

RESILIENT REIT LIMITED

Incorporated in the Republic of South Africa

Registration number: 2002/016851/06

JSE share code: RES

ISIN: ZAE000209557

Bond company code: BIRPIF

LEI: 378900F37FF47D486C58

(Approved as a REIT by the JSE)

(“Resilient” or “the Company”)



PRE-CLOSE UPDATE

The following pre-close update is provided in anticipation of Resilient’s results for the year ending December 2023. The financial information on which this update is based has not been reviewed or reported on by the Company’s external auditors.

SOUTH AFRICA

PORTFOLIO UPDATE

Foot traffic increased by 4,9% during the 10-month period ended October 2023. During this period, comparable sales growth was 5,0%. Strong trading performances were achieved in the Northern Cape, Limpopo and Mpumalanga provinces. The growth in KwaZulu-Natal was limited (0,7%) due to the high base in the previous comparable period. Growth in the North West province (1,8%) was impacted by construction activities at Mahikeng Mall as well as ongoing road works in front of the mall.

Trading was supported by the new Checkers at The Grove Mall as well as the Dis-Chem and Food Lover’s Market that opened in Kathu Village Mall. Dis-Chem also opened in I’langa Mall, Tubatse Crossing and Diamond Pavilion. A relocated and enlarged Truworths store was opened in Myusuludzo Mall. A&D Spitz, Kurt Geiger, G-Star RAW, Fabiani, Pringle, Skipper Bar and Le Coq Sportif opened in Tubatse Crossing while Totalsports, SportsScene and Markam expanded materially. G-Star RAW and Fabiani opened in Limpopo Mall. At Mall of the North, Checkers was fully revamped, while SportsScene, Totalsports, Baby City and Hi-Fi Corporation were materially expanded. Checkers and Clicks are being expanded and revamped at Diamond Pavilion. SportsScene, Totalsports and Markham were expanded and revamped at Kathu Village Mall. During the period, A&D Spitz, Fabiani, Polo, Yuppief Chef and Pringle were introduced and Poetry and SportsScene were expanded at I’langa Mall. The new Pick n Pay store in Jabulani Mall, owned by a leading local franchisee, opened on 23 November 2023.

Tenant demand in Resilient’s portfolio remains strong. Vacancies reduced from 1,9% at June 2023 to 1,5%. Tenants remaining in occupation renewed expiring leases at rentals on average 4,6% higher than under the expired leases. Leases concluded with new tenants were on average 26,5% higher than the rentals of the outgoing tenants. In total, rentals for renewals and new leases increased on average by 7,9%.

The impact of loadshedding has been substantially decreased by the recent reduction in loadshedding as well as the implementation of back-up power initiatives at various malls.

ENERGY

Resilient has continued the roll-out of solar and battery installations in line with its long-term energy strategy. Installed solar generation capacity will increase from 32,2MWp at December 2022 to 59,1MWp by December 2023. This will constitute 27,5% of Resilient’s total energy consumption. It is projected that installed capacity will increase by a further 22,3MWp during FY2024. Resilient continues to reduce its energy demand by various initiatives, including relamping of malls and upgrading of air-conditioning systems, and is actively assisting tenants in becoming more energy efficient.

FUNDING

During October 2023, Resilient raised R200 million of 3-year funding and R550 million of 5-year funding through the capital markets. The margins on these notes were 130 basis points and 140 basis points, respectively. Resilient has received credit approval for a new R500 million green loan from Standard Bank and the extension of R1,1 billion of facilities with Nedbank.

FRANCE

The French portfolio continued its recovery with footfall and sales increasing by 13,4% and 10,1% for the nine-month period ended September 2023, respectively. Substantial progress has been made in reducing vacancies with leases concluded with international brands. At Saint Sever, Primark will open their 6 709m² flagship store on 1 December 2023.

LISTED INVESTMENTS

Resilient elected to receive 50% of the June 2023 dividend from Lighthouse in shares with the remaining 50% received in cash.

The remaining interest in Hammerson has been sold. Total proceeds of R1,2 billion were received against the original purchase price of R746,4 million.

CHANGE IN STATUS OF DIRECTOR

As announced on 15 August 2023, Des de Beer will formally retire as chief executive officer (“CEO”) at the end of 2023 and will remain on the Board as a non-independent non-executive director. Johann Kriek has been appointed as CEO to replace Des de Beer, with effect from 1 January 2024.

OUTLOOK

The Board reconfirms its previous guidance of approximately R4,00 per share for the 2023 financial year.

30 November 2023

Sponsor

JAVACAPITAL

Debt Sponsor



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