PFI ANNOUNCES FY26 ANNUAL RESULTS

Property for Industry Limited (the **Company**, **PFI**), today announced the Company's annual results for the twelve months ended 30 June 2026 (**FY26**).

"PFI has delivered double-digit growth in dividends," says Chief Executive Officer, Simon Woodhams. "The FY26 result reflects the resilience of our industrial property portfolio, with strong leasing outcomes and high-quality cashflows driving double-digit FFO and AFFO[1] earnings growth. We also achieved important Green Star development milestones during the year, while maintaining gearing below the mid-point of PFI's target range, supporting our ability to continue delivering growing dividends for shareholders."

Highlights

- **Annual results**: Profit after tax[2] of $77.7m, down $28.3m on FY25, incorporating fair value gains on properties of $16.1m, as compared to gains of $70.7m in FY25, FFO up 20.7% to 12.90 cents per share (**cps**), AFFO up 14.0% to 10.93 cps, FY26 cash dividends of 9.50 cps, an increase of 10.5% on FY25 cash dividends.
- **Stable valuations and resilient cashflows**: Stable valuations across PFI's $2.30b industrial property portfolio despite ongoing economic and geopolitical volatility, fair value gains on properties of $16.1m or 0.7%, net tangible assets (**NTA**) up 2.3% to $2.90 per share. Portfolio cashflows remain highly resilient, with growth in contract rents of 7.7% supported by 98.7% occupancy and high cash collection rates, portfolio under-renting of ~7.1% providing future rental growth opportunities.
- **Green Star development milestones achieved**: Stage 2 of 78 Springs Road construction completed in H2 FY26, Stage 1 of Totara Creek Estate[3] construction tracking in line with programme and budget, PFI in advanced negotiations with a prospective tenant to enable Stage 1 of the redevelopment of 92–98 Harris Road, ability to deploy a further ~$335m across Green Star development pipeline.
- **Enhanced funding flexibility for future growth**: $600m syndicated bank facilities refinanced post-balance date enabling Green funding to increase alongside growth in Green assets, $200m PFI040 bonds issued in April 2026, year-end gearing of 34.2% lifting to ~35.7% after committed acquisitions and development projects.
- **FY27 dividend outlook**: Subject to events beyond PFI's control, dividend growth expected to continue in FY27, with guidance of 9.75–9.85 cps, an expected increase of ~2.6–3.7% on FY26 dividends, supported by strong earnings and a payout ratio towards the lower bound of PFI's dividend policy.

Annual results

PFI reported a FY26 profit after tax of $77.7m (15.47 cps), down from $106.0m (21.11 cps) in FY25. The result included a $16.1m fair value gain on investment properties, as compared to a $70.7m fair value gain in FY25.

FY26 net rental income[4] increased $15.2m or 14.1% on FY25 to $123.2m, driven by leasing activity (+$9.4m), the early lease surrender payment at 92–98 Harris Road, East Tamaki (+$3.6m), development projects completing in the prior period (+$1.6m), and current and prior period acquisition and divestment activity (+$0.8m), partly offset by vacancy (-$0.3m).

[1] Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO) are non-GAAP financial information and are common property investor metrics, which have been calculated in accordance with the guidelines issued by the Property Council of Australia. Please refer to Appendix 1 of the FY26 annual results presentation for more detail as to how these measures were calculated.
[2] Profit after tax refers to profit and total comprehensive income after income tax attributable to the shareholders of the Company. Please see the FY26 Annual Report for further detail.
[3] Totara Creek Estate being the two properties located at 16 & 23 John Hull Road, Whenuapai, formerly referred to as the Spedding Road Estate.
[4] Refer Appendix 3 of the FY26 annual results presentation. Excludes service charge income recovered from tenants and management fee income.

Profit before finance income and expenses, other gains and losses and income tax[5] increased by 14.8% from $94.4m in FY25 to $108.4m in FY26. Interest and fees were in line with FY25, with lower floating interest rates through much of FY26 offsetting higher borrowings and lower levels of interest capitalised to development projects. Current tax of $10.4m increased by $1.5m as a result of higher taxable earnings.

As a result, FFO earnings were up 20.7% to 12.90 cps, whilst AFFO earnings of 10.93 cps were up 14.0%.

The PFI Board resolved to pay a fourth quarter final cash dividend of 2.90 cps[6], bringing full year FY26 cash dividends to 9.50 cps, an increase of 10.5% on FY25 cash dividends. After normalising FY26 AFFO earnings for the early lease surrender payment at 92–98 Harris Road, FY26 cash dividends of 9.50 cps result in a dividend payout ratio of ~90% based on PFI's dividend policy.

