

Precinct Properties NZ

NEUTRAL

FY19 Result — Prime Precincts

Precinct Properties (PCT) reported an FY19 result close to expectations and highlighted robust dividend growth is expected for FY20, and that there remains strong demand for its portfolio and its developments are on track. NEUTRAL.

What's changed?

- **Earnings:** FY20 +7%, FY21 +6%, and FY22 +6%
- **Target Price:** Up from NZ\$1.41 to NZ\$1.50
- **Rating:** Remains NEUTRAL

Close to expectations — dividend covered by AFFO

FY19 net operating income of NZ\$79.4m was in line of our forecasts and helped by lower interest and tax which offset higher corporate costs and performance fees. EPS was 6.37cps, up +1% and up +4.7% excluding performance fees. The 2H19 dividend was 3cps as expected and in line with guidance. The total dividend of 6cps was in line with AFFO (adjusted funds from operations).

Sector leading dividend growth guidance

FY20 dividend guidance is 6.30cps, up +5% which is sector leading growth guidance with most having a flat dividend outlook as they try to grow dividends into AFFO. With the pleasing move to an AFFO dividend policy, this guidance is also AFFO guidance. FY20 net operating income (before performance fees) is forecast to be 6.8cps. NTA lifted +6.4% on the back of revaluation gains to NZ\$1.49 and committed gearing is ~30% if the post balance date NZ\$77m sale of Pastoral House is included.

Strong portfolio metrics and development progress

The portfolio remains in very good shape with a 9 year WALT and 99% occupancy. Like-for-like portfolio rental growth was a solid +3.9% and was driven by the Auckland assets. Commercial Bay pre-leasing continues to lift and is now 95% for retail (84% in Dec 18) and for office slightly up at 82% (80% Dec 18). Commercial Bay retail opening and office opening are confirmed to be March 2020 and April 2020. PCT continues to make solid progress across all its development activity in terms of planning, construction and leasing.

Minor forecast changes

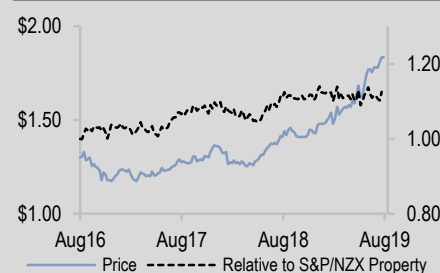
Our near-term forecasts have increased on the back of lower interest cost forecasts, partially offset by higher current tax. We have made only minor changes to our operating earnings over the forecast period. Our DCF valuation has increased from NZ\$1.20 to NZ\$1.28 due to a slightly more positive view on rental growth and maintenance costs. Our target price has lifted from NZ\$1.41 to NZ\$1.50.

Investment View

PCT's current portfolio is in strong shape with occupancy of 99%. Conditions for the Auckland and Wellington CBD office market remain firm with a manageable supply outlook. Rental growth plus record-low transaction yields for CBD office assets have provided a material boost to PCT's asset values, with further near-term cap rate compression expected given low interest rates and strong investor interest. NEUTRAL.

NZX Code	PCT
Share price	NZ\$1.84
Target price	NZ\$1.50
Risk rating	Low
Issued shares	1313.8m
Market cap	NZ\$2,411m
Average daily turnover	838.4k (NZ\$1,306k)

Share Price Performance



Financials: June	19A	20E	21E	22E
NPAT* (NZ\$m)	79.4	86.9	92.4	99.6
EPS* (NZc)	6.4	6.6	7.0	6.9
EPS growth* (%)	0.7	3.8	6.3	-1.8
DPS (NZc)	6.0	6.3	6.4	6.6
Imputation (%)	100	100	100	100

Valuation (x)	19A	20E	21E	22E
EV/EBITDA	38.9	25.1	23.7	21.7
EV/EBIT	38.9	25.1	23.7	21.7
PE	28.8	27.7	26.1	26.6
Price / NTA	1.2	1.2	1.2	n/a
Cash dividend yield (%)	3.3	3.4	3.5	3.6
Gross dividend yield (%)	4.7	4.9	5.0	5.1

