



SA Corporate 2023 Year End Results Presentation

28 March 2024



AGENDA

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Rory Mackey

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Rory Mackey

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Rory Mackey

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Rory Mackey

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INTRODUCTION & OVERVIEW

RORY MACKEY



OVERVIEW

DISTRIBUTION

DISTRIBUTABLE INCOME



5.5%

vs six months to
31 December 2022



4.0%

vs twelve months to
31 December 2022

R647.8 million or 25.76 cps

(2022: R674.8 million or 26.83 cps)

DISTRIBUTION

**Declared 23.18 cps
at 90% payout ratio**

(2022: 24.15 cps at 90% payout ratio)

OVERVIEW

PORTFOLIO PERFORMANCE

TOTAL NET PROPERTY INCOME ("NPI")

R1.3 billion

(2022 : R1.2 billion)

TRADITIONAL PORTFOLIO VACANCIES

% of gross lettable area ("GLA")

2.0%

(2022: 2.3%)

TOTAL LIKE-FOR-LIKE NPI INCREASED BY

4.6% to R1.01 billion

(2022: R0.96 billion)

RESIDENTIAL PORTFOLIO VACANCIES

% of total units

Afhco 2023 average 3.1%

(2022 average: 4.3%)

INDLUPLACE NPI > ACQUISITION MODEL

12.7%* or R13.4 million

AS AT 31 DECEMBER 2023

Afhco

4.2%

(2022: 2.9%)

Indluplace

4.5%

(at 30 September 2022,
Indluplace's last year-
end reported, 8.5%)

Total

4.4%

* Calculated for 5 months from acquisition

OVERVIEW

PROPERTY ACTIVITY

DISPOSAL PIPELINE SINCE 1 JANUARY 2023

R1.4 billion

(Transferred to 31 December 2023: R1 013.8 million; Contracted not yet transferred: R192.2 million, of which R13.2 million has transferred after 31 December 2023, and under offer: R225.3 million)

ASSETS UNDER MANAGEMENT

R19.0 billion

(2022: R16.6 billion)

CAPITAL STRUCTURE

LOAN TO VALUE ("LTV") RATIO

41.9%*

(2022: 38.1%)

**Net debt LTV excluding derivatives, which if included would be 41.6% (2022: 37.8%)*

WEIGHTED AVERAGE COST OF FUNDING

10.2%

(2022: 8.8%)

exclusive of swaps

9.4%

(2022: 9.0%)

inclusive of swaps

EFFECTIVE FIXED DEBT

70.1%

WEIGHTED AVERAGE SWAP TENOR

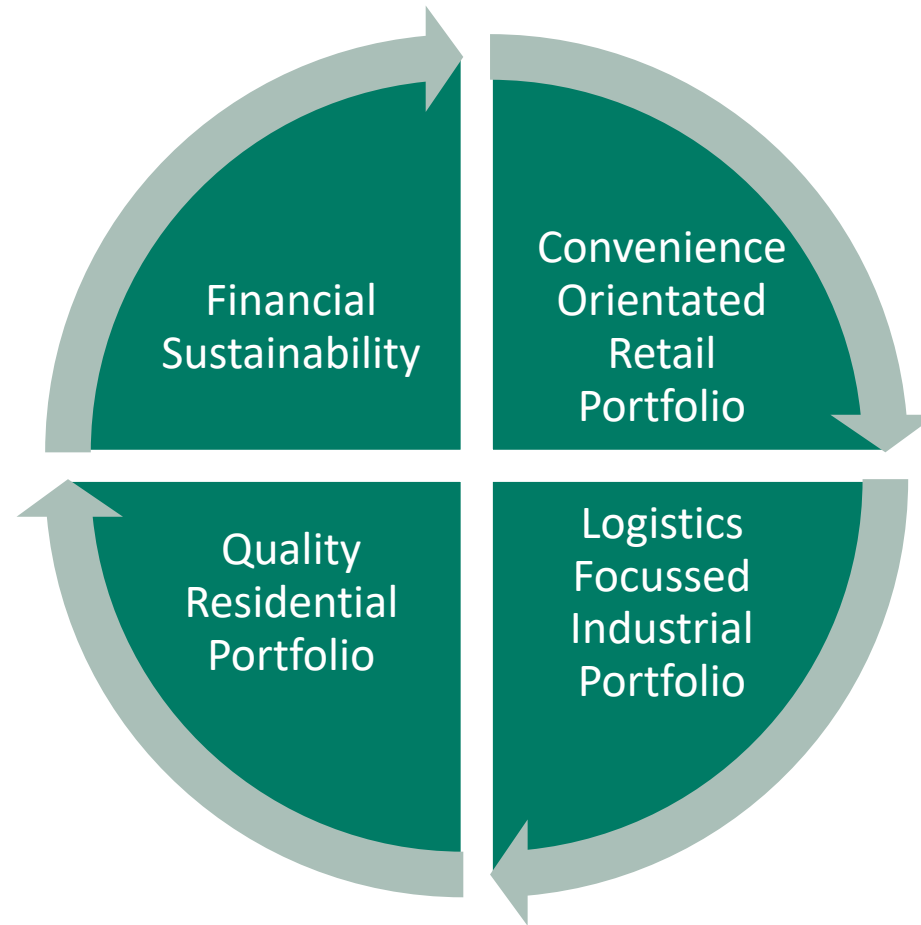
1.5 years

STRATEGY UPDATE

RORY MACKEY

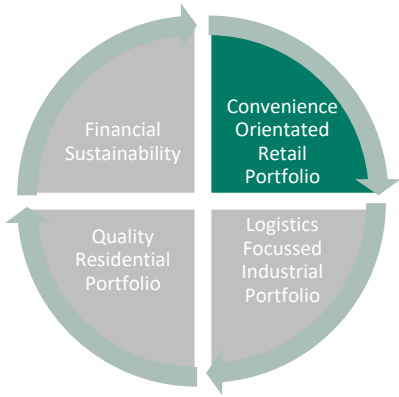


STRATEGY UPDATE



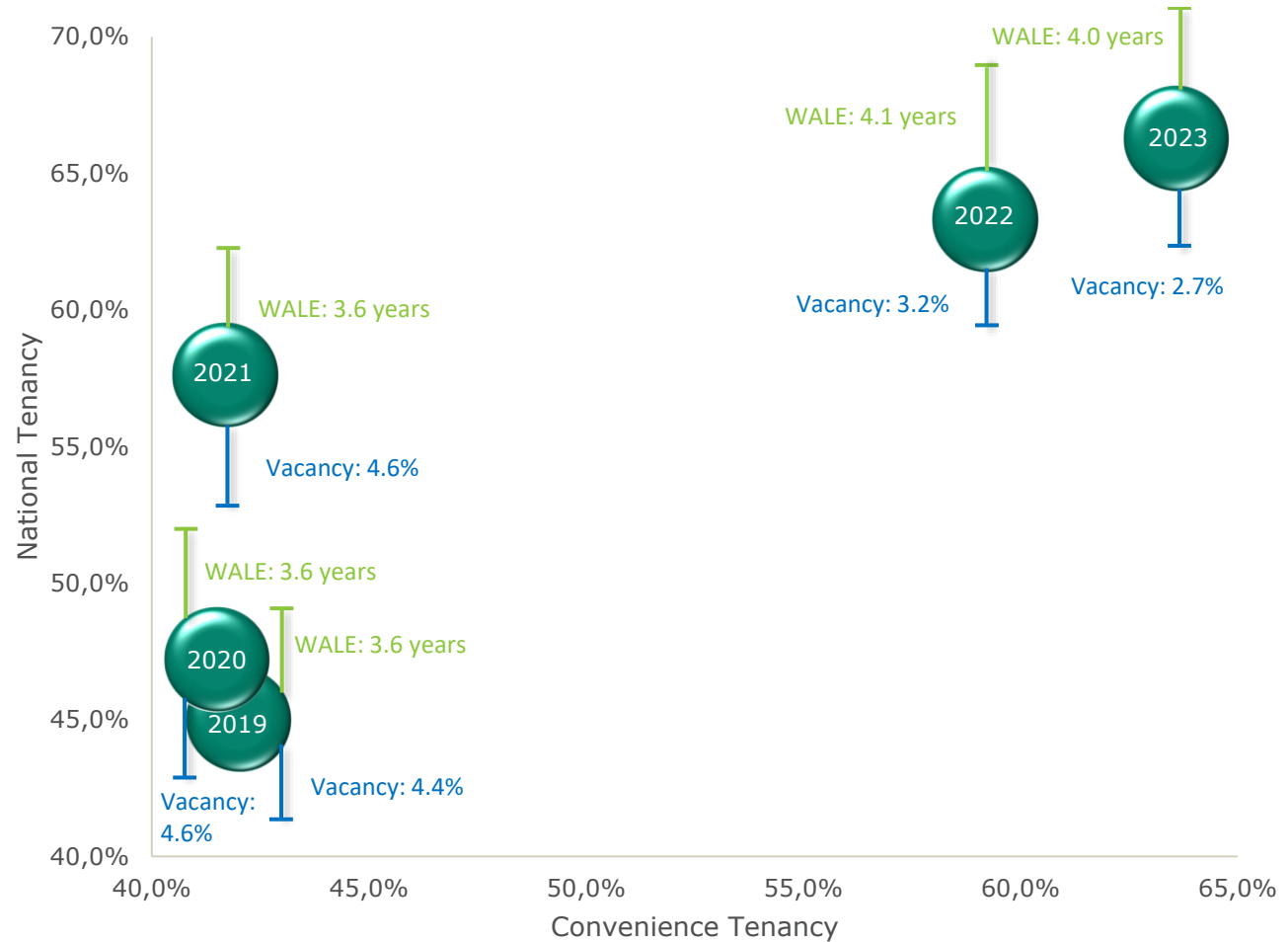
CONVENIENCE ORIENTATED RETAIL PORTFOLIO

LFL REVENUE + 7.8% & LFL NPI + 5.3%



Defensive Retail Portfolio

- Low Vacancy
- High National Tenancy
- Convenience Focussed



*WALE: Weighted average lease expiry

INCREASING NATIONAL TENANCY

Occupation of National Tenants since 2020 on the SA Corporate Portfolio

Number of new national tenants 2020 - 2023

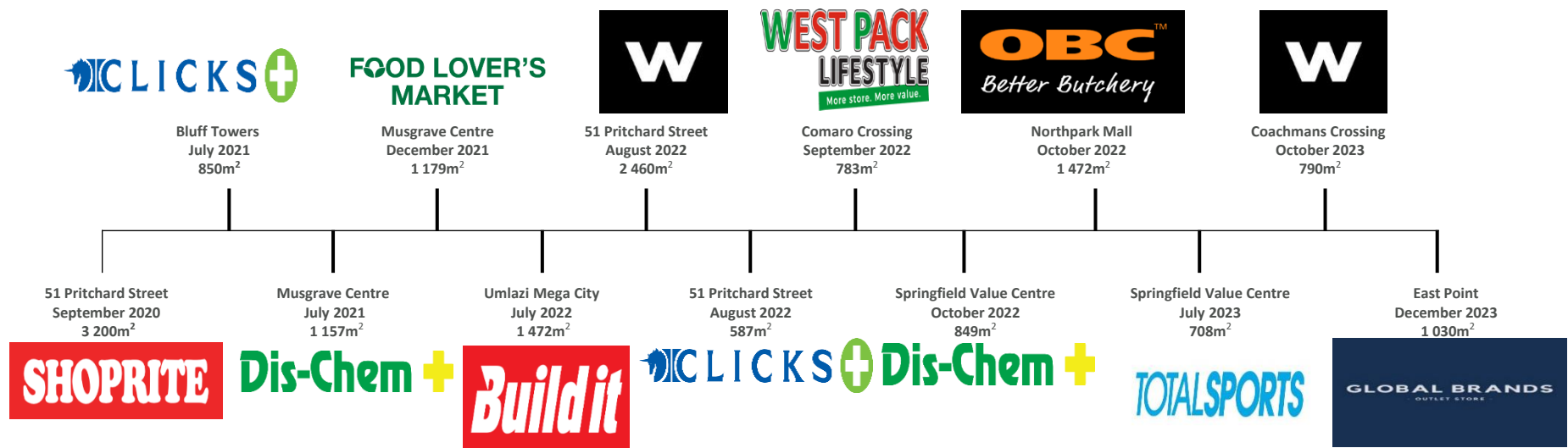


97

GLA of new nationals (m2)



34 306



DEVELOPMENT PROJECTS INCREASING FOOD EXPOSURE



New 544m² bespoke Food Market: R9m



September 2023


MORNING GLEN MALL



Pick n Pay

Increased size of supermarket anchor by 30% to 1 981m². Aesthetic refurbishment of the centre and improved access – R40m

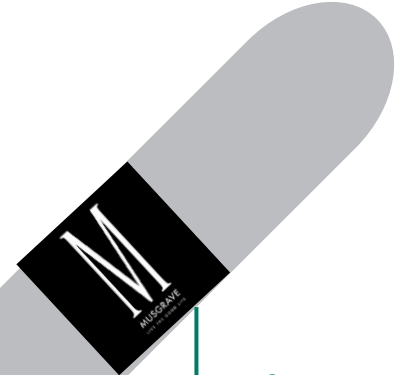
June 2024



October 2023



New 790m² Woolworths Food store, new tenancies and aesthetic refurbishment of the centre – R30m



