

# Investore

## Top of the Food Chain

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### OUTPERFORM

Investore (IPL) has been the best performing listed property vehicle (LPV) in New Zealand this year. In our view, this is a reflection of IPL's rent collection certainty as highlighted by the COVID lockdown but also against a recessionary economic backdrop. Despite its strong run, we believe IPL retains some positives being 1) recent transactions have highlighted investor demand for Large Format Retail (LFR) assets in the current low interest rate environment and 2) deployment of IPL's balance sheet capacity is highly accretive supporting distribution growth ahead of peers. We lift our target price +20cps to NZ\$2.05 and maintain an OUTPERFORM rating.

NZX Code	IPL	Financials: Mar/	20A	21E	22E	23E	Valuation (x)	20A	21E	22E	23E
Share price	NZ\$1.97	NPAT* (NZ\$m)	21.1	28.0	31.2	32.0	EV/EBITDA	25.2	21.5	20.9	20.6
Target price	NZ\$2.05	EPS* (NZc)	7.7	7.7	8.4	8.6	EV/EBIT	25.2	21.5	20.9	20.6
Risk rating	Low	EPS growth* (%)	-4.4	0.3	9.6	2.7	PE	25.7	25.6	23.4	22.8
Issued shares	368.1m	DPS (NZc)	7.6	7.6	7.8	8.0	Price / NTA	1.1	1.1	1.1	1.1
Market cap	NZ\$725m	Imputation (%)	100	100	100	100	Cash div yld (%)	3.9	3.9	4.0	4.1
Avg daily turnover	261.0k (NZ\$464k)	*Based on normalised profits					Gross div yld (%)	5.5	5.5	5.7	5.8

### Fulfilling the growth mandate will drive EPS/DPS growth

April's NZ\$100m capital raise provided IPL with balance sheet capacity to acquire assets and grow earnings. Post-capital raising, IPL's gearing was 30.9% and it has capital headroom of NZ\$148m based on current bank facilities, or c.NZ\$300m based on its maximum LVR of 48% (covenant 65%). We have incorporated NZ\$50m of assumed acquisitions in FY21 into our forecasts which is the key driver of the +2%/+4%/+4% increase in FY21-23 EPS expectations. This also drives better medium term distribution growth of +3% per annum in our FY22/23 forecasts vs. broadly flat expectations for the NZ LPV sector.

### Supermarket sales remain resilient, keeping an eye on online

Supermarket sales growth has remained robust post-lockdown, running at +9% yoy, likely reflecting a shift towards cooking at home versus eating out. IPL benefits from supermarket sales growth as it captures a portion of these sales in turnover rent in about half of its supermarkets (or c.40% of its portfolio). We model turnover resulting in rent growth c.1% a year and given continued solid grocery sales we lift our FY21 rent growth +25bp. We also highlight the increasing adoption of online supermarket sales which is a potential headwind for IPL's turnover rents/income growth particularly if sales are fulfilled from 'dark stores'.

### Underlying asset values to remain robust

Recent transactional evidence has suggested assets in the LFR sub-sector remain highly sought after, particularly by syndicates and private investors. We have heard anecdotes that capitalisation rates for LFR properties have likely firmed versus where they were before the outbreak of COVID-19, attributable to lower interest rates and the proven resilience of LFR through lockdown. IPL's FY20 actual valuations were 0-7.5% below drafts that were received in early March. We expect that IPL's asset values to be well supported by transactional activity and see potential cap rate compression and upward revaluations, potentially at the September half-year result as valuers revisit below the line COVID-19 rent abatements and tenant support adjustments.

## Investore (IPL)

Priced as at 28 Jul 2020 (NZ\$)

1.97

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

2.05

Expected share price return

4.1%

Net dividend yield

3.9%

Estimated 12-month return

8.0%

### Spot valuations (NZ\$)

1. DCF

2.16

2. NAV

1.76

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

886

(Net debt)/cash

(233)

Less: Capitalised operating leases

0

Value of equity

651

Profit and Loss Account (NZ\$m)	2019A	2020A	2021E	2022E	2023E
Sales revenue	46.1	46.9	54.8	57.6	58.2
<b>Normalised EBITDA</b>	<b>40.1</b>	<b>39.6</b>	<b>46.7</b>	<b>50.2</b>	<b>50.8</b>
Depreciation and amortisation	0	0	0	0	0
<b>Normalised EBIT</b>	<b>40.1</b>	<b>39.6</b>	<b>46.7</b>	<b>50.2</b>	<b>50.8</b>
Net interest	(13.8)	(13.4)	(13.5)	(13.1)	(12.3)
Associate income	0	0	0	0	0
Tax	(5.3)	(5.2)	(5.3)	(5.9)	(6.5)
Minority interests	0	0	0	0	0
<b>Normalised NPAT</b>	<b>20.9</b>	<b>21.1</b>	<b>28.0</b>	<b>31.2</b>	<b>32.0</b>
Abnormals/other	(17.7)	(7.5)	(9.1)	(7.1)	(8.8)
<b>Reported NPAT</b>	<b>38.6</b>	<b>28.6</b>	<b>37.0</b>	<b>38.3</b>	<b>40.8</b>
Normalised EPS (cps)	8.0	7.7	7.7	8.4	8.6
DPS (cps)	7.6	7.6	7.6	7.8	8.0

