

Spear REIT

FY23 pre-close update

Key message: 2H FY23 performance is set to meet expectations and guidance. Overall, organic performance appears intact and the portfolio continues to reposition through investment and disposal activity.

- Trading in line with expectations:** management has maintained guidance for FY23E DEPS growth of +5-7% y/y. Persistent loadshedding (especially Stage 6 and above) and operating cost creep are highlighted as key challenges. WACD is 8.8%, significantly up from 7.3% at FY22 and reflecting the increase in variable rates applicable to unhedged debt (65% fixed). But the Western Cape continues to be relatively resilient and this is reflected in stable performance of the portfolio; overall reversions have averaged -4.0% YTD (with a slight uptick in escalations to 7.4%) with occupancy maintained at c. 93% and a tenant retention rate of 96% achieved for FY23.
- Capital allocation and LTV reduction:** Spear will generate c. ZAR425mn gross proceeds in FY23 from the disposals of 6 Talana (ZAR71mn), 5 Fitzmaurice (ZAR85mn), Island Business Park (ZAR23mn) and 15 on Orange (ZAR246mn), which will be reinvested into the redevelopment and extension of Blackheath Park for Bravo Brands (ZAR74mn) and the acquisitions of 27 Junction (ZAR65mn) and The Island (ZAR185mn). Additionally, 6.9mn shares have been repurchased during the year for c. ZAR53mn. LTV should consequently settle below 38% at FY23 (from 39.1% at FY22). Further, the receipt of proceeds from the Liberty Life office disposal (ZAR400mn) effective in FY24 is expected to reduce LTV by a further 500bps; this will be well below the 38-43% strategic threshold, but in line with management's policy to maintain a lower LTV in the short term until the rising interest rate cycle turns. Nonetheless, it will create capacity for future inorganic growth led by acquisitions and developments.
- Update to earnings forecasts:** our FY23E DEPS forecast is ZAR82.6c (+5.7% y/y), roughly in the middle of management's guidance range. We apply a 93% payout ratio on full year earnings for a dividend of ZAR76.6c per share (+12.3% y/y); we highlight that management has proposed an increase in the payout ratio from 90% to 95% for the final dividend. For FY24E we forecast a dividend of ZAR82.7c (+7.9%) on DEPS of 87.0c (+5.6% y/y).
- Our revised target price is ZAR8.12**, which implies a forecast total shareholder return of +22.8% (11.4% income yield and +11.4% capital return). We maintain a NEUTRAL rating on the counter.
- Key catalysts and factors to watch:** leasing conditions in Cape Town commercial property market versus rest of SA; potential future inorganic growth activity (acquisitions, developments); completion and receipt of Liberty Life disposal proceeds; impact of interest rate increases on net finance charges

SEA summary financial forecasts

	FY21A	FY22A	FY23E	FY24E	FY25E
FFO per share (ZARc)	72.3	78.0	82.4	87.0	92.9
% change	-22.1%	7.9%	5.7%	5.6%	6.8%
Dividend per share	58.7	68.3	76.6	82.7	88.3
% change	-36.0%	16.3%	12.3%	7.9%	6.8%
NAV per share	1 153	1 130	1 116	1 129	1 181
% change	-5.6%	-2.0%	-1.2%	1.1%	4.7%

Source: Company data, Chronux Research estimates

Date: 02 March 2023

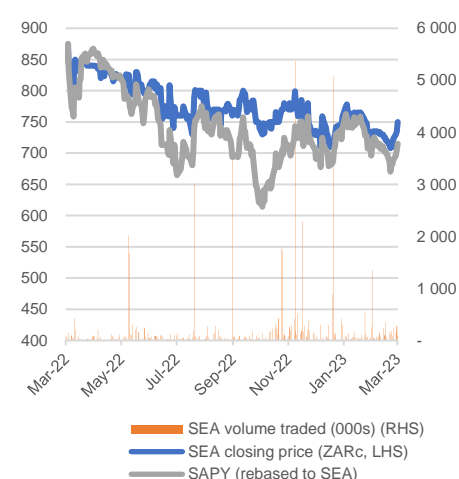
Analyst

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Rating:	NEUTRAL
Price (01/03/2022):	R7.50
52 week high / low:	8.70 / 6.90
Shares outstanding (mn):	244.8
Market cap (ZARmn):	1 836
Enterprise value (ZARmn):	3 587
Spot P/NAV:	0.65x
Forward P/NAV:	0.66x
Trailing FFO yield:	11.0%
Forward FFO yield:	11.6%
Trailing dividend yield:	10.2%
Forward dividend yield:	11.4%
Target price (ZAR):	8.12
Forecast total return:	+22.8%

SEA share price performance - 52 weeks



Sponsored Research: Chronux Research is compensated by certain corporates to produce objective and impartial research. Earnings forecasts and valuation are the independent view of the analyst, based on his/her view of all factors that could influence earnings and peer comparisons. Management has no editorial input.

