

# Kiwi Property Annual meeting 2023

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28 June 2023





# Annual meeting agenda

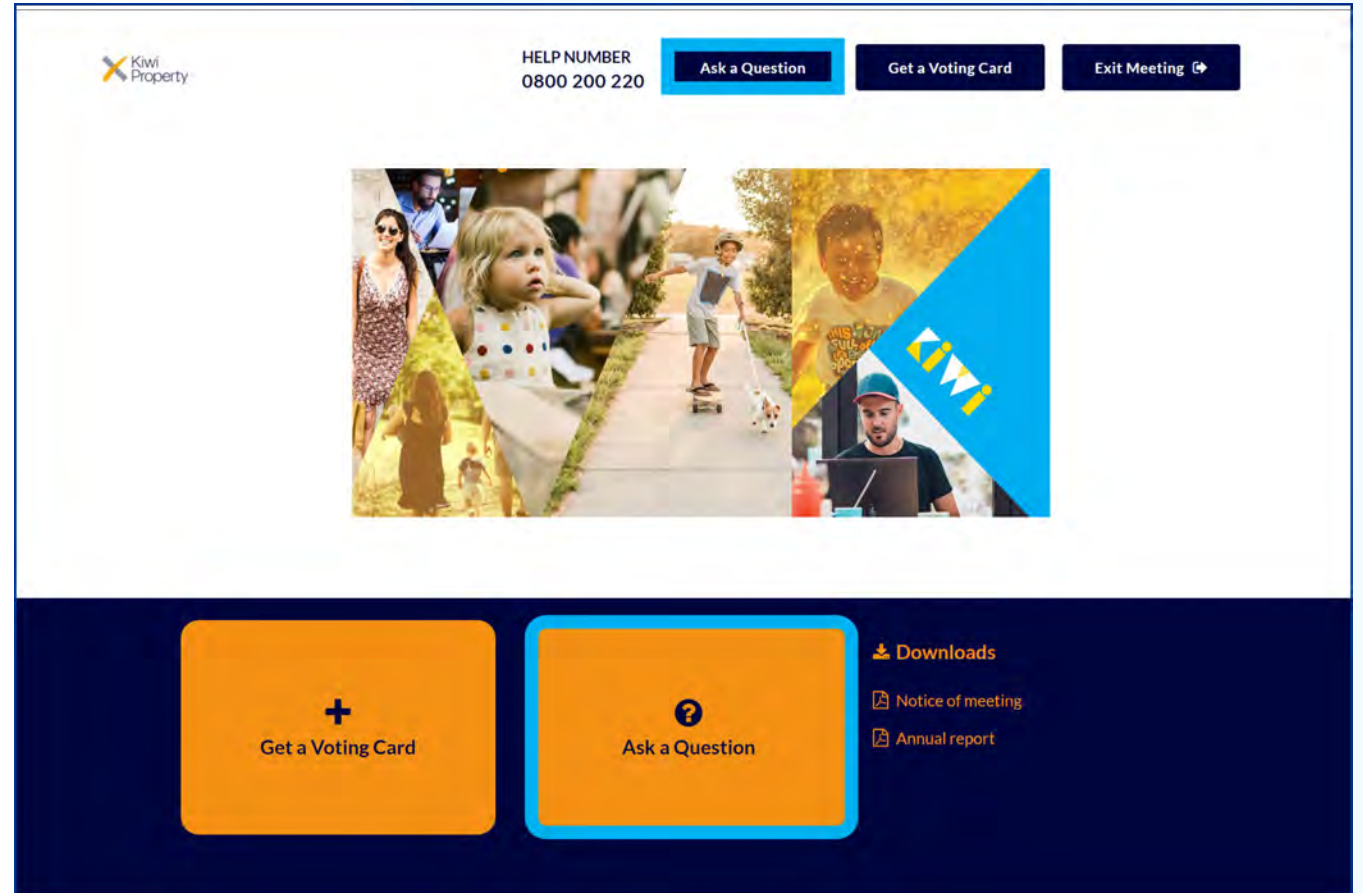
- Chair's address
- Chief Executive Officer's address
- Questions
- Formal business
- Message from the incoming Chair

Unless otherwise stated, all information provided in this presentation is for the year ended and/or as at 31 March 2023. For further information, refer to our website [kp.co.nz](https://kp.co.nz) or [NZX.com](https://nzx.com).



