



Stride Property Group  
NZX Presentation 21 June 2022

# About Stride

The logo for Stride, with the word "STRIDE" in a bold, sans-serif font. The letters "S", "T", "R", and "I" are in a dark purple color, while "D", "E", and the second "I" are in a lighter purple color.

## Stride Property Group

- A fund manager and investor, listed on the NZX
- Stride creates and manages sustainable commercial property funds for investors



## Our people

- Specialist real estate investment, development and management capability



## Specialist real estate investment manager

Managing one of New Zealand's largest property portfolios:

### NZX-listed funds

- Investore Property Limited
- Stride Property Limited

### Wholesale funds

- Diversified NZ Property Trust
- Industrie Property JV



## Investment philosophy

- People, Places, Products and Performance
- Invest in properties with enduring demand

NZX's only  
stapled security

110+ employees  
7 locations

NZ\$3.8b AUM<sup>1</sup>  
82 properties

+14.0% p.a.  
Total Shareholder Return<sup>2</sup>  
since inception  
(16 Aug 2010 to 31 Mar 2022)

1. As at 31 March 2022. Includes acquisitions and committed developments across Stride Property Limited (SPL) and the entities managed by Stride Investment Management Limited, being Investore Property Limited, Industrie Property Joint Venture and Diversified NZ Property Trust.

2. Stride total shareholder return based on reinvested dividends since listing on 16 August 2010 to 31 March 2022. Assumes that shares issued in Investore Property Limited on 12 July 2016 as part of demerger process were sold on-market and reinvested in Stride shares at their respective volume weighted average price on the same day.

# Strategy

## Vision

To be the best performing listed real estate investment and management company in New Zealand

## Strategy

Stride is developing a real estate investment management (REIM) business for the long term, with each step towards growth deliberate and carefully considered

We use our expertise to invest in and manage quality real estate portfolios that attract the highest demand and deliver market-leading returns to our investors

We believe that by creating value for our investors we will continue to create sustainable growth opportunities for Stride's shareholders

## Strategic pillars

### PERFORMANCE



### PEOPLE



### PLACES



### PRODUCTS



# Stride investment metrics

As at 31 March 2022

Stride holds assets both directly and indirectly through holdings in each of its managed entities. These metrics are presented on a look-through basis.

**\$1.9bn**  
Investments held directly and indirectly<sup>1</sup>

**98%**  
occupancy

**35%**  
Loan to value ratio

**7.3 years**  
Weighted average lease term

**\$175m+**  
Future development pipeline in Stride's Products

**96%**  
Current debt hedged

1. As at 31 March 2022. Includes acquisitions and committed developments.

# Financial Highlights

Stride Property Group (Stride) - Consolidated

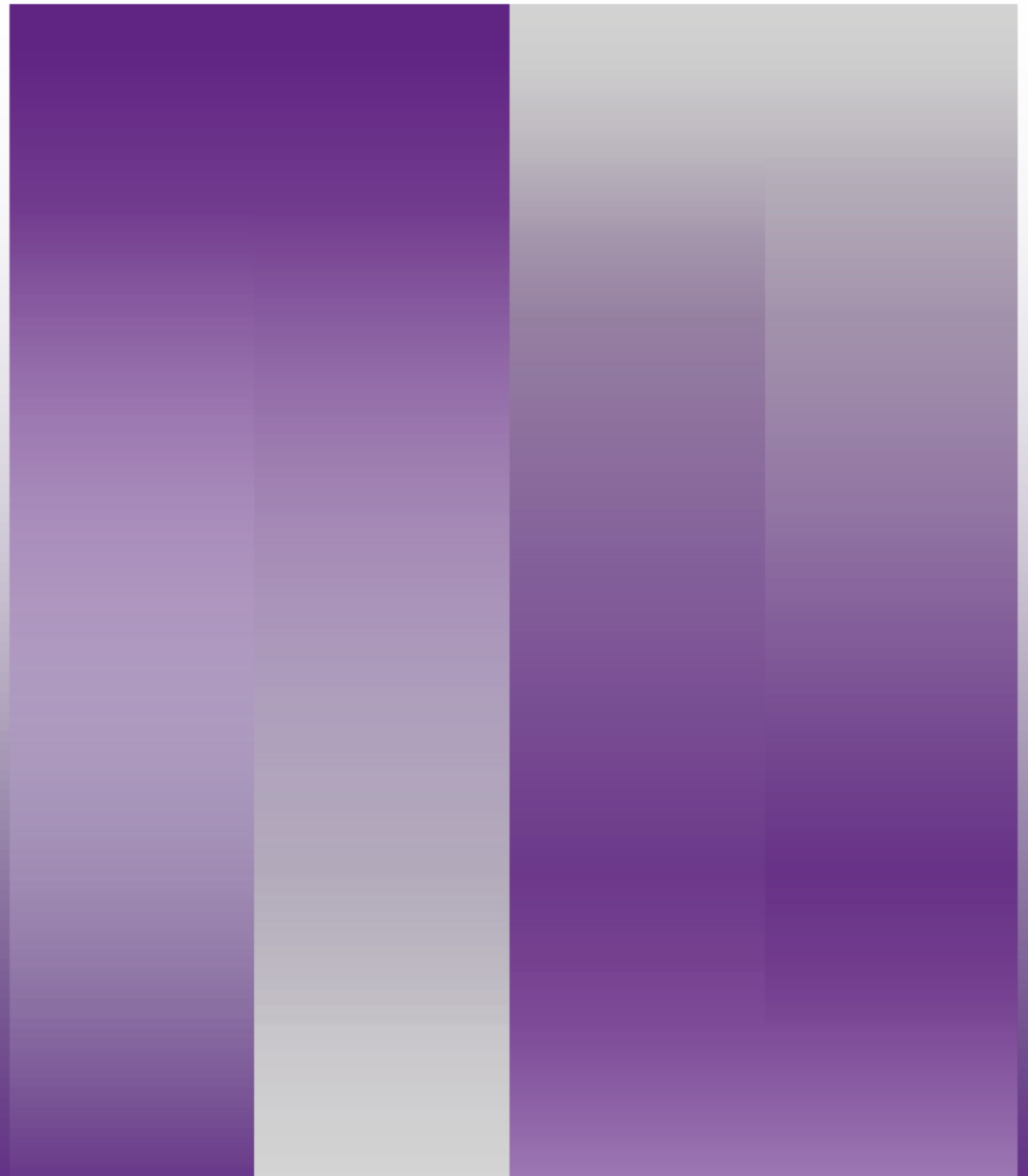
Assets Under Management	<b>\$3.6bn</b> Up \$0.6bn / +20%
Management fee income <sup>1</sup>	<b>\$24.3m</b> with recurring base management fees up 19% from FY21
Distributable profit <sup>2</sup> per share	<b>10.95cps</b>
Dividends per share	<b>9.91cps</b>
Net tangible assets per share	<b>\$2.28</b> +\$0.13 / +6.0% from March 2021
Distributable profit after current income tax	<b>\$54.2m</b> up \$7.9m from FY21

