



INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA

SA Corporate 2023 Year-End Pre-Close Update Presentation

14 December 2023




AGENDA

- 01** LFL NPI Portfolio Performance
- 02** Retail Portfolio Performance
- 03** Retail Leasing Update
- 04** Industrial & Commercial Performance
- 05** Afhco / Indluplace Portfolio Performance
- 06** Zambia Portfolio Performance
- 07** Financial Sustainability
- 08** Unlisted Residential Fund Update
- 09** Debt Restructure For Unlisted Residential Fund
- 10** Distribution Guidance



LFL NPI PORTFOLIO PERFORMANCE

Sector	Forecast YE'23 vs YE'22 LFL NPI Growth	Commentary
Industrial	> 5.0%	Vacancy take-up at 32 Yaldwyn and 18 Covora, together with annual escalations on long term leases at 57 Sarel Baard, 112 & 37 Yaldwyn and Beryl Street.
Retail	3.5% to 4.0%	The net effect of loadshedding, being unrecovered loadshedding expenses is forecast to be R2.2m for the LFL portfolio. Growth was impacted by the once-off municipal credit of R12m at Northpark Mall in the PY, which if excluded, LFL NPI growth would have exceeded inflation.
Office	> 20.0%	Vacancy take-up at Nobel Street and GreenPark Corner together with writing back a portion of a provision i.r.o. a levy dispute that was settled favourably.
Afhco	2.0% to 2.5%	Whilst average residential vacancies improved by 0.9% in 2023, the cost of diesel associated with loadshedding for generators introduced to the residential portfolio in late 2022 only of R6.5m, and the capping of student rental by NSFAS, the LFL NPI growth would have been forecast to be 7.2%.
Indluplace	n/a	5.1% or R14.8m  Acquisition Model. Occupancies in the student portfolio increased from 50.0% to circa 95.0%.
Total	~ 4.0%	

RETAIL PORTFOLIO PERFORMANCE

Sector	Vacancy 30-Jun-23	Vacancy 31-Oct-23	Anticipated Vacancy 31-Dec-23	Comments
Retail	3.1%	3.1%	< 3.0%	Reduction in vacancy from October 2023 is due to 720m ² being let at Umlazi Mega City and 348m ² at Forest Road.
Sector	Trading Density Growth 12MTH Rolling @30-Jun-23	Trading Density Growth 12MTH Rolling @ 31-Oct-23	Comments	
Retail	5.1%	4.8%	Trading density slightly reduced owing to redevelopment at Musgrave Centre and competition to The Oaks Centre in Ermelo.	
Sector	Retention Rate 30-Jun-23	Retention Rate YTD 31-Oct-23	Anticipated Retention Rate 31-Dec-23	Comments
Retail	78.4%	85.2%	~ 90.0%	5,591m ² not retained in 2023 due largely to Ster Kinekor vacating space of 2,252m ² at Musgrave Centre being redeveloped for a Checkers Emporium to commence trading in July 2024.
Sector	Renewal Reversion 30-Jun-23	Renewal Reversion YTD 31-Oct-23	Anticipated Renewal Reversion 31-Dec-23	Comments
Retail	-0.8%	0.8%	2.5% to 3.0%	Positive reversion by year end due to favourable renewals of Pick 'n Pay at Montana Crossing and Absa at Musgrave Centre.

RETAIL LEASING UPDATE

Strategic Focus

Convenience Orientated Retail portfolio

31-Dec-22



VACANCY

3.2%



NATIONAL TENANCY

63.3%



CONVENIENCE

59.2%

NEW LEASING – TOTAL GLA of 9,939m²

Largest New Leases

Morning Glen	Blueberry Beacon	1,234m ²
Morning Glen	Golden Tee	888m ²
Coachmans Crossing	Woolworths	784m ²
Springfield Value Centre	Totalsports	708m ²
The Oaks	Sportscene	656m ²
Umlazi Mega City	Bradlows	581m ²
Morning Glen	Foodies Feast	544m ²
Morning Glen	Willow Way CrossFit	416m ²
Morning Glen	Pick n Pay Clothing	403m ²

31-Oct-23



VACANCY



3.1%



NATIONAL TENANCY



66.7%



CONVENIENCE



63.3%

INDUSTRIAL & COMMERCIAL PORTFOLIO PERFORMANCE

Sector	Vacancy 30-Jun-23	Vacancy 31-Oct-23	Anticipated Vacancy 31-Dec-23	Comments
Industrial	0.0%	0.0%	0.2%	Minor vacancy of 810m ² at 11 Wankel Street.
Office	16.6%	20.0%	~ 15.0%	Largely due to 3,192m ² vacancy at Musgrave Centre of which 2,400m ² is in the final stage of award in a local government institution leasing tender. Stand alone office vacancy is forecast at 1.0%.
Sector	Retention Rate 30-Jun-23	Retention Rate YTD 31-Oct-23	Anticipated Retention Rate 31-Dec-23	Comments
Industrial	77.8%	88.3%	~ 90.0%	5,320m ² not retained, relating to Super Steel (1,585m ²), North Safety (1,508m ²), MBE (810m ²) and Trigz (1,417m ²).
Office	100.0%	63.9%	~ 75.0%	1,171m ² not retained, 840m ² was re-located to premises within GreenPark Corner.
Sector	Renewal Reversion 30-Jun-23	Renewal Reversion YTD 31-Oct-23	Anticipated Renewal Reversion 31-Dec-23	Comments
Industrial	3.7%	1.7%	~ -1.0%	Largely due to the negative renewal reversion at 155 Old Main Road being a motor showroom.
Office	-3.6%	1.7%	-1.1%	Positive reversion on Phillip Morris at Nobel Street together with small positive reversions on various renewals at GreenPark Corner.