Valuation and rating

- We derive our target price for Spear using a weighted average of a dividend discount model (DDM), exit yield (income capitalisation) and exit P/NAV valuation. We assume a discount rate of 15.5%, exit dividend yield of 11.0% and exit P/NAV of 0.70x. We revise our clean target price to ZAR8.12, which implies a one-year forecast total shareholder return (TSR) of +22.8% (comprised of 11.4% dividend yield and +11.4% capital return). We maintain a NEUTRAL rating on the counter.

SEA valuation and TSR forecast summary

Valuation date	01-Mar-23					
Financial year end	Feb					
Reporting currency	ZAR					
Spot price (ZARc)	750					
	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Distribution per share (ZARc)	68.3	76.6	82.7	88.3	92.5	96.4
% change	16.3%	12.3%	7.9%	6.8%	4.7%	4.3%
Intrinsic NAV per share	1 130	1 116	1 129	1 181	1 238	1 296
% change	-2.0%	-1.2%	1.1%	4.7%	4.8%	4.7%
	Y0	Y1	Y2	Y3	Y4	Y5
Rolled FFO per share	82.4	87.1	93.0	97.3	102.2	107.3
% change		5.6%	6.8%	4.7%	5.0%	5.0%
Rolled DPS	76.7	82.7	88.3	92.5	97.1	102.0
% change		7.9%	6.8%	4.7%	5.0%	5.0%
Rolled NAV per share	1 153	1 130	1 116	1 129	1 182	1 238
% change		-2.0%	-1.2%	1.1%	4.7%	4.8%
Discount factor		0.87x	0.75x	0.65x	0.56x	0.49x
Risk-free rate (ZAR 10yr yield)	10.1%					
Equity risk premium	6.0%					
Risk beta	0.90x					
Cost of equity (discount rate)	15.5%					
Exit yield	11.0%					
Exit P/NAV	0.70x					
Intrinsic value per share (Y0) (ZARc)	786					
Blended target price (Y1) (ZARc)	812					
Projected capital return	11.4%					
Forward income yield	11.4%					
1yr projected total shareholder return (TSR)	22.8%					
Spot premium (discount) to intrinsic value	(4.6%)					
5yr projected internal rate of return (IRR)	16.1%					

SEA valuation summary

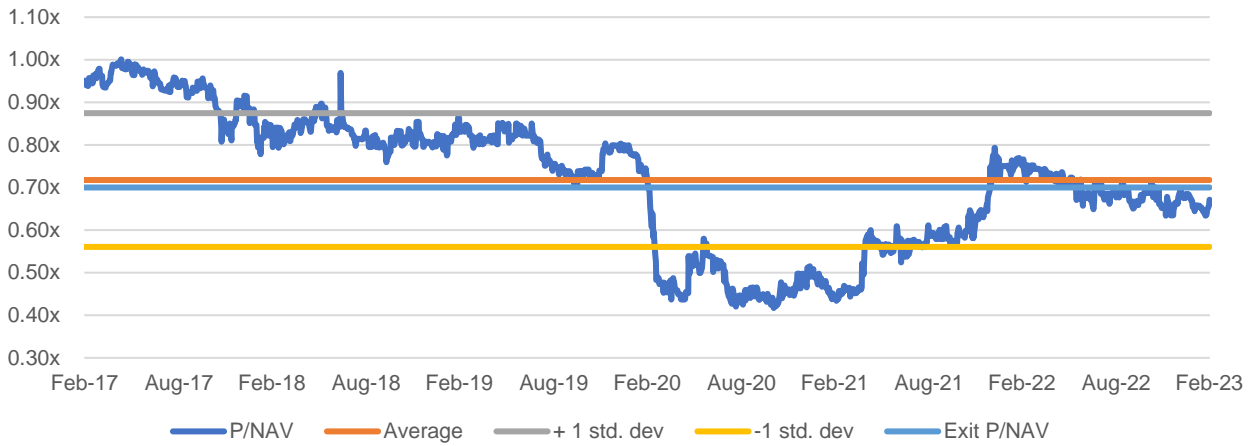
	Target price	Weight
	(ZARc)	
1. Discounted dividend valuation	841	0.33
2. Exit yield valuation	803	0.33
3. Exit P/NAV valuation	791	0.33
Weighted average target price	812	
Current price	750	
Projected capital return	11.4%	
Forward income yield	11.4%	
Projected total shareholder return (TSR)	22.8%	

1. SEA discounted dividend model (DDM) valuation	
CAPM beta	0.81x
Risk beta	0.90x
Risk-free rate (ZAR 10yr spot yield)	10.1%
Equity risk premium	6.0%
Cost of equity (discount rate)	15.5%
Terminal growth from Y6	5.0%
PV of distribution per share (Y1-5)	302
PV of terminal value	498
Divi yield on intrinsic value	10.3%
Discount rate - intrinsic yield	5.1%
Intrinsic value per share (Y0) (ZARc)	800
Target price (Y1) (ZARc)	841
Projected capital return	15.5%
Income yield	11.4%
Projected total shareholder return (TSR)	26.9%