Growth Rates	2019A	2020A	2021E	2022E	2023E
Revenue (%)	6.8	1.8	16.8	5.0	1.1
EBITDA (%)	6.2	-1.0	17.9	7.5	1.1
EBIT (%)	6.2	-1.0	17.9	7.5	1.1
Normalised NPAT (%)	1.8	0.8	32.7	11.5	2.7
Normalised EPS (%)	2.1	-4.4	0.3	9.6	2.7
Ordinary DPS (%)	1.9	0.0	0.0	3.0	2.7

Cash Flow (NZ\$m)	2019A	2020A	2021E	2022E	2023E
<b>EBITDA</b>	<b>40.1</b>	<b>39.6</b>	<b>46.7</b>	<b>50.2</b>	<b>50.8</b>
Working capital change	0.2	1.1	0.0	0.0	0
Interest & tax paid	(19.0)	(20.8)	(18.7)	(19.0)	(18.8)
Other	0	0	0	0	0
<b>Operating cash flow</b>	<b>21.2</b>	<b>19.9</b>	<b>28.0</b>	<b>31.2</b>	<b>32.0</b>
Capital expenditure	(5.5)	(1.4)	(8.8)	(3.9)	(3.0)
(Acquisitions)/divestments	0	7.1	(180.4)	0	0
Other	98.5	(1.6)	0	0	0
<b>Funding available/(required)</b>	<b>114.1</b>	<b>24.0</b>	<b>(161.2)</b>	<b>27.2</b>	<b>29.0</b>
Dividends paid	(19.7)	(20.7)	(27.7)	(29.0)	(29.8)
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>(91.2)</b>	<b>(1.8)</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	976.2	987.3	999.0
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>974.7</b>	<b>985.8</b>	<b>997.6</b>
Net debt/(cash)	311.5	232.7	323.9	325.7	326.4
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	644.9	654.2	665.2
Minority interests	0	0	0	0	0
<b>Total funding sources</b>	<b>760.6</b>	<b>776.5</b>	<b>974.7</b>	<b>985.8</b>	<b>997.6</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)	25.8	25.2	21.5	20.9	20.6
EV/EBIT (x)	25.8	25.2	21.5	20.9	20.6
PE (x)	24.6	25.7	25.6	23.4	22.8
Price/NTA (x)	1.2	1.1	1.1	1.1	1.1
Free cash flow yield (%)	2.2	2.6	2.6	3.8	4.0
Net dividend yield (%)	3.9	3.9	3.9	4.0	4.1
Gross dividend yield (%)	5.5	5.5	5.5	5.7	5.8

Capital Structure	2019A	2020A	2021E	2022E	2023E
Interest cover EBIT (x)	2.9	3.0	3.5	3.8	4.1
Interest cover EBITDA (x)	2.9	3.0	3.5	3.8	4.1
Net debt/ND+E (%)	41.3	30.2	33.4	33.2	32.9
Net debt/EBITDA (x)	7.8	5.9	6.9	6.5	6.4

Key Ratios	2019A	2020A	2021E	2022E	2023E
Return on assets (%)	5.2	5.0	4.7	5.0	5.0
Return on equity (%)	4.7	3.9	4.3	4.8	4.8
Return on funds employed (%)	4.1	4.0	4.3	4.2	4.1
EBITDA margin (%)	86.9	84.5	85.2	87.3	87.3
EBIT margin (%)	86.9	84.5	85.2	87.3	87.3
Capex to sales (%)	12.0	3.1	16.1	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	99	93	93

Portfolio Summary	2017A	2018A	2019A	2020A
Investment properties (NZ\$m)	660.4	738.3	761.2	761.4
Weighted average lease term (yrs)	14.3	13.1	12.4	11.5
Occupancy rate (%)	99.8	99.9	99.9	99.7
M'ment/Admin cost % of assets (%)	0.6	0.8	0.8	0.9
NTA per share (NZ\$)	1.55	1.64	1.70	1.73
Portfolio cap rate (%)	6.36	6.19	6.05	6.06
Portfolio initial yield (%)	6.57	6.36	6.26	6.29