*Historic and forecast numbers based on underlying profits

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Precinct Properties NZ Limited (PCT)					Priced as at 16 Aug 2019: NZ\$1.84					June year end										
Forsyth Barr valuation					Valuation Ratios					2018A	2019A	2020E	2021E	2022E						
Valuation methodology					Blended DCF (50%) and NAV (50%)					EV/EBITDA (x)	35.4	38.9	25.1	23.7	21.7					
12-month target price (NZ\$)*					Spot valuations (NZ\$)					EV/EBIT (x)	35.4	38.9	25.1	23.7	21.7					
Expected share price return	-18.3%	1. DCF	1.28	Price/NTA (x)	29.0	28.8	27.7	26.1	26.6	1.31	1.23	1.22	1.18	1.20						
Net dividend yield	3.4%	2. NAV	1.56	Free cash flow yield (%)	-9.1	-8.5	-2.5	-1.3	1.7	3.2	3.3	3.4	3.5	3.6						
Estimated 12-month return	-14.8%	3. n/a	n/a	Net dividend yield (%)	4.5	4.7	4.9	5.0	5.1	100	100	100	100	100						
Key WACC assumptions					DCF valuation summary (NZ\$m)					Capital Structure										
Risk free rate	2.8%	Total firm value	2,450	Imputation (%)	92	94	95	91	96	Interest cover EBIT (x)	38.7	45.1	3.7	3.7	3.6					
Equity beta	0.69	(Net debt)/cash	(752)	Net debt/ tangible assets (%)	29.8	26.5	29.8	31.8	27.4	Net debt/ND+E (%)	31.0	27.8	31.1	33.1	28.6					
WACC	5.8%	Value of equity	1,675	Net debt/EBITDA (x)	8.9	9.3	6.9	7.2	6.0	Key Ratios										
Terminal growth	1.5%	Shares (m)	1,314	Property Statistics					2015A	2016A	2017A	2018A	2019A							
Profit and Loss Account (NZ\$m)					2018A	2019A	2020E	2021E	2022E	Key metrics										
Sales revenue	95	98	142	155	169	No. properties					15	13	12	12	13					
Normalised EBITDA	85	81	129	139	152	Net lettable area (000sqm)					304	226	224	225	245					
Depreciation and amortisation	-	-	-	-	-	Average lease term (years)					5.0	6.3	8.7	6.9	8.4					
Normalised EBIT	85	81	129	139	152	Occupancy rate (%)					98	98	100	99	99					
Net interest	(2)	(2)	(35)	(38)	(42)	Cap rate (%)					7.0	6.5	6.2	5.8	5.4					
Associate income	-	-	-	-	-	Initial yield (%)					7.0	6.7	6.5	5.8	5.8					
Tax	(6)	-	(7)	(9)	(10)	Over / (under) renting (%)					(1.8)	(3.6)	(4.7)	(6.4)	(6.4)					
Minority interests	-	-	-	-	-	Auckland values (NZ\$m)					Wellington values (NZ\$m)									
Normalised NPAT	77	79	87	92	100	AMP Centre					136	148	163	179	205					
Abnormals/other	178	117	83	52	78	ANZ Centre					271	305	324	362	188					
Reported NPAT	255	197	170	145	178	HSBC House					120	122	94	91	106					
Normalised EPS (cps)	6.3	6.4	6.6	7.0	6.9	PwC Tower					293	313	329	376	400					
DPS (cps)	5.8	6.0	6.3	6.4	6.6	Zurich House					101	111	96	106	114					
Growth Rates					2018A	2019A	2020E	2021E	2022E	Mason Brothers					-	-	37	42	46	