2. SEA income capitalisation valuation	
Historic (trailing) dividend yield	10.2%
Clean forward yield	11.4%
Spot ZAR 10yr yield	10.1%
Forecast exit spot yield	11.0%
Current yield spread	1.3%
Exit yield spread	0.0%
Implied exit yield	11.0%
Intrinsic value per share (Y0) (ZARc)	752
Target price (Y1) (ZARc)	803
Projected capital return	10.2%
Income yield	11.4%
Projected total shareholder return (TSR)	21.6%

3. SEA intrinsic NAV valuation						
Spot NAV (ZARc)	1 130					
Trailing P/NAV	0.65x					
Forward P/NAV	0.66x					
	Feb-22	Feb-23	Feb-24	Feb-25	Feb-26	Feb-27
Intrinsic NAV	1 130	1 116	1 129	1 181	1 238	1 296
% growth	-2.0%	-1.2%	1.1%	4.7%	4.8%	4.7%
	Y0	Y1	Y2	Y3	Y4	Y5
Rolled NAV	1 153	1 130	1 116	1 129	1 182	1 238
% growth		-2.0%	-1.2%	1.1%	4.7%	4.8%
Exit P/NAV	0.70x					
Intrinsic value per share (Y0) (ZARc)	807					
Target price (Y1) (ZARc)	791					
Projected capital return	8.6%					
Income yield	11.4%					
Projected total shareholder return (TSR)	20.0%					

Figure 1 SEA P/NAV history



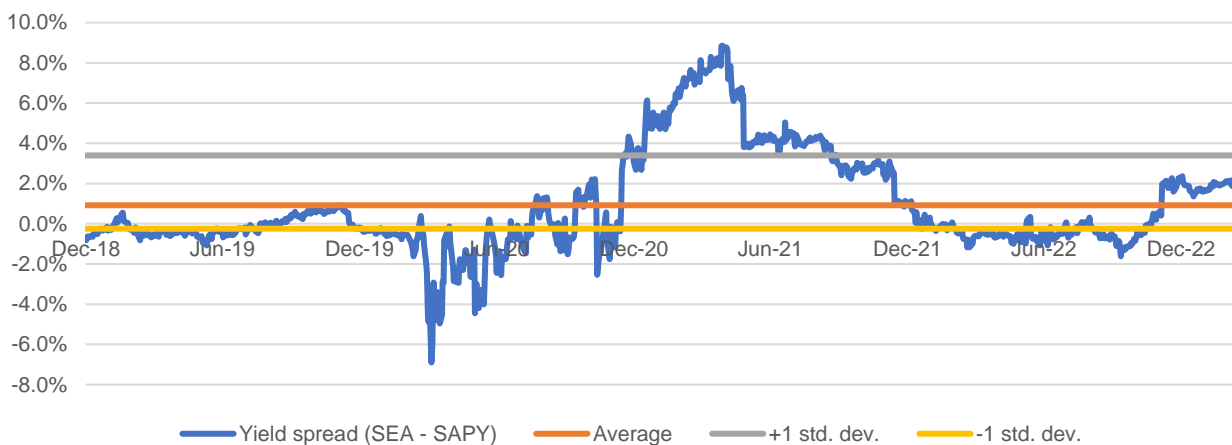
Source: Iress, Chronux Research

Figure 2 SEA and SAPY (J253) trailing dividend yield - trailing 5 years



Source: Iress, Chronux Research

Figure 3 Trailing dividend yield spread (SEA – SAPY)



Source: Iress, Chronux Research

Ranking table

JSE Listed Property - rated coverage ranking table (priced at 01-Mar-23)