## Strong supermarket sales, online growing fast

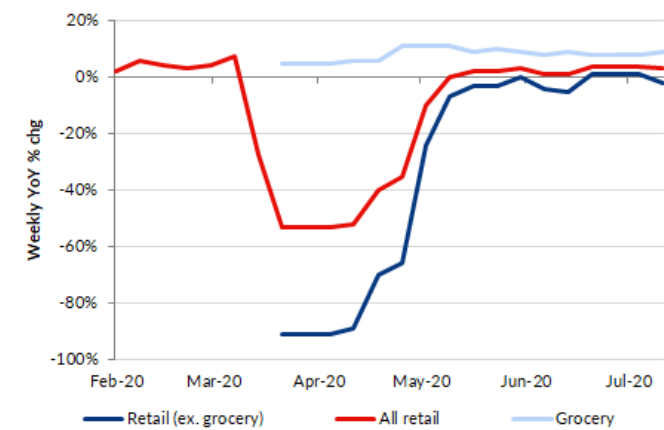
### Supermarket sales remain robust post lock down

Supermarket sales lifted significantly during COVID lock down as kiwis stockpiled supplies and eat out/takeaway options closed. Surprisingly post lock down grocery sales growth has remained strong with Paymark data suggesting growth of +9% yoy.

Post the fixed +5% increase across c.50% of its supermarket portfolio in FY20, IPL's is now more reliant on supermarket turnover to drive rent growth. Turnover rent is calculated monthly and based on an annual rolling average with IPL receiving a portion of the sales over a threshold. Base rents are lifted to the new turnover level after a period and a new turnover threshold is set.

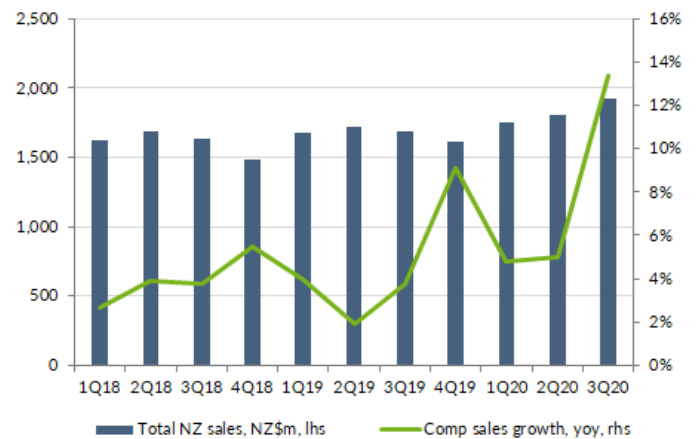
We model turnover resulting in rent growth c.+1% a year. Given continued solid grocery sales we lift our FY21 growth to +1.25%.

**Figure 1. Paymark sales**



Source: Paymark, Forsyth Barr analysis

**Figure 2. Countdown NZ sales and growth**

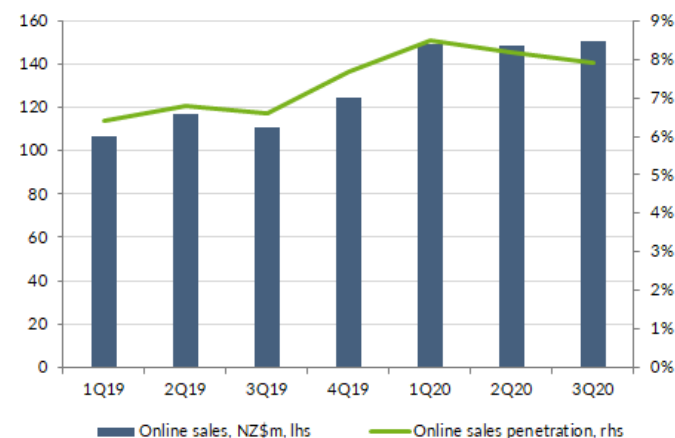


Source: Company data, Forsyth Barr analysis

### Online growth a longer-term headwind

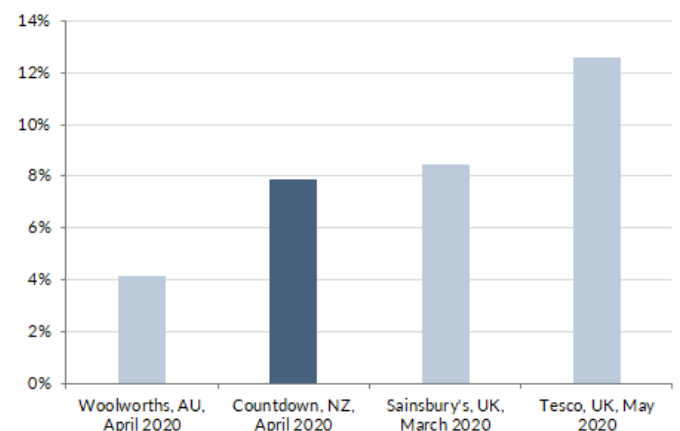
One longer-term issue for IPL is increasing online supermarket sales. Online sales, both click and collect and delivered, has grown faster than in-store and now make up c.8% of Countdowns NZ sales, up +1.3ppts yoy. NZ online penetration is above Woolworths Australia at 4.1% but below more advanced markets such as the UK. Currently online sales fulfilled out of c.50% of IPL owned supermarkets are included in turnover. Having reached picking capacity in its existing stores and to more efficiently deliver online orders, Countdown has opened its first dedicated online distribution centre in Penrose, Auckland in April 2020 and a second as part of its Moorehouse store in Christchurch. Countdown has temporarily moved its Grey Lynn Central store to online only and is also planning a Wellington dark store. This poses a headwind for IPL turnover rent with online sales fulfilled from these online only distribution centres not counted towards sales in its stores. We believe our modest supermarket rent growth of +1% p.a. broadly captures any drag from online sales being fulfilled from distribution centres.

