



FY25 Interim Results:
Green, diversified,
resilient.

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Peter Mence, CEO



Dave Fraser, CFO



Note: This results presentation should be read in conjunction with the NZX release dated 20 November 2024. Due to rounding, numbers presented in this presentation may not add up exactly to the totals provided and percentages may not reflect exactly absolute figures.

“Our green strategy underpins the sustainability and stability of earnings and dividends over the long term.”

Peter Mence, CEO

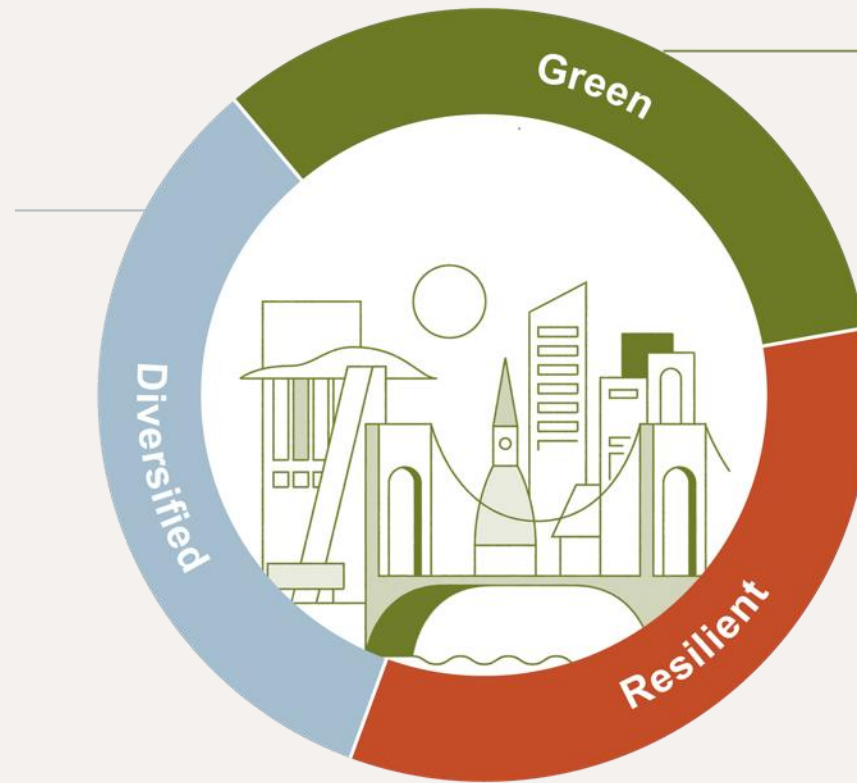
Building a better future

A diversified portfolio by sector and region

A diversified asset allocation across sectors to reduce volatility and widen growth opportunities

Targeting strategic growth opportunities with green potential and a focus on Auckland Industrial

Maintaining a portfolio of high quality, well located Core assets with growth potential



Proactive delivery of sustainable growth

A business culture that is environmentally focused

Executing green Value Add portfolio opportunities to drive earnings and capital growth

A commitment to funding for green assets

A business that is adaptable and responsive to change

Maintaining strong and valued relationships across all stakeholders

A commitment to management excellence delivering earnings and dividend growth

Ensuring safe working environments for Argosy and its partners

Sustainability Commitment

COHESIVE APPROACH ACROSS THE BUSINESS

To reduce our impact on the environment, create vibrant spaces for tenants, engage more with stakeholders and provide transparent and effective governance.

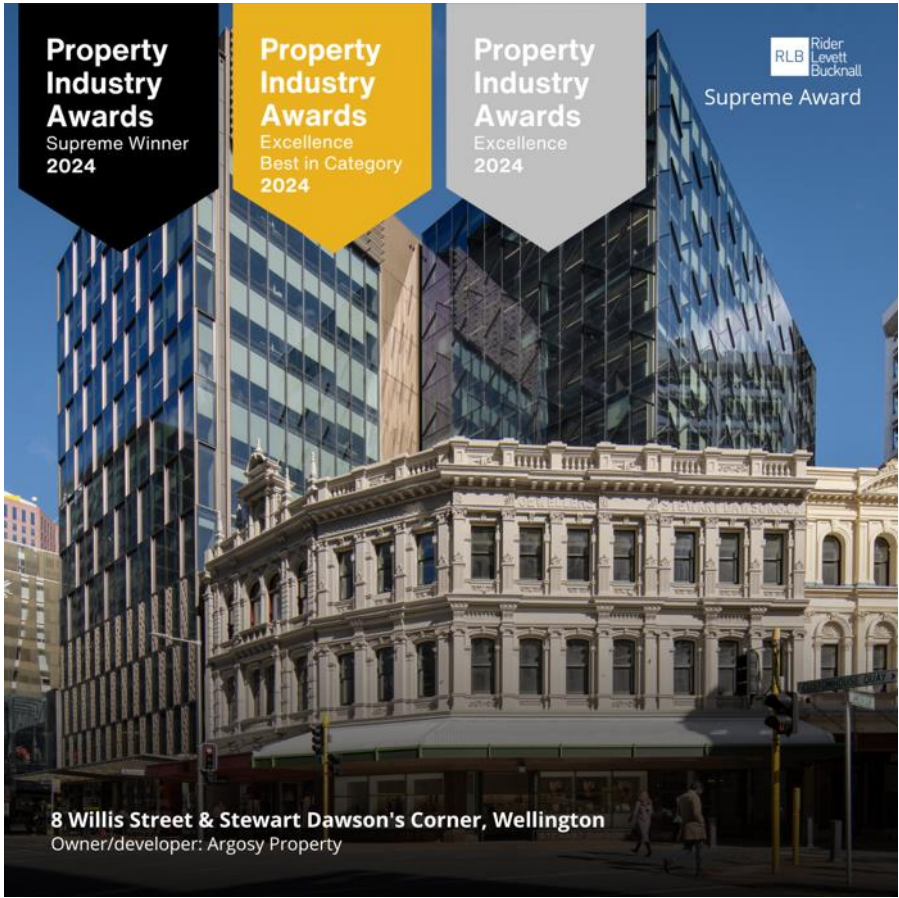
- Targeting >50% of the portfolio to be green by 2031
- Targeting carbon emission reductions of 17.5% by 2031
- Initial XRB climate disclosures completed in FY24 and will be enhanced further in FY25
- Health & safety focus (zero harm)
- Ongoing engagement with our community
- Committed to high standards of corporate behaviour



37%

Green assets to total portfolio

Our sustainability journey has been long



Value & risk advisory report (JLL August 24)

+6.7%

Rental premium for 6 Star Green / 5 Star NABERSNZ office combination

-1.5%

Lower vacancy with a Green Star rating and the lowest vacancy if NABERSNZ rated as well

+9.8%

Sales premium for 6 Star Green / 5 Star NABERSNZ building combination

+10%

Green rental premium for Green Star certified buildings in the Auckland Office market

+6%

Green rental premium for Green Star certified buildings in the Wellington Office market

224 Neilson Street Development

16,500

m² of warehouse to be available

6 Star

Green Built rating being targeted

5 Star

NABERSNZ energy rating being targeted

+8.1%

Forecast IRR on completion

Value Add & Green Developments

GREEN ASSETS DRIVING DEVELOPMENT PIPELINE

- Value Add properties are a key strategic pillar and will transform the portfolio over the next decade.
- 224 Neilson Street development underway with delivery of 5,000m² warehouse set for February 2025. Phase 2 to include a further 11,500m² of warehouse for delivery in late 2025.
- Master Planning for Mt Richmond continues, with some strong interest from potential tenants.