Ticker (JSE)	Company	Closing price (ZARc)	Market cap (ZARmn)	LTV	ICR	P/NAV (forward)	FFO yield (forward)	Intrinsic value (Y0) (ZARc)	Target price (Y1) (ZARc)	Spot prem. (disc.) to intrinsic value	Fwd. dividend yield (clean)	Capital return	Forecast TSR to target price	Rating
SRE	Sirius Real Estate	1 799	21 087	41.6%	8.6x	0.76x	9.9%	2 056	2 250	(12.9%)	6.4%	25.7%	32.1%	OVERWEIGHT
SAC	SA Corporate Real Estate	217	5 457	37.4%	2.4x	0.51x	14.0%	230	241	(10.7%)	14.0%	17.3%	31.3%	OVERWEIGHT
IPF	Investec Property Fund	846	6 810	38.2%	2.7x	0.49x	13.2%	950	981	(12.8%)	12.5%	18.4%	31.0%	OVERWEIGHT
GRT	Growthpoint Properties	1 334	45 767	37.9%	3.1x	0.63x	12.9%	1 448	1 504	(7.9%)	11.4%	18.4%	29.9%	OVERWEIGHT
RDF	Redefine Properties	377	26 588	41.9%	2.7x	0.51x	14.9%	419	435	(10.1%)	13.1%	15.4%	28.5%	NEUTRAL
NRP	NEPI Rockcastle	10 967	66 570	31.3%	6.4x	0.75x	10.7%	11 047	12 051	(5.9%)	10.1%	15.9%	26.0%	NEUTRAL
EQU	Equites Property Fund	1 525	11 875	33.3%	6.3x	0.80x	12.1%	1 598	1 661	(4.6%)	12.1%	12.1%	24.1%	NEUTRAL
VKE	Vukile Property Fund	1 366	13 390	43.0%	3.4x	0.74x	12.0%	1 449	1 549	(5.7%)	9.6%	14.3%	23.9%	NEUTRAL
SEA	Spear REIT	750	1 836	38.7%	2.5x	0.66x	11.6%	786	812	(4.6%)	11.4%	11.4%	22.8%	NEUTRAL
RES	Resilient REIT	5 093	19 210	32.1%	3.9x	0.88x	9.9%	5 157	5 482	(5.0%)	9.9%	11.8%	21.7%	NEUTRAL
HYP	Hyprop Investments	3 403	11 687	36.4%	3.6x	0.66x	11.5%	3 528	3 657	(7.3%)	9.8%	11.8%	21.6%	NEUTRAL
FFB	Fortress REIT B	456	4 985	40.0%	3.3x	0.22x	1.5%	473	551	(3.5%)	-	20.8%	20.8%	NEUTRAL
L2D	Liberty Two Degrees	425	3 861	24.6%	3.2x	0.56x	9.5%	431	438	(5.7%)	9.5%	8.0%	17.5%	UNDERWEIGHT
FFA	Fortress REIT A	1 050	12 512	40.0%	3.3x	1.00x	17.3%	1 032	1 228	1.8%	-	17.0%	17.0%	UNDERWEIGHT
EMI	Emira Property Fund	1 042	5 446	40.5%	2.8x	0.61x	13.4%	972	1 014	7.2%	12.7%	4.0%	16.7%	UNDERWEIGHT
ATT	Attacq	863	6 486	37.2%	1.6x	0.47x	8.7%	788	845	9.5%	7.3%	0.9%	8.1%	UNDERWEIGHT

Source: Company data, Iress, Chronux Research estimates

JSE Listed Property - unrated coverage ranked by market cap (priced at 01-Mar-23)

Ticker (JSE)	Company name	Closing price (ZARc)	Market cap (ZARmn)	Latest NAV (ZARc)*	P/NAV (trailing)	Trailing dividend yield	LTV	ICR
HMN	Hammerson	644	28 461	1 379	0.47x	1.6%	45.0%	2.9x
CCO	Capital & Counties Properties	2 646	22 525	4 648	0.57x	1.7%	25.0%	1.3x
MSP	MAS Real Estate	2 133	15 027	2 717	0.79x	5.6%	21.5%	3.7x
LTE	Lighthouse Capital	677	11 000	904	0.75x	7.5%	13.6%	4.5x
MLI	Industrials REIT	2 750	8 216	3 936	0.70x	5.3%	25.6%	5.0x
SSS	Stor-age Property Fund	1 331	5 782	1 447	0.92x	8.2%	27.9%	6.6x
FTB	Fairvest B	300	4 482	491	0.61x	14.0%	39.2%	2.4x
EXP	Exemplar REIT	1 199	3 984	1 229	0.98x	11.8%	35.2%	3.9x
DIB	Dipula Income Fund B	424	3 798	1 039	0.41x	17.9%	36.7%	3.2x
OCT	Octodec Investments	985	2 622	2 310	0.43x	13.2%	41.0%	2.3x
SCD	Schroder European REIT	1 760	2 354	2 888	0.61x	0.0%	18.0%	15.4x
CRP	Capital & Regional	1 149	1 900	2 624	0.44x	4.0%	50.9%	2.2x
SAR	Safari Investments	579	1 800	855	0.68x	11.2%	37.0%	2.5x
TPF	Transcend Property Fund	641	1 051	808	0.79x	9.2%	38.2%	1.7x
ILU	Indluplace Properties	300	1 010	699	0.43x	12.3%	38.0%	2.0x
FTA	Fairvest A	1 368	858	1 490	0.92x	8.5%	39.2%	2.4x
TEX	Texton Property Fund	220	804	603	0.36x	6.5%	31.2%	2.4x
APF	Accelerate Property Fund	75	752	621	0.12x	22.0%	42.8%	2.1x
DLT	Delta Property Fund	25	179	476	0.05x	0.0%	57.0%	1.9x