Revenue (%)	5.4	2.3	45.5	9.4	8.7	12 Madden St					-	-	68	77	82					
EBITDA (%)	5.6	-4.6	58.9	7.9	9.2	Commercial Bay					-	147	370	648	890					
EBIT (%)	5.6	-4.6	58.9	7.9	9.2	Total portfolio (NZ\$m)					Investment properties					1,612	1,514	1,535	1,488	1,871
Normalised NPAT (%)	2.5	3.7	9.4	6.3	7.9	Investment properties					1,612	1,514	1,535	1,488	1,871					
Normalised EPS (%)	2.5	0.7	3.8	6.3	-1.8	Properties held for sale					76	-	-	191	-					
DPS (%)	3.6	3.4	5.0	1.6	3.1	Development properties					-	190	509	838	923					
Cash Flow (NZ\$m)					2018A	2019A	2020E	2021E	2022E	Total					1,688	1,704	2,045	2,517	2,794	
EBITDA	85	81	129	139	152	NTA per share (NZ\$)					1.11	1.17	1.24	1.40	1.49					
Working capital change	(3)	(10)	15	5	5	Auckland values (NZ\$m)					Wellington values (NZ\$m)									
Interest & tax paid	(8)	(7)	(42)	(47)	(52)	AMP Centre					136	148	163	179	205					
Other	-	-	-	-	-	ANZ Centre					271	305	324	362	188					
Operating cash flow	75	64	102	97	104	HSBC House					120	122	94	91	106					
Capital expenditure	(294)	(269)	(162)	(128)	(63)	PwC Tower					293	313	329	376	400					
(Acquisitions)/divestments	-	181	-	-	-	Zurich House					101	111	96	106	114					
Other	(12)	(2)	-	-	-	Mason Brothers					-	-	37	42	46					
Funding available/(required)	(231)	(26)	(60)	(31)	42	12 Madden St					-	-	68	77	82					
Dividends paid	(70)	(75)	(82)	(84)	(94)	Commercial Bay					-	147	370	648	890					
Equity raised/(returned)	-	149	-	-	-	Wellington values (NZ\$m)					Dimension Data House					106	109	114	118	123
Increase/(decrease) in net debt	301	(48)	142	115	53	Deloitte House					49	45	20	10	-					
Balance Sheet (NZ\$m)					2018A	2019A	2020E	2021E	2022E	Mayfair House					38	39	41	44	47	
Working capital	(6)	(33)	(48)	(53)	(57)	No.1 and 3 The Terrace					70	72	71	67	87					
Fixed assets	2,326	2,794	2,970	3,151	3,292	Pastoral House					47	41	43	45	60					
Intangibles	-	-	-	-	-	State Insurance Tower					136	141	145	150	162					
Other assets	226	75	75	75	75	Bowen Campus					49	58	119	179	240					
Total funds employed	2,545	2,836	2,997	3,173	3,309	Total portfolio (NZ\$m)					Investment properties					1,612	1,514	1,535	1,488	1,871
Net debt/(cash)	759	752	893	1,008	908	Investment properties					1,612	1,514	1,535	1,488	1,871					
Other non current liabilities	96	129	129	129	129	Properties held for sale					76	-	-	191	-					
Shareholder's funds	1,691	1,955	1,975	2,035	2,272	Development properties					-	190	509	838	923					
Minority interests	-	-	-	-	-	Total					1,688	1,704	2,045	2,517	2,794					
Total funding sources	2,545	2,836	2,997	3,173	3,309	NTA per share (NZ\$)					1.11	1.17	1.24	1.40	1.49					

