

# Investore

## FY20 Result — Cashed up to go shopping

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### OUTPERFORM

Investore (IPL) reported a steady FY20 result with distributable profit of NZ\$21.1m, underpinned by solid rent growth and lower finance costs offsetting higher management fees. Distributable profit was slightly ahead of our expectations while adjusted funds from operations (AFFO) per share was -13.9% YoY to 6.5cps, largely due to higher tenant incentives and maintenance capex as well as capital raising dilution. FY21 DPS guidance of 7.6cps was unchanged although upside potential was tempered. IPL's appeal is its defensive supermarket based rental income which underpins its 4.5% cash yield as well as its low gearing (30% vs. maximum of 48%), providing headroom to drive better distribution growth via opportunistic acquisitions. We have made minor adjustments to our AFFO per share forecasts but our NZ\$1.85 target price and OUTPERFORM rating remain unchanged.

| NZX Code           | IPL               | Financials: Mar/             | 20A  | 21E  | 22E  | 23E  | Valuation (x)     | 20A  | 21E  | 22E  | 23E  |
|--------------------|-------------------|------------------------------|------|------|------|------|-------------------|------|------|------|------|
| Share price        | NZ\$1.70          | NPAT* (NZ\$m)                | 21.1 | 27.5 | 29.9 | 30.7 | EV/EBITDA         | 19.9 | 17.0 | 16.7 | 16.5 |
| Target price       | NZ\$1.85          | EPS* (NZc)                   | 7.7  | 7.6  | 8.1  | 8.3  | EV/EBIT           | 19.9 | 17.0 | 16.7 | 16.5 |
| Risk rating        | Low               | EPS growth* (%)              | -4.4 | -1.4 | 6.8  | 2.7  | PE                | 22.2 | 22.5 | 21.1 | 20.5 |
| Issued shares      | 304.5m            | DPS (NZc)                    | 7.6  | 7.6  | 7.6  | 7.7  | Price / NTA       | 1.0  | 1.0  | 1.0  | 1.0  |
| Market cap         | NZ\$518m          | Imputation (%)               | 100  | 100  | 100  | 100  | Cash div yld (%)  | 4.5  | 4.5  | 4.5  | 4.5  |
| Avg daily turnover | 226.1k (NZ\$401k) | *Based on normalised profits |      |      |      |      | Gross div yld (%) | 6.4  | 6.4  | 6.4  | 6.5  |

### Balance sheet headroom for acquisitions

The April 2020 capital raise reduced IPL's gearing to 30.4% and provides acquisition headroom of NZ\$300m, based on its maximum LVR of 48% (covenant 65%) or NZ\$148m based on current bank facilities. IPL's strategy remains acquiring and/or developing Large Format Retail (LFR) assets with a focus on tenants who provide everyday needs. While IPL's assets are typically standalone stores, the recent acquisition of two shopping centres with a higher proportion of specialty tenants suggests its mandate has broadened slightly. Furthermore, IPL has a goal to diversify its tenant base, with Countdown currently being 63% of contract rent. However, LFR assets remain in demand and vendor motivation to sell is low, potentially limiting near-term acquisition opportunities.

### An uptick in lease expiry and potential vacancy

Expiries over the next two years are 4.3%/3.5% of contract rent (vs. 1.1%/2.1% in FY20) with key FY21 expiries being Johnsonville Warehouse (1.1% of contract rent) and Countdown Mt Wellington (2.3%). FY22 expiries include The Warehouse MacLaggan St, Dunedin (1.5%) and NZ Post at Bay Central (0.8%). This is the most significant forward leasing in IPL's short history. Management were confident of Countdown renewals but expected vacancy at both Warehouse sites.

### FY21 guidance unchanged

FY21 DPS guidance of 7.6cps was unchanged and upside potential was tempered. While COVID-19 tenant support is tracking in line with management expectations (NZ\$1-2m) and smaller tenant vacancy is yet to materialise, this slight change to guidance likely reflects a more cautious view on leasing up of vacancy and expiry as well as acquisition execution. Our earnings adjustments (FY21-23E AFFO per share -0.5%/-1.2%/-2.2%) are largely driven by vacancy at both Warehouse sites with 12 months downtime in our forecasts. Our modest DPS growth track reflects IPL tracking back to an AFFO covered payout over the next 4 years, FY20 payout was 117%.