July 2024



checkers

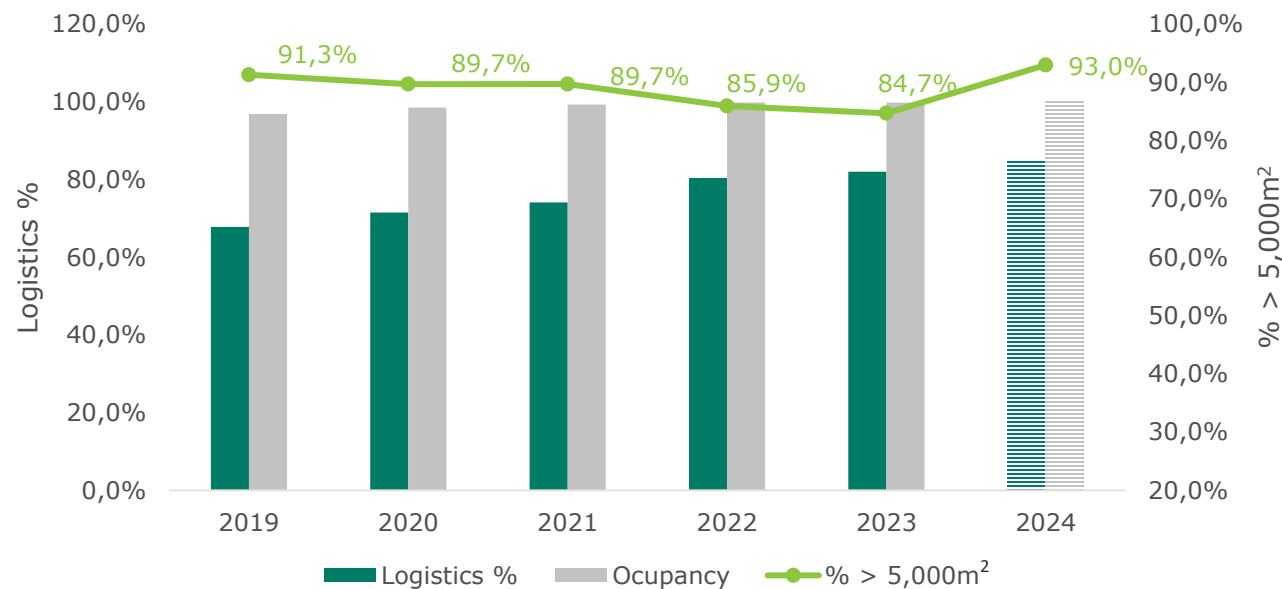
Supermarket: 2 225m²

Pet Store: 160m²

Liquor Store: 220m²

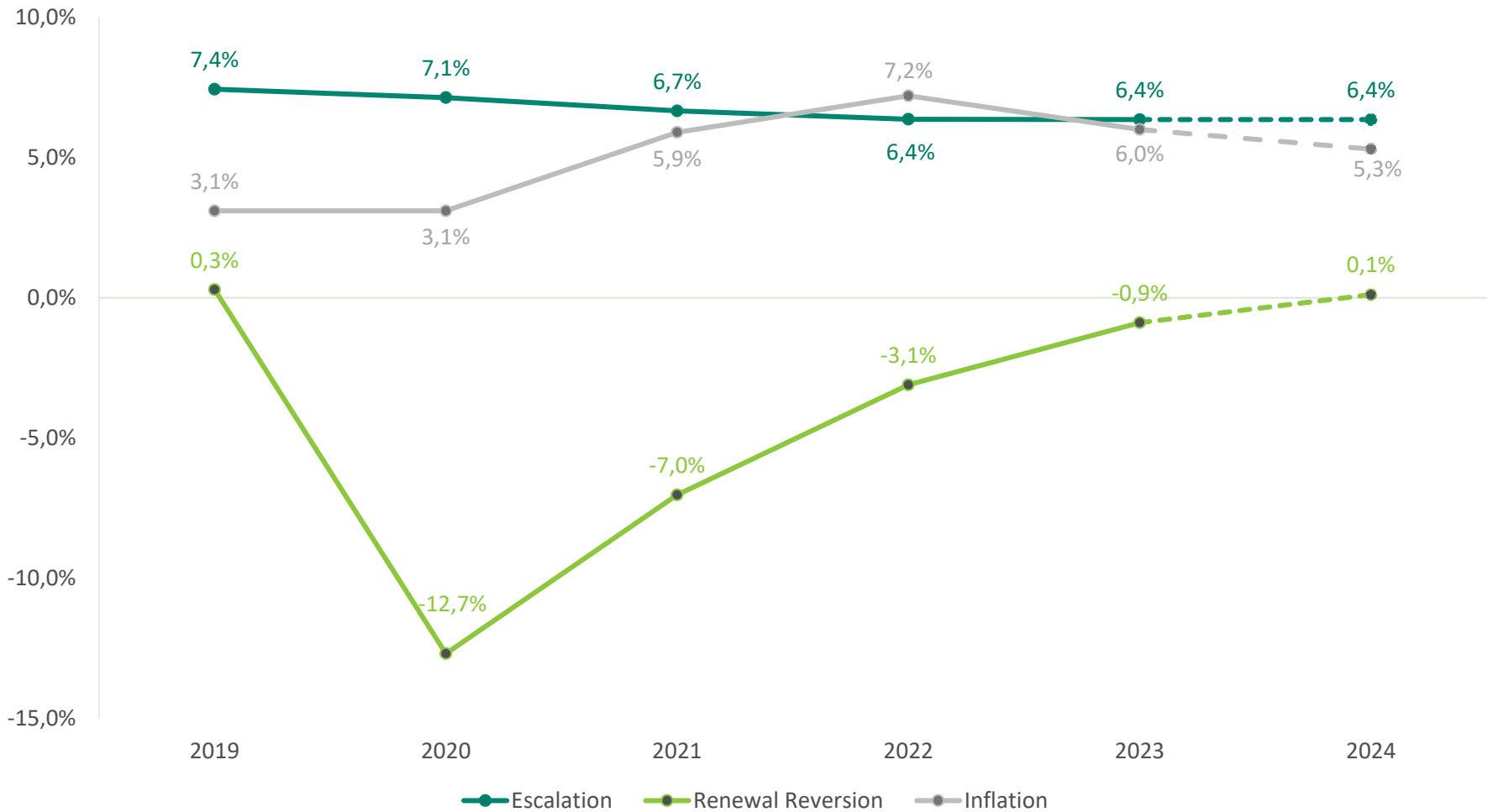
LOGISTICS FOCUSSED INDUSTRIAL PORTFOLIO

LFL + 5.3%

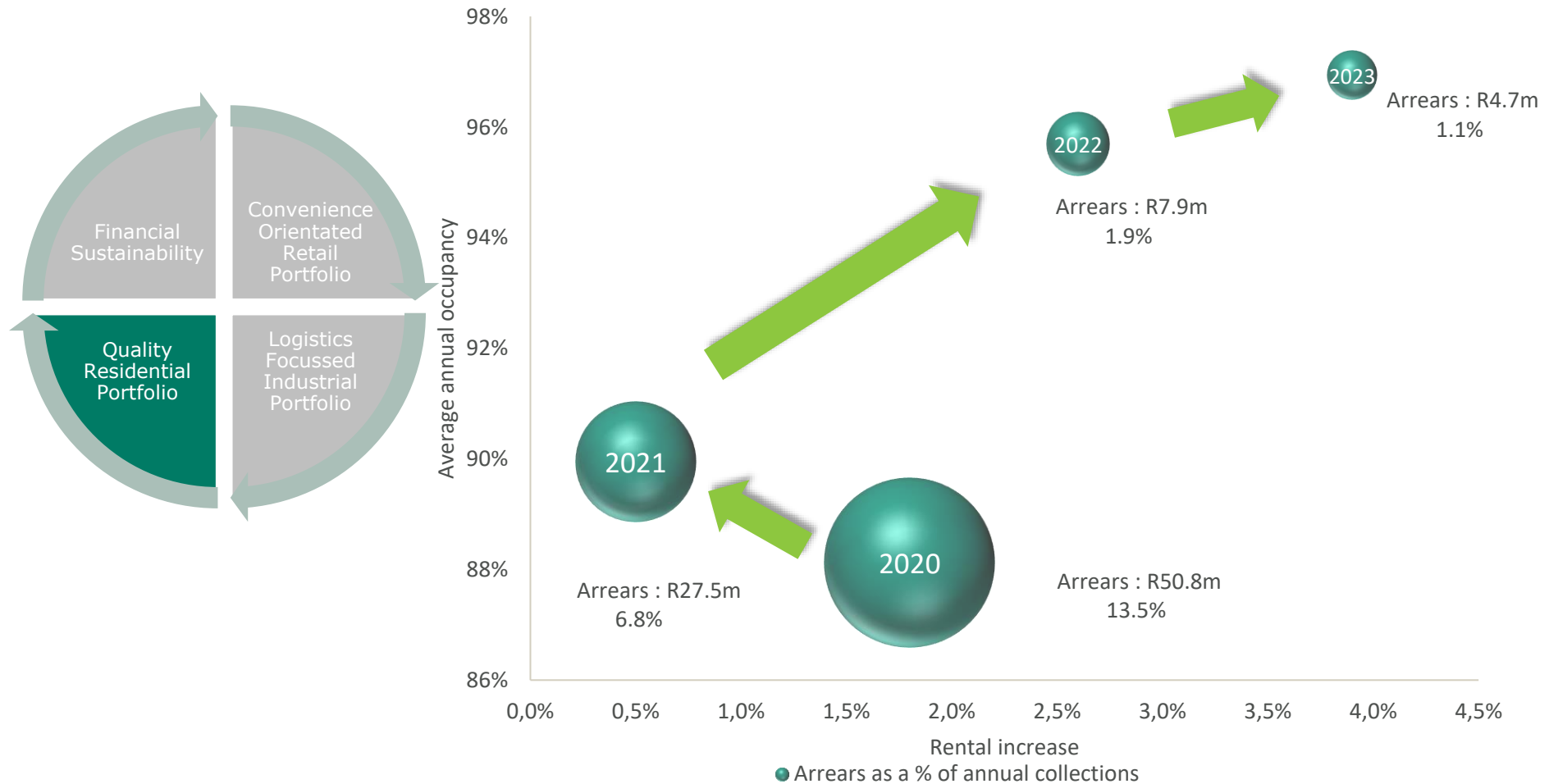


Disposal Category	2019	2020	2021	2022	2023	Total
	m²	m²	m²	m²	m²	m²
Leasehold property	-	16 703	38 204	-	18 060	72 967
Small low quality property	4 986	1 913	19 404	3 347	5 850	35 500
Motor showroom	8 473	-	-	6 186	5 902	20 561
Poor industrial node		35 323	10 705	18 051		64 079
Poor office to warehouse ratio			17 456			17 456
Onerous capital investments	21 730	56 412			9 964	88 106
Total	35 189	110 351	85 769	27 584	39 776	298 669

INDUSTRIAL ESCALATIONS AND REVERSIONS



QUALITY RESIDENTIAL PORTFOLIO

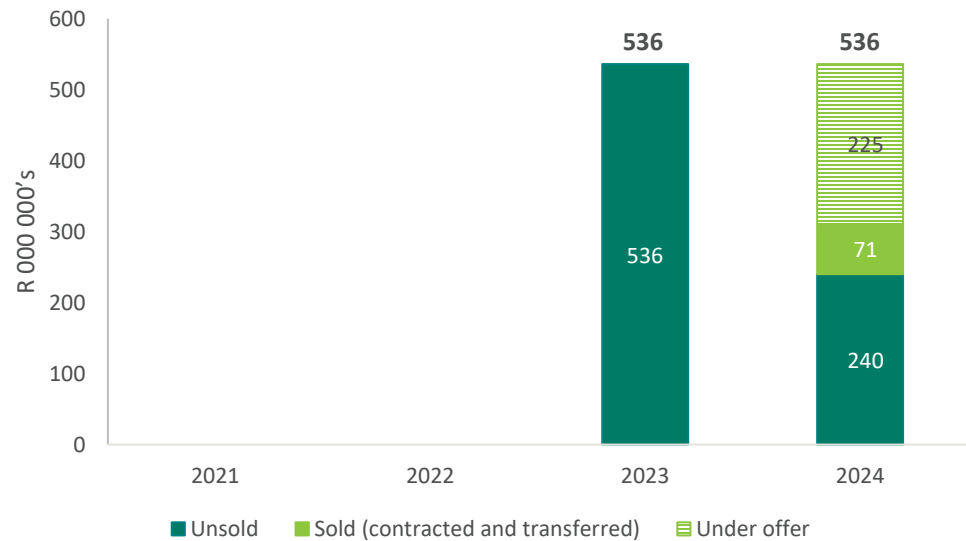
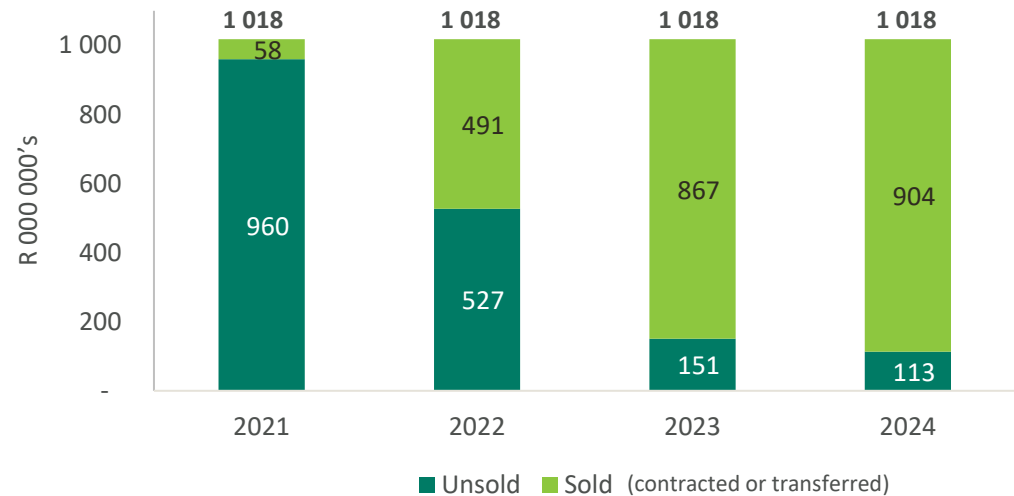


