



TEXTON

PROPERTY FUND

INTERIM RESULTS PRESENTATION

FOR THE PERIOD TO 31 DECEMBER 2019

Presented by:

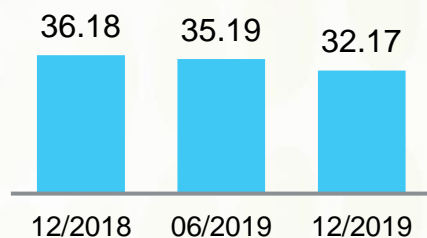
Marius H. Muller
CEO

Pienaar Welleman
CFO (Acting)



**COMPANY
OVERVIEW**

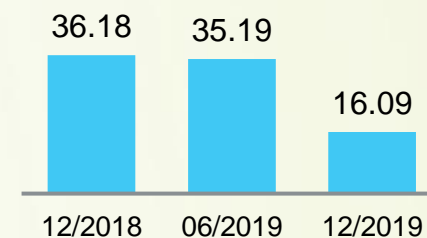
DISTRIBUTABLE EARNINGS



DIVIDEND

16,09

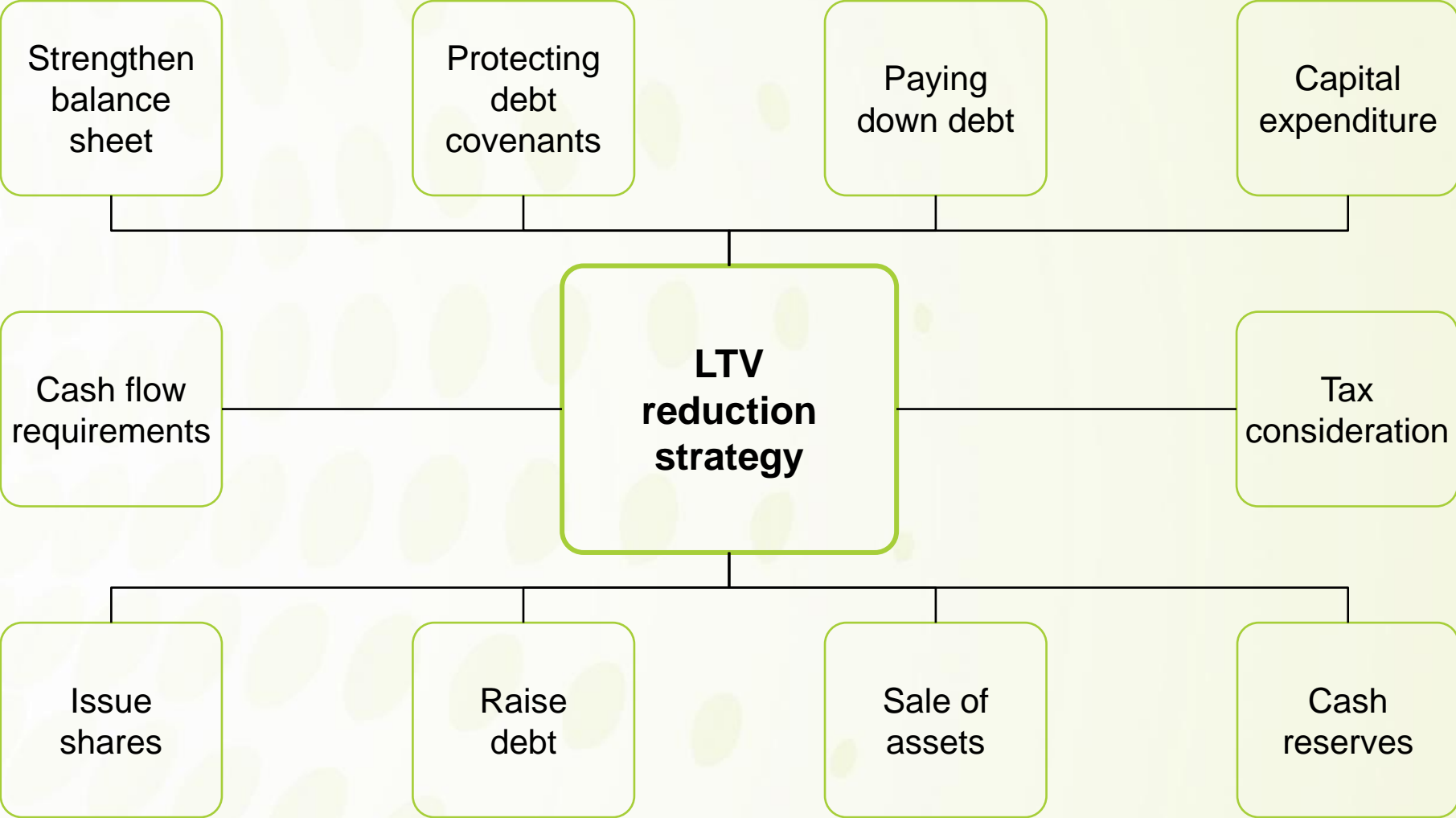
DISTRIBUTION PER SHARE



Maintain
REIT status

Maintain full-year
distributable earnings
guidance

DIVIDEND CONSIDERATIONS



1

**Retain
tenants**

2

**Fill
vacancies**

3

**Reduce
LTV**

KEY METRICS

TENANT RETENTION

90,5%

(June 2019: 86,2%)

↑ 4,3%

VACANCY RATE

9,0%

(June 2019: 9,2%)

↓ 0,2%

R1 944 120 000

(June 2019: R2 255 776 000)

↓ 13,8%

LTV RATIO

44,9%

(June 2019: 47,2%)

R311 656 000

(Net reduction in debt)

↓ 2,3%

NET ASSET VALUE

604,53 cps

(June 2019: 607,89 cps)

↓ 0,6%

LEASE EXPIRY PROFILE

4,04 years

(June 2019: 4,36 years)