~\$219m

Value Add properties with potential to deliver earnings and capital growth

Property		Sector	Location	Valuation @ 30 Sep 24
32 Bell Avenue, Mt Wellington	future	Industrial	Auckland	18.7
90-104 Springs Road, East Tamaki	future	Industrial	Auckland	8.7
224 Neilson Street, Onehunga	underway	Industrial	Auckland	50.1
8-14 Mt Richmond Drive, Mt Wellington	future	Industrial	Auckland	89.7
133 Roscommon Road, Wiri	future	Industrial	Auckland	13.7
15 Unity Drive, Albany	future	Industrial	Auckland	8.5
101 Carlton Gore Road, Newmarket	future	Office	Auckland	29.1
TOTAL \$m				218.5
% of portfolio				10.9%

Results Summary

\$58.4m

Net property income flat

\$8.7m

Revaluation gain, up 0.4% on 30 September book values

1.6625c

Q2 dividend declared

\$1.46

NTA per share, up 1 cent

\$33.0m

Interim net profit after tax

37.2%

Gearing within the target 30-40% band

Portfolio Highlights

95.8%

Occupancy

5.0yrs

Weighted Average Lease Term

2.6%

Annualised growth on rent reviews

82.1%

Tenant retention rate

34.1%

Government sector rental income

47.2%

Weighting to Auckland Industrial

Sector Summary

Industrial

Number of buildings

33

Market value of assets (\$m)

\$1,036.3

Occupancy (by income)

99.5%

Weighted average lease term (WALT)

5.6 years

Office

Number of buildings

13

Market value of assets (\$m)

\$770.5

Occupancy (by income)

91.9%

Weighted average lease term (WALT)

4.8 years

Large format retail

Number of buildings

4

Market value of assets (\$m)

\$200.0

Occupancy (by income)

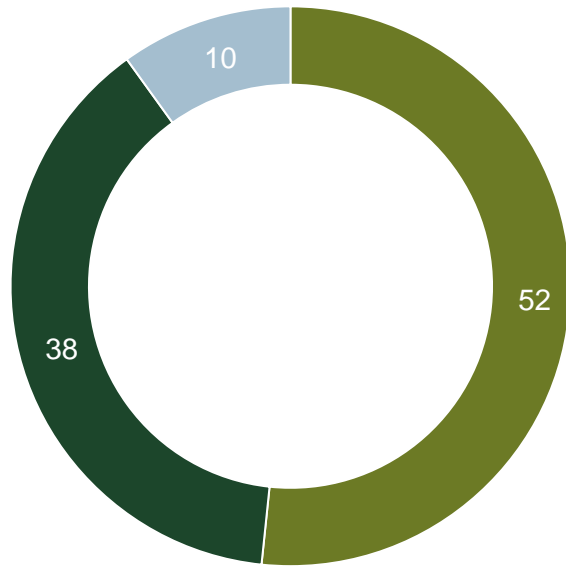
100%

Weighted average lease term (WALT)

3.5 years

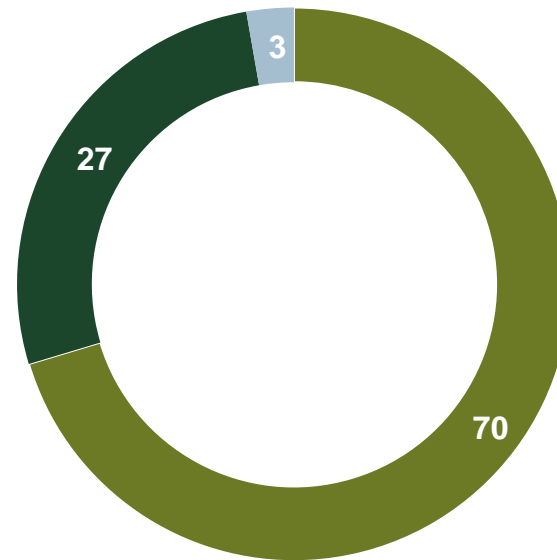
Portfolio at a glance

Sector by value %



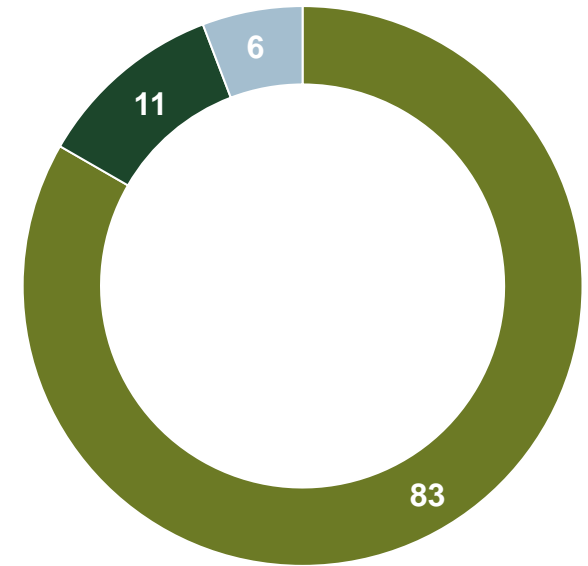
■ Industrial (60-70%) ■ Office (20-30%) ■ LFR (5-15%)

Region by value %



■ Auckland (70-80%) ■ Wellington (15-25%) ■ Regional (0-10%)

Asset mix by value %



■ Core (75-90%) ■ Value Add ■ Divest

1. Large format retail.

2. Regional North Island and South Island. This weighting also includes up to 5% allocation to the golden triangle area between Auckland, Tauranga and Hamilton.

Revaluations

CAP RATE SOFTENING ABATING, PORTFOLIO UNDER RENTED

- An independent review as at 30 September was performed on the portfolio.
- \$8.7m gain adopted, or 0.4% above book value.
- The portfolio is under rented by 11.8%.

6.23%

Weighted average portfolio cap rate

	30 Sep 24 Book Value ¹ (\$m)	30 Sep 24 Valuation (\$m)	△ \$m	△ %	Sep 24 Cap rate %	Mar 24 Cap rate %
Auckland	1,392.3	1,397.4	5.1	0.4%	6.10%	6.07%
Wellington	549.3	554.2	4.9	0.9%	6.47%	6.49%
North Island Regional & South Island	56.0	54.8	(1.3)	(2.2%)	6.99%	6.86%
Total	1,997.6	2,006.3	8.7	0.4%	6.23%	6.21%

	30 Sep 24 Book Value ¹ (\$m)	30 Sep 24 Valuation (\$m)	△ \$m	△ %	Sep 24 Cap rate %	Mar 24 Cap rate %
Industrial	1,033.7	1,036.3	2.7	0.3%	5.98%	5.94%
Office	768.2	770.5	2.2	0.3%	6.46%	6.45%
Large Format Retail	195.7	199.5	3.8	2.0%	6.62%	6.67%
Total	1,997.6	2,006.3	8.7	0.4%	6.23%	6.21%

1. Book Value excludes September 2024 revaluation gain/loss

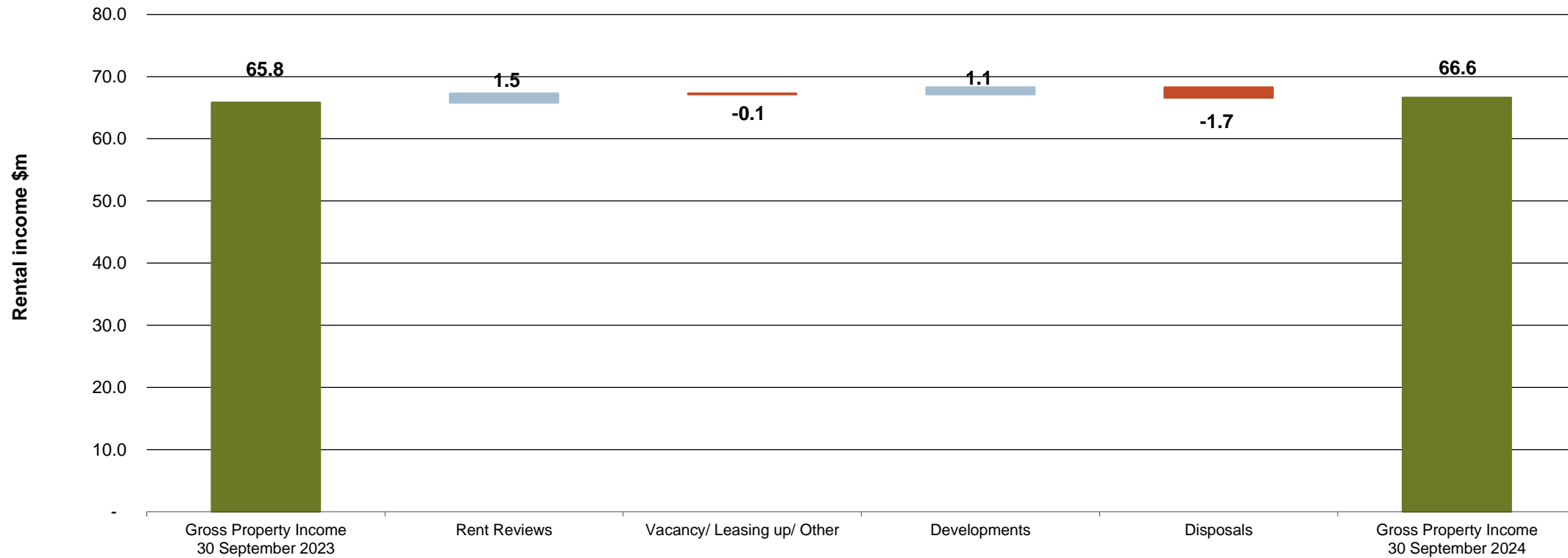
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Financials