Stable valuations and resilient cashflows

PFI's industrial property portfolio continued to demonstrate resilient performance through FY26. At year end, the Company's weighted average lease term (**WALT**) was 5.04 years, and the portfolio was 98.7% occupied, with vacancy largely attributable to the speculative component of Stage 2 of 78 Springs Road, East Tamaki (1.2%). The portfolio continues to benefit from ~7.1% under-renting, providing future rental growth opportunities against a backdrop of manageable lease expiries, with 7.8% of contract rent due to expire in FY27 (excluding development opportunities).

Rent reviews were completed on 123 leases during FY26, delivering an average uplift of 7.2% (6.9% annualised) on ~$92.1m of contract rent.

Around 85,800 square metres (**sqm**), representing $14.0m or 11.5% of rent, was leased in FY26 across five new leases and 16 renewals, for an average of 6.9 years. In a period characterised by softer business confidence and economic uncertainty, PFI secured these leasing outcomes with incentives of 0.2 months per annum of lease term. Where rents were agreed, a positive re-leasing spread[7] of ~22% was achieved, highlighting the portfolio's enduring appeal and high-quality tenant base.

Combined, over 93% of contract rent was reviewed, varied, or leased during FY26.

An increase from independent valuations of $16.1m or 0.7% saw PFI end FY26 with a property portfolio valued at $2.30b. The valuation outcome was largely driven by realised rental growth across the portfolio, together with an increase in land values at Totara Creek Estate relative to the initial acquisition price. As a result of portfolio and valuation activity[8], PFI's passing yield increased by 18 basis points to 5.41%, while the portfolio market cap rate firmed slightly to 5.73%.

An independent market rental assessment confirmed PFI's portfolio to be ~7.1% under-rented (June 2025: ~11.5%). On a like-for-like basis, market rents grew by ~1.6% over the period, while PFI achieved 6.5% growth in those same rents, reflecting the effective capture of market rents.

NTA per share increased 6.4 cps (2.3%) to $2.90, driven by growth in investment property valuations and retained earnings.

[5] Profit before finance income and expenses, other gains and losses and income tax is a non-GAAP financial measure. Please refer to page 21 of the FY26 Annual Report for further detail.
[6] The dividend reinvestment scheme will not operate for this dividend.
[7] A re-leasing spread is the difference between what a landlord charges on an expiring lease, and what they get on a renewed or new lease for the same asset.
[8] Excluding the Company's active development sites (being Stage 3 of 78 Springs Road, East Tamaki, 92–98 Harris Road, East Tamaki and 16 & 23 John Hull Road, Whenuapai).

Green Star development milestones achieved

PFI targets holding 5–15% of the portfolio in 'Development Opportunities'. Following the reallocation of Stage 2 of 78 Springs Road to 'Core-Generic' on completion, ~$142m (~6%) of the portfolio is allocated to 'Development Opportunities'[9]. In line with PFI's sustainability strategy, all significant new developments will target a 5 Green Star rating.

Stage 2 of 78 Springs Road was completed in April 2026, delivering a dual-unit ~11,300 sqm warehouse development that is ~60% leased to MiTek[10] for a 12-year term. Leasing enquiry for the speculative component has been encouraging and, based on current lease-up assumptions, the project is expected to deliver a yield on cost of >6.5%, including land. Demolition and asbestos removal at the last existing warehouse at 78 Springs Road is expected to be completed in H1 FY28, enabling Stage 3 development works. Current master planning provides for a further ~20,000 sqm of 5 Green Star rated industrial space, which would increase total site coverage to ~65% on completion.

PFI is in advanced negotiations with a leading international occupier to commence Stage 1 of the redevelopment of 92–98 Harris Road. If progressed, Stage 1 of the proposed development would comprise ~5,600 sqm of warehouse and ~1,300 sqm of office, requiring ~$25m of incremental capital expenditure. The project would target a yield on cost of ~6.5% (including land), with completion currently projected for Q3 FY28. Current master-planning allows for a further tenant-led stage of the project, comprising ~8,600 sqm of warehouse, ~800 sqm of office and ~2,600 sqm of breezeway accommodation.

