



EXEMPLAR

“EXP”

RESULTS PRESENTATION

FOR THE 9 MONTHS ENDED 28 FEBRUARY 2019

SECTION 01

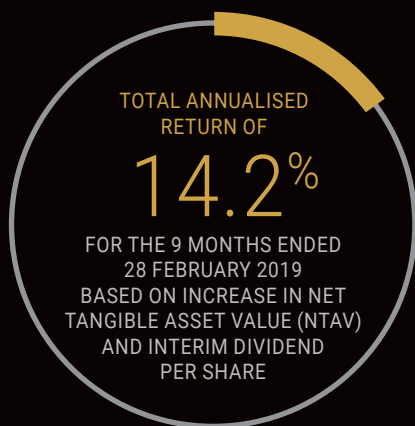
EXPRESSION

2019 HIGHLIGHTS



EXEMPLAR

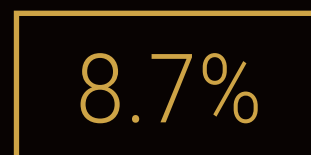
2019 HIGHLIGHTS



AVERAGE BASIC RENTAL THROUGH RATE
R128,54 per m²



NTAV PER SHARE
INCREASED BY:



from acquisition date
of 1 June 2018 to financial year
end date

MODI MALL REDEVELOPMENT



Completion/
acquisition of
5 054m²
expansion

Fair value
R260 million



Footfall increase of
33.9%
(Nov-Mar 2017/2018
vs Nov-Mar 2018/2019)

Located in
Modimolle,
Limpopo

Opened
1 November 2018

Inclusion of
Shoprite as 2nd
grocery anchor



Taxi rank expansion
to 200 taxis

Located in Kwaggafontein,
Mpumalanga



Fair value
R690 million



Future proofing
of assets

Conversion into
fully enclosed
34 550m² mall

12 122m²
EXPANSION
(19 850m² new build post
7 728m² demolition)



SECTION 02

EXPERTS

COMPANY OVERVIEW



EXEMPLAR



COMPANY OVERVIEW

LISTED ON MAIN BOARD OF JSE

12 June 2018, retail REIT sector

20

income-producing
shopping centres

Fair value

R5, 406 billion
of investment property

331 388m²
GLA

Market leader in rural
retail space, across
5 PROVINCES

Operating profit of
R330,6 million

THE PROPERTY PORTFOLIO

The Exemplar property portfolio comprises 20 income generating properties. At the reporting date the property portfolio is fairly valued at R5,406 billion against R5,036 billion at listing, an increase of R370 million or 7,35% for the 9 month period.

Investment property carrying value make-up:

	R'000
Investment property	5,270,795
Operating lease asset	168,351
Finance lease liability	(32,742)
	5,406,404



OUR BUSINESS MODEL

As can be seen from an analysis of our financials, our business model is a very simple one:



