

Investore Property Limited

Portfolio Valuation Update

Investore Property Limited (Investore) advises that it expects a gross reduction in fair value of its portfolio for the six months ended 30 September 2023 of \$(70) million, being a (6.6)% decrease. This would result in an expected total portfolio value of \$1.0 billion based on the draft independent valuations.

Investore Fund Manager, Adam Lilley said: “The impacts of elevated inflation levels and higher interest rates continue to impact investment conditions and investor activity levels, leading to higher property capitalisation rates and lower valuations. Despite the softening in the capitalisation rates impacting Investore’s portfolio valuation, the underlying portfolio metrics remain resilient, with a defensive rental income stream from non-discretionary, everyday needs retail tenants underpinning a portfolio with 99% occupancy and a Weighted Average Lease Term of 8 years.” (Note 1)

Investore’s average portfolio market capitalisation rate is expected to be 6.3% as at 30 September 2023, which represents an increase of 55 basis points from 31 March 2023 (Note 1). On an initial yield basis, the average portfolio market capitalisation rate is expected to increase 59 basis points from 31 March 2023 to 6.4%. (Note 1)

The gross devaluation movement is expected to reduce net tangible assets by around 19 cents per share (from 184 cents per share at 31 March 2023).

Investore’s expected loan to value ratio as at 30 September 2023 is 40% following the portfolio valuation movement. As part of its capital management strategy, Investore continues to explore the disposal of non-core investment properties.

The independent valuations, forecast valuation movement and expected loan to value ratio remain subject to finalisation and external audit review and will be confirmed in Investore’s interim HY24 consolidated financial statements, which are expected to be released on 16 November 2023.

Notes:

1. Metrics refer to stabilised investment portfolio, which excludes properties categorised as “Development and Other”.

Ends

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