Gross Property Income Waterfall

RENT REVIEWS AND DEVELOPMENTS PROVIDED GOOD RENTAL GROWTH



Financial Performance

PERFORMANCE IN LINE WITH PRIOR COMPARABLE PERIOD

- Net property income was flat on the prior comparable period.
- Interest expense was also flat. Lower overall debt levels and lower rates were offset by lower capitalised interest.

\$58.4m

NPI flat on the prior comparable period

	1H25	1H24 (Restated)
	\$m	\$m
Net property income	58.4	58.4
Administration expenses	(5.6)	(5.5)
Profit before financial income/(expenses), other gains/(losses) and tax	52.8	52.9
Net interest expense	(21.1)	(21.2)
Gain/(loss) on derivatives	(1.5)	2.2
Other gains/(losses)		
Revaluation gains/(losses) on investment property	8.7	(50.8)
Realised gains/(losses) on disposal of investment property	(0.0)	0.1
Profit/(loss) before income tax attributable to shareholders	38.9	(16.8)
Taxation expense	(5.9)	(2.6)
Profit/(loss) and total comprehensive income/(loss) after tax	33.0	(19.3)
Earnings per share (cents)	3.89	(2.28)

Distributable Income

SOUND RESULT

- Gross distributable income for the year was \$31.6m compared to \$31.7m in the prior comparable period.
- Taxation expense was higher than the prior comparable period, primarily due to incremental tax expense of \$1.4m following the Government's removal of the tax deduction for depreciation on buildings.

\$27.5m

Net distributable income

	1H25 \$m	1H24 \$m
Profit before income tax	38.9	(16.8)
Adjustments:		
Revaluation (gains)/losses on investment property	(8.7)	50.8
Realised losses/(gains) on disposal	0.0	(0.1)
Derivative fair value (gain)/loss	1.5	(2.2)
Gross distributable income	31.6	31.7
Depreciation recovered on disposals	-	-
Current tax expense	(4.1)	(2.2)
Net distributable income	27.5	29.5
Weighted average number of ordinary shares (m)	847.2	847.1
Gross distributable income per share (cents)	3.74	3.74
Net distributable income per share (cents)	3.25	3.49

Adjusted Funds From Operations (AFFO)

AFFO DOWN DUE TO HIGHER TAX

- AFFO adjustments consistent with prior comparable period.
- AFFO 3.17cps compared to 3.48cps in prior comparable period.

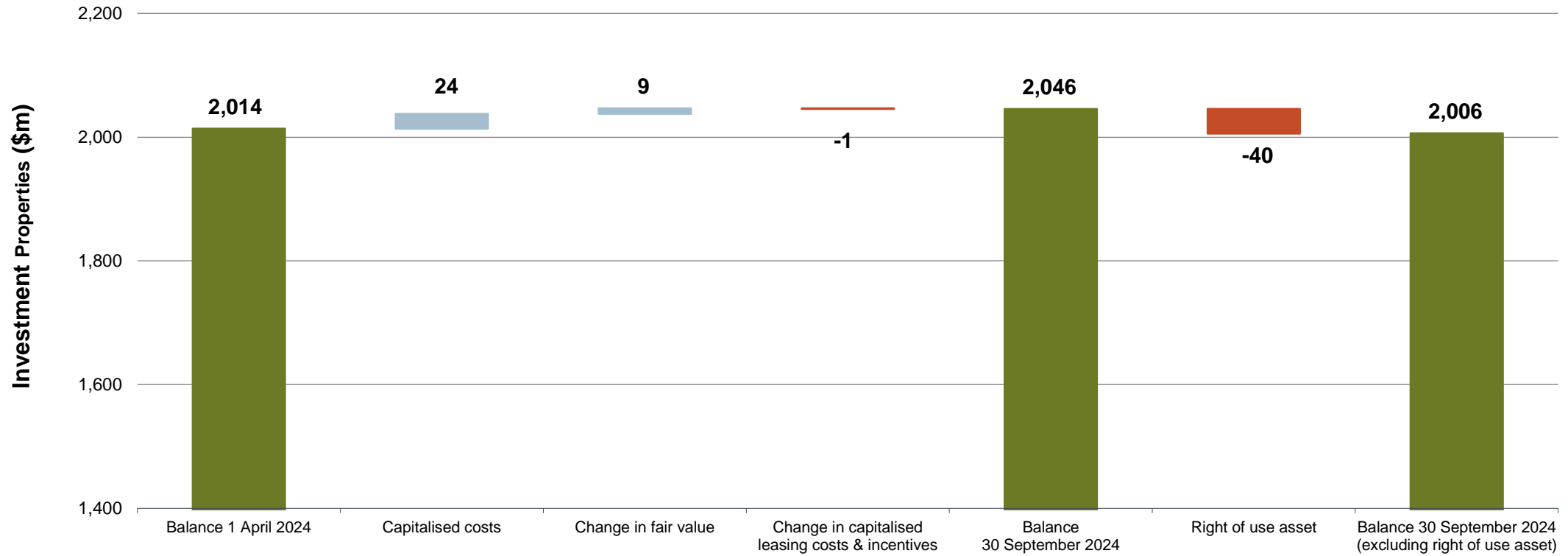
105%

AFFO dividend payout ratio

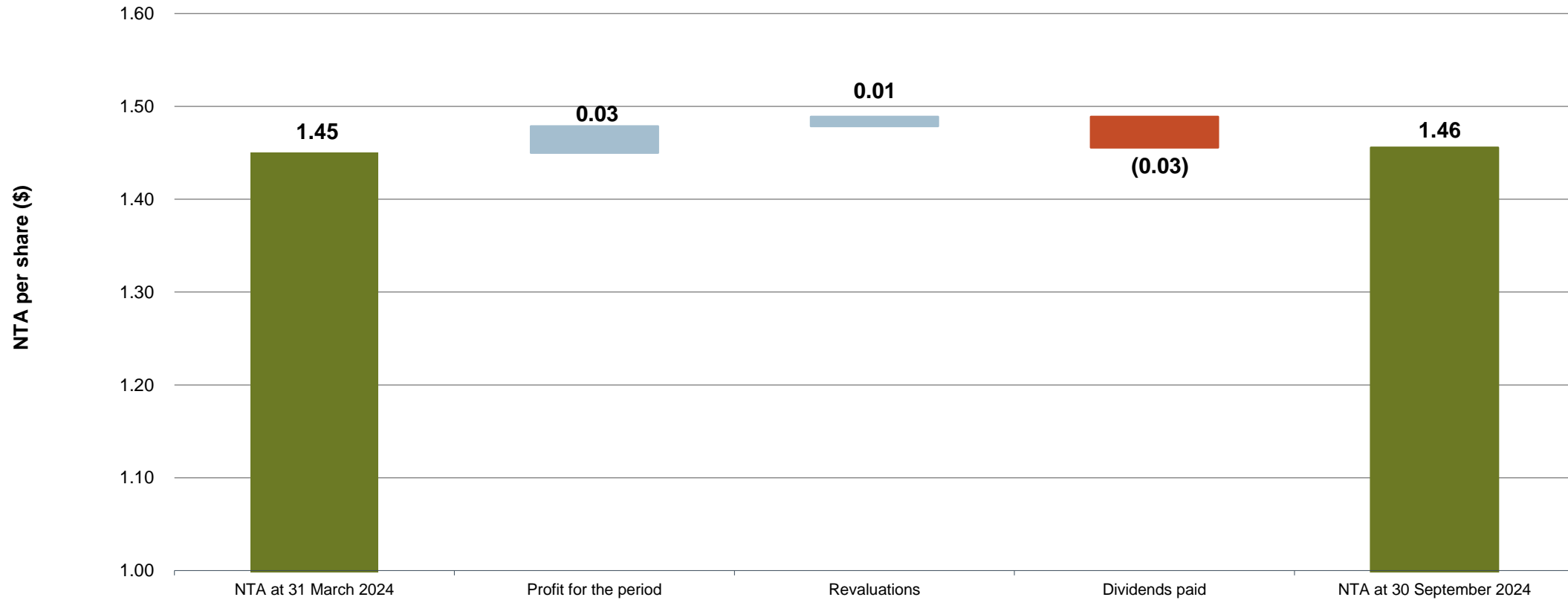
	1H25 \$m	1H24 \$m
Net distributable income	27.5	29.5
Amortisation of tenant incentives and leasing costs	1.1	1.3
Share based payment expense	0.1	0.1
Funds from operations (FFO)	28.6	30.9
Capitalisation of tenant incentives and leasing costs	(0.8)	(0.6)
Maintenance capital expenditure	(1.0)	(0.9)
Maintenance capital expenditure recovered through sale	-	-
Adjusted funds from operations (AFFO)	26.8	29.5
Weighted average number of ordinary shares (m)	847.2	847.1
FFO cents per share	3.38	3.65
AFFO cents per share	3.17	3.48
Dividends paid/payable in relation to period	3.33	3.33
Dividend payout ratio to FFO	98%	91%
Dividend payout ratio to AFFO	105%	96%