**Figure 3. Countdown online sales and penetration**



Source: Company data, Forsyth Barr analysis

**Figure 4. Supermarket online sales penetration**



Source: Company data, Forsyth Barr analysis

## Transactional evidence should support NTA

### Minimal impact thus far on IPL's valuations

IPL's March 2020 valuations resulted in an NZ\$7.4m (or +1.0%) increase over book value. Cap rates were broadly unchanged at 6.06% (6.04% FY19). These stable valuations reflect around 80% of IPL's tenants being classed as essential and continuing to trade through lockdown. IPL noted that the reported valuations are 0–7.5% below draft valuations that were received in early March. These revaluations included a -NZ\$7m decline in the value of three assets purchased from Stride (SPG) which included larger COVID tenant support assumptions than the balance of IPL's portfolio due to higher speciality tenant counts.

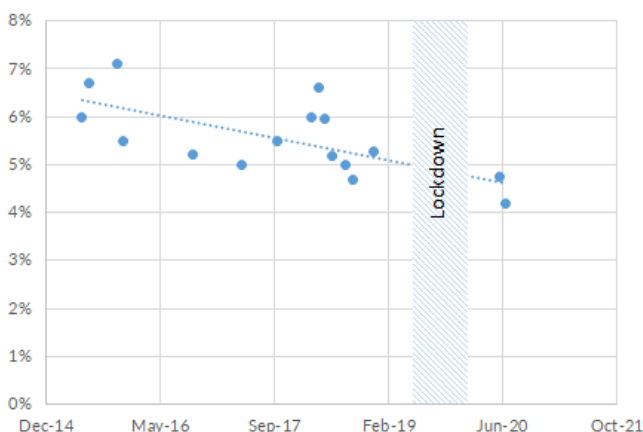
### Transactional market should provide solid NTA support

Given their relatively small size, strong tenant covenants and long WALT, stand alone LFR/supermarket assets have found favour with syndicate's and high net worth individuals. Post lockdown, properties with 'essential' tenants are likely seen as lower risk. Based on CBRE data the spread between LFR yields and interest rates is now +610bp (based on Dec-19 sector yields, Figure 6) vs. the 5-year average of +450bp. A reversion to the 5-year average yield spread would result in a considerable lift (c.30%) in asset values. As such we believe LFR assets valuations will remain solid and yields/cap rates should continue to compress.

Recent post lockdown transactions include 1) ARG's sale of a Wellington Placemakers at a 11% premium to book value with 9 year WALT and yield of c.4.20% after adjusting for surplus land, and 2) Mitre 10 Mega New Lynn sold for 4.75% yield.

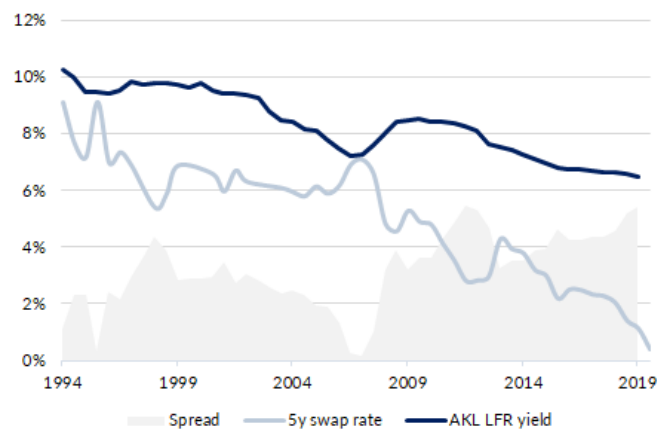
Two free standing Countdown supermarkets (Orewa and Porirua) as well as Kapiti Landing centre (11 tenancies including Mitre 10 Mega, PlaceMakers and New World as well as future development land) are currently being marketed for sale. We believe these assets will be well bid and provide solid transactional evidence to support cap rates and IPL's book valuations.

