

Unaudited condensed consolidated interim results for the six months ended 30 September 2022

HIGHLIGHTS



ROBUST OPERATING RESULTS AND DEFENSIVE FINANCIAL POSITION



SOUTH AFRICAN PORTFOLIO CONTINUES TO OUTPERFORM WITH POSITIVE TRADING METRICS AND OPERATIONAL RESULTS

Like-for-like annualised **NOI growth of 4%**

Vacancies reduced to **2.3%**

Rental **reversion** cycle turned positive to **+1.6% from -2.4%**

Annualised trading densities increased by **7%**

Like-for-like retail **valuations increase of 3%**



CASTELLANA LEADS THE MARKET WITH ACTIVE ASSET MANAGEMENT AND IMPRESSIVE OPERATIONAL RESULTS

Normalised **NOI growth of 7.5%**

Vacancies maintained at **1.6%**

Positive reversions of **+4.6%**

Rent collection rate at **99.03%**

Portfolio **WALE of 12.1 years**

Footfall and sales growth trends **outperform** national benchmarks



BALANCE SHEET DEFENSIVELY POSITIONED IN A RISING INTEREST RATE CYCLE

87% of group interest-bearing **debt hedged**

No debt maturities in Castellana until **FY26**

Interest cover ratio (ICR) of **2.9 times** and

LTV maintained at **43%**

GCR upgraded Vukile's corporate long-term credit rating to **AA_(ZA)**

88% of debt expiring in FY23 has already been repaid, refinanced or renegotiated

Undrawn debt facilities increased to **R3.6 billion**



OPTIMAL CAPITAL ALLOCATION THROUGH ACTIVE ASSET ROTATION

Sale of direct property assets of **c.R280 million** in South Africa

Further sale of Fairvest shares, realising **R46.6 million**

Acquisition of Pan Africa Shopping Centre for **c.R421 million**,

expected to be concluded by Q4 FY23

Agreement reached to acquire 50% undivided share in BT Ngebs City for **R400 million**

Castellana acquired a further **4%** in Lar España for **c.€15.9 million**,

increasing total shareholding to **25.7%**



INCREASE IN CASH DIVIDEND

Interim dividend of **47.32 cents per share**, up **16.8%** on the corresponding prior period

Total FFO of **80.8 cents per share**

FINANCIAL PERFORMANCE

Gross property revenue increased from R1.7 billion for the period ended 30 September 2021 to R1.8 billion for the period ended 30 September 2022. Operating profit before finance costs decreased marginally to R113 million (30 September 2021: R185 million), mainly due to the settlement of cross-currency interest rate swaps and prior period early termination of forward exchange contracts, while the profit for the period attributable to owners of the parent amounted to R1 065 million (30 September 2021: R843 million), resulting in basic earnings per share increasing to 108.65 cents per share (30 September 2021: 88.15 cents per share). Headline earnings reduced to 61.57 cents per share (30 September 2021: 71.31 cents per share) as a result of the decrease in operating profit before finance costs, as well as the impact of additional shares issued. In addition, pre-acquisition dividends received from Lar España of c.€6.6 million was accounted for as a reduction of the carrying value of the investment as opposed to investment income.

The group's net asset value per share at 30 September 2022 was R19.10 per share, increasing by 6.6% from R17.92 per share at 31 March 2022, due to positive performance in net property income and favourable exposure to a weaker Rand.

The group's direct property investments amount to R32.7 billion at 30 September 2022 (31 March 2022: R30.8 billion), located in South Africa and Spain.

Total indirect property holdings (listed property investments) increased to R1.9 billion at 30 September 2022 (31 March 2022: R1.8 billion), following additional shares purchased in Lar España Real Estate SOCIMI. This was offset by a further reduction in Vukile's interest in Fairvest Limited.

A gross dividend amounting to 47.32125 cents per share has been declared for the six months ended 30 September 2022 (30 September 2021: 40.55865), an increase of 16.8%. A separate announcement in this regard, including details relating to the taxation treatment of the dividend, will be released on SENS.

PROSPECTS FOR THE GROUP

Against a worsening global macro backdrop, Vukile continues to perform very well, both in South Africa and Spain, demonstrating the strength and defensive nature of its assets. Our internal focus on driving operational efficiencies and excellence is certainly bearing fruit, as evidenced by this strong set of results in both markets.

Underlying tenant demand remains strong and we expect competition for space to continue into the second half of the current financial year. Of significant importance is the long debt expiry profile and high hedging percentage, especially in Spain, which effectively eliminates refinancing risk for the next four years.

Notwithstanding the strong strategic, operational and financial state of the company, we need to remain cautious, given the challenging macro environment. However, we are pleased to keep guidance for the full year unchanged, at growth in both FFO per share and dividends per share of 5 – 7% for the year ending 31 March 2023.

ABOUT THIS ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the company. The announcement is only a summary of the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement.

The full announcement is available on the company's website (https://www.vukile.co.za/cmsAdmin/uploads/interim_results_2023.pdf) and on the JSE website at <https://senspdf.jse.co.za/documents/2022/jse/isse/vke/HY2023.pdf>.

Copies of the full announcement may be requested by emailing Johann Neethling at Johann.Neethling@Vukile.co.za or the company's sponsor, Java Capital at sponsor@javacapital.co.za from Tuesday, 29 November 2022 to Wednesday, 7 December 2022.

On behalf of the board



NG Payne
Chairman



LG Rapp
Chief executive officer

Houghton Estate

29 November 2022

Sponsor
Java Capital

www.vukile.co.za

CORPORATE INFORMATION

Vukile Property Fund Limited (Incorporated in the Republic of South Africa) (Registration number 2002/027194/06) **JSE share code:** VKE **ISIN:** ZAE000056370
Debt company code: VKEI **NSX share code:** VKN (Granted REIT status with the JSE) (Vukile or the group or the company)

Executive directors: LG Rapp (chief executive), LR Cohen (chief financial officer), IU Mthibeli (managing director: South Africa)

Non-executive directors: NG Payne (chairman)*, SF Booysen*, SF Mokate*, H Ntene*, GS Moseneke, B Ngonyama*, AMSS Mokgabudi*
*Independent

Registered office: 4th Floor, 11 Ninth Street, Houghton Estate, 2198 **Company secretary:** J Neethling **Transfer secretaries:** JSE Investor Services (Pty) Ltd, Braamfontein, Johannesburg

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