↓ 0,32 years

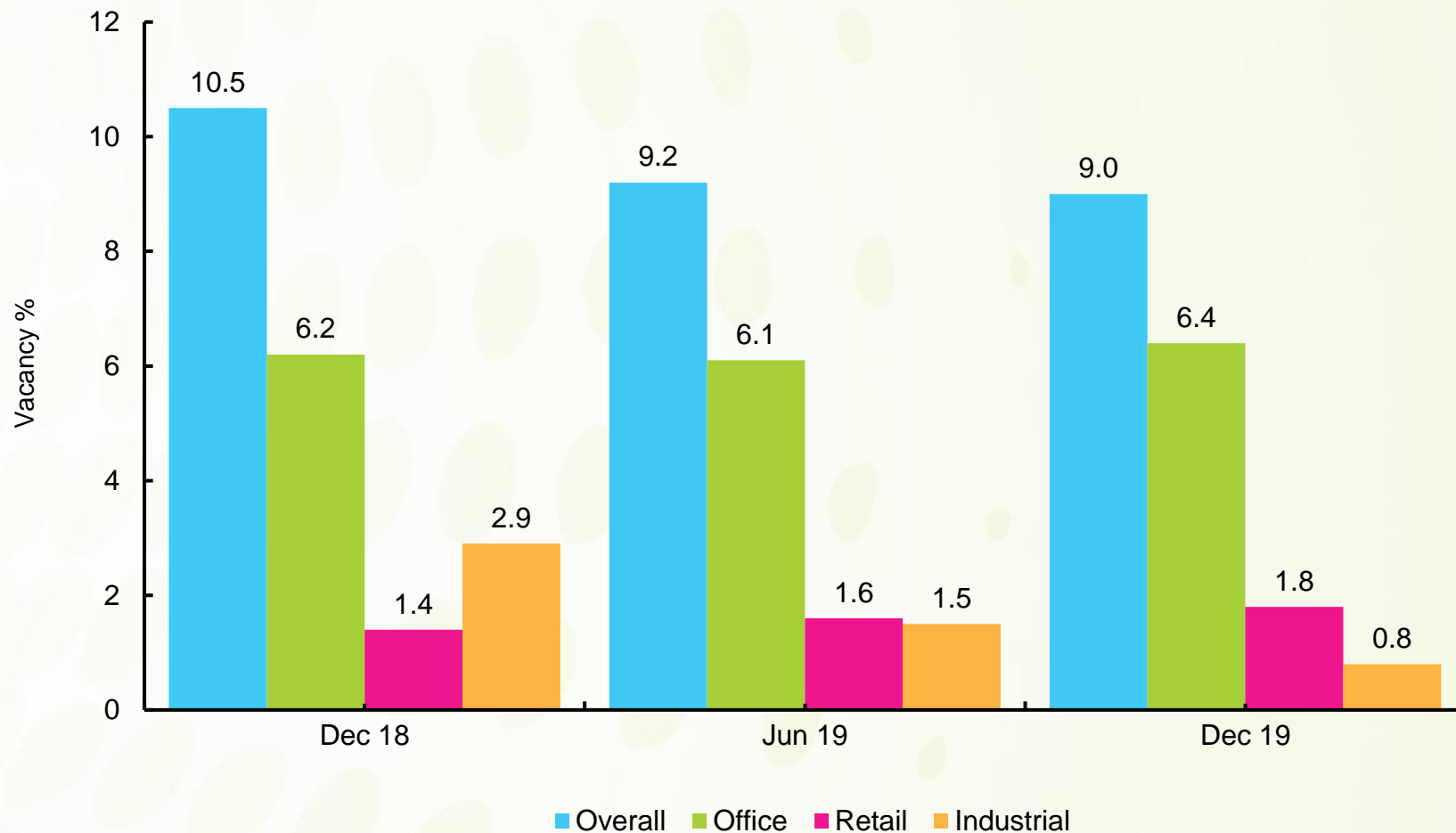
TENANT RETENTION

	GLA (m ²)	GLA (%)	No of tenants	No of tenants (%)
Tenant retention				
Retained	27 636	42,44	35	42,68
Monthly	31 178	48,08	35	42,88
Vacated	6 306	9,58	12	14,43
Total	65 120	100,00	82	100,00