# How to ask a written question

1. Click the “Ask a Question” button at either the top or bottom of the page.
2. Select the item of business from the drop-down menu and type your question in the space provided.
3. Once you have typed your question, click “Submit Question”.



# Chair's address

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# We have a clear strategy for creating value

## 1. Lead the market on mixed-use

Create flagship mixed-use assets at high-growth metropolitan town centres.

## 2. Grow with diverse capital sources

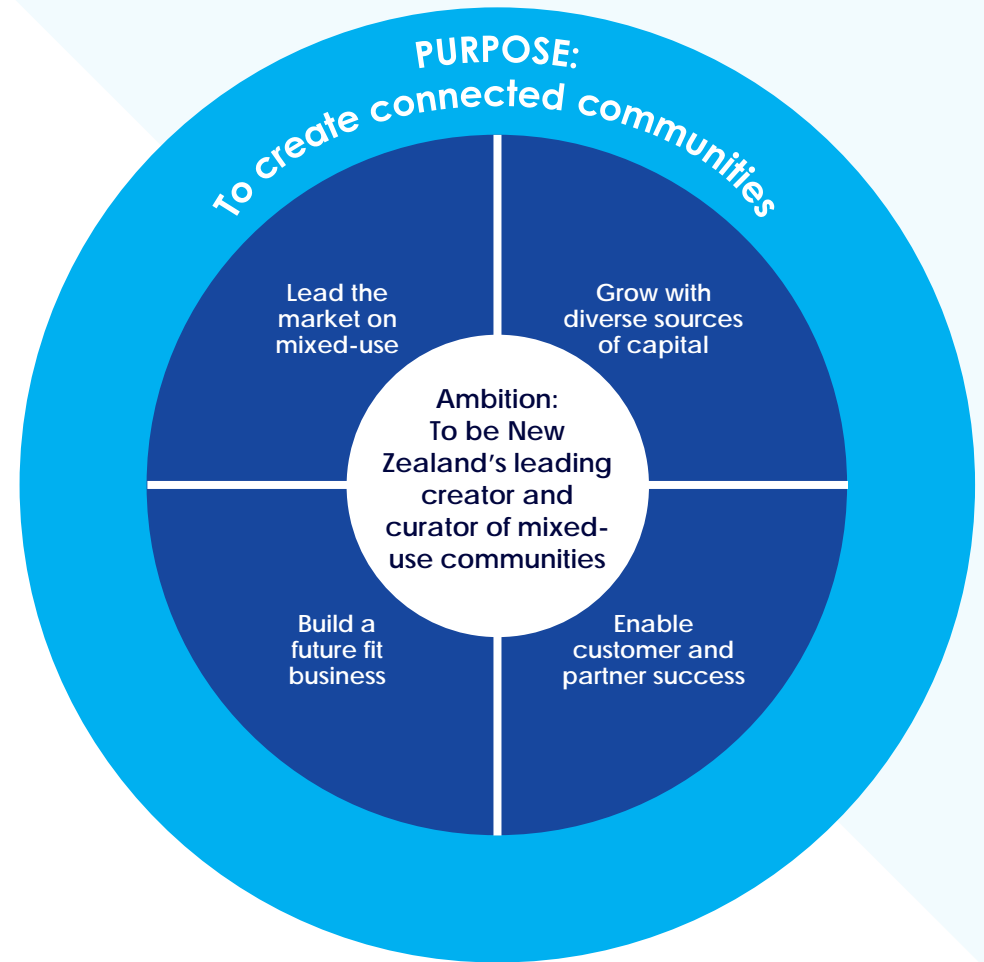
Recycle capital and partner with investors to grow assets under management.