* Translated to ZAR at spot

Source: Company data, Iress, Chronux Research estimates

Forecast financial statements

SEA income statement								
ZAR mn	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Rental income	496	498	554	586	588	585	612	638
Property expenses	(157)	(161)	(196)	(203)	(205)	(206)	(218)	(229)
Forecast COVID relief	-	-	-	-	-	-	-	-
Net property income (NPI)	339	337	359	383	382	379	394	409
% Δ	21.6%	-0.6%	6.3%	6.9%	-0.2%	-0.9%	4.1%	3.7%
<i>NPI margin</i>	68.4%	67.7%	64.7%	65.3%	65.0%	64.7%	64.4%	64.1%
Corporate and administration expenses	(29)	(27)	(37)	(39)	(39)	(39)	(41)	(42)
Income from investments and associates	-	-	-	-	-	-	-	-
Other operating income (expenses)	0	(11)	(14)	(14)	(14)	(14)	(14)	(15)
Net operating income (NOI)	311	300	307	331	329	326	339	352
Net finance costs	(123)	(148)	(147)	(139)	(127)	(110)	(113)	(116)
Current normal taxation	-	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-
Adjustments	(2)	(3)	11	-	-	-	-	-
Funds from operations (FFO)	186	149	171	192	203	216	226	236
<i>Total distribution declared</i>	186	119	-	178	192	205	215	224
<i>Retained funds</i>	-	30	-	13	10	11	11	12
<i>Payout ratio</i>	100%	80%	88%	93%	95%	95%	95%	95%
FFO per share (ZARc)	92.8	72.3	78.0	82.4	87.0	92.9	97.3	101.5
% change	8.4%	-22.1%	7.9%	5.7%	5.6%	6.8%	4.7%	4.3%
DPS (ZARc)	91.7	58.7	68.3	76.6	82.7	88.3	92.5	96.4
% change	6.1%	-36.0%	16.3%	12.3%	7.9%	6.8%	4.7%	4.3%

SEA balance sheet								
ZAR mn	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
Assets								
Investment properties	4 184	4 496	4 406	4 332	3 971	4 104	4 245	4 391
Fair value of investment properties	3 909	4 373	4 279	4 205	3 844	3 976	4 118	4 263
Investment properties under development	201	12	-	-	-	-	-	-
Land holdings	32	32	50	50	50	50	50	50
Straight-lining lease asset	42	78	77	77	77	77	77	77
Equity and associate investments	-	-	-	-	-	-	-	-
Loans receivable	0	2	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Deferred taxation	7	6	1	1	1	1	1	1
Other non-current assets	63	7	6	6	6	6	6	6
Cash and cash equivalents	24	32	29	41	49	58	68	78
Other current assets	24	41	16	16	16	16	16	16
Assets held for sale	-	-	71	-	-	-	-	-
Total assets	4 302	4 584	4 530	4 396	4 044	4 186	4 337	4 492
Equity and liabilities								
Equity attributable to shareholders	2 447	2 372	2 650	2 598	2 626	2 749	2 880	3 015
Non-controlling interests	73	19	23	23	23	23	23	23
Interest-bearing debt	1 711	2 105	1 780	1 699	1 318	1 337	1 356	1 377
Deferred taxation	-	0	0	0	0	0	0	0
Other liabilities	70	87	77	77	77	77	77	77
Total equity and liabilities	4 302	4 584	4 530	4 396	4 044	4 186	4 337	4 492
Net asset value (cps)	1 221	1 153	1 130	1 116	1 129	1 181	1 238	1 296
% change	0.5%	-5.6%	-2.0%	-1.2%	1.1%	4.7%	4.8%	4.7%
Adjusted (tangible) NAV per share	1 221	1 153	1 130	1 117	1 129	1 182	1 238	1 296
% change	0.5%	-5.5%	-2.0%	-1.2%	1.1%	4.7%	4.8%	4.7%

SEA SA retail portfolio - operating model and forecasts

ZAR mn	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
SA retail								
Valuation (ZARmn)	600	605	641	654	666	695	727	745
GLA (sqm)	35 435	48 694	48 951	48 951	48 951	48 951	48 951	48 951
Value / sqm (ZAR)	16 943	12 414	13 086	13 365	13 607	14 197	14 856	15 216
Vacancy (% of GLA)	4.7%	8.3%	4.7%	4.5%	4.3%	4.3%	4.3%	4.3%
Occupied space (sqm)	33 781	44 633	46 670	46 748	46 871	46 871	46 871	46 871
Escalation in force	7.3%	6.4%	6.2%	6.1%	6.0%	6.0%	6.0%	6.0%
Ave. reversion	-4.8%	-8.8%	-1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Lease expiry (% of GLA)				16.0%	20.0%	11.0%	6.0%	43.0%
Weighted ave. rental growth				5.1%	4.8%	5.3%	5.6%	3.4%
Gross rental income (ZARmn)	80	79	86	93	98	103	109	113
Property expenses	(27)	(20)	(27)	(32)	(34)	(36)	(38)	(40)
Net property income	54	59	59	62	64	67	71	73
% change	6.6%	10.5%	-0.5%	4.5%	4.6%	4.9%	5.2%	2.9%
NPI margin	66.6%	75.2%	68.7%	66.0%	65.7%	65.4%	65.1%	64.8%
Forecast COVID relief				-	-	-	-	-
Total fair value adjustments to investment property	40	(70)	36	14	12	29	32	18
As % of valuation	7.1%	-11.7%	6.0%	2.1%	1.8%	4.3%	4.6%	2.4%