Investment Property Waterfall

POSITIVE REVALUATION GAIN IN THE INTERIM PERIOD



Net Tangible Assets



Balance Sheet Management

GEARING AT THE MID-RANGE OF TARGET BAND

- The balance sheet is in good shape.
- Argosy has sufficient facility headroom to complete existing developments and act on any near-term opportunities.
- 8 Forge Way (\$35m) due to settle in March 2025.
- At 30 September a further \$116m (across 6 properties) regarded as non Core.

37.2%

Debt-to-total-assets ratio comfortably within the target band of 30-40%

	1H25 \$m	FY24 \$m
Investment properties	2,046.2	2,013.8
Asset held for sale	35.2	35.2
Other assets	8.2	20.0
Total assets	2,089.6	2,069.0
Right of Use Asset	(39.9)	(40.0)
Total assets (net of Right of Use Asset)	2,049.7	2,029.0
Fixed Rate Green Bonds	325.0	325.0
Bank debt ¹	437.3	415.6
Total Bank Debt & Bond Funding	762.3	740.6
Debt-to-total-assets ratio²	37.2%	36.5%

1. Excludes capitalised borrowing costs.

2. Excludes Right of Use Asset at 39 Market Place of \$39.9 million.

Interest Rate Management

FIXED RATE COVER OF 69%

- Weighted average interest rate reduced slightly to 5.5% from 5.6% at 31 March 2024.
- Fixed rate cover at 69% of drawdown debt.
- \$340m in forward rate swaps.

2.4x

Interest cover ratio banking covenant set at a minimum of 2.0x

	1H25 \$m	FY24 \$m
Weighted average interest rate ¹	5.5%	5.6%
Interest Cover Ratio	2.4x	2.4x
% of fixed rate borrowings	69%	71%
Weighted average duration of active payer swaps	0.7 years	1.1 years
Average rate of active payer swaps	3.43%	3.43%

1. Including margin and line fees.

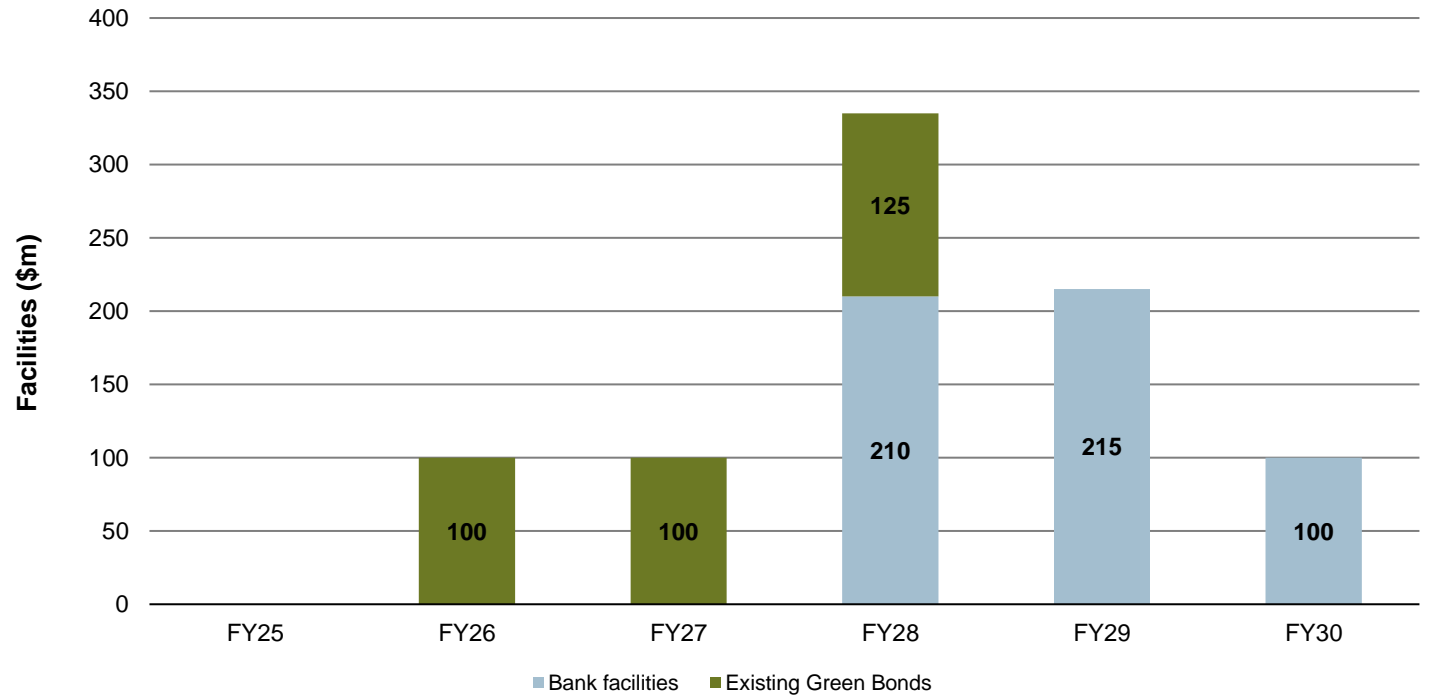
Debt Profile

GREEN BOND DIVERSIFICATION 38%

- The total amount of the bank facility is \$525m with the nearest tranche expiring in October 2027 (FY28).
- Argosy’s \$325m of green bonds continue to provide important diversification.

