is calculated based on independent valuations.

# Improving our portfolio

During HY25, Investore entered into unconditional agreements to sell two regional, non-core supermarket properties for a combined sale price of \$54.3m and to acquire Bunnings Westgate, Auckland, for \$51.0m<sup>1</sup>

## Strategic outcomes:

- Exposure to a rapidly growing area of Auckland, with a reduction in regional weighting
- Increased rental diversification and structured rental growth
- Recycling properties with an average age of ~25 years for a high quality, four year old property

## Key Metrics – Bunnings Westgate

Purchase price <sup>1</sup> (\$m)	51.0
Initial yield (%)	6.2
WALT <sup>2</sup> (years)	8
Leased (%)	100
NLA (sqm)	16,980
Site area (sqm)	20,724
Expected settlement date	Dec 24

1. See footnote 3 on page 4.

2. Weighted average lease term at expected settlement date.



Bunnings, Westgate

# Portfolio



Woolworths, Greenlane

# Portfolio summary

## Key portfolio activity

- Unconditional agreements entered into to dispose of two non-core, regional properties and to acquire Bunnings Westgate
- Completion of online expansion works at Woolworths Rangiora, with Woolworths paying additional rental equivalent to 7.5% on Investore's contribution towards the cost of works
- 33 rent reviews completed over 27,000sqm resulting in 4.6% increase on prior rentals, driven by a market rent review completed at Woolworths Rotorua (+10.6%) and structured reviews i.e. CPI or fixed. The CPI rent reviews completed delivered 4.5% increase on prior rentals
- 5 renewals and 5 new lettings completed, including Bargain Chemist at Mt Wellington Shopping Centre

## Investment portfolio metrics

	As at 30 Sep 24 <sup>1</sup>	As at 31 Mar 24 <sup>4</sup>
Investment portfolio value <sup>2</sup> (\$m)	916	972
Number of properties	43	45
Number of tenants	145	144
Net lettable area (NLA) (sqm)	242,084	255,898
Net Contract Rental <sup>3</sup> (\$m)	60.8	63.7
WALT (years)	7.0	7.4
Market capitalisation rate (%)	6.38	6.37
Initial yield (%)	6.63	6.55
Occupancy rate by area (%)	99.3	99.1
Total site area (sqm)	597,851	627,677
Net rent (\$/sqm)	253	251

1. See footnote 2 on page 4.

2. Excludes lease liabilities.

3. Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease, annualised for the 12-month period on the basis of the occupancy level of the relevant property, and assuming no default by the tenant.

4. Metrics refer to the stabilised portfolio, which excludes properties classified as 'Development and Other' in note 2.2 to the FY24 consolidated annual financial statements.

# Long dated lease expiry profile

Long portfolio WALT<sup>1</sup> of 7.0 years, with 79% of Contract Rental<sup>1,2</sup> expiring in FY30 or beyond

## FY25

- 3.7% Contract Rental expiring:
- Woolworths at Maidstone (1.2%)
  - Woolworths at Onehunga (1.0%)
  - Other expiries total 1.5% across 16 tenancies