RENTAL AND
RECOVERY INCOME
R504,2 million
R5,9 million less than
forecast

R175,4 million
property operating
expenses
R5,3 million
less than forecast

INTEREST RATE OF
9,11%
HEDGED

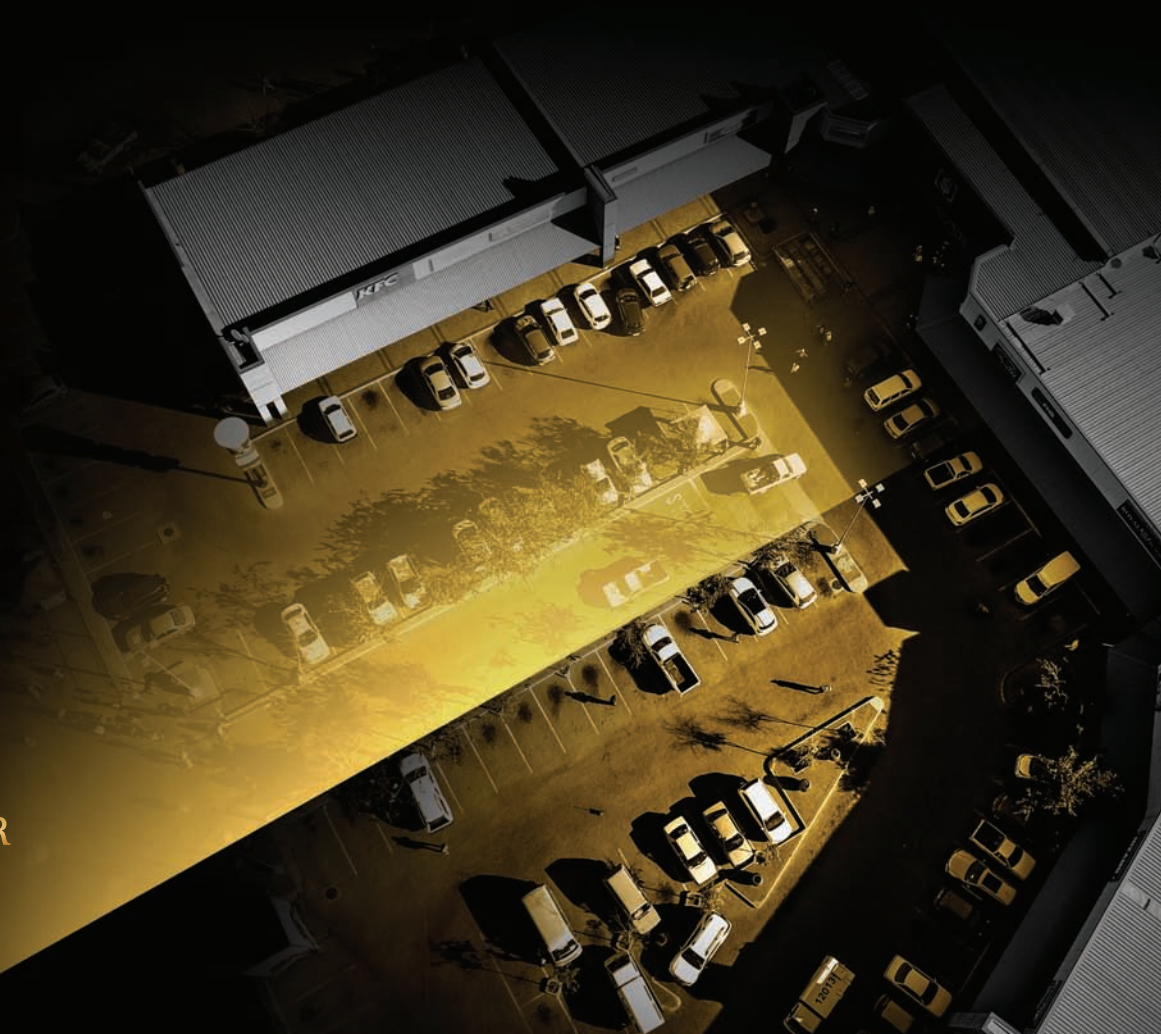
SECTION 03

EXPERTISE

COMPETITIVE ADVANTAGE



EXEMPLAR



ALL ASSETS
internally managed

467 YEARS

of cumulative
experience at the Group

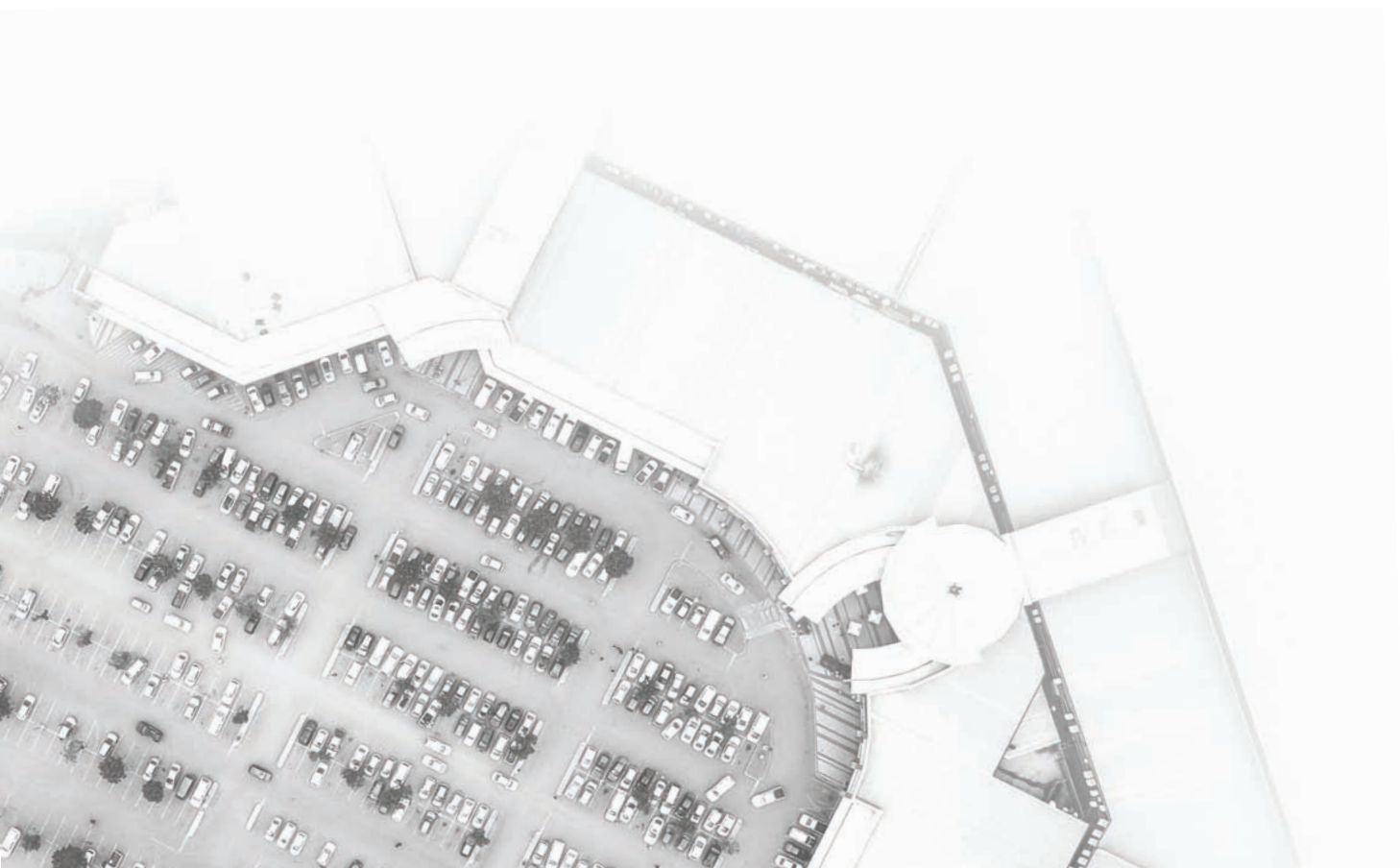
Inherent knowledge per centre ensures

**UNPARALLELED
UNDERSTANDING
OF ASSET BASE**

allowing us to maximise centre
performance/long-term revenue growth

Under-scaling of developments
in first phase to allow for

**FUTURE
GROWTH**



SECTION 04

EXPERIENCE

CURRENT PORTFOLIO



EXEMPLAR



CURRENT PORTFOLIO



ALEX MALL
 29 559m²
 Alexandra
 Economic Interest 100%
 Weighted ave. rental
 (R/m²) 129.17



TSAKANE MALL
 39 422m²
 East Rand
 Economic Interest 50%
 Weighted ave. rental
 (R/m²) 141.13



PHOLA MALL
 27 884m²
 KwaMhlanga
 Economic Interest 53%
 Weighted ave. rental
 (R/m²) 125.58



