PFI

DELIVERING TODAY, INVESTING FOR TOMORROW

PROPERTY FOR INDUSTRY

Annual Results Briefing FP24

WELCOME

TO THE FP24 ANNUAL RESULTS BRIEFING.

Please note: the results presented are for the six-month period from 1 January to 30 June 2024 (referred to as Financial Period 24, or FP24). FP24 is a six-month “full year” financial period, as opposed to the usual 12-month “full year” financial period presented in an annual report, due to the change in PFI and its subsidiaries’ balance date from 31 December to 30 June. The financial statements for FP24 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP) and the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), which require a comparative period of 12-months to 31 December 2023. In order to provide a useful basis for comparison, throughout this document the results for FP24 have been compared to the unaudited interim six-month results from 1 January to 30 June 2023, unless otherwise noted.

CONTENTS

01.

HIGHLIGHTS

32 BOWDEN ROAD – JULY 2024

FP24 RESULT:

Profit after tax of $21.2m, up $51.7m on the prior comparable period (pcp) incorporating fair value losses on properties of $4.2m, as compared to losses of $55.0m in the pcp, Funds From Operations (FFO) up 2.2% on the pcp to 5.03 cents per share (cps), Adjusted Funds From Operations (AFFO) down 0.9% on the pcp to 4.58 cps, FP24 cash dividends of 4.15 cps, consistent with FY23 dividends on an annualised basis, fully covered by AFFO and strong cash flows from operations

PORTFOLIO UNDER-RENTING PROVIDES EMBEDDED GROWTH:

Industrial property portfolio valuation of ~$2.1bn has stabilised and is ~16% under-rented, $36.3m of contract rent reviewed during FP24 delivering an average annualised uplift of 5.7%, $5.9m of contract rent leased during FP24 at an average of 25.3% above previous contract rents

GREEN STAR DEVELOPMENT PIPELINE ADVANCED:

Tenant commitment secured for Stage 2 of the redevelopment of 78 Springs Road, balance of 30-32 Bowden Road leased for a term of 12-years, active Green Star projects on track with ~$33m of committed spend remaining, opportunity to deploy ~$350m on Green Star development over the medium-term

LIQUIDITY PROFILE EXTENDED:

$600m of facilities refinanced or established since December 2023, ~$300m of facility headroom following post-balance date refinancing, gearing comfortable at 32.9%, interest rate environment forecast to improve

02. PORTFOLIO

	PROPERTIES	TENANTS	OCCUPANCY	CONTRACT RENT	WEIGHTED AVERAGE LEASE TERM (WALT)
	91	126	98.6%	$99.7 MILLION	5.07 YEARS
	▼ DEC 2023 : 92	DEC 2023 : 126	▼ DEC 2023 : 100%	▲ DEC 2023 : $96.6M	▲ DEC 2023 : 5.06 YEARS
INCLUDING BROWNFIELD LEASES:	◀▶ 91	▲ 127	▲ 98.7%	▲ $106.9M	▲ 6.04 YEARS

FP24 - LEASED

80,033
SQM LEASED

11.6% of portfolio by rent

6.2
YEARS
across FP24 leasing transactions

Weighted
Average
Lease
Term

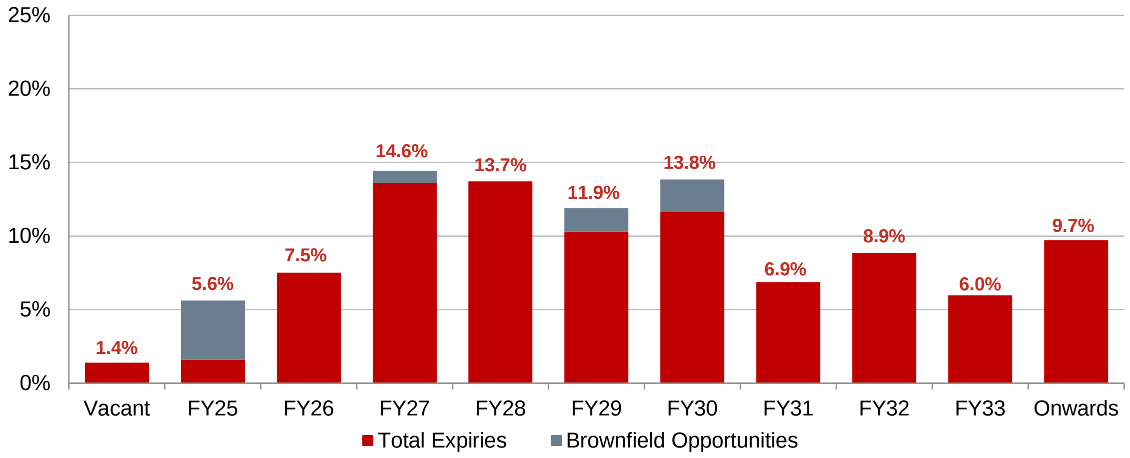
AVERAGE INCENTIVE
0.1
MONTHS
per year of term

75
PERCENT
of deals completed during FP24 were **RENEWALS**

- Total of $11.6m of contract rent secured during FP24
- $2.1m of contract rent secured during FP24 relates to newly acquired or developed properties[1]
- Of the $9.5m of stabilised contract rent secured during FP24, rents were agreed on $5.9m of this
- These rents were settled 25.3% above previous contract rents
- Remaining $3.6m of stabilised contract rent secured during FP24 is subject to market reviews on renewal or commencement date
- Those renewals are ~17% under-rented as at 30 June 2024 (all un-capped), with a weighted average review date of December 2025

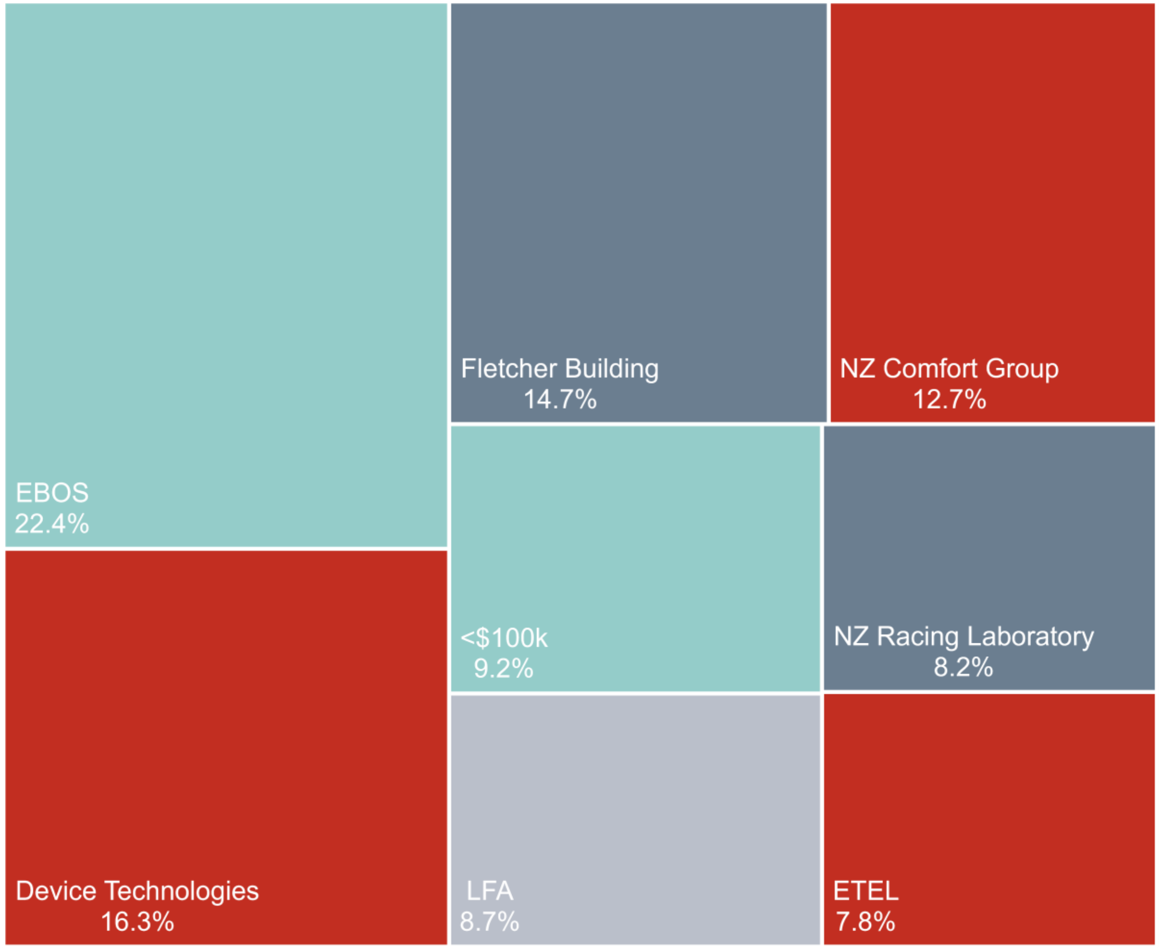
[1]Being Tokyo Food at 30-32 Bowden Road and Astron Plastics at 45 Cryers Road.