3.2 years

Weighted average duration of Argosy’s debt



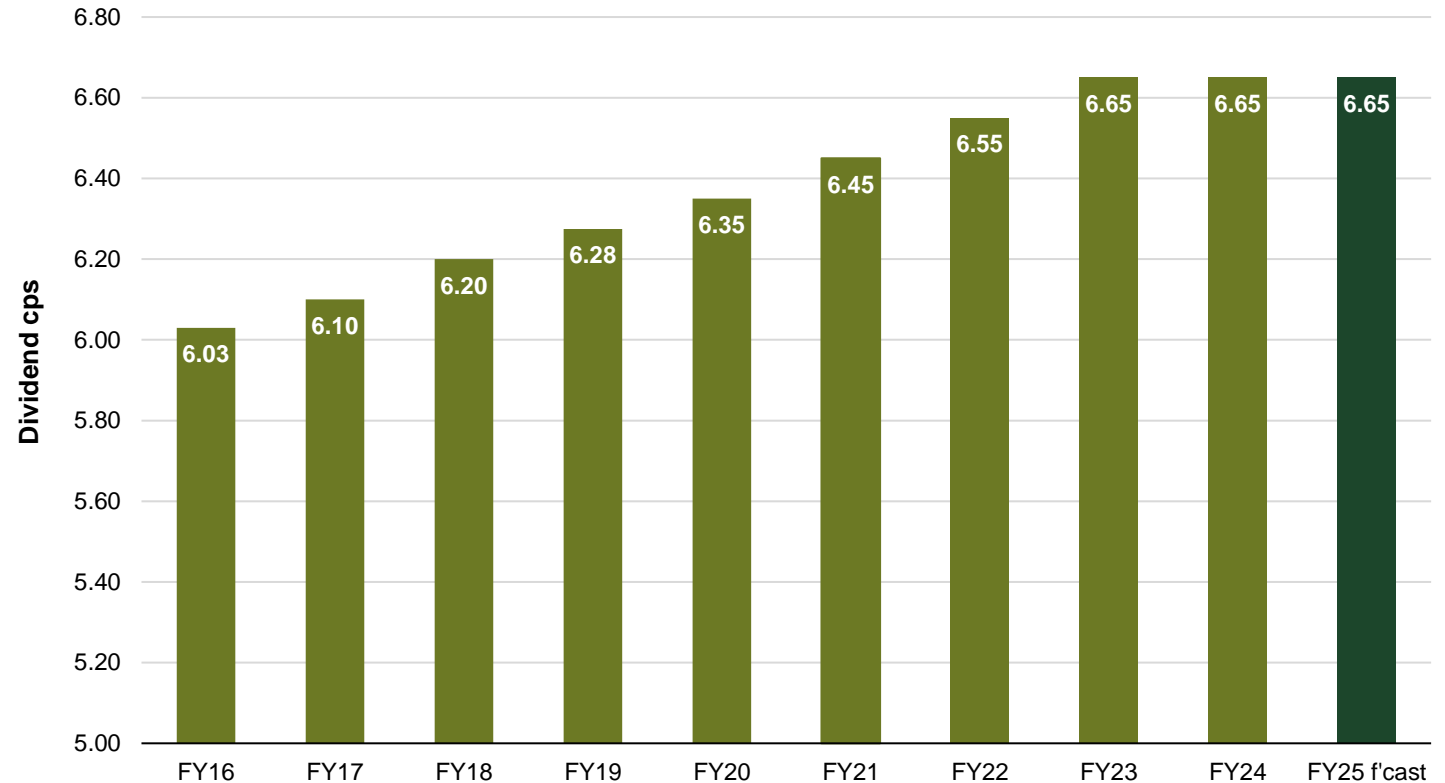
Dividends

STEADY DIVIDEND

- A 2nd quarter dividend of 1.6625 cents per share has been declared with 0.246287 cents per share imputation credits attached.
- Overseas investors will receive an additional supplementary dividend of 0.111761 cents per share to offset non-resident withholding tax.
- No change in guidance for FY25.
- Dividend Reinvestment Plan reopened for the 2nd quarter dividend

6.65c

FY25 dividend guidance in line with prior year



Leasing & sector commentary



Leasing Outcomes

21,350

m² of NLA leased to 30 September

8yr

New lease to Trust Investments Management Limited at 105 Carlton Gore Road

26

Leases executed, 13 new leases, 8 renewals and 5 extensions

8,790

m² of NLA new lease to Booths Logistics for 3 years

7yr

New lease to New Zealand Educational Institute at 101 Carlton Gore Road

48

Rent reviews over the period, annualised rental growth of 2.6%

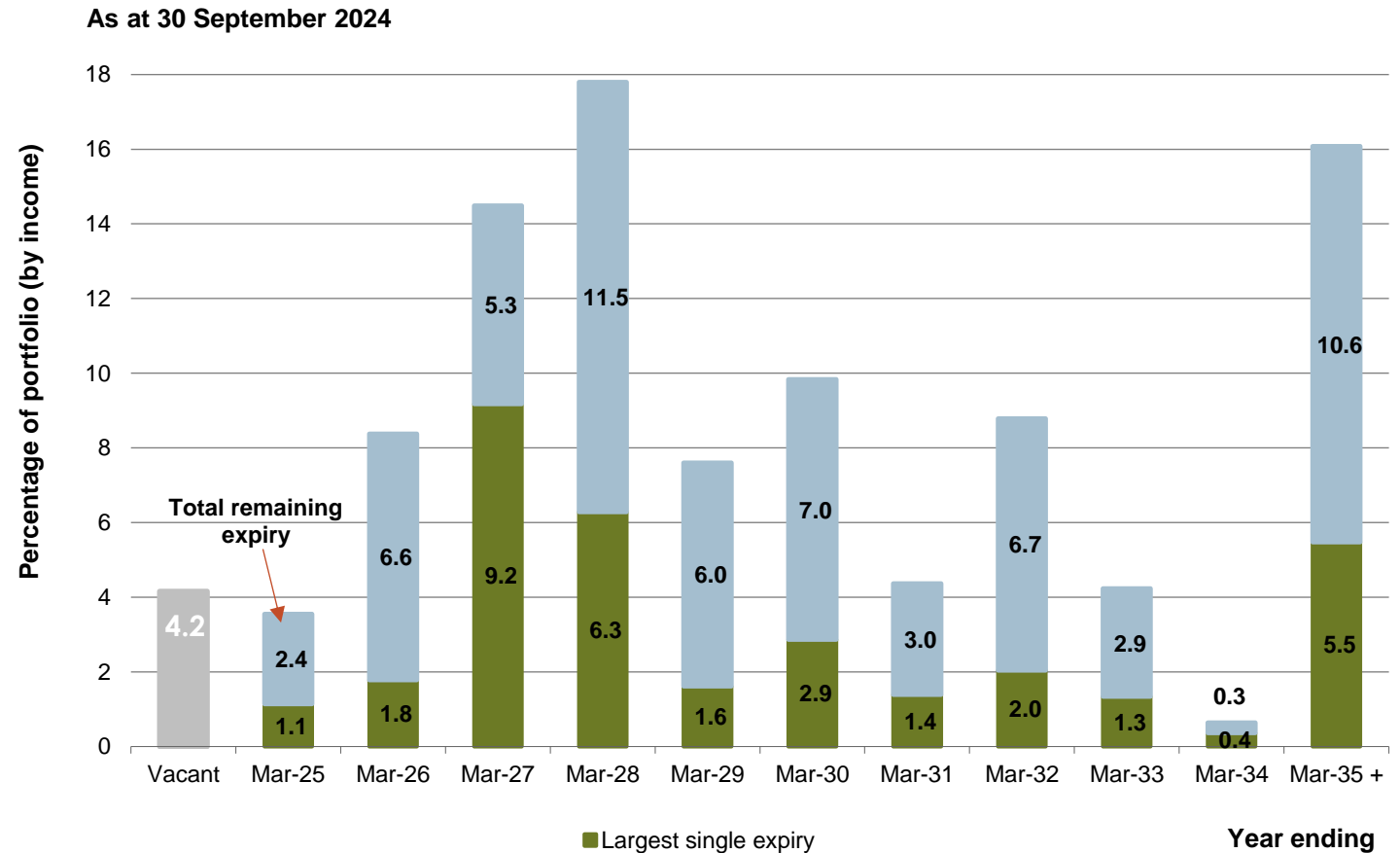
Lease Expiry & Rent Review Profile

MEDIUM TERM LEASE EXPIRY PROFILE IS WELL MANAGED

- Largest single expiry remains MBIE in 2027.
- Average annual expiry over the next two years (FY26 and FY27) is ~11.5%.

8.4%

Percentage of leases in FY26 expiring



Market Insights



INDUSTRIAL

- Softer period of both supply and demand currently is projected for first half of 2025.
- Post OCR easing increase in enquiry levels.
- Limited land supply in Auckland and Wellington continues pressure on land values, with prime sites holding their value.
- Prime rent levels maintained while reviews continue to show some growth in well specified and well located assets as reviews fall due.
- Vacancy remains low, and focused in secondary and sublease space.



