New Zealand Rural Land Co

The Rural Land **Investors**

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New Zealand Rural Land Co Reports Stable HY25 Results

New Zealand Rural Land Co (NZL.NZX) is pleased to announce its financial result for the six months ended 30 June 2025. NZL recorded a consolidated net profit after tax of $3.5m and Adjusted Funds From Operations (AFFO) of $3.9m (excluding earnings from properties with put/call arrangements in place)[1].

HY25 Highlights

- AFFO grew from 1.94 cps in HY24 to 2.70 cps (+39.2%) in HY25. NZL forecasts FY25 AFFO of between 5.17 cps and 5.52cps (FY25 includes the impact of further CPI linked rental adjustments and the first full year of higher yielding horticultural acquisitions);
- CPI linked rental increases of +13.8% on 18.2% of NZL's portfolio took effect in June 2025. A further 29.2% of NZL's portfolio was subject to a +2.5% increase on 15 April 2025;
- On 7 March 2025 NZL acquired a 305 hectare, highly productive dairy farm in Canterbury;
- As part of the consideration for the aquisition NZL sold two pastoral farms at above book value/most recent valuations. The transaction increases NZL's total rental income by ~$290k a year;
- WALT was 12.3 years at HY25, a decrease of -1.6% from FY24 (12.5 years);
- 17,077 hectares of rural land now owned, a decrease of -2.4% from FY24 (17,503);
- Gearing lowered to 29.8% from 30.5% at HY24 (-2.3%);
- $40m of additional interest rate swaps increasing hedging from 65% to 81%;
- Interim dividend to be paid at ~80% of AFFO, equivalent to 2.16 cps the dividend will be paid in mid-October 2025. NZL will continue to offer a dividend reinvestment programme;
- NZL continues to operate an on-market share buyback programme, no shares were repurchased during the period. 710,131 shares have been repurchased sincce the programme was initiated in June 2023;
- Net Asset Value (NAV) per share has grown from $1.25 at IPO to $1.589 at 30 June 2025 (+27.1%); and
- Net Tangible Assets (NTA) per share have grown from $1.25 at IPO to $1.606 at 30 June 2025 (+28.5%).

HY25 saw the addition of a blue chip asset to NZL's portfolio, delivered effective risk management, decreased gearing, and sustainable growth in rental income and dividends for shareholders.

Since the end of HY25, NZL has announced a capital review of the Company's strategic options. At the time of this announcement this process remains ongoing.

A detailed results presentation is available at: https://www.nzrlc.co.nz/reports-presentations.

1. *Reported figures include 100% of the earnings and assets of New Zealand Rural Land Investments Limited Partnership. NZL owns 75% of this entity. AFFO and dividends are not reported on a consolidated basis and are 100% attributable to NZL.*

Property Transactions

In the first half of the year, NZL announced the acquisition of a 305 hectare blue chip dairy property in Canterbury. The acquisition increased NZL's annual lease income by ~$290k. As part of the consideration for the aquisition NZL sold two pastoral farms at above book value/most recent valuation.

In September 2025 NZL expects to settle the second tranche (79 hectares) of a 126 hectare apple orchard located in Central Otago The first 47 hectare tranche of this property settled in FY24. Following settlement this property will generate annualised first year rental income of $1.13m.

NZL now owns 17,077 hectares of rural land (25% of which is owned by Roc) with a 12.3 year WALT (by lease value) and 100% occupancy across nine tenants. The portfolio displays meaningful sector, income and tenant diversification, with forestry and horticulture now holding a 32% and 8% proportion of the company's annual lease income, dairy 50% and support 10%.

CPI Adjustments

NZL benefits from CPI adjustments for all of its properties and has received CPI adjusted rental payments from the four tenants whose properties were subject to review in HY25. 30.2% of NZL's dairy assets (18.2% of NZL's rent) was subject to CPI linked rental increases of +13.8% which took effect in June 2025. A further 34.4% of NZL's portfolio was subject to a +2.5% increase in the first half of the year. Reflecting this the portfolio's total lease value has increased by ~$750k or +3.3%. NZL's dairy leases undergo CPI review every three years, in contrast to its horticultural and forestry leases which undergo CPI review annually.

Dividend and Share Buyback Programme

NZL will pay an interim dividend of 2.16 cps in October 2025 representing ~80% of HY25 AFFO.

NZL's intention has always been to pay regular semi-annual dividends. NZL's amended dividend policy targets a pay-out of 60% - 90% of AFFO. The pay-out range grants the company greater flexibility to deploy NZL's cash operating earnings in ways considered most beneficial to increasing shareholder value.

The company maintains a selective on-market share buyback programme. Under the programme 710,131 shares have been acquired as at the date of this announcement.

Outlook & Subsequent Events

NZL's strategy is to own quality rural land in New Zealand; growing a diverse portfolio while delivering attractive risk-adjusted returns as a ground lessor.

The outlook for agriculture is positive with property prices forecast to continue increasing and higher commodity prices improving the servicing ability of NZL's tenants.

NZL's leases incorporate regular CPI reviews. That means inflation results in rental growth. As a ground lessor, NZL is also protected from inflation-impacted, and other on-farm operational costs.

NZL continues to forecast FY25 AFFO of between $7.5m and $8.0m, this excludes earnings from properties with put/call arrangements in place (~$1.4m).

Achieving FY25's forecast means that NZL's AFFO will have more than doubled in absolute terms since FY22. NZL is targeting total AFFO of $9.4m by FY29 a +33.1% increase from FY24.

As previously announced the board has commenced a capital review process which it aims to complete and announce any outcomes of by the end of the current financial year.

Rob Campbell
Chair

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