1. Net of management fees received from SPL.

2. 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, share of profits in equity-accounted investments, dividends received from equity-accounted investments and current tax. Further information, including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 4.2 to the consolidated financial statements.



# Investment Management Business



# Products

Since 31 March 2021, Stride's AUM has grown from \$3.0bn to \$3.6bn or \$3.8bn including acquisitions, developments and disposals, with external AUM increasing from \$2.1bn to \$2.5bn

## Portfolio composition by value as at 31 March 2022



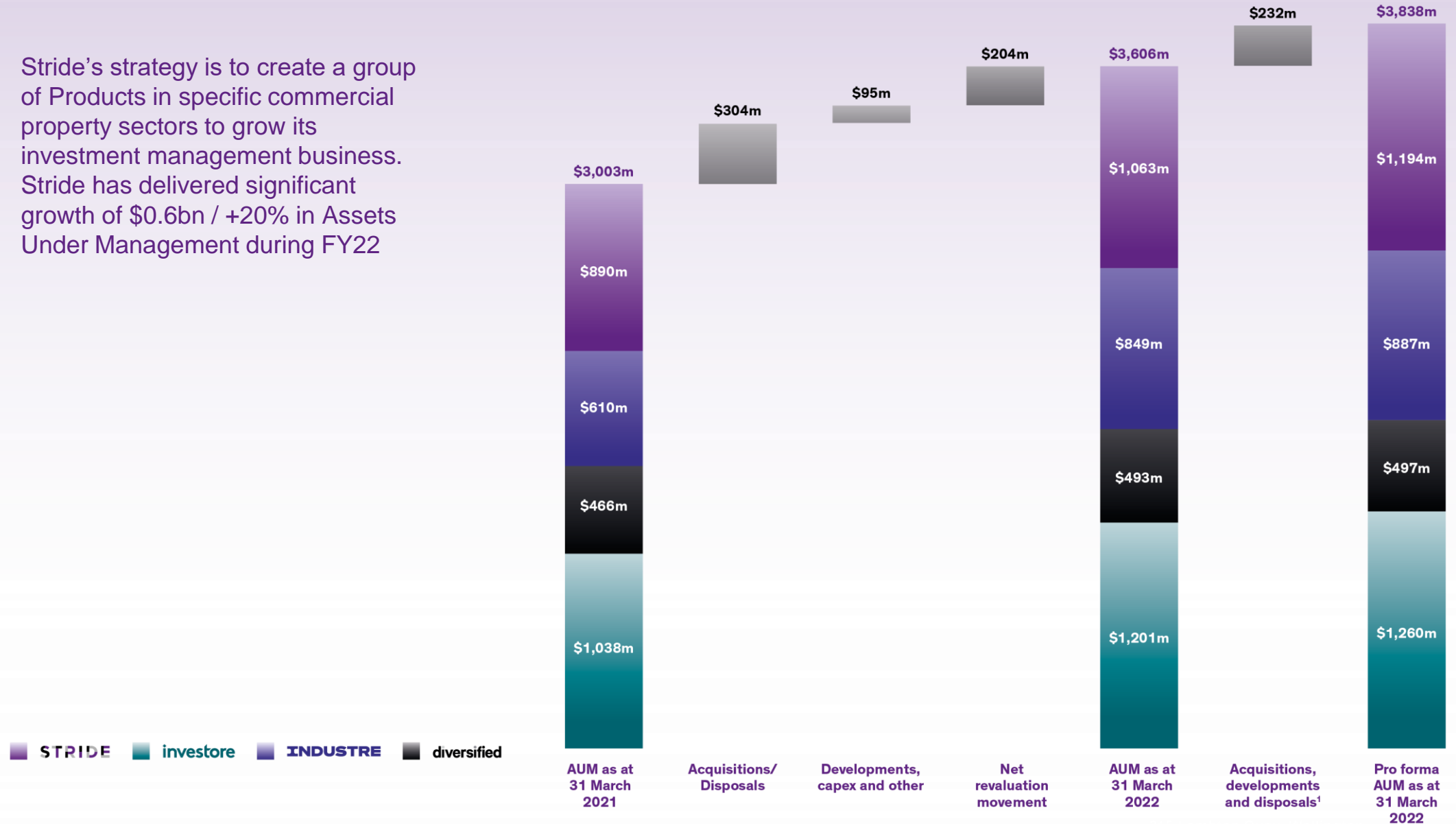
Note: Numbers in chart may not sum due to rounding.