OFFICE

- Flexible working environments continue but working from home and full-time remote work continue to decline.
- Changes in the way space is used, focusing on the environment, now a staff attraction matter.
- Continued focus from tenants on sustainability/green.
- Increase in desire for flexibility in lease terms from tenants.
- Wellington vacancy levels have increased, particularly in secondary locations and for poorer quality stock with seismic issues.
- Central Government goal of returning to the office is slow to take effect, but change is expected in 2025.



LARGE FORMAT RETAIL

- Retail turnover rates have declined significantly on a per capita basis, and pressure is expected to continue.
- Discretionary lines showing a significant drop in sales.
- Online proportion of total sales continues to reduce.
- Large Format Retail continues to receive solid demand in prime locations.
- "Moving of the deck chairs" as market share changes.
- Retailers consolidating to a fewer number of locations.
- Increased costs of operation are giving affordability issues.

Focus and outlook



Outlook

STAYING FOCUSED ON ACHIEVING STRONG OPERATIONAL RESULTS AND EXECUTING ON STRATEGIC GOALS

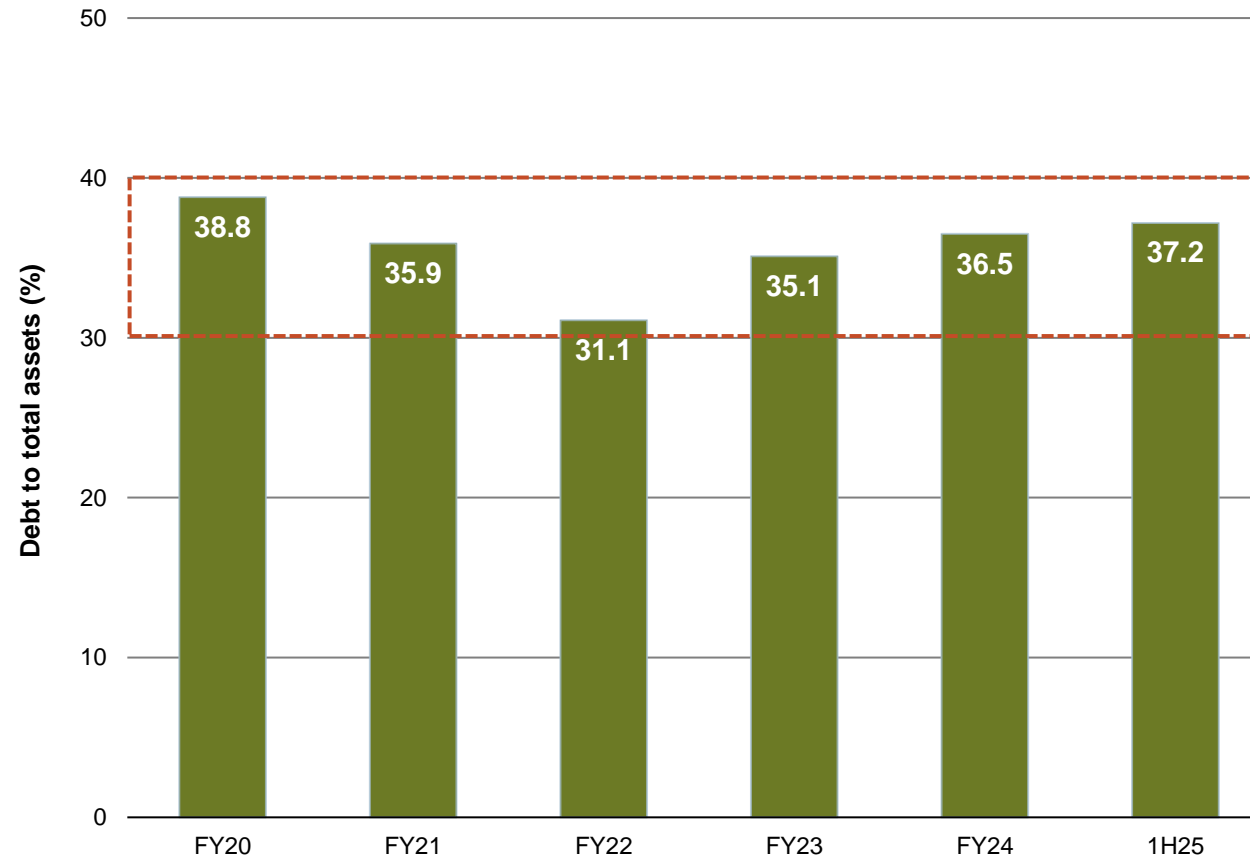
- New Zealand's domestic economy continues to experience challenging headwinds from increased costs and restrictive interest rates.
- Low supply and low demand across the market with tenants focused on prime locations and sustainable initiatives
- Argosy is well placed, with a solid capital position to continue to transform towards a green & environmentally sustainable business.
- Our key focus areas for 2024/25 are to:
 1. Address vacancy and key expiries;
 2. Progress existing green developments;
 3. Achieve Green Star & NABERSNZ certifications;
 4. Divest non Core assets and reinvest proceeds; and
 5. Position the business for the future.