- Portfolio is 98.6% occupied (1.4% vacancy) and 5.6% of contract rent (1.6% excluding brownfield opportunities) is due to expire in FY25 (chart below)
- No large expiries in next 12 months. Largest single expiry (22.4% of FY25 expiries excluding brownfield opportunities) is $364k, or 0.4% of contract rent
- Works underway on vacant space at 212C Cavendish Drive (ex-Mainfreight space, 1.3% of contract rent) to replace warehouse floor slab and refurbish office space, available to lease from September 2024



FY25 LEASE EXPIRIES

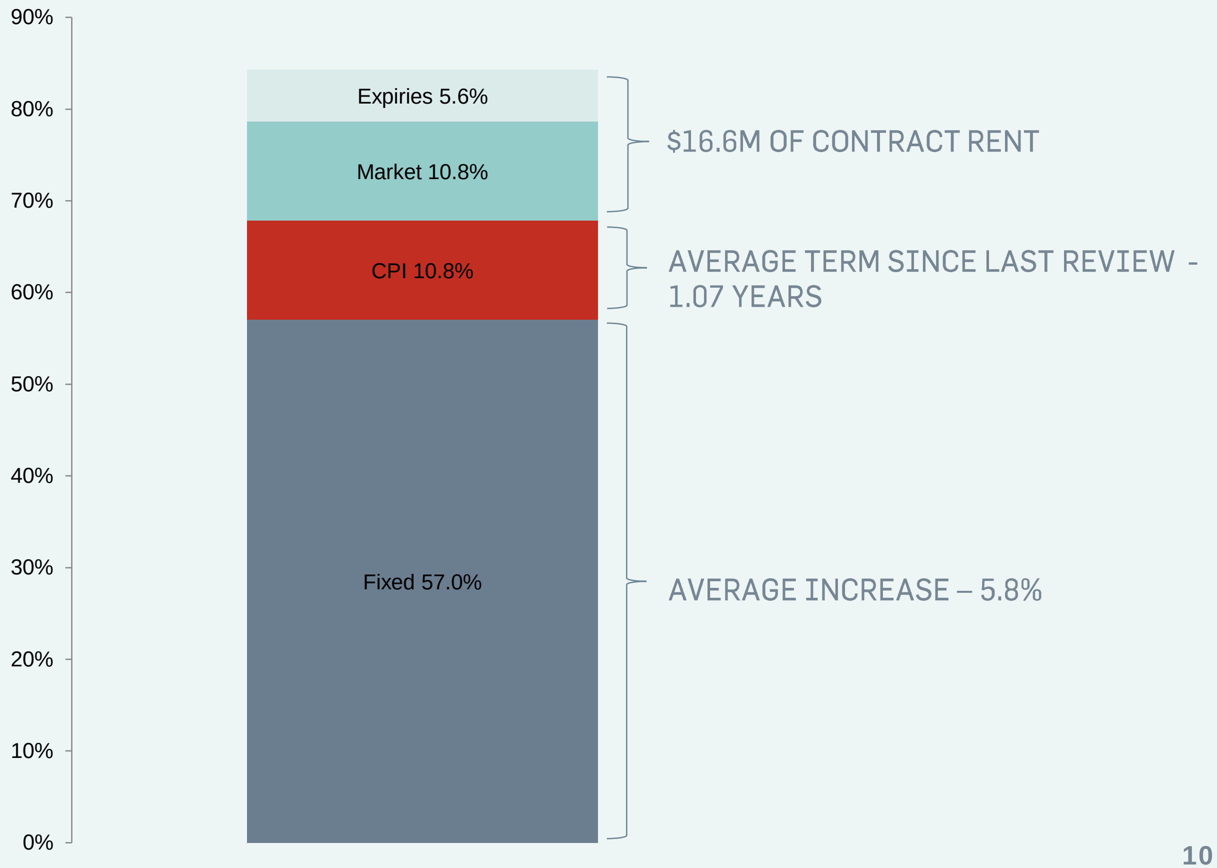
EXCLUDING BROWNFIELD OPPORTUNITIES



- 63 rent reviews delivered an increase of 8.3% on ~$36.3m of contract rent (~5.7% annualised, up from 4.2% in 2023)
  - 39 fixed reviews delivered an increase of 2.6% on ~$20.1m of contract rent (~2.6% annualised)
  - 8 market rent reviews delivered an increase of 48.8% on $3.2m of contract rent (annualised increase of 15.3% over an average review period of 3.2 years)
- FY25 expiries and market reviews (16.4% of contract rent) ~24% under-rented at June 2024 after factoring in review caps
- Independent market rental assessment estimates PFI's portfolio is ~16% under-rented[1], with PFI estimating its Auckland warehouse spaces (~$49m of contract rent) are ~23% under-rented
- Around 85% of PFI's portfolio is subject to some form of lease event during FY25

FY25 LEASE EVENTS

% OF CONTRACT RENT

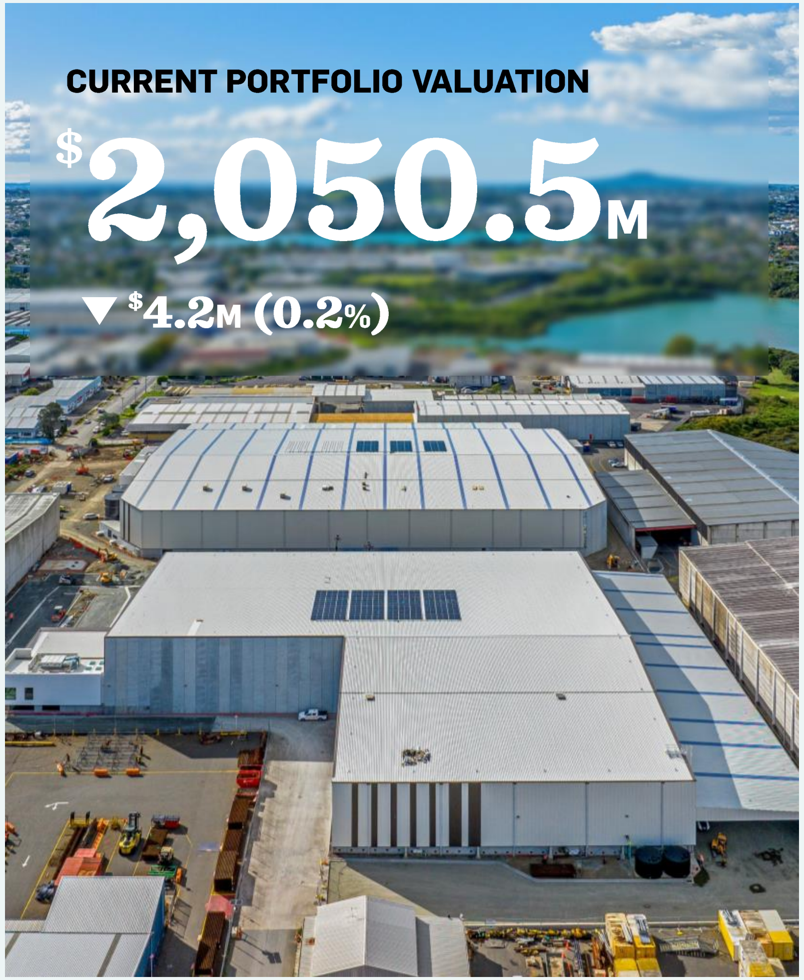


[1] Excludes active brownfield development sites

CURRENT PORTFOLIO VALUATION

$2,050.5M

▼ $4.2M (0.2%)



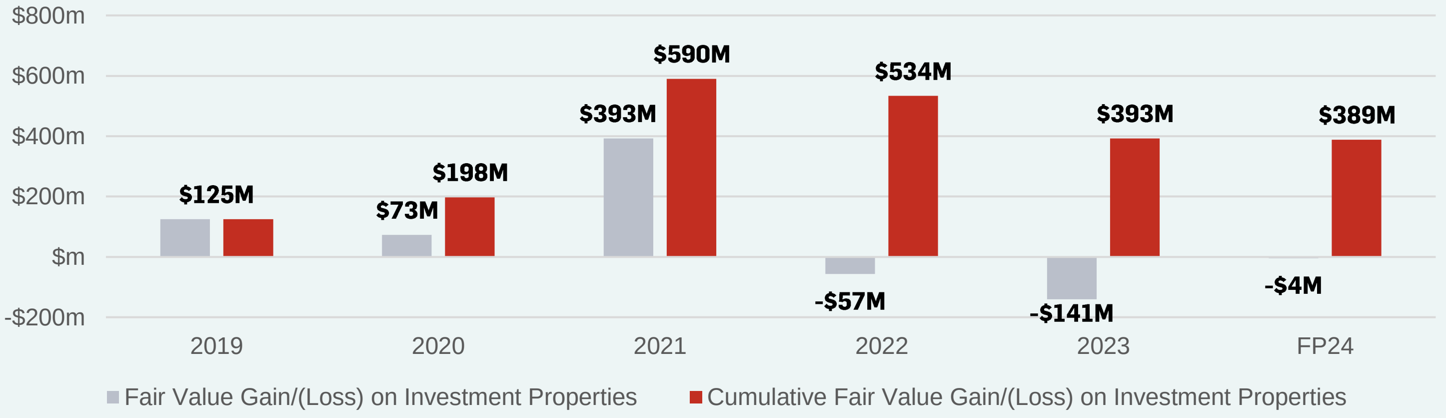
5.89%
MARKET CAP RATE*
▲ 0.15%

5.14%
PASSING YIELD*
▲ 0.13%

~16%
UNDER RENTED*
accross the porfolio**

*Excludes brownfield development properties
**Estimated by independent market rental assessment

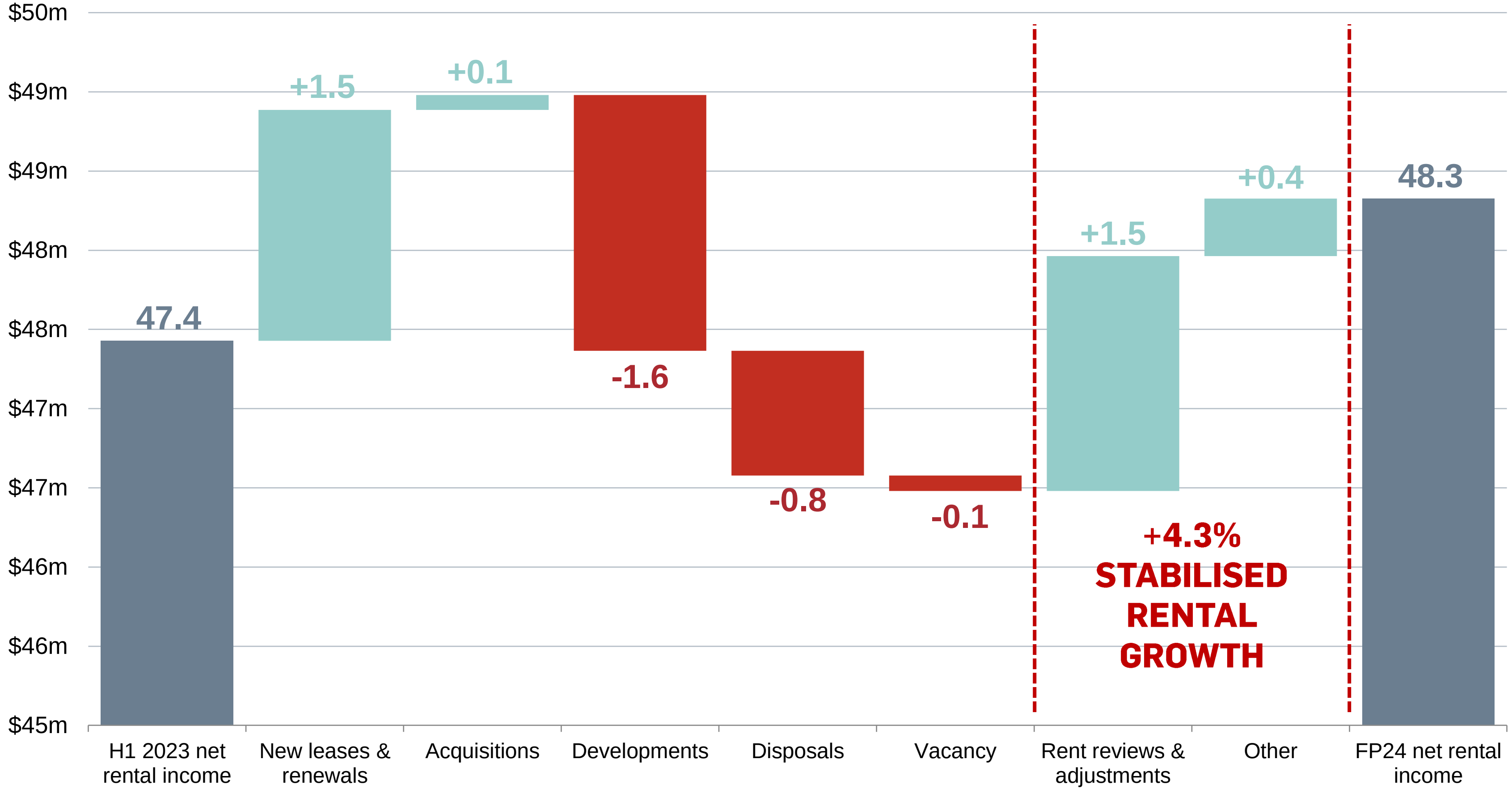
CUMULATIVE FAIR VALUE GAINS OVER LAST 5.5 YEARS OF $389M