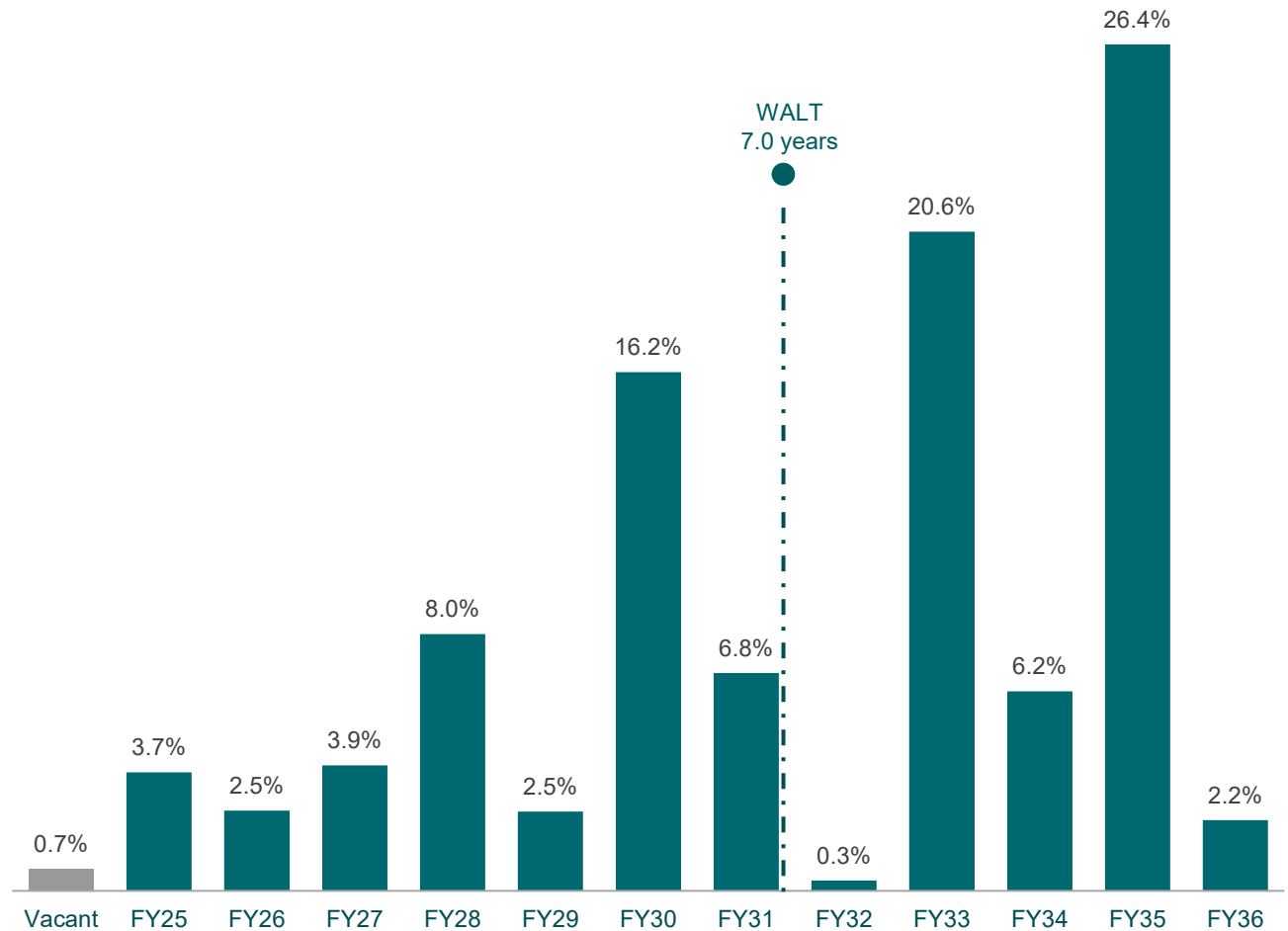
## FY26

- 2.5% Contract Rental expiring:
- Animates at Takanini (0.6%)
  - Hunting & Fishing at Bay Central Shopping Centre (0.5%)
  - Other expiries total 1.4% across 14 tenancies

## FY27

- 3.9% Contract Rental expiring:
- Woolworths at Mt Wellington Shopping Centre (2.2%)
  - Other expiries total 1.8% across 15 tenancies

**Lease Expiry Profile<sup>3</sup> by Contract Rental<sup>2</sup>**  
As at 30 Sep 24



Note: Numbers may not sum due to rounding.

1. See footnote 2 on page 4.

2. See footnote 3 on page 7.

3. Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 30 Sep 24 as a percentage of Contract Rental.



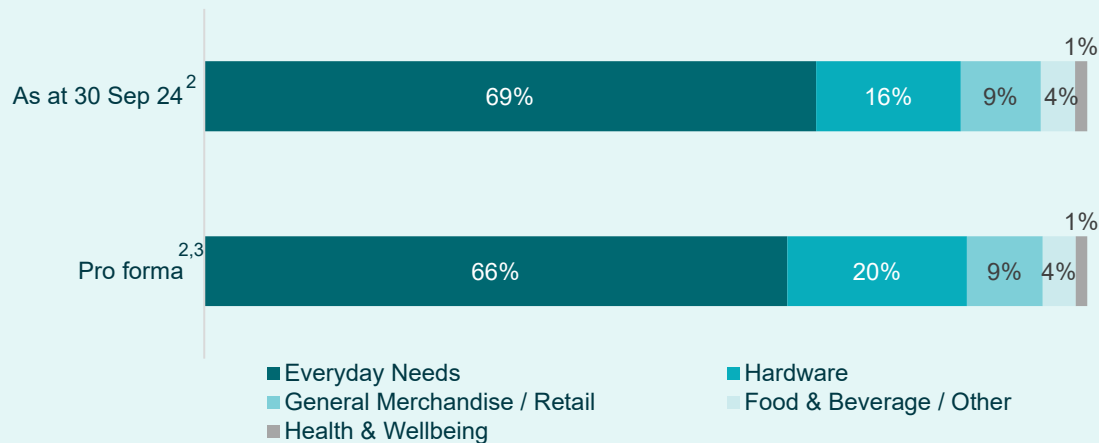
# Key tenants meeting daily needs

Investore's portfolio consists of quality, well-located large format retail properties with tenants that attract regular visitation, including supermarkets, hardware stores, general merchandise and health & wellbeing, enhancing the portfolio's resilience