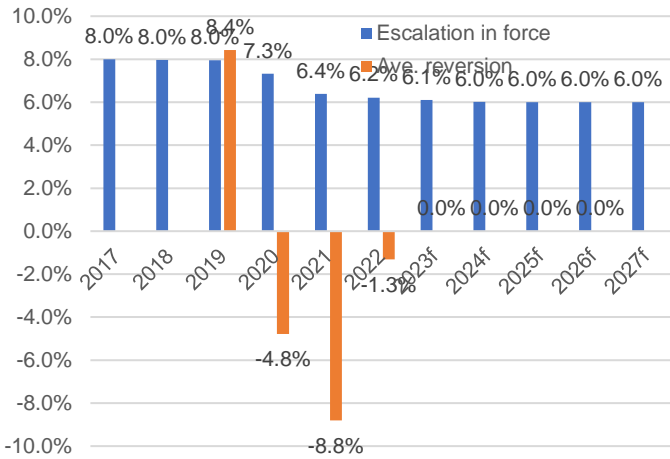
SEA SA office portfolio - operating model and forecasts

ZAR mn	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
SA office								
Valuation (ZARmn)	1 715	2 204	2 178	2 155	2 151	2 198	2 227	2 294
GLA (sqm)	119 009	133 524	132 951	132 951	132 951	132 951	132 951	132 951
Value / sqm (ZAR)	14 409	16 504	16 383	16 207	16 178	16 531	16 752	17 251
Vacancy (% of GLA)	4.9%	13.0%	13.0%	14.0%	13.0%	12.0%	12.0%	12.0%
Occupied space (sqm)	113 192	116 112	115 707	114 338	115 667	116 997	116 997	116 997
Escalation in force	7.6%	6.9%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%
Ave. reversion	9.3%	-1.8%	-5.6%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Lease expiry (% of GLA)				20.0%	20.0%	16.0%	23.0%	7.0%
Weighted ave. rental growth				3.9%	3.8%	4.2%	3.3%	5.0%
Gross rental income (ZARmn)	207	241	258	278	292	308	318	334
Property expenses	(64)	(56)	(79)	(92)	(97)	(103)	(108)	(114)
Net property income	143	185	179	186	195	204	210	220
% change	26.7%	29.6%	-3.5%	4.3%	4.6%	4.9%	2.9%	4.5%
NPI margin	68.9%	76.9%	69.3%	67.0%	66.7%	66.4%	66.1%	65.8%
Forecast COVID relief				-	-	-	-	-
Total fair value adjustments in investment property	39	29	(16)	(23)	(4)	47	29	66
As % of valuation	2.6%	1.7%	-0.7%	-1.1%	-0.2%	2.2%	1.3%	3.0%

SEA SA industrial portfolio - operating model and forecasts

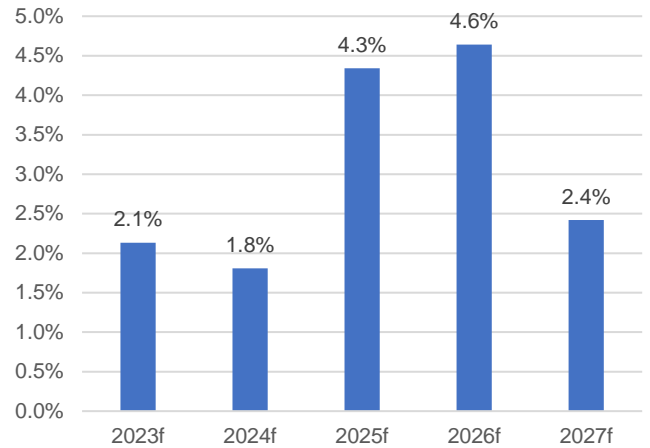
ZAR mn	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	FY27E
SA industrial								
Valuation (EURmn)	1 157	1 145	1 185	1 199	1 208	1 236	1 283	1 310
GLA (sqm)	243 159	243 162	259 385	259 385	259 385	259 385	259 385	259 385
Value / sqm (EUR)	4 758	4 707	4 570	4 622	4 657	4 765	4 946	5 052
Vacancy (% of GLA)	2.1%	2.4%	3.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Occupied space (sqm)	238 140	237 326	250 799	254 197	254 197	254 197	254 197	254 197
Escalation in force	8.0%	7.0%	6.5%	6.4%	6.3%	6.2%	6.1%	6.0%
Ave. reversion	-2.9%	1.9%	-2.5%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Lease expiry (% of GLA)				15.0%	31.0%	11.0%	4.0%	36.0%
Weighted ave. rental growth				5.2%	3.7%	5.3%	5.8%	3.1%
Gross rental income (EURmn)	148	164	183	192	200	210	223	230
Property expenses	(50)	(52)	(59)	(72)	(75)	(80)	(85)	(89)
Net property income	98	112	124	120	124	130	137	141
% change	23.1%	14.5%	10.5%	-2.7%	3.2%	4.8%	5.3%	2.6%
NPI margin	66.0%	68.4%	67.7%	62.5%	62.2%	61.9%	61.6%	61.3%
Forecast COVID relief				-	-	-	-	-
Total fair value adjustments in investment property	13	(50)	58	14	9	28	47	27
As % of valuation	1.4%	-4.3%	5.1%	1.2%	0.7%	2.3%	3.8%	2.1%