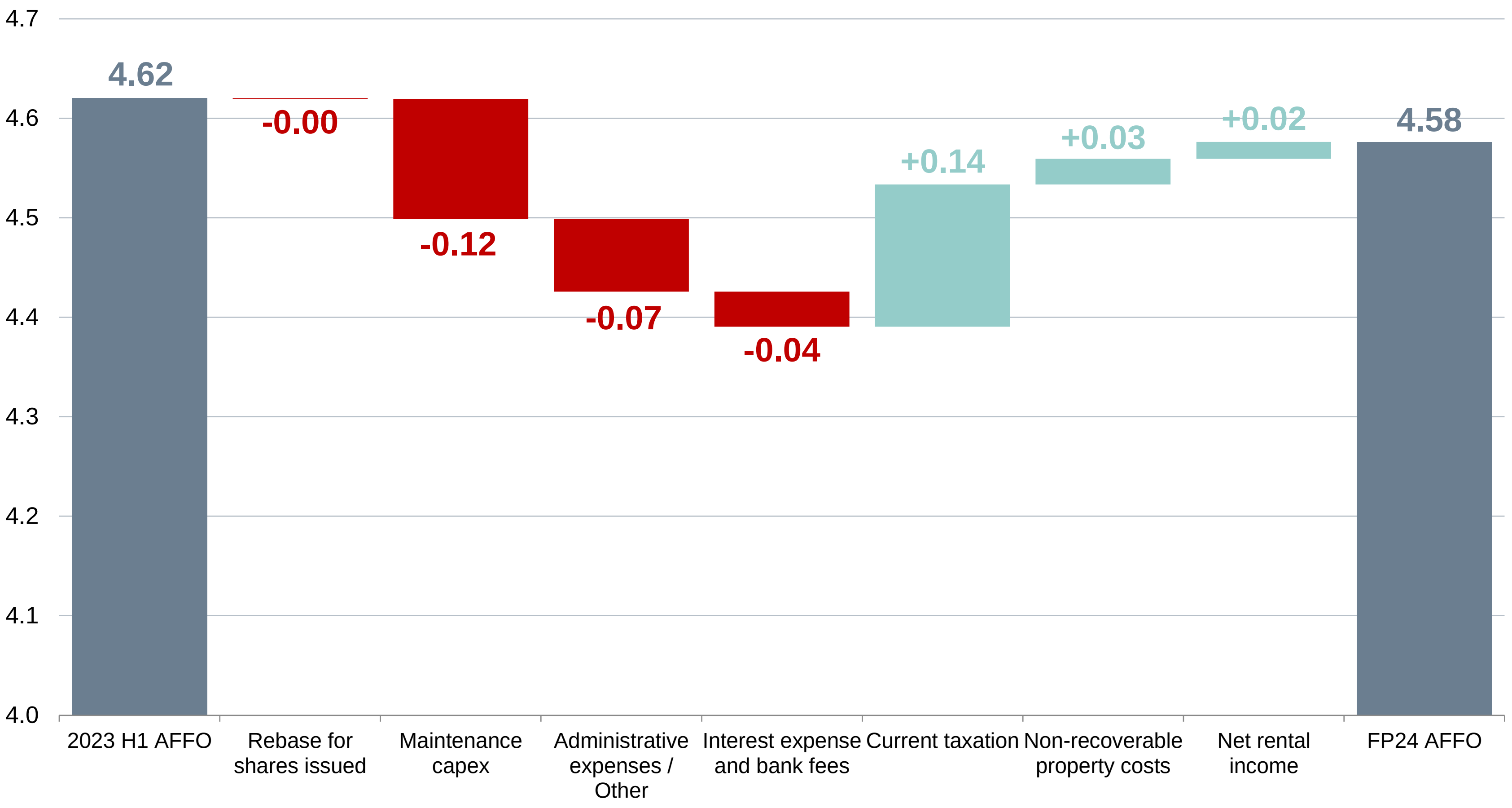
03.

FP24 ANNUAL RESULTS

- Net rental income (excluding service charges) of $48.3m up $0.9m or 1.9% on the pcp ($47.4m), growth on stabilised portion of the portfolio of 4.3%
- Positive leasing activity contributed to an increase totalling +$3.4m (rent reviews & adjustments +$1.5m, new leases & renewals +$1.5m, other +$0.4m)
- Acquisitions in the current period resulted in an increase of +$0.1m
- Decreases due to lost income from brownfield development projects (-$1.6m), current and prior year disposal activity (-$0.8m) and vacancy (-$0.1m)

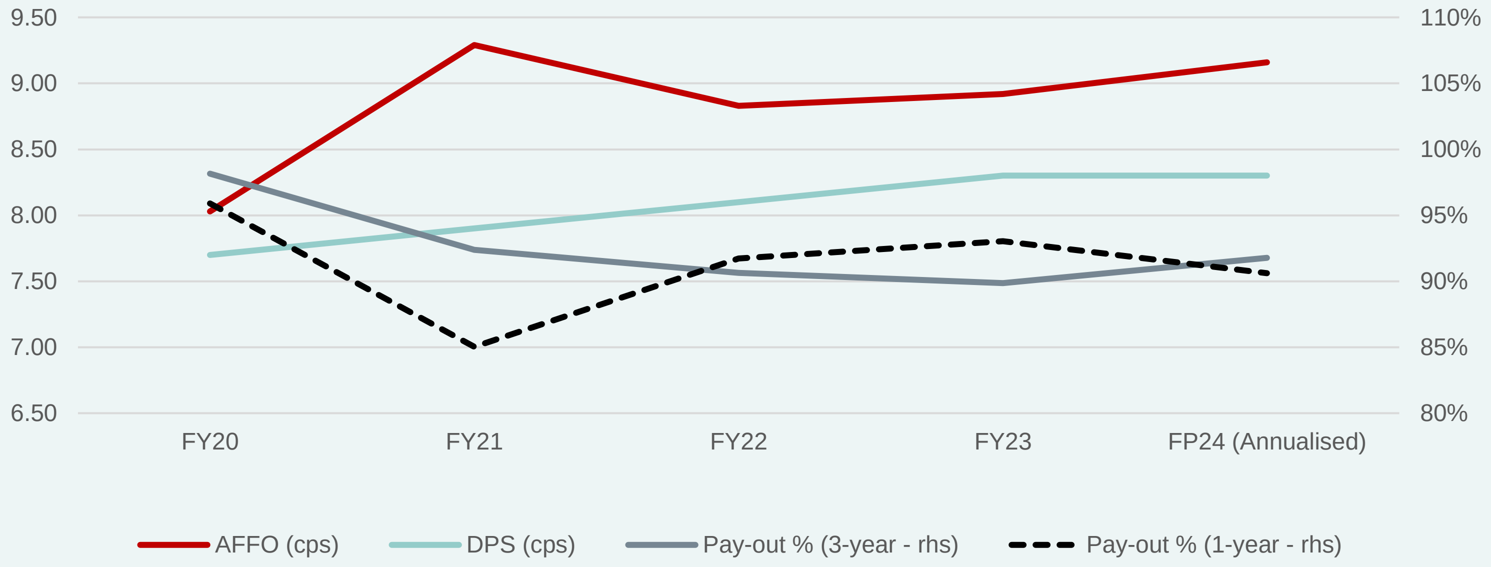


- AFFO of 4.58 cps, 0.04 cps or 0.9% down on the pcp
- Maintenance capex up $0.6 million on the pcp to 19 basis points
- Admin expense increases due to climate-related disclosures and other compliance costs
- Interest expense and bank fees up $0.2m or 0.04 cps on the pcp
- Effective tax rate of 9.7% down 2.6% on the pcp
- Net rental income (including AFFO adjustments) up $0.1m or 0.02 cps on the pcp