REFINEMENT OF RESIDENTIAL PORTFOLIO

DISPOSAL OF NON-CORE NON- PRECINCT ASSETS

Afhco
non-core
Properties

Indluplace
non-core
Properties



AFHCO BUILDING TENANT LOYALTY

Loyalty Rewards & Initiatives:

Tenants in Good Standing

Lunch in the Sky



Long Standing Tenants

Sun City Resort



Students

Movers Hunt



Happy Island Waterworld



Game Drive



Movers Market



Increasing:

- *Collections*
- *Term of occupancy lowering tenant churn costs*
- *Brand awareness & reach*

RESIDENTIAL DIGITISATION & ARTIFICIAL INTELLIGENCE (AI) INITIATIVES

Digitisation

- Business intelligence – scoping of tenant and property information/analysis complete
- Building management – Afhco 50% complete and Indluplace commenced
- Customer relationship management – WhatsApp BOT implemented
- Financial systems – Document management in trial
- Leasing (leads to contract) – online system in testing
- Sales (leads to contract) - implemented

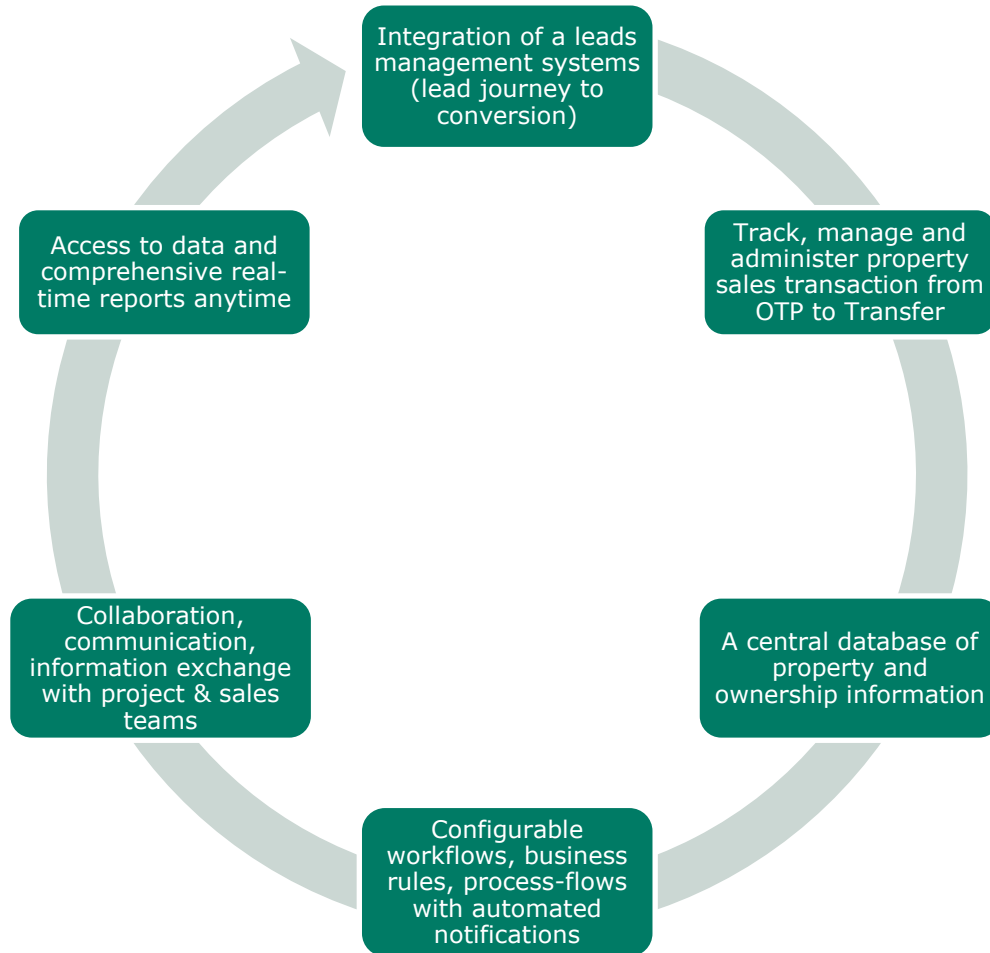
AI

- Tenant behaviour prediction – being scoped

Increasing sales IP

SIMS | Sales Information Management System

Leads | Sales Administration | Management | Communication



Increased Partnerships with

Betterbond – Bond Originator

REDi – PropTech

Initiatives

“Furnishing pack” options

Investigating Rent-to-buy

UNLISTED RESIDENTIAL FUND UPDATE

Restructuring Progress

- Corporate restructuring completed in December 2023
- Debt restructuring lender pricing obtained

Investor Progress

- Engagement with potential investors continues
- Terms with initial cornerstone investors must reflect unique SRI opportunity & ensure sustainability of asset and property management
- 1st investor anticipated to be contracted by end June 2024

FINANCIAL SUSTAINABILITY



Debt Refinancing

- Successful conclusion of the refinance of R1.2 billion facilities which were meant to expire in 2024 as well as new facilities amounting R500.0 million
- Debt margin reduced by 1.63 bps on refinanced facilities
- Improved debt tenor post the refinance with debt tenor at 2.6 years at 31 December 2023

Hedging

- R645.0 million 3 Year swap in H2'23 to ensure hedging is >70%
- 70% hedged with tenor of 1.5 years as at 31 December 2023.

Debt Covenants

- Loan to value ("LTV") ratio as at 31 December 2023 41.9% (38.1% as at 31 December 2022)
- Impact investor equity injection to alleviate pressure on debt covenants caused by Indluplace transaction
- Temporary relaxation of ICRs obtained from lenders

CAPITAL STRUCTURE STRATEGY UPDATE

Strategic Focus	Financial Sustainability
Disposals update	
2023 Disposal Pipeline	R1.4 billion
Previously Contracted in 2022	R850.2 million
Transferred	R803.0 million
Conditional	R2.7 million
Unconditional	R44.5 million
Newly Contracted in 2023	R355.8 million
Transferred	R210.8 million
Conditional	R74.4 million
Unconditional	R70.6 million
Under offer	R225.3 million

Properties transferred post 31 December 2023 with disposal proceeds amounting to R13.2 million have been reflected as contracted and unconditional in the above table.

ZAMBIA PORTFOLIO UPDATE

Zambia Macro

- ❑ GDP growth forecast to accelerate from an estimated 3.5% in 2023 to 4.8% in 2024
- ❑ 2025 economic growth forecast at 4.1%, supported by mining investment & moderating inflation
- ❑ Recent discovery of one of the world's largest high-grade copper deposits expected to further boost GDP growth
- ❑ Fiscal Policy - Central Bank intervention in attempt to increase statutory reserve ratios
- ❑ Positive developments regarding restructuring of country's debt:
 - June 2023 – USD\$6.3 billion in debt owed to overseas governments restructured
 - December 2023 – Although official creditors rejected USD\$3.0 billion international bond restructuring deal in November, IMF¹ approved immediate USD\$187 million loan payout in December 2023
 - January 2024 – Government revising a restructuring proposal of USD\$3.0 billion of international bonds
 - Key conditions for debt relief to be finalised by Q1 2024
 - March 2024 – Government reaches agreement with Zambia External Bondholder Steering Committee regarding restructuring of USD\$3.0 billion of international bonds, to be refinanced and replaced with two new Eurobonds
- ❑ El Nino drought impacting electricity – investment required in alternative electricity (HFO generators/ Solar PV)

❑ Portfolio Performance

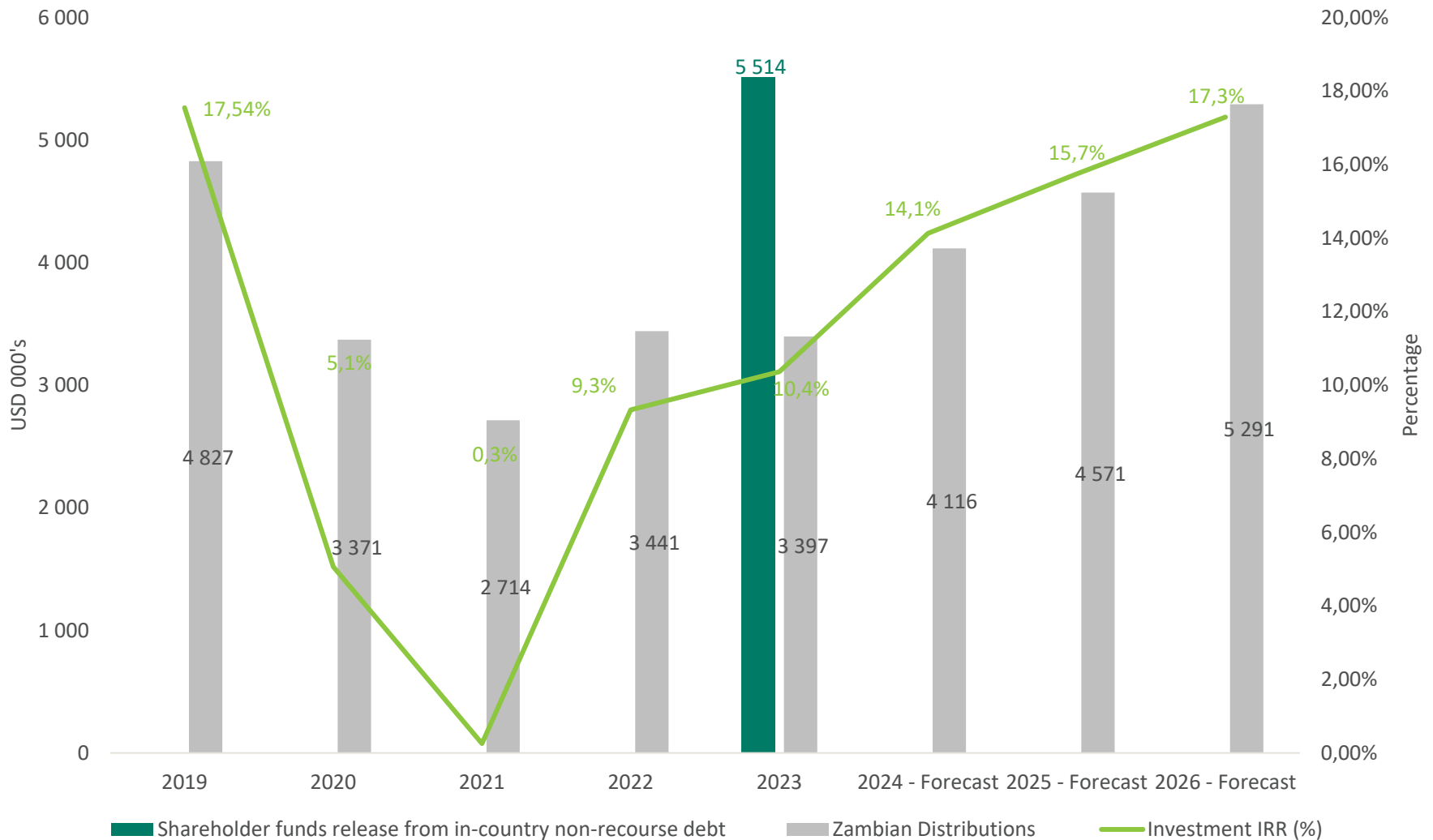
- Portfolio LFL NPI growth in USD = 6.3%; East Park Mall: 0.7% vacancy & 2.3% USD renewal reversion

❑ Medium-Term Strategy

- Post YE, SAC & Zambian JV partner increased shareholding in listed REIZ to 89.9% in anticipation of REIZ being the platform to derive tax efficiencies once converted to a REIT in 2024 H1