## 3. Enable customer and partner success

Drive asset performance and develop strategic long-term customer relationships.

## 4. Build a future fit business

Harnesss the power of digital, lead on sustainability and build a winning team.





# FY23: navigating a challenging financial climate



High inflation



Rapidly rising interest rates



Declining property values

# Proactively responding to economic headwinds



**Asset sales and capital recycling**



**Manage the pace of development**



**Drive operational discipline and cost control**





## Maintaining a robust balance sheet

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**\$283m**

Capital recycled  
(Last 12 months)

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**\$125m**

Green bond issued

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**33.3%**

Pro-forma gearing  
(FY23: 35.0%)

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**90%**

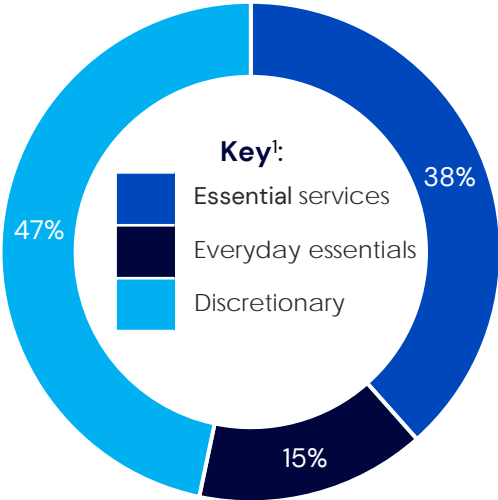
Pro-forma hedging  
(FY23: 84.0%)



# Our robust tenant portfolio diversifies risk

## Income breakdown

% of investment portfolio gross income



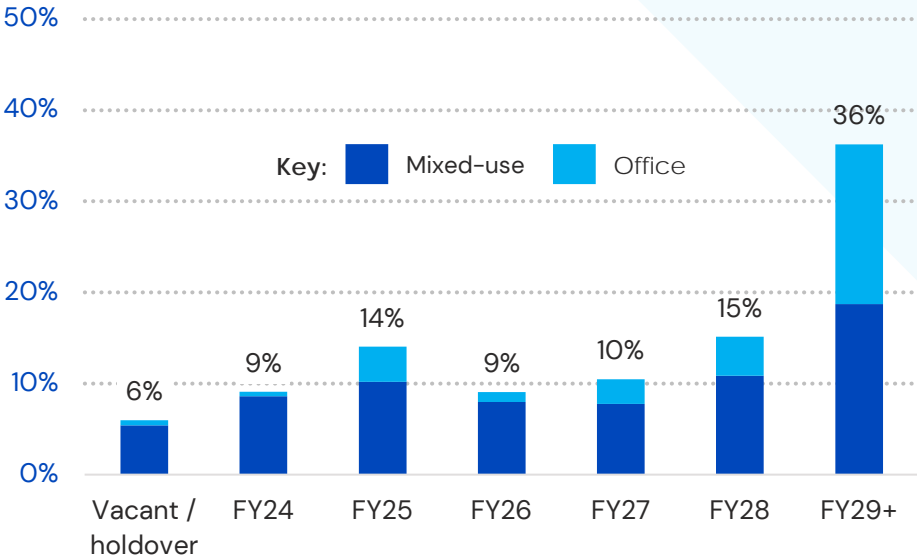
## Top 10 tenants

% of investment portfolio gross income

1.	ASB Bank	8.2
2.	Ministry of Social Development	6.3
3.	Farmers	3.6
4.	ANZ Bank	2.5
5.	Bell Gully	2.3
6.	Suncorp	2.3
7.	The Warehouse	2.2
8.	Russell McVeagh	1.9
9.	Woolworths NZ	1.4
10.	Craigs Investment Partners	1.3

## Lease expiry profile

% of investment portfolio gross income



1. Essential services include supermarkets, pharmacies, medical services, banks, insurance, legal, government, telecommunications and financial services. Everyday essentials include electronics, hardware, consultancy, department stores and discount department stores, hairdressers and opticians. All other categories are considered discretionary.

