



INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA

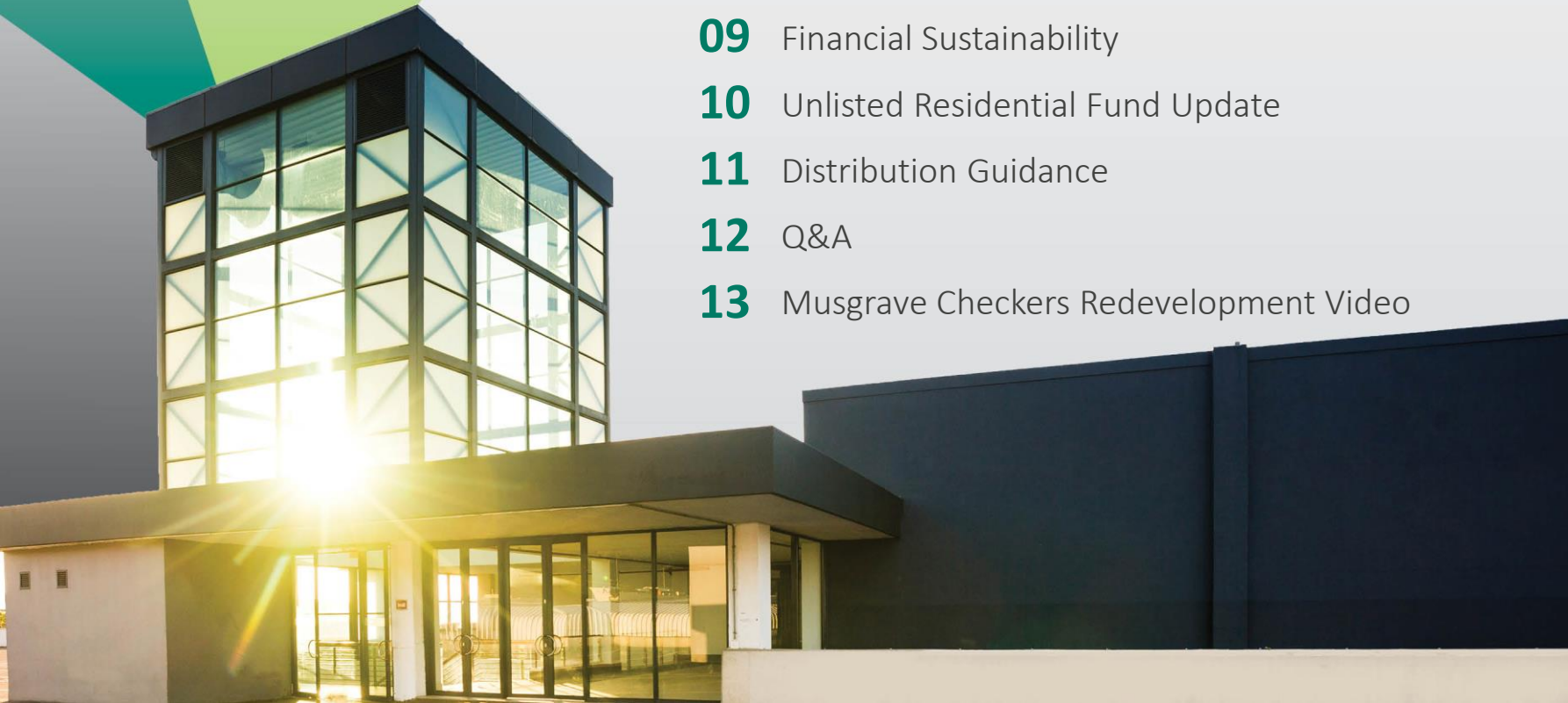


SA Corporate 2024 Interim Pre-Close Update Investor Presentation


28 June 2024

AGENDA

- 01** LFL NPI Portfolio Performance
- 02** Retail Portfolio Performance
- 03** Risk Mitigation Strategy – Pick n Pay Exposure
- 04** Retail Leasing Update
- 05** Industrial Portfolio Performance
- 06** Industrial Leasing Update
- 07** Afhco / Indluplace Portfolio Performance
- 08** Zambia Portfolio Performance
- 09** Financial Sustainability
- 10** Unlisted Residential Fund Update
- 11** Distribution Guidance
- 12** Q&A
- 13** Musgrave Checkers Redevelopment Video



LFL NPI PORTFOLIO PERFORMANCE

Sector	Forecast H1 2024 vs H1 2023 LFL NPI Growth	Commentary
Industrial	6.7%	Largely attributed to annual rental escalations as well as vacancy take-up at 28 Goodwood Road and reversal of bad debt.
Retail	3.0%	Upside from Morning Glen take up of tenancy offset by reduced H1 2024 NPI growth from Cullinan Jewel and Midway Mews due to municipal credits in the H1 2023 base and a rates increase at Forest Road.
Afhco	3.2%	Average vacancies marginally higher for H1 compared to prior year by 0.9% setoff by rental increases. Short-term municipal issue at 120 End Street which is being disputed negatively impacted H1 NPI excluding which LFL NPI growth would have been 6%.
Total	3.8%	
Indluplace	 2.0% versus Acquisition Model	Indluplace is performing ahead of the acquisition model and further improvements are expected.