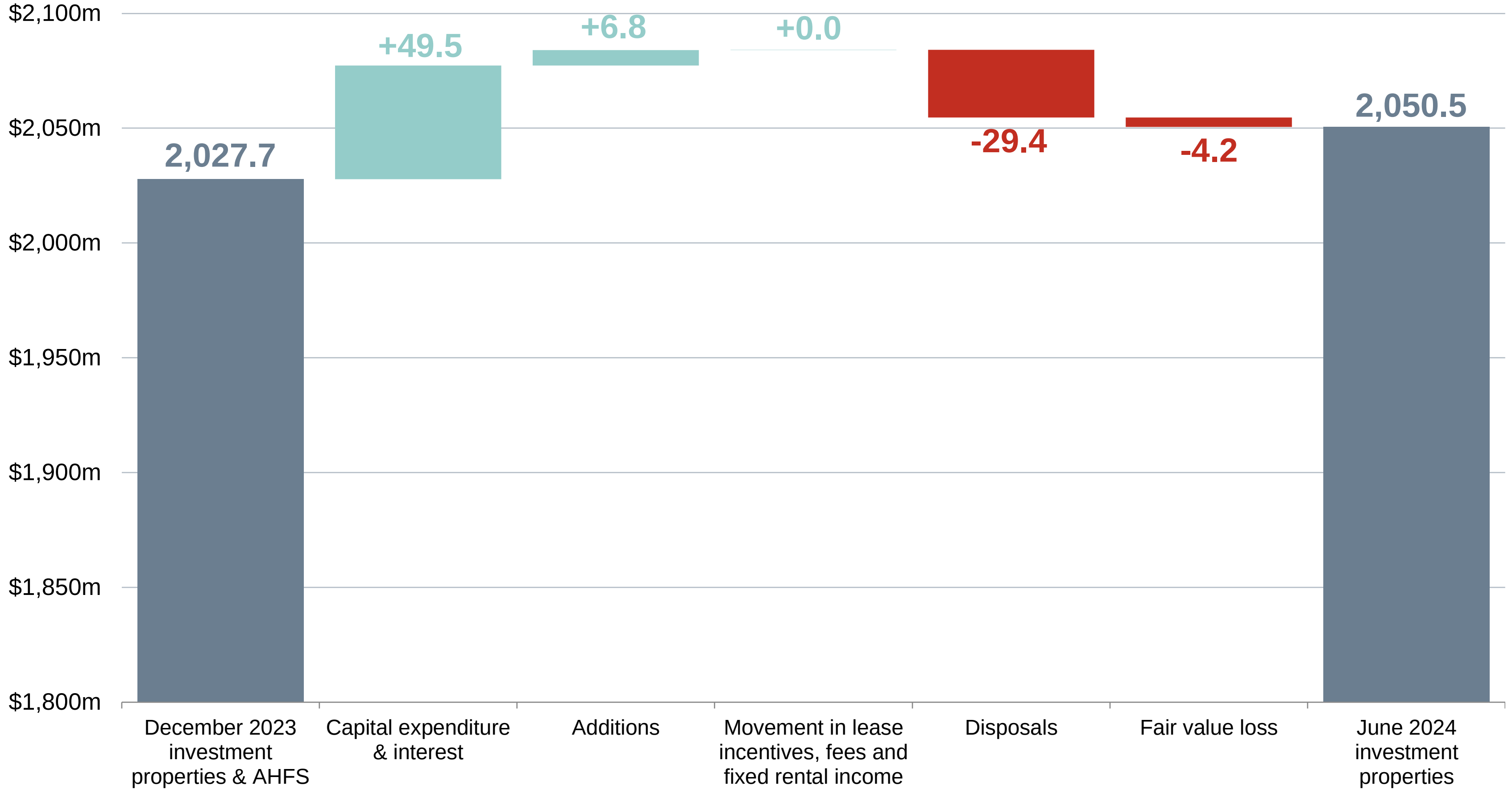


- FP24 cash dividends total 4.15 cps, consistent with 2023 dividends (annualised)
- FY25 dividend guidance of 8.30 to 8.50 cps, an increase of up to 0.20 cps or 2.4% on annualised FP24 dividends
- While currently challenging, interest rate environment is forecast to improve, with upside risk to guidance coming from interest rates falling further and faster than forecast, downside risk from matters outside of the Company's control
- FY25 cash dividends of 8.30 to 8.50 cps anticipated to result in a dividend pay-out towards the lower end of dividend policy range
- Dividend policy to distribute between 90% to 100% of AFFO on a rolling three-year historic average basis

EARNINGS	FP24 CPS	H123 CPS	CHANGE
FUNDS FROM OPERATIONS	5.03	4.92	+0.11 CPS or +2.2%
ADJUSTED FUNDS FROM OPERATIONS	4.58	4.62	-0.04 CPS or -0.9%



- Portfolio value of $2.05 billion
- Capex at 30-32 Bowden Road and 78 Springs Road (Green Star developments), 28 Paraite Road (yard works), 314 Neilson Street (warehouse extension)
- 45 Cryers Road, East Tamaki, acquisition settled February 2024
- 15 Artillery Place, Nelson and 10c Stonedon Drive, East Tamaki, disposals settled in March and June 2024, respectively
- Decrease from 30 June 2024 independent valuations of $4.2 million or 0.2%, signalling valuations are stabilising



- Net tangible assets (NTA) per share decreased by 0.2 cps or 0.1%
- Decrease in the fair value of investment properties (-0.8 cps), largely offset by an increase in the net fair value asset for derivative financial instruments (+0.7 cps)
- Muted NTA per share movement reflective of the stabilisation of PFI's investment property valuations, which looking forward, are supported by a large portfolio under-renting gap along with an interest rate environment that is forecast to improve in the next 24 months

04.

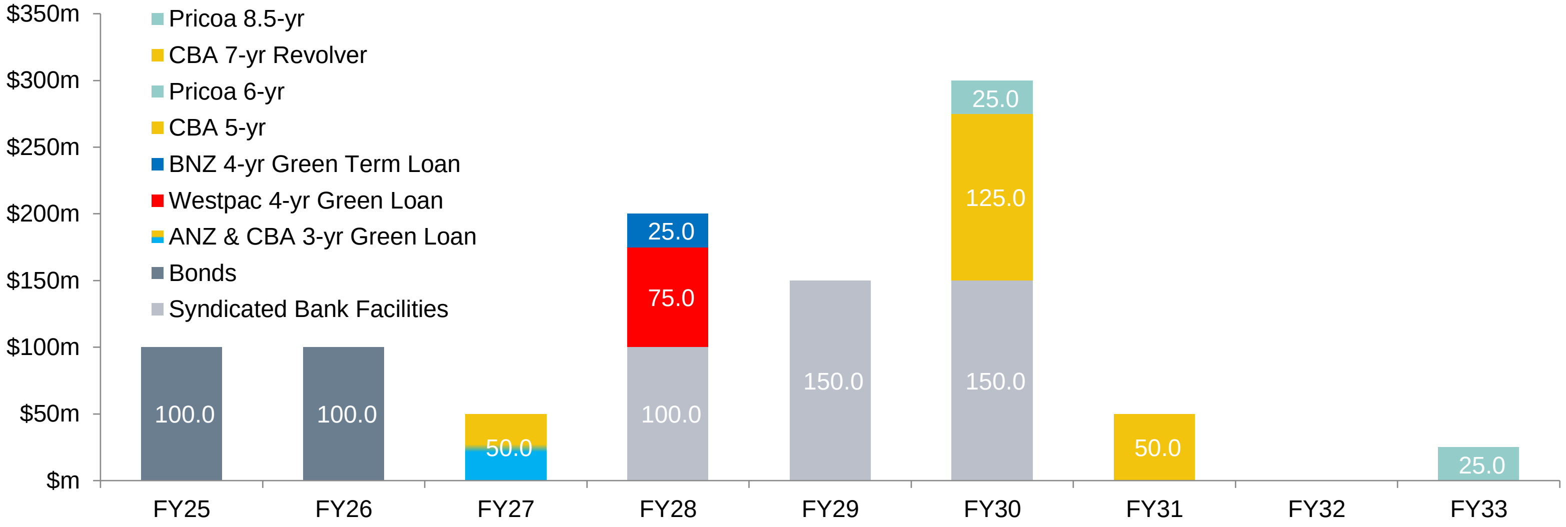
CAPITAL MANAGEMENT

- $50m facility established with CBA in May 2024, short-term BNZ facility subsequently reduced by $50m to $50m
- Post balance date:
  - $25m, 8.5-year drawdown made on Pricoa shelf facility in July 2024, short-term BNZ facility subsequently reduced by $25m to $25m
  - $300m syndicated facilities refinanced in August 2024, short-term BNZ facility refinanced into a new $100m syndicated facility
  - $125m CBA Term Loan extended to August 2029, a five-year term
- $29.4m of divestments settled in FP24, with proceeds recycled into current brownfield redevelopment projects
- PFI's comfortable gearing, sufficient hedging and ample bank liquidity provide the flexibility to execute on near-term development pipeline and repay upcoming bond maturities using existing funding envelope

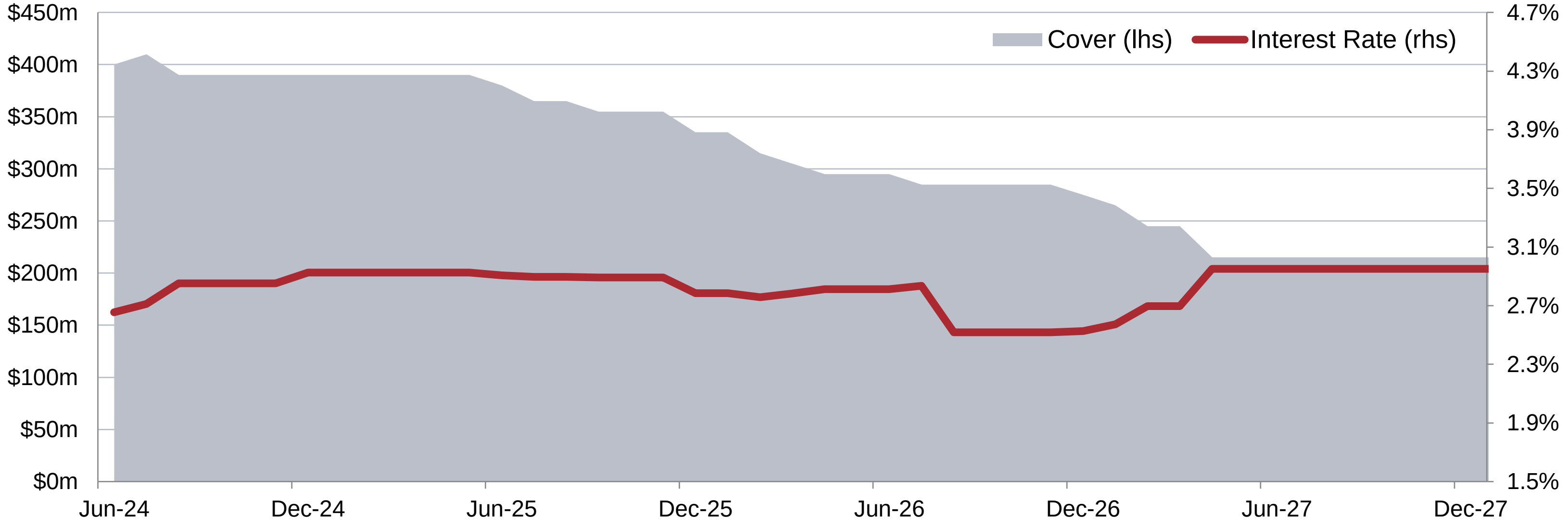
	JUNE 2024	DECEMBER 2023
FUNDING		
BANK FACILITIES DRAWN	$450.5m	$423.9m
BANK FACILITIES LIMIT	$675.0m	$675.0m
BANK FACILITIES HEADROOM	$224.5m	$251.1m
DCM[1]	$225.0m	$225.0m
FUNDING TERM (AVERAGE)	2.2 years	2.4 years
BANKS	ANZ, BNZ, CBA, Westpac	ANZ, BNZ, CBA, Westpac
COVENANTS		
LOAN-TO-VALUE RATIO (COVENANT: <50%)	32.9%	32.0%
INTEREST COVER RATIO (COVENANT: >2.0X)	2.8 times	2.8 times
INTEREST RATES		
WEIGHTED AVERAGE COST OF DEBT	5.72%	5.70%
INTEREST RATE HEDGING (EXCL. FORWARD STARTING)	$400m / 2.64% / 2.6 years	$370m / 2.35% / 2.7 years
FORWARD STARTING INTEREST RATE HEDGING	$175m / 4.05% / 3.6 years	$165m / 3.89% / 3.8 years

