

## NZX RELEASE

22 June 2020

# Kiwi Property business and dividend update

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Kiwi Property is pleased to provide the following business and dividend update:

### **Pedestrian count**

The number of visitors to Kiwi Property's shopping centre portfolio has returned to pre-COVID-19 levels. Since New Zealand's move to Alert Level 2 and the resumption of normal trading on 14 May, the average pedestrian count for the Company's portfolio is up 1% on the same period last year. Some centres have recovered particularly strongly, including Sylvia Park in Auckland and The Plaza in Palmerston North.

### **Rent relief**

As outlined in previous updates, Kiwi Property has taken a number of steps to mitigate the impact of COVID-19 across its business and to support its tenants. These measures include the implementation of a comprehensive cost control programme and rent relief measures for affected retailers, and SMEs. Negotiations with Kiwi Property's tenants are ongoing, however abatements are expected to be in-line with the guidance provided at the Company's full year results (FFO<sup>1</sup> impact of approximately \$20 million or \$14 million after tax, partially offset by an approximately \$4.5 million reduction in tax resulting from the reinstatement of depreciation on commercial buildings).

### **Dividend**

As previously reported, the Kiwi Property Board made the difficult decision not to proceed with the final dividend for the year ended 31 March 2020, due to the inherent uncertainty caused by COVID-19. In light of New Zealand's return to Alert Level 1 and the increased clarity around the country's trading environment, the Company intends to pay an interim dividend for the year ending 31 March 2021<sup>2</sup>. The dividend will comprise 90 – 100% of Kiwi Property's underlying cash flows (AFFO<sup>1</sup>) for the six-month period to 30 September 2020, in accordance with its new dividend policy.

Further dividend and earnings updates will be provided to the market once trading conditions and rental collections have normalised.

### **Ends**

### **Notes**

1. Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) are non-GAAP performance measures used by Kiwi Property to assist investors in assessing the Company's underlying operating performance. FFO and AFFO are measures commonly used by real estate entities to describe their underlying and recurring earnings from operations. FFO and AFFO do not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO and AFFO are calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia.

2. The interim dividend for the financial year ending 31 March 2021 would be payable in December 2020 and is subject to the absence of material adverse effects (such as disruptions to business activity) or other unforeseen circumstances, including further COVID-19 related lockdowns or significant decreases in asset values or income.



## Contact us for further information

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## About us

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Kiwi Property (NZX: KPG) is one of the largest listed property companies on the New Zealand Stock Exchange and is a member of the S&P/NZX 20 Index. We've been around for over 25 years and proudly own and manage a significant real estate portfolio, comprising some of New Zealand's best mixed-use, retail and office buildings. Our objective is to provide investors with a reliable investment in New Zealand property through the ownership and active management of a diversified, high-quality portfolio. S&P Global Ratings has assigned Kiwi Property an issuer credit rating of BBB (stable) and an issue credit rating of BBB+ for each of its fixed rate senior secured bonds. Kiwi Property is the highest rated New Zealand company within CDP (Carbon Disclosure Project) and is a member of FTSE4 Good, a series of benchmark and tradable indices for ESG (Environmental, Social and Governance) investors. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website [kp.co.nz](http://kp.co.nz)