Tenant retention analysis				
Office	42 851	72,86	47	55,95
Retail	5 536	9,41	30	35,71
Industrial	10 427	17,73	7	8,33
Total	58 814	100,00	84	100,00

RENTAL REVERSION

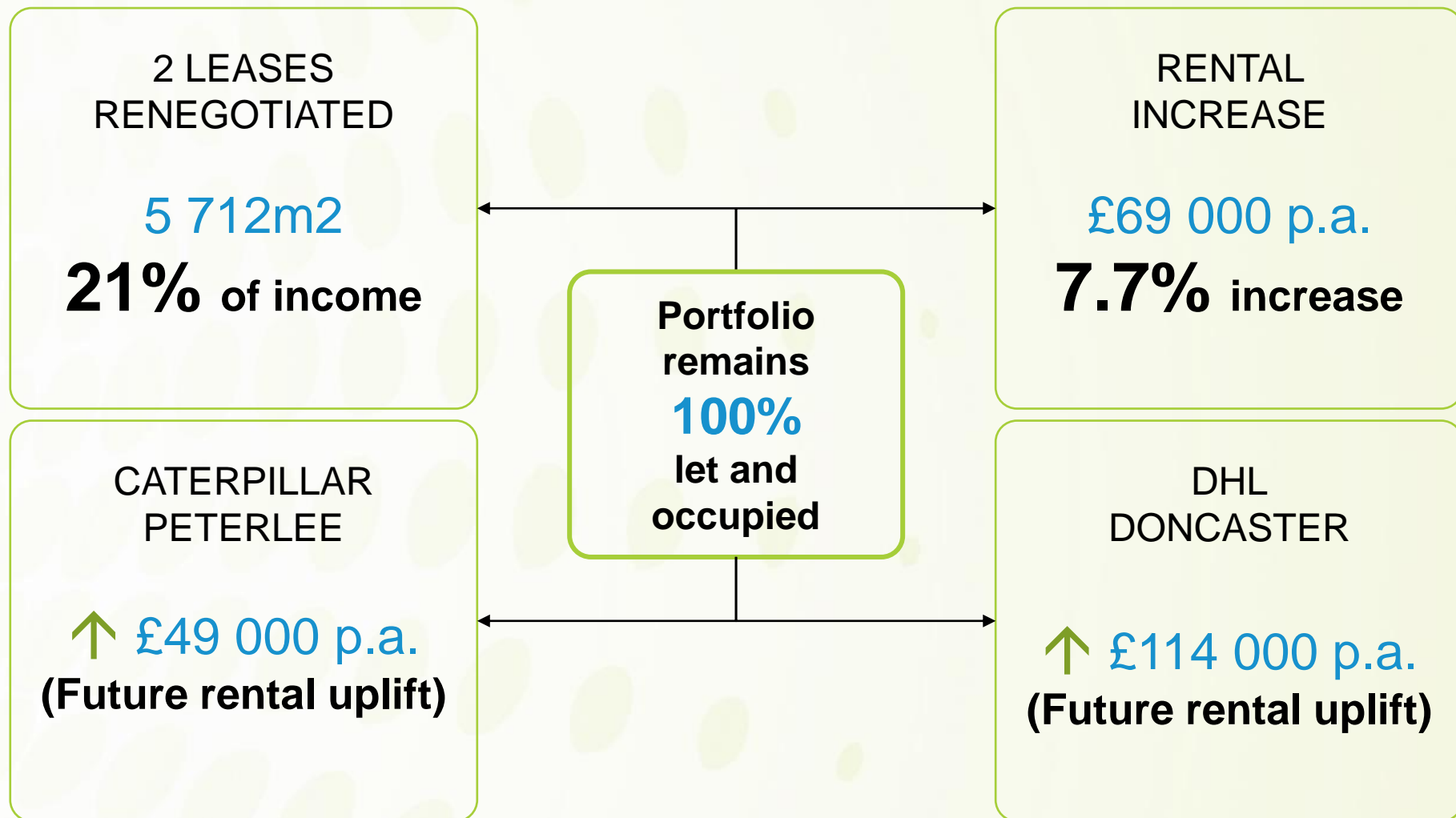
↑ **2%**

TOTAL PORTFOLIO VACANCY (WEIGHTED)