- Acquisitions, developments and disposals include: (1) Stride: purchase price for 110 Carlton Gore Road; seismic strengthening costs for 34 Shortland Street; less the sale price for the disposal of four office properties; (2) Investore: purchase price for the development land at Waimak Junction plus the estimated cost of Stage 1 of the development and \$22.7m of capital expenditure across the existing portfolio; (3) Diversified: remaining seismic strengthening costs for Queensgate Shopping Centre; (4) Industre: estimated costs of construction for three properties under development.
- Stride office and town centre property excludes SPL's interest in the Industre unincorporated portfolio which is reported as part of the assets of SPL in the consolidated financial statements (see note 3.2 to the consolidated financial statements for further information).



# Growth in AUM

Stride's strategy is to create a group of Products in specific commercial property sectors to grow its investment management business. Stride has delivered significant growth of \$0.6bn / +20% in Assets Under Management during FY22



Note: Numbers in chart may not sum due to rounding.

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# Diversified Income Sources

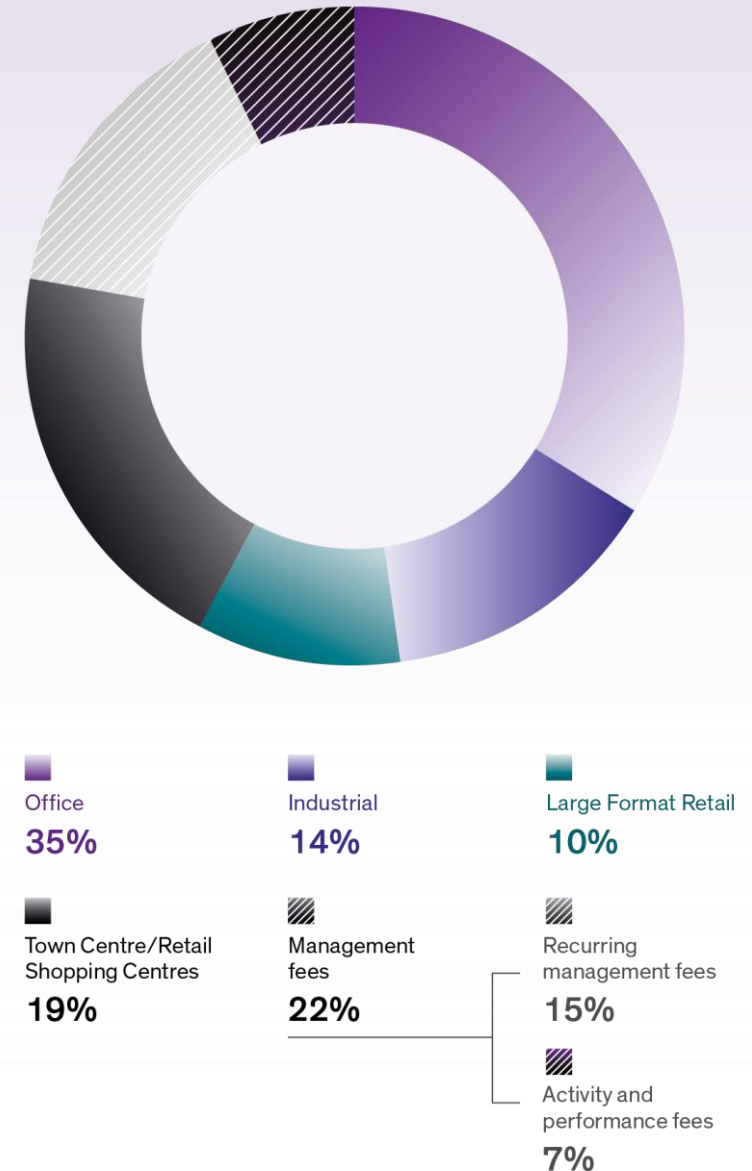
Stride combines a property ownership business (SPL) with a real estate investment management business (SIML)

Stride derives its income from:

- Management fees
- Direct property income from SPL's directly owned property
- Indirect property income from SPL's investment in the Stride Products – Industrie, Investore and Diversified



FY22 look-through revenue sources<sup>1</sup>



1. Stride's revenue comprises SIML management fees and SPL revenue. SPL revenue comprises income derived from SPL's directly held property plus revenue derived from its interests in the Stride Products which is calculated based on net Contract Rental on a look-through basis as at 31 March 2022. Management fees comprise FY22 management fees from Stride Products (i.e. excluding fees from SPL but including SPL building management fees which are recovered from tenants).