Stage 1 of the Totara Creek Estate commenced in March 2026. This first stage is being developed on a speculative basis, and construction is progressing in line with programme and budget, with completion targeted for Q4 FY27. The project is expected to involve an investment of ~$40m and deliver a yield on cost of ~6.5%, including land. Future stages at Totara Creek Estate provide a further ~4.0 hectares of land to be progressively developed over the next 3-4 years for an estimated cost of ~$70m.

Beyond the projects outlined above, PFI holds a further ~$95m of assets allocated to development opportunities, providing scope for an additional ~$125m of investment over the medium-term. These projects aim to transform obsolete assets into best-in-class, 5 Green Star-rated industrial facilities, unlocking value and supporting long-term earnings growth.

Enhanced funding flexibility for future growth

PFI has further strengthened and diversified its funding platform, issuing the $200m PFI040 bonds in April 2026 and refinancing its syndicated bank facilities post-balance date. The new $600m syndicated facility structure provides enhanced flexibility to adjust commitments between Green and Non-Green debt tranches, enabling funding allocations to evolve alongside PFI's development pipeline and sustainability strategy.

Following the post-balance date refinancing[11], PFI's debt instruments have a weighted average term to expiry of ~4.5 years, and the Company has in excess of $200m of unutilised bank facility capacity.

Gearing at the end of FY26 was 34.2% (covenant: 50%). Following committed acquisitions and development projects, gearing is expected to increase to ~35.7%, near the middle of PFI's target range of 30–40%. While not yet committed, Stage 1 of the redevelopment of 92–98 Harris Road would increase gearing to ~36.5%, all else being equal. Further detail on PFI's ability to maintain gearing within its target range as it progresses its ~$335m Green Star development pipeline is included in Appendix 5 of the accompanying presentation.

[9] Reflects 30 June 2026 valuations of properties classified as near-to-medium term development opportunities. See Appendix 4 of the FY26 annual results presentation for details.
[10] MiTek New Zealand Limited.
[11] As at 17 July 2026.

At the end of FY26, the interest cover ratio was 3.3 times (covenant: 2 times), and interest rate hedging is expected to cover ~65% of forecast debt at an average rate of ~3.15% during FY27, before margins and fees.

FY27 dividend outlook

FY27 has commenced in line with expectations, with high cash collection rates and resilient portfolio performance despite ongoing economic and geopolitical uncertainty. The PFI Board is encouraged by the quality of the Company's income streams, with embedded rental growth and strong portfolio fundamentals supporting confidence in the earnings outlook.

Subject to events beyond the Company's control, the PFI Board expects to pay FY27 cash dividends of 9.75–9.85 cps, an increase of ~2.6–3.7% on FY26 dividends. FY27 cash dividends of 9.75–9.85 cps are expected to result in a one-year AFFO pay-out ratio of ~95%, and a payout ratio towards the lower bound of PFI's dividend policy (after normalising FY26 and FY27 earnings for the early lease surrender payment at 92–98 Harris Road).

"PFI enters FY27 from a position of strength," says Simon Woodhams. "With embedded rental growth, strong portfolio fundamentals, a high-quality Green Star development pipeline and a disciplined approach to capital management, PFI is well positioned to continue delivering growing dividends and long-term value for shareholders."

Key Metrics ($000, unless noted)		
Earnings and Dividends	**FY26**	**FY25**
Net rental income	123,151	107,961
Profit before finance income and expenses, other gains and losses and income tax	108,408	94,391
Profit after tax	77,725	106,022
Funds From Operations (FFO)	12.90 cps	10.69 cps
Adjusted Funds From Operations (AFFO)	10.93 cps	9.59 cps
Dividends	9.50 cps	8.60 cps
Balance Sheet	**Jun-26**	**Jun-25**
Investment properties	2,299,945	2,166,200
Net tangible assets per share	$2.90	$2.84
Gearing	34.2%	32.6%

Further details on PFI's FY26 annual results are included in the presentation, Annual Report and Fact Sheet released with this announcement. PFI expects to publish its Sustainability and Climate Report in September.

ENDS

The PFI Management Team will present the results via live webcast from 10.00am NZT on 24 August 2026. Webcast and conference call details are available **here**.

ABOUT PFI

PFI is an NZX listed industrial property specialist, owning over 90 quality properties worth more than $2 billion. Our well diversified portfolio is focused on strategic locations that drive value and growth for the industrial sector, for our tenants, and for our investors. Since listing on the NZX in 1994, we've built a strong track record of delivering consistent returns. We invest for the long-term, combining our capital and specialist industry capability to deliver the successful outcomes all our stakeholders need.

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