# Delivering on our mixed-use strategy at Sylvia Park



## Retail

New Zealand's favourite shopping centre<sup>1</sup>, featuring over 250 local and international retailers.



## Office

Home to a growing commercial precinct including the ANZ Raranga and 3 Te Kahu Way office buildings.



## Residential

295 high quality build-to-rent (BTR) apartments due for completion in May 2024.

1. "The Heart of Kiwi Property 2022" Nielsen.



A photograph of a modern, multi-story building with a facade of large glass windows and dark wood paneling. The building is surrounded by lush green trees, and the sky is clear blue. The text "Chief Executive Officer's address" is overlaid in white, with a thin teal line underneath it.

# Chief Executive Officer's address



## A robust operating performance

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**\$203.7m**

Net rental income  
(+13.9%)

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**\$129.6m**

Operating profit before tax  
(+11.3%)

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**-\$227.7m**

Net loss after tax  
(-201.5%)

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**\$116.5m**

Adjusted funds from operations  
(+16.1%)

**General note:** Comparative figures relate to the FY22 period, unless otherwise stated. Net rental income, operating profit before tax and AFFO are alternative non-GAAP performance measures used by Kiwi Property. Refer to Annual Results Presentation 2023 for the definition and determination of these measures.







## Achieving record sales in FY23

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**\$1.7b**

Mixed-use sales

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**25m**

Customer visits

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**\$889m**

Sylvia Park Precinct sales

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**\$508m**

The Base sales





## Driving sustained rental growth

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**5.2%**

Total rental growth  
(FY22: 4.2%)

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**99.3%**

Occupancy  
(FY22: 99.8%)

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**12.9%**

Specialty gross occupancy cost<sup>1</sup>  
(FY22: 16.4%)

1. Comprises Sylvia Park, The Base Te Awa and LynnMall specialty sales only.



# IKEA commences construction

- Sale of 3.2ha of Sylvia Park land to IKEA now unconditional.
- Store construction now underway, with opening scheduled late 2025.
- Adjacent 6,400sqm large format retail (LFR) centre planned.
- IKEA expected to drive a pronounced increase in Sylvia Park visitor numbers.



# Building a thriving commercial hub at Sylvia Park

- 3 Te Kahu Way opened in March 2023, catering to office and medical tenants.
- Completed on budget with projected stabilised yield ahead of target.
- Around 75% of net lettable area now leased or subject to advanced negotiations.
- Continues Sylvia Park's evolution into a world-class mixed-use community.





# Build-to-rent progressing at pace

- Construction of New Zealand's first major BTR development is well advanced.
- On track to open in May 2024.
- Reduced construction activity and rising migration expected to drive rental growth and enhance returns.
- Kiwi Property's exciting new BTR brand, Resido, will be in-market from late 2023.



# Creating a path to value at Drury

- Stage one Drury earthworks progressing well and 13 super-lots now formed.
- Gross development land value expected to be \$205m after stage one complete.
- Potential funding sources include land sales and capital partnerships.
- Government spending around \$2.5b on Drury infrastructure over the next five years.







## We're serious about sustainability

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81

Global real estate benchmark  
sustainability score

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8 Star

Homestar design rating for  
Sylvia Park build-to-rent

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53%

Emissions reduction vs. 2012  
baseline



# We have a clear set of priorities for FY24



## Proactive capital management:

- Mitigate interest cost increases.
- Maintain balance sheet flexibility.



## Drive operational excellence:

- Grow sales, rents, occupancy and GOCs.
- Drive cost control.