# Management Fee Income

Stride Investment Management Limited (SIML)

FY22 management fee<sup>1</sup> income:

- \$25.3m management fees
- 19% growth in recurring fees from FY21

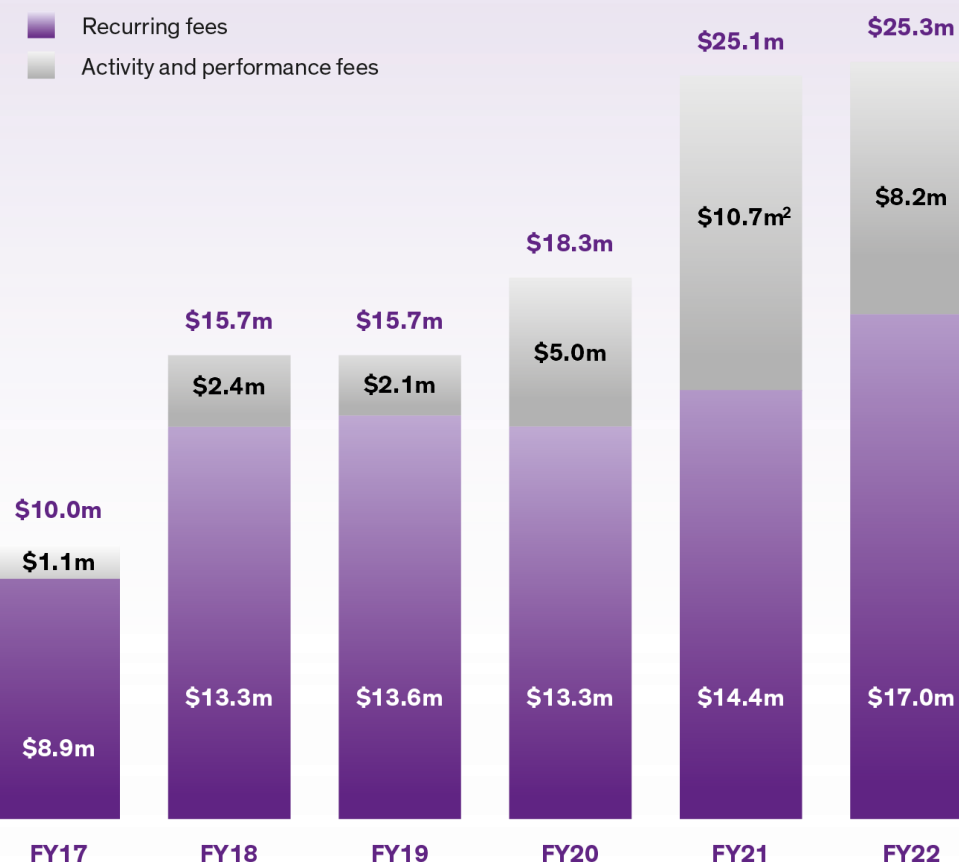
Stride benefits from growth in the Stride Products through:

- Activity based fees associated with acquisitions and development activity
- Higher portfolio values resulting in higher ongoing recurring fees, as SIML's asset management fee is calculated as a specified percentage of portfolio value

Stride has delivered significant growth in its management business:

- **Total AUM of \$3.6bn** as at 31 March 2022, up +74% / +12% p.a. since 31 March 2017
- **External AUM of \$2.5bn** as at 31 March 2022, up +115% / +17% p.a. since 31 March 2017 due to ongoing growth in assets under management

