

# investore

Managed by Stride Investment  
Management Limited

**ANNUAL SHAREHOLDER MEETING  
2018**

# BOARD OF DIRECTORS



Mike Allen  
Independent



Kate Healy  
Independent



Gráinne Troute  
Independent



Tim Storey  
SIML Nominee



John Harvey  
SIML Nominee

# AGENDA

**Chair's Address – Mike Allen**

**Manager's Review – Philip Littlewood**

**Shareholder Questions**

**Formal Business – Mike Allen**

**General Business and Shareholder Questions**

**CHAIR'S ADDRESS**

**MIKE ALLEN**

# FY18 AN ACTIVE YEAR

- ✓ **POSITIVE** activity and **PERFORMANCE** throughout the **FORECAST<sup>1</sup>** period
- ✓ **COMPLETION** of the foundational **STRATEGIC** work **PROGRAMME**

1. Forecasts contained within the Product Disclosure Statement issued by Investore Property Limited (Investore) on 10 June 2016 and associated information published in the online register maintained by the Companies Office and the Registrar of Financial Service Providers on 10 June 2016 in connection with the initial public offering (IPO).

# FINANCIAL PERFORMANCE

**Profit Before Income Tax**

**\$26.8m,** up \$1m on forecast

**Profit After Income Tax**

**\$46.2m,** up \$27.0m on forecast

**Portfolio Valuation**

**\$738.3m,** net valuation gain<sup>2</sup> 3.3%

**NTA Per Share**

**\$1.64,** up 9 cps from March 2017

**Distributable Profit<sup>3</sup> After  
Current Income Tax**

**\$20.5m,** up \$0.1m on forecast

**Annual Cash  
Dividend for FY18**

**7.46cps**

2. The valuation of all properties disposed of during the 12 months from 1 April 2017 have been disregarded in determining the portfolio valuation. As at 31 March 2017, the portfolio was valued at \$660.4m.

3. Distributable Profit is a non-GAAP measure and consists of 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 net profit before income tax, is set out in note 6 to the financial statements for the year ended 31 March 2018 (FY18).

Note - Values above are calculated based on the audited numbers in the financial statements for 2018 and the forecast numbers contained in the Product Disclosure Statement issued by Investore Property Limited (Investore) on 10 June 2016 and associated information published in the online register maintained by the Companies Office and the Registrar of Financial Service Providers on 10 June 2016 in connection with Investore's initial public offering (IPO) and may not sum accurately due to rounding

# NON-FINANCIAL PERFORMANCE

- ✓ **Occupancy – 99.9%**
- ✓ **13.1 YEARS – WALT<sup>4</sup>**
- ✓ **Attractive portfolio **LEASE EXPIRY** profile – 19% expiring within 10 years and **81% NOT EXPIRING UNTIL FY29 OR LATER****
- ✓ **Improved **PORTFOLIO DIVERSITY****

4. Weighted Average Lease Term (WALT)

# PROACTIVE CAPITAL MANAGEMENT- BOND

**\$100m**

**Bond Issued  
18 April 2018**

**6 years**

**Interest rate  
4.4%**

**Outcome:**

- ✓ **Average debt facility maturity of 3.5YRS**
- ✓ **Debt tenor **ALIGNS** to long-term leases**
- ✓ **Improved **DIVERSIFICATION** of funding**

# PROACTIVE CAPITAL MANAGEMENT-DEBT

- ✓ **CONSERVATIVE** on interest rate **RISK**
- ✓ Board reviewed **LVR<sup>5</sup>**, setting a **MAXIMUM 48%**
- ✓ Banking and bond **COVENANTS** to not **EXCEED 65%**
- ✓ **41.6% LVR** at balance date

5. Loan to Value Ratio (LVR)

# DELIVERY OF PHASE 1 AND 2 STRATEGY

2015

2016

2017

2018

2019

## Phase 1: Portfolio Establishment

- OCT** Investore established - by SPL specialising in large format retail (LFR)
- NOV** 19 further LFR properties acquired