**Figure 5. Bulk Retail and Supermarket transaction yields**



Source: Forsyth Barr analysis

**Figure 6. LFR yield vs. 5-year swap rate**



Source: Forsyth Barr analysis, CBRE

### Lifting our NAV to NZ\$1.76

We have revisited our NAV valuation and now assume 1) COVID impacts on the three assets purchased from SPG largely reverse which equates to +2cps, and 2) -12bp of compression on the balance of IPL's portfolio vs. previously flat at the FY20 valuations which equates to +8cps. These two adjustments lift our NAV 10cps to NZ\$1.76 a share.

IPL is currently trading at a 12% premium to our NAV which is vs. the sector average of a 7% premium. We believe the share price is reflective of IPL's rent collection certainty, particularly given other property sectors with more cyclical (and potentially structural in some cases) rental and occupancy outlooks.

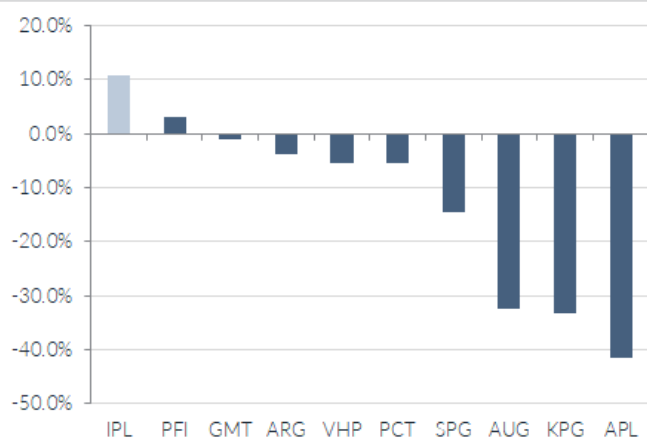
## Despite strong performance yield remains attractive

### Top performer this year and yield still attractive

IPL has been the top performing NZ LPV year-to-date with a total return of +10.5% vs. the sector of -10.4%. Investors have been attracted to its 'essentials' backed rental income and yield.

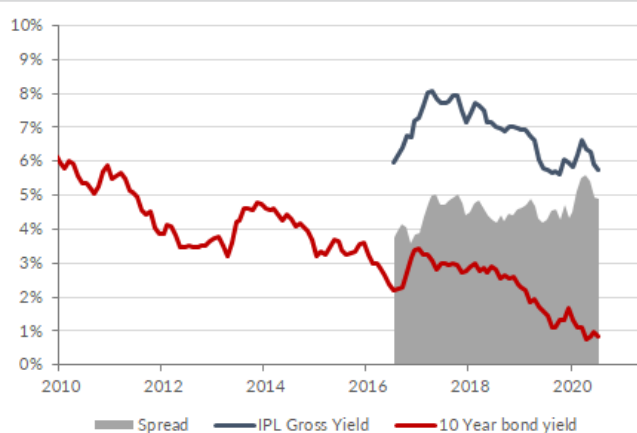
Since listing, the average spread between IPL's gross yield and the NZ Government 10 year bond yield has been +456bps. IPL is currently trading at a +488bp spread to bond yields; assuming this spread mean reverts to its long run average implies an IPL share price of NZ\$2.10 per share based on current DPS guidance of 7.6cps. Over the last 12 months IPL has traded as tight as +421bp spread to bond yields; assuming spreads tighten to these recent lows implies a IPL share price of NZ\$2.24 per share.

**Figure 7. YTD total return**



Source: Forsyth Barr analysis

**Figure 8. IPL yield spread vs. 10-year bonds**



Source: Forsyth Barr analysis

### Significant period of leasing coming up

Expires 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 are confident of Countdown renewals but expected vacancy at both Warehouse sites. We have 6 month downtime at both locations in our forecasts.

In Dunedin, The Warehouse will convert the store to an online fulfilment centre for the tail of its lease. Kmart is also looking for a new location after closing its Meridian Mall store but may look to reopen its store as soon as possible vs. waiting for The Warehouse lease to expire.

### Balance sheet provides growth option

The April 2020 capital raise reduced IPL's gearing to 30.4% and provides acquisition headroom of c.NZ\$300m, based on its maximum LVR of 48% (covenant 65%) or NZ\$148m based on current bank facilities. IPL's strategy is to acquire and/or develop 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 speciality tenants suggests its mandate has broadened slightly and now includes assets with an LFR anchor and <20 speciality stores. Furthermore, IPL has a goal to diversify its tenant base, with Countdown currently being 63% of contract rent. Recent acquisitions have lifted Bunnings weighting as a tenant.

LFR assets remain in demand and with relatively supportive bank funding vendor motivation to sell is low for now, potentially limiting near-term acquisition opportunities. That said, as highlighted above a number of assets are currently on the market which would fit IPL's mandate. We expect IPL to be reasonably acquisitive given its available liquidity and desire to grow and diversify its portfolio. Given low debt costs any acquisitions will be highly accretive; by way of example a NZ\$50m acquisition would equate to a c.5% lift in FY21 EPS on a pro forma basis.

