

NZX RELEASE

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Disciplined FY26 execution strengthens balance sheet

	FY26	Movement from FY25
Net rental income	\$202.4m	+4.3%
Operating profit before tax	\$126.2m	+8.6%
Net profit after tax	\$50.4m	-11.5%
Adjusted funds from operations	\$100.2m	+8.0%
Net tangible assets per share	\$1.12	-2.4%
Full year dividend	5.60 cents per share	+3.7%

Executing on strategy

Kiwi Property today released its annual results for the twelve months ended 31 March 2026 (FY26), delivering a robust operating performance and continued advancement of its strategic priorities. Performance benefited from rental growth, improved occupancy, disciplined cost management and progress on capital recycling initiatives. These contributors were partly offset by valuation movements, resulting in lower profit after tax.

Kiwi Property Chair Simon Shakesheff noted the strong progress on the capital recycling programme: “during the year, we sold The Plaza in Palmerston North for \$118.9m, with settlement occurring in December 2025. Following the successful nine-year lease extension at ASB North Wharf in July last year, we also progressed a conditional sale of that asset, which was announced in January.” Since year end, Overseas Investment Office approval has been received for the ASB transaction, with settlement of the \$205 million sale expected in May 2026.

Including the settlement of the ASB North Wharf sale, pro forma gearing reduces to 33.3%. Reflecting the strengthening balance sheet, S&P removed the ‘Negative’ outlook on Kiwi Property’s credit rating, with the issuer rating now BBB/Stable.

Portfolio performance

Kiwi Property delivered continued rental growth across the portfolio, supported by positive leasing momentum and improving occupancy. The total leasing spread on new leases was 6.3%, contributing to rental growth of 4.5% for the year. Portfolio occupancy increased to 99.0%, up from 96.9% in FY25. Vero Centre’s occupancy in particular lifted to 99.1%, up from 92.4% at the start of the financial year.

Net rental income increased by 4.3% to \$202.4 million. Operating profit before tax increased by 8.6% to \$126.2 million and adjusted funds from operations (AFFO) rose by 8.0% to \$100.2 million. These results reflect improved operating performance and lower interest costs, partly offset by income lost from the sale of The Plaza during the year.



At our centres, retail sales increased by 1.6% over the year to \$1.9 billion, with foot traffic up by 3.0% to 36.7 million visits over the same period.

Asset valuations and earnings resilience

As at 31 March 2026, Kiwi Property's total property portfolio was valued at \$3.0 billion¹, reflecting a fair value decline of 0.9% over the year. Net tangible assets per share decreased 2.4% to \$1.12. Increases in retail-led mixed-use asset values were more than offset by softer office valuations and a reduction in the value of Drury land, as development costs exceeded valuation gains.

Despite these movements, operating performance remained sound, supporting net profit after tax of \$50.4 million, compared with \$57.0 million in FY25.

Cost discipline

Kiwi Property maintained a disciplined approach to cost management throughout FY26. Kiwi Property CEO Clive Mackenzie noted that "employment and administration expenses decreased by \$0.9 million, or 3.6%, compared with the prior year, after normalising for costs associated with the ASB North Wharf lease extension and other one-off transaction items."

Strategy refresh

During the year, the Board and management refreshed Kiwi Property's strategy to ensure it remains clear, focused and aligned with the Company's long-term objectives. Shakesheff commented that "our strategy remains consistent, but we have refined how we describe it. The refresh reaffirms Kiwi Property's emphasis on best-in-class retail assets in prime locations, with mixed-use elements incorporated where they enhance asset quality and long-term returns."

Shakesheff added, "the refreshed strategy is structured around four connected pillars — Assets, Capital, Customer and Capability. Together, these pillars guide the ownership and active management of high-quality assets, disciplined capital allocation to support growth and balance sheet strength, delivery of compelling experiences for customers and tenants, and the development of organisational capability to support consistent performance over time."

Asset initiatives

The December opening of the new pedestrian link between IKEA and Level One at Sylvia Park is a visible milestone, broadening customer flow between the two destinations and increasing foot traffic through the centre, particularly to upper-level retail on Level One. This momentum at Sylvia Park is complemented by the commencement of the southern enhancement project, expanding Kmart's retail footprint and introducing additional hospitality options. Asian grocer STACKS will also begin trading mid-year, further diversifying the tenant mix and reflecting a growing Asian catchment, broader food and beverage preferences, and overseas best practice.