- APR** 6 LFR properties acquired
- JUN**
- JUL** Investore listed on NZX - \$185m capital raised
- SEP** 14 LFR properties acquired

## Phase 2: Portfolio Optimisation & Capital Management

- FEB** Animates Invercargill development complete
- JUL** Acquired adjacent Timaru properties to provide future development opportunity
- NOV**

- FEB** 3 Bunnings properties acquired for \$78.5m
- MAR** Countdown Hornby & Fresh Choice Queenstown sold for an aggregate of \$32.6m
- APR** Issue of \$100m bonds at 4.40% p.a. interest rate
- Mitre 10 Mega extension anticipated completion late 2018

# INVESTMENT STRATEGY RECAP

**Long  
Lease Terms**

**High  
Occupancy  
Rate**

**Nationally  
Recognised  
Tenants**

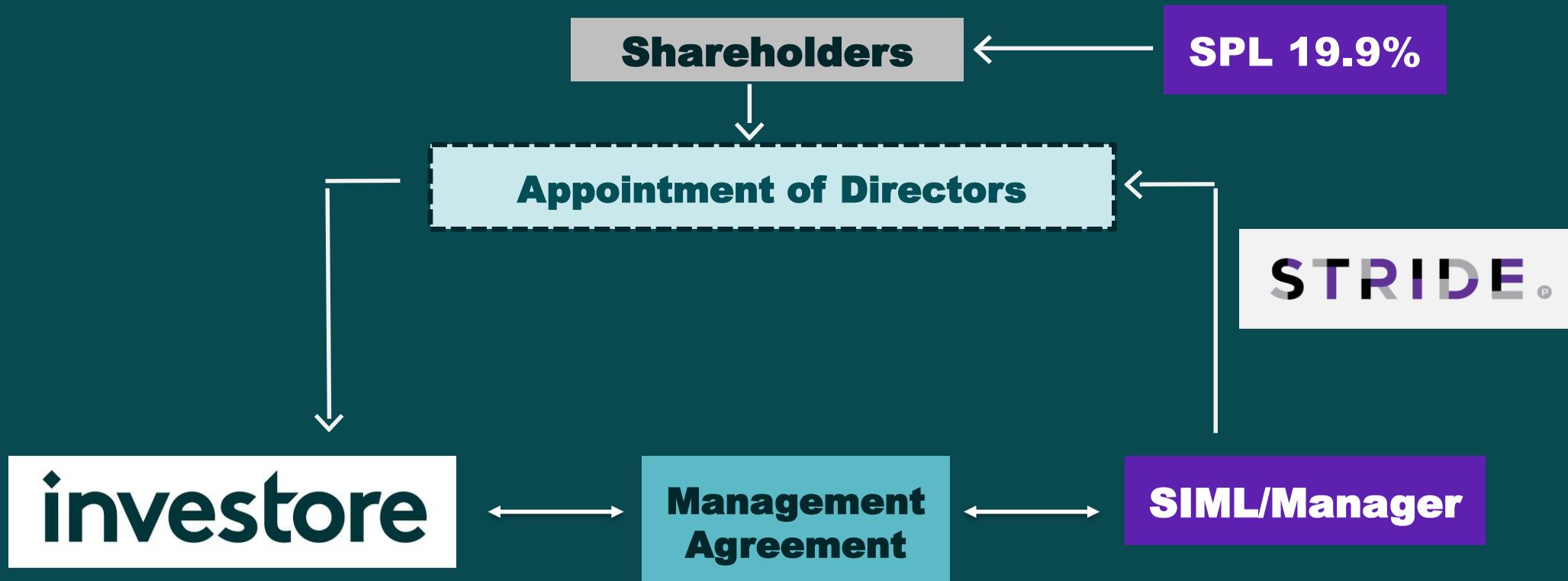


# LOOKING AHEAD

## Three focus areas:

- 1 **REPOSITION** existing **PORTFOLIO** to optimise value e.g., acquisition and development
- 2 Source **VALUE ADD TRANSACTIONS** e.g., brownfields redevelopments
- 3 Continued focus on **CAPITAL MANAGEMENT**