VACANCY PROFILE (GEOGRAPHICAL/SECTORAL)

	Vacant GLA (m ²)	Total GLA (m ²)	Vacancy (%)
Combined			
Office	23 597	186 158	12,7
Retail	6 613	58 606	11,3
Industrial	2 911	121 967	2,4
	33 121	366 731	9,0
South Africa			
Office	23 002	180 203	12,8
Retail	3 806	32 856	11,6
Industrial	2 911	74 684	3,9
	29 719	287 743	10,3
UK			
Office	595	5 955	10,0
Retail	2 807	25 751	10,9
Industrial	-	47 283	0,0
	3 403	78 988	4,3



SERVICED OFFICES

Co-Space

1 262m² – 10 years**Trading: June 2020**

ARTISANAL FOOD HALL

Pop City

937m² – 15 years**Trading: July 2020**

CINEMA

Really Local Group

1 245m² – 25 years**Trading: August 2020**

DEPARTMENT STORE

TK Maxx

3 878m² – 5 years**Trading: Open**

FAST FOOD

Taco Bell

279m² – 15 years**Trading: Open**

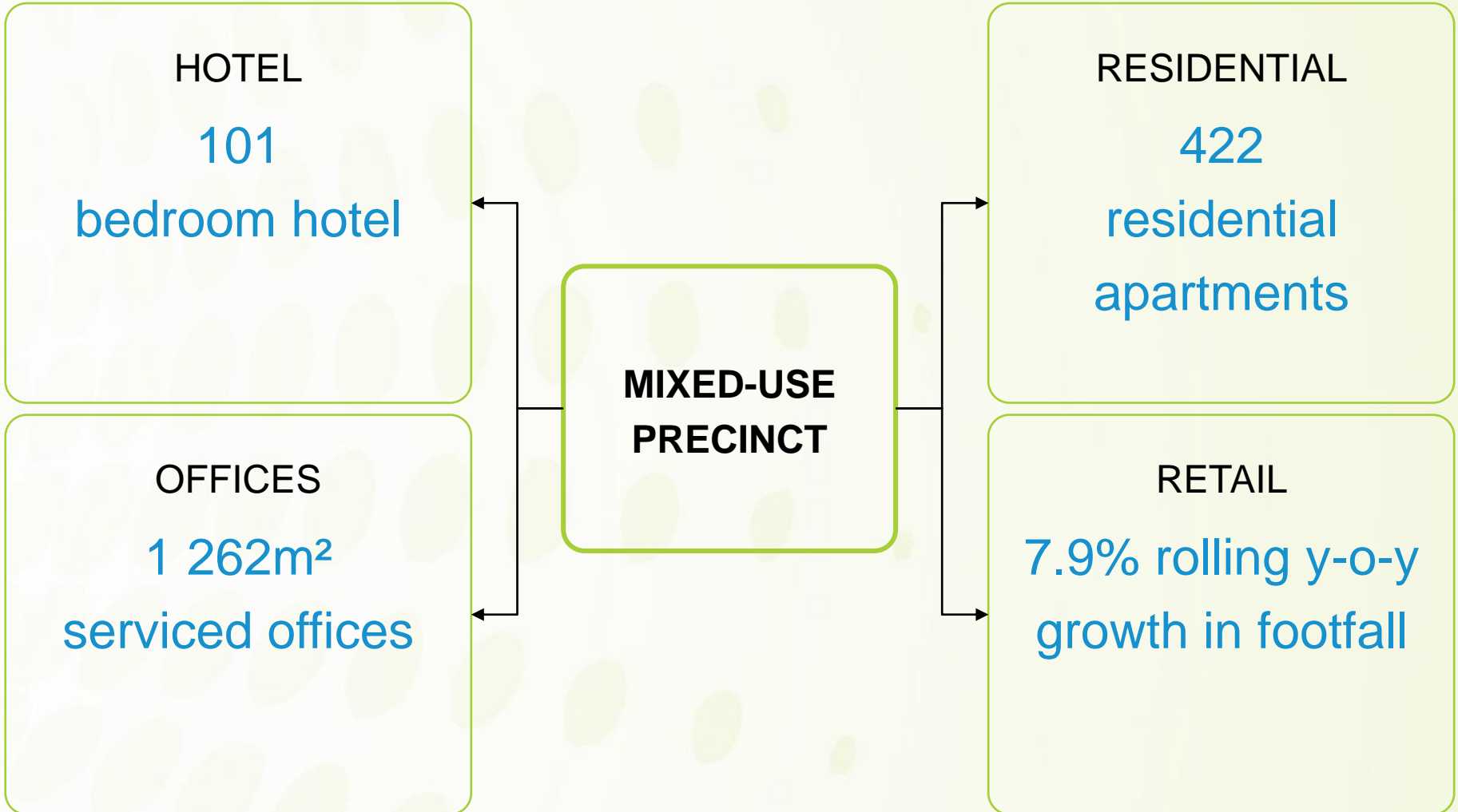
Vacancy
before
19.0%

Differential in net
operating income
£1.1mn p.a.

Vacancy
after
8.0%

Additional lettings
vacancy reduction to
4.9%

Additional
income
£200 000 p.a.



UPDATE ON PROPERTY DISPOSALS

CURRENT STATUS

	R'000	Number of properties
Unconditional	29 000	3
Under offer	180 072	6
Held for sale	156 208	6
Total	365 280	15

Various other properties are currently being considered for inclusion in the assets held for sale list



**FINANCIAL
SUMMARY**

BALANCE SHEET (EXTRACTS)

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PROPERTY FUND

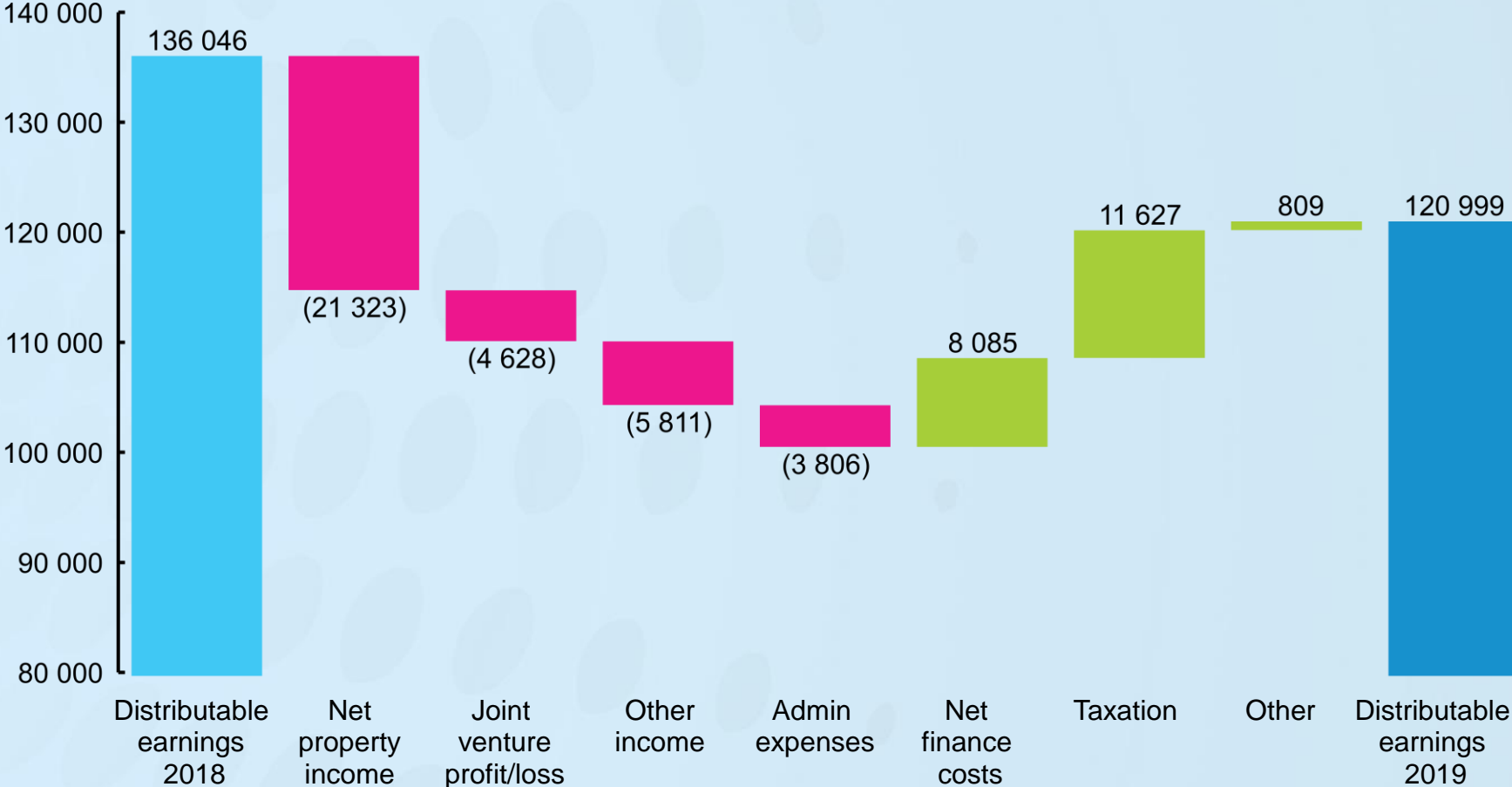
	31 Dec 2019 R'000	31 Dec 2018 R'000	30 Jun 2019 R'000