## Investore (IPL)

Priced as at 03 Jun 2020 (NZ\$)

1.70

### 12-month target price (NZ\$)\*

1.85

Expected share price return

8.8%

Net dividend yield

4.5%

Estimated 12-month return

13.3%

### Spot valuations (NZ\$)

1. DCF

1.95

2. NAV

1.66

n/a

n/a

### Key WACC assumptions

Risk free rate

2.00%

Equity beta

0.70

WACC

4.9%

Terminal growth

1.5%

### DCF valuation summary (NZ\$m)

Total firm value

852

(Net debt)/cash

(233)

Less: Capitalised operating leases

0

Value of equity

616

### Profit and Loss Account (NZ\$m)

|                               | 2019A       | 2020A       | 2021E       | 2022E       | 2023E       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sales revenue                 | 46.1        | 46.9        | 53.0        | 54.6        | 55.1        |
| <b>Normalised EBITDA</b>      | <b>40.1</b> | <b>39.6</b> | <b>45.3</b> | <b>47.5</b> | <b>48.0</b> |
| Depreciation and amortisation | 0           | 0           | 0           | 0           | 0           |
| <b>Normalised EBIT</b>        | <b>40.1</b> | <b>39.6</b> | <b>45.3</b> | <b>47.5</b> | <b>48.0</b> |
| Net interest                  | (13.8)      | (13.4)      | (12.7)      | (12.0)      | (11.1)      |
| Associate income              | 0           | 0           | 0           | 0           | 0           |
| Tax                           | (5.3)       | (5.2)       | (5.1)       | (5.7)       | (6.2)       |
| Minority interests            | 0           | 0           | 0           | 0           | 0           |
| <b>Normalised NPAT</b>        | <b>20.9</b> | <b>21.1</b> | <b>27.5</b> | <b>29.9</b> | <b>30.7</b> |
| Abnormals/other               | (17.7)      | (7.5)       | (2.1)       | (6.7)       | (7.6)       |
| <b>Reported NPAT</b>          | <b>38.6</b> | <b>28.6</b> | <b>29.6</b> | <b>36.6</b> | <b>38.3</b> |
| Normalised EPS (cps)          | 8.0         | 7.7         | 7.6         | 8.1         | 8.3         |
| DPS (cps)                     | 7.6         | 7.6         | 7.6         | 7.6         | 7.7         |

### Growth Rates

|                     | 2019A | 2020A | 2021E | 2022E | 2023E |
|---------------------|-------|-------|-------|-------|-------|
| Revenue (%)         | 6.8   | 1.8   | 12.9  | 2.9   | 1.1   |
| EBITDA (%)          | 6.2   | -1.0  | 14.3  | 4.8   | 1.1   |
| EBIT (%)            | 6.2   | -1.0  | 14.3  | 4.8   | 1.1   |
| Normalised NPAT (%) | 1.8   | 0.8   | 30.4  | 8.7   | 2.7   |
| Normalised EPS (%)  | 2.1   | -4.4  | -1.4  | 6.8   | 2.7   |
| Ordinary DPS (%)    | 1.9   | 0.0   | 0.0   | 0.5   | 0.8   |

### Cash Flow (NZ\$m)

|  | 2019A        | 2020A       | 2021E          | 2022E        | 2023E        |
|--|--------------|-------------|----------------|--------------|--------------|
| <b>EBITDA</b>                          | <b>40.1</b>  | <b>39.6</b> | <b>45.3</b>    | <b>47.5</b>  | <b>48.0</b>  |
| Working capital change                 | 0.2          | 1.1         | 0              | 0            | 0            |
| Interest & tax paid                    | (19.0)       | (20.8)      | (17.8)         | (17.6)       | (17.3)       |
| Other                                  | 0            | 0           | 0              | 0            | 0            |
| <b>Operating cash flow</b>             | <b>21.2</b>  | <b>19.9</b> | <b>27.5</b>    | <b>29.9</b>  | <b>30.7</b>  |
| Capital expenditure                    | (5.5)        | (1.4)       | (8.7)          | (3.8)        | (2.8)        |
| (Acquisitions)/divestments             | 0            | 7.1         | (130.4)        | 0            | 0            |
| Other                                  | 98.5         | (1.6)       | 0              | 0            | 0            |
| <b>Funding available/(required)</b>    | <b>114.1</b> | <b>24.0</b> | <b>(111.6)</b> | <b>26.1</b>  | <b>27.9</b>  |
| Dividends paid                         | (19.7)       | (20.7)      | (27.7)         | (28.3)       | (28.5)       |
| Equity raised/(returned)               | (2.6)        | 76.0        | 97.7           | 0            | 0            |
| <b>(Increase)/decrease in net debt</b> | <b>91.8</b>  | <b>79.2</b> | <b>(41.6)</b>  | <b>(2.2)</b> | <b>(0.7)</b> |