# RELATIONSHIP WITH THE MANAGER



# DIRECTORS AND GOVERNANCE

- ✓ **TRANSITION** to a majority of **INDEPENDENT DIRECTORS**
- ✓ **GRÁINNE TROUTE** appointed 19 April 2018
- ✓ **FY18 Board SELF-REVIEW** completed
- ✓ **GOVERNANCE** remains a key focus

**MANAGER'S ADDRESS**

**PHILIP LITTLEWOOD**

# ACTIVE MANAGEMENT

## FY18 FOCUS:

- 1 **Manage the portfolio to increase value and income growth**
- 2 **Seek quality development and investment opportunities, aligned with investment mandate**
- 3 **Execute capital management initiatives**



# OPERATIONAL ACTIVITY AND HIGHLIGHTS

## 1 ACQUISITIONS

- Bunnings Transaction
- Acquisition of adjacent sites

## 2 DIVESTMENTS

- Countdown Hornby Christchurch
- Fresh Choice Queenstown

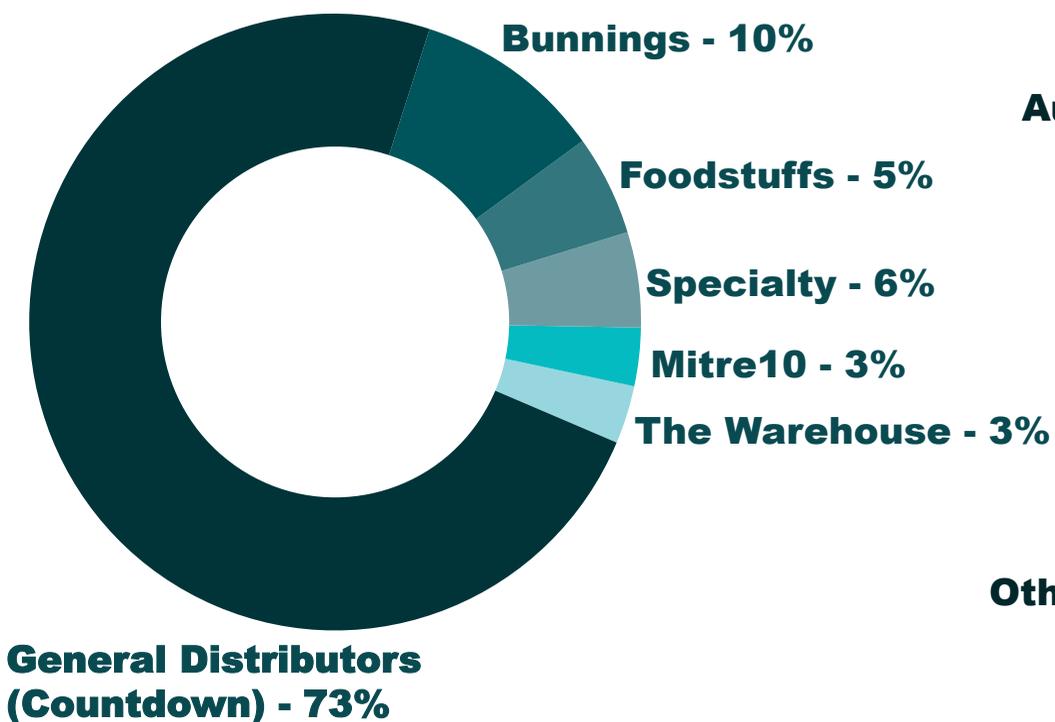
## 3 DEVELOPMENTS

- Mitre 10 Mega Botany

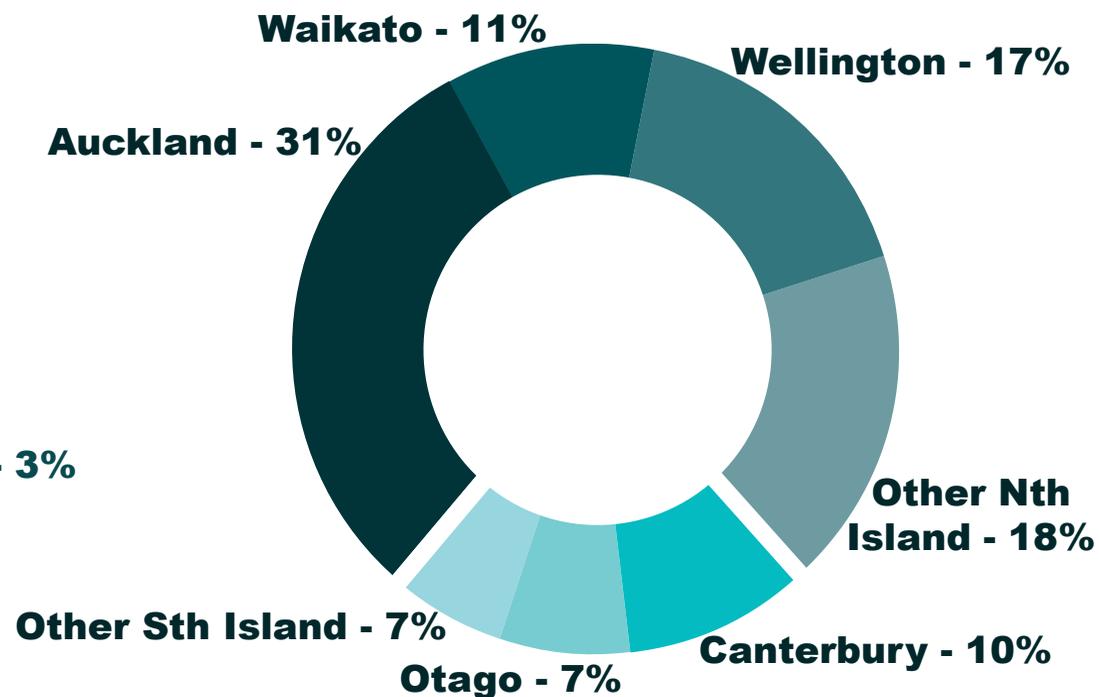


# PORTFOLIO AS AT 31 MARCH 2018

## TENANT DIVERSIFICATION BY CONTRACT RENTAL<sup>6</sup>



## GEOGRAPHIC DIVERSIFICATION BY CONTRACT RENTAL<sup>6</sup>



<sup>6</sup> Contract Rental is the amount of rent payable by each tenant, plus other amounts payable by that tenant to Investore under the terms of the relevant lease as at 31 March 2018, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at 31 March 2018, and assuming no default by the tenant.

**FORMAL BUSINESS**

**MIKE ALLEN**

# RESOLUTIONS

# RESOLUTION 1

## Auditor's Remuneration

*That the Directors be authorised to fix the remuneration of PricewaterhouseCoopers as auditor, for the ensuing year.*

# RESOLUTION 2

## Re-election of Director



*That Kate Healy, who is eligible for re-election, be re-elected as a Director of Investore Property Limited, pursuant to clause 20.3 of the constitution.*

# RESOLUTION 3

## Election of Director



*That Gráinne Troute, who was appointed as a Director of Investore Property Limited on 19 April 2018, be elected as a Director of Investore, pursuant to clause 20.3 of the constitution.*

# **GENERAL BUSINESS AND SHAREHOLDER QUESTIONS**

# 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 Investore for the year ended 31 March 2018. Please refer to Investore's Annual Report 2018 for further information in relation to the year ended 31 March 2018. The information in this presentation does not purport to be a complete description of Investore. In making an investment decision, investors must rely on their own examination of Investore, 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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