

Short-Form Announcement:

Full Year Results to 31 March 2022

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

industrials
REIT

Highlights for
the full year to
31 March 2022

£1.77

EPRA NTA* per share

6.88 pence

Adjusted earnings per share*

6.85 pence

Total dividend per share

25.6%

Loan-to-value ratio*

+19.4%

Like-for-like portfolio valuation*
increase in year

25.0%

Total accounting return

Formerly Stenprop Limited
Registration number: 64865
Registered office:
Kingsway House, Havilland
Street, St Peter Port, GY1 2QE,
Guernsey
LSE share code: MLI
JSE share code: MLI
ISIN: GG00BFWWMR296

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Demand driven rental growth drives strong full year results

- Like-for-like passing rent increased 4.4% (2021: 5.6%)
- 265 new leases agreed, with Smart Lease transactions accounting for 53% of all new lettings and renewals, shortening void periods and reducing costs
- Portfolio ERV increased 4.3% on a like for like basis (2021: 5.1%), creating a 12.6% premium to current passing rent on occupied units which is highly supportive of future rental growth
- Occupancy across MLI portfolio steady at 93.6% (2021: 93.7%)
- £97.6 million aggregate purchase price of 18 MLI assets (2021: £91.5 million across 14 assets) which grew the portfolio to 104 properties and helped increase MLI net rental income by 42% to £32.8 million over the year (2021: £23.1 million)
- Sales of the final three wholly owned non-MLI assets completed in the year generating aggregate net sales proceeds of £46 million. Our share of the joint venture holding the German care homes portfolio is in a sale process
- Rent collection levels are now nearing pre-Covid levels with 93% of invoices billed in FY22 paid, resulting in a reduction in the bad debt expense to £1.3 million (2021: £2.0 million)

*'EPRA NTA' means European Public Real Estate Association Net Tangible Assets.

Loan-to-value ratio is the ratio of total borrowings, less unrestricted cash, to the Group's aggregate value of properties.

'Like-for-like' is a change in measure for reference data existing in the current and previous period.

Financial highlights:

- Record total accounting return of 25.0% (2021: 11.4%) driven by a 20.4% increase in EPRA NTA per share to £1.77 (2021: £1.47)
- IFRS profit before tax doubled to £107.5 million (2021: £53.0 million), driven by MLI valuation uplifts of £89.5 million compared with £26.9 million in the prior year
- 20.8% like-for-like valuation growth along with new acquisitions helped increase total MLI portfolio valuation to £653.5 million. Including the share of the jointly owned care homes portfolio, the total portfolio valuation was £685.8 million at year end (2021: £582.3 million)
- 96.7% increase in diluted IFRS EPS to 36.68 pence (2021: 18.57 pence) with adjusted EPS increasing to 6.88 pence per share (31 March 2021: 6.78 pence)
- 20.3% increase in diluted IFRS net asset value per share to £1.78 (2021: £1.48)
- Low loan to value of 25.6% (2021: 28.1%) with total debt of £196.2 million, including the share of joint venture debt, and unrestricted cash balances of £20.7 million at year end
- Diluted headline earnings for the period were 7.02 pence per share (2021: 7.25 pence)
- Declared final dividend on 9 June 2022 of 3.475 pence per share, which together with the interim dividend of 3.375 pence per share declared on 3 December 2021 results in a total dividend for the year ended 31 March 2022 of 6.85 pence per share (2021: 6.75 pence per share). The total dividend for the year is fully covered by adjusted earnings¹

¹ The dividend of 6.85 pence per share represents a dividend yield of 3.8% on the share price at 6 June 2022 of £1.80, and a yield of 3.9% on the EPRA NTA per share at 31 March 2022 of £1.77. The final dividend will be payable in cash or as a scrip dividend. It is expected that shares will commence trading ex-dividend on 20 July 2022 on the JSE and on 21 July 2022 on the LSE. The record date for the dividend is expected to be 22 July 2022, the last day for shareholders to submit an election to receive the scrip dividend is expected to be 29 July 2022, and the dividend payment date is expected to be 12 August 2022. A further announcement informing shareholders of the salient dates and tax treatment of the dividend is anticipated to be released on 1 July 2022.

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 10 June 2022 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://senspdfjse.co.za/documents/2022/jse/issue/MLIE/FY2022.pdf>

Industrial REIT Limited's annual financial statements for the year ended 31 March 2022 have been audited by the Company's auditors BDO LLP, who have provided an unqualified opinion, including key matters within their review report. The full announcement including the Company's annual financial statements is available on the Company's website: <https://www.industrialsreit.com/investor-information/reports-and-presentations/>

Copies of the full announcement may be requested at 180 Great Portland Street, London, United Kingdom, W1W 5QZ and at the office of the sponsor, Java Capital, 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196, Johannesburg, South Africa during office hours at no charge from 10 June 2022 to 17 June 2022.

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.