Everyday Needs	Woolworths, New World, Animate
Hardware	Bunnings, Mitre 10 MEGA, Resene
General Merchandise / Retail	Briscoes, Rebel Sport, Kitchen Things, Hunting & Fishing, Lighting Direct, Freedom Furniture
Food & Beverage / Other	McDonald's, BurgerFuel, Columbus Coffee, Pizza Hut, Domino's Pizza, Super Liquor, Noodle Canteen
Health & Wellbeing	Unichem Pharmacy, Snap Fitness, Affinity Medical Imaging, Bargain Chemist, Anytime Fitness



Portfolio Tenant Classification by Contract Rental<sup>1</sup>



1. See footnote 3 on page 7.

2. See footnote 2 on page 4.

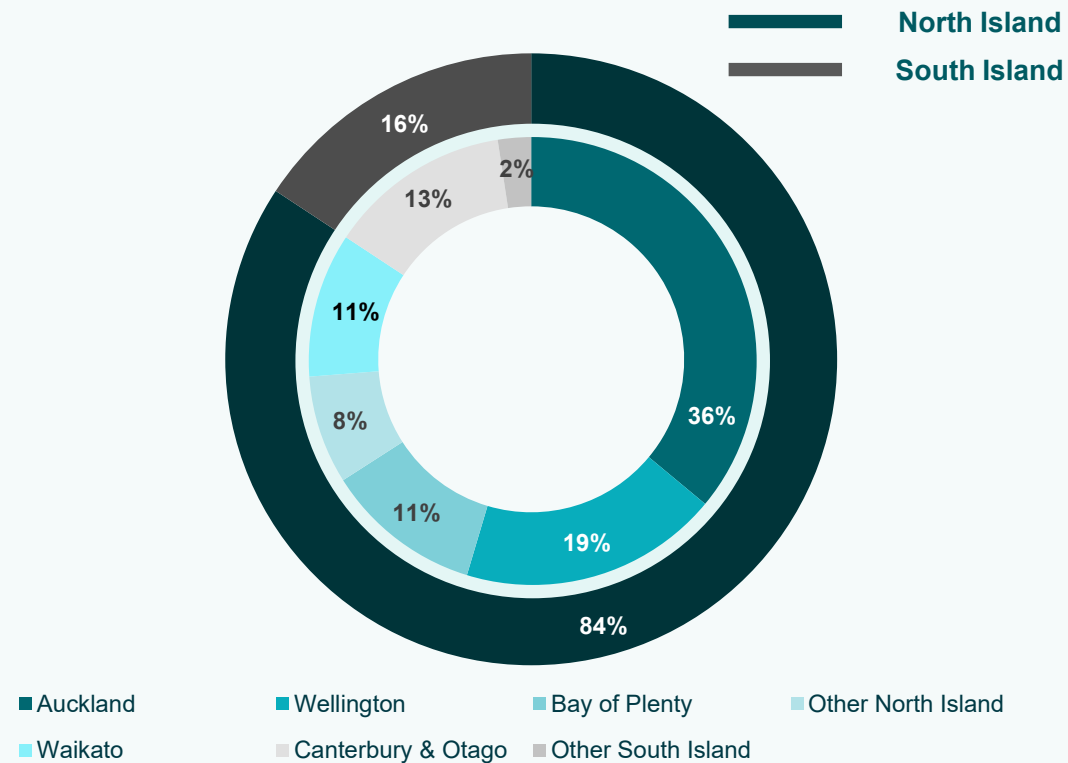
3. As at 30 Sep 24, as if the acquisition of Bunnings Westgate had occurred as at that date.

Note: Numbers may not sum due to rounding.