RETAIL PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-May-24	Anticipated Vacancy 30-Jun-24	Comments
Retail	2.7%	3.4%	2.6%	Reduction from December 2023 due to a decrease in vacancy at Morning Glen and the Bluff Shopping Centre offset by an increase in vacancy at Musgrave Centre due to development works in H1 2024. These vacancies should be let in H2 2024.
Sector	Retention Rate 31-Dec-23	Retention Rate YTD 31-May-24	Anticipated Retention Rate 30-Jun-24	Comments
Retail	87.7%	81.1%	83.9%	20,389m ² retained of the 24,315m ² that expired in H1 2024. 2,223m ² of the space that was not retained has been re-let.
Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-May-24	Anticipated Renewal Reversion 30-Jun-24	Comments
Retail	2.6%	1.0%	0.7%	Marginally positive reversions conceded to retain tenants in difficult spaces. Management expect reversions to improve by year end.
Sector	Trading Density Growth 12 month rolling to 31-Dec-23	Trading Density Growth 12 month rolling to 31-May-24	Comments	
Retail	6.3%	5.4%	Below inflationary growth since the festive season due to inflationary pressures on consumer spending in certain grocers and apparel stores. Musgrave Centre has experienced low turnover growth due to the Checkers development that will be completed on 27 June 2024.	

RETAIL LEASING UPDATE

Strategic Focus

Convenience Orientated Retail Portfolio

31-Dec-23



VACANCY

2.7%



NATIONAL
TENANCY

66.8%



CONVENIENCE

63.6%



SPORTS &
ENTERTAINMENT

8 padel courts
22,031m²

6,721m² let
in H1 2024

30-Jun-24



VACANCY



2.6%



NATIONAL
TENANCY



68.3%



CONVENIENCE



64.2%



SPORTS &
ENTERTAINMENT

10 padel courts
28,857m²

RISK MITIGATION STRATEGY– PICK N PAY EXPOSURE

- Pick n Pay (10 supermarkets) occupies 38,680m² ~ 2.3% of total portfolio GLA and contributes 2.3% towards total portfolio gross revenue.
- Umlazi Mega City – Pick n Pay QualiSave – engaging iro rebranding to Boxer store.
- Springfield Value Centre – Pick n Pay QualiSave store – negotiating a reconfiguration of the supermarket box to be replaced with national apparel outlet stores.
- East Point – Pick n Pay Hypermarket store – negotiations continue in respect of downsizing to introduce apparel and athleisure stores.
- Reduction of Pick n Pay exposure at various other properties being actively considered.

INDUSTRIAL PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-May-24	Anticipated Vacancy 30-June- 24	Comments
Industrial	0.2%	0.2%	0.2%	Minor vacancy of 810m ² at 11 Wankel Street.

Sector	Retention Rate 31-Dec-23	Retention Rate YTD 31-May-24	Anticipated Retention Rate 30-June-24	Comments
Industrial	78.0%	86.6%	94.4%	Tenant vacated at 149 Fleming. Premises have been re-let.

Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-May-24	Anticipated Renewal Reversion 30-June-24	Comments
Industrial	-0.9%	0.5%	0.9%	Tenants only affording inflation rental increases requiring low reversions to compensate for above inflation historic escalations.

INDUSTRIAL LEASING UPDATE

Strategic Focus

Quality Industrial Property Portfolio

Lease Renewals

- Lease Expiry 2024 – 120,648m²
- % Portfolio GLA – 31.6%

	Renewed	Reversion
Renewal H1 2024	94.4%	0.9%
FY 24 expiries renewed by 31 May 2024	80.5%	0.8%

Negotiations for renewal/re-tenanting of remaining expiring leases advanced with minimal vacancy expected.

AFHCO / INDLUPPLACE PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-May-24	Anticipated Vacancy 30-Jun-24	Comments
Residential - Afhco	4.2%	3.4%	3.5%	Demand for affordable, well managed accommodation continues. Inner city vacancy forecast to be 2.3% & suburban 4.5%.
Residential - Indluplace	4.5%	5.7%	4.7%	Increase in vacancies in May attributable in part to students being included in May but not year end, which vacancies are expected to decrease by end June.
Retail - Afhco	4.4%	5.2%	5.0%	Vacancy has increased marginally due to one vacancy arising at each of Khan Corner, Newgate and Stuttafords, which vacancies are not expected to persist.
Retail - Indluplace	10.3%	15.4%	10.5%	Largest vacancy is in Germiston totaling 506m ² (3.5%). Positive engagement underway with tenant for this space.