Drury remains a key long-term growth project for Kiwi Property, with meaningful progress achieved during FY26. CEO Clive Mackenzie noted that "during the year, we negotiated conditional agreements with Costco, Harvey Norman and Briscoe Group, together with an



unconditional agreement with Foodstuffs.” These transactions mean approximately 77% of the Stage 1 large-format retail (LFR) precinct intended for sale is under contract, with total proceeds of \$115 million expected to be received between FY27 and FY29.

With the majority of Stage 1 LFR sales now secured, the focus has shifted to execution. Stage 1 civil works are underway, including the construction of key roads, installation of drainage and provision of utility services, and Stage 2 Fast-track consent was received at the end of last year.

Mackenzie said these milestones provide greater certainty around delivery while maintaining flexibility: “the progress achieved at Drury allows us to take a staged and disciplined approach to development, while continuing to unlock value and support balance sheet strength over time,” he said.

Leadership

This year, Kiwi Property strengthened leadership capability in areas critical to capital management and strategic execution. Shaun Reed was appointed to the executive team as General Manager Capital Transactions. Following the resignation of Steve Penney, Sarah Theodore will join as Chief Financial Officer in July.

Sustainability and capability

In FY26, Kiwi Property continued to simplify operations and invest in initiatives that enhance asset quality and long-term resilience. Geneva House at Sylvia Park achieved a 5.5-Star NABERSNZ Energy rating, and initiatives at Vero Centre progressed toward an estimated 29% reduction in gas consumption.

Investment also continued in capability, talent development, and AI adoption. This focus is reflected in the latest people survey, which showed strong employee engagement of 80% (in the upper quartile of similar-sized NZ businesses).

Dividend and guidance

Kiwi Property will pay a fourth quarter cash dividend of 1.40 cents per share (cps) on 19 June 2026, taking the full year cash dividend payment to 5.60 cps, in line with guidance. The AFFO payout ratio is 92%.

Shakesheff said, “I am pleased to announce dividend guidance for the 2027 financial year of 5.75 cps², which represents growth of 2.7% on the FY26 dividend. The forecast dividend is expected to be at the higher end of our 90% to 100% target AFFO payout range.”

FY27 outlook

CEO Clive Mackenzie remains focused on disciplined execution: “near-term priorities include progressing selective initiatives to further enhance portfolio quality, including completion of Sylvia Park’s southern enhancement project and the Vero Centre upgrade, alongside continued progress at Drury through the staged completion of land sales.

We will also continue to carefully manage operating costs and capital expenditure, while recycling capital from non-strategic assets where appropriate. This will help preserve



balance sheet flexibility and support reinvestment in opportunities aligned with our strategy and capital allocation framework.”

“While geopolitical and macroeconomic conditions remain volatile, and in a period marked by elevated interest rates, cautious capital markets and shifting customer behaviour, our high-quality portfolio, clear strategy, and disciplined approach to execution provide a strong foundation for long-term performance,” Mackenzie concluded.

Additional information

Kiwi Property has today also released an Annual Report, Annual Results Presentation, Property Compendium, and Sustainability Report, which are available for download on the company’s website, kp.co.nz, or from nzx.com.

ENDS

Notes:

General: Net rental income, operating profit before tax, and adjusted funds from operations are non-GAAP performance measures. Refer to the Kiwi Property Annual Results Presentation for the twelve months ended 31 March 2026 for the definition and determination of non-GAAP performance measures, sales and pedestrian counts.

1: Total portfolio value excludes held for sale assets and includes Drury land classified as inventories.

2: Dividend guidance and payments are contingent on the company’s financial performance through the financial year and barring material adverse events or unforeseen circumstances.

For further information

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About us

Kiwi Property (NZX: KPG) is one of the largest listed property companies on the New Zealand Stock Exchange and is a member of the S&P/NZX 20 Index. We have been around for over 30 years and proudly own and manage a significant real estate portfolio comprising some of New Zealand’s best mixed-use, retail and office buildings. Our objective is to provide investors with a reliable investment in New Zealand property through the ownership and active management of a diversified, high-quality portfolio. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website, kp.co.nz