### Balance Sheet (NZ\$m)

|                              | 2019A        | 2020A        | 2021E        | 2022E        | 2023E        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| Working capital              | (3.8)        | (5.4)        | (5.4)        | (5.4)        | (5.4)        |
| Fixed assets                 | 742.1        | 772.5        | 919.1        | 929.6        | 940.1        |
| Intangibles                  | 0            | 0            | 0            | 0            | 0            |
| Right of use asset           | 0            | 0            | 0            | 0            | 0            |
| Other assets                 | 22.2         | 9.3          | 3.9          | 3.9          | 3.9          |
| <b>Total funds employed</b>  | <b>760.6</b> | <b>776.5</b> | <b>917.7</b> | <b>928.2</b> | <b>938.7</b> |
| Net debt/(cash)              | 311.5        | 232.7        | 274.3        | 276.5        | 277.1        |
| Lease liability              | 0            | 0            | 0            | 0            | 0            |
| Other liabilities            | 5.8          | 6.0          | 6.0          | 6.0          | 6.0          |
| Shareholder's funds          | 443.2        | 537.8        | 637.4        | 645.8        | 655.6        |
| Minority interests           | 0            | 0            | 0            | 0            | 0            |
| <b>Total funding sources</b> | <b>760.6</b> | <b>776.5</b> | <b>917.7</b> | <b>928.2</b> | <b>938.7</b> |

\* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend

### Valuation Ratios

|                          | 2019A | 2020A | 2021E | 2022E | 2023E |
|--------------------------|-------|-------|-------|-------|-------|
| EV/EBITDA (x)            | 20.6  | 19.9  | 17.0  | 16.7  | 16.5  |
| EV/EBIT (x)              | 20.6  | 19.9  | 17.0  | 16.7  | 16.5  |
| PE (x)                   | 21.2  | 22.2  | 22.5  | 21.1  | 20.5  |
| Price/NTA (x)            | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Free cash flow yield (%) | 3.0   | 3.6   | 3.6   | 5.0   | 5.4   |
| Net dividend yield (%)   | 4.5   | 4.5   | 4.5   | 4.5   | 4.5   |
| Gross dividend yield (%) | 6.4   | 6.4   | 6.4   | 6.4   | 6.5   |

### Capital Structure

|                           | 2019A | 2020A | 2021E | 2022E | 2023E |
|---------------------------|-------|-------|-------|-------|-------|
| Interest cover EBIT (x)   | 2.9   | 3.0   | 3.6   | 4.0   | 4.3   |
| Interest cover EBITDA (x) | 2.9   | 3.0   | 3.6   | 4.0   | 4.3   |
| Net debt/ND+E (%)         | 41.3  | 30.2  | 30.1  | 30.0  | 29.7  |
| Net debt/EBITDA (x)       | 7.8   | 5.9   | 6.1   | 5.8   | 5.8   |

### Key Ratios

|                              | 2019A | 2020A | 2021E | 2022E | 2023E |
|------------------------------|-------|-------|-------|-------|-------|
| Return on assets (%)         | 5.2   | 5.0   | 4.9   | 5.1   | 5.1   |
| Return on equity (%)         | 4.7   | 3.9   | 4.3   | 4.6   | 4.7   |
| Return on funds employed (%) | 4.1   | 4.0   | 4.4   | 4.2   | 4.2   |
| EBITDA margin (%)            | 86.9  | 84.5  | 85.5  | 87.0  | 87.0  |
| EBIT margin (%)              | 86.9  | 84.5  | 85.5  | 87.0  | 87.0  |
| Capex to sales (%)           | 12.0  | 3.1   | 16.5  | 6.9   | 5.1   |
| Capex to depreciation (%)    | n/a   | n/a   | n/a   | n/a   | n/a   |
| Imputation (%)               | 100   | 100   | 100   | 100   | 100   |
| Pay-out ratio (%)            | 95    | 99    | 101   | 95    | 93    |