SIML management fee<sup>1</sup> growth

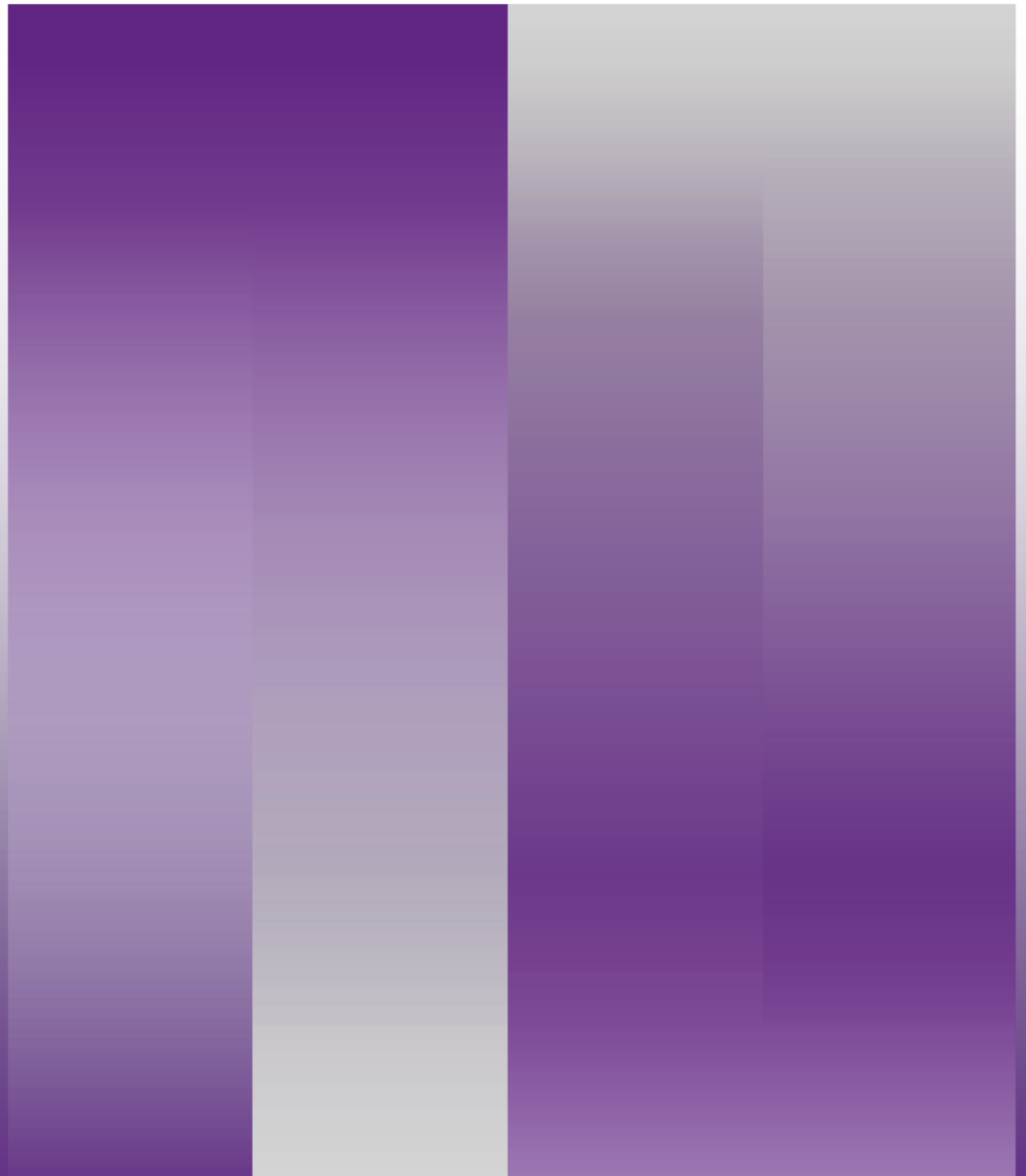


Note: Numbers in chart may not sum due to rounding.

1. Net of management fees received from SPL, but includes SPL building management fees which are recovered from tenants.

2. FY21 management fees included the one-off establishment fee associated with the commencement of Industrie of \$1.4m.

# Portfolio activity



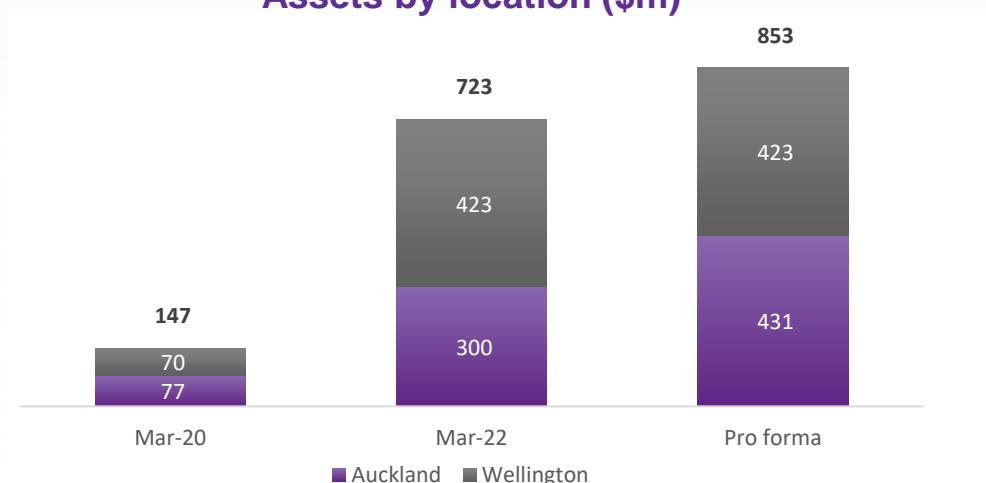
# Office Portfolio Repositioned

Execution of Stride's office strategy over the past two years has resulted in a rapid repositioning of Fabric's portfolio towards prime, modern, green office properties which will benefit from enduring demand

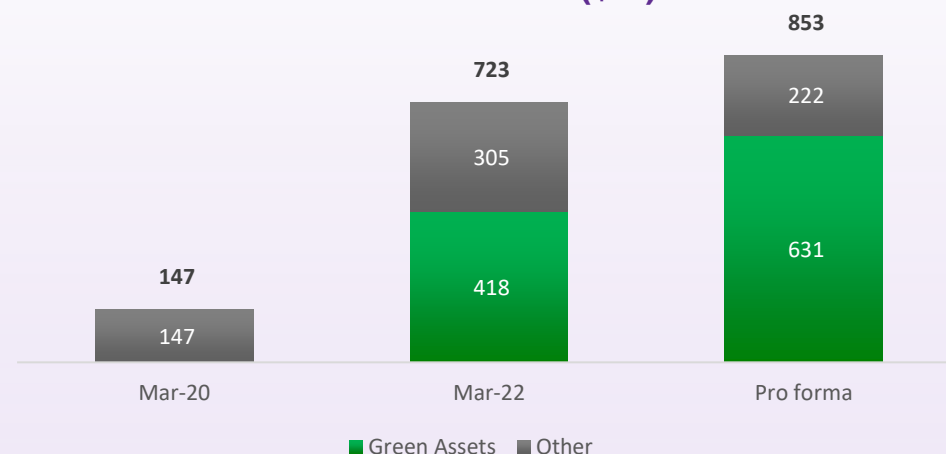
## Fabric Portfolio (excludes 55 Lady Elizabeth Lane, Wellington)