EMOYENI MALL
 26 591m²
 Emoyeni
 Economic Interest 100%
 Weighted ave. rental
 (R/m²) 125.21



CHRIS HANI CROSSING
 41 546m²
 Vosloorus
 Economic Interest 50%
 Weighted ave. rental
 (R/m²) 160.72



SECTION 05

EXPOSURE

STRATEGIC FOCUS



EXEMPLAR



STRATEGIC FOCUS

Focus on under-serviced markets

TENANTS BY GEOGRAPHIC SEGMENT



% BY GLA

37.5%	GAUTENG
24.5%	MPUMALANGA
17.8%	KWAZULU-NATAL
16.1%	LIMPOPO
4.1%	EASTERN CAPE

% BY REVENUE

42.6%	GAUTENG
23.4%	MPUMALANGA
15.7%	KWAZULU-NATAL
15.0%	LIMPOPO
3.3%	EASTERN CAPE



LEASE EXPIRY PROFILE

	By GLA		By Revenue	
Vacant	3.1%	<div></div>		
MONTHLY				
February 2020	11.7%	<div></div>	12.8%	<div></div>
February 2021	18.1%	<div></div>	21.4%	<div></div>
February 2022	17.5%	<div></div>	19.2%	<div></div>
February 2023	15.1%	<div></div>	16.3%	<div></div>
After February 2023	34.5%	<div></div>	30.3%	<div></div>
TOTAL	100.0%		100.0%	

35.9% renewals already renewed at an average 7,36% escalation (based on revenue)

93.16% tenant retention rate

TENANT PROFILE (GLA)

84,83%

CATEGORY A
272 402 m²

Large international and national tenants, large listed tenants and government or smaller tenants in respect of which rental guarantees are issued. These include, inter alia, Shoprite, Woolworths, Pick 'n Pay, Superspar, Game, Truworths Group, Foschini Group, Mr Price Group, Pepkor, ABSA, FNB, Standard Bank, Nedbank, KFC, Famous Brands, McDonalds, OK Furniture, Liquor City, Roots Butchery, Cashbuild, Builder's Superstore.

3,31%

CATEGORY B
10 629m²

Smaller international and national tenants, smaller listed tenants, major franchisees and medium to large professional firms. These include, inter alia, Studio 88, Webbers, Legit, Beaver Canoe, Rage, Delicious Fish & Chips Co.

11,86%

CATEGORY C
38 084m²

Local tenants and sole proprietors, including hair salons, doctors and pharmacists. This comprises approximately 400 tenants, each predominantly having a small GLA footprint.

Access to non-GLA
income potential

First period of
trading therefore
no comparative
information
presented

Total distributable income
for the period (before
antecedent adjustments):