Sector	Rental Increase on Expiring Leases 31-Dec-23	Rental Increase on Expiring Leases 31-May-24	Anticipated Rental Increase 30-Jun-24	Comments
Residential - Afhco	3.9%	4.3%	4.5%	Continued steady improvement in rental increases are being achieved supported by robust demand and low vacancy.
Residential - Indluplace	3.9%	Not applicable	Not applicable	Increases in the Indluplace portfolio are undertaken annually in October and not on anniversary of leases.

AFHCO / INDLUPLACE PORTFOLIO PERFORMANCE (continued)

Sector	Renewal Reversion 31-Dec-23	Renewal Reversion YTD 31-May-24	Anticipated Renewal Reversion 30-Jun-24	Comments
Retail - Afhco	0.7%	4.5%	4.0%	Reversions continue to improve since year end with improved trading conditions which are anticipated to remain positive until year end.
Retail - Indluplace	Flat	3.8%	14.2%	Positive reversions relate largely to the renewal of month-to-month leases which were underlet, with further progress to be made in H2 2024.

ZAMBIA PORTFOLIO PERFORMANCE

Sector	Vacancy 31-Dec-23	Vacancy 31-May-24	Anticipated Vacancy 30-Jun-24	Comments
East Park Mall	0.7%	3.0%	3.0%	Increase in vacancy in respect of to 1,302m ² of evicted restaurant tenants. Space subsequently let to pharmaceutical and furniture tenants totaling 575m ² & in negotiations with new restauranters for the balance.
Acacia Office Park	2.4%	0.0%	0.0%	Vacancy decreased to nil due to UBA Bank, an existing tenant, acquiring vacant space.
Jacaranda Mall	11.7%	17.1%	16.3%	Increase in vacancy relates to clothing and spare parts retailers evicted due to continuous defaulting payments. Subsequently, 123m ² of vacant space let to a fishery and a beauty spa tenant.

Sector	Retention Rate 31-Dec-23	Retention Rate YTD 31-May-24	Anticipated Retention Rate 30-Jun-24	Comments
East Park Mall	100.0%	100.0%	100.0%	Expiring leased space of 1,657m ² let to a pet store, storage facility and Hungry Lion restaurant retained.
Acacia Office Park	100.0%	100.0%	100.0%	1,086 m ² of expiring space leased to an insurance company retained.
Jacaranda Mall	100.0%	100.0%	100.0%	1,304 m ² of expiring space leased to Pep Stores, a shoe manufacturer and a furniture retailer retained.

ZAMBIA PORTFOLIO PERFORMANCE (continued)

Sector	Renewal Reversion 31-Dec-23 USD	Renewal Reversion YTD 31-May-24 USD	Anticipated Renewal Reversion 30-Jun-24 USD	Comments
East Park Mall	2.8%	0.8%	2.0%	Hungry Lion, pet store and storage facility leases all anticipated to be renewed at a positive 2.0% renewal reversion.
Acacia Office Park	2.7%	3.0%	3.0%	Minet Insurance lease renewed at a positive 3.0% renewal reversion.
Jacaranda Mall	2.2%	-3.4%	1.6%	Furniture retailer renewed at a positive rental reversion, whilst Pep Stores renewed at negative rental reversion .

FINANCIAL SUSTAINABILITY

Strategic Focus	Financial Sustainability
Disposals Update	
2024 Disposals Pipeline	R725.0 million
Previously Contracted	R192.2 million
Transferred	R30.8 million
Unconditional	R84.3 million
Conditional	R77.1 million
Newly Contracted	R29.0 million
Transferred	R6.7 million
Unconditional	R22.3 million
Conditional	-
Under offer	R234.8 million
Office and motor showroom divestments being negotiated	R269.0 million
Debt management	
R500.0 million 2-year swap at 34 bps below JIBAR contracted in June 2024 to ensure hedging is >70%	
Obtained Lender approval for covenant relaxation whilst raising equity capital for Unlisted Residential Fund	
<ul style="list-style-type: none"> • ICR – Corporate 1.75x ; Transactional 1.5x • Relaxation extended to 31 December 2024 	
Hedging % at 31 May 2024 of 68.3% (74.3% post the inclusion of the additional swap)	LTV as at 31 May 2024 of 42.6%
Refinancing of current debt of R1.6 billion in advanced discussions with lenders to refinance.	

UNLISTED RESIDENTIAL FUND UPDATE

- Corporate restructuring completed in December 2023, whilst conveyancing process for select assets continuing.
- Term sheets with lender group for restructured debt signed; terms to be effective from investor subscription date.

First R1.3 billion Investment Expected Timeline

		Mar '24	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24
MILESTONES & SPECIFIC TASK DESCRIPTION	PLAN END (2024)	1	2	3	4	5	6	7	8
Comprehensive due diligence completion	June								
Internal committee approval and signature of term sheet	July								
JSE Process	July - August								
Signature of Transaction Agreements	August								
Posting of circular	August								
GM for SAC shareholders	September								
Fulfilment of CPs by	September / October								
Implementation Date	September / October								

DISTRIBUTION GUIDANCE

2024 H1:

- ~ 6% > 2023 H1.

2024 YE:

- 5% to 7% > 2023 YE.

Q & A

