



## The Rural Land Investors

21 May 2025

### New Zealand Rural Land Company (NZL.NZX) - Chair Address to ASM

The Company recorded a consolidated net profit after tax of \$23.1m in the 2024 financial year and Adjusted Funds from Operations (AFFO) of \$7.1m, excluding earnings from properties with put/call arrangements in place.

The Company has amended its dividend policy targets to a pay-out of 60% - 90% of AFFO. In FY24, NZL reinstated dividend payments, paying an interim dividend of 1.46 cps and a final dividend of 2.54 cps, resulting in a total FY24 dividend of 4.00 cps, which represents ~80% of FY24 AFFO.

The Company continues to maintain a selective on-market share buyback programme with 88,804 shares repurchased at an average price of \$0.89 per share, bringing the total shares repurchased to 710,131 since buyback was initiated in June 2023.

In February 2024, NZL sold a 25% equity interest in its land portfolio to Roc Partners (Roc) for \$44.2m in cash. NZL used the proceeds to repay the \$11.8m owing on a convertible note it drew down in April 2023 to partially fund its forestry acquisition. Further proceeds were used to fund orchard and forestry land acquisitions detailed below, with the balance retained as working capital while other opportunities were investigated.

With the proceeds from the Roc deal NZL acquired several properties including a 97 hectare horticultural property in Hawke's Bay, two forestry estates totalling 2,606 hectares in Manawatu-Wanganui and the first tranche of a 126 hectare apple orchard in Central Otago (initial purchase of 47 hectares).

The average weighted lease term and yield for FY24 acquisitions was 24.4 years and 7.8%, respectively (by lease value).

Post-balance date NZL acquired a blue chip dairy farm from one of the Company's existing tenants. The acquired property was then leased to the tenant. As part of the consideration for the acquisition NZL sold two pastoral farms at above book value/most recent valuation to the tenant. The transaction increases NZL's total rental income by ~\$290k a year.

Following these transactions, NZL now owns 17,238 hectares of rural land (25% of which is owned by Roc) with a 12.4 year WALT (by lease value) and 100% occupancy across nine tenants. The new properties add meaningful sector, income and tenant diversification to NZL's portfolio, with forestry and horticulture now holding a 32% and 8% proportion of the company's annual lease income.

In addition, NZL saw the positive impact of rental growth on its portfolio from April 2024, with approximately half of its properties (by lease income) undergoing CPI review. This included 100% of its forestry leases and 53% of its pastoral leases.

Our strategy is to own quality rural land in New Zealand; growing a diverse portfolio while delivering attractive risk-adjusted returns as a ground lessor. We generate shareholder value through a combination of asset value appreciation and cash flow from long-term leases.

Post the most recent acquisitions and Roc transaction, the Company forecasts FY25 AFFO of between \$7.5m and \$8.0m, this excludes earnings from properties with put/call arrangements in place (~\$1.4m).

NZL remains excited about the opportunities ahead and is well-positioned to continue delivering shareholder value. These prospects are further enhanced by the Company's strategic partnership with Roc Partners.

Rob Campbell  
Independent Chair