Figure 4 SA retail rental escalations and reversions



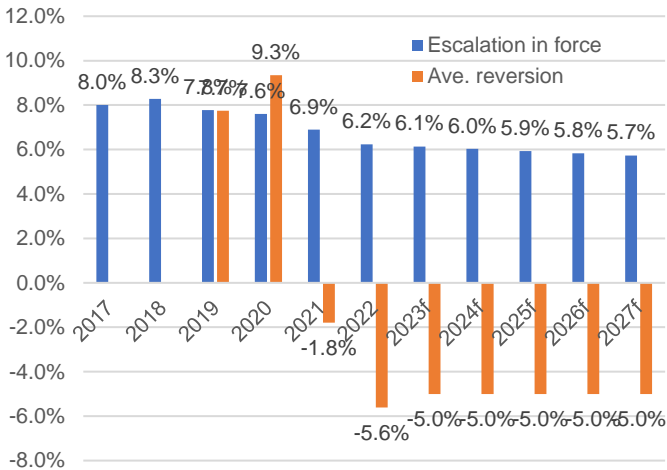
Source: Chronux Research, company data

Figure 5 SA retail valuation growth



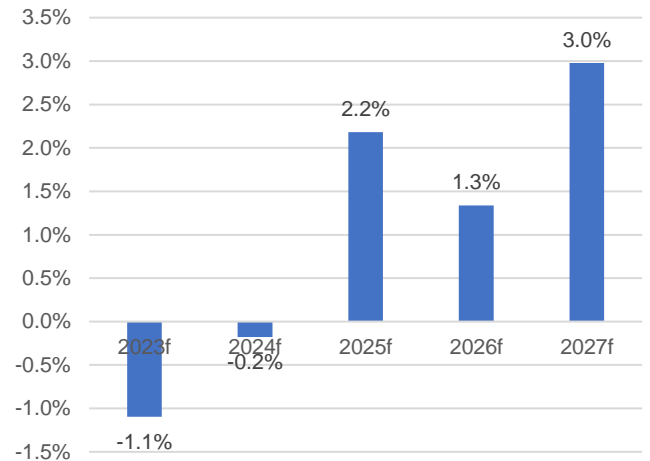
Source: Chronux Research, company data

Figure 6 SA office rental escalations and reversions



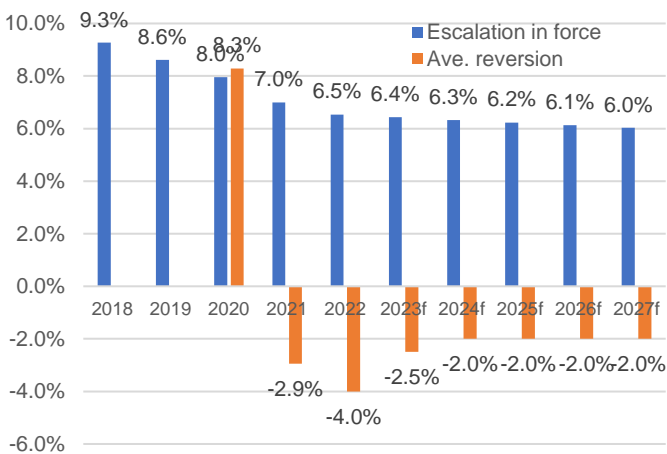
Source: Chronux Research, company data

Figure 7 SA office valuation growth



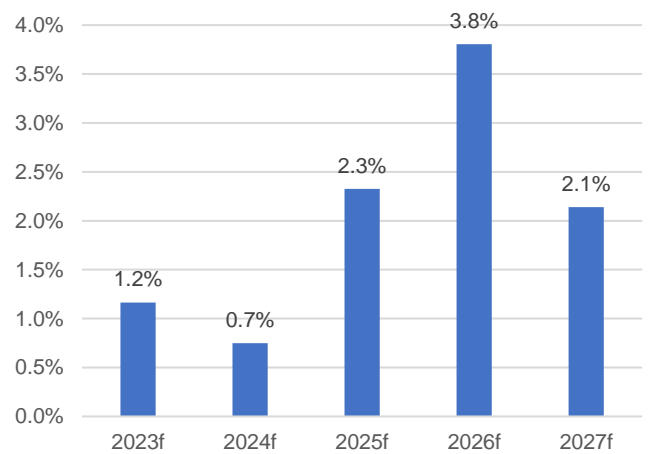
Source: Chronux Research, company data

Figure 8 SA industrial rental escalations and reversions



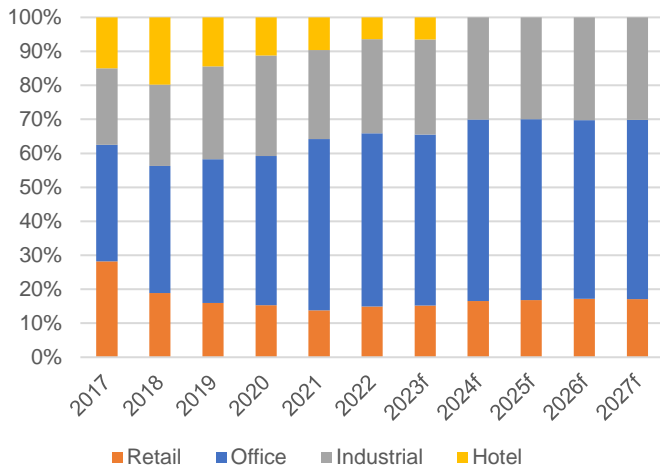
Source: Chronux Research, company data