[1]Includes Note Purchase and Private Shelf Agreement with PGIM, Inc (Pricoa)

- Following post-balance date refinancing activity, PFI's debt instruments have an average term to expiry of ~3.6 years[1] (top graph), with significant unutilised bank facility capacity

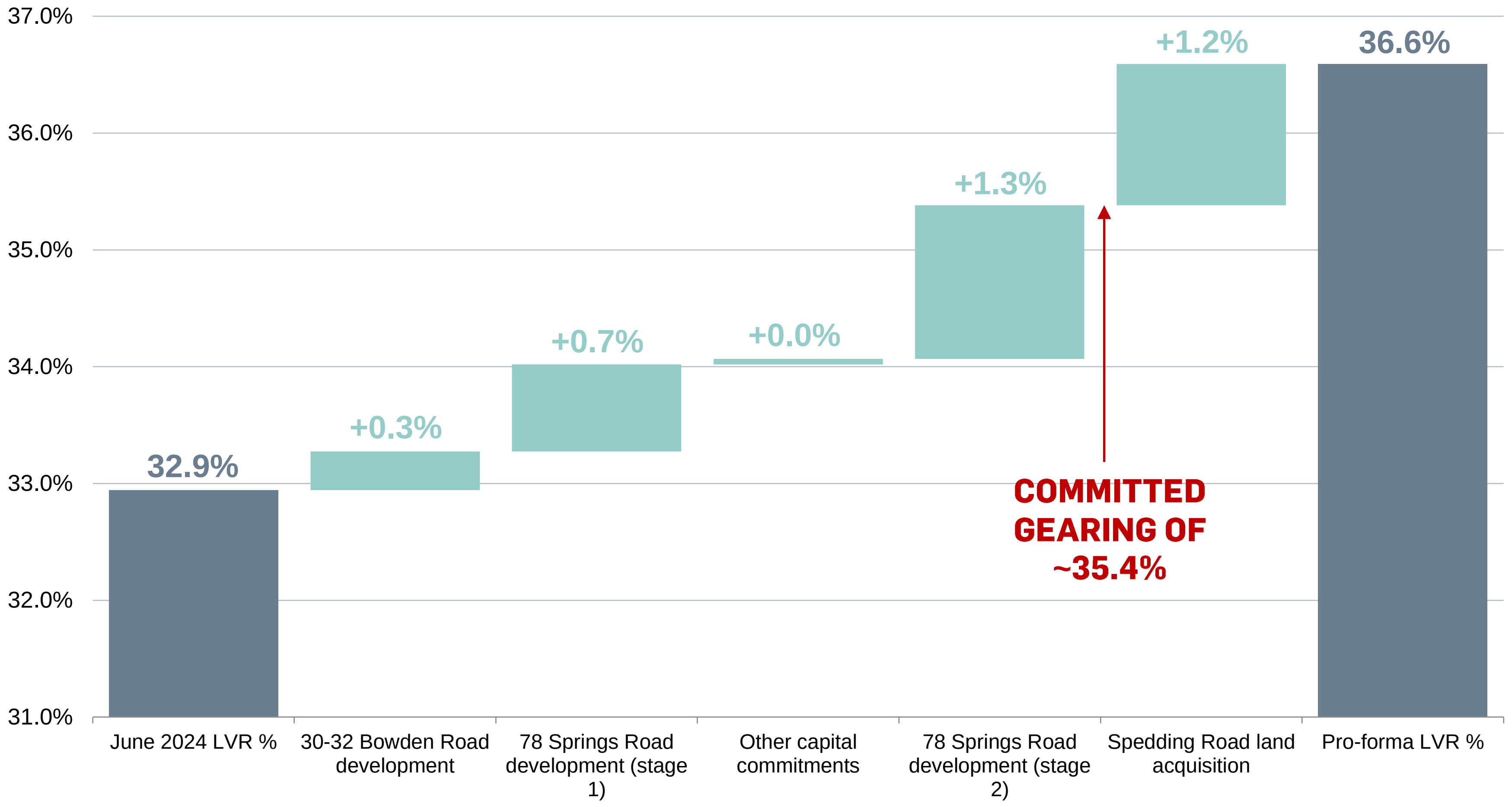


- Fixed rate payer hedging profile (bottom graph) provides for an average of ~57% of debt to be hedged at an average fixed rate of ~2.74% during FY25, offering some protection from floating interest rates



[1]As at 14 August 2024

- June 2024 gearing of 32.9% lifting to ~35.4% after committed acquisitions, divestments and projects, near the middle of PFI's target range
- Spedding Road land acquisition ($40.6m) conditional on titles being received and works being complete, resulting in gearing of ~36.6% by mid-2027, all else equal
- Funding for near-term development pipeline covered by existing liquidity profile, funding options for Stage 3 of Springs Road and Spedding Road currently being assessed



05.

SUSTAINABILITY

TARGETS: HOW WE'RE TRACKING

GREEN STAR

SOLAR

METERING

TARGET

Significant new buildings to target minimum 5 Green Star rating

STATUS

ON TRACK

Bowden Road Stage 1 awarded a 5 Green Star rating[1]

Bowden Road Stage 2 and Springs Road Stage 1 both targeting 5 Green Star certification

TARGETS: HOW WE'RE TRACKING

GREEN STAR

SOLAR

METERING

TARGET

Install solar systems at five buildings by the end of 2025

STATUS

ACHIEVED

We have installed 1180 solar panels across 5 buildings in collaborations with our tenants AMI RepairHub, Electrolux, Daikin, Tokyo Food and Central Joinery

