

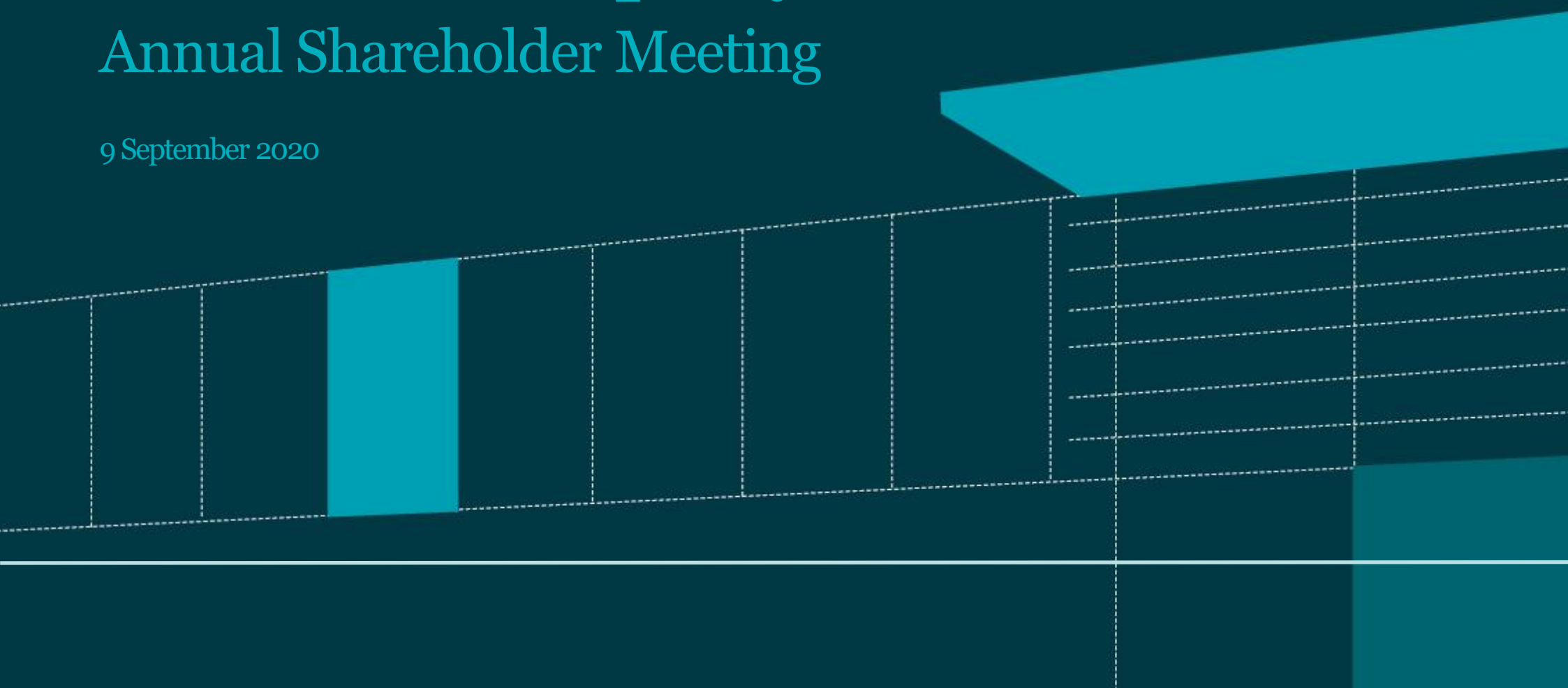
**investore**

Managed by Stride Investment  
Management Limited

# Investore Property Limited

## Annual Shareholder Meeting

9 September 2020

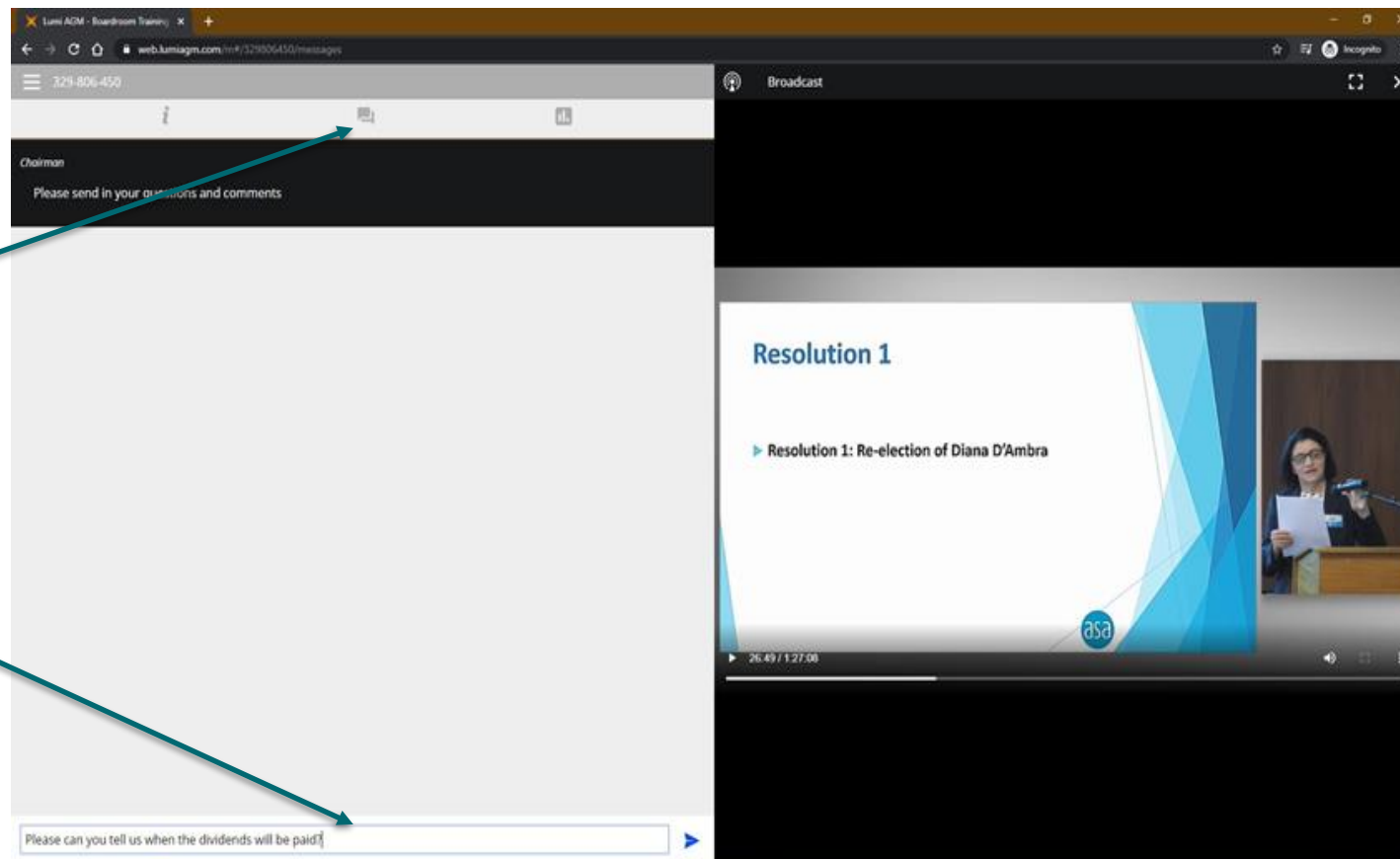


# Question Process

- When the question function is available, the Q&A icon will appear at the top of the app



- To send in a question, simply click in the 'Ask a question' box, type your question and press the send arrow
- Your question will be sent immediately for review