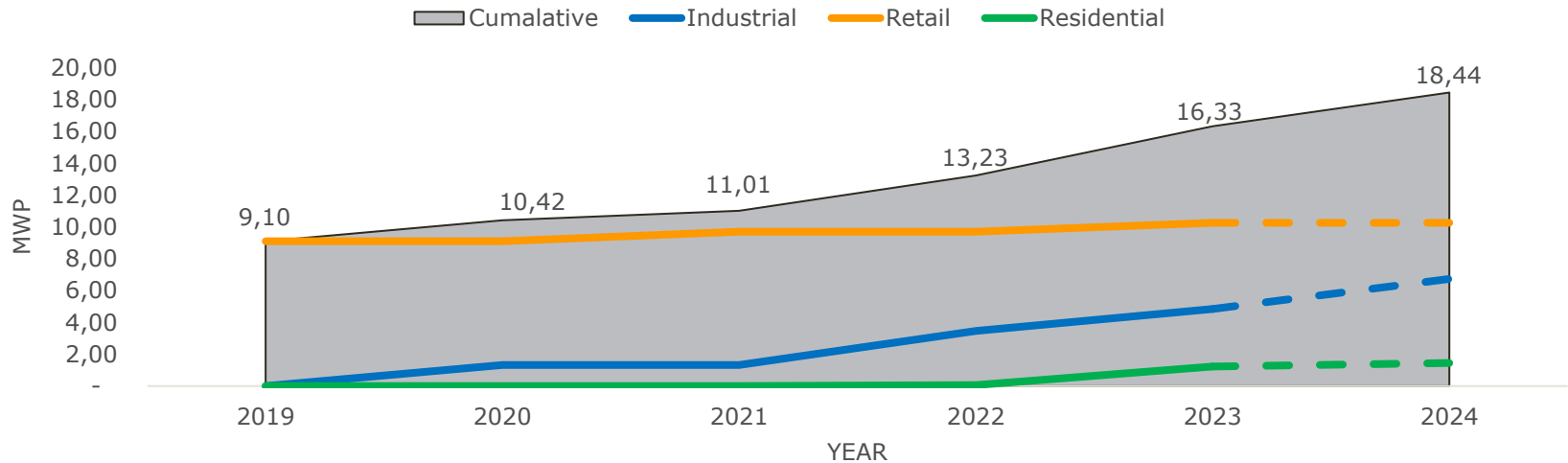
¹ International Monetary Fund

ZAMBIA DISTRIBUTIONS SINCE 2019

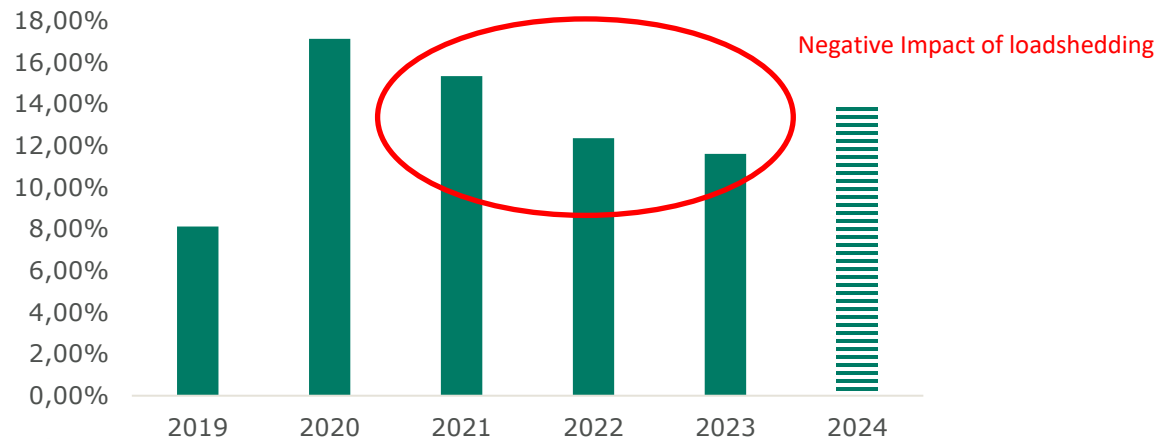


ENERGY SUSTAINABILITY UPDATE

Solar PV Rollout



Retail portfolio % electricity consumption generated by Solar PV



PORTFOLIO PERFORMANCE RORY MACKEY

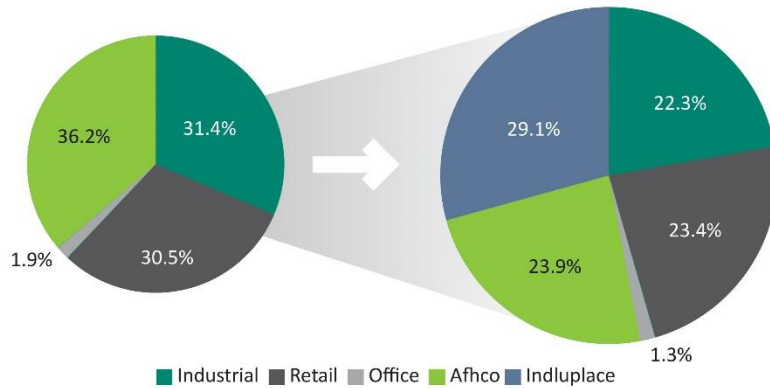


OVERVIEW – SECTORAL ANALYSIS OF SOUTH AFRICAN PORTFOLIO

Sectoral Profile of SA Portfolio (% of GLA)

DECEMBER 2022

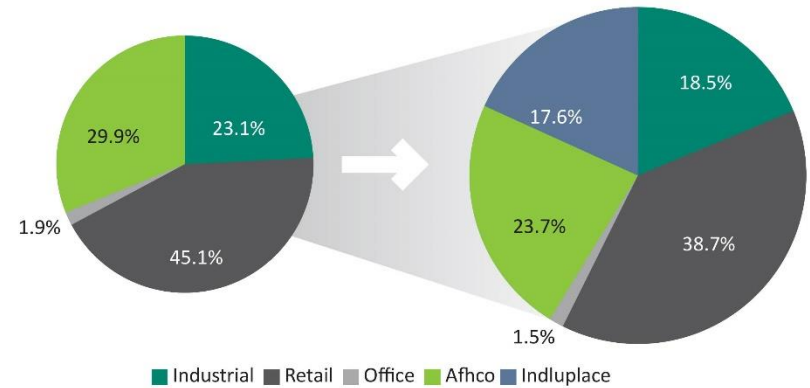
DECEMBER 2023



Sectoral Profile of SA Portfolio (% of Market Value)

DECEMBER 2022

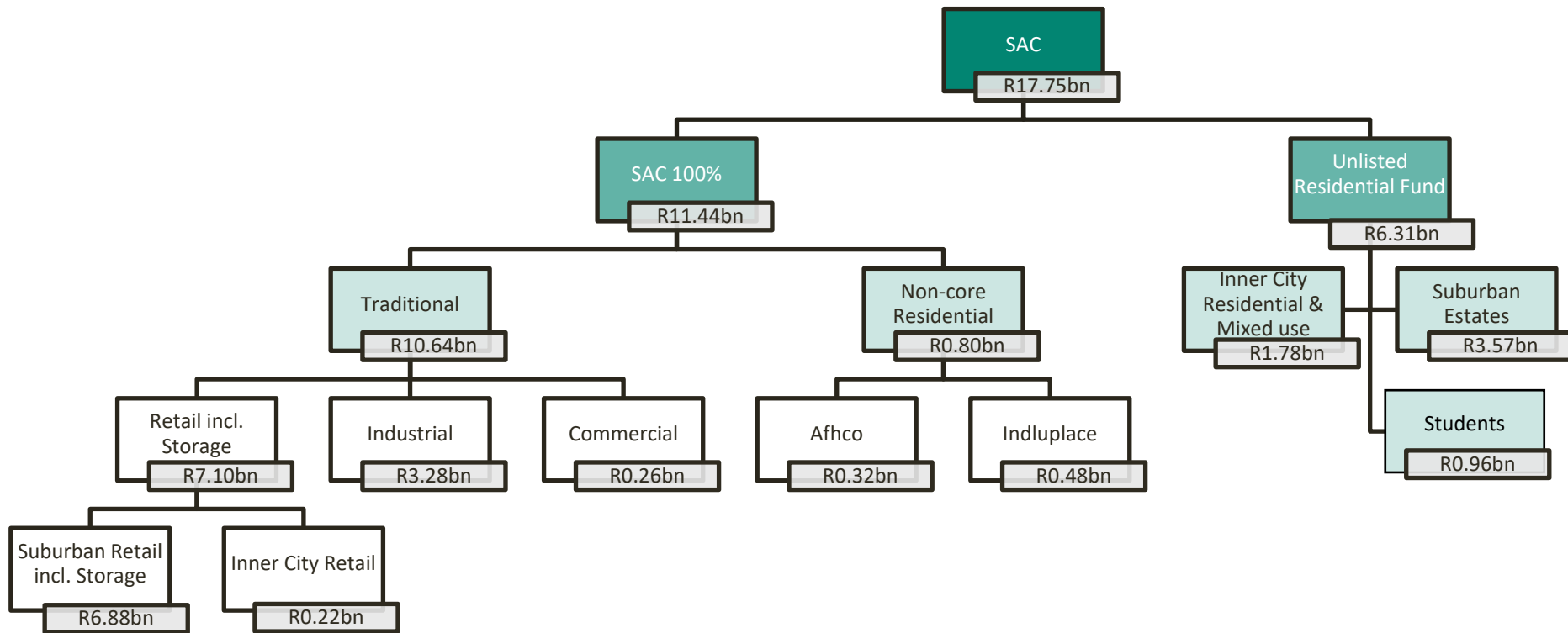
DECEMBER 2023



Market Value per m²



NEW GROUP STRUCTURE



SA PORTFOLIO: RETAIL

VALUE OF SOUTH AFRICAN PORTFOLIO

38.7%

(2022: 45.1%)

LIKE-FOR-LIKE
NPI GROWTH

5.3%

(2022: 6.7%)

COLLECTIONS

97.4%

(2022: 99.2%)

VACANCY¹

2.7 %

(2022: 3.2%)

ARREARS

5.8%

(2022: 5.0%)

RENTAL
ESCALATION

6.4%

(2022: 6.5%)

WALE²

4.0 years

(2022: 4.1 years)

RENTAL
REVERSION

2.6%

(2022: 0.2%)

TENANT GRADE
A & B

85.2%

(2022: 80.5%)

TRADING DENSITY
GROWTH

6.3 %

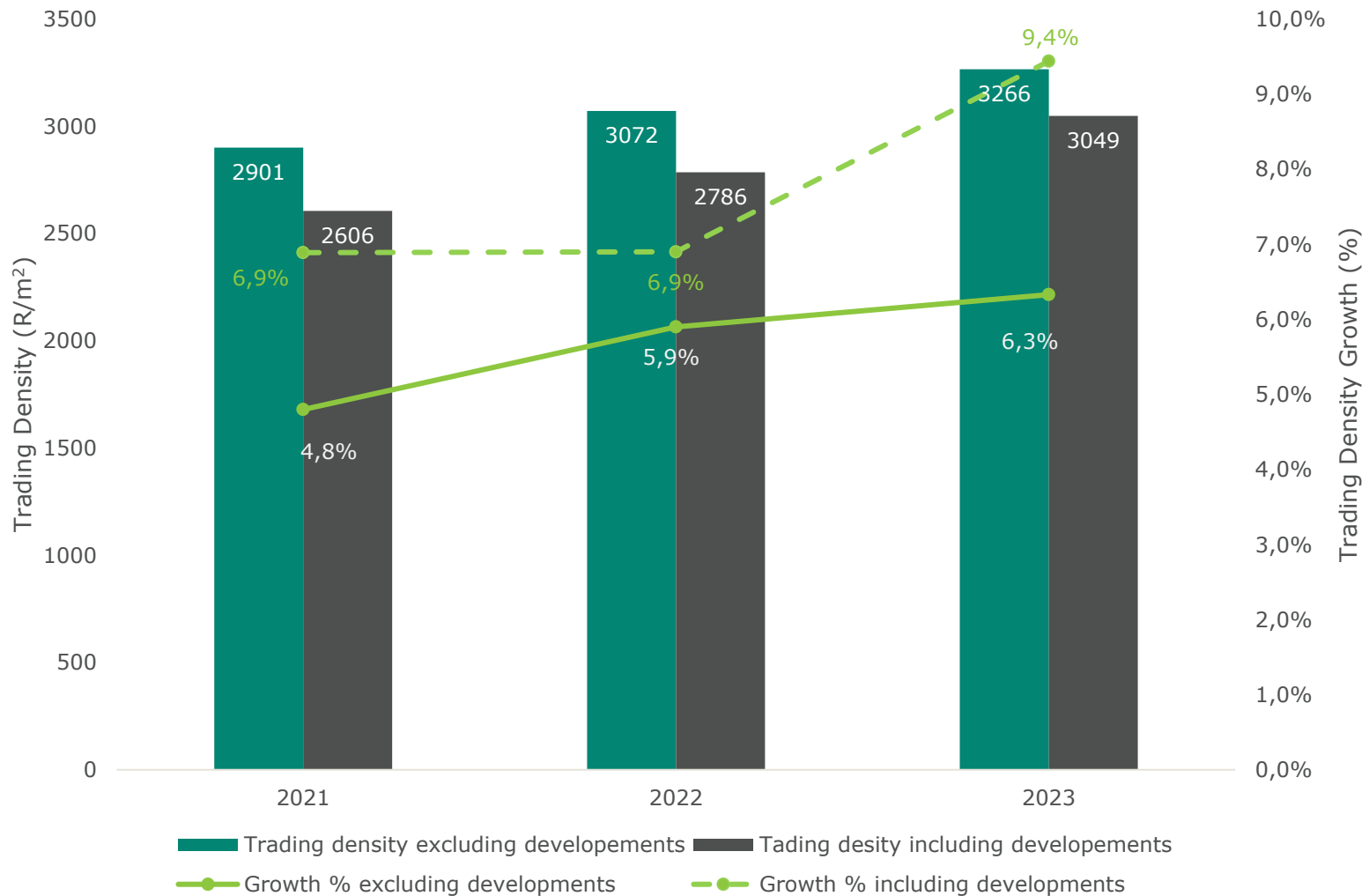
(2022: 5.9%)



