



INTERIM RESULTS

PRE-CLOSE PRESENTATION

AUGUST 2023



SIX KEY FOCUS POINTS

EXPANDING INDUSTRIAL POSSIBILITIES





FOCUS POINT ONE: STRATEGY

DISCIPLINED APPROACH TO CAPITAL MANAGEMENT



GROUP STRATEGY

SOUTH AFRICA

01

Develop best-in-class logistics parks with a focus on blue-chip tenants and long-term leases.

02

Recycling capital through a measured disposal programme.

03

Strong focus on investing in sustainability initiatives across the portfolio.

UNITED KINGDOM

04

ENGL: Hybrid strategy of selling schemes in the open market; balance of the sites to form part of the platform disposal.

05

Disposal of select UK income-producing properties to unlock capital and lower the Group LTV ratio.

06

Conclude five-year rent-reviews to drive distribution growth and support property valuations.



FOCUS POINT TWO: ENGL PLATFORM

POTENTIAL BEYOND PROPERTY



TRANSACTION HIGHLIGHTS: NEWPORT PAGNELL



FORWARD-FUNDED DEAL

- Development of two distribution warehouses for Panattoni UK
- Combined size of 73,582m²
- All outstanding CPs expected to be met by Dec-23
- Expected practical completion by Oct-24
- Strong counterparty: California State Teachers' Retirement System (**CalSTRS**) and Panattoni UK

RATIONALE

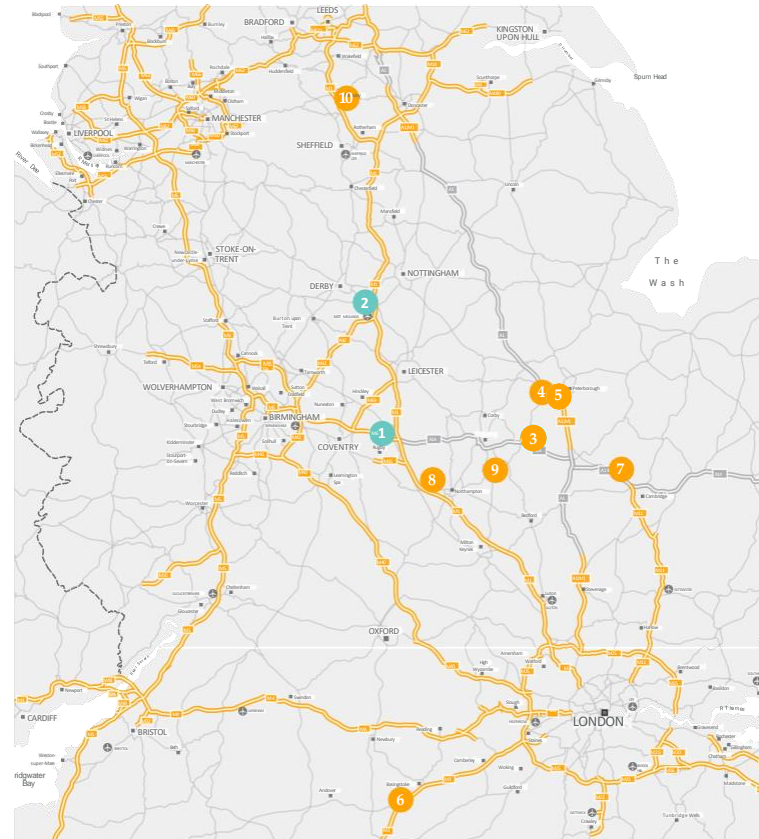
- Reduce the LTV ratio by 3.0%
- Decrease Group land holdings by 32%
- Crystallise development profits: Equites share: R151 million
- Unlock R1.2 billion in cashflows
- Marginally accretive to NAV per share

ENGL PLATFORM

STRATEGY

- Currently controlling **ten sites** across the UK, predominantly through land options
- **Two sites have outline planning**
- As communicated in May 2023, Equites no longer allocates significant **capital** to the platform
- Continue to engage with **potential buyers** to dispose of the platform
- Select few sites could be unlocked on a **stand-alone basis** through forward-funded transactions, like Newport Pagnell