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

FY19 result highlights

Results and expectations broadly mirrored— positive dividend guidance

Net operating income of NZ\$79.4m was in line of our forecast of NZ\$79.8m and boosted by underlying rental growth of +4%, lower interest and tax which offset higher corporate costs and a performance fee. EPS was 6.37cps, up +1% and impacted by increased shares on issue. The NTA lifted +6.4% on the back of revaluation gains to NZ\$1.49cps.

The 2H19 dividend was 3cps as expected and in line with guidance. The total dividend of 6cps was in line with PCT's AFFO calculation of 6.02cps. The record date is 13 September and payment is on 27 September. FY20 guidance of 6.30cps, up +5%, is sector leading dividend growth guidance and ahead of our 6.20cps forecast.

Figure 1. FY19 result summary (NZ\$m)

Year ending June	FY18	FY19	% chg	Forbar
Underlying profit & loss (\$000s)				
Net income	95,300	97,500	2.3%	100,688
Base corporate costs	(10,200)	(11,900)	16.7%	(15,324)
Performance fee		(4,400)		
EBITDA	85,100	81,200	-4.6%	85,364
Net interest	(2,200)	(1,800)	-18.2%	(4,656)
PBT	82,900	79,400	-4.2%	80,707
Current tax	(6,300)	-	-100.0%	(906)
Net operating income (NPAT)	76,600	79,400	3.7%	79,801
Amortisation of incentives and other	6,800	6,800	-	7,282
Funds from operations (FFO)	83,400	86,200	3.4%	87,083
Maintenance capex	(4,900)	(7,200)	46.9%	(8,425)
Tenant improvements	-	-	-	-
Incentives and leasing costs	(8,300)	(3,900)	-53.0%	(7,607)
Adjusted funds from operations (AFFO)	70,200	75,100	7.0%	71,051
Reported profit				
NPAT (underlying)	76,600	79,400	3.7%	79,801
Investment property revaluations	208,700	161,700	-22.5%	60,578
Other non-operating adjustments	(30,400)	(44,301)	45.7%	(2,100)
NPAT (reported)	254,900	196,799	-22.8%	138,280
Financials per share (cps)				
Period weighted shares on issue	1,211,121	1,246,700	2.9%	
NPAT per share	6.32	6.37	0.7%	6.59
FFO per share	6.89	6.91	0.4%	7.19
AFFO per share	5.80	6.02	3.9%	5.87
Dividends				
FY cash dividend (cps)	5.80	6.00	3.4%	6.00
Pay-out - NPAT	92%	94%	2.5pp	91%
Pay-out - FFO	84%	87%	2.6pp	83%
Pay-out - AFFO	100%	100%	-0.5pp	102%

Source: Forsyth Barr analysis, Company reports

Flexible yet stable gearing position

During the period PCT divested NZ\$191m of assets, efforts which align with its asset recycling plan. This drove the reduction in reported gearing to 22.4% in FY19, well below its 50% bank debt covenant. PCT also announced the post balance date sale of Pastoral House in Wellington for NZ\$77m, bringing the indicative level of committed gearing to c. ~30%. Consequently, we believe that PCT's balance sheet is in a comfortable position, with plenty of headroom to fund their development pipeline and robust diversification of its debt sources.

Portfolio progress

6.1% Revaluation gains elevate NTA to \$1.49

As reported on July 8, suppressed supply across the Auckland and Wellington office markets, coupled with strong tenant demand leaves PCT's portfolio ideally positioned to benefit from future market rental growth. Like-for-like Auckland assets increased by +6.5% and Wellington assets by +5.4%. Although rental growth was highlighted as the main driver of such revaluations (record high occupancy levels and elevated WALTs, particularly in Government dominated Wellington) was assisted again by portfolio cap rate compression from 5.8% to 5.5%.

A low interest rate environment has also been spurring the interest of International investors for well placed premium office assets. Given the lower cost of capital hurdle rates for such investors, the recent inflows of capital into the market from offshore cannot be overlooked as another factor driving up valuations of prime and A grade office assets. Additionally, PCT's Generator co-working sites are attracting robust demand, whilst allowing PCT to charge a premium for the space. Ultimately, PCT's portfolio of progressive, high quality assets are a key feature spearheading the favourable firming of cap rates and consequent revaluations.

Strong portfolio metrics

Strong portfolio metrics have been maintained with 99% occupancy and a strong WALT of 9 years. Strong Auckland rental growth was offset by a flattish Wellington result leading to a solid like-for-like portfolio rental growth of +3.9%. This is all indicative of continued robust demand for prime CBD office space. Wellington asset sales had again been flagged and PCT has sold Pastoral House post balance date for NZ\$77m.

The divestment of 50% of the ANZ centre during the period had the largest impact on net property income with gross rents from the property falling c. ~33%. Meanwhile, recent completion of stage 1 of the Bowen campus in Wellington has provided a strong lift to rental income. The site had leasing 100% pre-committed to two separate government agencies, becoming income earning in April 2019 and will be fully occupied by October 2019, hence, providing a further material increase to net property income in 1H20.