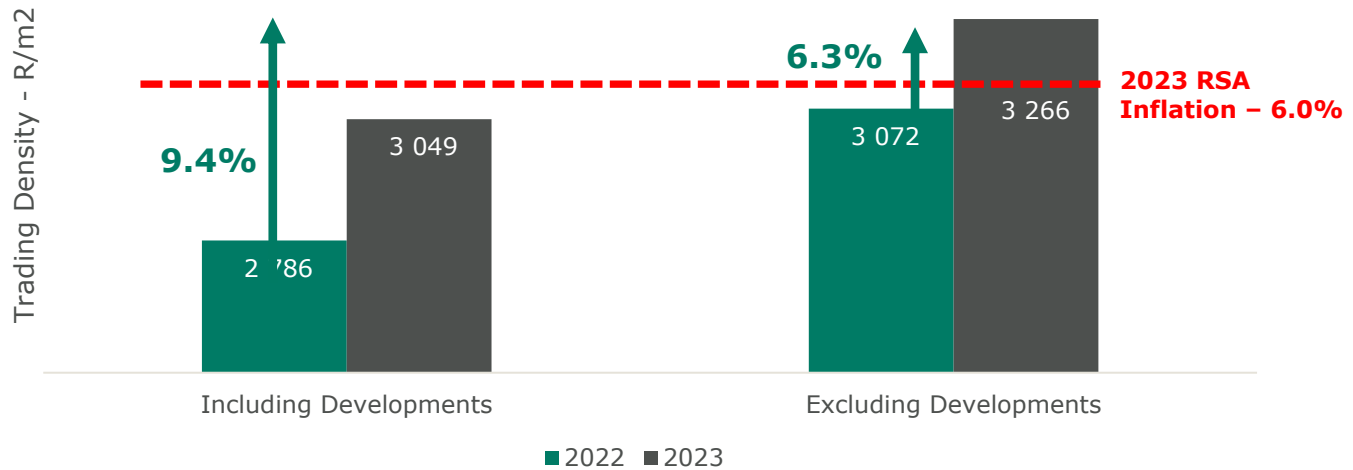
EAST POINT
shopping centre



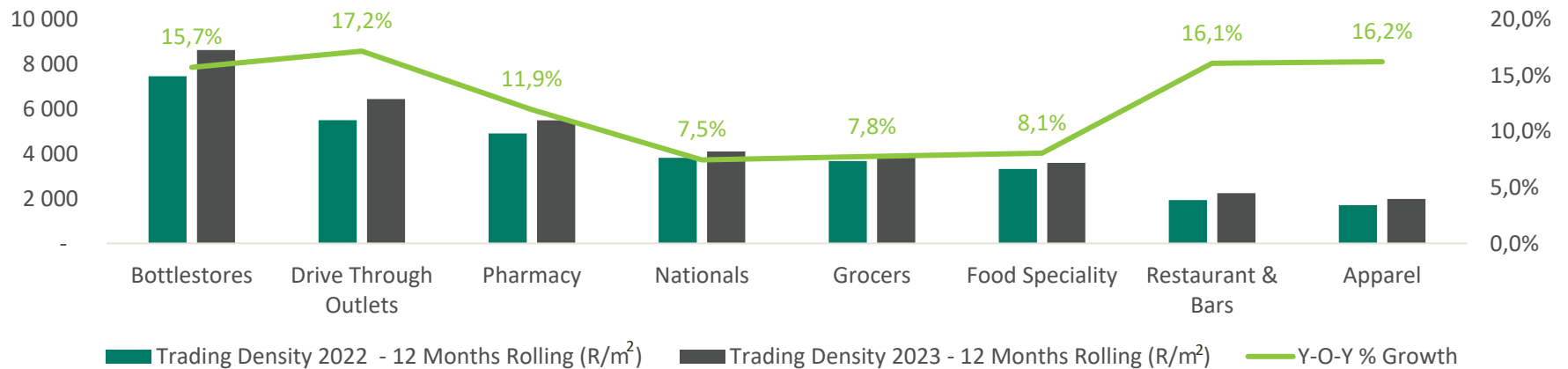
RETAIL TRADING DENSITY GROWTH



2023 TRADING DENSITY Y-O-Y GROWTH



Trading Density Y-O-Y Growth by Category



PICK N PAY EXPOSURE

Exposure of Total South African Portfolio Revenue

All stores (supermarkets & others) = 2.45%

Excluding clothing & liquor = 2.32%

All PnP stores and Boxer = 2.59%

All corporate leases

Opportunities

East Point downsizing for waiting list of national apparel/athleisure tenancy

Springfield Value Centre replacement with national tenancy

Rebranding of stores

SA PORTFOLIO: INDUSTRIAL

VALUE OF SOUTH AFRICAN PORTFOLIO

18.5%

(2022: 23.1%)

LIKE-FOR-LIKE
NPI GROWTH

5.3%

(2022: 2.4%)

COLLECTIONS

101.5%

(2022: 99.4%)

VACANCY

0.2%

(2022: 0.2%)

ARREARS

2.4%

(2022: 3.8%)

RENTAL
ESCALATION

6.4%

(2022: 6.4%)

WALE

2.3 years

(2022: 4.1 years)

RENTAL
REVERSION

-0.9%

(2022: -3.1%)

TENANT GRADE
A & B

99.9%

(2022: 89.2%)

LOGISTICS

82.0%

(2022: 80.4%)

SA PORTFOLIO: AFHCO

VALUE OF SOUTH AFRICAN PORTFOLIO

41.3%

(2022: 29.9%)

TOTAL

NPI GROWTH

AFHCO LIKE FOR LIKE
3.3%

(2022: 13.1%)

INDLUPLACE NPI ABOVE
ACQUISITION 12.7%

COLLECTIONS
(EXCL. STUDENTS)

AFHCO
97.8%
(2022: 100.0%)

INDLUPLACE
97.8%

RESIDENTIAL

(91.5% of portfolio)

VACANCY
RESIDENTIAL ¹

AFHCO
4.2%
(2022: 2.9%)

INDLUPLACE
4.5%

RENTAL INCREASE ON
EXPIRING LEASES

AFHCO
3.9%
(2022: 2.6%)

INDLUPLACE
3.9%

INNER CITY RETAIL

(8.5% of portfolio)

VACANCY
RETAIL

AFHCO
4.4%
(2022: 5.5%)

INDLUPLACE
10.3%

RENTAL
REVERSION

0.7%
(2022: -4.6%)

RENTAL
ESCALATION

AFHCO
6.5%
(2022: 6.9%)

INDLUPLACE
4.4%

TENANT
RETENTION

45.6%
(2022: 60.1%)

ZAMBIAN PORTFOLIO

ZAMBIAN JV

50% PROPERTY VALUE

R1.8 bn

(2022: R1.4 bn)



JV Distributable Income: ↑ 4.5% y-o-y (ZAR)
LFL NPI Growth 6.3% (USD)

East Park Mall 68 302 m² (71.3% of Zambia Portfolio Value)

Vacancy	Rental escalation (USD)	Expiry renewals	Renewal reversions (USD)
0.7% (2022: 2.3%)	2.8% (2022: 3.2%)	100%	2.3%

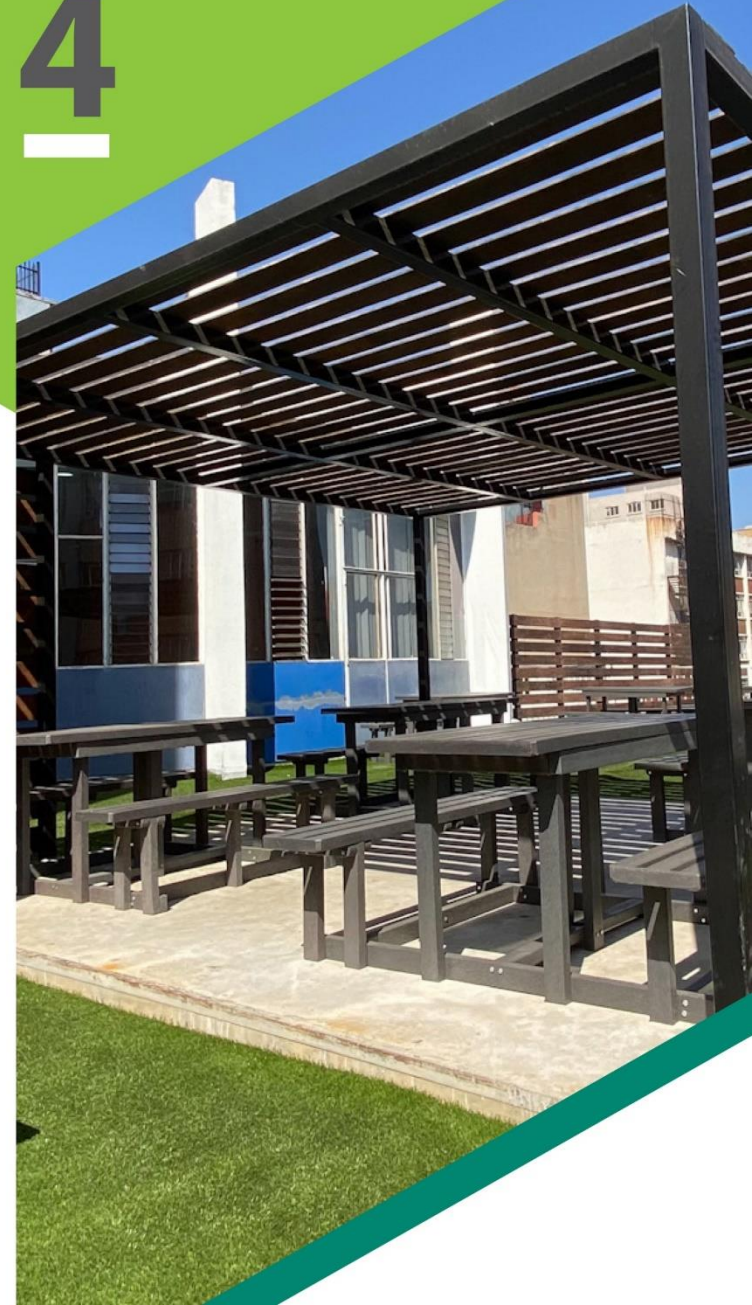
Acacia Office Park 12 580m² (13.1% of Zambia Portfolio Value)

Vacancy	Rental escalation (USD)	Expiry renewals	Renewal reversions (USD)
2.4% (2022: 13.8%)	2.7% (2022: 4.2%)	100%	2.5%

Jacaranda Mall 14 933m² (15.6% of Zambia Portfolio Value)

Vacancy	Rental escalation (USD)	Expiry renewals	Renewal reversions (USD)
11.7 % (2022: 19.1%)	2.2% (2022: 4.2%)	100%	2.2%

FINANCIAL PERFORMANCE SAM MOODLEY



2023 FULL YEAR DISTRIBUTABLE INCOME ANALYSIS



Like-For-Like NPI

4.6%

or

R44.0m



Total NPI

10.7%

or

125.9m



Distributable Income

(4.0%)

to

(R27.0m)

Like-for-like NPI

- Improved rental largely due to reduced vacancies, positive reversions and escalations \uparrow R40.3m
- Improved recoveries due to reduced vacancies \uparrow R51.5m
- Improved turnover rental, parking and other income \uparrow R6.7m
- Property Expenses increased \uparrow 7.2% (R54.5m)
 - Municipal expenses \uparrow 8.3% (R35.3m)
 - Loadshedding costs \uparrow (R13.1m), net of recoveries \uparrow (R8.1m)
 - Insurance expenses \uparrow (R4.5m)

Developments, Acquisitions & Disposals

- NPI from developments increased \uparrow R2.9m
- NPI on acquisition \uparrow R154.9m (Includes Indluplace)
- NPI from held for sale buildings \downarrow (R5.3m)
- NPI lost from divestments \downarrow (R70.6m)

Investments (Listed, Unlisted) & JV Income

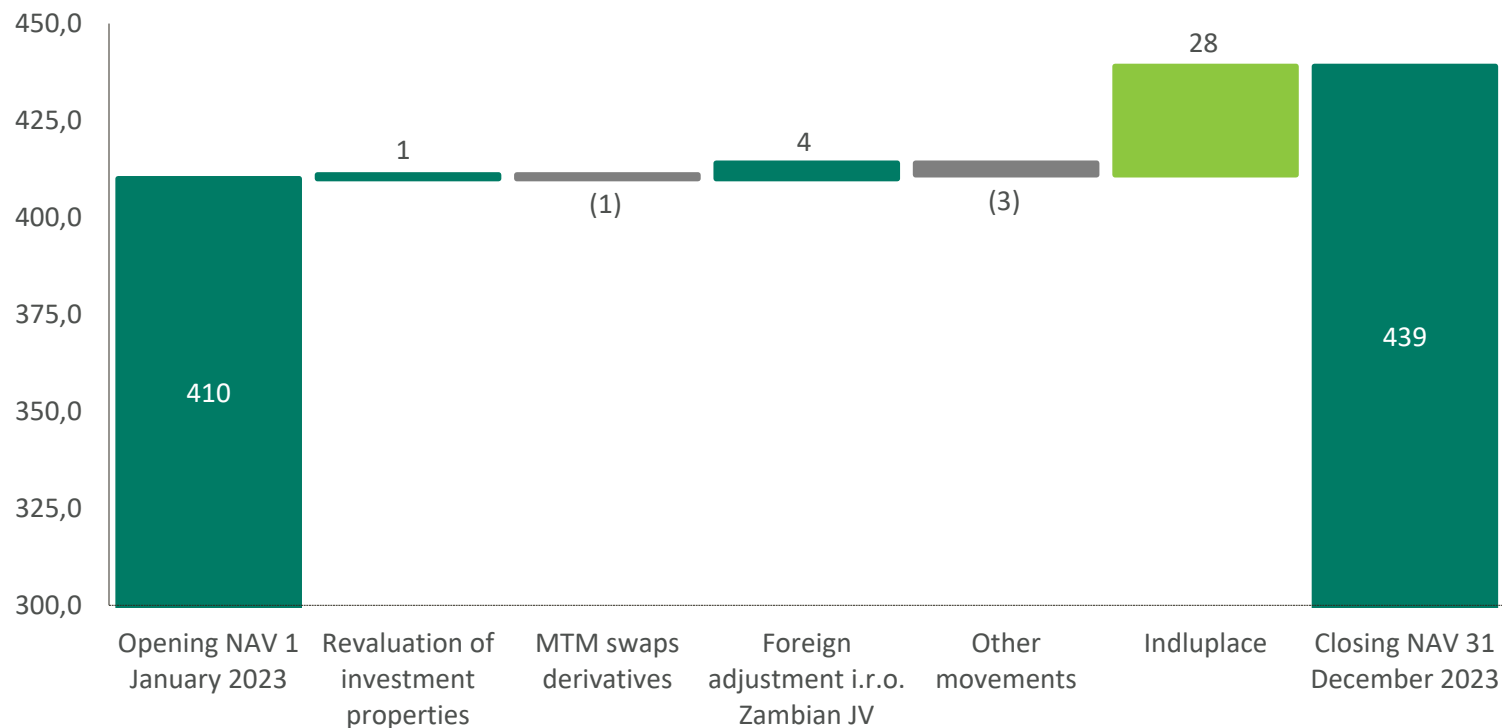
- Income from the Zambia JV was \uparrow 4.5% R2.5m
- Dividends from listed Investments was \downarrow (R14.7m)

Gearing Impact

- Interest expense \uparrow (R141.9m) and net interest expense \uparrow (129.7m)
- Increase in Interest expense due to rate increases \uparrow (R57.9m)
- Increase in Interest expense due to acquisitions \uparrow (R79.7m)
- Interest received and other movements \uparrow R7.9m

- Distributable income 25.76 cps (2022: 26.83 cps)