ENGL PLATFORM



SITE NAMES/LOCATION

- 1 Coton Park, Rugby M6 / J1 Jct 24
- 2 Jct 24, Nottingham M1 / J24
- 3 Thrapston A14 / J13
- 4 A1 West (North) A1 / J17
- 5 A1 West (South) A1 / J17
- 6 Basingstoke M3 / J17
- 7 Cambridge West A14 / J28
- 8 Jct 16, Northampton M1 / J16
- 9 Rushden A45 / J14
- 10 Goldthorpe A635 / A1(M) / M1



FOCUS POINT THREE: UK PORTFOLIO

CAPITALISING ON OPPORTUNITIES



UK RENT REVIEWS

REVERSIONARY POTENTIAL - SUPPORTING PROPERTY VALUATIONS

#	TENANT	LOCATION	LEASE EXPIRY	NEXT RENT REVIEW	VALUATION FEB-23 (£'m)	RENT REVIEW CLAUSES ALL LEASES HAVE FIVE-YEAR RENT REVIEWS*
1	EVRi	Hoyland	3Q42	3Q27	85	Higher of OMV or RPI-linked (collar and cap of 2.0% and 4.0%)
2	Amazon	Peterborough	4Q36	4Q26	38	CPI-linked (collar and cap of 1.0% and 3.0%)
3	GXO	Coventry	4Q32	4Q27	43	Higher of OMV or CPI-linked (collar and cap of 2.0% and 4.0%)
4	Tesco	Hinckley	4Q23	n/a	26	n/a - lease expires at the end of 2023
5	Puma	Wakefield	3Q34	3Q24	33	Higher of OMV or RPI-linked (collar and cap of 1.0% and 3.0%)
6	DHL	Reading	4Q33	4Q23	25	Linked to OMV - upward only
7	Roche	Burgess Hill	1Q35	1Q25	13	RPI-linked (collar and cap of 1.75% and 3.5%)
8	DPD	Burgess Hill	1Q44	1Q24	18	Linked to OMV - upward only
9	DHL	Leeds	4Q35	4Q25	13	Linked to OMV - upward only
10	DPD	Swansea	4Q44	4Q24	11	Fixed-uplifts compounded at 2.25% per annum
TOTAL					305	

*Collar and caps are compounded annually.

E.g., a collar and cap of 2.0% and 4.0% will result in a minimum and maximum uplift of 10.4% and 21.7% every five years.






FOCUS POINT FOUR: DISPOSAL PROGRAMME

PORTFOLIO OPTIMISATION



DISPOSAL PROGRAMME

FY24 DISPOSAL PROGRAMME

R BILLION	 Transferred	 Legals concluded	 Advanced stages	Total
SA	0.7	0.5 Sale agreements concluded	0.6 Signed OTPs / IC approval	1.8
UK	1.1	0.7 First payment relating to the Land Sale Agreement of Newport Pagnell	1.5 Three properties; two non-binding offers and one IC approval	3.3
Total	1.8	1.2	2.1	5.1

TOTAL DISPOSAL PROGRAMME = R5.1 BILLION

GROUP LAND UTILISATION

FY24 UTILISATION OF LAND

R'000	South Africa			United Kingdom			Total
	Trading property	Zoned industrial land	Strategic land holdings	Trading property	Strategic land holdings	Land options	Group total
BALANCE AS AT 28 FEBRUARY 2023	19 028	912 801	-	729 420	1 179 143	100 552	2 940 943
SA additions	-	-	196 000	-	-	-	196 000
SA utilisation - Riverfields	-	(123 791)	-	-	-	-	(123 791)
SA utilisation - Meadowview developments	-	(87 000)	-	-	-	-	(87 000)
UK - Newport Pagnell disposal	-	-	-	-	(959 000)	-	(959 000)
BALANCE POST ADJUSTMENTS	19 028	702 010	196 000	729 420	220 143	100 552	1 967 152