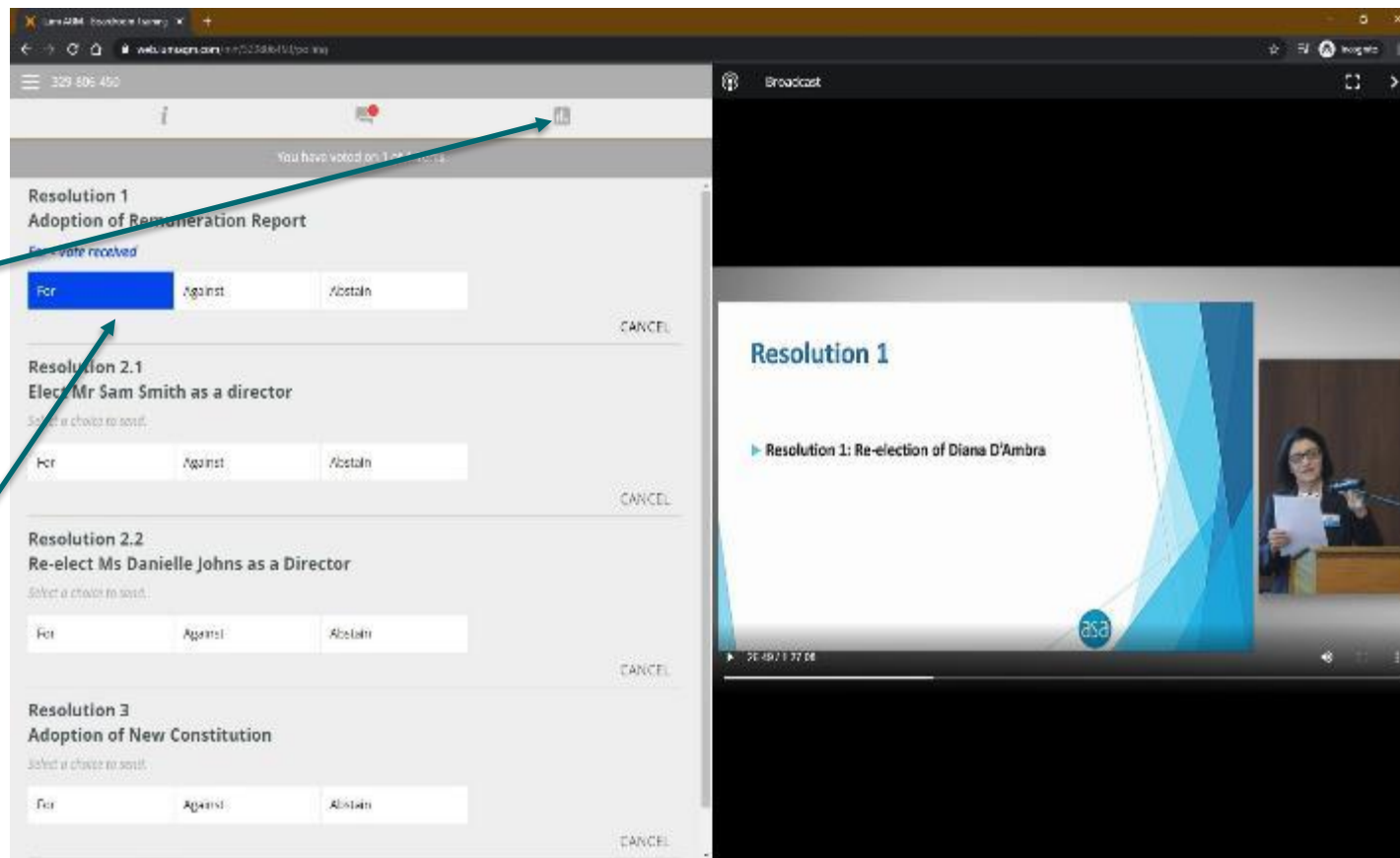


# Voting Process

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



- To vote simply select the direction in which you would like to cast your vote; the selected option will change colour
- There is no submit or send button, your selection is automatically recorded



# Board of Directors



**Mike Allen**

*Chair of the Board  
Independent, Non-Executive  
Director*



**Gráinne Troute**

*Chair of Audit and Risk Committee  
Independent, Non-Executive  
Director*



**Adrian Walker**

*Independent, Non-  
Executive Director*



**Tim Storey**

*SIML Nominee and  
Non-Executive Director*



**John Harvey**

*SIML Nominee and  
Non-Executive Director*



**Emma McDonald**

*Future Director*

# The Manager



**Philip Littlewood**  
*Chief Executive  
Officer*



**Jennifer Whooley**  
*Chief Financial  
Officer*



**Fabio Pagano**  
*Fund Manager  
Investore*



**Louise Hill**  
*Company Secretary*



# Agenda

Bay Central  
Shopping Centre  
Tauranga

**Chair's Address**

**Manager's Review**

**Formal Business**

**General Business and  
Shareholder Questions**





# Chair's Address – Mike Allen





# A Strong, Resilient Portfolio

<b>investore</b>	<b>\$895.2m</b> Portfolio value <sup>1</sup> across 43 properties	<b>87%</b> Gross rental from anchors	<b>0.3%</b> Average lifecycle costs by asset value per annum
 <b>Dependable income streams</b>	<b>10.4 years</b> WALT by Contract Rental <sup>2</sup>	<b>71%</b> of Contract Rental expires in FY30 or beyond	<b>99.7%</b> Portfolio occupancy by area
 <b>Proactive capital management</b>	<b>30.4%</b> Loan to Value Ratio	<b>\$182.7m</b> Total equity capital raised over last 12 months	<b>\$125m</b> New bonds issued in August 2020

All metrics above are as at 31 March 2020, as if the capital raise announced on 29 April 2020 had been completed, and the settlement of the three properties acquired from Stride Property Limited (SPL) on 30 April 2020 had taken place, as at that date.

1. Excludes lease liabilities of \$11.1m.

2. 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, annualised for the 12-month period on the basis of the occupancy level for the relevant property as at 31 March 2020 and assuming no default by the tenant.



# Financial Highlights

## For the year ended 31 March 2020

• Net rental income (FY19: \$47.4m)	<b>\$48.1m</b>
• Corporate expenses (FY19: \$6.0m)	<b>\$7.5m</b>
• Profit before other income/(expense) and income tax <sup>1</sup> (FY19: \$27.0m)	<b>\$26.7m</b>
• Distributable profit <sup>2</sup> after current income tax (FY19: \$20.9m)	<b>\$21.1m</b>
• Total cash dividend	<b>7.60 cps</b>