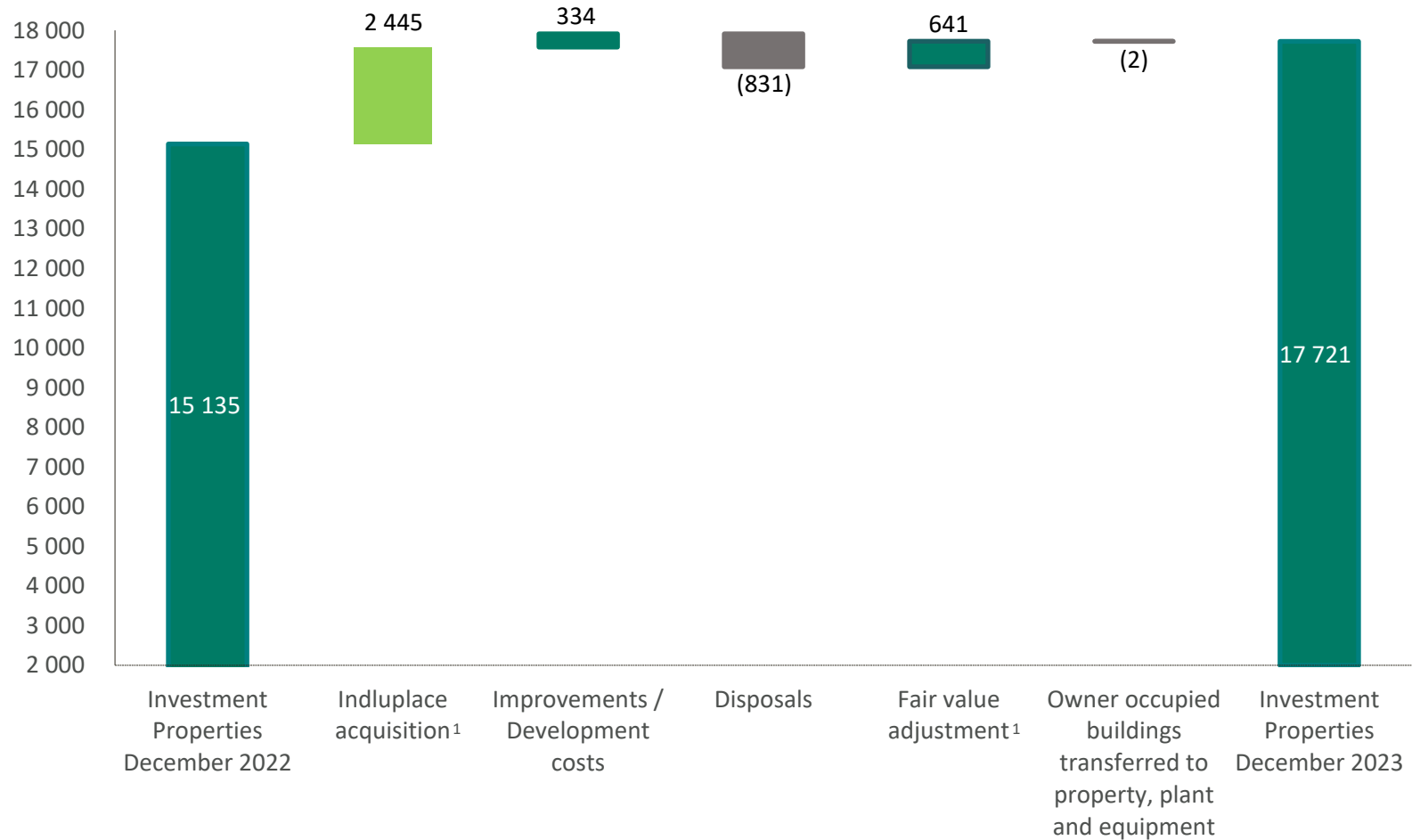
NET ASSET VALUE (CPS)¹



The SA REIT defined NAV is calculated as NAV per the Condensed Consolidated Interim Statement of Financial Position, less goodwill and intangible assets, deferred taxation and the final dividend declared, and still to be paid. The SA REIT NAV per share was 424 cps as at 31 December 2023 (December 2022: 396 cps), based on shares in issue.

¹ Based on IFRS and shares in issue

INVESTMENT PROPERTY ANALYSIS



¹ At acquisition, a value of R2.445 billion was attributed to the Indluplace properties (pre-acquisition value: R3.369 billion), and at year end the properties were revalued to R3.130 billion.

DEBT & INTEREST RATE SWAP FACILITIES

Debt Facilities

Term debt	Unutilised revolving credit facilities ("RCF")	Average tenor	Weighted average rate ("WAR") excluding swaps
R8.8bn (2022: R7.1bn)	R640.0m (2022: R597.1m)	2.6 years (2022: 3.0 years)	10.2% (2022: 8.8%)

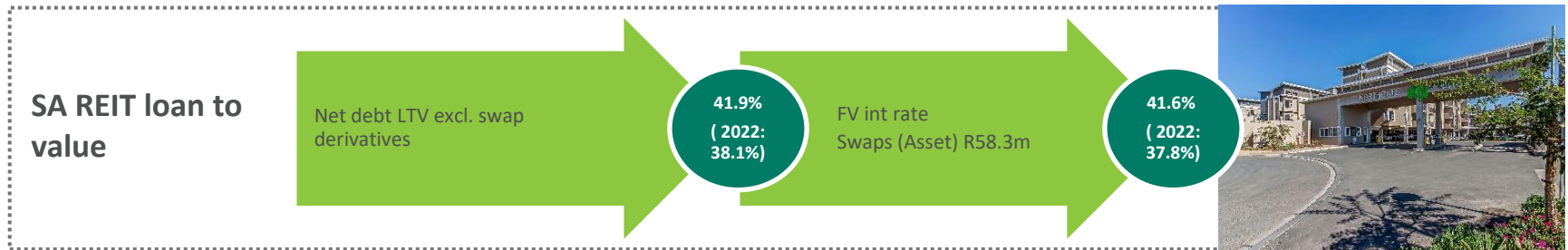
Swap profile

Hedged %	Swap margin	Average tenor	WAR including swaps
70.1% (2022: 70.7%)	(0.9%) (2022: 0.1%)	1.5 years (2022: 2.0 years)	9.3% (2022: 8.9%)

Debt metrics

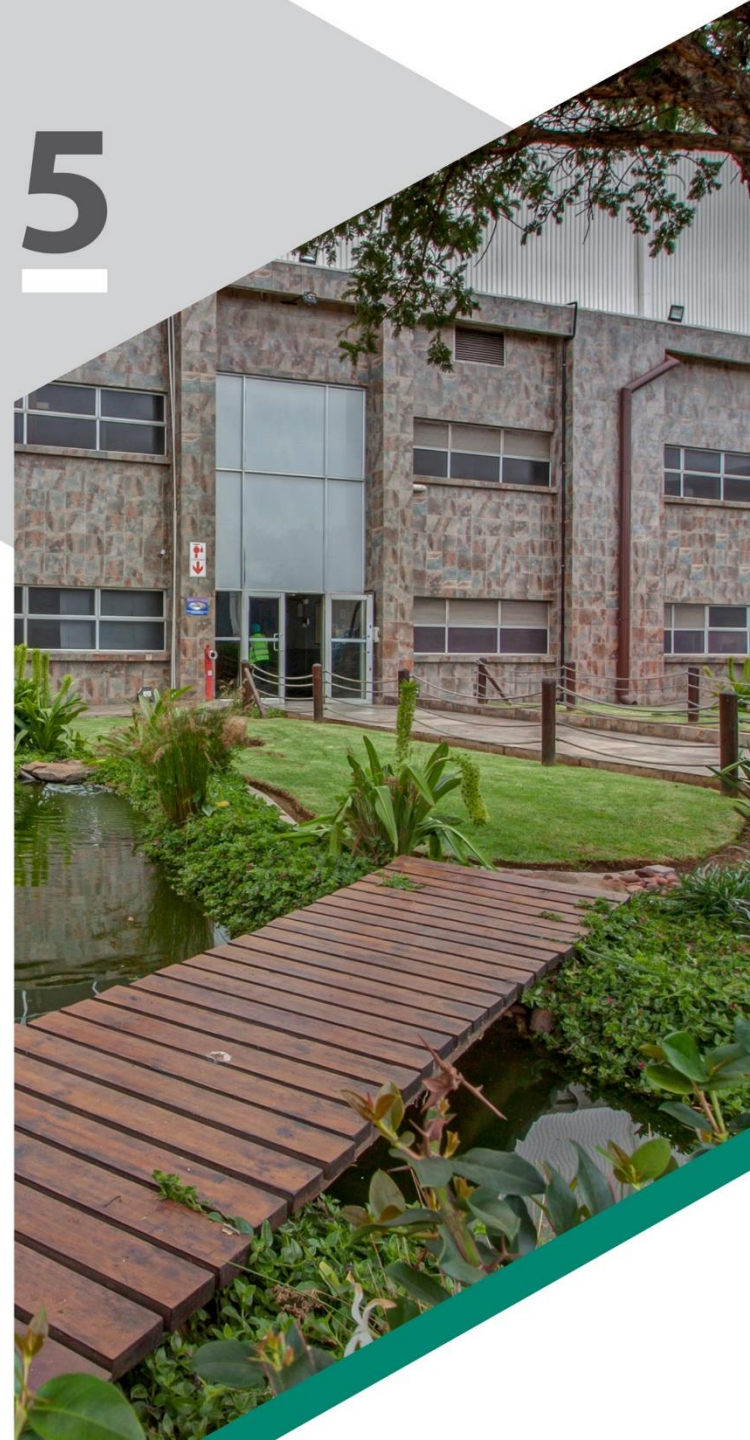
LTV	ICR (Net Interest)	Debt maturity profile	Swap maturity profile																
41.9% (2022: 38.1%)	2.1x (2022: 2.4x)	<table><tr><td>2024</td><td>7%</td></tr><tr><td>2025</td><td>34%</td></tr><tr><td>2026</td><td>26%</td></tr><tr><td>2027</td><td>20%</td></tr><tr><td>2028</td><td>13%</td></tr></table>	2024	7%	2025	34%	2026	26%	2027	20%	2028	13%	<table><tr><td>2024</td><td>38%</td></tr><tr><td>2025</td><td>23%</td></tr><tr><td>2026</td><td>39%</td></tr></table>	2024	38%	2025	23%	2026	39%
2024	7%																		
2025	34%																		
2026	26%																		
2027	20%																		
2028	13%																		
2024	38%																		
2025	23%																		
2026	39%																		

SA REIT LOAN TO VALUE AND NET INTEREST COVER



	December 2023	December 2022	Variance
Net interest cover			
Distributable income before interest (R'000)	1 254 562	1 151 294	103 268
Net Finance cost (R'000)	606 416	476 562	129 845
Net Interest cover	2.07	2.42	(0.35)

OUTLOOK



OUTLOOK

2024 LFL NPI

Retail

- Vacancy to reduce marginally from 2023 below sector
- Above inflation escalations are contracted for 88.5% of leases
- Renewals to be flat due to negative reversions of certain national tenants in areas undergoing reconfiguration
- Without negative reversions referred to above renewal reversion would be circa 5%

Industrial

- 100% occupancy
- Escalations above inflation
- Reversions becoming positive

Residential – Afhco & Indluplace

- Aggregation of portfolios will result in marginally higher than that reported for Afhco in PY
- Rental rates expected to continue positive trend