EQUITES IS ON TRACK TO REDUCE LAND HOLDINGS BY AT LEAST 33% IN FY24



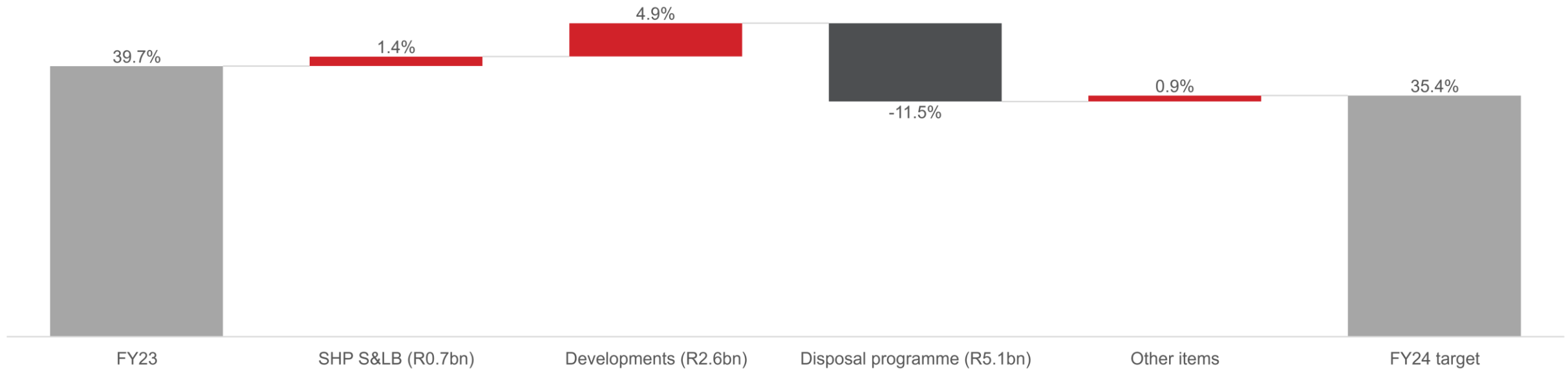
FOCUS POINT FIVE: BALANCE SHEET MANAGEMENT

BALANCE SHEET OPTIMISATION



LTV RATIO FLIGHTPATH

FY24 LTV RATIO



Equites is targeting an LTV ratio of approximately 35% by Feb-24:

- The forecast excludes assumptions on portfolio revaluations;
- Only the first payment of Newport Pagnell is included (second payment expected during FY25); and
- The total development expenditure is expected to be R2.6 billion in FY24.

BALANCE SHEET MANAGEMENT

FINANCIAL UPDATE

- Debt auction in Sep-23 to refinance R600m of debt maturities. Planning to issue two notes (2¾ & 4¾ years)
- Debt repayment & maturities:
 - R323m specific debt repaid through SA asset disposals, with balance of disposal proceeds being used to repay RCFs
 - R400m listed and unlisted notes will be repaid in 2H24
 - £67.5m will be repaid with asset disposals in 2H24
 - The next UK debt maturities are Sep-25 and Aug-32
- All CCIRS have been closed out over the last six months
- Optimising the balance sheet by converting land holdings into income-producing properties

TREASURY DASHBOARD

TREASURY KPIs	FY23	FY22
LTV Ratio	39.7%	31.5%
SA REIT BPR LTV	39.4%	31.5%
Total facilities	R12.6bn	R10.2bn
Drawn facilities	R11.3bn	R9.0bn
Committed undrawn facilities	R1.3bn	R1.2bn
Average term of debt	3.4 years	2.7 years
Unencumbered asset ratio	45.9%	48.0%
Unsecured debt ratio	43.7%	47.9%
Secured borrowings: Encumbered assets	42.5%	33.9%
Unsecured borrowings: Unencumbered assets	38.8%	33.8%
ZAR all-in cost of debt	8.58%	7.25%
GBP all-in cost of debt	4.15%	2.76%
% of debt hedged	96%	87%



FOCUS POINT SIX: SA PORTFOLIO

PUTTING INDUSTRIAL SPACE TO WORK



SA PORTFOLIO STRATEGY

STRATEGY TO RETAIN A HEALTHY SOUTH AFRICAN PORTFOLIO



01 DEVELOPMENTS AND SALE & LEASEBACKS

Growing the portfolio through developing and acquiring logistics parks and distribution campuses



02 ASSET MANAGEMENT

Hands-on approach to managing lease renewals to sustain low vacancies



03 BUSINESS DEVELOPMENT

Access new tenants through speculative developments that demonstrate potential for growth



04 SUSTAINABILITY

Supporting our tenants with energy security whilst assisting with a reduction in the overall carbon footprint relating to the buildings and their underlying operations