## Prepare for BTR launch:

- Launch Resido brand.
- Establish BTR operating platform.



## Position Kiwi Property for the future:

- Finish Drury Stage 1 earthworks.
- Identify future opportunities.





## Delivering dividends for our shareholders

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**5.70cps**

FY23 cash dividend

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**5.70cps**

FY24 dividend guidance<sup>1</sup>

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**9.5%**

Gross dividend yield<sup>2</sup>

1: FY24 dividend guidance and payments are contingent on Kiwi Property's financial performance through the financial year and barring material adverse effects or unforeseen circumstances. 2: Based on a share price of \$0.90, representing the closing share price recorded on the NZX on 19 May 2023.





Thank you



# Questions





# Formal business

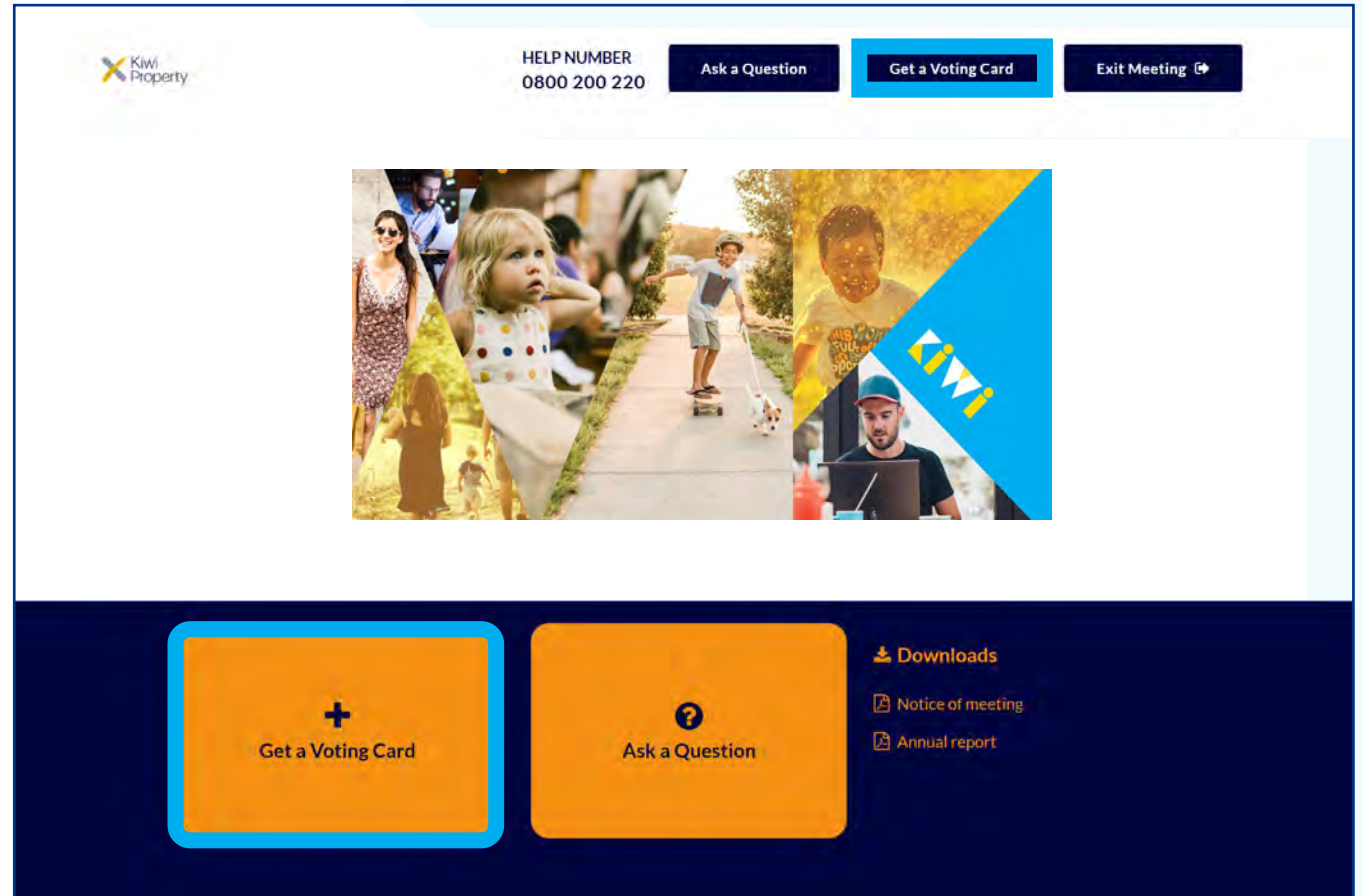
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# How to vote