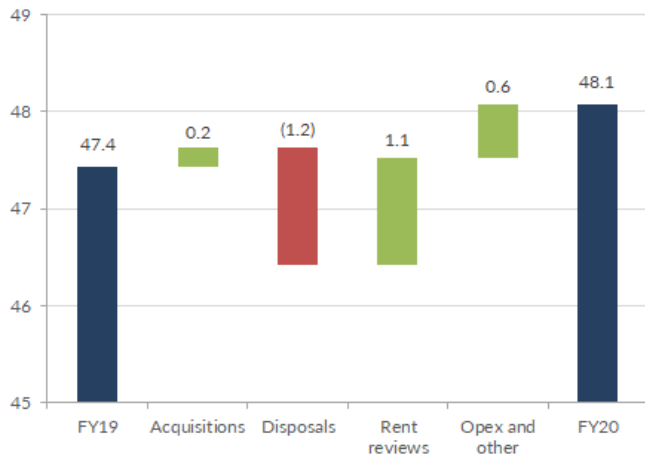
### Portfolio Summary

|                                   | *2016A | 2017A | 2018A | 2019A |
|-----------------------------------|--------|-------|-------|-------|
| Investment properties (NZ\$m)     | 641.4  | 660.4 | 738.3 | 761.2 |
| Weighted average lease term (yrs) | 14.8   | 14.3  | 13.1  | 12.4  |
| Occupancy rate (%)                | 99.7   | 99.8  | 99.9  | 99.9  |
| M'ment/Admin cost % of assets (%) | n/a    | 0.6   | 0.8   | 0.8   |
| NTA per share (NZ\$)              | 1.46   | 1.55  | 1.64  | 1.70  |
| Portfolio cap rate (%)            | 6.44   | 6.36  | 6.19  | 6.05  |
| Portfolio initial yield (%)       | 6.68   | 6.57  | 6.36  |       |

\*metrics shown on a pro-forma basis as at March 2016

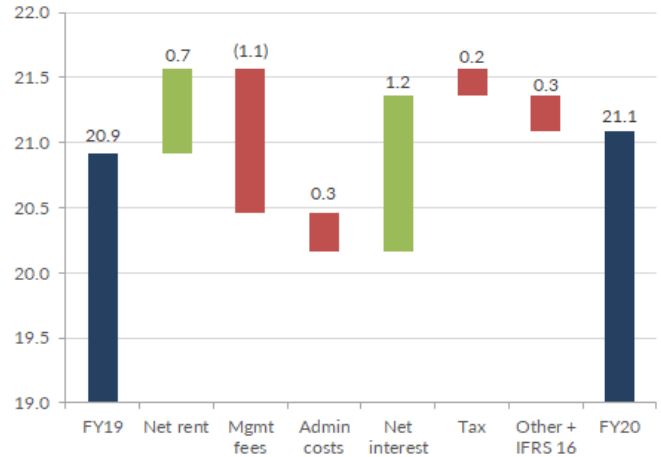
## Result in charts

**Figure 1. Net rental income bridge**



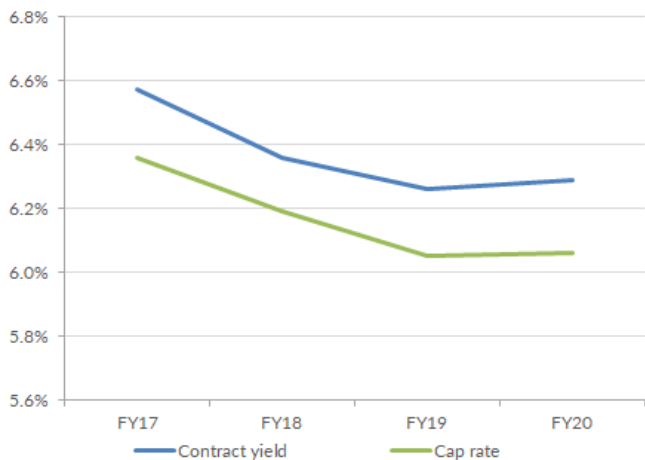
Source: Forsyth Barr analysis, Company reports

**Figure 2. Distributable earnings bridge**



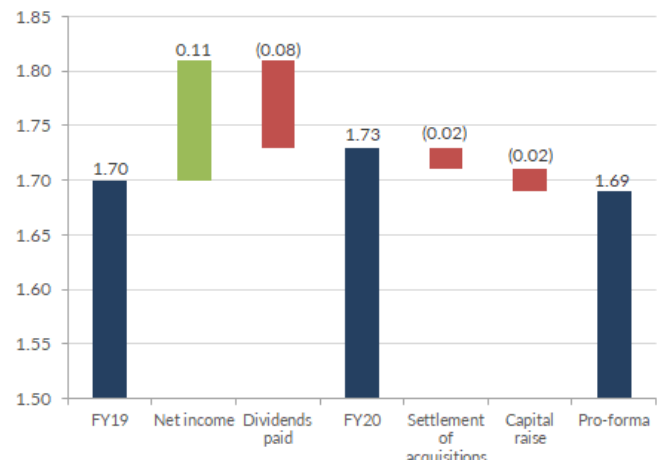
Source: Forsyth Barr analysis, Company reports