Figure 2. Net property income (NZ\$m)

Property	Region	FY17	FY18	FY19	Chg %
AMP Centre	Auckland	9.2	9.5	10.0	5.3%
ANZ Centre	Auckland	17.9	18.2	12.2	(33.0%)
HSBC House	Auckland	8.1	6.3	5.8	(7.9%)
PwC Tower	Auckland	16.7	17.4	18.5	6.3%
Zurich House	Auckland	4.6	4.8	5.2	8.3%
Mason Brothers	Auckland	1.3	2.3	2.7	17.4%
12 Madden	Auckland	0.1	4.5	4.5	-
Commercial Bay	Auckland	(0.1)	-	4.4	n/a
Total Auckland		57.8	63.0	63.3	0.5%
Dimension Data House	Wellington	6.5	7.6	7.4	(2.6%)
Bowen Campus	Wellington	2.0	0.3	6.8	n/a
10 Brandon St	Wellington	1.1	2.1	0.3	n/a
Mayfair House	Wellington	3.2	3.4	3.3	(2.9%)
No.1 and 3 The Terrace	Wellington	6.1	5.4	3.9	(27.8%)
Pastoral House	Wellington	4.3	4.5	3.1	(31.1%)
AON Centre	Wellington	9.3	9.1	9.4	3.3%
Total Wellington		32.5	32.4	34.2	5.6%
Total portfolio		90.3	95.4	97.5	2.2%

Source: Forsyth Barr analysis, company reports

Development Update

Commercial Bay Crown and Jewel

Upon completion, Commercial Bay will without question set the standard for premium CBD office and CBD retail in the country. With an expected post opening valuation of NZ\$1.035b, the property currently has leasing pre-commitment of 95% for retail and 82% for office space. Despite leases for Level 38 & 39 being recently cancelled as a result of “non-performance”, PCT is confident that it will have 100% occupancy committed prior to the conclusion of development. Construction delays have unfortunately featured heavily to date, but management also reiterated that target dates for opening are expected to be March and April 2020 for the retail and offices spaces respectively. No changes to yields (7.4%–7.5%) or returns (40%) on cost were highlighted.

Bowen Campus benefiting from Govt domination in Wellington

Squeezed supply is lifting rents, plus with cap rate compression and long dated lease agreements with Govt agencies (MPI and NZDF to occupy 100% of the Stage 1) has resulted in a revised ROC to 20%, up from previously expected 13%. Stage 2 of the development is through the design phase with 22,400 sqm of construction planned over 40 and 44 Bowen Street. Dirt is expected to be broken within the next 12 months, with total cost estimated at ~NZ\$170m. It is worth noting that prospective tenants, both public and private, are becoming increasingly more demanding of premises that are structurally sound and resilient to seismic tremors. Hence, such occupiers have highlighted their willingness to pay higher rents for these building characteristics, which are more cost intensive for PCT to execute.

Excitement in the quarter — Opportunities down at Wynyard

Construction of Wynyard Quarter Stage 2 is progressing appropriately, with completion anticipated in October 2020 and costs reaching ~NZ\$72m. Again, the co-working amenities expected to be provided for this property are presenting themselves as a strong draw-card for potential tenants. The NLA is effectively 100% pre-leased, with realisation of such pre-committed levels contingent upon inclusion of Generator space within the building. Wynyard Quarter Stages 3 & 4 will represent 19,000sqm of mixed use development, with construction commencing mid-2020, provided preliminary designs are executed upon. The build cost currently will reach circa ~NZ\$180m.

Some Hotel challenges but Office space again holds strong at One Queen

An oversupply of Hotel rooms in the Auckland CBD is becoming prevalent, putting downward pressure on RevPAR and providing a softer near-term outlook for the Intercontinental Hotel, which is scheduled to occupy a significant proportion of the One Queen Street property. Although, with elevated construction costs becoming a key feature across the industry, it's likely further supply in the accommodation space will become constrained and provide some alleviation from the downward trending hotel rates. Expected redevelopment of the site is due to begin in mid 2020, and total precommit currently sits at circa 78%. Anchor office client Bell Gully has also exercised its option to take up an additional half floor in the property.

Forecast and target price changes

Our near-term forecasts have increased on the back of lower interest cost forecasts, partially offset by higher current tax. We have made only minor changes to our operating earnings over the forecast period. Our DCF valuation has increased from NZ\$1.20 to NZ\$1.28 due to a slightly more positive view on rental growth and maintenance costs. Our target price has lifted from NZ\$1.41 to NZ\$1.50. Retain NEUTRAL rating.

