Stride Property Group (NS)

NZX Announcement

IMMEDIATE — 26 November 2026

HY27 Interim Results

Stride Property Group (Stride) (Note 1) announces its interim results for the six months ended 30 September 2026. Stride delivered a stable result for the half, while progressing initiatives to demonstrate and unlock shareholder value, strengthen its investment management platform and position for future growth.

HY27 financial highlights

- Net rental income of $28.7m (HY26: $31.1m), with Like-For-Like (LFL) net rental income up $2.4m or 9.1% after adjusting for the disposal of Silverdale Centre in the prior year
- External management fee income of $11.4m (HY26: $11.7m), with recurring management fees up 7.6% on HY26
- Profit after income tax of $10.0m (HY26: $42.6m), primarily driven by an impairment to the equity-accounted investment in Investore over the comparable period
- Distributable profit after current income tax of $25.1m, up 4.0% (Note 2)
- $3.3bn of total assets under management (AUM), including $2.0bn of open-ended external (Note 3) AUM
- Net tangible assets of $1.67 per share at 30 September 2026

Key operational highlights

- SIML delivered a profit margin of 51% for HY27, equating to approximately 0.66 cents per share or 15% of distributable profit per share, with SIML's business profitable on recurring management income alone
- SIML's recurring management fees were up 7.6% on HY26, supported by growth across Stride's open-ended Products (Note 4)
- SPL's directly held portfolio saw LFL Rental Growth (Note 5) up 2.9% across 53% of the portfolio by income.
- For SPL's investments in its Products, LFL Rental Growth for Investore was up 5.2%, Industre was up 10.8% and Diversified down 1.3%
- SPL's retail portfolio delivered LFL moving annual turnover (MAT) growth of 3.3%, including 5.3% growth for speciality tenants, with strong 98% tenant retention
- On a look-through basis (Note 6), weighted average lease term (WALT) was 6.4 years and occupancy was 93%, with total lease expiries by contract rental (Note 7) over FY27 and FY28 at 9.5%, down 4.5% compared with 31 March 2026 on a LFL basis

Philip Littlewood, Chief Executive Officer of Stride, commented on the results:

"Stride's HY27 result demonstrates the resilience of our combined property investment and funds-management model. Distributable profit increased despite lower net rental income following the sale of the Silverdale Centre to Investore, supported by resilient recurring management fee income and lower current tax expense. The strong LFL Rental Growth in our direct and our key indirect investments underpinned another solid half for the group's operations."

Key strategic achievements

Stride has progressed a number of initiatives across the wider platform over HY27. Key highlights include:

- Industre's commitment to the Patiki Road, Auckland, development. The ~$70m development project, excluding land (Note 8), is underway, with completion expected late FY28
- Asset disposals of approximately $50m across Investore and Industre, including the post balance date transaction, have supported the funding of existing acquisitions and development commitment
- Longer term development opportunities are progressing, with various consenting submissions made including North Wharf, Auckland, and Johnsonville Shopping Centre, Wellington, with, post balance date, a 150-year pre-paid ground lease extension conditionally agreed for 55 Lady Elizabeth Lane, Wellington

Taken as a whole, these achievements are helping to progress Stride's high-quality development pipeline, which will assist the next stage of growth across the platform.

Demonstrating and unlocking shareholder value

At current share prices, the market is implying a material discount to Stride's underlying value. To address this, Stride today is setting out a clear plan to demonstrate the value of its underlying investment portfolio and investment management business and deliver that value to shareholders.

- The first step of this plan is to explore targeted asset sales to validate portfolio values and demonstrate the disconnect with Stride's market valuation
- Building on this, where appropriate, Stride will seek to enter into new capital partnerships over divested properties, to preserve the scale of its management platform and associated earnings while releasing capital for further investment opportunities
- Finally, Stride will look to allocate capital to maximise shareholder value following any asset disposals. Where the share price continues to materially undervalue Stride following any asset sales, a capital return to shareholders would be considered alongside value-accretive investment opportunities. Stride will provide further updates on these initiatives once any decisions have been made

David Green, Chair of Stride, commented:

"Our immediate priority is to demonstrate and unlock the underlying value of Stride's investment portfolio and investment management business for shareholders.

We intend to explore targeted asset sales to validate our portfolio values and, where appropriate, capital partnering opportunities that preserve management earnings while releasing capital.

This approach will support targeted capital allocation, with our focus on maximising shareholder value and positioning our investment management platform for longer-term growth."