Appendices



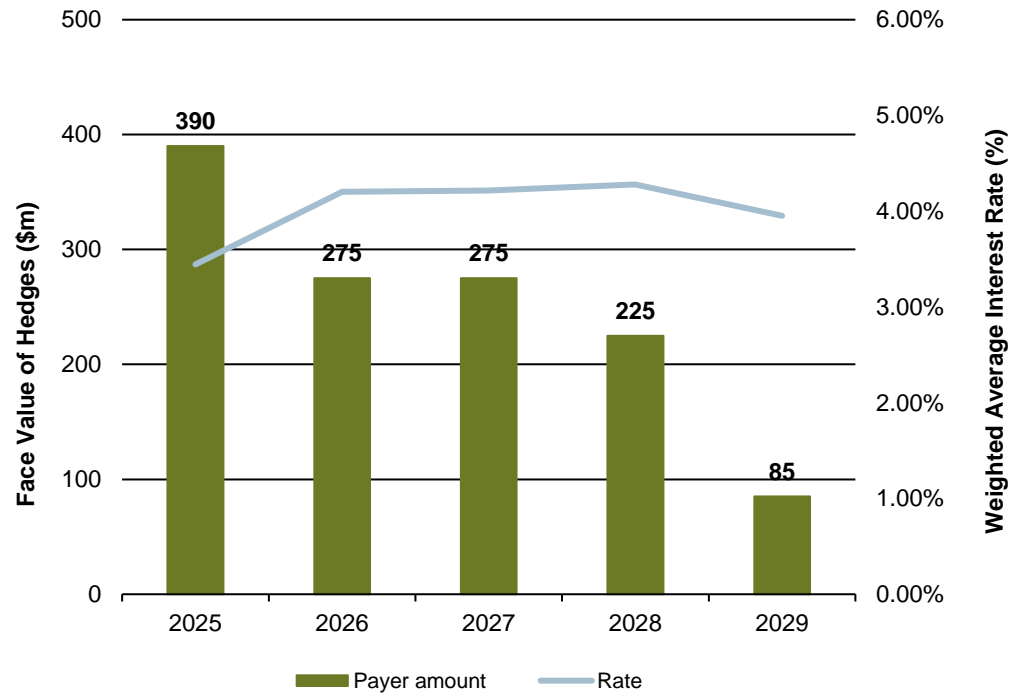
Balance Sheet Management

GEARING REMAINS COMFORTABLY WITHIN THE MID-RANGE OF THE BAND

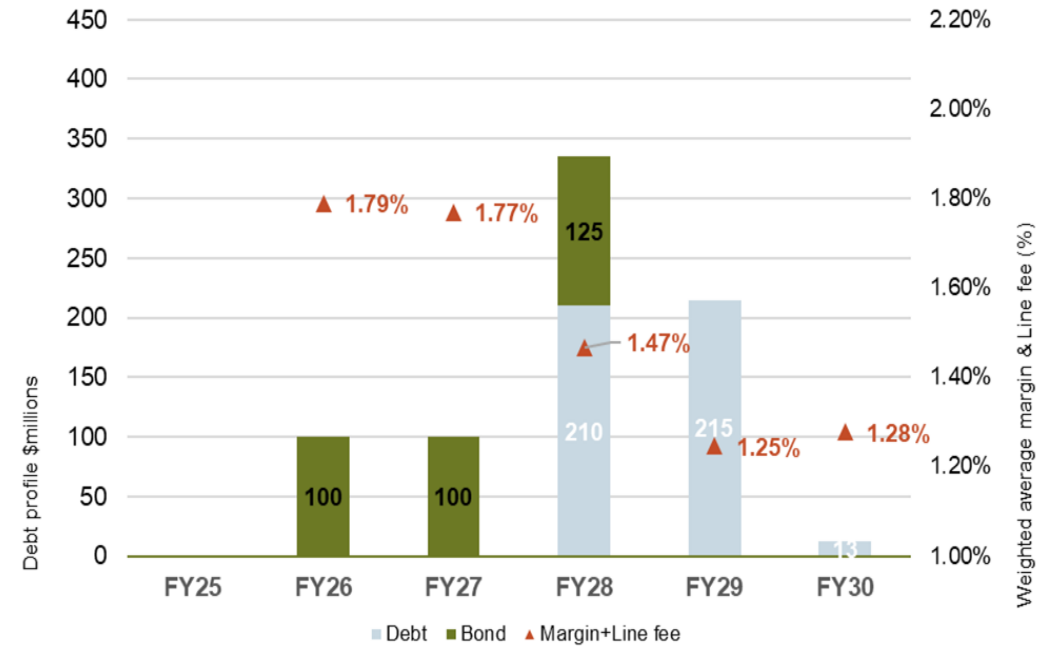


Hedges, Interest Rates & Debt Maturity

HEDGES & WEIGHTED AVERAGE INTEREST RATES (MARCH Y/E)



DEBT MATURITY PROFILE (DRAWN) & WEIGHTED AVERAGE MARGIN AND LINE FEE

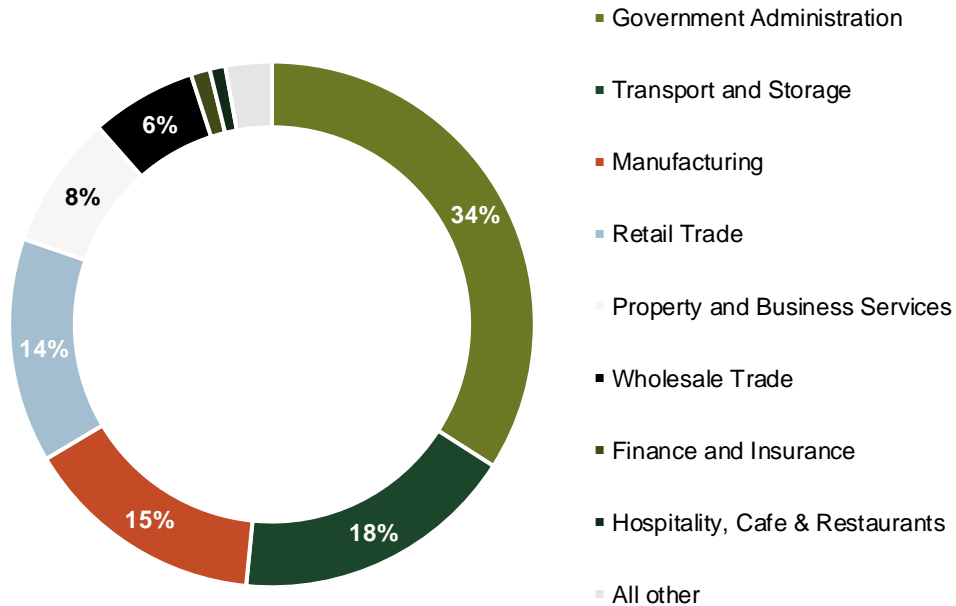


Rent review summary – by type, sector and location

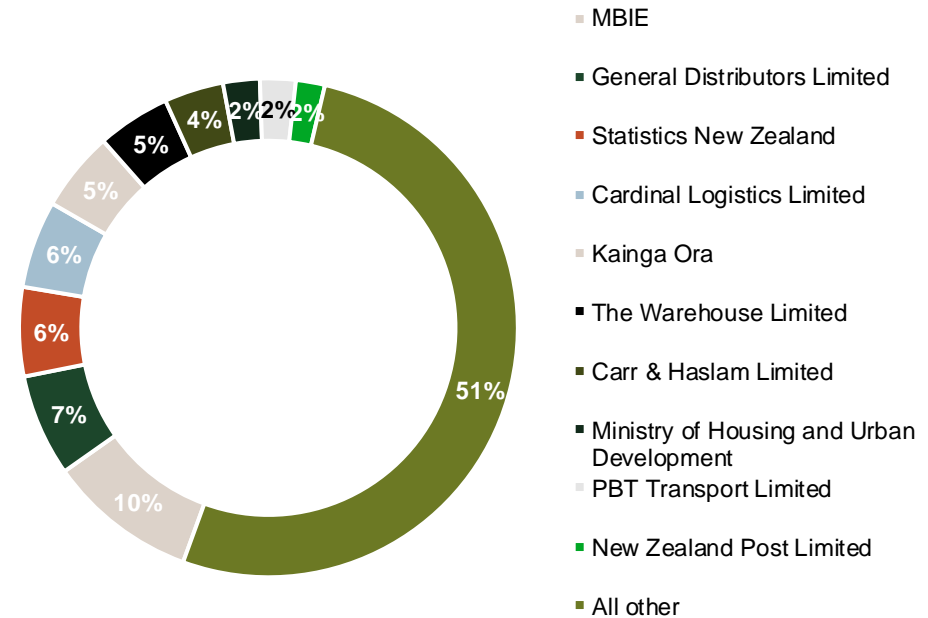
Type	#	Previous Rent (\$000's)	% of rent reviewed	New Rent (\$000's)	\$ Increase (000's)	% Increase	Annualised \$ Increase (000's)	% of Total Annualised Increase	Annualised % Increase
Total	48	27,267	100%	28,010	744	2.7%	709	100%	2.6%
By review type									
Fixed	40	24,675	91%	25,265	590	2.4%	601	85%	2.4%
Market	4	1,936	7%	2,066	130	6.7%	84	12%	4.4%
CPI	4	656	2%	680	24	3.6%	24	3%	3.6%
By sector									
Industrial	9	9,490	35%	9,735	245	2.6%	245	35%	2.6%
Office	30	15,157	56%	15,553	395	2.6%	360	51%	2.4%
LFR	9	2,619	10%	2,723	104	4.0%	104	15%	4.0%
By location									
Auckland	36	15,745	58%	16,191	447	2.8%	457	65%	2.9%
Wellington	12	11,522	42%	11,819	297	2.6%	252	35%	2.2%
Other	0	0	0%	0	0	0.0%	0	0%	0.0%