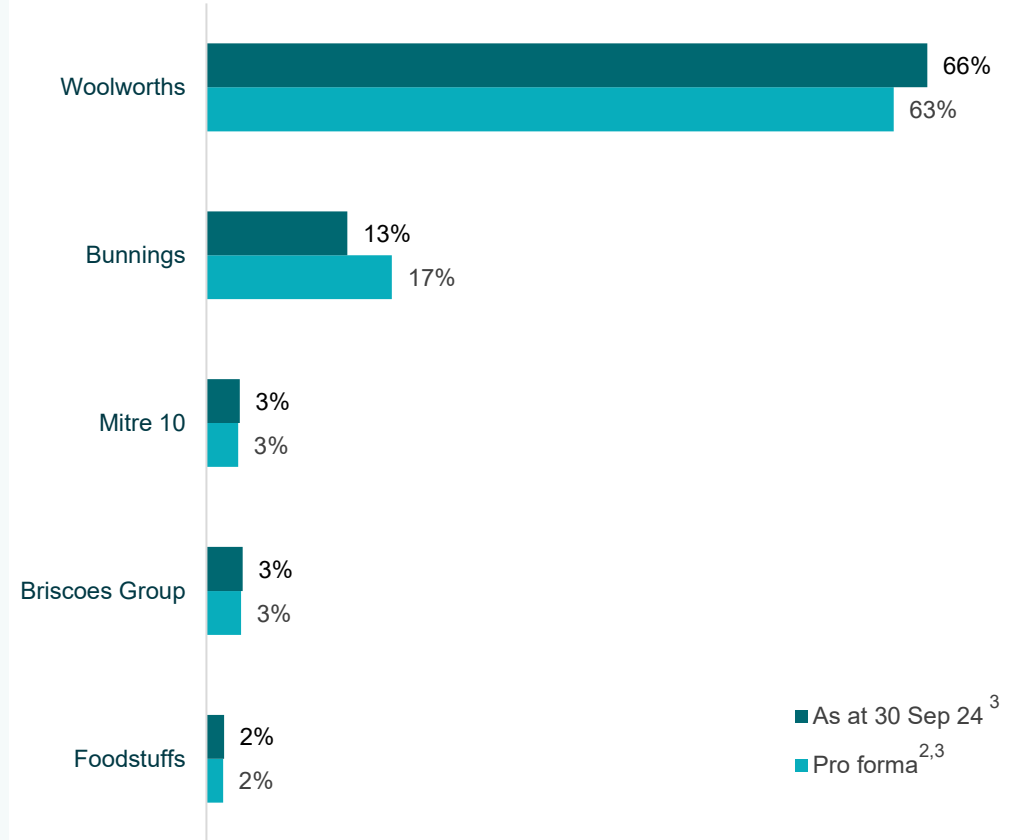
# Geographically diversified portfolio

Investore's portfolio is geographically diversified across New Zealand with the majority of the portfolio located in highly populated urban areas such as Auckland, Wellington, Canterbury, Waikato and the Bay of Plenty. The unconditional disposals and acquisition of Bunnings Westgate have increased Investore's exposure to Auckland to 39% of Contract Rental<sup>1</sup> on a pro forma<sup>2,3</sup> basis

Geographic diversification by Contract Rental<sup>1,3</sup>



Anchor tenant concentration by Contract Rental<sup>1</sup>



1. See footnote 3 on page 7.  
 2. See footnote 3 on page 9.  
 3. See footnote 2 on page 4.

Note: Numbers may not sum due to rounding.

# Sustainability



Woolworths, Waimakariri Junction

# Sustainability

Investore continues to focus on reducing its scope 1 and 2 greenhouse gas emissions:

- Continued programme of replacing air conditioning units that use R22 refrigerant with a low global warming potential alternative
- Audit of carpark lighting in progress to identify those that may require upgrading to LED

Investore continues to support its tenants in their emissions reduction initiatives, including replacement of lighting with lower energy usage lighting

During HY25, Investore implemented a Green Finance Framework, with all bank debt facilities now classified as green loans

Investore is underway with the third year of its programme to obtain Green Star Performance ratings for two subsets of its properties, which supports the green loan facilities



# Financial Performance



Mitre 10 MEGA, Botany

# Financial performance



	30 Sep 24 \$m	30 Sep 23 \$m	Change	
			\$m	%
Net rental income	31.2	30.4	+0.8	+2.7
Corporate expenses	(3.9)	(4.1)	+0.3	+6.0
<b>Profit before net finance expense, other expense and income tax</b>	<b>27.3</b>	<b>26.2</b>	<b>+1.1</b>	<b>+4.1</b>
Net finance expense	(10.2)	(8.6)	(1.5)	(17.9)
<b>Profit before other expense and income tax</b>	<b>17.1</b>	<b>17.6</b>	<b>(0.5)</b>	<b>(2.7)</b>
Other expense <sup>1</sup>	(3.6)	(82.7)	+79.1	+95.6
<b>Profit/(loss) before income tax</b>	<b>13.5</b>	<b>(65.1)</b>	<b>+78.6</b>	<b>+120.8</b>
Income tax expense	(3.9)	(1.4)	(2.4)	(170.9)
<b>Profit/(loss) after income tax attributable to shareholders</b>	<b>9.7</b>	<b>(66.5)</b>	<b>+76.2</b>	<b>+114.5</b>

1. Other expense includes net reduction in fair value of investment properties.

Values in the table above are calculated based on the numbers in the consolidated interim financial statements for each respective financial period and may not sum due to rounding.