Key Performance Indicator	Pro forma <sup>1</sup>	Mar-22	Mar-20
Total portfolio value (\$m)	\$853.5	\$723.3	\$146.9
Average age / last refurbishment (yrs)	9.6	14.8	36.4
Number of properties	7	10	6
Number of tenants	81	118	58
WALT (yrs)	7.8	6.4	3.6
Occupancy rate (by area)	95%	95%	94%
Weighted average contract yield (%)	5.1%	5.3%	7.3%
10yr avg. maintenance capex	0.3%	0.5%	1.6%

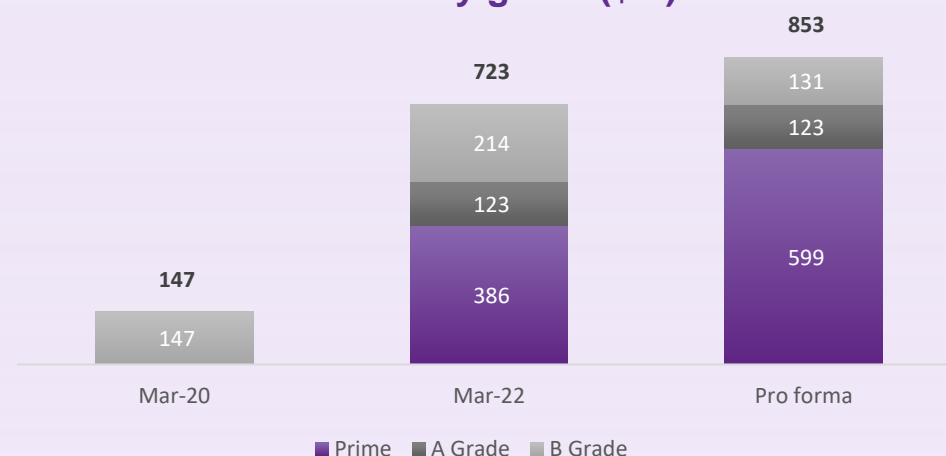
## Assets by location (\$m)



## Green assets<sup>2</sup> (\$m)



## Assets by grade (\$m)



Note: Numbers in charts may not sum due to rounding.

1. As at 31 March 2022, as if the acquisition of 110 Carlton Gore Road and the divestment of 7-9 Fanshawe Street, 80 Greys Avenue, 25 Teed Street and 35 Teed Street had occurred as at that date.

2. Stride defines "green assets" as assets achieving 4 star NABERSNZ or 4 star Green Star ratings or better.

# Developments

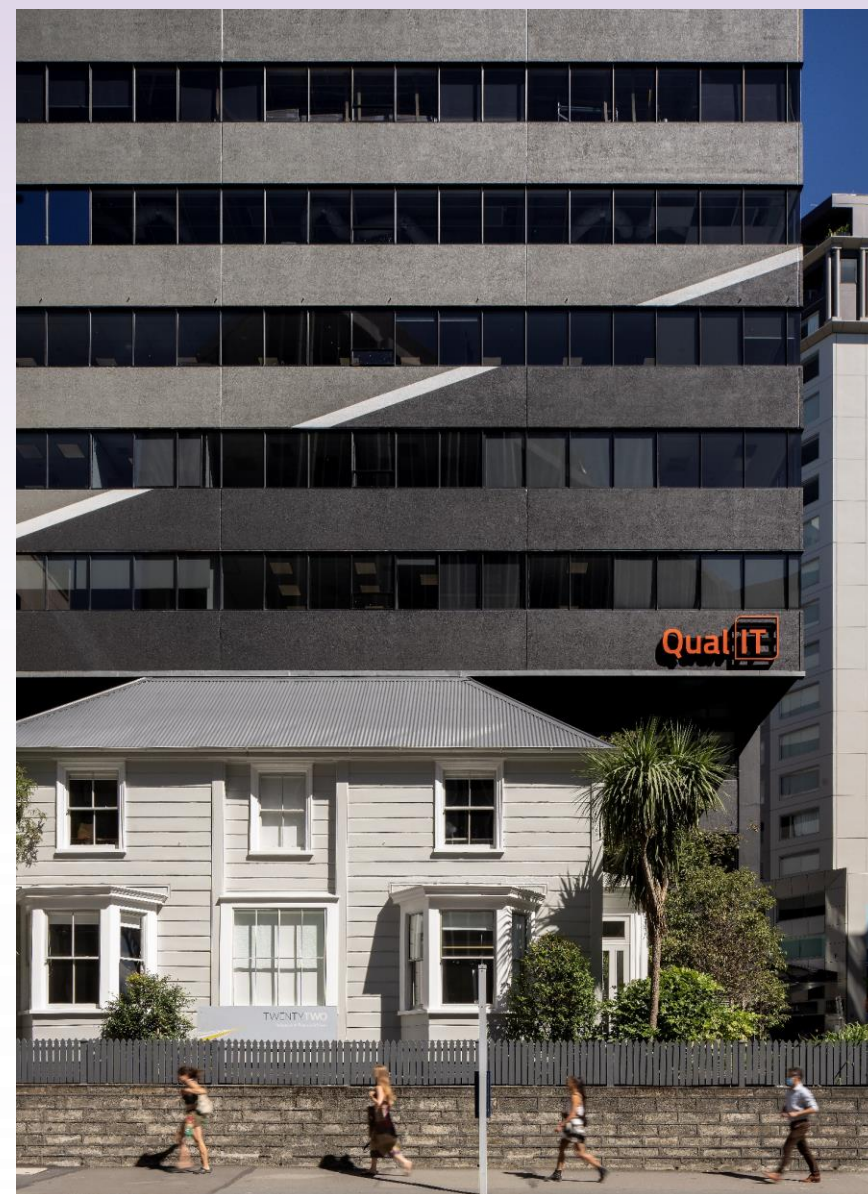
Acquisitions completed by Stride's Products in FY22 have focused on building future development pipelines, with \$130m of active projects committed and a future pipeline of \$175m+ across the Stride Products