**Figure 3. Portfolio contract yield and cap rate**



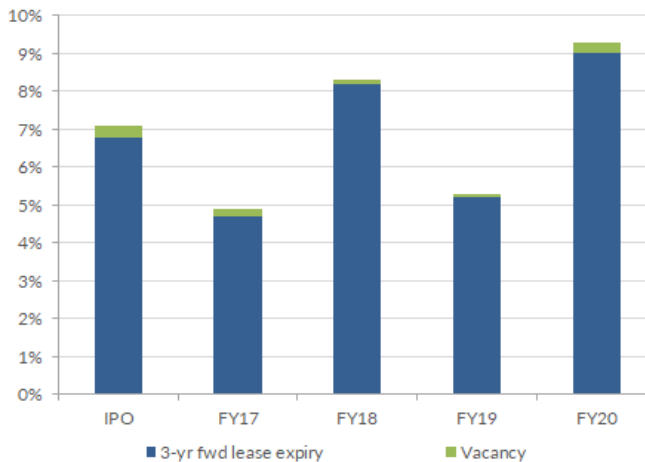
Source: Forsyth Barr analysis, Company reports

**Figure 4. NTA bridge**



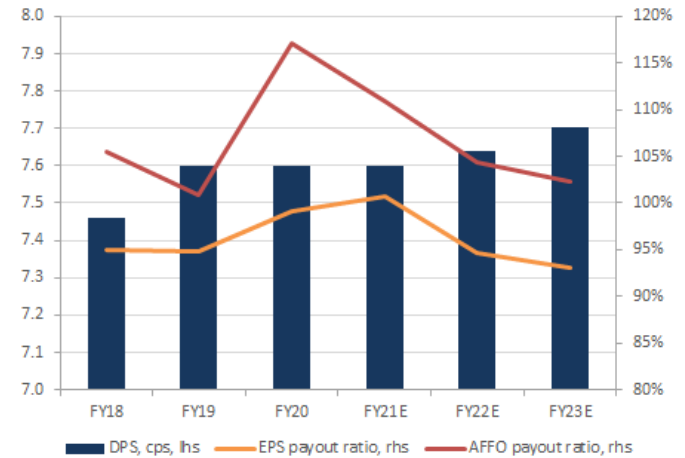
Source: Forsyth Barr analysis, Company reports

**Figure 5. Portfolio vacancy and 3-year forward lease expiry**



Source: Forsyth Barr analysis, Company reports

**Figure 6. DPS and payout**



Source: Forsyth Barr analysis, Company reports

## FY20 result summary and forecast changes

Figure 7. FY20 result summary

| Financial period                 | FY19        | FY20        | Change        | Forsyth Barr | Variance     |
|----------------------------------|-------------|-------------|---------------|--------------|--------------|
| Twelve months ending:            | 03/19       | 03/20       |               | 03/20        |              |
| Net rental income                | 46.1        | 46.9        | 1.8%          | 46.3         | 1.4%         |
| Base corporate costs             | (5.5)       | (5.8)       | 4.2%          | (5.9)        | -1.5%        |
| Performance fees                 | (0.5)       | (1.5)       | n/a           | (1.5)        | 1.0%         |
| <b>EBITDA</b>                    | <b>40.1</b> | <b>39.6</b> | <b>-1.0%</b>  | <b>38.9</b>  | <b>1.8%</b>  |
| Net interest                     | (13.8)      | (13.4)      | -3.1%         | (13.0)       | 2.7%         |
| <b>PBT</b>                       | <b>26.3</b> | <b>26.3</b> | <b>0.0%</b>   | <b>25.9</b>  | <b>1.4%</b>  |
| Current tax                      | (5.3)       | (5.2)       | -3.3%         | (5.4)        | -4.4%        |
| <b>NPAT (underlying)</b>         | <b>20.9</b> | <b>21.1</b> | <b>0.8%</b>   | <b>20.5</b>  | <b>2.9%</b>  |
| Adjustments:                     |             |             |               |              |              |
| Investment property revaluations | 17.2        | 7.7         | -55.2%        |              |              |
| Other non-operating adjustments  | 0.4         | (0.2)       | n/a           |              |              |
| <b>NPAT (reported)</b>           | <b>38.6</b> | <b>28.6</b> | <b>-25.8%</b> | <b>29.0</b>  | <b>-1.4%</b> |
| EPS                              | 8.01        | 7.66        | -4.4%         | 7.45         | 2.8%         |
| AFFO                             | 7.53        | 6.49        | -13.9%        | 6.77         | (4.1%)       |
| DPS                              | 7.60        | 7.60        | -             | 7.60         | -            |
| NTA                              | 1.7         | 1.73        | 1.8%          |              |              |
| Gearing (NZ / total assets)      | 42.0%       | 30.1%       | -28.2%        |              |              |