TARGETS: HOW WE'RE TRACKING

GREEN STAR

SOLAR

METERING

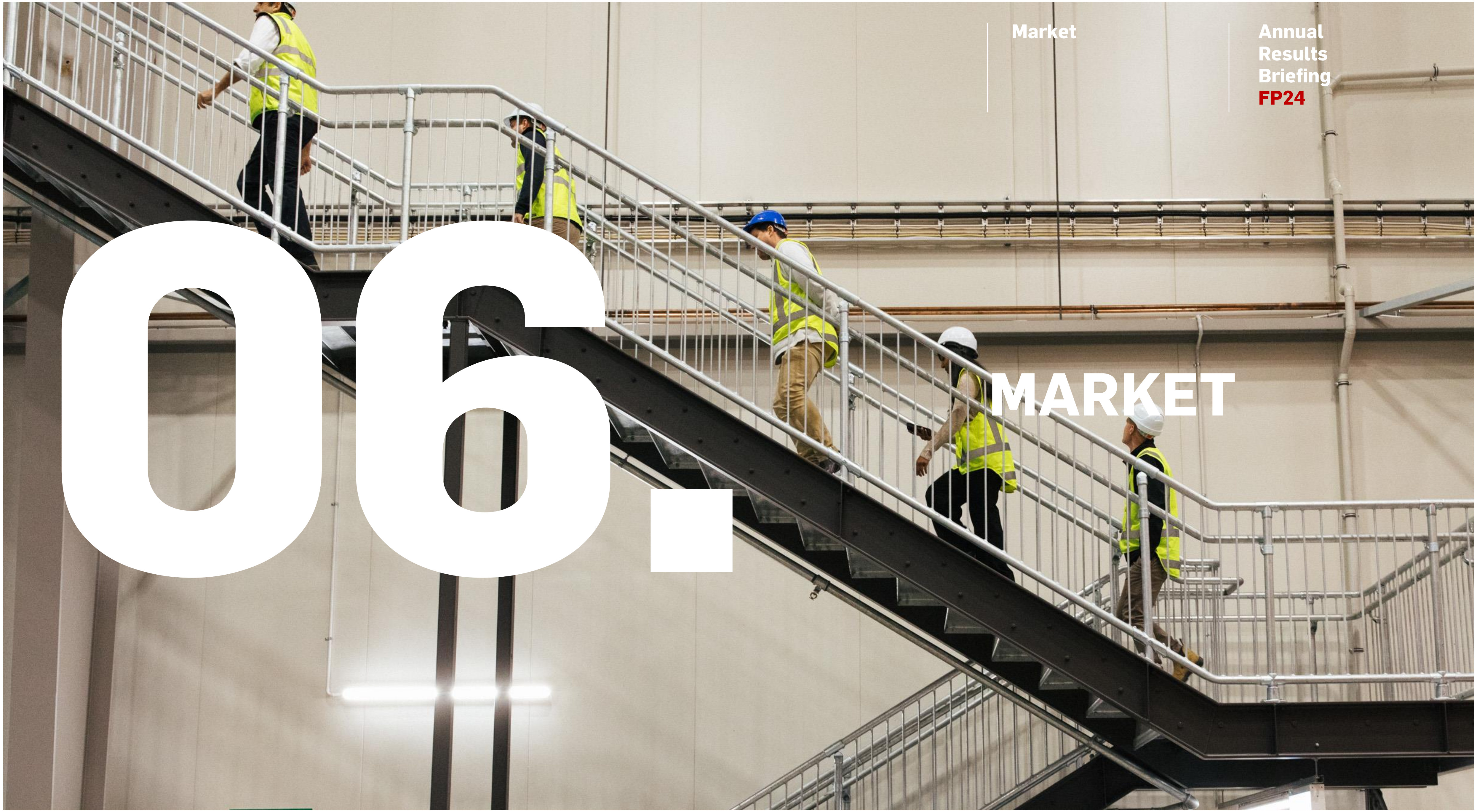
TARGET

Implement power metering and monitoring for 50% of properties by the end of 2025

STATUS

ACHIEVED

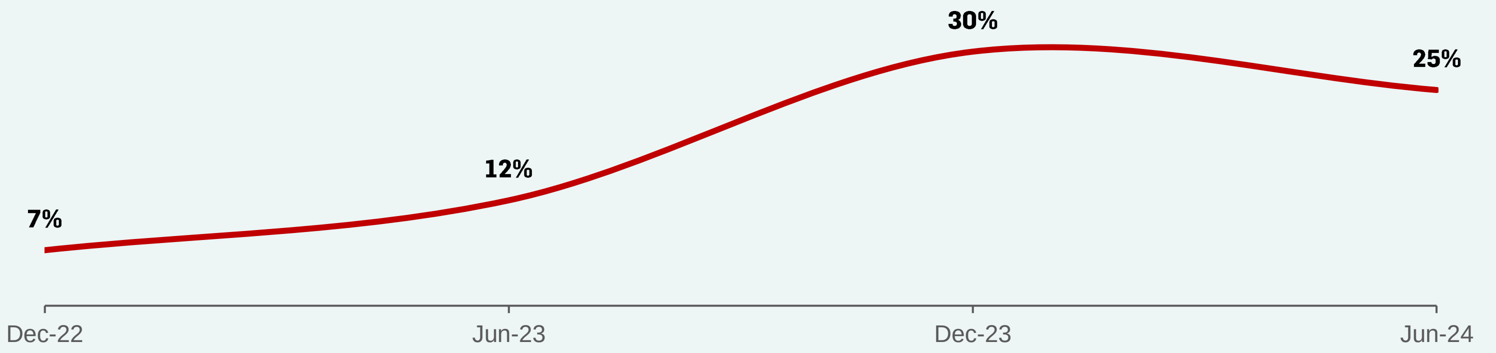
We have installed power metering at 57 properties, equal to 63% of our portfolio



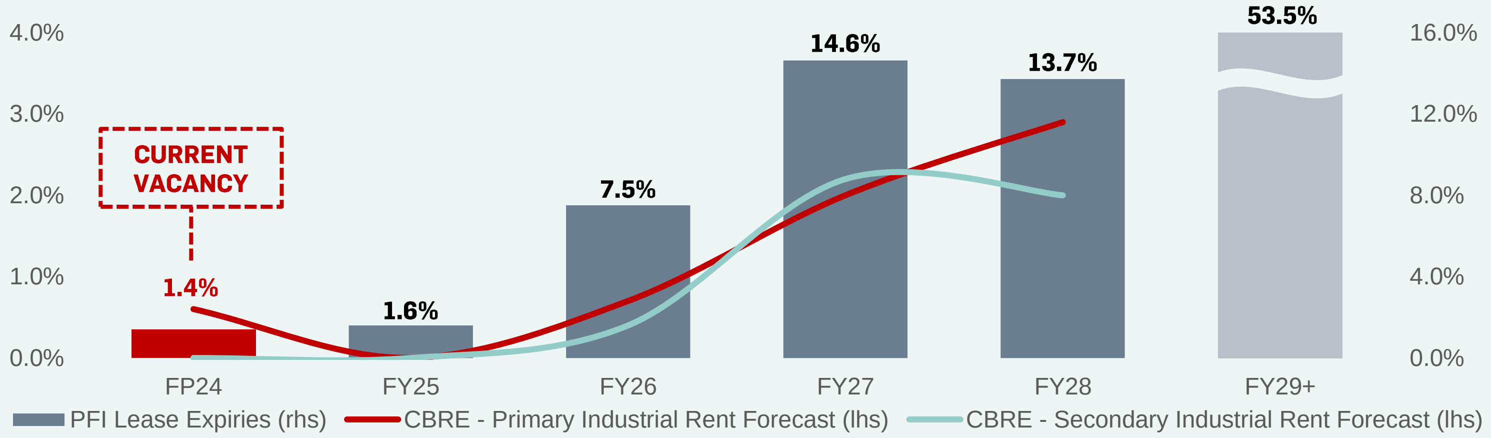
06. MARKET

- Significant re-leasing spreads being achieved following strong market rental growth over the last three years (over 30% cumulative growth), helping offset increased borrowing costs (top chart)
- PFI's ~16% portfolio under-renting provides embedded pathway for near-to-medium-term rental growth
- CBRE forecasting Auckland market rental growth to slow in near-term, driven by slowdown in domestic economy and absorption of new supply, with incentives expected to increase from record low levels
- PFI's portfolio is well positioned with limited vacancy and low levels of expiries[3] in the next 24 months (~10% of contract rent, bottom chart)
- Higher-levels of expiries through FY27-FY28 expected to coincide with return to more favourable occupier market conditions (bottom chart)

PFI RE-LEASING SPREADS ACHIEVED OVER THE PAST TWO YEARS[1]



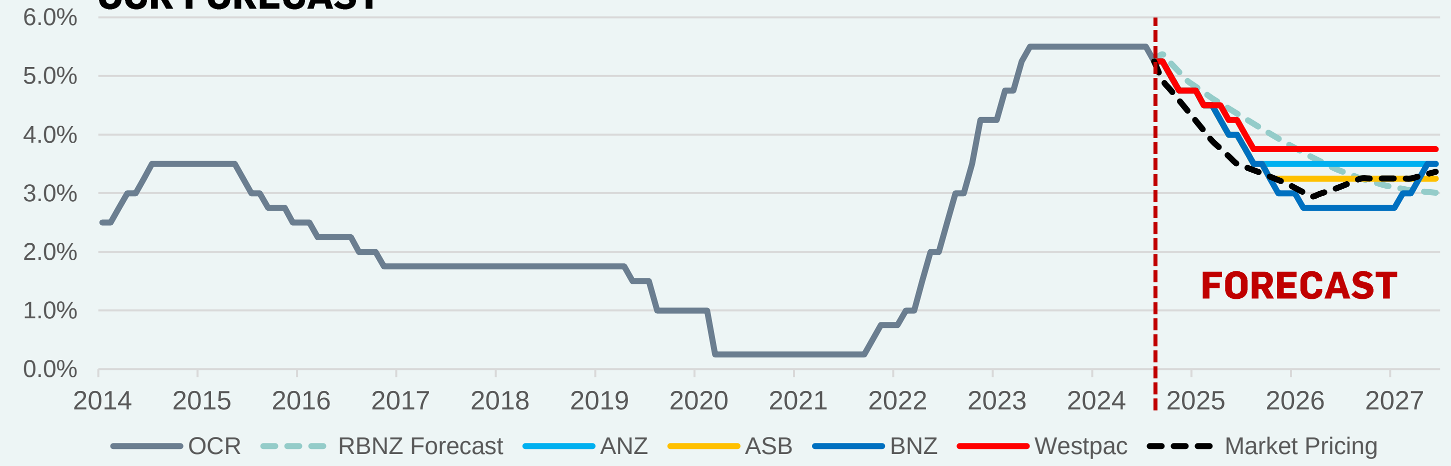
AUCKLAND INDUSTRIAL RENTAL GROWTH[2] MAPPED TO PFI'S LEASE EXPIRIES[3]



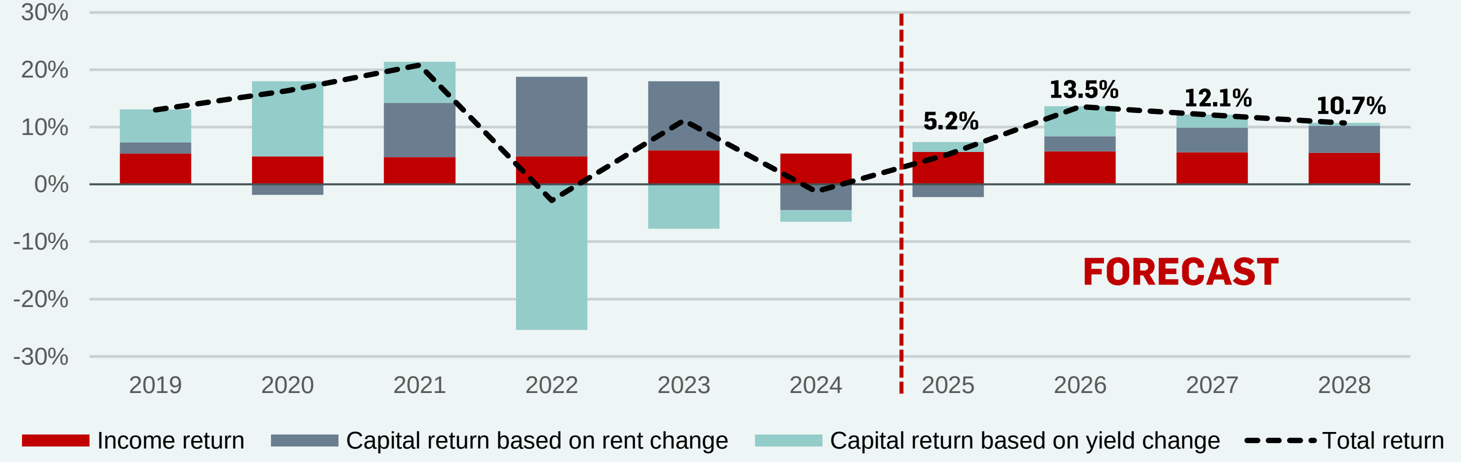
[1]Re-leasing spreads presented on a six-monthly basis, [2]CBRE "Auckland Market Outlook" June 2024, [3]Excludes expiries on pre-leased development sites