Financial performance

Stride recorded profit after income tax of $10.0m for HY27 (HY26: $42.6m). The movements over the comparative period resulted from a higher net reduction in fair value of investment properties, a lower share of profit in equity-accounted investments and an impairment of equity-accounted investment in HY27.

Net rental income of $28.7m (HY26: $31.1m) was lower due to the sale of the Silverdale Centre in October 2025. Despite this, distributable profit after current income tax increased 4.0% to $25.1m (HY26: $24.1m), predominantly due to tax benefits on Industre developments.

External management fee income remained broadly stable at $11.4m (HY26: $11.7m), with recurring management fees increasing 7.6%. Activity fee income for HY27 is down on HY26 due to the completion of Industre's Wickham Street, Hamilton and Favona Road, Auckland developments, however, the Patiki Road, Auckland development will be a key driver of activity fees as the project progresses over the coming year.

Of HY27 external management fee income, $7.2m was generated from open-ended Products, with $4.2m from closed-ended Products (including $1.3m from salary and wages recoveries).

Distributable profit per share increased to 4.48 cents, from 4.32 cents for HY26.

Investment Portfolio (Note 9)

Stride's look-through Investment Portfolio was valued at $1.4bn as at 30 September 2026, with 93% occupancy and a 6.4 years WALT.

Stride's diversified portfolio and management platform provide exposure to office, industrial, convenience-based retail and shopping centres, together with recurring and activity-based management income.

SPL directly held portfolio

SPL's directly held Investment Portfolio was valued at $802m as at 30 September 2026. Occupancy increased to 91.6%, from 87.7% as at 31 March 2026, while WALT was 5.8 years. SPL delivered LFL Rental Growth of 2.9% across 53% of the portfolio by income.

Investore Property Limited

Investore delivered LFL Rental Growth of 5.2% during HY27, with 99.4% occupancy. Woolworths Greenlane was sold at 4.1% above book value and Woolworths Morrinsville sold in line with book value.

Post balance date, Investore entered into an amendment to its bank debt facilities for an additional $40m (effective 30 November 2026), to support the repayment of the $125m IPL030 bond maturing in February 2027.

Industre Property Joint Venture

Industre delivered LFL Rental Growth of 10.8% during HY27 across approximately 47,000sqm. Portfolio occupancy was 91.1%, reflecting vacancy at the recently completed Favona Road development. Excluding Favona Road, occupancy was 98.4%.

During HY27, Industre committed to the ~$70m Patiki Road development in Auckland, excluding land, with completion expected late FY28.

Post balance date, Industre disposed of 65–75 Innes Street, Gisborne, for $6.6m.

Diversified NZ Property Trust

Diversified's Investment Portfolio was valued at $424m as at 30 September 2026, with occupancy of 97.5% and WALT of 2.9 years. Diversified delivered LFL MAT growth of 1.9%, with specialty tenant rental growth of 2.5%. Key leasing transactions included the renewal of Event Cinemas at Chartwell and, post balance date, Woolworths at Queensgate.

Diversified unitholders have resolved to wind up the fund, subject to asset disposals. Associated project fees are expected to offset lost management fee income in the near term, with the longer-term impact following asset sales and fund wind-up expected to be approximately 5-6% of Stride's annual distributable profit per share.

Capital Management

At 30 September 2026:

- Bank LVR (Note 10) was 34.9%, compared with 33.6% as at 31 March 2026
- Look-through gearing (Note 11) was 35.9%, compared with 35.1%
- Balance sheet gearing (Note 12) was 24.9%, compared with 23.8%
- Stride had $105m of undrawn debt facility headroom with no debt facility maturities until FY30

Stride reduced its syndicated debt facility limit by $50m on 30 September 2026 to $410m. Post balance date, all Stride's open-ended Products have green loan facilities, equating to approximately 85% of total bank debt facilities on a look-through basis.

The weighted average cost of debt was maintained at 5.0% as at 30 September 2026 due to the high proportion of hedged debt (92% of drawn debt as at 30 September 2026) and facility right-sizing.

Sustainability

Stride achieved a GRESB score of 81 out of 100, an improvement of 13 points over three years.

Stage 2 HVAC works commenced post balance date at 215 Lambton Quay, targeting a minimum 4-star NABERSNZ rating.

Outlook

Persistent inflation pressures and market uncertainty remain key themes, with movements in offshore bond yields continuing to influence the cost of capital and business and consumer confidence. While the New Zealand economy is showing signs of resilience, conditions in the major Auckland and Wellington markets remain mixed.