Portfolio metrics

RENT ROLL BY INDUSTRY

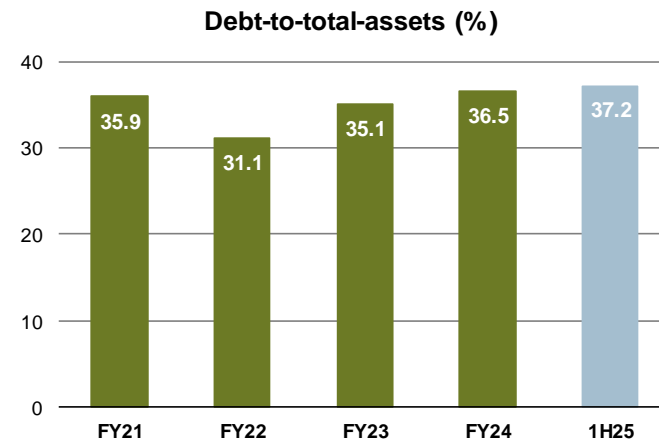
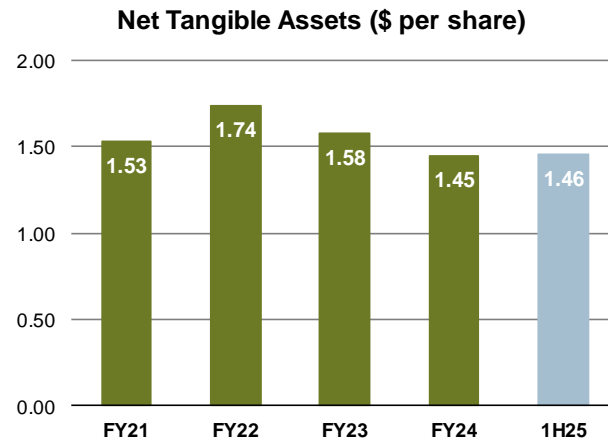
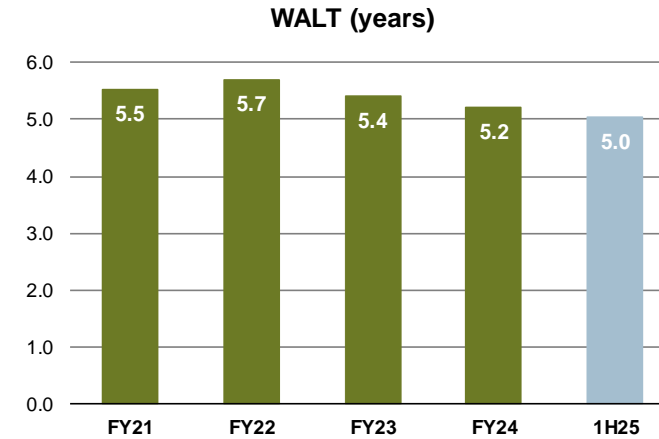
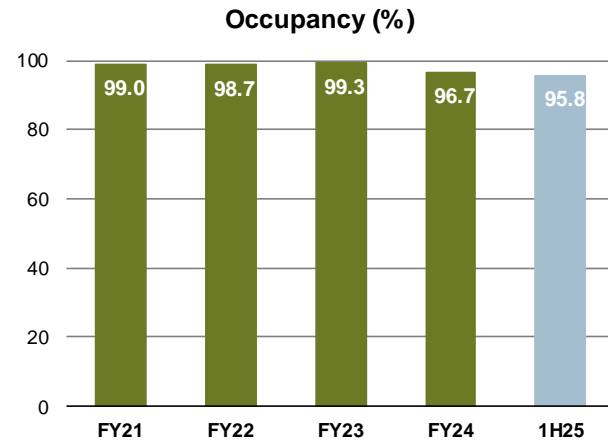


TOP 10 CUSTOMERS BY RENT



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Portfolio snapshot



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Portfolio summary - Industrial

Type	Valuation \$000s	WALT (years)	Net lettable area (m ²)	Vacant space (m ²)	Contract Yield
Auckland					
19 Nesdale Avenue, Wiri	\$69,900	10.1	20,677	-	5.75%
240 Puhinui Road, Manukau	\$44,300	10.1	17,715	-	5.53%
244 Puhinui Road, Manukau	\$15,500	10.1	5,504	-	5.19%
Highgate Parkway, Silverdale	\$36,600	3.3	10,581	-	5.11%
32 Bell Avenue, Mt Wellington	\$18,700	3.0	8,139	-	6.42%
12-16 Bell Avenue, Mt Wellington	\$36,700	8.2	14,809	-	5.10%
18-20 Bell Avenue, Mt Wellington	\$21,650	8.3	8,941	-	5.06%
2 Allens Road, East Tamaki	\$10,550	10.0	2,920	-	5.11%
12 Allens Road, East Tamaki	\$6,500	9.1	2,286	-	6.38%
106 Springs Road, East Tamaki	\$11,750	8.0	3,846	-	5.56%
5 Allens Road, East Tamaki	\$7,200	4.1	2,572	-	4.84%
1 Rothwell Avenue, Albany	\$35,600	5.8	12,683	-	5.29%
4 Henderson Place, Onehunga	\$34,400	6.8	10,841	-	5.31%
211 Albany Highway, Albany	\$36,600	3.3	15,191	-	5.77%
9 Ride Way, Albany	\$31,100	8.0	9,178	-	5.76%
90-104 Springs Road, East Tamaki	\$8,700	2.4	3,885	-	4.80%
1-3 Unity Drive, Albany	\$17,500	6.7	6,116	-	5.10%
5 Unity Drive, Albany	\$8,900	6.7	3,196	-	5.16%
Cnr William Pickering Drive & Rothwell Avenue, Albany	\$22,000	5.6	7,074	-	4.61%
17 Mayo Road, Wiri	\$37,100	2.3	13,351	-	5.10%
320 Ti Rakau Drive, East Tamaki	\$76,300	3.9	28,242	-	6.04%
80-120 Favona Road, Mangere	\$146,750	3.5	59,386	-	5.79%
224 Neilson Street, Onehunga	\$50,100	-	-	-	-
8-14 Mt Richmond Drive, Mt Wellington	\$89,700	2.2	94,219	-	5.50%
15 Unity Drive, Albany	\$8,500	3.6	7,002	-	3.22%
133 Roscommon Road, Wiri	\$13,650	9.0	15,862	-	3.65%

Note: Yield excludes development property – 224 Neilson Street.

Portfolio summary – Industrial (cont.)

Type	Valuation \$000s	WALT (years)	Net lettable area (m ²)	Vacant space (m ²)	Contract Yield
Wellington					
54-56 Jamaica Drive, Wellington	\$11,400	11.0	1,825	-	6.01%
147 Gracefield Road, Seaview	\$20,000	3.5	8,018	-	5.62%
19 Barnes Street, Seaview	\$17,300	6.9	6,857	-	6.97%
39 Randwick Road, Seaview	\$25,000	3.4	16,249	2,304	6.15%
68 Jamaica Drive, Grenada North	\$22,000	3.8	9,417	-	5.91%
Other					
100 Maui Street, Hamilton	\$28,000	12.0	12,341	-	5.74%
8 Foundry Drive, Woolston, Christchurch	\$16,375	5.3	7,668	-	7.78%
TOTAL – INDUSTRIAL	\$1,036,325	5.6	446,590	2,304	5.59%

Portfolio summary - Office

Type	Valuation \$000s	WALT (years)	Net lettable area (m ²)	Vacant space (m ²)	Contract Yield
Auckland					
99-107 Khyber Pass Road, Grafton	\$16,200	2.7	2,509	-	6.96%
8 Nugent Street, Grafton	\$47,900	3.4	8,125	-	7.37%
39 Market Place, Viaduct Harbour	\$5,900	4.0	10,365	7,395	11.10%
82 Wyndham Street	\$50,000	7.3	6,012	-	6.13%
101 Carlton Gore Road, Newmarket	\$29,100	3.9	4,486	1,502	4.83%
105 Carlton Gore Road, Newmarket	\$49,500	7.5	5,191	573	6.03%
107 Carlton Gore Road, Newmarket	\$42,400	7.4	6,093	-	6.52%
Citibank Centre, 23 Customs Street East	\$71,000	3.5	9,629	843	6.81%
Wellington					
7-27 Waterloo Quay	\$127,250	4.4	23,080	-	6.55%
15-21 Stout Street	\$135,000	1.8	20,709	-	6.53%
143 Lambton Quay	\$8,200	0.7	6,216	-	26.14%
147 Lambton Quay	\$41,000	2.4	8,949	5,213	4.34%
8-14 Willis Street/ 360 Lambton Quay	\$147,000	10.4	16,776	-	4.37%
TOTAL – OFFICE	\$770,450	4.8	128,142	15,526	6.21%

Portfolio summary – Large Format Retail

Type	Valuation \$000s	WALT (years)	Net lettable area (m ²)	Vacant space (m ²)	Contract Yield
Auckland					
Albany Mega Centre and 11 Coliseum Drive, Albany	\$149,000	4.0	33,792	-	6.85%
50 & 54-62 Cavendish Drive, Manukau	\$30,000	1.1	9,939	-	6.72%
252 Dairy Flat Highway, Albany	\$10,100	5.3	2,262	-	5.51%
Other					
Cnr Taniwha & Paora Hapi Streets, Taupo	\$10,400	1.5	4,212	-	7.67%
TOTAL – LARGE FORMAT RETAIL	\$199,500	3.5	50,204	-	6.80%

Thank you

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All values are expressed in New Zealand currency unless otherwise stated.

20 November 2024