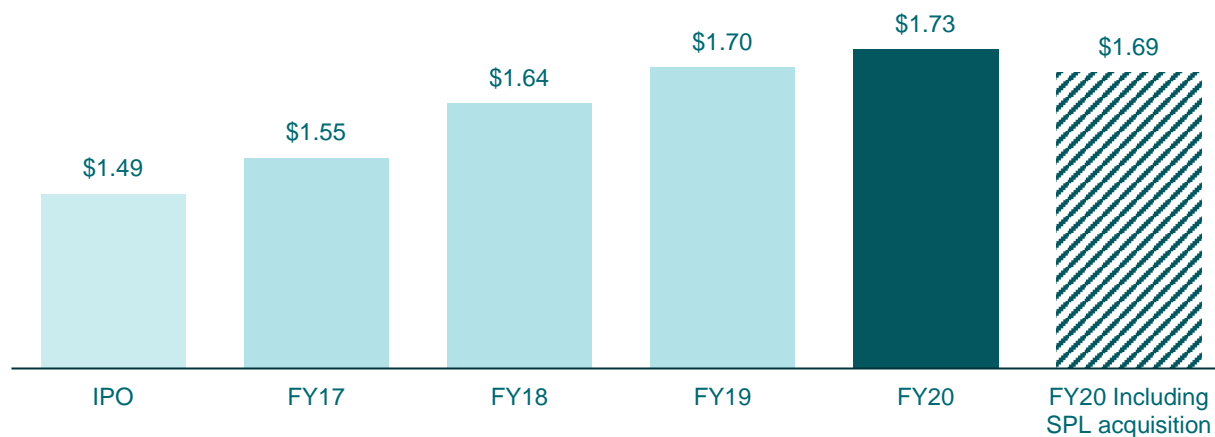


Pak'n Save  
New  
Plymouth

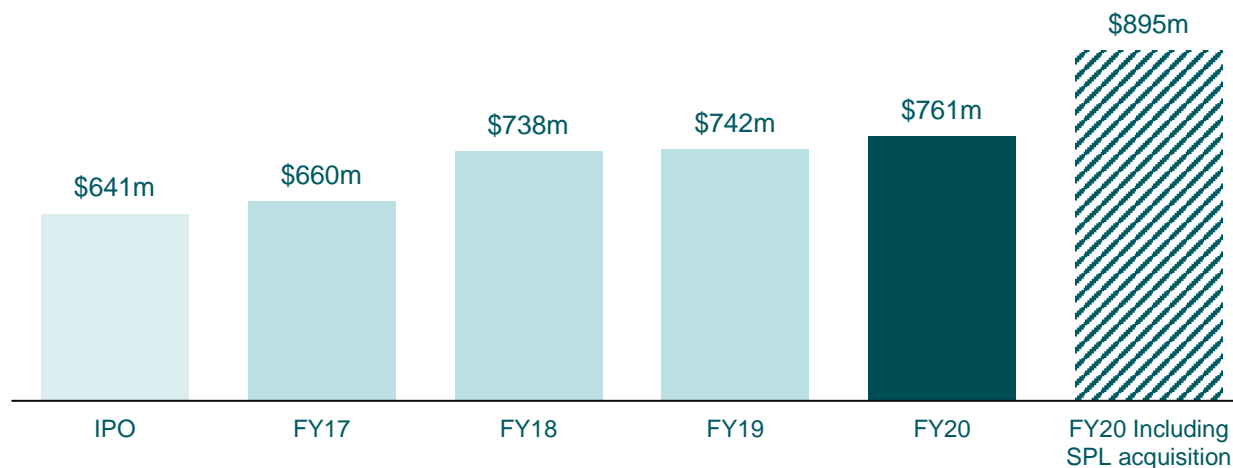
1. Profit before other income/(expense) and income tax is a non-GAAP financial measure.
2. Distributable profit is a non-GAAP financial measure adopted by Investore to assist Investore and its investors in assessing Investore's profit available for distribution. It is defined as profit/(loss) before 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 profit before income tax, is set out in note 3.2 to the annual financial statements ended 31 March 2020.

# Strong Performance Since Listing

## NTA per share (3.5% Compound Annual Growth Rate)



## Portfolio value<sup>1</sup> (9.4% Compound Annual Growth Rate)



All figures are as at 31 March for each financial year, except as otherwise stated.

1. Portfolio value excludes lease liabilities.

# Our Strategic Principles

## 1. Active Portfolio Management

Focus on owning well-located properties with long lease terms and high occupancy, with nationally recognized, quality tenant brands, and maintaining strong and enduring tenant relationships that support the portfolio

## 2. Targeted Growth

Considered acquisitions and developments which deliver growth, while continuing to enhance geographical and/or tenant portfolio diversification

## 3. Continued Portfolio Optimisation

Development of existing properties to meet the needs of tenants and the surrounding catchment, which may include acquiring sites adjacent to existing properties, to provide development options for the future