Operationally, Stride's focus is on growing income through continuing to progress leasing activity and development pipeline opportunities across the group. This development pipeline provides further potential to improve portfolio quality, generate investment management activity, and support future capital partnering opportunities.

Owing to the persistent material discount the market is implying to Stride, there will be a strategic focus on exploring targeted asset sales to help demonstrate the disconnect with Stride's market valuation. Recycled capital will be allocated to maximise shareholder value, which could include a capital return to shareholders.

The Stride Boards have today declared a combined dividend for the quarter ended 30 September 2026 of 2.0 cents per share to be paid on 15 December 2026 to all shareholders on the register at the close of business on 4 December 2026 (the record date). The Dividend Reinvestment Plan remains suspended. The Stride Boards confirm their intention to pay combined cash dividends for SPL and SIML of 8.0 cents per share for FY27, subject to market conditions.

Notes

1. Stride Property Group (Stride) comprises Stride Investment Management Limited (SIML) and Stride Property Limited (SPL). A stapled security of the Stride Property Group comprises one ordinary share in SIML and one ordinary share in SPL. The stapled securities are quoted on the NZX Main Board under the ticker code SPG.
2. Distributable profit is a non-GAAP measure and consists of profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items, share of profit/(loss) in equity-accounted investments, dividends received from equity-accounted investments and current tax. Further information, including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 4.4 to the consolidated interim financial statements.
3. Represents the Investore Property Limited (Investore) and Industre joint venture (Industre) portfolios which are subject to perpetual management contracts.
4. Any or all, as the context may require, of Diversified NZ Property Trust (Diversified), Investore and Industre, being entities or funds managed by SIML.
5. LFL Rental Growth is the increase on prior rentals from new lettings, renewals and rent reviews completed during HY27 on a LFL basis.
6. Look-through basis comprises SPL's directly held portfolio and SPL's proportionate ownership in the portfolios of the Stride Products.
7. Contract rental is the amount of rent payable by each tenant, plus other amounts payable to SPL (or the relevant landlord) by that tenant under the terms of the relevant lease as at the relevant date, annualised for the 12 month period on the basis of the occupancy level for the relevant property as at the relevant date, and assuming no default by the tenant.
8. Stage 2 development remains subject to final construction pricing.
9. Unless otherwise stated, property portfolio metrics: (1) exclude properties reported as 'Development and Other' and 'Assets classified as held for sale' in the respective financial statements; (2) exclude lease liabilities; (3) for SPL's office portfolio, include Level 12, 34 Shortland Street, Auckland, which is reported as 'Property, plant and equipment' in the consolidated interim financial statements; and (4) include the value of rental guarantees receivable.
10. Calculated as bank debt as a percentage of the value of investment property for mortgage security purposes.
11. Look-through gearing includes SPL's directly held property and debt as well as its proportionate share of the property and debt of each of the Stride Products.
12. Balance sheet gearing includes SPL's directly held property, as well as the value of SPL's interests in each of the Stride Products and SPL's direct debt.

Ends

Attachments provided to NZX:

- Stride Property Group – HY27 Interim Results Announcement – 261126
- Stride Property Group – HY27 Consolidated Interim Financial Statements – 261126
- Stride Property Group – HY27 Interim Results Presentation – 261126
- Stride Property Group – NZX Results Announcement – 261126
- Stride Property Limited – NZX Distribution Notice – 261126
- Stride Investment Management Limited – NZX Distribution Notice – 261126

For further information please contact:

David Green, Chair, Stride Investment Management Limited / Stride Property Limited
Mobile: 021 657 599 - Email: david.green@strideproperty.co.nz

Philip Littlewood, Chief Executive Officer, Stride Investment Management Limited
Mobile: 021 230 3026 - Email: philip.littlewood@strideproperty.co.nz

Jennifer Whooley, Chief Financial Officer, Stride Investment Management Limited
Mobile: 021 536 406 - Email: jennifer.whooley@strideproperty.co.nz

Claire Fisher, GM Corporate Services, Stride Investment Management Limited
Mobile: 021 223 1401 - Email: claire.fisher@strideproperty.co.nz

A Stapled Security of the Stride Property Group comprises one ordinary share in Stride Property Limited and one ordinary share in Stride Investment Management Limited. Under the terms of the constitution of each company, the shares in each can only be transferred if accompanied by a transfer of the same number of shares in the other.

Stapled Securities are quoted on the NZX Main Board under the ticker code SPG. Further information is available at www.strideproperty.co.nz or at www.nzx.com/companies/SPG.