## Earnings and target price changes

We have adjusted our FY21-23 EPS by 1.7%/4.4%/4.4% and DPS by 0.0%/2.5%/4.4% reflecting 1) assumed acquisitions of NZ\$50m in FY21, 2) slightly higher turnover rent, and 3) partially offset by higher FY21 performance fees (was NZ\$1.0m now NZ\$1.3m).

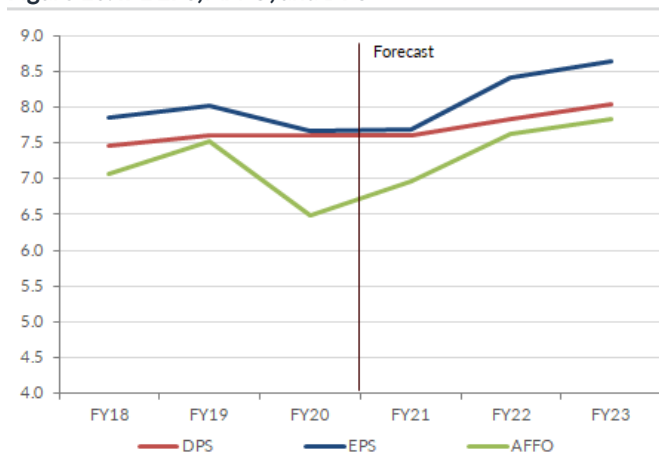
Our earnings changes lift our DCF valuation by 5% to NZ\$2.15 per share and combined with our higher NAV valuations (as highlighted above) of NZ\$1.74 per share this lifts our target price to NZ\$2.05 per share. At this stage we retain our OUTPERFORM recommendation but acknowledge that our positive view on IPL is becoming more dependent on deployment of its balance sheet.

**Figure 9. Earnings changes**

	2021E			2022E			2023E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Net income	53.0	54.8	3.4%	54.6	57.6	5.5%	55.1	58.2	5.6%
Corporate costs	(7.7)	(8.1)	5.4%	(7.1)	(7.3)	3.6%	(7.1)	(7.4)	3.6%
<b>EBITDA</b>	<b>45.3</b>	<b>46.7</b>	<b>3.1%</b>	<b>47.5</b>	<b>50.2</b>	<b>5.8%</b>	<b>48.0</b>	<b>50.8</b>	<b>5.9%</b>
Net interest	(12.7)	(13.5)	5.9%	(12.0)	(13.1)	9.5%	(11.1)	(12.3)	10.3%
Current tax	(5.1)	(5.3)	3.5%	(5.7)	(5.9)	5.3%	(6.2)	(6.5)	5.2%
<b>NPAT (underlying)</b>	<b>27.5</b>	<b>28.0</b>	<b>1.7%</b>	<b>29.9</b>	<b>31.2</b>	<b>4.4%</b>	<b>30.7</b>	<b>32.0</b>	<b>4.4%</b>
Maintenance capex	(2.5)	(2.6)	3.4%	(2.8)	(2.9)	6.2%	(2.8)	(3.0)	6.2%
<b>AFFO</b>	<b>25.0</b>	<b>25.4</b>	<b>1.6%</b>	<b>27.1</b>	<b>28.2</b>	<b>4.2%</b>	<b>27.9</b>	<b>29.0</b>	<b>4.2%</b>
EPS (cps)	7.55	7.68	1.7%	8.07	8.42	4.4%	8.28	8.64	4.4%
AFFO (cps)	6.86	6.96	1.6%	7.32	7.63	4.2%	7.52	7.84	4.2%
DPS (cps)	7.60	7.60	-	7.64	7.83	2.5%	7.70	8.04	4.4%
Payout - EPS	101%	99%	-1.7%	95%	93%	-1.8%	93%	93%	-
Payout - AFFO	111%	109%	-1.6%	104%	103%	-1.6%	102%	103%	0.2%

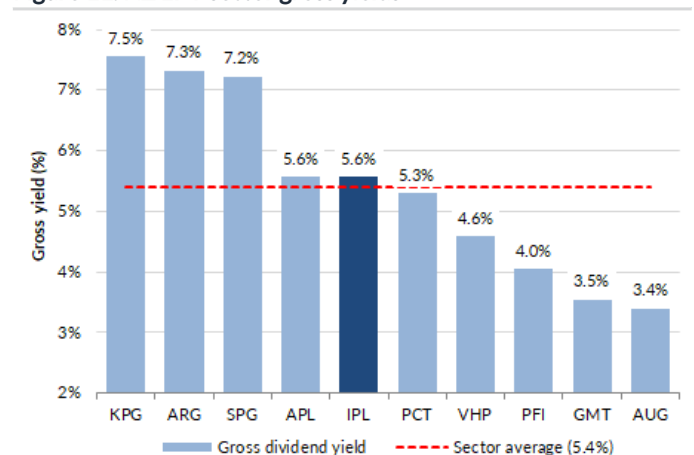
Source: Forsyth Barr analysis

**Figure 10. IPL EPS, AFFO, and DPS**



Source: Company data, Forsyth Barr analysis

**Figure 11. NZ LPV sector gross yields**



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.