Total Portfolio

- LFL NPI growth forecast to be between 4.5% and 5.0%

Distributable Income Growth Guidance

- To approximate inflation

QUESTIONS



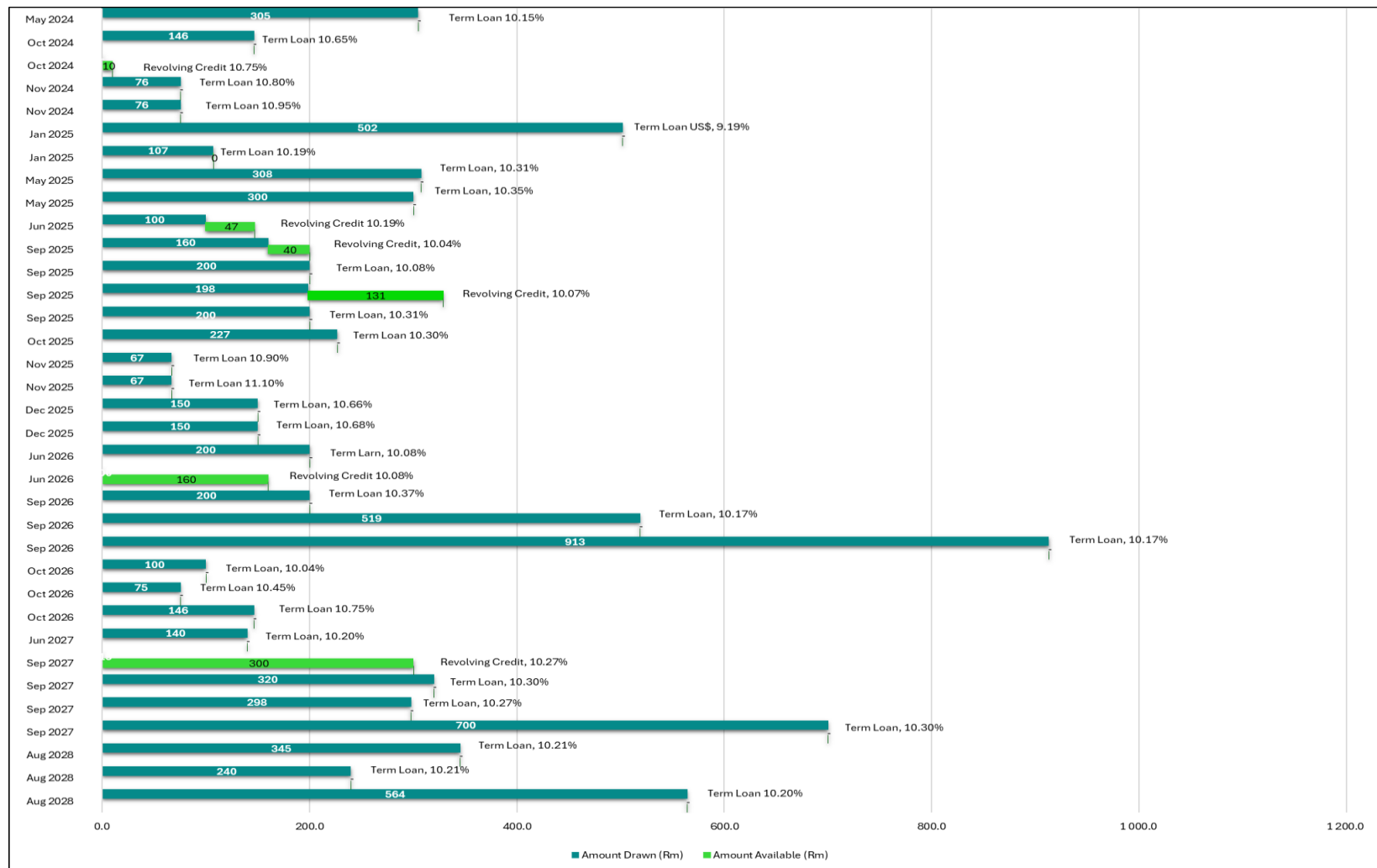
APPENDICES



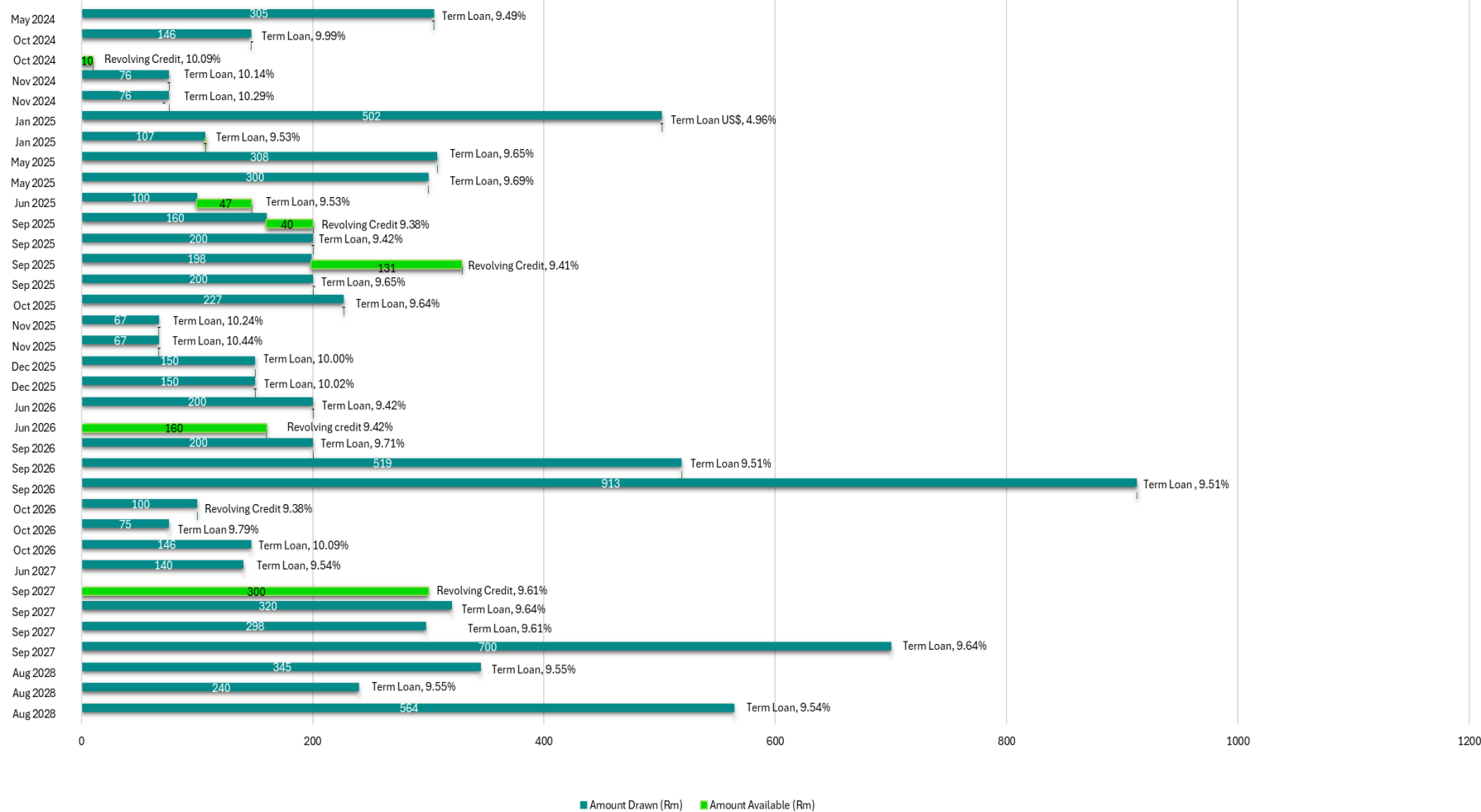
DISTRIBUTABLE INCOME AT A GLANCE FOR THE YEAR ENDED 31 DECEMBER 2023

	Dec 2023 Rm	Dec 2022 Rm	% Variance
Net Property Income – Like-for-like	1 008.438	964.407	4.6
Net Property Income – Developments	89.399	86.488	3.4
Net Property Income – Acquisitions	158.146	3.254	4 759.9
Net Property Income – Held for sale	16.216	21.565	(24.8)
Net Property Income – Buildings sold	26.366	96.929	(72.8)
Net Property Income	1 298.565	1 172.643	10.7
Taxation on distributable income	(2.286)	(1.878)	(21.7)
Income from investment in joint ventures	58.322	47.155	23.7
Net finance costs	(606.415)	(476.666)	(27.2)
Distribution-related expenses	(104.028)	(84.833)	(22.6)
Dividends from investment in listed shares	3.635	18.342	(80.2)
Distributable Income	647.793	674.763	(4.0)
Distributable income per share (cents)	25.76	26.83	(4.0)

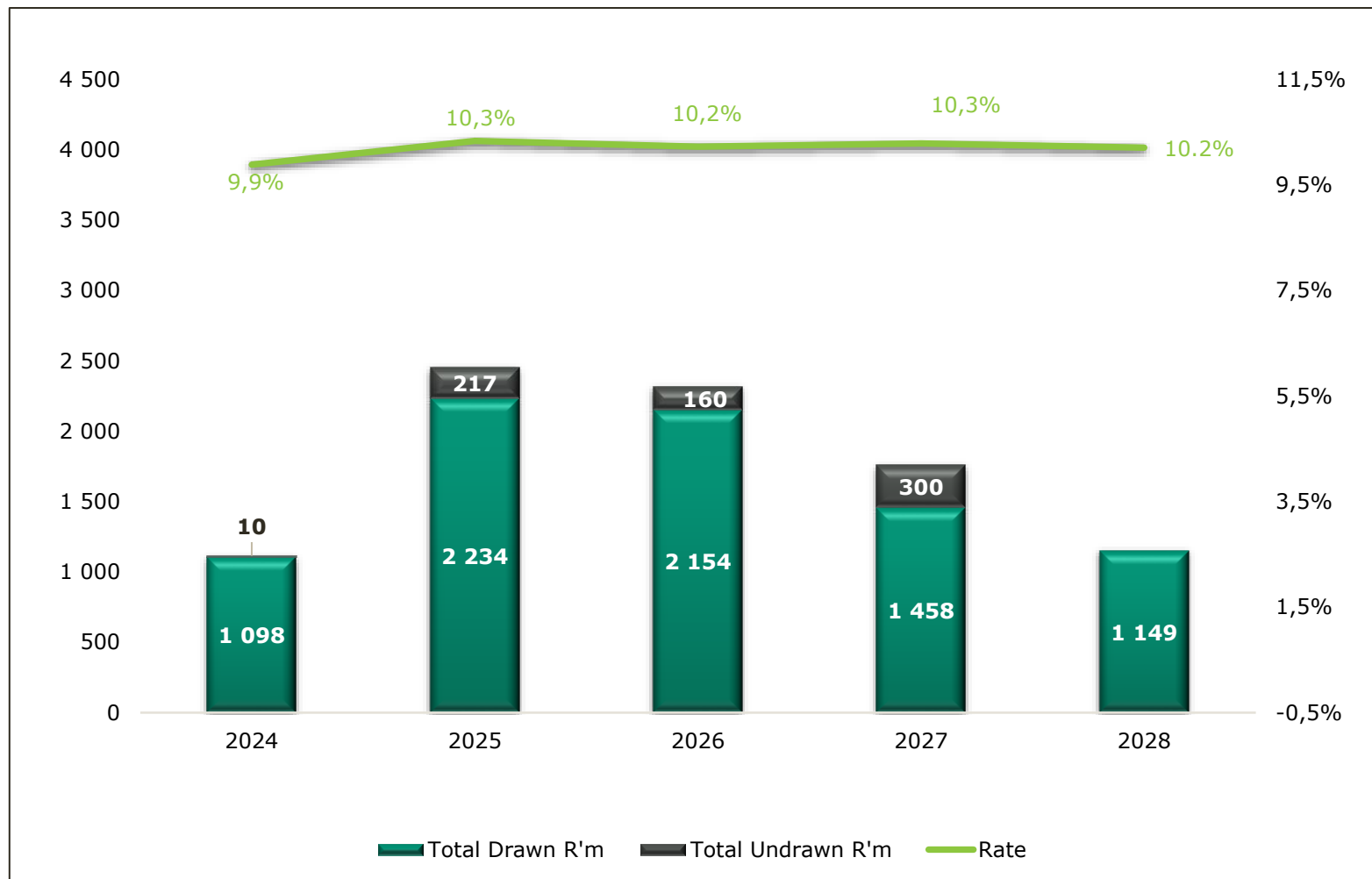
GROUP DEBT STRUCTURE – AT 31 DECEMBER 2023 (EXCL FIXES)



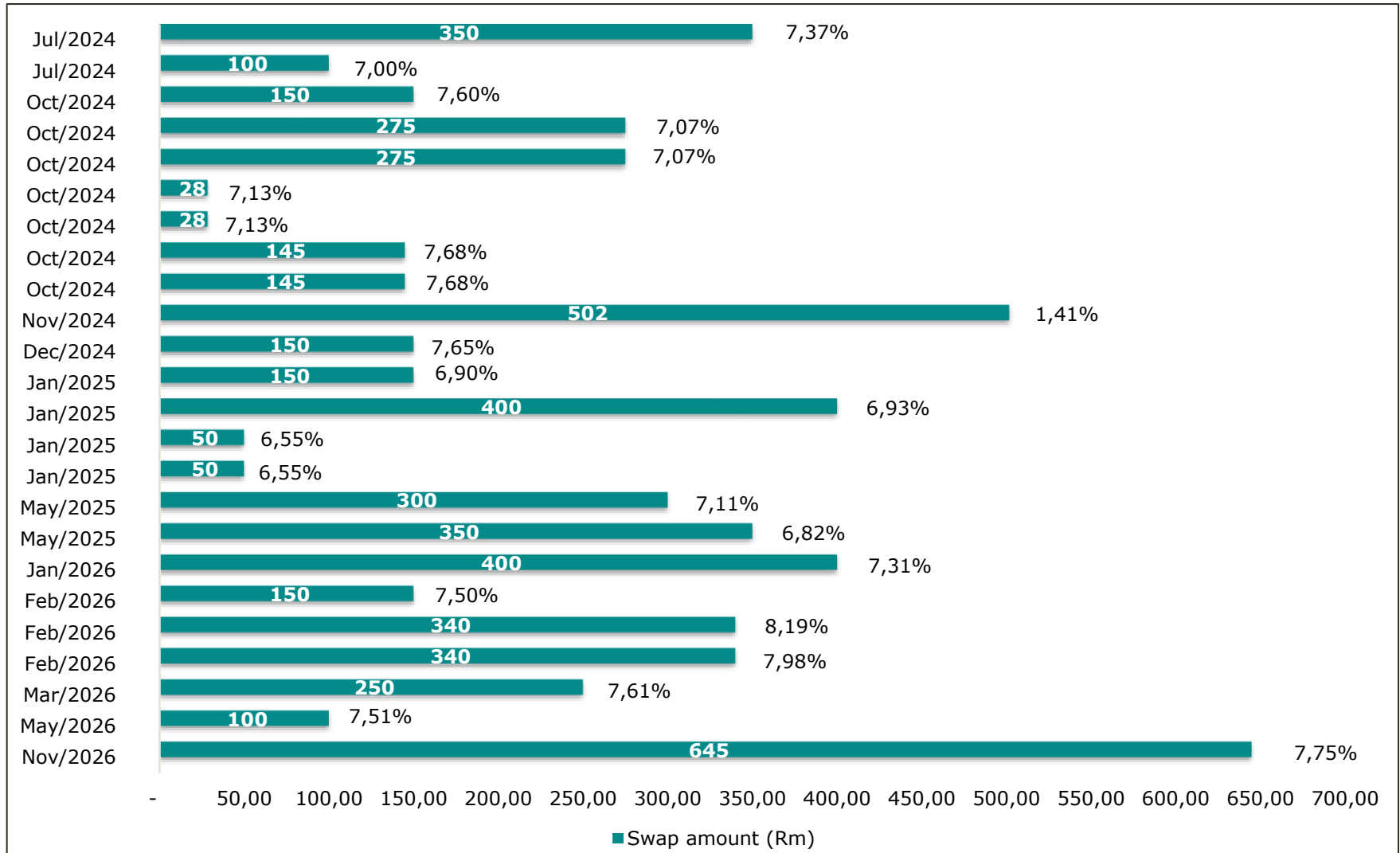
GROUP DEBT STRUCTURE – AT 31 DECEMBER 2023 (INCL FIXES)