1. Click the “Get a Voting Card” button at either the top or bottom of the page.
2. Enter your Shareholder Number or Proxy Number and click “Submit Details and Vote”.
3. Fill out your voting card for each item of business.
4. Click “Submit Vote” or “Submit Partial Vote”.



# Resolutions 1, 2 and 3: Re-election / election of directors

## Explanatory information:

- In accordance with the Company's constitution and the NZX Listing Rules, Simon Shakesheff, Carlie Eve and Peter Alexander will retire at this meeting, however Simon offers himself for re-election and Carlie, and Peter offer themselves for election.
- The Board has determined that Simon Shakesheff, Carlie Eve and Peter Alexander will be independent directors for the purposes of the NZX Listing Rules, if re-elected or elected.
- The Notice of Meeting contains information on what it means to be an independent director for the purposes of the NZX Listing Rules.



## Resolution 1: About Simon



**Simon Shakesheff**

MCom

**Date of first appointment:**

November 2019

**Date last re-elected:**

June 2020

**Board committees:**

Member of the Audit and Risk Committee

Member of the ESG Committee

## Resolution 2: About Carlie



**Carlie Eve**

BSc, BCom

**Date of first appointment:**

May 2023

**Board committee:**

Member of the Audit and Risk Committee



## Resolution 3: About Peter



**Peter Alexander**

BPA, FRICS

**Date of first appointment:**

May 2023

**Board committee:**

Member of the ESG Committee

## **Resolutions 1, 2 and 3: Re-election / election of directors**

**The Board<sup>1</sup> recommends that you vote in favour of the re-election of Simon Shakesheff and the election of Carlie Eve and Peter Alexander.**

### **Rationale:**

- The Board is committed to ensuring that it possesses the appropriate mix of skills, knowledge, experience and diversity to discharge its role and responsibilities.
- The Board supports the re-election of Simon Shakesheff, Carlie Eve and Peter Alexander as it considers they have the expertise to contribute to the overall skill set required by the Board.

1. The Board other than Simon Shakesheff, Carlie Eve and Peter Alexander in respect to their own positions.



## Resolution 1

**That Simon Shakesheff be re-elected  
as a director of the Company**

## Resolution 2

**That Carlie Eve be elected  
as a director of the Company**



## Resolution 3

**That Peter Alexander be elected  
as a director of the Company**

# Proxy voting results

## Resolution 1: That Simon Shakesheff be re-elected as a director of the Company

Proxy votes lodged	For		Against		Discretionary	
971,769,278	938,394,694	96.57%	6,149,703	0.63%	27,224,881	2.80%

## Resolution 2: That Carlie Eve be elected as a director of the Company

Proxy votes lodged	For		Against		Discretionary	
972,595,044	920,342,617	94.63%	24,937,299	2.56%	27,315,128	2.81%

## Resolution 3: That Peter Alexander be elected as a director of the Company

Proxy votes lodged	For		Against		Discretionary	
971,585,253	943,876,505	97.15%	472,228	0.05%	27,236,520	2.80%





# Message from the incoming Chair

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# Thank you

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