INDUSTRIAL LEASING UPDATE

Strategic Focus		Quality Industrial Property Portfolio					
Lease Renewals							
	Expiry 2023		Renewal YTD 31 Oct 2023		Renewal 2023 YE Forecast		
	Extent	% of Portfolio GLA	% Renewed	Reversion	% Renewed	Reversion	Comments
Total	56,444	14.0%	82.7%	1.7%	82.7%	-1.1%	Negative reversions in H2'23.
Gauteng	45,881	11.4%	82.0%	1.4%	82.0%	1.2%	Slight positive reversions at 8 Director and 88 Loper Ave.
Kwa-Zulu Natal	10,562	2.6%	85.7%	4.0%	93.0%	-7.0%	Negative 11.4% reversion at 155 Old Main Road motor showroom.
Western Cape	–	0.0%	0.0%	0.0%	0.0%	0.0%	No expiries in 2023.

AFHCO / INDLUPLACE (“ILU”) PORTFOLIO PERFORMANCE

Sector	Vacancy 30-Jun-23	Vacancy 31-Oct-23	Anticipated Vacancy 31-Dec-23	Comments
Residential - Afhco	3.1%	2.7%	~ 4.0%	Occupancy levels decline at year end due to seasonal movements typical at this time of year.
Residential - ILU	5.7%	5.1%	~ 5.0%	Vacancy excludes students. Including students, the June and October vacancy decreased to 4.7% and 2.6%.
Retail - Afhco	5.5%	4.9%	~ 5.0%	Continued efforts in letting vacant space.
Retail - ILU	18.0%	13.7%	~ 10.0%	Vacancy reducing owing to space being let to Hungry Lion and Jam Clothing at Jozi House.
Sector	Rental Increase on Expiring Leases 30-Jun-23	Rental Increase on Expiring Leases 31-Oct-23	Anticipated Rental Increase 31-Dec-23	Comments
Residential - Afhco	4.5%	4.5%	> 4.0%	Continued steady improvement in rental increases are being achieved supported by robust demand and low vacancy.
Residential - ILU	0.3%	2.4%	3.5% to 4%	Improving rental increases also being achieved in the ILU portfolio.
Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-Oct-23	Anticipated Renewal Reversion 31-Dec-23	Comments
Retail - Afhco	-4.6%	0.6%	~ 1.0%	Reversions have improved during the course of the year and are anticipated to remain positive until year end. There has been ongoing improvement to inner city retail after the prolonged effects of covid in respect of cross border trade.
Retail - ILU	Flat	Flat	Flat	

ZAMBIA PORTFOLIO PERFORMANCE

Sector	Vacancy 30-Jun-23	Vacancy 31-Oct-23	Anticipated Vacancy 31-Dec-23	Comments
East Park Mall	1.6%	0.9%	< 1.0%	Vacancy reduced to less than 1.0% due to 485m ² of space let to an apparel retailer and airline operator.
Acacia Office Park	5.8%	2.4%	2.4%	318m ² of space let to UBA Bank reducing vacancy to 2.4%.
Jacaranda Mall	17.3%	11.7%	11.7%	Reduction in vacancy to 11.7% due to 839m ² of space being let of which a large portion pertains to a furniture retailer.
Sector	Retention Rate 30-Jun-23	Retention Rate YTD 31-Oct-23	Anticipated Retention Rate 31-Dec-23	Comments
East Park Mall	No expiries	100.0%	100.0%	804m ² of expiring leased space to Studio 88 and Zambia Revenue Authority retained.
Acacia Office Park	100.0%	100.0%	100.0%	Expiring leased space of 2,879m ² to FNB retained.
Jacaranda Mall	100.0%	100.0%	100.0%	316m ² expiring leased space to Hungry Lion and Unicom (mobile operator) retained.
Sector	Renewal Reversion 30-Jun-23 USD	Renewal Reversion YTD 31-Oct-23 USD	Anticipated Renewal Reversion 31-Dec-23 USD	Comments
East Park Mall	2.8%	3.0%	3.0%	Studio 88 and Zambia Revenue Authority renewed at a positive 3.0% renewal reversion.
Acacia Office Park	2.6%	2.4%	2.4%	FNB lease renewed at a positive 2.4% renewal reversion.
Jacaranda Mall	2.7%	2.6%	2.6%	Hungry Lion and Unicom leases renewed at a positive 2.6% renewal reversion.



