

## STENPROP LIMITED

(Registered in Guernsey)

(Registration number 64865)

LSE share code: STP JSE share code: STP

ISIN: GG00BFWMR296

("Stenprop" or the "Company")

## SHORT-FORM ANNOUNCEMENT: Preliminary results announcement for the year ended 31 March 2020

The publication of this announcement is in line with Johannesburg Stock Exchange requirements.

### Highlights for the year ended 31 March 2020

<b>Diluted EPRA NAV* per share</b>	<b>£1.39</b>
Diluted adjusted EPRA EPS*	6.88 pence
Total dividend per share	6.75 pence
Loan-to- value ratio (27.7% including free cash)	40.8%
Free cash*	£70 million

### OPERATIONAL HIGHLIGHTS

- Solid progress made in the transition to become a 100% UK multi-let industrial ('MLI') business:
  - MLI portfolio represents 58% of the total property portfolio, up from 42.7% a year earlier
  - Acquisition during the year of 10 MLI estates and a number of additional units on existing estates for a total purchase price of £38.8 million
  - Sold three small UK retail properties for an aggregate consideration of £4.60 million and the portfolio's largest property, known as Bleichenhof located in central Hamburg, for €160.15 million (£136.2 million )
  - Group LTV ratio reduced to 40.8% (2019: 44.2%) on drawn facilities, or 27.7% when taking free cash into account
  - Further investment in MLI operating platform.
- Completed 197 new lettings / lease renewals in the MLI portfolio for an average contractual term in excess of four years and 19% ahead of the previous passing rent for each unit.
- On a like-for-like\* basis, the valuation of the total portfolio increased by 2.8% over the prior year. The like-for-like increase on the MLI portfolio valuation was 3.7%.
- Strong balance sheet at 31 March 2020 with approximately £70 million of free cash and significant headroom for both interest cover and LTV loan covenants. Stenprop is well placed to cope with a prolonged period of uncertainty.
- At 31 May 2020, 82% of the portfolio's total rent invoiced and due had been received for the aggregate of the quarter commencing 25 March 2020 and the months of April and May 2020.

### FINANCIAL HIGHLIGHTS

- Declared final dividend on 11 June 2020 of 3.375 pence per share, which together with the interim dividend of 3.375 pence per share declared on 21 November 2019, results in a total dividend for the year ended 31 March 2020 of 6.75 pence per share (2019: 6.75 pence per share). The total dividend for the year is fully covered by earnings of 6.88 pence per share. Net rental income for the period of £33.0 million (2019: £33.9 million). Profit after tax of £15.6 million (2019: £23.8 million). Adjusted EPRA profit after tax was £19.7 million (2019: £25.2 million). <sup>1</sup>
- Headline earnings for the period were 5.86 pence per share (2019: 7.63 pence).
- Diluted IFRS\* Net asset value per share was £1.37 (31 March 2019: £1.36). Diluted EPRA NAV\* per share of £1.39 (31 March 2019: £1.41).
- Diluted IFRS EPS was 5.44 pence (2019: 8.35 pence). Diluted adjusted EPRA EPS<sup>1</sup> was 6.88 pence (2019: 8.84 pence). The decline in earnings was a direct consequence of the previously communicated strategic decision to withdraw from all historic third-party fund management activity.

\* 'EPRA' means European Public Real Estate Association. 'NAV' means net asset value. 'EPS' means earnings per share. 'LTV' means loan-to-value. 'IFRS' means International Financial Reporting Standards. 'Like-for-Like' is a change in measure for reference data existing in the current and previous period. 'Free cash' is cash and cash equivalents less restricted cash and cash held for other purposes. 'Diluted Adjusted EPRA' earnings measures are company-specific.

1. Subject to the receipt of regulatory approvals, a scrip alternative will be offered, which the directors intend to match through the buyback of shares on the market. Subject to the receipt of regulatory approvals, the directors intend to offer shareholders the option to receive all or part of their dividend entitlement by way of a scrip issue of new Stenprop ordinary shares, or in cash. A further announcement informing shareholders of the salient dates and tax treatment of the dividend will be released in due course. Part of the distribution will be a Property Income Distribution (known as a PID)

which, subject to certain exemptions, will attract UK withholding tax. The dividend of 6.75 pence per share represents a dividend yield of 6.3% on the share price at 5 June 2020 of £1.07, and a yield of 4.9% on the diluted EPRA NAV per share at 31 March 2020 of £1.39.

FX rates in period

*Average foreign exchange rates in the year: £1.00:€1.1442; £1.00:CHF1.12544 (2019: £1.00:€1.1338; £1.00:CHF1.3002)*

*Year-end foreign exchange rates: £1.00:€1.1249; £1.00:CHF1.1915 (2019: £1.00:€1.1617; £1.00:CHF1.2970)*

## **SHORT-FORM ANNOUNCEMENT**

This short-form announcement is the responsibility of the directors and represents a summary of the information contained in the full announcement released on SENS and the LSE on 12 June 2020 and does not contain full or complete details. None of the information contained in this announcement has been reviewed or reported on by the Company's auditors.

The full announcement can be accessed using the following JSE link:

<https://senspdf.jse.co.za/documents/2020/jse/isse/STP/2020AFS.pdf>

Copies of the full announcement may be requested at 180 Great Portland Street, London, United Kingdom, and at the office of the sponsor, Java Capital, at 6A Sandown Valley Crescent, Sandton, 2196, Johannesburg, South Africa, during office hours at no charge from Friday, 12 June 2020 to Friday, 19 June 2020. Any investment decision by shareholders and/or investors should be based on information contained in the full announcement published on SENS and the LSE, and on the Company's website.

Stenprop Limited's audited annual financial statements for year ended 31 March 2020 have been audited by the Company's auditors Deloitte LLP, who have provided an unqualified opinion, including key audit matters within their audit report. The full announcement including the Company's annual financial statements is available on <https://stenprop.com/investors/results-and-presentations/> and the audit opinion is available on <https://stenprop.com/our-business/governance>