

SHORT-FORM ANNOUNCEMENT:

Half year results announcement for the six months ended 30 September 2020

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



STENPROP

Highlights for the six months ended 30 September 2020

+4.4%
Like-for-like portfolio
valuation increase for period

3.40p
Adjusted EPS*

8.38p
Diluted IFRS EPS

3.375p
Dividend per share, fully
covered and maintained

36.6%
LTV* ratio

Financial Highlights

- ▶ Fully covered dividend at 3.375 pence per share for the six months ended 30 September 2020 (2019: 3.375p). A scrip alternative will be offered, which the directors intend to match through the buyback of shares.¹
- ▶ 4.4% increase in diluted IFRS net asset value per share to £1.43 (31 March 2020: £1.37).
- ▶ 4.3% growth in EPRA Net Tangible Assets ('NTA') per share to £1.44 (31 March 2020: £1.38) driven by an asset management led uplift in property values, with like-for-like total portfolio valuation growth of 4.4%.
- ▶ Diluted IFRS EPS increased 82.5% to 8.38 pence (2019: 4.59 pence). Adjusted EPS was 3.40 pence (2019: 3.41 pence).
- ▶ Net rental income for the period of GBP15.0 million (2019: GBP15.8 million). Profit from operations increased 65.0% to £29.1 million (2019: £17.6 million).
- ▶ Headline earnings per share grew 2.0% to 3.08 pence (2019: 3.02 pence).
- ▶ Strong balance sheet with cash and cash equivalents of £51.1 million, including free cash of approximately £40 million.
- ▶ Group LTV was 36.6% (March 2020: 40.8%), falling to 29.6% when applying free cash (March 2020: 27.7%). Significant headroom exists for both interest cover and LTV loan covenants.

Operational Highlights

- ▶ Rent collection for the period remained strong at 90% across the portfolio as at 30 September 2020.
- ▶ 18% average uplift in MLI passing rents driven by continued strong leasing momentum with 119 new lettings/lease renewals at an average lease term of 3.8 years, generating £2.3 million of rental income per annum.
- ▶ MLI occupancy up 2.2% to 93.3% (March 2020: 91.1%) with total occupancy at 94.4%.
- ▶ Notable increases in traffic through our industrials.co.uk website resulted in a 30+% increase in direct leasing calls and total average weekly leasing calls up approximately 100% compared to 2019.
- ▶ Five MLI estates acquired in the six-month period for an aggregate purchase price of £40.0 million, generating an additional £2.5 million of rental income per annum. A further three estates completed post period end for £20.2 million, generating an additional £1.4 million of rental income per annum.
- ▶ MLI portfolio surpassed five million sq ft for the first time, growing the portfolio value to £360.5 million, up from £291.6 million at the same time last year and representing 62.8% (2019: 44.6%) of the total property portfolio by value with a target of 75% by the end of the financial year.
- ▶ Recycling of assets on track with the sale of the Neucölln Carrée retail park in Berlin at a sale price €27.0 million, 15.4% ahead of the year end valuation. Further German sales expected in the second half of the financial year.

* 'EPRA' means European Public Real Estate Association. 'NTA' means net tangible assets. '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.

¹ The interim dividend was declared by the directors on 2 December 2020. Part of the distribution will be a Property Income Distribution (known as a PID) which, subject to certain exemptions, will attract UK withholding tax. A further announcement informing shareholders of the salient dates and tax treatment will be released in due course.

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 4 December 2020 and does not contain full or complete details of the financial results. 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/issue/STP/HY2020.pdf>

Stenprop Limited's condensed financial statements for the six months ended 30 September 2020 have been reviewed by the Company's auditors BDO LLP, who have provided an unqualified opinion within their review report. The full announcement including the Company's reviewed condensed financial statements is available on the Company's website: stenprop.com/investors/results-and-presentations

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 6th Floor, 1 Park Lane (entrance at 39 Wierda Road West), Wierda Valley, Sandton, 2196, Johannesburg, South Africa, during office hours at no charge from Friday, 4 December 2020 to Friday, 11 December 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
4 December 2020