Assets			
Non-current assets	3 612 538	4 856 534	3 578 646
Investment property	3 339 999	4 554 652	3 291 916
Property, plant and equipment	2 701	1 368	1 911
Tenant Installation	9 038	10 412	11 448
Investment in joint venture	216 693	235 587	206 094
Other non-current assets	8 967	8 984	9 789
Other financial assets	35 140	25 494	57 488
Restricted cash	-	20 037	-
Current assets	555 856	350 832	911 438
Restricted cash	-	19 489	12 782
Trade and other receivables	50 411	34 996	43 920
Non-current assets classified as held for sale	326 800	12 400	529 523
Other financial assets	-	3 403	-
Income tax receivable	5 350	11 239	1 228
Cash and cash equivalents	173 295	269 305	323 985
Total assets	4 168 394	5 207 366	4 490 084
Equity and liabilities			
Equity	2 112 198	2 884 697	2 123 952
Stated capital	2 842 473	2 842 473	2 842 473
Retained earnings	(534 954)	243 243	(504 642)
Foreign currency translation reserve	(195 321)	(201 019)	(213 879)
Liabilities	2 056 196	2 322 669	2 366 132
Non-current liabilities	962 178	1 846 926	545 930
Other financial liabilities	951 584	1 836 259	535 301
Lease liability	3 291	3 364	3 326
Deferred tax	7 303	7 303	7 303
Current liabilities	1 094 018	475 743	1 820 202
Other financial liabilities	992 536	378 060	1 720 475
Trade and other payables	95 894	92 340	90 318
Income tax payable	5 588	5 343	9 409
Total equity and liabilities	4 168 394	5 207 366	4 490 084