Figure 3. Forecast changes (NZ\$m)

	2020E			2021E			2022E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Net income	141.9	141.9	-	155.3	155.3	-	168.7	168.7	-
EBITDA	127.2	129.0	1.4%	139.8	139.2	-0.4%	152.6	152.0	-0.4%
NPAT (underlying)	80.9	86.9	7.4%	87.4	92.4	5.7%	94.4	99.6	5.6%
EPS (cps)	6.20	6.61	6.7%	6.60	7.03	6.5%	6.50	6.91	6.3%
DPS (cps)	6.20	6.30	1.6%	6.30	6.40	1.6%	6.30	6.60	4.8%

Source: Forsyth Barr analysis

Investment summary

Precinct Properties (PCT) NZ\$1.5bn development pipeline is both improving the quality of its portfolio and growing EPS. We are positive on the value PCT is creating through its developments. Its portfolio is also in very good shape with occupancy of 99%. Conditions for the Auckland CBD office market are firm which is helpful for dealing with increasing supply and the drive for space efficiency by corporate occupiers. Recent record-low transaction yields for CBD office assets have provided a material boost to PCT's asset values. **NEUTRAL.**

Earnings and cash flow outlook

- **Development milestones:** The Commercial Bay development is tracking on budget, albeit timing for the retail component has been delayed. Pre-leasing sits at 82% for office (by rent) and 95% for retail (by NLA). PCT has announced it has committed to a new build at 10 Madden St in Wynyard quarter.
- **Development margins:** Commercial Bay and Bowen Campus are expected to generate a yield on cost of 7.5% and ~7.0% respectively, as well as substantial development margins.
- **Revaluation gains:** PCT posted a revaluation gain of NZ\$162m for FY19 which boosted NTA per share +11cps from NZ\$1.38 to NZ\$1.49.

Business quality

- **Portfolio fundamentals:** PCT has 99% occupancy and a high portfolio WALT of 9 years including developments as at 30 June 2019.
- **Prime precincts:** PCT remains very well positioned given the location of its key precincts in Auckland and Wellington. We are positive around the rental growth upside in Auckland and rental diversification provided by its retail, hotel, and Generator business combined with stable cash flow from its long Wellington government leases. PCT is well placed to leverage Auckland's growth and is in a stronger position than last cycle.

Financial structure

- **Balance sheet:** FY19 gearing is 22% and committed gearing is ~30% when the sale of Pastoral House in Wellington for NZ\$77m, settles in 2H20.

Risks factors

- **CBD office supply:** Auckland and Wellington have office supply planned in coming years, which could impact vacancy and rents. The outlook remains manageable and low vacancy is underpinning rental growth.

Company description

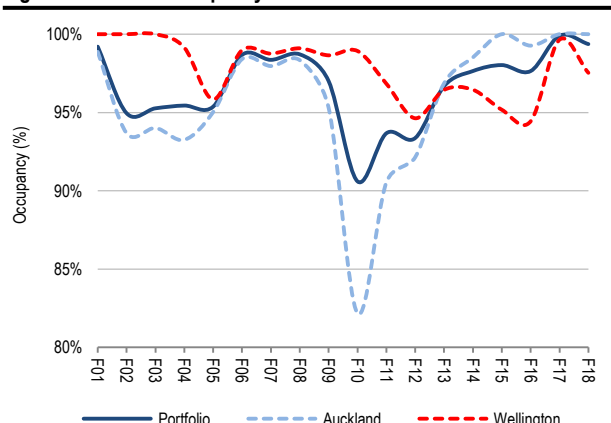
Precinct Properties (PCT) is a major owner of prime CBD office buildings in New Zealand with a current portfolio valued at NZ\$2.8bn as at 30 June 2019. PCT's portfolio is over 70% weighted to Auckland. The company is currently undertaking two major development projects with a combined cost of ~NZ\$900m, including Commercial Bay, its flagship office, retail and hotel precinct in Auckland's CBD. PCT was listed in 1997 and in November 2010 it changed its legal structure from a trust to a company. PCT is externally managed by AMP Haumi Management.

