

# Precinct Annual General Meeting

20 November 2019



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# Welcome

and good morning

Craig Stobo,  
Independent Director and  
Chair

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# Strong results

Enhanced portfolio

Strengthened  
balance sheet

Earnings and  
dividend growth



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# Board and Executive Team

## Executive Team

Scott Pritchard  
Chief Executive Officer

Richard Hilder  
Chief Financial Officer

## Board of Directors

Craig Stobo  
Independent Director and Chair

Don Huse  
Independent Director

Anne Urlwin  
Independent Director

Graeme Wong  
Independent Director

George Crawford  
Chief Operating Officer

Launa Inman  
Independent Director

Rob Campbell  
Director

Chris Judd  
Director

Anthony Bertoldi  
Alternate Director for  
Mohammed Al Nuaimi

## Apology

Mohammed Al Nuaimi  
Director





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# Board composition and changes

- Majority of Independent Directors maintained
- Newly appointed Independent Director
  - Anne Urlwin to replace Don Huse
- Don Huse retires second half of 2020
- Chris Judd leaves early 2020

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# Meeting agenda

- Review Precinct performance and activity
- Shareholder questions and discussion
- Consider and vote on **two ordinary** resolutions and **one special** resolution

# 2019 results highlights

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\$190.1m

total comprehensive income after tax

+3.7%

increase in net operating income

+3.4%

increase in dividend YoY



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# Capital management

- Completed \$152m equity raising
- Secured \$163m in non-bank funding through a United States Private Placement
- Refinanced bank debt
- Sold \$191m of assets



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# Dividend policy changes

**Optimise long term sustainable returns for our shareholders**

- Recently reviewed
- Transition towards paying out approximately 100% of AFFO as dividends
- Aligning dividends with AFFO best practice

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# FY20 dividend

6.30cps

FY20 dividend guidance

12 December 2019

FY20 Q1 dividend payment

+5.0%

expected increase in FY20 dividend







# Sustainability

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Our goal is to **create  
sustainable value**  
through city centre  
real estate

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# Environmental performance

- Positive results from sustainable design
  - measurable **environmental improvements** and **social benefits**
- Reduction in carbon emission intensity across our operating business
  - Currently exploring more options to **reduce our carbon footprint**



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# GRESB

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## Global Real Estate Sustainability Benchmark

- 2019 score of 77, up from 69 last year
- Trending ahead of the global average of 72
- Public disclosure level B, global average C

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# Health and safety

- No significant injuries in FY19
- Completed over 250 principal audit and monitoring inspections
- Mates in Construction (NZ)
  - **a mate who can keep you safe while connecting you to help**



A man wearing a blue turban and a dark suit with a red tie is seated at a wooden table in a restaurant. He is looking towards a woman with blonde hair who is seated across from him. The table has a salt shaker, a pepper mill, and a metal bucket with cutlery. The background shows a modern interior with large windows and indoor plants.

## Strategic execution

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We are focused on our  
people and partners,  
operational excellence  
and developing the  
future



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# Our markets

- Auckland city centre
  - Strong performance
  - Office employment growth
  - Inner-city resident growth
- Wellington city centre
  - Limited supply for high quality office
  - Growth in government employment



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# Generator

100% owned  
by Precinct

Clear strategy  
for Generator business

Growth in demand  
in Auckland and Wellington





The background image shows a modern glass-fronted building, identified as Defence House, with a stone wall in the foreground featuring the name 'DEFENCE HOUSE' in large, outlined letters. In the distance, the iconic circular Parliament Building is visible against a sunset sky. A large white semi-circle is overlaid on the right side of the image, containing the title and a list of bullet points.

# Bowen Campus

- Stage One now complete and occupied
  - Ministry of Primary Industries
  - New Zealand Defence Force
- Return metrics ahead of feasibilities
  - Increased rent
  - Lower capitalisation rates
  - Higher occupancy





# Defence House



# Commercial Bay

Significant leasing

over the last 18 months

New retail entrants

to New Zealand market

On schedule

for completion March/April 2020





# Wynyard Quarter

Stage Two progressing well  
over the last 12 months

Office fully leased

On schedule  
for completion end 2020







# Future developments

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# Outlook

- Precinct remains well positioned
- Strong balance sheet position
- Increased dividends to shareholder
  - FY20 dividend guidance up 5.0%



# Questions & Answers

Please state your name and advise whether you are a shareholder



# Formal business



# Resolution 1

That Anne Urlwin be  
elected as a director

**The Board unanimously  
recommend that  
shareholders vote in favor**



**Anne Urlwin**, BCom, FCA, CFInstD, MAICD,  
ACIS, FNZIM



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## Resolution 2

That the directors be authorised to fix the remuneration of Ernst & Young as auditor for the ensuing year

**The Board unanimously recommend that shareholders vote in favor**



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# Resolution 3

That the existing constitution of the Company is revoked, and the constitution presented at the meeting is adopted as the constitution of the Company.

**The Board unanimously recommend that shareholders vote in favor**

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# Voting and closure

- We will now proceed to a poll and conclude the meeting
- The results will be announced to the NZX



Thank you