DEBT MATURITY PROFILE

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Facility expiry profile	South Africa		United Kingdom		Total	
	Value R'000	% expiring	Value R'000	% expiring	Value R'000	% expiring
FY20	371 883	32,4	32 846	4,2	404 729	21,1
FY21	776 434	67,6	185 470	24,0	961 904	50,0
FY22	-	-	555 519	71,8	555 519	28,9
Total	1 148 317	100,0	773 835	100,0	1 922 152	100,0

DISTRIBUTABLE EARNINGS



NET PROPERTY INCOME PER GEOGRAPHIC SEGMENT

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PROPERTY FUND

	South Africa			United Kingdom*			Total		
	Dec 2019 R'000	Dec 2018 R'000	% change	Dec 2019 R'000	Dec 2018 R'000	% change	Dec 2019 R'000	Dec 2018 R'000	% change
Contractual rental revenue	170 667	175 877	(3,0)	39 816	58 495	(31,9)	210 483	234 372	(10,2)
Recoveries	55 443	52 384	5,8	859	-	100,00	56 302	52 384	7,5
Investment property income	226 110	228 261	(0,9)	40 675	58 495	(30,5)	266 785	286 756	(7,0)
Property expenses	(99 305)	(98 771)	(0,5)	(2 457)	(1 639)	(49,9)	(101 762)	(100 410)	(1,3)
Net property income	126 805	129 490	(2,1)	38 214	56 856	(32,8)	165 023	186 346	(11,4)
Gross expense ratio	43,9%	43,3%		6,0%	2,8%		38,1%	35,0%	
Net expense ratio	25,7%	26,4%		4,0%	2,8%		21,6%	20,5%	