## 4. Proactive Capital Management

Proactive capital management to maintain a healthy and flexible balance sheet for growth, while preserving sustainable returns to investors



# Delivering on Our Strategy

<b>Portfolio Management</b>	<ul style="list-style-type: none"><li>• Strong portfolio metrics</li></ul>
<b>Targeted Growth</b>	<ul style="list-style-type: none"><li>• \$148m of acquisitions since April 2019</li></ul>
<b>Portfolio Optimisation</b>	<ul style="list-style-type: none"><li>• Proactive portfolio activity resulting in improvements to existing assets</li></ul>
<b>Capital Management</b>	<ul style="list-style-type: none"><li>• Significant capital management activity resulting in strong balance sheet and diversified funding sources</li></ul>

# Manager's Review

Countdown  
Warkworth,  
Auckland



# Targeted Growth

**Investore undertakes considered acquisitions, disposals and developments which deliver growth, while continuing to enhance the portfolio's diversification**

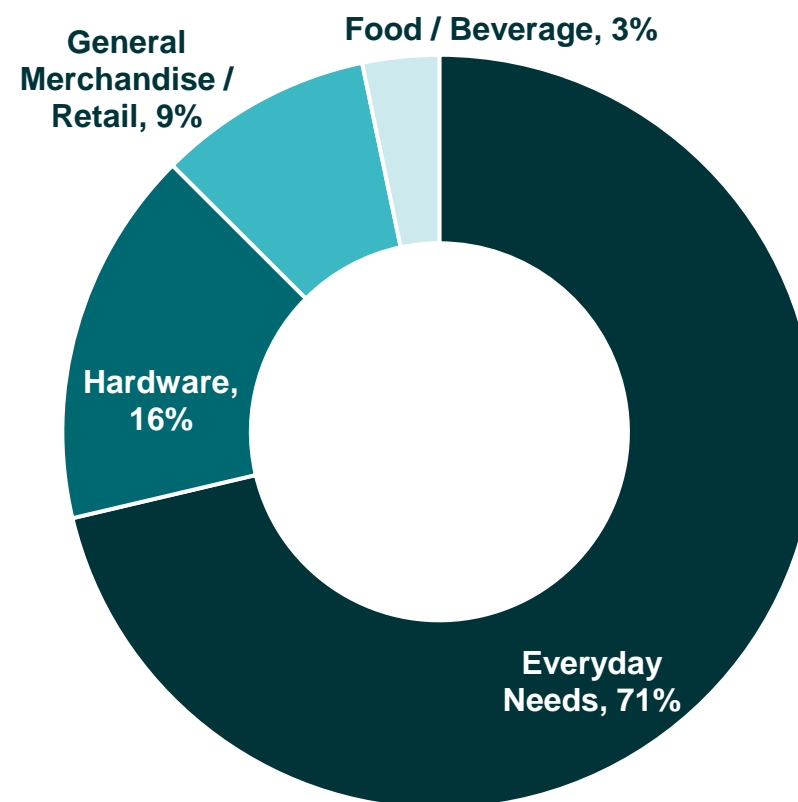
	Sold Countdown Dunedin South	\$19.3m	1 April 2019
	Purchased Countdown New Brighton	\$5.75m	23 August 2019
	Purchased land adjacent to existing Countdown Papakura	\$1.2m	19 March 2020
	Purchased Bunnings Carr Road	\$48.5m	30 April 2020
	Purchased Mt Wellington Shopping Centre	\$39.25m	30 April 2020
	Purchased Bay Central Shopping Centre	\$53.0m	30 April 2020