Source: Forsyth Barr analysis, Company reports

Figure 8. Forecast changes

|                          | 2021E       |             |             | 2022E       |             |              | 2023E       |             |              |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|
|                          | Old         | New         | % chg       | Old         | New         | % chg        | Old         | New         | % chg        |
| Net income               | 51.1        | 53.0        | 3.7%        | 55.0        | 54.6        | -0.8%        | 55.6        | 55.1        | -0.8%        |
| Corporate costs          | (6.3)       | (7.7)       | 22.7%       | (6.6)       | (7.1)       | 6.7%         | (6.7)       | (7.1)       | 6.7%         |
| <b>EBITDA</b>            | <b>44.8</b> | <b>45.3</b> | <b>1.1%</b> | <b>48.4</b> | <b>47.5</b> | <b>-1.8%</b> | <b>48.9</b> | <b>48.0</b> | <b>-1.9%</b> |
| Net interest             | (12.8)      | (12.7)      | -0.6%       | (13.2)      | (12.0)      | -9.1%        | (12.0)      | (11.1)      | -7.3%        |
| Current tax              | (5.1)       | (5.1)       | 0.6%        | (5.7)       | (5.7)       | -1.3%        | (6.4)       | (6.2)       | -2.8%        |
| <b>NPAT (underlying)</b> | <b>27.0</b> | <b>27.5</b> | <b>1.9%</b> | <b>29.5</b> | <b>29.9</b> | <b>1.3%</b>  | <b>30.5</b> | <b>30.7</b> | <b>0.4%</b>  |
| Maintenance capex        | (2.1)       | (2.5)       | 22.1%       | (2.3)       | (2.8)       | 22.4%        | (2.3)       | (2.8)       | 22.4%        |
| <b>AFFO</b>              | <b>24.9</b> | <b>25.0</b> | <b>0.3%</b> | <b>27.2</b> | <b>27.1</b> | <b>-0.4%</b> | <b>28.3</b> | <b>27.9</b> | <b>-1.4%</b> |
| EPS (cps)                | 7.47        | 7.55        | 1.1%        | 8.03        | 8.07        | 0.5%         | 8.32        | 8.28        | -0.4%        |
| AFFO (cps)               | 6.89        | 6.86        | -0.5%       | 7.41        | 7.32        | -1.2%        | 7.69        | 7.52        | -2.2%        |
| <b>DPS (cps)</b>         | <b>7.60</b> | <b>7.60</b> | <b>-</b>    | <b>7.60</b> | <b>7.64</b> | <b>0.5%</b>  | <b>7.73</b> | <b>7.70</b> | <b>-0.4%</b> |
| Payout - EPS             | 102%        | 101%        | -1.1%       | 95%         | 95%         | -            | 93%         | 93%         | -            |
| Payout - AFFO            | 110%        | 111%        | 0.5%        | 103%        | 104%        | 1.8%         | 101%        | 102%        | 1.8%         |

Source: Forsyth Barr analysis

## Investment Summary

Investore (IPL) is a listed property company which owns NZ\$895m of large format retail (LFR) properties throughout New Zealand. Its 43 asset portfolio comprises mostly of supermarkets, with its key tenant General Distributors (operator of Countdown) accounting for ~63% of contracted rent. We have been cautious on the medium-term outlook for rental growth with the majority of IPL's rent reviews linked to turnover but it may now get a near-term boost from this. The leases typically include hard-ratchets and as a result are defensive. **OUTPERFORM.**

### Business quality

- **Long lease terms and high occupancy:** IPL's WALT of 11.5 years is significantly higher than the sector average of 6.8 years (ex VHP) and its occupancy of 99.7% is also sector leading. FY20 expiries have all been renewed and only 9.0% of rental income expires over the next three years.

### Earnings and cashflow outlook

- **Acquisitions:** IPL has recently acquired three LFR properties for NZ\$140.8m which settled in April 2020. IPL has balance sheet headroom of NZ\$148m to drive earnings growth.
- **Externally managed:** IPL is managed by Stride Investment Management Limited (SIML), the management arm of Stride Property (SPG). Due to shareholder total returns above the hurdle rate (10%) IPL has been paying performance fees.

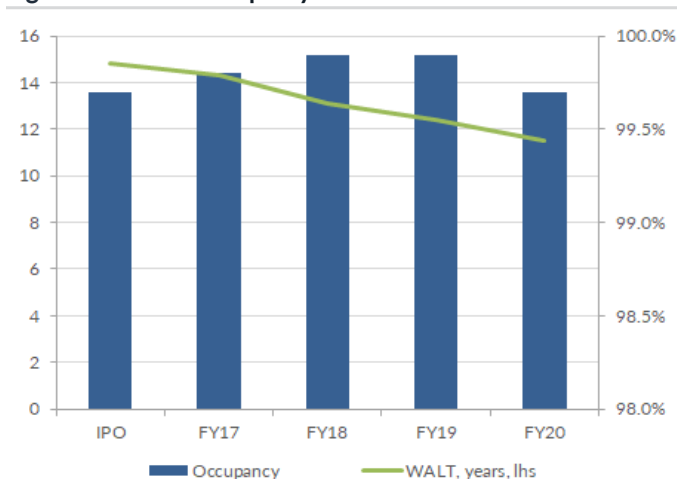
### Financial structure

- **Balance sheet:** IPL has a target maximum gearing ratio of 48% but is currently geared at 31.3% (FY20).

