Investore Property Limited – FY17 Annual Results

Investore Property Limited (Investore) has released its Annual Report and Annual Results presentation for the twelve months ended 31 March 2017 (FY17).

Key Points:

- Investore listed and commenced trading on the NZX Main Board on 12 July 2016
- Raised $185m new equity capital
- Profit after income tax of $28.5m, up $17.0m on forecast
- Distributable profit[1] after income tax of $17.6m, up $0.5m on forecast
- 5.35cps cash dividend for FY17, up 4.3% on forecast
- Targeting annual cash dividend for FY18 of 7.46cps
- Settlement of SCA properties, Tranche 1 assets on 12 July 2016 and Tranche 2 assets on 28 September 2016, for $267.4m in total
- Actively looking for future acquisitions to compliment the portfolio in a highly competitive market

Financial Performance Highlights: (forecasted figures in brackets)

- Net rental income of $35.0m ($34.9m)
- Corporate expenses of $4.7m ($4.8m)
- Profit before other expenses and income tax of $17.1m ($17.2m)
- Profit after income tax of $28.5m ($11.5m)
- Distributable profit[1] before income tax of $21.2m ($20.7m)
- Distributable profit after income tax of $17.6m ($17.2m)
- 5.35cps cash dividend for FY17 (5.13cps)
- 2.06cps cash dividend for the quarter ended 31 March 2017, with 0.5404cps imputation credits attached
- Loan to value ratio (LVR) 39.5% (41.4%)

Portfolio Highlights:

- Total portfolio value of $660.4m
- Net Tangible Assets (NTA) backing per share of $1.55
- FY18 lease expiries at 0.6% of the portfolio contract rental[2]
- FY19 lease expiries at 3.0% of the portfolio contract rental
- Occupancy at 99.8%
- Weighted average lease term (WALT) 14.3 years

Acquisitions:

- Six properties from Stride Property Group for $87.0m
- Tranche 1 of the SCA Portfolio (six properties) on 12 July 2016 for $128.2m
- Tranche 2 of the SCA Portfolio (eight properties) on 28 September 2016 for $139.2m

Capital Management:

- Capital raising of $185m
- Refinance of bank facility – new bank facility of $370m
- 84% drawn debt hedged as at 31 March 2017

Development Project:

- Animates, Invercargill
  - $2.2m project completed in February 2017
  - 820m² development consists of two retail tenancies, Animates and a medical facility

Notes:

[1] Distributable profit is a non-GAAP financial measure adopted by Investore Property Limited (Investore) to assist Investore and its investors in assessing Investore's profit available for distribution. It is defined as net profit/(loss) before income tax adjusted for 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 after income tax, is set out in note 6 to the annual financial statements for the year ended 31 March 2017.

[2] 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 as at 31 March 2017, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 31 March 2017, and assuming no default by the tenant.

[3] Values may not sum accurately due to rounding.

Ends

Attachments provided to NZX:
- Investore Property – NZX Appendix 1 – 290517
- Investore Property – NZX Appendix 7 – 290517
- Investore Property – FY17 Annual Results Presentation – 290517
- Investore Property – FY17 Annual Report - 290517

For further information please contact:

Mike Allen, Chairman, Investore Property Limited
Mobile: 021 606 134 - Email: mike.allen@investoreproperty.co.nz

Jennifer Whooley, Chief Financial Officer, Stride Investment Management Limited as manager of Investore
DDI: 09 913 1150 - Mobile: 021 536 406 - Email: jennifer.whooley@strideproperty.co.nz

Philip Littlewood, General Manager Investment Management, Stride Investment Management Limited as manager of Investore
DDI: 09 913 1122 - Mobile: 021 230 3026 - Email: philip.littlewood@strideproperty.co.nz