# Majority of Tenants Represent Everyday Needs

Around 71% of Investore's portfolio<sup>1</sup> is categorised as 'everyday needs', drawing customers to the properties on a regular basis and providing a strong tenant proposition

	<b>Everyday needs</b>	Countdown New World Pak'NSave Animates Unichem Pharmacy Snap Fitness NZ Post
	<b>Hardware</b>	Bunnings Mitre 10 MEGA Resene
	<b>General Merchandise / Retail</b>	The Warehouse Briscoes Rebel Sport Kitchen Things Hunting and Fishing Supercheap Auto Freedom Furniture
	<b>Food / Beverage</b>	McDonald's Burger Fuel Pizza Hut Domino's Pizza Pita Pit Super Liquor St Pierre's Sushi



Note: Numbers may not sum due to rounding.

1. By Contract Rental as at 31 March 2020, as if the acquisition of the three properties from SPL had settled as at that date.

# Diversified Portfolio Locations

**\$895m**

Portfolio Value

**82%**

North Island

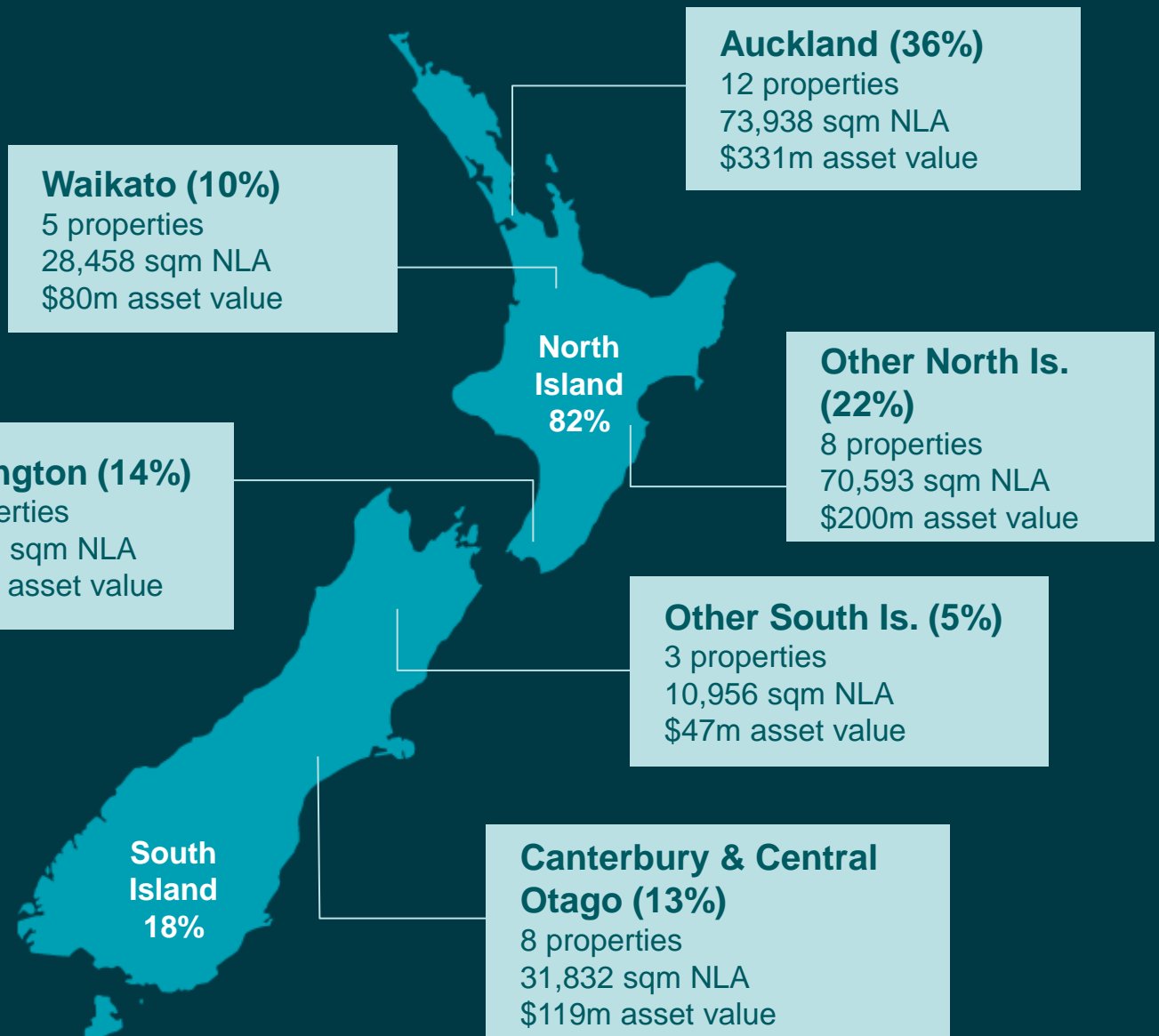
**43**

Properties

**130**

Tenants

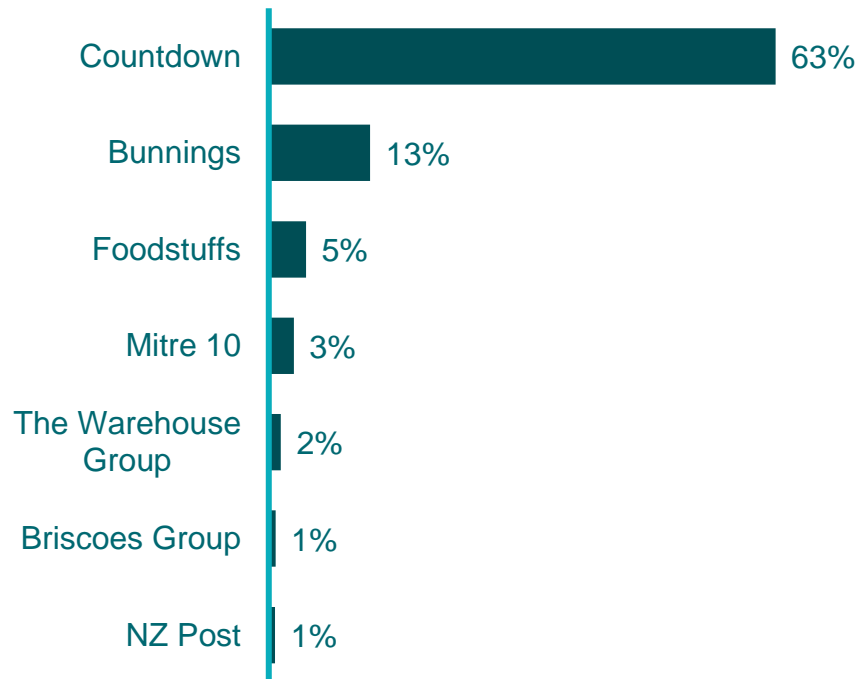
All metrics are as at 31 March 2020, including the three properties acquired from SPL. Portfolio value excludes lease liabilities of \$11.1m. All percentages are by Contract Rental. Numbers may not sum due to rounding.