TREASURY AND HEDGING SUMMARY

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PROPERTY FUND

Cross currency interest rate swap

Expiry	R'000	GBP'000
02 Sep 2021	600 000	30 801
27 Jan 2022	128 547	7 710

Interest rate swaps

South Africa

Funder	Nominal amount (R'000)	Maturity date	Swap rate	Swap reference
Standard Bank	225 000	May 2020	7,270%	3M JIBAR
Standard Bank	200 000	Nov 2020	7,190%	3M JIBAR
Standard Bank	225 000	May 2021	7,400%	3M JIBAR
Standard Bank	270 000	Jun 2021	7,820%	3M JIBAR
Investec	200 000	Feb 2022	7,310%	3M JIBAR
Investec	100 000	May 2023	7,230%	3M JIBAR
Investec*	100 000	May 2023	7,390%	3M JIBAR
	1 320 000			

United Kingdom

Funder	Drawdown (GBP'000)	Maturity date	Swap rate	Swap reference
HSBC	10 200	Aug 2021	0,495%	3M LIBOR
HSBC	4 200	Aug 2021	0,495%	3M LIBOR
HSBC	5 051	Aug 2021	1,282%	3M LIBOR
HSBC	4 458	Aug 2021	1,282%	3M LIBOR
HSBC	5 910	Aug 2021	0,495%	3M LIBOR
	29 819			

* Effective 24 May 2021



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QUESTIONS?



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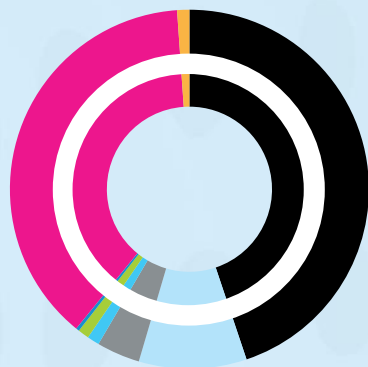
ANNEXURES

CONSOLIDATED PORTFOLIO AT A GLANCE

Geographical spread
by GLA



Geographical spread
by value



Sector split
by GLA



Sector split
by value



■ Gauteng	221 298m ²
■ Western Cape	37 321m ²
■ Kwa-Zulu-Natal	17 973m ²
■ North Cape	-
■ Eastern Cape	4 027m ²
■ Free State	3 404m ²
■ England	77 199m ²
■ Wales	1 789m ²

■ Gauteng	R1 900m
■ Western Cape	R413m
■ Kwa-Zulu-Natal	R166m
■ North Cape	-
■ Eastern Cape	R44m
■ Free State	R48m
■ England	R1 612m
■ Wales	R45m

■ Retail	185 563m ²
■ Office	59 201m ²
■ Industrial	121 967m ²

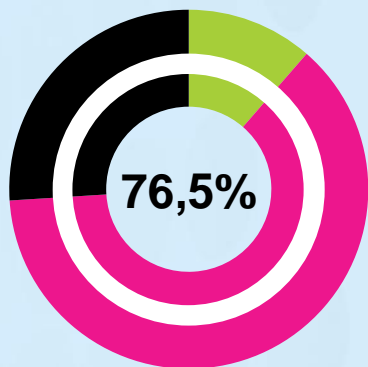
■ Retail	R12 141 819 430
■ Office	R1 201 060 563
■ Industrial	R895 541 810

	Dec 2019	Dec 2018
Property portfolio value*	R4 238 billion	R4 400 billion
Number of properties	54	55
Number of tenants	304	377
Total GLA (m ²)	366 730m²	376 054m ²
Vacancy (%)	9,0%	9,2%
Vacancy (m ²)	33 121m²	34 516m ²