### Risk factors

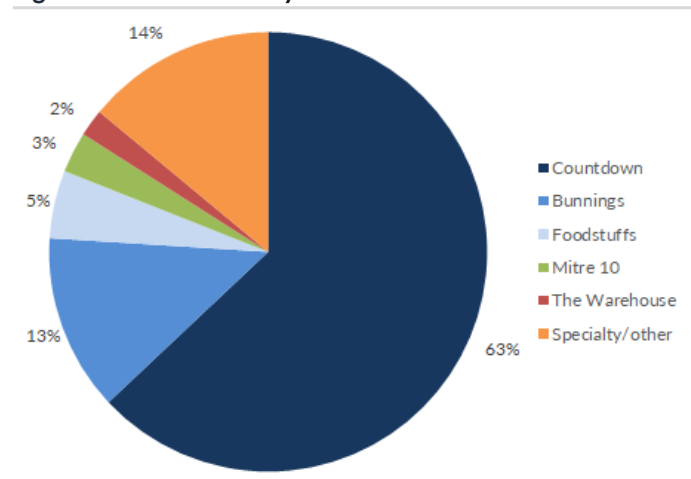
- **Retail exposure:** IPL is the only listed property vehicle with a 100% weighting to retail assets.
- **Interest rates:** IPL's relatively high gearing target relative to the sector means it can be more sensitive to interest rate movements versus its listed peers but is appropriate given the low risk nature of its portfolio.

Figure 9. Portfolio occupancy and WALT

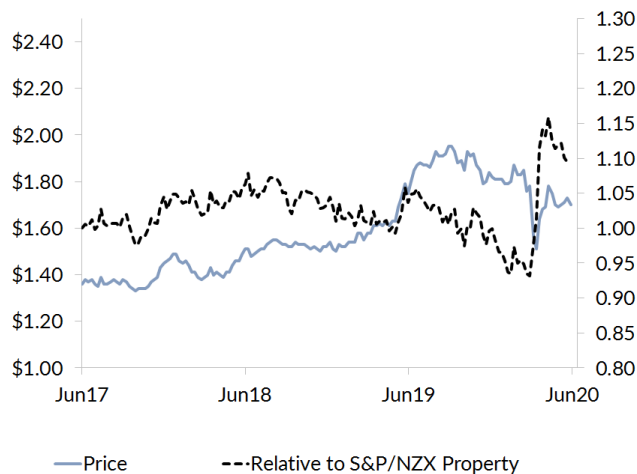


Source: Forsyth Barr analysis

Figure 10. Contract rent by tenant



Source: Forsyth Barr analysis, Company reports

**Figure 11. Price performance**


Source: Forsyth Barr analysis

**Figure 12. Substantial shareholders**

| Shareholder           | Latest Holding |
|-----------------------|----------------|
| Stride Property       | 18.8%          |
| ANZ NZ Investments    | 10.2%          |
| Salt Funds Management | 9.2%           |
| ACC                   | 8.8%           |

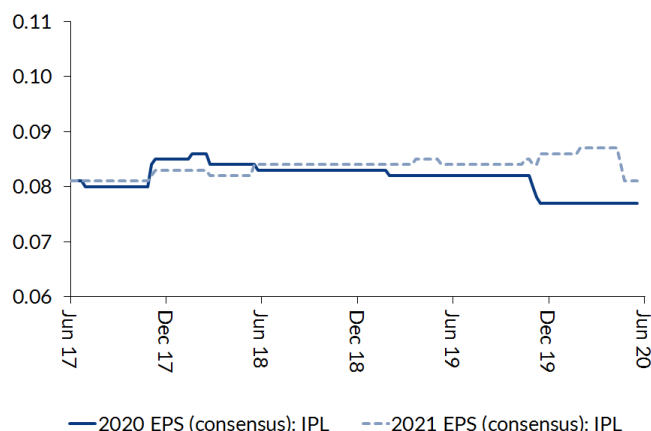
Source: NZX, Forsyth Barr analysis, NOTE: based on SSH notices only