- The RBNZ cut the OCR by 0.25% to 5.25% at the August MPS and made significant downward revisions to its projected OCR track, noting headline inflation is returning to the target band of 1-3% and weak activity is contributing to spare capacity in the economy (top chart)
- Markets are now pricing ~0.75% of OCR cuts over the two remaining RBNZ policy meetings of 2024 and a cumulative 2.00% of cuts by the end of 2026, with main bank economists also predicting between 1.75% to 2.50% of cuts over the same period (top chart)
- As evidenced by PFI's revaluation outcomes for the six months to 30 June 2024, the rate of cap rate softening in the last six months has been the lowest since the effects of the RBNZ's recent tightening cycle were first felt in 2022 (bottom chart)
- Looking forward, CBRE forecast Auckland industrial total returns to average ~10.4% over the next four years, as yields respond to forecast interest rate cuts and under-renting gaps close (bottom chart)

OCR FORECAST[1]

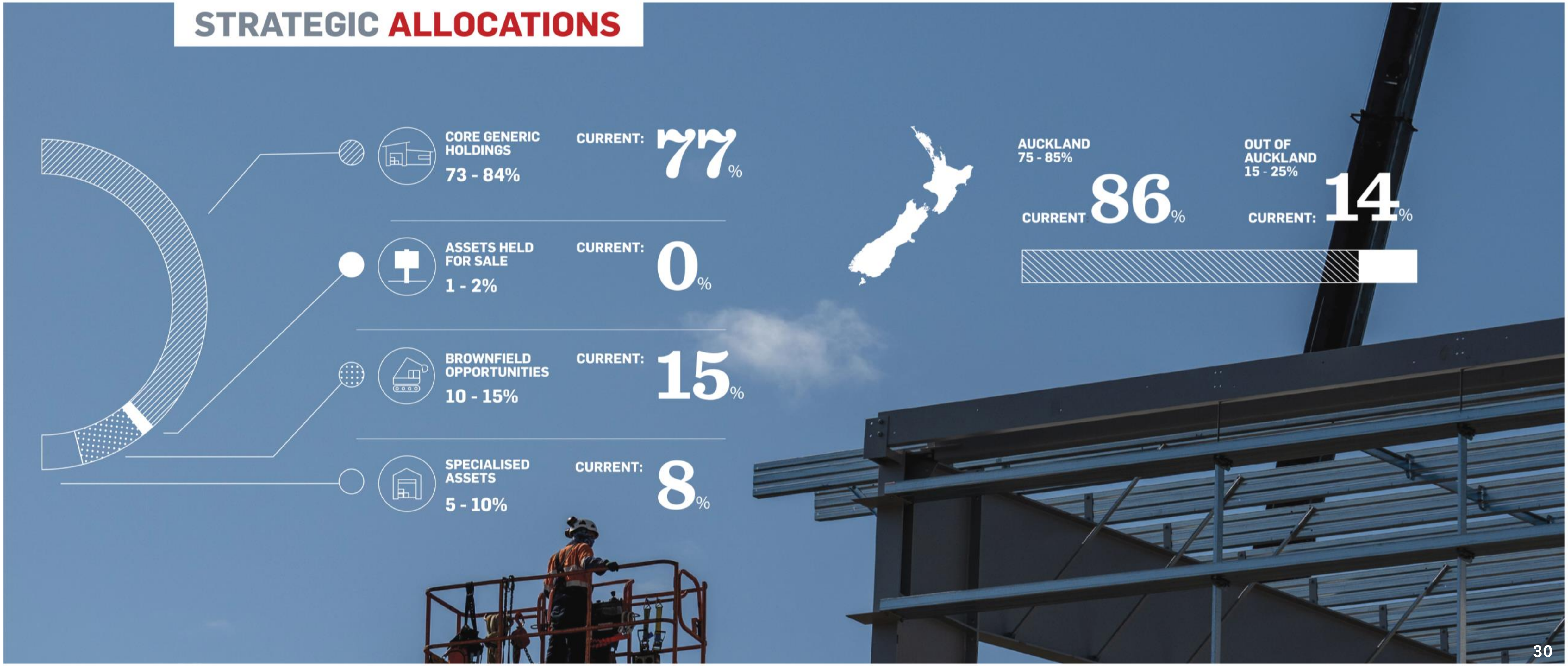


CBRE – AUCKLAND INDUSTRIAL TOTAL RETURNS[2]



[1]RBNZ, Bloomberg, ANZ Research, ASB Economics, BNZ Research, Westpac Economics as at 22 August 2024, [2]CBRE "Auckland Market Outlook" June 2024

07. OUR PRIORITIES


STRATEGIC ALLOCATIONS
CORE GENERIC HOLDINGS
73 - 84%
CURRENT: 77%
ASSETS HELD FOR SALE
1 - 2%
CURRENT: 0%
BROWNFIELD OPPORTUNITIES
10 - 15%
CURRENT: 15%
SPECIALISED ASSETS
5 - 10%
CURRENT: 8%
AUCKLAND
75 - 85%
CURRENT 86%
OUT OF AUCKLAND
15 - 25%
CURRENT: 14%

30-32 BOWDEN RD
MT WELLINGTON

- Tokyo Food building has achieved practical completion and has been awarded a 5 Green Star rating[1]
- Speculative component leased to Daikin for a term of 12-years, expected to complete in October 2024

78 SPRINGS RD
EAST TAMAKI

- Stage 1 is ahead of schedule and on budget, with completion now expected in November 2024
- Post-balance date, tenant commitment secured for Stage 2 (~6,500 sqm of warehouse leased to MiTek, remaining ~4,800 sqm to be developed on a speculative basis)

SPEDDING ROAD
WHENUAPAI

- Spedding Road provides the opportunity to invest an additional ~$130m (including land) into PFI's development pipeline, bringing PFI's total pipeline of incremental development spend to ~$350m[2]

OTHER

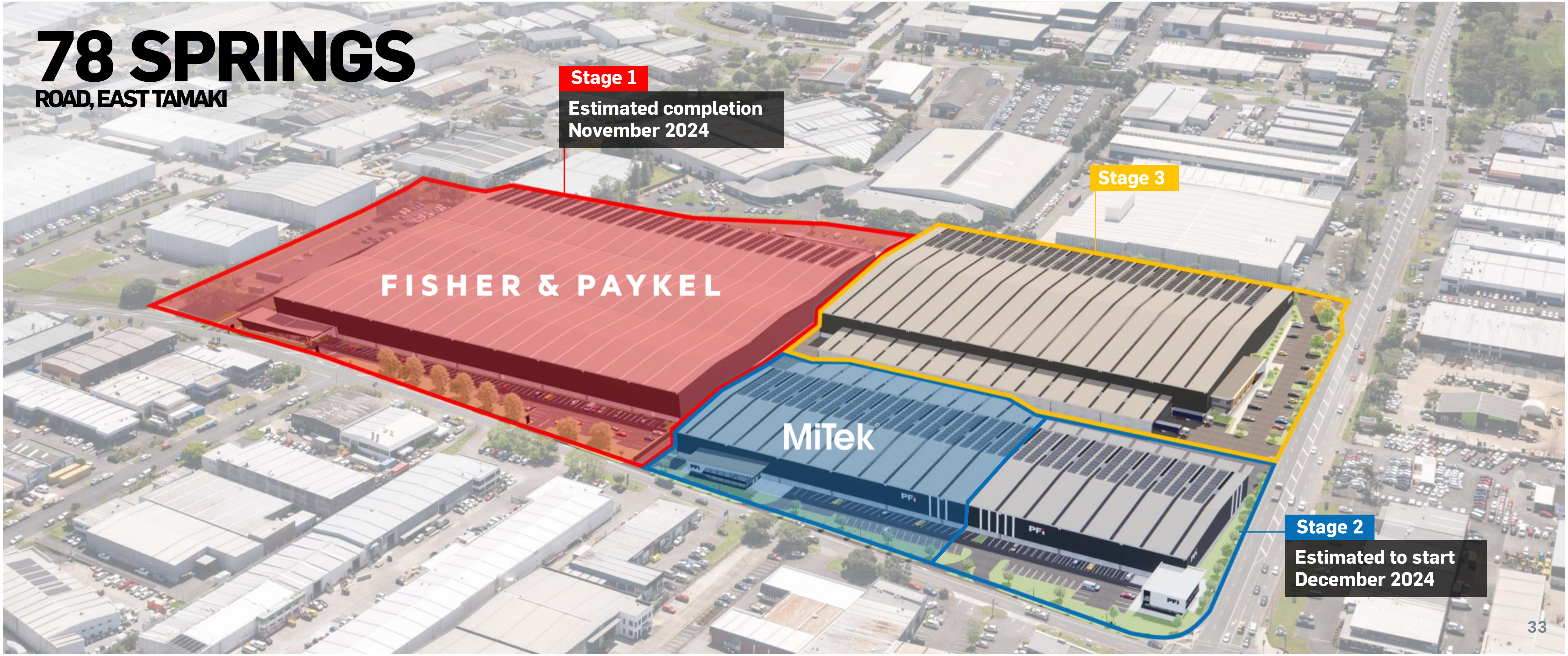
- PFI to commence redevelopment of remaining brownfield sites from 2027 and beyond
- Redevelopment of end-of-life buildings to a Green Star standard is a key part of PFI's transition to a low-carbon, climate-resilient portfolio

[1]Being a 5 Star Green Star Design & As Built NZv1.0 Design rating, [2]Excludes value of land already owned

30-32 BOWDEN
ROAD, MT WELLINGTON

- Spec build leased to Daikin for a term of 12-years, 100% of development now leased for an average lease term of 12-years
- Tokyo Food building has achieved practical completion and has been awarded a 5 Green Star rating[1], Daikin building expected to complete in October 2024 following additional design changes
- Expected to be delivered on time and in line with budget, once complete, the two buildings will combine to create PFI's first 5 Green Star rated industrial estate, with close to 24,000 sqm of covered workable area

[1]Being a 5 Star Green Star Design & As Built NZv1.0 Design rating


78 SPRINGS
ROAD, EAST TAMAKI
Stage 1
Estimated completion November 2024
FISHER & PAYKEL
Stage 3
MiTek
Stage 2
Estimated to start December 2024

- Stage 1 of the project will see the delivery of a 25,500 sqm 5 Green Star rated warehouse for long-term tenant Fisher & Paykel Appliances, with an option to expand the warehouse to 30,000 sqm
- The programme of works for Stage 1 is ahead of schedule and on budget, with completion now expected in November 2024
- Stage 1 expected to deliver a yield on cost in excess of 5.3%, ~$23m of remaining spend as at 30 June 2024