	Completions <sup>1</sup> (FY22)	Committed projects	Remaining spend	Future Pipeline
<b>STRIDE</b>	\$37m	-	-	\$200m+
<b>investore</b>	-	\$58m	\$58m	\$45m+
<b>diversified</b>	\$109m	\$34m	\$5m	-
<b>INDUSTRE</b>	\$4m	\$38m	\$36m	\$130m+
<b>Total<sup>2</sup></b>	<b>\$150m</b>	<b>\$130m</b>	<b>\$99m</b>	<b>\$375m+</b>
<b>Green projects<sup>3</sup> %</b>	<b>97%</b>	<b>95%</b>	<b>93%</b>	<b>100%</b>

1. Total cost of projects that achieved practical completion in FY22.

2. Total costs as at 31 March 2022.

3. Green projects are defined as projects that are targeting a minimum 4 star Green Star rating or 4 star NABERSNZ rating. Seismic works, including the \$109m Queensgate Shopping Centre carpark rebuild have been excluded from this calculation.



22 The Terrace, Wellington



# Sustainability

Stride Property Group (Stride)

During FY22 Stride has delivered significant progress in its approach to sustainability and climate risk

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## Climate risk assessment

undertaken, preliminary risk ratings established

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## Minimum green rating policy

established for acquisitions and developments

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## GHG emissions

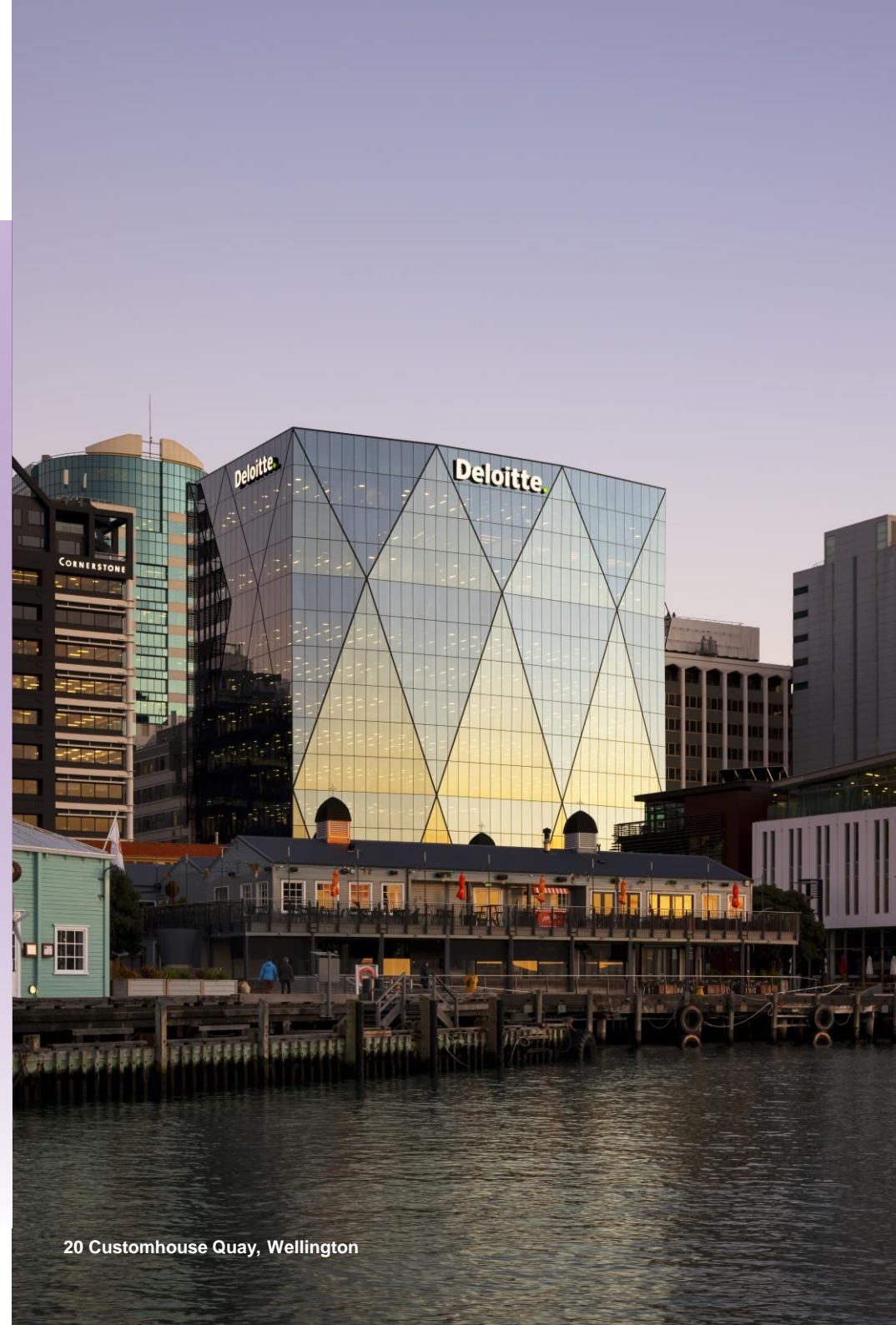
reported for Scope 1 and Scope 2

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## Office portfolio repositioned