R192,4m

vs forecast of

R191,6m

SECTION 06

EXPANSION

PIPELINE



EXEMPLAR

PIPELINE

Relationship
with MPD

Right of first
refusal to MPD's
pipeline of
>550 000m² GLA



SHORT TO MEDIUM TERM PROSPECTS



• Project dates and sizes are estimates and may be subject to change

SHORT TO MEDIUM TERM PROSPECTS



**KATALE
SQUARE**

8 020m²

**Marapyane | Mpumalanga
Purchase Price: R110,000,000**

2019



**KATALE
SQUARE**

UNDER CONSTRUCTION

8 020m²

**Marapyane | Mpumalanga
Purchase Price: R110,000,000**

2019

SHORT TO MEDIUM TERM PROSPECTS



MABOPANE SQUARE

11 271m²

Soshanguve | Gauteng

Purchase Price: R177,000,000

2019



MABOPANE

UNDER CONSTRUCTION

11 271m²

Soshanguve | Gauteng

Purchase price: R177,000,000

2019

SHORT TO MEDIUM TERM PROSPECTS



**RIBA
CROSS**

12 312m²

Burgersfort | Limpopo

2020



**MAMELODI
MALL**

18 455m²

**Mamelodi | Gauteng
JV with Putprop Limited**

2020

SHORT TO MEDIUM TERM PROSPECTS



**MALL OF
TEMBISA**

46 089m²

Tembisa | Gauteng

2020



**DOBSON
PLACE**

22 383m²

**Dobsonville | Gauteng
JV with Putprop Limited**

2021

SHORT TO MEDIUM TERM PROSPECTS



CAPITAL MALL

60 000m²

Pretoria West | Gauteng

2021



FLAGSTAFF

7 995m²

Flagstaff | Eastern Cape

BEYOND

SHORT TO MEDIUM TERM PROSPECTS



**MAKHADO
MALL**

9 997m²

Louis Trichardt | Limpopo

BEYOND



**BUNGENI
MALL**

19 577m²

Hlanganani | Limpopo

BEYOND

SHORT TO MEDIUM TERM PROSPECTS



SECTION 07

EXPECTATION

OUTLOOK



EXEMPLAR

OUTLOOK

Capital raising activities

E-COMMERCE
PENETRATION

SELF-SUFFICIENT
IN PROVISION OF
UTILITIES
(Roof top PV to be rolled
out across the portfolio)

Malls as
SOCIAL SERVICE CENTRES

SECTION 08

EXPLAIN

FINANCIALS



EXEMPLAR



STATEMENT OF FINANCIAL POSITION

R'000	Audited as at 28 Feb 2019
Non current assets	5,439,942
Investment Property	5,270,795
Operating Lease Asset	168,351
Property, Plant and Equipment	796
Current assets	154,964
Loans Receivable	44,400
Trade and Other Receivables	47,711
Cash and Cash Equivalents	62,853
TOTAL ASSETS	5,594,906
EQUITY	
Total equity	3,609,122
Shareholders' interest	3,463,002
Stated Capital	3,185,487
Retained Earnings	277,515
Non-controlling Interest	146,120
Non Current Liabilities	1,824,079
Financial Liabilities	1,695,459
Derivative financial instruments	3,643
Finance lease liabilities	30,174
Deferred Taxation	94,803
Current Liabilities	161,705
Trade and Other Payables	159,136
Finance lease liabilities	2,569
TOTAL EQUITY AND LIABILITIES	5,594,906
Shares in issue	305,871,896
Shares to be issued	13,867,240
Effective shares in issue	319,739,136
Net asset value per share (Rand)	10.83
Net tangible asset value per share (Rand)	10.83
Net asset value per share (excluding deferred tax) (Rand)	11.13
Net tangible asset value per share (excluding deferred tax) (Rand)	11.13

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

R'000	Audited for the 9 months ended 28 Feb 2019	Forecast for the 9 months ended 28 Feb 2019*
Property portfolio	517,431	547,858
Rental income and recoveries	504,240	510,088
Straight-line lease income adjustments	13,191	37,770
Property operating expenses	(175,410)	(180,669)
Net rental and related income	342,021	367,189
Other income	9,282	8,309
Administrative expenses and corporate costs	(20,744)	(23,041)
Profit from operations	330,559	352,457
Interest income	5,768	11,764
Finance costs	(124,189)	(128,263)
Profit before fair value adjustments	212,138	235,958
Fair value adjustment to investment properties	161,697	(37,770)
Fair value adjustment to derivative financial instruments	(3,643)	-
Profit before taxation	370,192	198,188
Taxation	1,100	-
Total profit for the period	371,292	198,188
Total profit attributable to:	-	
Equity holders of Exemplar	335,937	191,585
Non-controlling interests	35,355	6,603
Total profit for the period	371,292	198,188

Reconciliation between earnings and headline earnings

R'000	Audited for the 9 months ended 28 Feb 2019	Forecast for the 9 months ended 28 Feb 2019
Profit for the year attributable to equity holders of Exemplar	335,937	191,585
Fair value adjustment to investment properties	(161,697)	37,770
Non-controlling interest in fair value adjustment to investment properties	27,338	-
Headline earnings	201,578	229,355

