

Investore Property Limited

Interim Results HY20

Investore Property Limited (Investore) is pleased to announce its interim results for the six months ended 30 September 2019 (HY20).

During HY20 Investore has been focussing on its four key strategic principles, which are designed to deliver shareholder returns, and this has resulted in a sound result for HY20. Investore's efforts on developing each of these strategic principles – active portfolio management, targeted growth, continued optimisation of the portfolio and proactive capital management - supports the company's commitment to maximise and deliver attractive and stable returns to investors and this is reflected in the interim results.

Highlights for HY20 include:

Financial Performance (for six months ended 30 September 2019):

- \$11.0 million profit after income tax, up \$1.0 million on HY19, largely due to movement in net change in fair value of investment properties over comparative periods of \$1.8 million, partially offset by performance fees of \$1 million incurred in the current period to the manager, Stride Investment Management Limited, as a result of shareholder returns of 53.6% over the two year performance period to 30 September 2019
- \$9.7 million distributable profit (note 1) after current income tax, down \$1.1 million on HY19, largely as a result of performance fees incurred
- Cash dividend guidance for FY20 of 7.60 cents per share. 1.90 cents per share cash dividend for quarter ended 30 September 2019, to be paid on 27 November 2019

Portfolio (as at 30 September 2019):

- Property portfolio value (note 2) - \$750.6 million, down \$10.5 million from 31 March 2019 due to divestment of Countdown Dunedin South (\$19.0 million net sale price after disposal costs), partially offset by acquisition of Countdown New Brighton (\$5.75 million acquisition price) and gross valuation gain of \$2.3 million (or 0.3%)
- 11.9 years weighted average lease term (WALT)
- 99.7% occupancy
- 40.6% loan to value ratio, down from 41.8% as at 31 March 2019
- \$1.70 net tangible assets per share, consistent with 31 March 2019
- Sale of Countdown Dunedin South settled on 1 April 2019, at 5.6% premium to book value as at 31 March 2018
- Countdown New Brighton, Christchurch, purchased for \$5.75 million, at an initial yield of 7.2%
- All major lease expiries for FY20 renewed

Proactive Capital Management:

- \$35 million bank refinancing completed, extending tenor to 2021
- No debt maturing until FY22
- Share buyback programme concluded, at an average cost of \$1.53 per share, compared to share price as at 30 September 2019 of \$1.90 and net tangible assets per share as at 30 September 2019 of \$1.70

Investore's strategy continues to be to invest in quality, large format retail properties throughout New Zealand and actively manage shareholders' capital to maximise distributions and total returns over the medium to long term. Investore confirms that the focus for the 2020 financial year is firmly on targeting yield growth, executed in a disciplined manner, aimed at enhancing returns to shareholders.

Notes:

1. Distributable profit is a non-GAAP measure and consists of net profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax.
2. Excludes land lease liability of \$7.6 million.

Ends

Attachments provided to NZX:

- Investore Property Limited - Interim Results Announcement 131119
- Investore Property Limited - Interim Report HY20 131119
- Investore Property Limited - Interim Update HY20 131119
- Investore Property Limited - NZX Results Announcement HY20 131119
- Investore Property Limited - NZX Distribution Notice FY20 Q2 131119

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