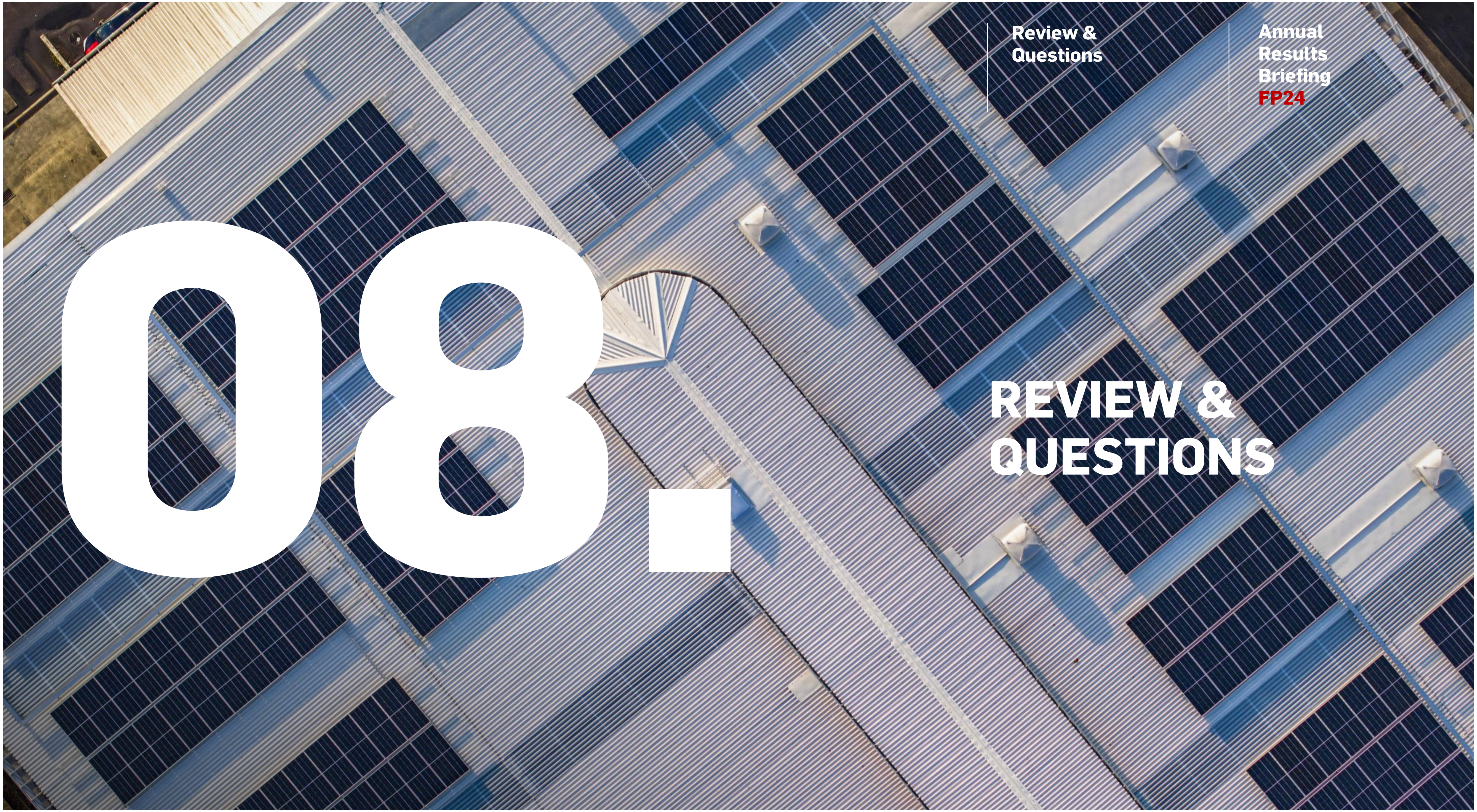
- Design and Build Agreement to Lease signed with MiTek, PFI to develop ~6,500 sqm of warehouse, anchoring Stage 2, with the balance (~4,800 sqm of warehouse) to be developed on a speculative basis
- Early works (demolition, earthworks etc) are expected to begin in late 2024 / early 2025, with the project expected to complete in mid / late 2026
- Stage 2 has an estimated total incremental cost of around $42m, with a targeted yield on cost, including land, in excess of 6%

- Current plans for the balance of the site (Stage 3) include a ~17,500 sqm warehouse with 500 sqm of office, 4,200 sqm of breezeway and canopies and 2,300 sqm of yard
- Stage 3 has an estimated incremental cost of ~$50m, and is likely to be tenant-led
- Based on current plans, once complete, all three stages of the redevelopment of 78 Springs Road are expected to combine to create over 70,000 sqm of 5 Green Star rated, covered, workable industrial area

SPEDDING ROAD

INDUSTRIAL ESTATE, WHENUAPAI

- Spedding Road land acquisition ($40.6m) conditional on titles being received and works being complete (expected mid-2025)
- 5% deposit payable on subdivision consents being obtained (no later than 30 November 2024), 45% payable on titles being received and vendor works complete, remaining 50% payable in two instalments, 12 and 24-months following titles
- Early plans allow for ~40,000 sqm of covered workable area once complete, estimated total project spend of ~$130m (including land), a decrease of ~$20m on initial estimates, reflective of design changes and recent construction estimates received
- Strong levels of tenant enquiry to date, in advanced discussions with prospective tenant for ~7,000 sqm of industrial facilities



08.

REVIEW & QUESTIONS

HIGHLIGHTS:

FP24 result

Portfolio under-renting provides embedded growth

Green Star development pipeline advanced

Liquidity profile extended

"Positive leasing outcomes have continued to deliver a growing income stream in the face of a high interest rate environment. With 100% of PFI's active brownfield development pipeline now leased, our attention shifts to capturing value from the next stages of the redevelopment of Springs Road and the development of land at Spedding Road, supported by an interest rate environment that is forecast to improve in the next 24 months."

Simon Woodhams
Chief Executive Officer

The information included in this presentation is provided as at 26 August 2024 and should be read in conjunction with the annual report, NZX results announcement, NZX Form –Results Announcement and NZX Form –Distribution Notice issued on that same day.

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The presentation includes a number of forward looking statements. Forward looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond PFI's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative.

Our results are reported under NZ IFRS. This presentation includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in this presentation include Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO). The calculation of FFO and AFFO is set in Appendix 1 of PFI's annual results announcement to which this presentation is attached.

FFO and AFFO are common property investor metrics and therefore we believe they provide useful information to readers to assist in the understanding of our financial performance, financial position and returns. They should not, however, be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled measures reported by other entities.

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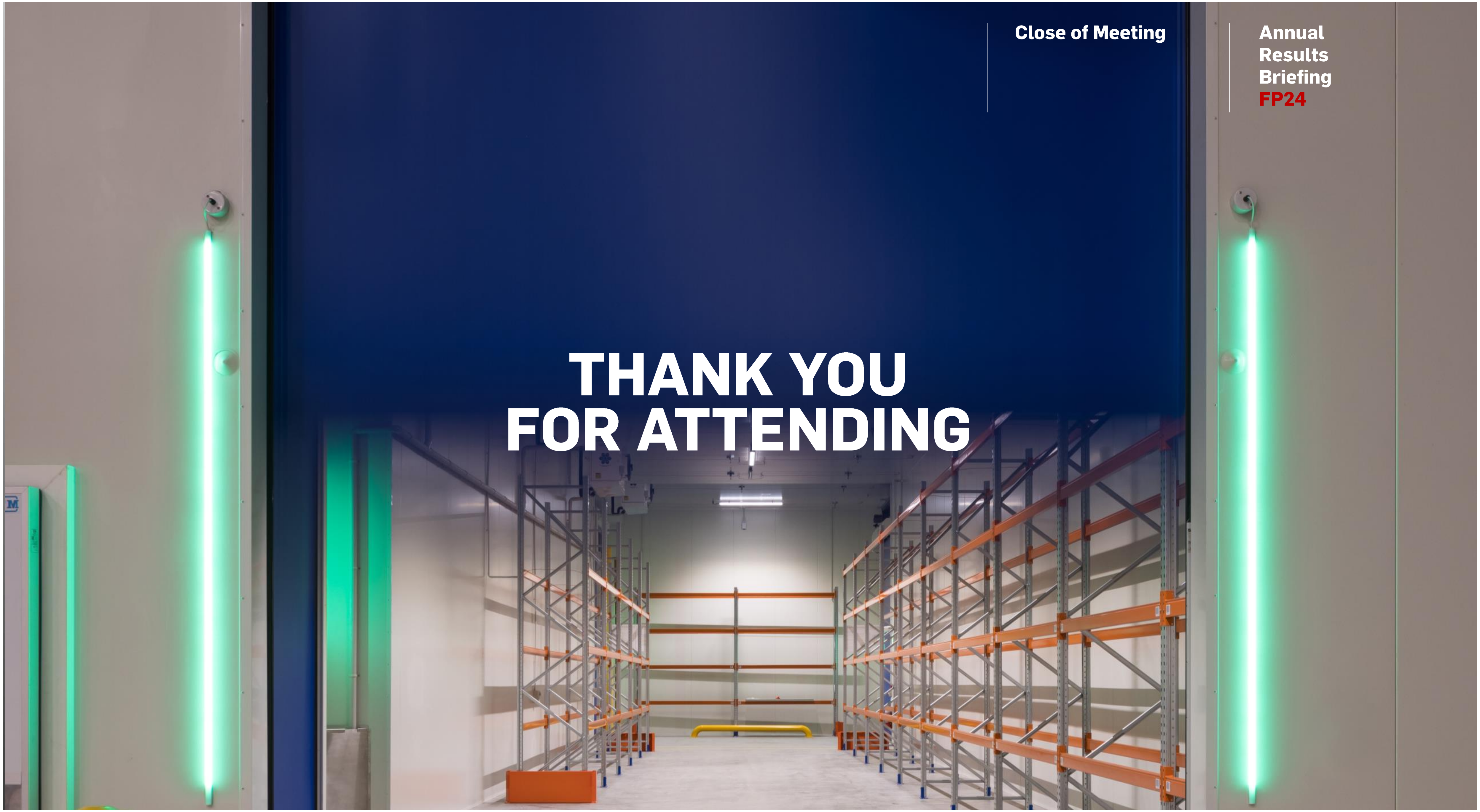

THANK YOU FOR ATTENDING