# Anchor Tenants Underpin Income

**87% of Investore's Contract Rental is provided by anchor tenants, providing resilient income**

## Anchor tenant classification by Contract Rental<sup>1</sup>

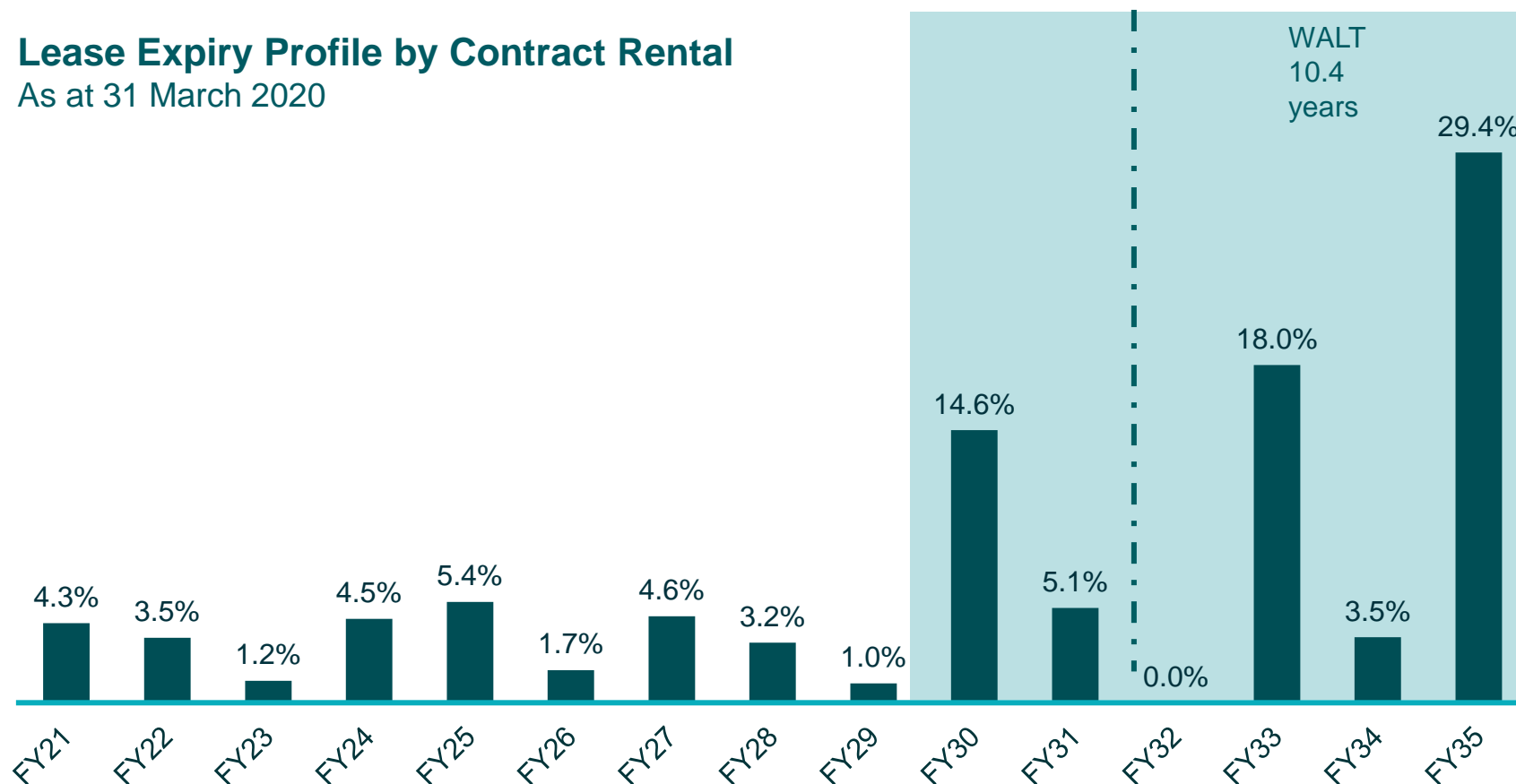


1. As at 31 March 2020, as if the acquisition of the three properties from SPL had settled as at that date. Numbers may not sum due to rounding. Includes The Warehouse Group leased premises at Johnsonville. The tenant has confirmed they will vacate this site upon lease expiry in October 2020.



# Long Dated Lease Expiry Profile

**Lease Expiry Profile by Contract Rental**  
As at 31 March 2020



Figures are as at 31 March 2020, as if the acquisition of the three properties from SPL had settled as at that date. Lease Expiry Profile represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 31 March 2020 (including the three properties to be acquired by SPL, as if the acquisition had settled on that date), as a percentage of Contract Rental.

# Proactive Capital Management

November/December 2019 Capital Raise	<b>\$77.7m</b> gross proceeds raised
April/May 2020 Capital Raise	<b>\$105m</b> gross proceeds raised
August 2020 Bond Issuance	<b>\$125m</b>