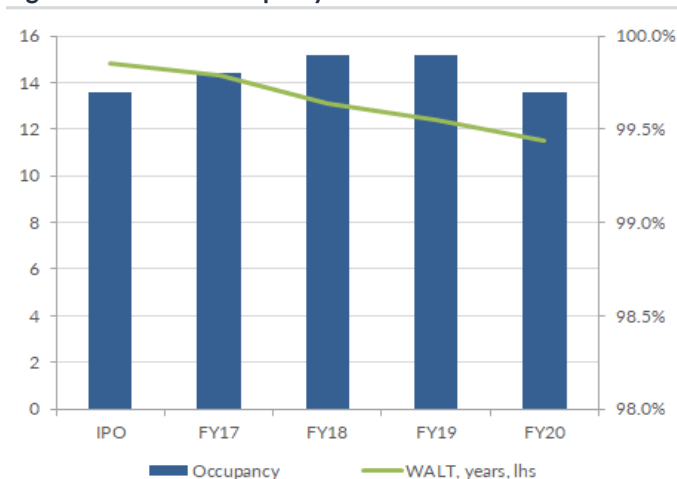
### Financial structure

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

### Risk factors

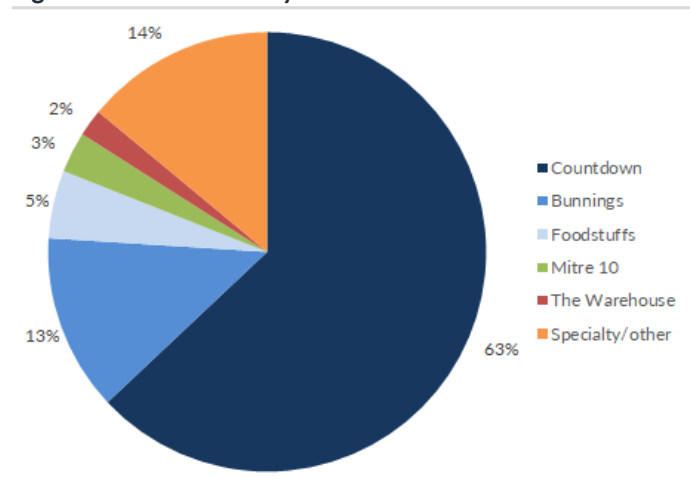
- **Retail exposure:** IPL is the only listed property vehicle with a 100% weighting to retail assets.
- **Interest rates:** IPL's relatively high gearing target relative to the sector means it can be more sensitive to interest rate movements versus its listed peers but is appropriate given the low risk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

Figure 12. Portfolio occupancy and WALT

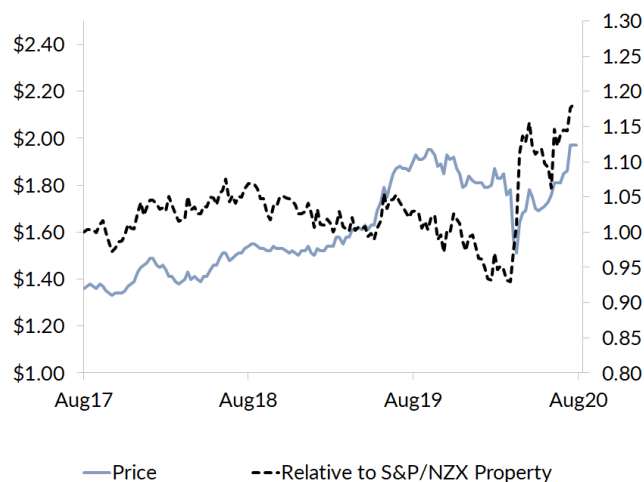


Source: Forsyth Barr analysis

Figure 13. Contract rent by tenant



Source: Forsyth Barr analysis, Company reports

**Figure 14. Price performance**


Source: Forsyth Barr analysis

**Figure 15. Substantial shareholders**

Shareholder	Latest Holding
Stride Property	18.8%
ANZ NZ Investments	9.2%
ACC	8.8%
Salt Funds Management	8.1%