# Distributable profit<sup>1</sup>

	30 Sep 24 \$m	30 Sep 23 \$m	Change	
			\$m	%
<b>Profit/(loss) before income tax</b>	<b>13.5</b>	<b>(65.1)</b>	<b>+78.6</b>	<b>+120.8</b>
<b>Non-recurring, non-cash items, and other adjustments:</b>				
- Net change in fair value of investment properties	3.5	82.7	(79.3)	(95.8)
- Borrowings establishment costs amortisation	0.4	0.5	(0.1)	(10.2)
- Other	0.2	0.2	+0.1	+49.0
<b>Distributable profit before current income tax</b>	<b>17.7</b>	<b>18.3</b>	<b>(0.6)</b>	<b>(3.3)</b>
Current income tax	(3.7)	(2.9)	(0.8)	(27.7)
<b>Distributable profit after current income tax</b>	<b>13.9</b>	<b>15.3</b>	<b>(1.4)</b>	<b>(9.2)</b>
<b>Adjustments to funds from operations:</b>				
- Maintenance capital expenditure	(0.6)	(0.0)	(0.6)	(2,201.6)
- Seismic upgrade works	(0.4)	(0.8)	+0.5	+55.0
- Incentives and associated landlord works	(0.2)	(0.0)	(0.1)	(441.9)
<b>Adjusted Funds From Operations (AFFO)<sup>2</sup></b>	<b>12.8</b>	<b>14.5</b>	<b>(1.7)</b>	<b>(11.4)</b>
Weighted average number of shares (millions)	373.8	367.6		
<b>Basic and diluted distributable profit after current income tax per share - weighted (cents)</b>	<b>3.73cps</b>	<b>4.18cps</b>		
<b>AFFO basic and diluted distributable profit after current income tax per share - weighted (cents)</b>	<b>3.43cps</b>	<b>3.93cps</b>		

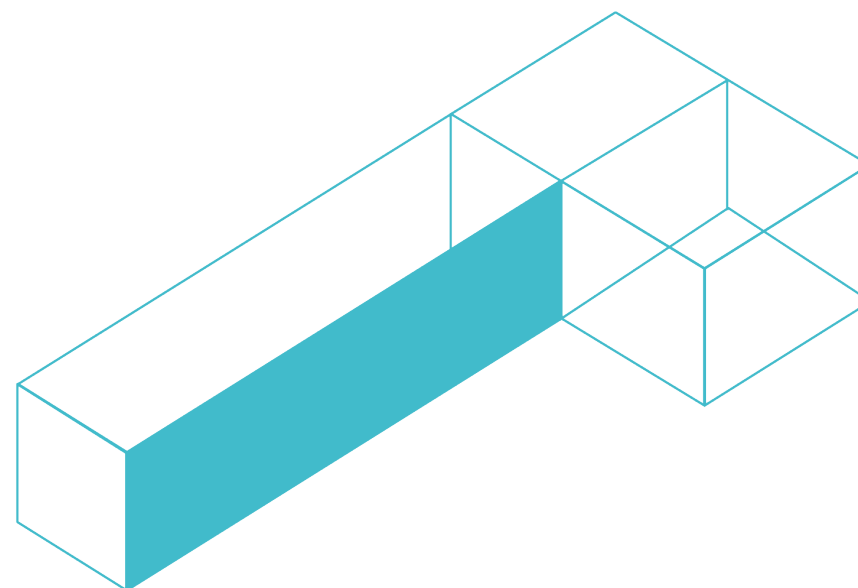
1. See footnote 1 on page 3 for definition.

2. AFFO is a non-GAAP measure and is intended as a supplementary measure of operating performance. Cash spent during the period on capital expenditure as part of maintaining a building's grade/quality, but not expensed as part of distributable profit after current income tax, is adjusted to enable the investors to see the cash generating ability of the business. Further information, including the calculation of AFFO is set out in note 3.3 to the consolidated interim financial statements.

Values in the table above are calculated based on the numbers in the consolidated interim financial statements for each respective financial period and may not sum due to rounding.

# Financial summary

	As at 30 Sep 24	As at 31 Mar 24	Change
Investment property value (\$m) <sup>1</sup>	993.7	989.4	+4.3
Drawn debt (\$m)	(411.3)	(402.8)	+8.5
<b>Loan to Value Ratio (LVR)<sup>2</sup></b>	<b>41.6%</b>	<b>40.8%</b>	<b>+0.8%</b>
Equity (\$m)	583.9	587.1	(3.1)
Shares on issue (millions)	373.8	373.8	-
<b>Net Tangible Assets (NTA) per share</b>	<b>\$1.56</b>	<b>\$1.57</b>	<b>\$(0.01)</b>
<b>Adjusted NTA<sup>3</sup> per share</b>	<b>\$1.56</b>	<b>\$1.57</b>	<b>\$(0.01)</b>



1. Excludes lease liabilities and includes investment properties classified as held for sale.
2. See footnote 4 on page 4.
3. Excludes after tax fair value of interest rate derivatives.