Providing funding flexibility for growth, and diversification of funding sources	

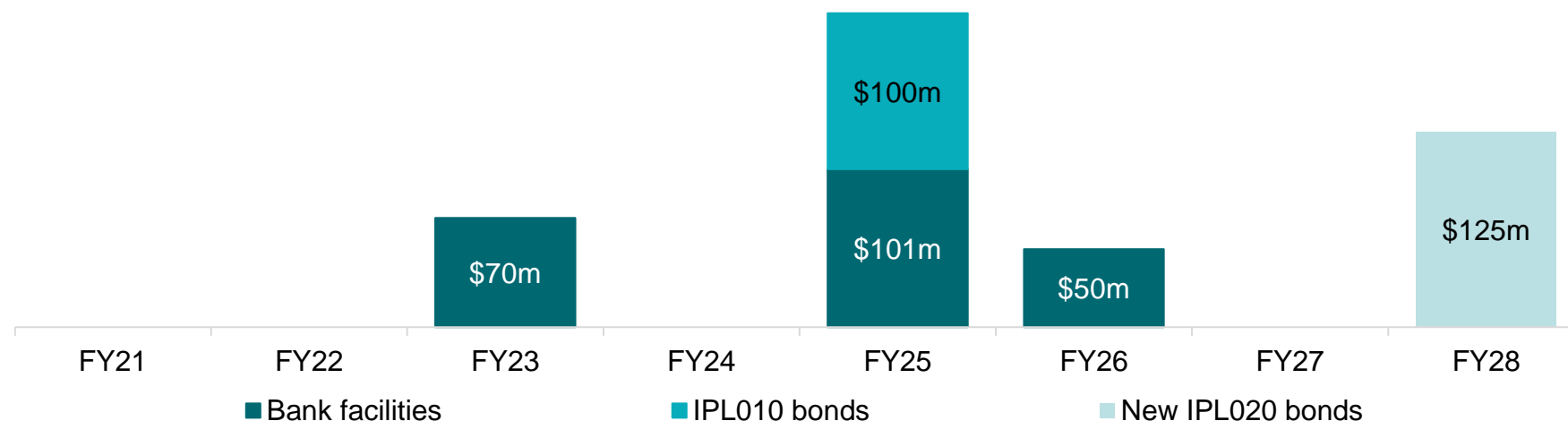
# Benefits of Bond Issue

- Investore seeks to align its debt maturity profile with its long dated lease expiry profile
- Recent bond issue proceeds used to repay bank debt facilities
- Bond issue extends tenor of Investore's debt and diversifies funding sources

**Weighted average  
tenor of debt  
extended to 4.8 years**

**50% of debt from  
non-bank funding**

Debt maturity profile post bond issue





# Portfolio Resilient to Impacts of COVID-19

- Investore's portfolio includes a high proportion of “essential businesses” - supermarkets, pharmacies and hardware stores, a vital part of the supply chain for New Zealanders
- A limited number of leases permit tenants to suspend or abate rental payments as a result of Government Alert Level restrictions
- Investore has largely completed tenant negotiations in relation to the first lockdown period
- Investore expects the impact of COVID-19 to result in reduced gross rent receivable for FY21 of approximately \$1m - \$2m, assuming Alert Level 3 or 4 restrictions are not in place for an extended period during the balance of FY21