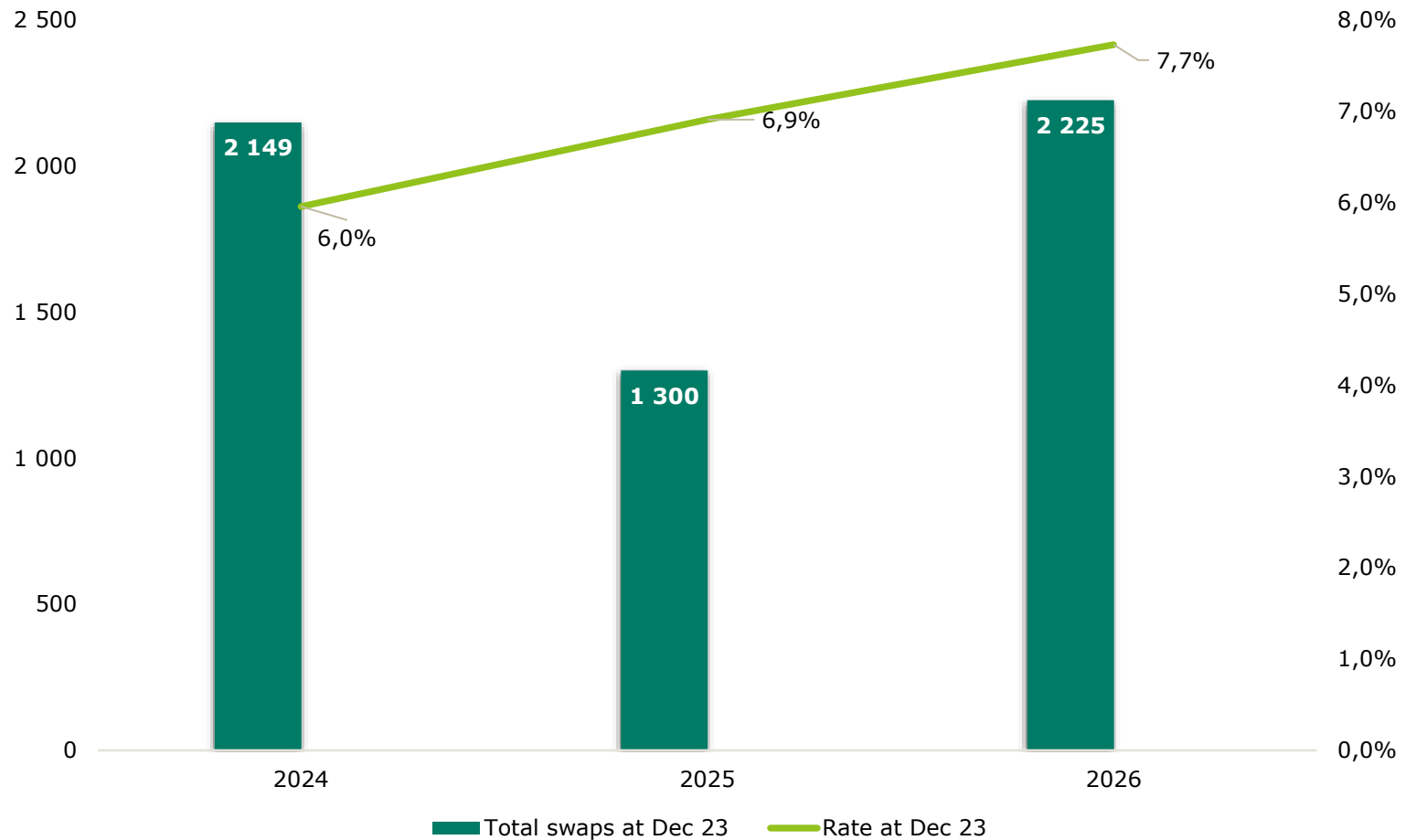
GROUP DEBT PROFILE AT 31 DECEMBER 2023



GROUP DEBT STRUCTURE SWAPS AT 31 DECEMBER 2023



INTEREST RATE SWAP EXPIRY AT 31 DECEMBER 2023



RETAIL PORTFOLIO

Portfolio^{1,2}

Portfolio value R6.9bn

40 Properties

GLA 374 810m²

22.4% Grocer GLA
of total

Cost to revenue (Like-for-like) 44.2%
(2022: 42.4%)

Top 10 tenants

GLA 38.8%

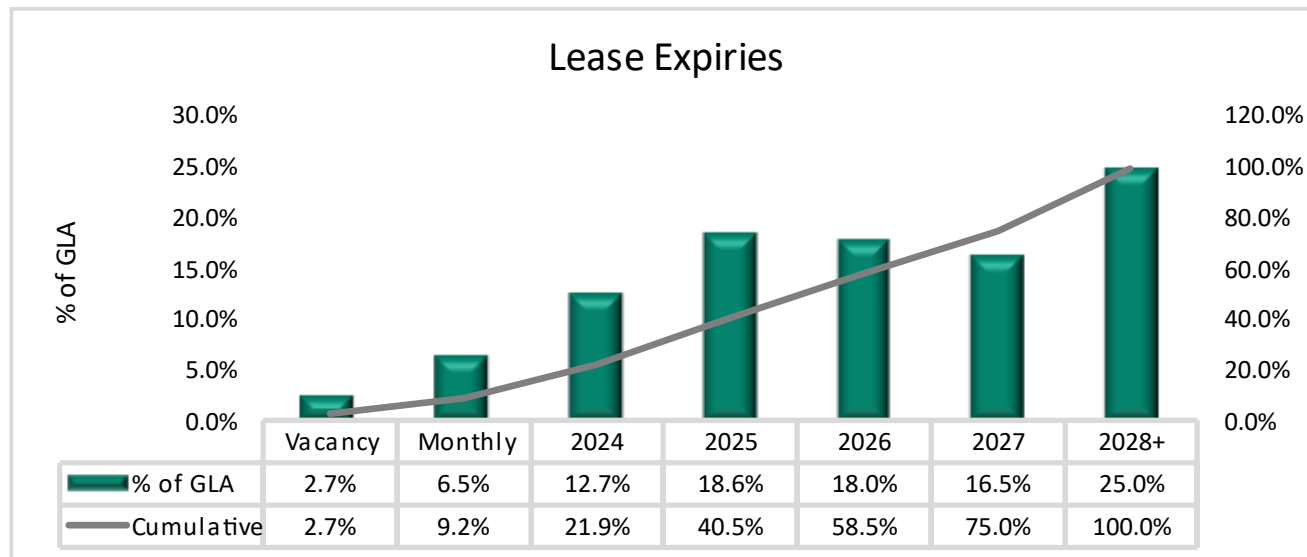
Rental 34.1%

National exposure

66.8%

66.3%

Tenant retention success rate 87.7%



INDUSTRIAL PORTFOLIO

Portfolio

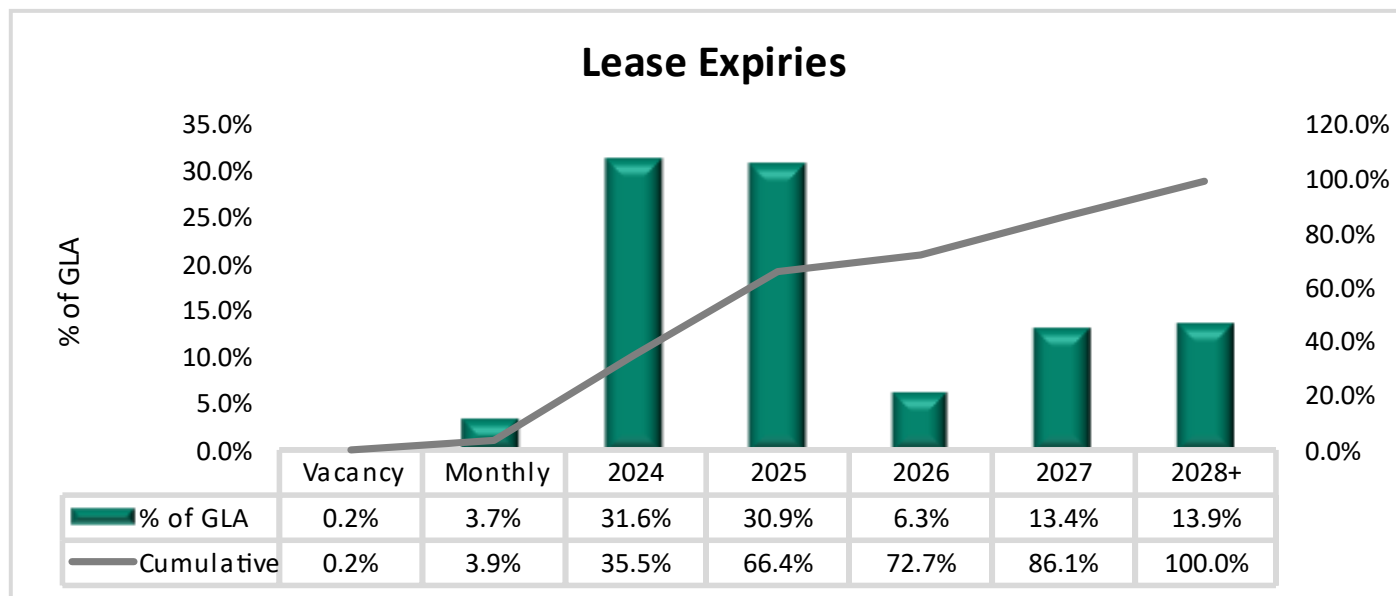
Portfolio value R3.3bn

45 Properties

GLA 381 840m²

22.3% GLA of total portfolio

Cost to revenue (Like-for-like) 29.2% (2022: 29.3%)



AFHCO PORTFOLIO

Afhco Portfolio

Portfolio value R4.2bn

53 Properties

GLA Apartments 342 520m²

Retail 62 020m²

Cost to revenue (Like-for-like) 54.6% (2022: 54.5%)

Indluplace Portfolio

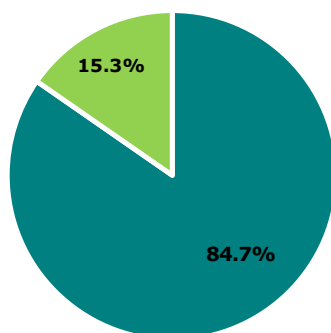
Portfolio value R3.1bn

124 Properties

GLA Apartments 481 351m²

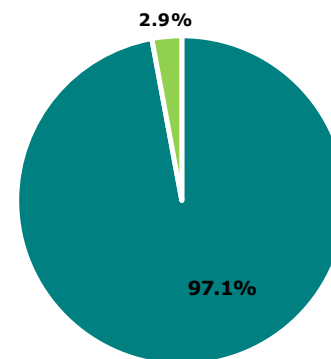
Retail 14 470m²

AFHCO by GLA



■ Residential ■ Retail / Commercial

Indluplace by GLA



■ Residential ■ Retail / Commercial

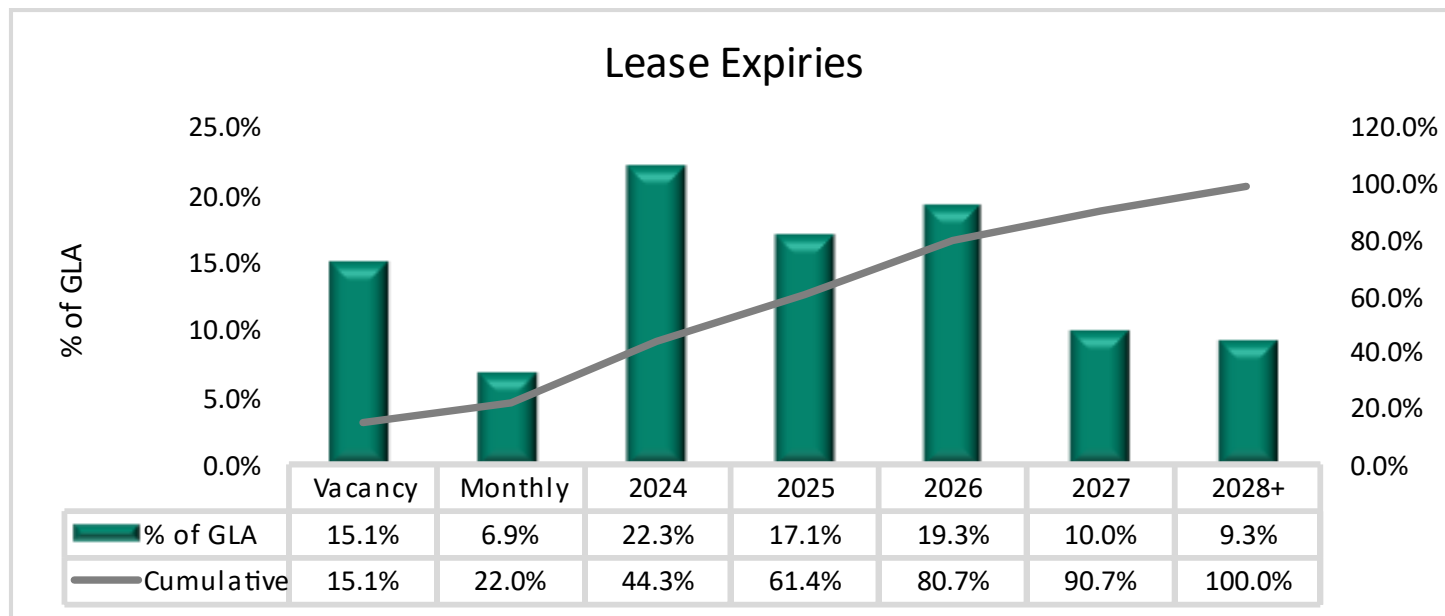
COMMERCIAL PORTFOLIO

Portfolio

Portfolio value R260.4m 2 Properties

GLA 21 756m² 1.3% GLA of total portfolio

Cost to revenue (Like-for-like) 67.3% (2022: 72.0%)



SA PORTFOLIO: COMMERCIAL

VALUE OF SOUTH AFRICAN PORTFOLIO

1.5%

(2022: 1.9%)