Values in the table above are calculated based on the numbers in the consolidated interim financial statements for each respective financial period and may not sum due to rounding.



# Capital Management



Bunnings, Westgate

# Proactive capital management

- 41.6% LVR<sup>1</sup> as at 30 Sep 24, or 41.9% on a committed basis<sup>2</sup>
- \$100m IPL010 bond matured Apr 24, repaid with bank debt facilities
- Refinanced \$225m of bank facilities, now classified as green loans. No bank debt maturing until FY29
- Dividend reinvestment plan to apply to the upcoming dividend (Q2 FY25)

## Debt maturity profile as at 30 Sep 24



Debt facilities	Pro forma <sup>2</sup> 30 Sep 24	As at 30 Sep 24	As at 31 Mar 24
Debt facilities limit (ANZ, CCB, ICBC, Westpac), including bonds	\$475m	\$475m	\$575m
Debt facilities drawn	\$418m	\$411m	\$403m
Weighted average maturity of debt facilities	3.4 years	3.4 years	2.1 years

## Debt covenants

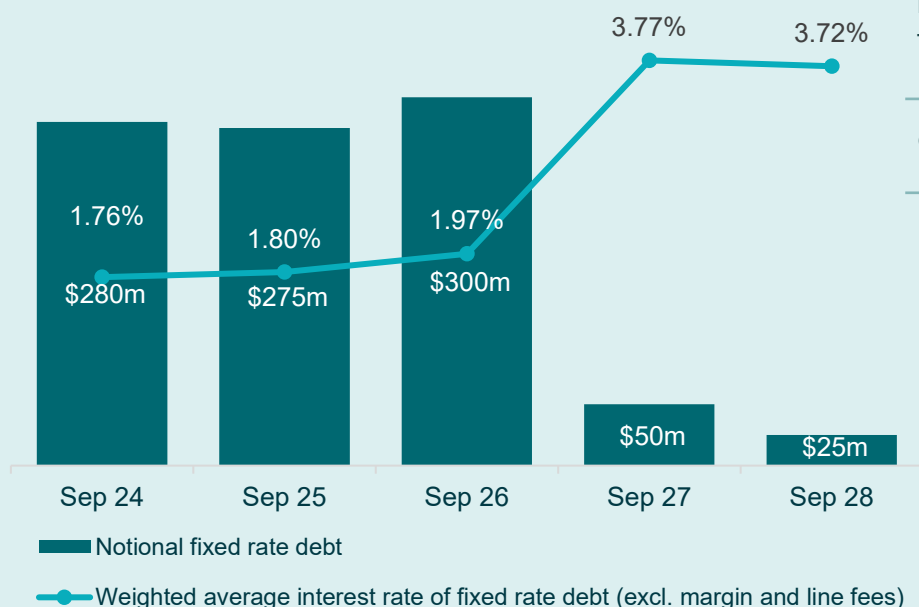
LVR <sup>1</sup> (Drawn Debt / Property Values) Covenant: ≤ 55.0%	41.9%	41.6%	40.8%
Interest Cover Ratio (EBIT / Interest and Financing Costs) Covenant: ≥ 1.75x	n/a	2.8x	2.9x

1. See footnote 4 on page 4.
2. As at 30 Sep 24, taking into account the committed disposals of Pak'nSave New Plymouth and Woolworths Invercargill, the unconditional acquisition of Bunnings Westgate, and various other capital commitments as at 30 Sep 24 (see note 2.3 to the consolidated interim financial statements).

# Hedging and cost of debt

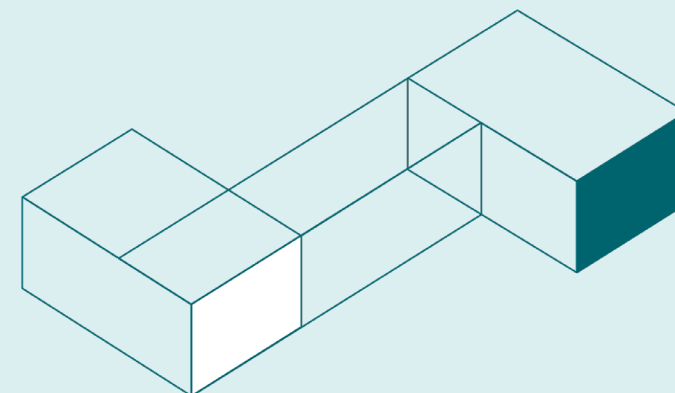
- As at 30 Sep 24, 68% of drawn debt is hedged or subject to a fixed interest rate, or 67% on a pro forma basis<sup>1</sup>
- Weighted average cost of debt as at 30 Sep 24 was 4.55%, an increase of ~20bps from 31 Mar 24 on account of fixed rate IPL010 bond maturing
- Two \$25m forward starting fixed rate payer swaps entered into in Jul 24 with a weighted average rate of 3.66%. A \$25m fixed rate receiver interest rate swap matured in Apr 24

