

## Investore Property Limited – HY19 Interim Report and Results

Investore Property Limited (Investore) is pleased to announce its Interim Report and Interim Results presentation for the six months ended 30 September 2018 (HY19).

### Key Highlights for HY19:

- Profit before other (expense)/income and income tax of \$14.0m, up \$0.4m on the six months ended 30 September 2017 (HY18)
- Profit before income tax of \$13.1m, down \$1.6m on HY18
- Distributable profit<sup>2</sup> after current income tax of \$10.8m, up \$0.4m on HY18
- Annual cash dividend guidance of 7.46 cps for year ending 31 March 2019 (FY19)
- Total portfolio value \$740.4m
- Occupancy remains steady at 99.9%
- Weighted average lease term (WALT) of 12.6 years
- Net Tangible Assets (NTA) backing per share remains at \$1.64
- \$100m six year bond issued on 18 April 2018
- \$70m bank debt refinanced, maturity extended to 2022
- 12 month share buyback programme of up to 5% of Investore's ordinary shares commenced, although currently on pause
- Loan to value ratio (LVR) of 42.2%, with a policy maximum of 48%

### Financial Performance Highlights: (HY18 figures in brackets)

- Net rental income of \$24.0m (\$22.0m), up \$2.1m
- Corporate expenses of \$2.8m (\$2.5m), up \$0.3m
- Profit before other (expense)/income and income tax of \$14.0m (\$13.6m), up \$0.4m
- Profit after income tax of \$10.0m (\$11.6m), down \$1.7m
- Distributable profit before current income tax of \$13.6m (\$13.1m), up \$0.5m
- Distributable profit after current income tax of \$10.8m (\$10.4m), up \$0.4m

### Portfolio Highlights: (As at 31 March 2018 figures in brackets)

- Total investment property portfolio value \$740.4m (\$738.3m), with a net valuation loss of 0.1%
- WALT 12.6 years (13.1 years)
- FY19 expiries at 2.3%, FY20 expiries at 1.1% of portfolio Contract Rental<sup>3</sup>
- As at 30 September 2018, 81% of portfolio Contract Rental not expiring until FY30 or later, increasing to 83% following major lease renewal at Countdown Rotorua (post balance date)
- Occupancy at 99.9% (99.9%)
- NTA backing per share of \$1.64 (\$1.64)

### Governance and Management:

- Gráinne Troute, third Independent Director elected by shareholders in June 2018
- Fabio Pagano appointed as Investore Fund Manager, a newly created role within Stride Investment Management Limited (SIML)

## Delivery of Performance:

- Cash dividend of 1.865 cps declared for quarter ended 30 September 2018
- Strong portfolio metrics including 99.9% occupancy and WALT 12.6 years as at 30 September 2018

## Capital Management Initiatives Reduce Risk and Enhance Returns:

- Retail bond issue extends the tenor of Investore's debt and diversifies funding sources
- Proactive bank refinancing to manage refinancing risk
- Share buyback programme is an efficient use of balance sheet capacity

## Outlook:

- Fabio Pagano, SIML appointed Investore Fund Manager, to commence December 2018
- Board considering additional capital management initiatives in the future which may include a second bond issue
- Continued focus on development and refurbishment programme
- Reconfirm annual cash dividend guidance of 7.46cps for FY19

## Notes:

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

- 1 The movement in the comparable periods of (\$1.6m) reflects the (\$2.1m) movement in the net change in fair value of investment properties.
- 2 Distributable profit is a non-GAAP financial measure adopted by 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 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 after income tax, is set out in note 5 to the interim financial statements for the six months ended 30 September 2018.
- 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 as at 30 September 2018, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 30 September 2018, and assuming no default by the tenant.

## Ends

Attachments provided to NZX:

- Investore Property – HY19 Interim Report - 191118
- Investore Property – HY19 Interim Results Presentation – 191118
- Investore Property – NZX Appendix 1 – 191118
- Investore Property – NZX Appendix 7 – 191118

For further information please contact:

Mike Allen, Chairman, Investore Property Limited

Mobile: 021 606 134 - Email: [mike.allen@investoreproperty.co.nz](mailto:mike.allen@investoreproperty.co.nz)

Philip Littlewood, Chief Executive, Stride Investment Management Limited as manager of Investore

Mobile: 021 230 3026 - Email: [philip.littlewood@strideproperty.co.nz](mailto:philip.littlewood@strideproperty.co.nz)

Jennifer Whooley, Chief Financial Officer, Stride Investment Management Limited as manager of Investore

Mobile: 021 536 406 - Email: [jennifer.whooley@strideproperty.co.nz](mailto:jennifer.whooley@strideproperty.co.nz)

Louise Hill, General Manager Corporate Services, Stride Investment Management Limited as manager of Investore and Company Secretary of Investore

Mobile: 0275 580 033- Email: [louise.hill@strideproperty.co.nz](mailto:louise.hill@strideproperty.co.nz)