

Audited summarised consolidated results for the year ended 31 March 2022



CONTINUED STRONG OPERATING RESULTS AND FINANCIAL POSITION LAY THE PLATFORM FOR FUTURE GROWTH

STRONG PERFORMANCE WITH INCREASED COMPETITION FOR SPACE IN SOUTH AFRICA

- Normalised like-for-like NOI growth of **3.9%**
- Retail vacancies reduced to **2.6%**
- Like-for-like trading density growth up by **6.1%**
- Retention rate improved to **93%** with a **100%** collection rate
- Like-for-like retail valuation increase of **4.6%**

MARKET LEADING PERFORMANCE FROM CASTELLANA

- Positive reversions of **3.12%**
- Vacancies reduced to **1.6%**
- Rent collection rate at **98.7%**
- Portfolio WALE of **13.2 years**
- Retail **sales ahead of 2019 levels**
- Successful completion of **redevelopment projects** with a **10% cash-on-cash return**

STRONG BALANCE SHEET WITH WELL-DIVERSIFIED FUNDING BASE

- Interest cover ratio (ICR) of **3.4 times** highlights a strong cash flow
- LTV ratio maintained at **43%**
- **66%** of debt expiring in FY23 has already been repaid or extended
- Undrawn debt facilities increased to **R3.1 billion**

ACTIVE ASSET ROTATION

- Sale of non-core direct property assets of **R798 million** in South Africa and **€26.5 million** in Spain
- Sale of **64%** shareholding in the Namibian portfolio generating **c.R700 million in cash**
- Sale of Fairvest shares for **R504 million**
- Castellana acquired 21.7% shareholding in Lar España for **c.€100 million**

CASH DIVIDENDS

- Total FFO of **136.3 cents per share, up 6.8%** on prior year
- Total dividend of **105.8 cents per share**, with final dividend of **65.3 cents per share** to be paid in July 2022

FINANCIAL PERFORMANCE

Gross property revenue for the period increased from R3.1 billion for the year ended 31 March 2021 to R3.5 billion for the year ended 31 March 2022. Operating profit before finance costs increased to R2 251 million (31 March 2021: R1 796 million), while the profit for the year attributable to owners of the parent amounted to R1 909 million (31 March 2021: R584 million) resulting in basic earnings per share increasing to 199.10 cents per share (31 March 2021: 61.04 cents per share). Headline earnings reduced to 134.25 cents per share (31 March 2021: 137.26 cents per share).

The group's net asset value per share at 31 March 2022 was R17.92 per share, down marginally from R18.16 per share at 31 March 2021.

The group's direct property investments amount to R30.8 billion at 31 March 2022 (31 March 2021: R32.6 billion), located in South Africa and Spain.

Total indirect property holdings (listed property investments), increased to R1.8 billion at 31 March 2022 (31 March 2021: R0.8 billion), following an investment in Lar España Real Estate SOCIMI. This was offset by the reduction of Vukile's interest in Fairvest.

The total dividend for the year ended 31 March 2022 is 105.84518 (31 March 2021: 101.04391). A final dividend amounting to 65.28653 cents per share has been declared for the year ended 31 March 2022 (31 March 2021: 101.04391). For the year ended 31 March 2021, there was no interim dividend paid. 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

Having successfully navigated the ongoing challenges of the COVID-19 pandemic and unrest in South Africa during the past financial year, we are delighted with the results produced and the extremely strong position of the business going forward. While there remains uncertainty to the global growth outlook fuelled by the war in Ukraine, ongoing supply chain dislocations, inflation fears and a rising interest rate cycle, our business model has been proven to be resilient, sustainable and well positioned to withstand potential volatility.

Retail sales and footfall have returned to pre-COVID-19 levels and we are very encouraged by the strong trading environment in both Spain and South Africa, where we are seeing good demand and competition from retailers to expand in our portfolios. We continue to see benefits from our retail specialisation model and data-driven asset management capabilities.

The balance sheet remains strong, with a long expiry profile and significant support from our funders. Interest rate exposure in both Vukile and Castellana is well hedged and a rising interest rate environment should not have a material impact on earnings or outlook in the short to medium term.

Based on our current forecasts, an assumed ZAR/EUR exchange rate of R16.80 and maintaining a similar payout ratio to the current year, we expect to deliver growth in FFO per share and dividend per share of between 5% to 7% for the year ending 31 March 2023. This will equate to a full year dividend per share of between 111 and 113 cents (FY22: 105.8 cents), to be paid with an interim and a final dividend. The forecast also assumes no material adverse change in trading conditions or large corporate failures, contracted escalations and market-related renewals.

This forecast has not been reviewed or audited by the company's external auditors.

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 annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. As is common with audits of property companies, the auditors included in their audit opinion a reference to investment property as a 'key audit matter'. A copy of the auditor's opinion, the full announcement and the underlying audited annual financial statements, is available on the company's website

(<https://www.vukile.co.za/cmsAdmin/uploads/results2022.pdf>) and on the JSE website at <https://senspdf.jse.co.za/documents/2022/jse/isse/vke/FY2022.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 Thursday, 9 June 2022 to Friday, 17 June 2022.

On behalf of the board

NG Payne
Chairman

Houghton Estate
9 June 2022

Sponsor
Java Capital

LG Rapp
Chief executive officer

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 Booyesen*, RD Mokate*, AMSS Mkgabudi*, GS Moseneke, B Ngonyama*, H Ntene* * Independent

Registered office: 4th Floor, 11 Ninth Street, Houghton Estate, 2198 **Company secretary:** J Neethling **JSE sponsor:** Java Capital **NSX sponsor:** IJG Group, Windhoek, Namibia **Transfer secretaries:** JSE Investor Services (Pty) Ltd, Braamfontein, Johannesburg **Investor relations:** Instinctif Partners, The Firs, 3rd Floor, Corner Craddock Avenue and Biermann Road, Rosebank, Johannesburg, South Africa, Tel: +27 11 447 3030 **Media relations:** Marketing Concepts, 8 Redhill, Morningside, Sandton, Johannesburg South Africa, Tel: +27 11 783 0700, Fax: +27 11 783 3702