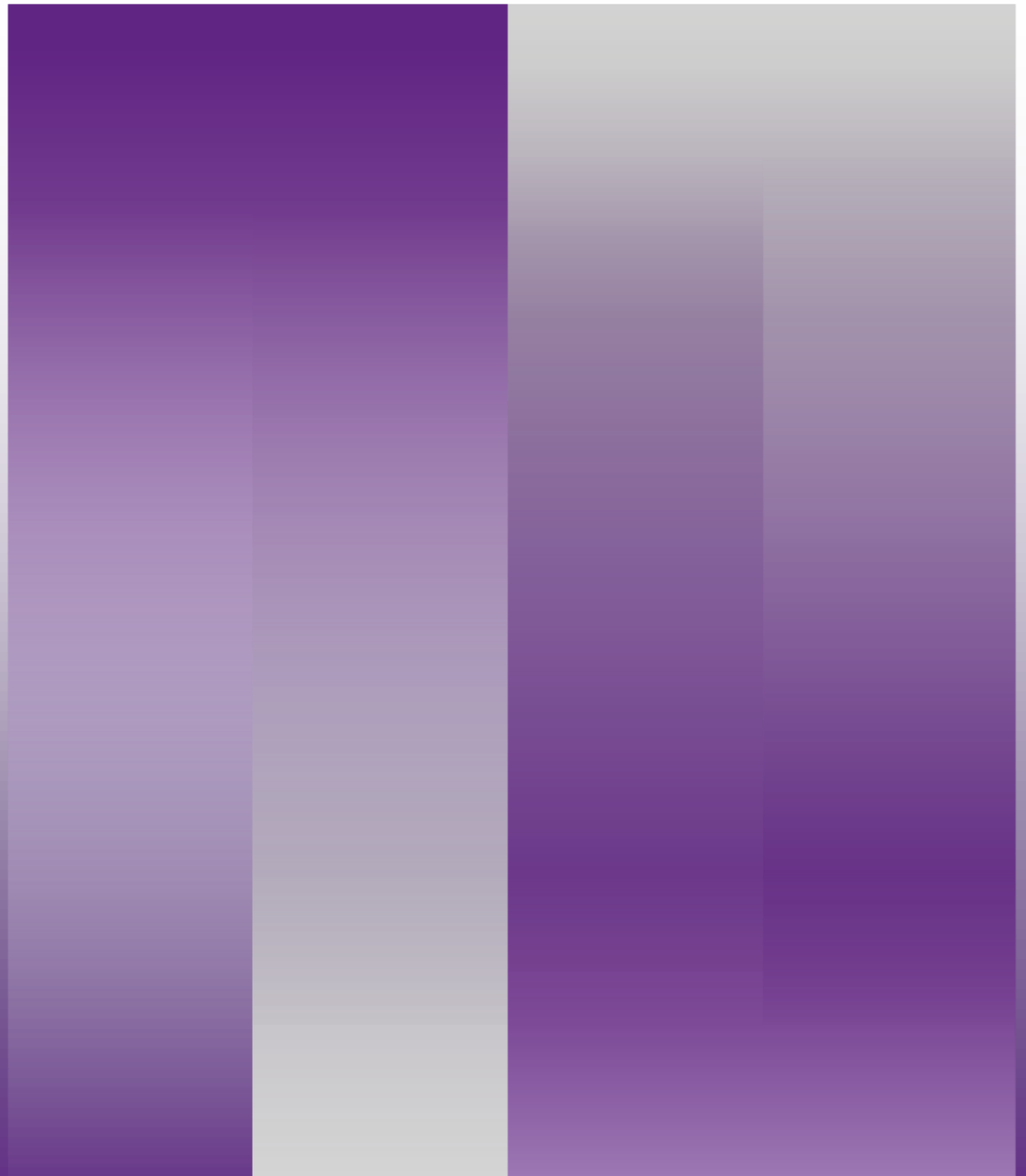
with acquisitions, refurbishments and divestments, to 74% green rated by value

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20 Customhouse Quay, Wellington

# Outlook





# Outlook

Stride remains committed to its funds management strategy and has successfully repositioned its office portfolio over FY22 towards high quality, modern, and green office properties which will benefit from enduring demand

- Stride continues to explore opportunities for establishing office as a separate Stride Product
- Stride has \$232m of committed growth across its platform, with over \$250m of balance sheet capacity across Investore and Industrie to support future growth opportunities where appropriate
- Stride is conscious of the volatility in the current macroeconomic environment, and more specifically the current upwards pressure on inflation and interest rates. Stride has high levels of hedging to manage this interest rate volatility over the near term



46 Sale St, Auckland

# Thank you

**Important Notice:** The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Stride Property Group for the twelve months ended 31 March 2022. Please refer to Stride Property Group's Annual Report 2022 for further information in relation to the twelve months ended 31 March 2022. The information in this presentation does not purport to be a complete description of Stride Property Group. In making an investment decision, investors must rely on their own examination of Stride Property Group, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

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This presentation is not a product disclosure statement or other disclosure document.

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