Figure 9 SA industrial & logistics valuation growth



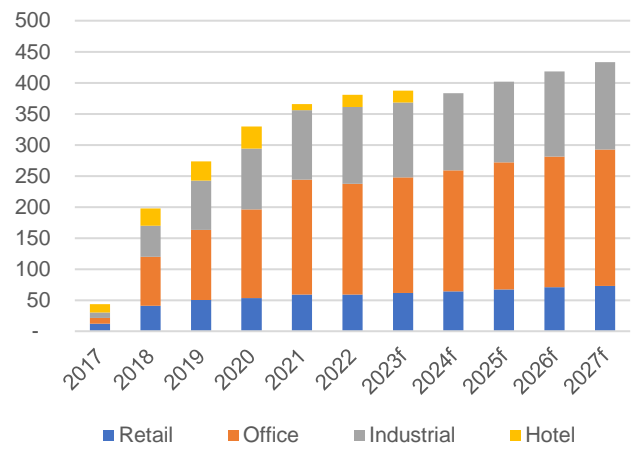
Source: Chronux Research, company data

Figure 10 Segmental contribution to investment portfolio valuation



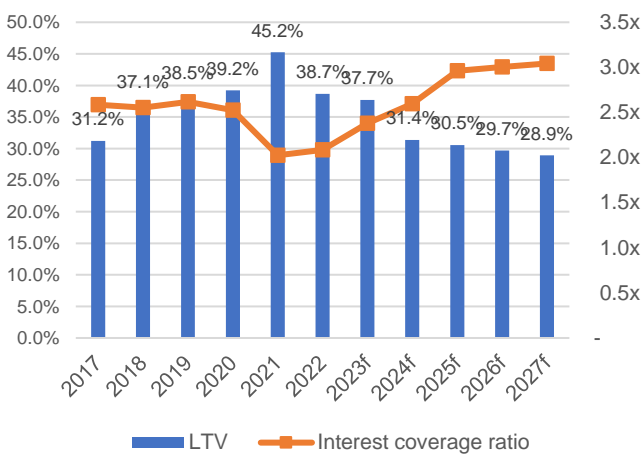
Source: Company data, Chronux Research estimates

Figure 11 Segmental contribution to NOI (ZARmn)



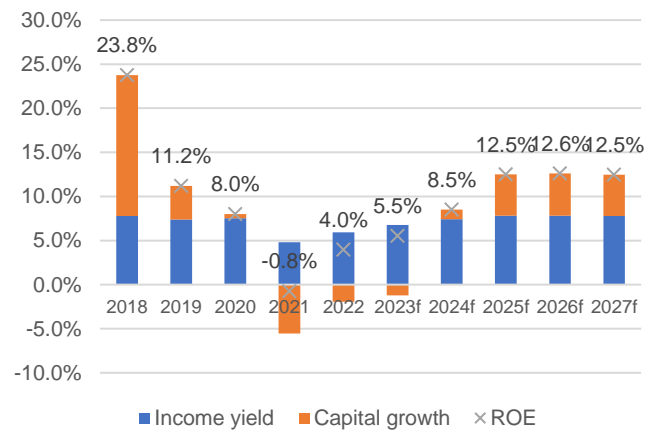
Source: Company data, Chronux Research estimates

Figure 12 SEA LTV and ICR



Source: Chronux Research

Figure 13 Income yield, capital growth and ROE



Source: Chronux Research

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