*Extracted from the Company's forecast issued 30 May 2018

Number of shares in issue	305,871,896	319,739,136
Weighted average number of shares in issue	233,247,311	311,897,484
Basic and diluted earnings per share (cents)	144.03	61.43
Headline and diluted headline earnings per share (cents)	86.42	73.54

RECONCILIATION BETWEEN EARNINGS AND DISTRIBUTABLE INCOME

	Audited for the 9 months ended 28 Feb 2019	Forecast for the 9 months ended 28 Feb 2019
R'000		
Profit for the 9 months attributable to equity holders of Exemplar	335,937	191,585
Fair value adjustment to investment properties	(161,697)	37,770
Non-controlling interest in fair value adjustment to investment properties	27,338	-
Fair value adjustment to derivative financial instruments	3,643	-
Straight-line lease income adjustments	(13,191)	(37,770)
Non-controlling interest in straight-line lease income adjustments	1,509	-
Deferred tax movement	(1,100)	-
Antecedent adjustment	2,650	4,641
Distributable income	195,089	196,226
Number of shares in issue	305,871,896	319,739,136
Number of shares ranking for distribution	319,739,136	319,739,136
Distributable income per share (cents)	61.84	61.37
Distributable income for the year (R'000)	195,089	196,226
Interim dividend paid (R'000)	(58,422)	-
Dividend per share (cents)	19.10	-
Number of shares	305,871,896	305,871,896
Final dividend (R'000)	136,668	196,224
Dividend per share (cents)	42.74	61.37
Number of shares	319,739,136	319,739,136
Dividend per share for the 9 months (cents)	61.84	61.37

STATEMENT OF CHANGES IN EQUITY

R'000	Audited for the 9 months ended 28 February 2019			
	Stated capital	Retained earnings	Non-controlling interest	Total
Share issue for cash	1,889	-	-	1,889
Shares issued to share scheme	42,551	-	-	42,551
Issue of shares on listing for acquisitions	3,024,339	-	-	3,024,339
Share issue expenses	(21,964)	-	-	(21,964)
Shares to be issued for acquisitions	138,672	-	-	138,672
Non-controlling interest on acquisition of assets	-	-	112,437	112,437
Profit for the 9 months ended 28 February 2019	-	335,937	35,355	371,292
Dividends declared and paid	-	(58,422)	(1,672)	(60,094)
Balance at 28 February 2019	3,185,487	277,515	146,120	3,609,122

STATEMENT OF CASH FLOWS

R'000	Audited for the 9 months ended 28 Feb 2019
Cash generated from operations	304,172
Interest income	5,768
Finance costs	(124,189)
Dividends paid	(60,093)
Cash inflow from operating activities	125,658
Additions to investment property	(52,608)
Additions to property, plant and equipment	(347)
Decrease in loans receivable	36,175
Cash outflow to investing activities	(16,780)
Proceeds from the issue of shares - at incorporation	1,889
Proceeds from the issue of shares - acquisitions	124,964
Share issue expenses	(21,964)
Decrease in financial liabilities	(150,914)
Cash outflow to financing activities	(46,025)
Net decrease in cash and cash equivalents	62,853
Cash and cash equivalents at beginning of the year	-
Cash and cash equivalents at end of the year	62,853

SEGMENT ANALYSIS AND RECONCILIATION TO DISTRIBUTABLE INCOME

SEGMENT ANALYSIS






R'000	Revenue	Profit / (loss) from operations	Investment property	GLA (m ²)
Gauteng	220,526	153,465	2,399,000	124,103
Mpumalanga	121,197	80,654	1,298,825	81,136
KwaZulu Natal	81,006	48,308	753,000	59,135
Limpopo	77,447	51,338	778,579	53,417
Eastern Cape	17,255	9,414	177,000	13,597
Exemplar H/O		(12,620)	-	-
Total	517,431	330,559	5,406,404	331,388

Q & A



EXEMPLAR REITAIL LIMITED

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