Fixed rate interest profile as at 30 Sep 24



Cost of debt	As at 30 Sep 24	As at 31 Mar 24
Weighted average cost of debt (incl. current interest rate derivatives, bonds and bank margins, and line fees)	4.55%	4.34%
Weighted average fixed interest rate (incl. current interest rate derivatives and bonds, excl. margins)	1.76%	2.00%
Weighted average fixed interest rate maturity (incl. bonds, active and forward starting swaps)	2.4 years	2.3 years
% of drawn debt fixed	68%	88%

1. See footnote 2 page 18.



# Looking Ahead

Woolworths, Browns Bay



# Looking ahead

- While macroeconomic conditions remain challenging, Investore's underlying portfolio metrics remain resilient, with a defensive rental income stream from non-discretionary, everyday needs retail tenants supported by proactive capital management and a strong hedging outlook
- Property transaction activity is showing early signs of recovery as the cost of capital reduces following the commencement of an interest rate easing cycle by the RBNZ
- The Board intends to continue its strategy of targeted growth if appropriate investment opportunities arise. Further divestments may also be considered to recycle into strategic investment opportunities
- The Investore Board reaffirms its FY25 full year cash dividend guidance of 6.50 cents per share, which is expected to be near the mid-point of Investore's dividend policy



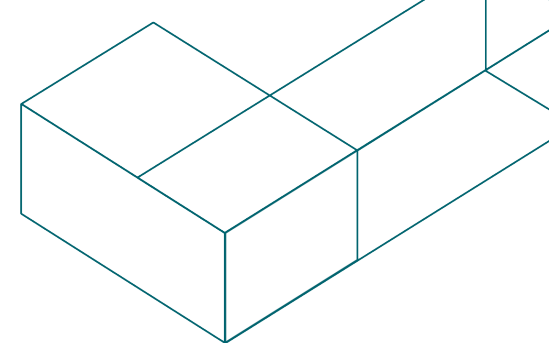
Woolworths, Mt Roskill

# Appendices

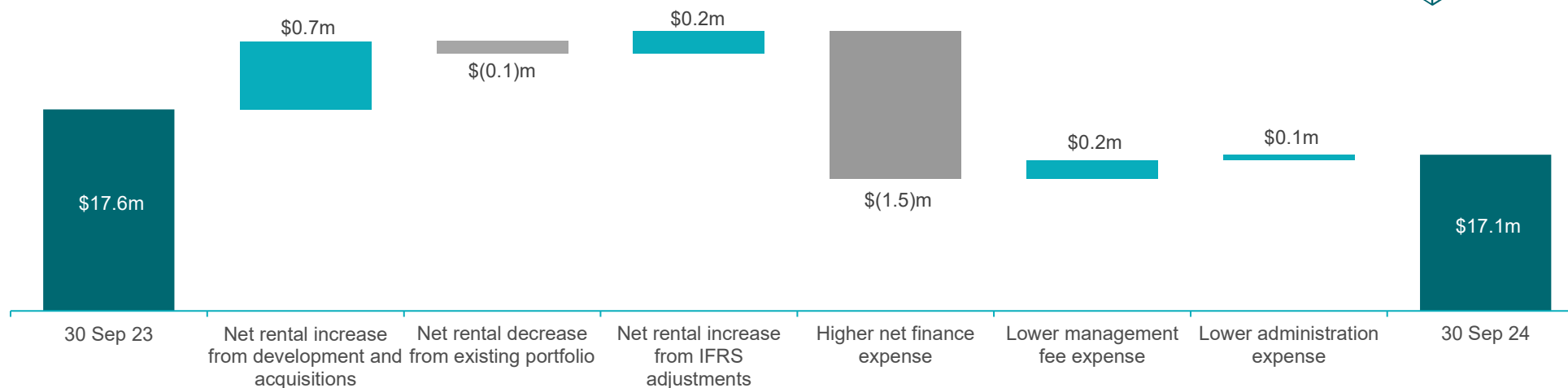


Mt Wellington Night Market

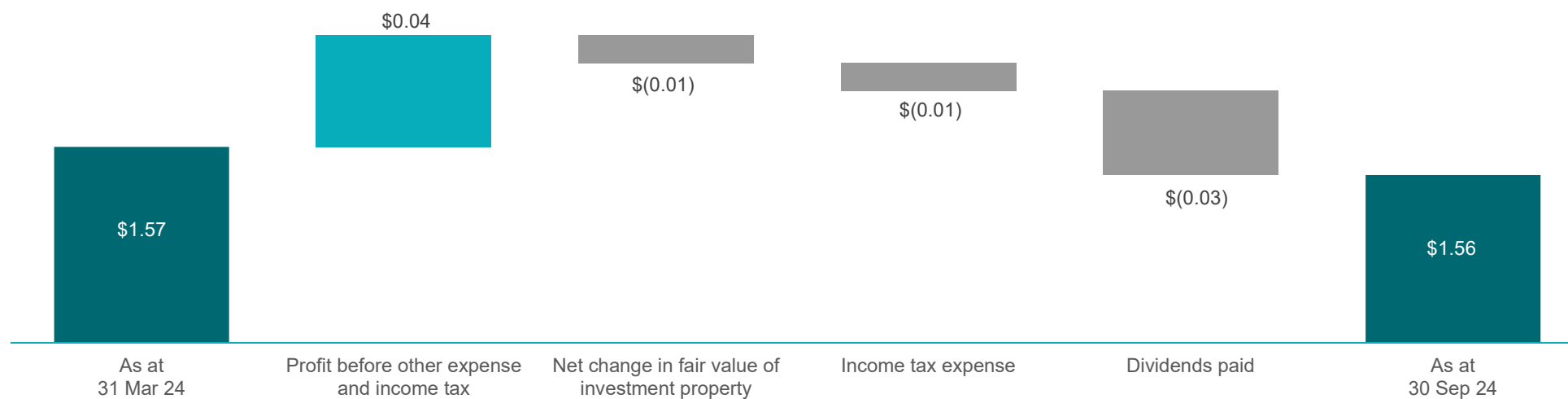
# Appendix A



## Profit before other expense and income tax

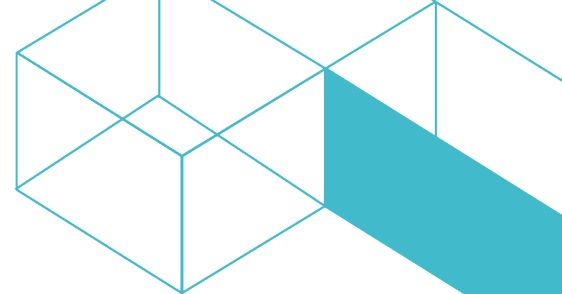


## Net Tangible Assets per share



Values in the tables above are calculated based on the numbers in the consolidated interim financial statements for each respective financial period and may not sum due to rounding.

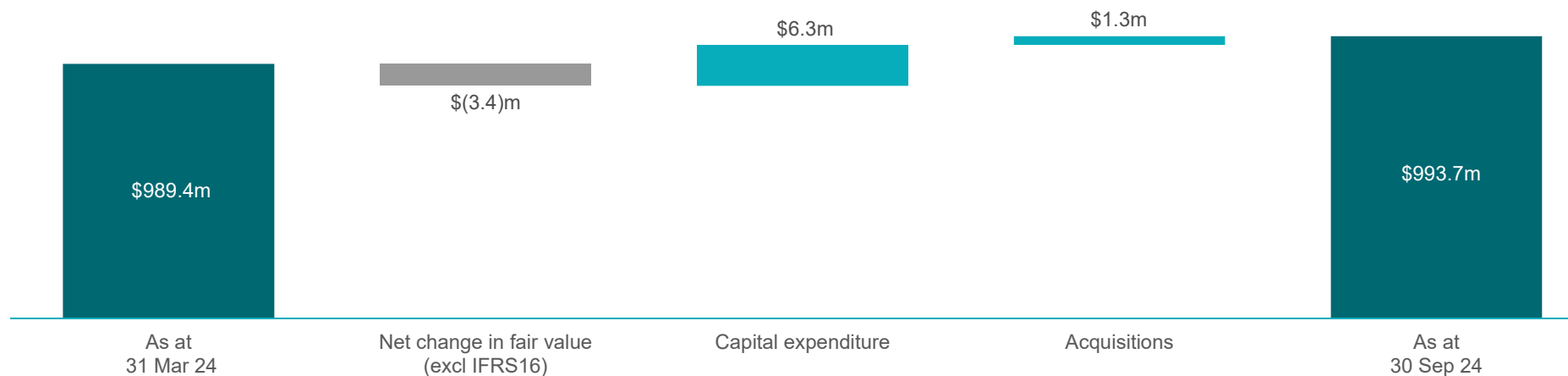
# Appendix B



## Net Contract Rental<sup>1</sup>



## Investment Properties (excl. lease liabilities)<sup>2</sup>



1. See footnote 3 on page 7.

2. Metrics include investment properties classified as held for sale in note 2.4 to the consolidated interim financial statements.

Values in the tables above are calculated based on the numbers in the consolidated interim financial statements for each respective financial period and may not sum due to rounding.



# Thank you

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