



# New Zealand Rural Land Co

The Rural Land **Investors**

**24 May 2024**

## **New Zealand Rural Land Company (NZL.NZX) - Chair Address to ASM**

The Company recorded a net profit after tax of \$10.9m in the 2023 financial year and Adjusted Funds from Operations (AFFO) of \$6.0m, including earnings from properties with put/call arrangements in place.

The Company has amended its dividend policy targets to a pay-out of 60% - 90% of AFFO, with an interim dividend to be paid in early October 2024. In addition, the Company continues to maintain a selective on-market share buyback programme.

In April 2023 acquired two forestry estates, totalling 3,137 hectares. The purchase was funded with NZL's inaugural Green Loan via Rabobank of \$25.2m, the proceeds of the pro-rata rights issue, and a \$12m convertible note.

In February 2024, subsequent to FY23 year end, the Company sold a 25% equity interest in its land portfolio to Roc Partners for \$44.2m in cash. The Company used the proceeds to repay a convertible note, and fund the acquisition of land supporting three apple orchards located in Hawkes Bay, and a forestry block located in close proximity to its existing Whanganui estates, for a total cost of approximately \$27.6m. The balance was retained as working capital as opportunities are investigated.

The Company now owns 16,063 hectares of rural land - (25% of which is owned by Roc). This represents a +8.4% increase in total owned land, a +9.5% increase in WALT and continued growth in the scale and diversity of asset and tenant base.

Our strategy is to own quality rural land in New Zealand; growing a diverse portfolio while delivering attractive risk-adjusted returns as a ground lessor. We generate shareholder value through a combination of asset value appreciation and cash flow from long-term leases.

Post the most recent acquisitions and Roc transaction, the Company forecasts FY24 AFFO of between \$7.0m and \$7.5m, excluding earnings from properties with put/call arrangements in place.

From April 2024, NZL will start to see the positive impact of rental growth with approximately half of its portfolio (by lease income) due for CPI review. This includes 100% of its forestry leases and 53% of its pastoral leases.

NZL remains excited by its future opportunities, which are augmented by the strategic partnership with Roc Partners, and the Company is positioned well to continue to grow shareholder value.

Rob Campbell  
**Independent Chair**