FINANCIAL SUSTAINABILITY

Strategic Focus

Financial Sustainability

Disposals Update

2023 Disposals Pipeline	R1.2 billion
Contracted Prior to 2023	R855.6 million
Transferred	R802.3 million
Unconditional	R17.0 million
Conditional	R36.3 million
Newly Contracted in 2023¹	R299.8 million
Transferred	R204.5 million
Unconditional	R28.6 million
Conditional	R66.7 million

Notes:

- 2 motor dealerships, 1 industrial property, 1 inner-city retail property, 2 Indluplace properties & non-core residential apartments
- Disposal of Transcend shares realizing proceeds of R52.1 million in November 2023
- In negotiations for sale of non-core residential assets for *circa.* R250 million

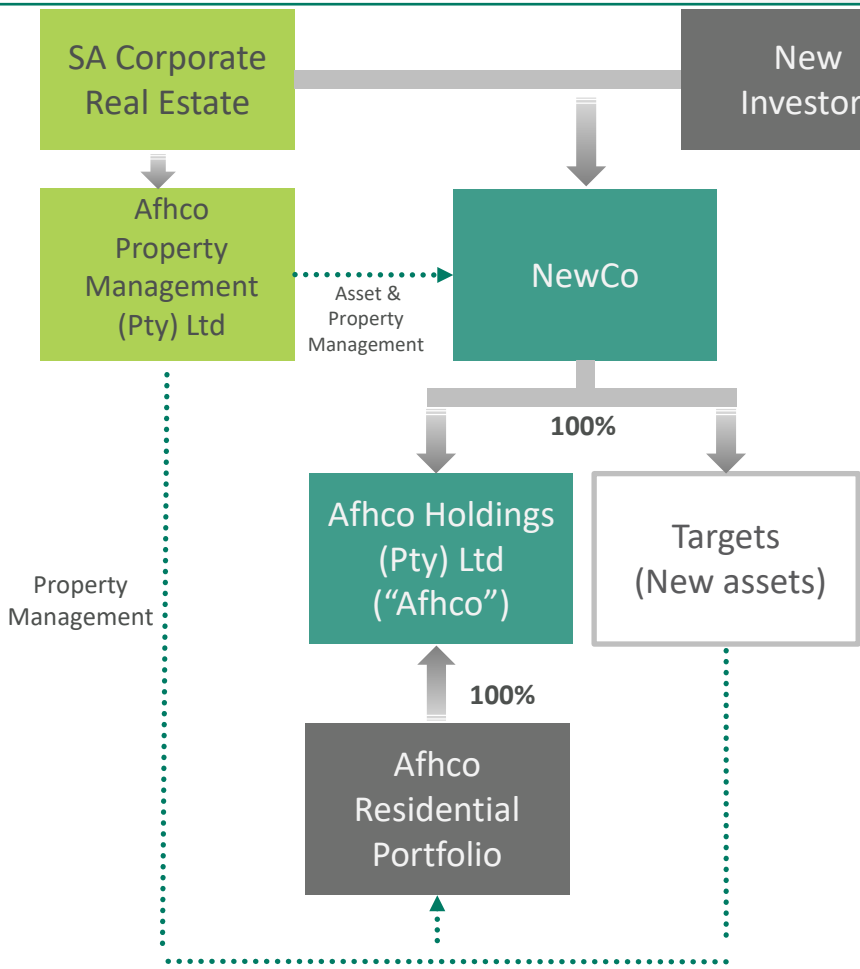
Debt Management

ZAR645 million 3-year swap contracted @ *circa.* 60 bps below 3M-JIBAR on 29-Nov-23

Obtained Lender approval for covenant relaxation whilst raising equity capital for Unlisted Residential Fund

- ICR : Corporate 1.75x ; Transactional 1.5x

UNLISTED RESIDENTIAL FUND UPDATE



Investors	Appetite	Progress	Anticipated commitment
Investor 1	R1.0bn	Due diligence completed. To be considered at 1 st IC in 2024.	Jan'24
Investor 2	R1.3bn+	Detailed due diligence well advanced	H1 - 2024

POTENTIAL PIPELINE			
Counterparty	Offtake	Approx property value	Timing
Private Seller	Income generating	R1.4 bn	Final negotiations & due diligence well advanced
Developer	Development but income generating on transfer	R1.5 bn	18-24 months



INITIAL CAPITAL TO BE RAISED AT 9.5% to 10.0% EQUITY YIELD



DEBT RESTRUCTURE FOR UNLISTED RESIDENTIAL FUND

- Equity to be raised of R1bn in the Unlisted Residential Fund
- R783m new Unlisted Residential Fund Debt (non-recourse to SAC) to be raised
- Debt across the Group to be settled of R1.783bn
- Targeted to be completed by 31 January 2024
- WACD targeted
 - SAC Group R7.2 bn @ *circa.* 9.7% (incl. SWAPS)
 - Unlisted Residential Fund R2.2 bn @ *circa.* 9.5% (incl. SWAPS)



DISTRIBUTION GUIDANCE (including ILU)

2023 YE:

- 3 to 5% < 2022 YE

2024 FORECAST:

- At least inflationary growth

