

ARROWHEAD PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2007/032604/06)
JSE share code: AHA ISIN: ZAE000275491
JSE share code: AHB ISIN: ZAE000275509
(Approved as a REIT by the JSE)
(“Arrowhead” or “the Company”)



FURTHER TRADING STATEMENT

Shareholders are referred to the announcement published on SENS on 20 April 2020, wherein Arrowhead withdrew distribution guidance for the year ended 30 September 2020 (“FY2020”) due to uncertainty and difficulty in estimating the overall impact of the Covid-19 pandemic on the business and deferred the decision on the payment of an interim dividend until the release of the financial results for the year ended 30 September 2020.

Shareholders were also advised that the board of directors of Arrowhead (the “Board”) would revise its dividend policy of paying out 100% of distributable income, to a more sustainable pay-out ratio. The Board has resolved, under the current uncertain circumstances, to revise the Company’s dividend pay-out ratio to 76.5% of distributable income which meets the minimum distribution requirements for a REIT as per the JSE Listings Requirements and, in the Board’s view, is a more sustainable pay-out ratio.

Shareholders are further referred to the Company’s operational update and trading statement (“trading update”) published on SENS on 26 August 2020, wherein shareholders were advised that the Company’s distributable income for FY2020 was expected to be approximately R340 million (excluding distributable income from its listed investments and interest income from loans to directors and the Arrowhead Charitable Trust). Subsequently, the Company reported in its pre-close update on 21 September 2020 that the distributable income was expected to be higher than reported in the trading update.

The Company is pleased to report that its distributable income for FY2020 is now estimated to be higher than initially expected at approximately R410 million compared to the R340 million previously reported and approximately R524 million when including the estimated income from its listed investments and interest income from director loans and the Arrowhead Charitable Trust. Accordingly, it is expected that the Company will declare an interim dividend of 56.77442 cents per A share and 17.54203 per B share and a final dividend for the six months ended 30 September 2020 of 58.68576 cents per A share and 15.44616 per B share.

In respect of the A share, this equates to an increase of approximately 4% and 3% in respect of the interim dividend and final dividend per A share respectively when compared to the interim dividend of 54.53 cents and the final dividend of 56.98 cents per A share for the year ended 30 September 2019. In respect of the B share, this equates to a decrease of approximately 49% and 55% in respect of the interim dividend and final dividend per B share respectively when compared to the interim dividend of 34.08 cents and the final dividend of 34.66 cents per B share for the year ended 30 September 2019.

We note that the interim dividend per share as at 31 March 2019 was calculated on the combined dividend amount paid to both Arrowhead and Old Arrowhead shareholders using the share capital as at 30 September 2019. The dividend per share for the 6 months ended 30 September 2019 was determined based on the new share structure of the merged vehicle’s shares in issue of 62 718 658 A shares and 1 017 278 238 B shares in issue as at 30 September 2019.

The information on which this trading statement has been based has not been reviewed or reported on by the Company’s auditors. Arrowhead’s results for FY2020 will be announced on SENS on 25 November 2020.

24 November 2020

Sponsor