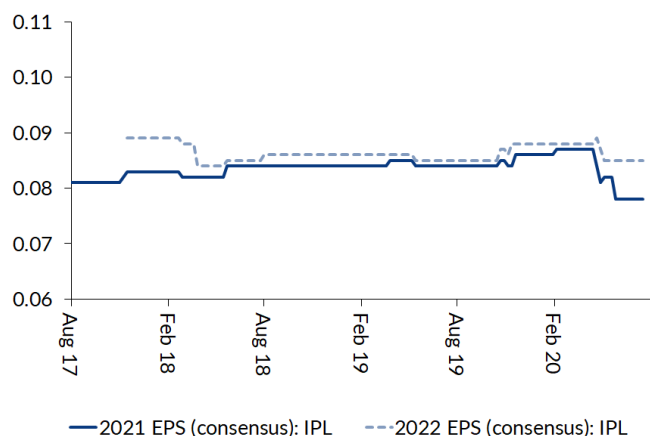
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

**Figure 16. International valuation comparisons**

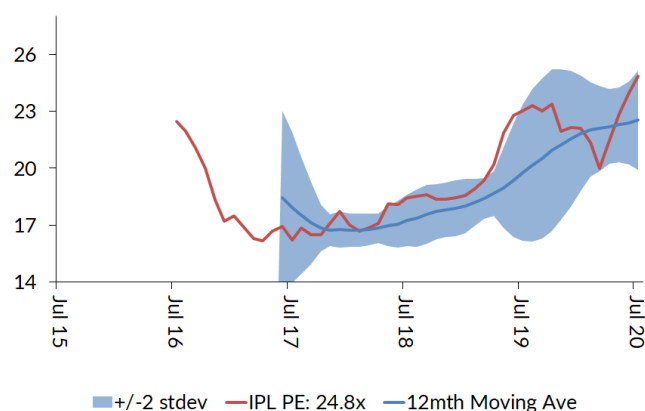
Company	Code	Price	Mkt Cap (m)	PE 2021E	PE 2022E	EV/EBITDA 2021E	EV/EBITDA 2022E	EV/EBIT 2021E	EV/EBIT 2022E	Cash Yld 2022E
(metrics re-weighted to reflect IPL's balance date - March)										
<b>Investore</b>	<b>IPL NZ</b>	<b>NZ\$1.97</b>	<b>NZ\$725</b>	<b>25.6x</b>	<b>23.4x</b>	<b>20.5x</b>	<b>19.1x</b>	<b>20.5x</b>	<b>19.1x</b>	<b>4.0%</b>
ARGOSY PROPERTY *	ARG NZ	NZ\$1.27	NZ\$1,051	18.1x	18.1x	19.7x	19.1x	19.7x	19.1x	5.0%
GOODMAN PROPERTY TRUST *	GMT NZ	NZ\$2.16	NZ\$2,998	32.9x	32.1x	27.8x	26.5x	27.8x	26.5x	2.5%
KIWI PROPERTY GROUP *	KPG NZ	NZ\$1.04	NZ\$1,624	16.6x	15.1x	17.8x	15.5x	17.8x	15.5x	5.9%
PRECINCT PROPERTIES NZ *	PCT NZ	NZ\$1.69	NZ\$2,214	25.2x	24.8x	25.8x	22.7x	25.8x	22.7x	3.8%
PROPERTY FOR INDUSTRY *	PFI NZ	NZ\$2.46	NZ\$1,230	29.1x	28.4x	23.8x	23.8x	23.8x	23.8x	2.8%
STRIDE PROPERTY *	SPG NZ	NZ\$1.97	NZ\$720	18.9x	20.4x	28.1x	33.3x	28.1x	33.3x	5.0%
BWP TRUST	BWP AT	A\$3.98	A\$2,557	22.0x	21.7x	n/a	22.4x	22.6x	22.4x	4.6%
CHARTER HALL LONG WALE REIT	CLW AT	A\$4.66	A\$2,279	15.6x	15.0x	n/a	14.6x	15.7x	14.6x	6.5%
CHARTER HALL RETAIL REIT	CQR AT	A\$3.21	A\$1,833	11.7x	11.7x	n/a	17.2x	17.5x	16.8x	7.5%
SHOPPING CENTRES AUSTRALASIA	SCP AT	A\$2.24	A\$2,402	15.1x	14.6x	n/a	18.5x	19.5x	18.6x	6.2%
<b>Compco Average:</b>				<b>20.5x</b>	<b>20.2x</b>	<b>23.8x</b>	<b>21.4x</b>	<b>21.8x</b>	<b>21.3x</b>	<b>5.0%</b>
<b>IPL Relative:</b>				<b>25%</b>	<b>16%</b>	<b>-14%</b>	<b>-11%</b>	<b>-6%</b>	<b>-11%</b>	<b>-20%</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 17. Consensus EPS momentum (NZ\$)**


Source: Forsyth Barr analysis

**Figure 18. One year forward PE (x)**


Source: Forsyth Barr analysis



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