**Figure 13. International valuation comparisons**

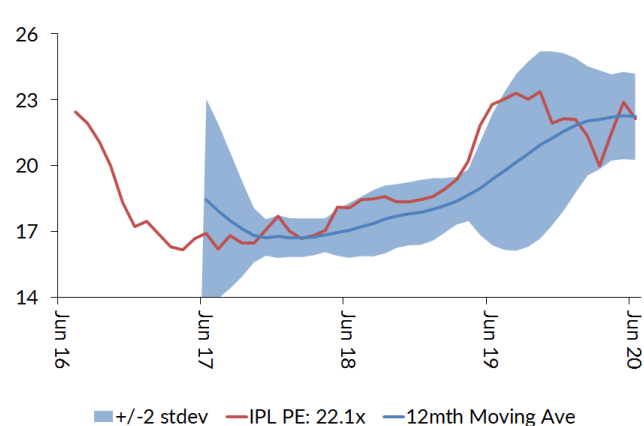
| Company   | Code          | Price           | Mkt Cap (m)    | PE           |              | EV/EBITDA    |              | EV/EBIT      |              | Cash Yld    |
|---|---------------|-----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| (metrics re-weighted to reflect IPL's balance date - March) |               |                 |                | 2021E        | 2022E        | 2021E        | 2022E        | 2021E        | 2022E        | 2022E       |
| <b>Investore</b>  | <b>IPL NZ</b> | <b>NZ\$1.70</b> | <b>NZ\$518</b> | <b>22.5x</b> | <b>21.1x</b> | <b>16.6x</b> | <b>15.8x</b> | <b>16.6x</b> | <b>15.8x</b> | <b>4.5%</b> |
| Argosy Property *   | ARG NZ        | NZ\$1.13        | NZ\$931        | 16.1x        | 16.1x        | 18.3x        | 17.8x        | 18.3x        | 17.8x        | 5.6%        |
| Goodman Property Trust *                                    | GMT NZ        | NZ\$2.22        | NZ\$3,076      | 33.9x        | 33.0x        | 28.4x        | 27.1x        | 28.4x        | 27.1x        | 2.5%        |
| Kiwi Property Group *                                       | KPG NZ        | NZ\$0.95        | NZ\$1,483      | 16.4x        | 13.8x        | 18.1x        | 14.6x        | 18.1x        | 14.6x        | 6.5%        |
| Precinct Properties NZ *                                    | PCT NZ        | NZ\$1.54        | NZ\$2,023      | 22.6x        | 22.9x        | 20.9x        | 19.2x        | 20.9x        | 19.2x        | 3.3%        |
| Property For Industry *                                     | PFI NZ        | NZ\$2.43        | NZ\$1,212      | 27.6x        | 27.4x        | 21.7x        | 21.5x        | 21.7x        | 21.5x        | 2.9%        |
| Stride Property *   | SPG NZ        | NZ\$1.49        | NZ\$544        | 14.2x        | 15.3x        | 15.5x        | 17.4x        | 15.5x        | 17.4x        | 4.6%        |
| BWP TRUST   | BWP AT        | A\$3.62         | A\$2,325       | 20.1x        | 19.7x        | n/a          | 20.7x        | 21.0x        | 20.7x        | 5.1%        |
| CHARTER HALL LONG WALE REIT                                 | CLW AT        | A\$4.19         | A\$2,049       | 14.3x        | 13.8x        | n/a          | 13.8x        | 14.7x        | 13.8x        | 7.3%        |
| CHARTER HALL RETAIL REIT                                    | CQR AT        | A\$3.03         | A\$1,699       | 11.2x        | 11.1x        | n/a          | 16.5x        | 16.9x        | 16.2x        | 8.0%        |
| SHOPPING CENTRES AUSTRALASIA                                | SCP AT        | A\$2.20         | A\$2,357       | 14.5x        | 14.3x        | n/a          | 18.3x        | 19.0x        | 18.4x        | 6.3%        |
| <b>Compco Average:</b>                                      |               |                 |                | <b>19.1x</b> | <b>18.7x</b> | <b>20.5x</b> | <b>18.7x</b> | <b>19.4x</b> | <b>18.7x</b> | <b>5.2%</b> |
| <b>IPL Relative:</b>  |               |                 |                | <b>18%</b>   | <b>12%</b>   | <b>-19%</b>  | <b>-15%</b>  | <b>-15%</b>  | <b>-15%</b>  | <b>-14%</b> |

EV = Current Market Cap + Actual Net Debt

Source: \*Forsyth Barr analysis, Bloomberg Consensus, Compco metrics re-weighted to reflect headline (IPL) companies fiscal year end

**Figure 14. Consensus EPS momentum (NZ\$)**


Source: Forsyth Barr analysis

**Figure 15. One year forward PE (x)**


Source: Forsyth Barr analysis

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|-------------------|----------------|---------------------|
| <b>46.9%</b>      | <b>36.7%</b>   | <b>16.3%</b>        |

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