05 LAND HOLDINGS

Right-size land holdings to support new development opportunities

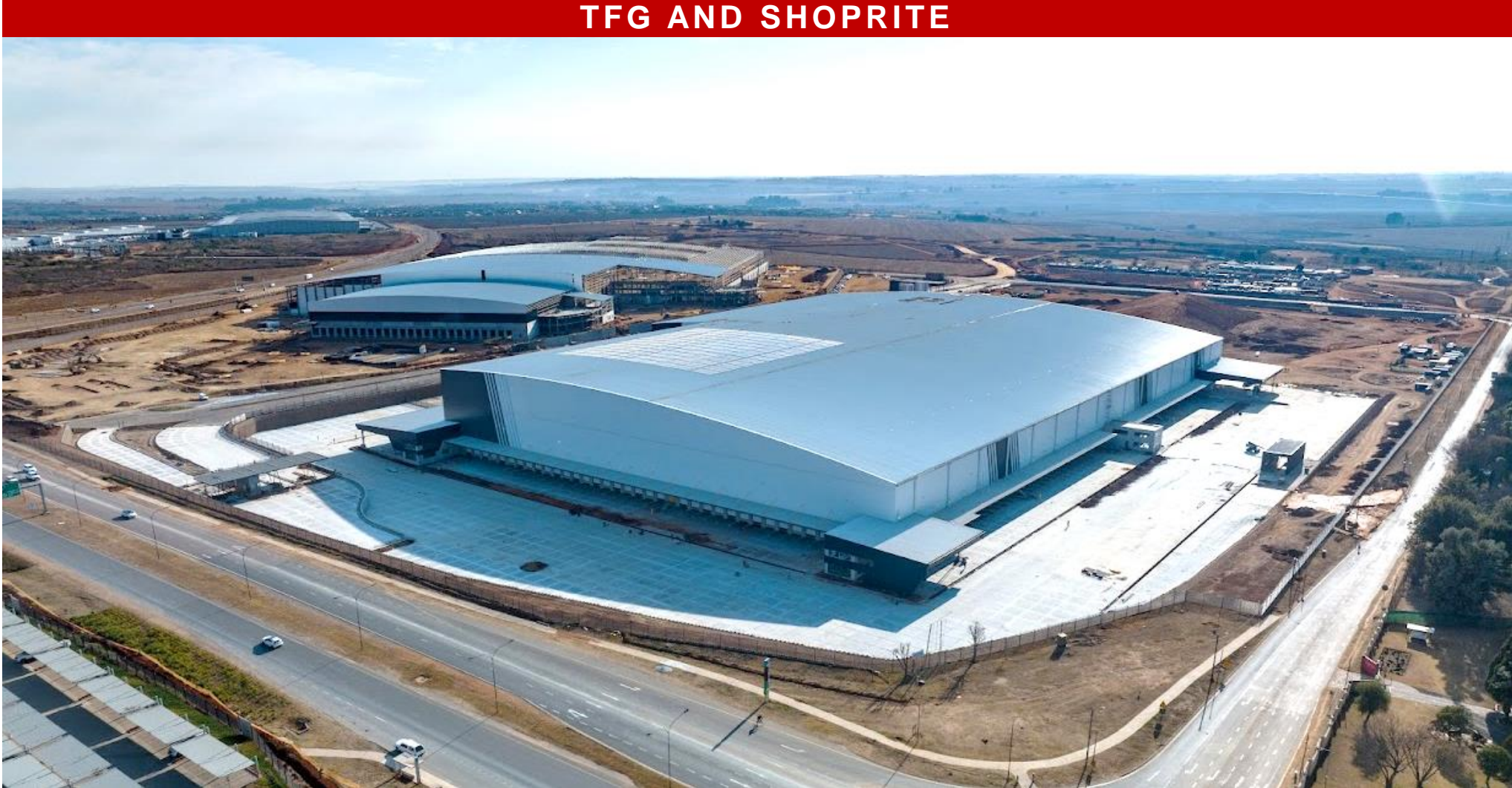


06 PORTFOLIO CHURN

Disposal of non-core assets

SA DEVELOPMENTS UPDATE: RIVERFIELDS

TFG AND SHOPRITE



SA DEVELOPMENTS UPDATE: JET PARK

CARGO COMPASS SA, NORMET & ENCORE (SPAR)





PROSPECTS

ELEVATING EXCELLENCE



PROSPECTS

- DPS guidance of 130 and 140 cents per share for this financial year (FY24) is unchanged
- 100% payout ratio
- LTV ratio of approximately 40% by 1H24 and 35% by FY24





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