



Centre of Growth

# Audited summarised consolidated results and prospects for the Group for the year ended 31 March 2024

A year of outperformance driven by a clear strategic direction and a laser focus on execution



## SOUTH AFRICAN PORTFOLIO STEADFAST WITH CONTINUED DELIVERY OF POSITIVE METRICS

- Like-for-like retail NOI growth of +5.4%
- Vacancies reduced to 1.9%
- Rental reversions +2.9%, up from +2.3%
- Like-for-like retail portfolio value increased by +5.8%

## CASTELLANA PORTFOLIO METRICS BEST-OF-BREED IN SPAIN

- Normalised NOI growth of +11%
- Negligible vacancies at 1.1%
- Positive reversions of +9.7%
- 95% of retail space let to international/national tenants

## BALANCE SHEET STRENGTH SUPPORTED BY STRONG LIQUIDITY OF R5.3 BILLION

- Significant available cash balances of R2.4 billion and undrawn debt facilities of R2.9 billion
- LTV reduced to 40.7%
- Raised R1.7 billion from new share issuances
- Secured a R1.1 billion green loan and sustainability linked funding post year-end
- Corporate long-term credit rating of AA<sub>(ZA)</sub> reaffirmed with a stable outlook

## GROWTH IN DIVIDEND AND FFO AHEAD OF UPGRADED GUIDANCE FOR THE YEAR

- Total FFO of 154.2 cents per share, up 6.7% on the prior year
- Final dividend of 72.1 cents per share
- Total dividend for the year of 124.2 cents per share, up 10.5% on the prior year
- Total dividend of R1.3 billion fully covered by cash from operations of R2.2 billion

## FINANCIAL PERFORMANCE

	31 March 2024	31 March 2023	% change
Gross property revenue (Rm)	4 017	3 594	11.8
Operating profit before finance costs (Rm)	2 328	2 389	(2.6)
Profit for the year attributable to owners (Rm)	1 587	1 932	(17.9) <sup>(1)</sup>
Basic earnings per share (cents)	152.27	197.10	(22.7) <sup>(1)</sup>
Headline earnings per share (cents)	131.34	134.72	(2.5) <sup>(1)</sup>
Net asset value (R per share)	21.55	20.48	5.2
Direct property investments (Rm)	36 612	34 627	5.7
Indirect listed property holdings (Rm)	3 680	2 329	58.0
Total dividend (cents per share)	124.24921	112.43357	10.5

<sup>(1)</sup> In FY23, dividend income from Lar España amounted to R228 million. No income from Lar España was included in Vukile's and Castellana's IFRS income in FY24, since Lar España only declared their dividend for the Lar España year ended 31 December 2023 after Vukile's year-end. As such, income from Lar España is reflected in Vukile's and Castellana's FY24 results as an accrual, under the non-IFRS adjustments. This anomaly, relating to the timing of the Lar España dividend declaration, has resulted in a reduction in IFRS profit for the year, basic earnings per share and headline earnings per share. In future years, Lar España continues to declare its dividend in April of each year, then the variances relating to income from Lar España in Vukile and Castellana's accounts should normalise.

A separate announcement regarding the dividend, including details relating to the taxation treatment of the dividend, will be released on SENS.

## PROSPECTS FOR THE GROUP

Coming off the back of an exceptionally strong year, Vukile remains on track to deliver further growth for our shareholders.

The South African market has been characterised with uncertainty in the lead up to elections. The global environment is starting to see green shoots, as markets anticipate the start of an interest rate cutting cycle in the short to medium-term.

While we see a significant increase in deal flow in the sector the biggest challenge facing the industry, and Vukile, at this stage is access to capital at an appropriate cost to make deals accretive. Given Vukile's strong liquidity position with c.R2.4 billion in cash resources we are well-positioned to execute on our growth strategy, all the while remaining a consumer-focused retail real estate business.

Although we will offer shareholders the option of a dividend reinvestment plan (DRIP) for the FY24 final dividend, we do not plan that the DRIP will become a permanent feature of our funding strategy. Instead, a DRIP will be used to assist with optimal capital allocation, when we see potential for accretive deals. It is not our intention to offer a DRIP at a deep discount to prevailing spot prices.

For the year ending 31 March 2025, we expect to deliver growth in FFO per share of between 2% to 4% and growth in dividend per share of between 4% to 6%. This forecast assumes:

- Aggregate growth in net operating income (NOI) across the direct property portfolios in SA and Spain of between 5% and 7%
- A higher cost of funding from increases in base rates in SA and Spain and from the expiry of the €256 million fixed rate loan in Castellana, affecting the FY25 numbers for a full year
- A Lar España dividend accrual of 70cps for the period February 2024 to January 2025
- A ZAR/EUR exchange rate of R20.05

This will equate to FFO per share of between 157.3 and 160.4 cents (FY24: 154.2 cents) and a full-year dividend per share of between 129.2 and 131.9 cents (FY24: 124.2 cents), to be paid with an interim dividend and a final dividend.

The forecast assumes no material adverse change in trading conditions, contractual escalations and market-related renewals. The forecast also assumes no material further change in interest rates and exchange rates from the levels indicated above.

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

## Sponsor

Java Capital

Vukile Property Fund Limited (Incorporated in the Republic of South Africa) (Registration number 2002/027194/06) JSE share code: VKE ISIN: ZAE000180865 Debt company code: VKEI NSX share code: VKN (granted REIT status with the JSE) (Vukile or the group or the company) [www.vukile.co.za](http://www.vukile.co.za)

## ABOUT THIS ANNOUNCEMENT

This results announcement is the responsibility of the directors of the company. This announcement is only a summary of the group audited annual financial statements for the year ended 31 March 2024 (FY24 AFS) and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the FY24 AFS.

The FY24 AFS were audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor's opinion also includes communication on key audit matters. Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in their audit of the FY24 AFS.

The FY24 AFS, incorporating the auditor's opinion thereon, are available on the company's website at <https://www.vukile.co.za/financial-results/> and on the JSE's website at <https://senspdf.jse.co.za/documents/2024/jse/isse/vke/FY2024.pdf>. Copies of the FY24 AFS may be requested, and obtained at no charge, by emailing Johann Neethling at [Johann.Neethling@Vukile.co.za](mailto:Johann.Neethling@Vukile.co.za) or the company's sponsor, Java Capital at [sponsor@javacapital.co.za](mailto:sponsor@javacapital.co.za) from Wednesday, 5 June 2024 to Thursday, 13 June 2024.

Vukile also voluntarily publishes supplementary information to the FY24 AFS, which includes directors' commentary, and is available on the company's website at <https://www.vukile.co.za/financial-results/>.

On behalf of the board

NG Payne  
Chairman

LG Rapp  
Chief Executive Officer

Houghton Estate

5 June 2024