# Outlook for FY21

- Targeted growth to enhance the portfolio and maximise returns to investors over the medium to long term
- Continue to invest in enhancing the existing portfolio
- Maintain disciplined capital management
- Monitor impact of COVID-19
- Dividend guidance for FY21 at 7.60cps, assuming no further deterioration in economic conditions due to COVID-19





# Formal Business



Mitre 10 MEGA  
Botany, Auckland

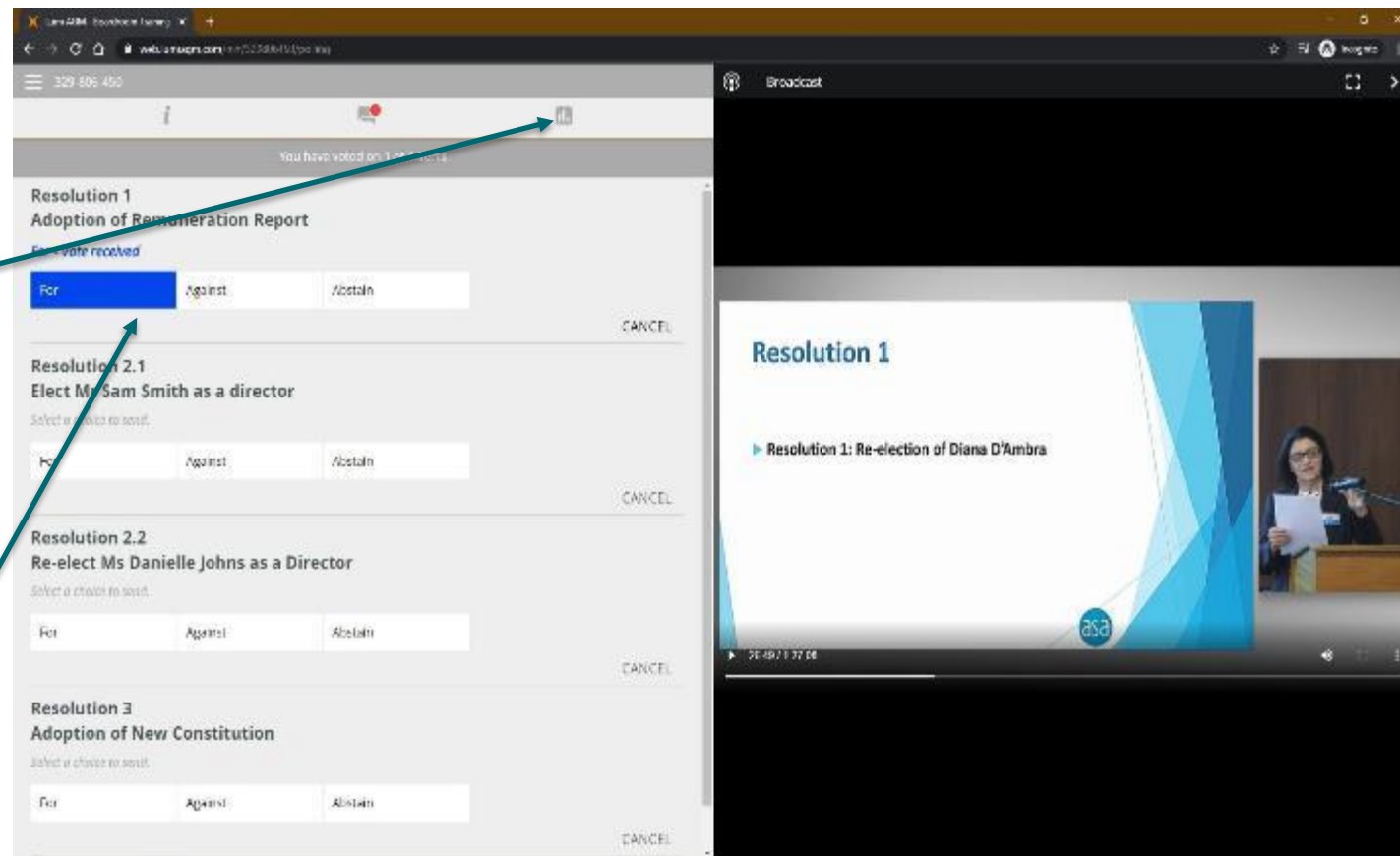


# Voting Process

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# Resolution 1 – Auditor's Remuneration

That the Directors be authorised to fix the remuneration of PricewaterhouseCoopers as auditor of Investore Property Limited for the ensuing year

# Resolution 2 – Election of Director Adrian Walker

That Adrian Walker be  
elected as a Director of  
Investore Property Limited





# Resolution 3 – Ratification of Previous Issue of Shares under the Placement

That the previous issue under NZX Listing Rule 4.5.1 of 51,515,152 fully paid ordinary shares in Investore Property Limited to investors at an issue price of \$1.65 per share on 5 May 2020 be approved and ratified for all purposes, including NZX Listing Rule 4.5.1(c)

# Proxy Votes Received

## Resolution 1: Auditor's Remuneration

Proxy votes lodged	For	Against	Discretionary
156,514,873	98.44%	0.00%	1.56%

## Resolution 2: Election of Director Adrian Walker

Proxy votes lodged	For	Against	Discretionary
156,361,170	98.26%	0.00%	1.74%

## Resolution 3: Ratification of Previous Issue of Shares under the Placement

Proxy votes lodged	For	Against	Discretionary
115,341,844	97.83%	0.02%	2.15%

# 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 2020. Please refer to Investore's Annual Report 2020 for further information in relation to the year ended 31 March 2020. 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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