* Includes Broad Street Mall

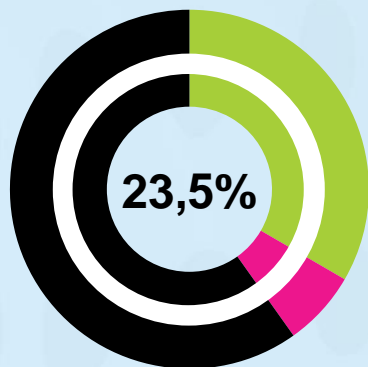
PORTFOLIO AT A GLANCE

Sector spread by GLA



Retail	32 856m²
Office	180 203m²
Industrial	74 684m²

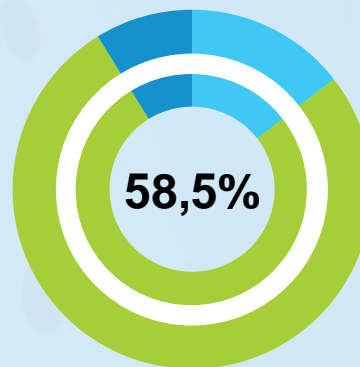
South Africa



Retail	26 346m²
Office	5 360m²
Industrial	47 283m²

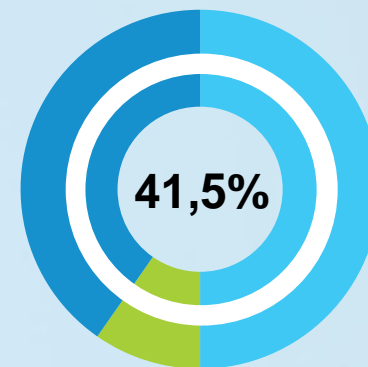
United Kingdom

Sector spread by value



Retail	R1 980 483 498
Office	R373 024 309
Industrial	R227 840 255

South Africa



Retail	R161 335 932
Office	R828 036 255
Industrial	R667 701 555

United Kingdom

* Includes Broad Street Mall

INCOME STATEMENT (EXTRACTS)

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	31 Dec 2019 R'000	31 Dec 2018 R'000	30 Jun 2019 R'000
Investment property income	266 785	286 756	558 025
Straight line rental adjustment	6 624	1 711	(2 360)
Revenue	273 409	288 467	555 665
Property expenses	(101 762)	(100 410)	(191 929)
Net property income	171 647	188 057	363 736
Other income	4 041	9 852	11 000
Administrative expenses	(18 402)	(14 596)	(34 223)
Profit/(Loss) from joint venture	6 820	3 173	(1 158)
Foreign exchange losses	(7 123)	(8 820)	(505)
Operating profit	156 983	177 666	338 850
Finance income	47 687	42 520	90 535
Finance costs	(87 822)	(90 740)	(184 198)
Fair value adjustments	(23 668)	(19 489)	(699 524)
Loss on disposal of subsidiary	-	-	(9 041)
Impairment of investment in joint venture	-	-	(30 418)
Capital items	-	(14 156)	(14 350)
Profit/(Loss) before tax	93 180	95 801	(508 146)

DISTRIBUTABLE EARNINGS

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PROPERTY FUND

	31 Dec 2019 R'000	31 Dec 2018 R'000	30 Jun 2019 R'000
Revenue	266 785	286 756	558 025
Property expenses	(101 762)	(100 410)	(191 929)
Profit/(Loss) from joint venture	6 820	3 173	(1 158)
Non-cash items included in loss from joint venture	(6 820)	1 455	11 166
Other income	4 041	9 852	11 000
Administrative expenses	(18 402)	(14 596)	(34 223)
Net finance cost	(40 135)	(48 220)	(93 663)
- Finance income	47 687	42 520	90 535
- Finance cost	(87 822)	(90 740)	(184 198)
Taxation	(540)	(12 167)	(18 131)
Capital gains tax on disposal from non-REIT group entity	-	2 560	-
Distribution of realised foreign exchange gain	2 430	(2 007)	8 272
Distributable earnings on treasury shares	8 582	9 650	19 036
Total distributable earnings	120 999	136 046	268 395
Less: Distribution to shareholders (interim)			(136 061)
Distributable earnings	120 999	136 046	132 334

FUNDING REVIEW LOAN FACILITIES

South Africa					
Funder	Facility (R'000)	Drawdown (R'000)	Maturity date	Interest rate	
Standard Bank	200 000	199 309	Mar 2020	8,608%	
Standard Bank	175 000	172 574	Mar 2020	8,680%	
Standard Bank	85 326	85 326	Aug 2020	8,808%	
Standard Bank	140 000	140 000	Aug 2020	8,808%	
Standard Bank	296 440	151 227	Aug 2020	8,680%	
Standard Bank	200 000	200 000	Nov 2020	8,658%	
Standard Bank	50 502	50 502	Jun 2021	8,758%	
Investec	149 379	149 379	May 2021	9,308%	
	1 296 647	1 148 317			
United Kingdom					
Funder	Facility (GBP'000)	Drawdown (GBP'000)	Maturity date	Interest rate	
Santander	237	237	Feb 2020	3,655%	
Santander	1 062	1 062	Feb 2020	3,611%	
Santander	471	471	Feb 2020	3,611%	
Investec	10 000	10 000	May 2021	4,255%	
HSBC	4 200	4 200	Aug 2021	2,761%	
HSBC	10 200	10 200	Aug 2021	2,761%	
HSBC	5 910	5 910	Aug 2021	2,761%	
HSBC	5 122	5 122	Aug 2021	2,761%	
HSBC	4 520	4 520	Aug 2021	2,761%	
	41 716	41 716			