Figure 4. Sector and regional portfolio exposure

	Auckland	Other North Island	South Island	Total
Industrial	-	-	-	-
Office	74%	26%	-	100%
Mixed use	-	-	-	-
Total	74%	26%	-	100%

Source: Forsyth Barr analysis

Figure 5. Portfolio occupancy



Source: Forsyth Barr analysis

Figure 6. Substantial Shareholders

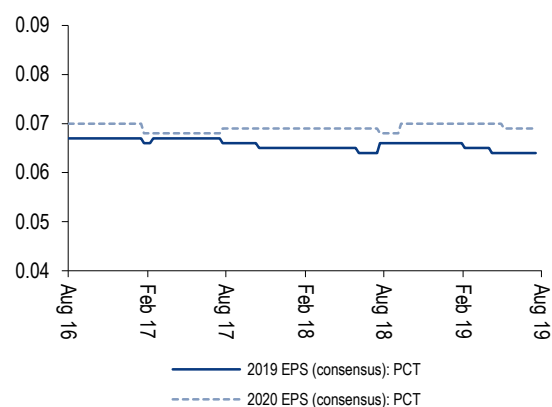
Shareholder	Latest Holding
Haumi	17.7%
ANZ NZ Investments	11.9%
ACC	5.0%

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

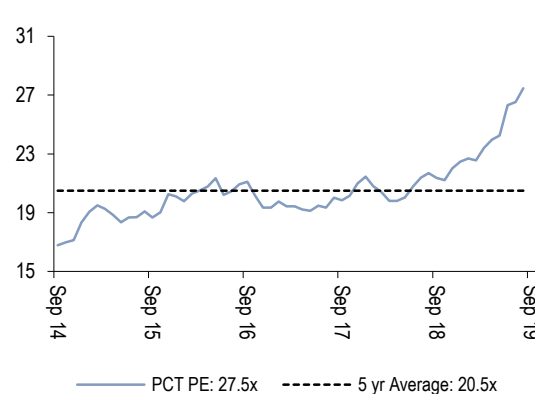
Figure 7. International Compcos

Company	Code	Price	Mkt Cap	PE		EV/EBITDA		EV/EBIT		Cash D/Yld		
<i>(metrics re-weighted to reflect PCT's balance date - June)</i>			<i>(m)</i>	2020E	2021E	2020E	2021E	2020E	2021E	2021E		
Precinct Properties NZ	PCT NZ	NZ\$1.84	NZ\$2,411	27.7x	26.1x	24.5x	22.7x	24.5x	22.7x	3.5%		
Argosy Property *	ARG NZ	NZ\$1.42	NZ\$1,170	21.2x	20.6x	19.5x	18.2x	19.5x	18.2x	4.4%		
Goodman Property Trust *	GMT NZ	NZ\$2.13	NZ\$2,768	31.0x	29.9x	26.0x	24.0x	26.0x	24.0x	3.1%		
Investore *	IPL NZ	NZ\$1.91	NZ\$497	23.3x	22.9x	19.9x	19.6x	19.9x	19.6x	4.0%		
Kiwi Property Group *	KPG NZ	NZ\$1.61	NZ\$2,325	22.4x	21.6x	19.8x	18.6x	19.8x	18.6x	4.4%		
Asset Plus *	APL NZ	NZ\$0.64	NZ\$103	16.7x	17.8x	12.4x	13.1x	12.4x	13.1x	5.7%		
Property For Industry *	PFI NZ	NZ\$2.30	NZ\$1,145	26.7x	26.4x	20.8x	20.6x	20.8x	20.6x	3.3%		
Stride Property *	SPG NZ	NZ\$2.33	NZ\$851	21.9x	20.9x	20.5x	19.0x	20.5x	19.0x	4.3%		
Vital Healthcare *	VHP NZ	NZ\$2.62	NZ\$1,169	26.7x	25.3x	22.8x	21.3x	22.8x	21.3x	3.4%		
Compco Average:				23.8x	23.2x	20.2x	19.3x	20.2x	19.3x	4.1%		
EV = Current Market Cap + Actual Net Debt				PCT Relative:		+17%	+13%	+21%	+18%	+21%	+18%	-15%

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

Figure 8. Consensus EPS Momentum


Source: Forsyth Barr analysis, Bloomberg

Figure 9. 12 Month Forward PE


Source: Forsyth Barr analysis

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