

# Vukile delivers full-year outperformance and substantial portfolio growth

Johannesburg, 17 June 2026 — Vukile Property Fund (JSE: VKE), the specialist retail real estate investment trust (REIT), today released its results for the financial year ended 31 March 2026, delivering 9.3% per share growth in both funds from operations (FFO) and dividends. Vukile's performance exceeded guidance while further strengthening its Iberian portfolio and taking its first deliberate steps into Italy.



*"This robust set of results demonstrates consistent delivery on our focused strategy. Operational excellence, value-add projects, key acquisitions in core markets and strategic deals in new territories collectively played a pivotal role in delivering results ahead of guidance,"* reports Laurence Rapp, CEO of Vukile Property Fund.

Through its 99.7%-owned subsidiary Castellana Properties, Vukile is invested in a €2.2bn portfolio across Spain and Portugal. During the year it acquired a 35% stake in Pradera, the pan-European retail fund and asset manager with €5bn of assets under management. Leveraging Pradera's track record in Italy, Vukile entered the Italian market post year-end with

an inaugural €115m portfolio of three shopping centres, establishing its new Italian holding company Esperia Properties as a platform for further expansion. With post-year-end acquisitions, Vukile holds a total of R63.7bn in assets, with close to 70% of its assets in Europe.

In South Africa, Vukile invests in markets where retail is most valued. Its R19.5bn South African portfolio of township, rural, urban and commuter malls serve some of the country's most compelling consumer markets.

### **Operational excellence**

Vukile's operational strength translated to excellent performance in its portfolios, with like-for-like net operating income growth (NOI) of 10.3% in South Africa and 7.9% in Iberia.

The South African portfolio again produced a standout performance across all key metrics. Retailer sales grew 5.4% with increases across almost all categories and footfalls increased by 2.2%, with all segments showing growth in both sales and footfall. Vacancies remained low at 1.7%. Rental reversions continued positive momentum at 3.7% (up from 2.3%), with 90% of leases expiring renewed at positive or the same levels. The portfolio's cost-to-income ratio improved further from 15.3% to 12.4%, with electricity savings being a key contributor, thanks to Vukile's solar PV installations now exceeding 40.3MWp and generating 29% of electricity in the portfolio.

Vukile's like-for-like SA portfolio was valued 12.3% higher.



Castellana's Iberian portfolios, meanwhile, delivered equally compelling results. Retail sales grew by 4.5% and footfall by 3.6%. Vacancies stood at a mere 1.1%, reflecting robust tenant demand across the portfolio, which is occupied by 95.3% blue-chip international and national tenants. Rental reversions were strongly positive at 9.1%. Collections neared 100%, improving in Portugal from 91% to 97.4% with the benefit from a full year of Castellana's management.

Castellana's like-for-like shopping centre portfolio value grew by 8.9%.

**Executing on value-added projects across geographies**, Vukile continued to identify and invest in asset management initiatives that strengthen the quality, appeal, performance and resilience of its retail properties.

Among projects completed by Castellana in Spain, Vallsur was repositioned with a €16.7m investment at a 6.3% yield, creating a leisure and dining hub and introducing outlet fashion concepts, that broaden the number of brands offered and strengthen the centre's income base. Castellana is currently also undertaking a major expansion and reconfiguration at Los Arcos, which is already fully let, with new leisure options including food and beverage and bowling, representing a €32m investment.

In South Africa, at East Rand Mall, a R71m project repurposed over 5,000sqm of former cinema space into a multi-tenant retail offering, expanding retail variety, enhancing shopper appeal and boosting rental growth potential. Vukile is also investing R76m in a 3,200sqm extension and refurbishment of Nonesi Mall, with the pre-let project designed to strengthen its market position, improve its tenant mix and generate accretive returns on a 9.5% yield.

### **Accretive capital allocation**

Commenting on Vukile's **strategic capital management**, Rapp reports, *"The financial year was defined by decisive, disciplined capital allocation, made possible by a strong balance sheet, accretive capital recycling and well-supported capital raising."*

After raising R2.65bn in October 2025, Vukile continued to see compelling opportunities across its markets, and applied its capital management expertise to capture these opportunities. Shareholders unanimously approved a further 9% extension to Vukile's authority to issue shares. The company went on to raise R2.8bn in the largest capital raise the sector has seen in the past five years, with a heavily oversubscribed bookbuild where over half of the demand received was from international investors.

*"Because we were primed for growth, when windows of opportunity opened, we moved deftly and with discipline," notes Rapp.* The Vukile team has created value of €132.5m in Iberia and R134.5m in South Africa over the past 18 months through discerning deals and buying ahead of the curve. *"Having cash resources strengthens our negotiating position, allowing us to buy well and deliver significant value to our shareholders through total return growth."*

Vukile ended the year with significant liquidity of nearly R8bn available. Its loan-to-value ratio decreased to 38.4% and its interest cover ratio increased to 3.0 times. GCR upgraded Vukile's credit rating to AA+(za) with a stable outlook, while Fitch upgraded Castellana's rating to an investment grade BBB.

Securing **bolt-on acquisitions in core markets**. In SA Vukile concluded R1.7bn of transactions.

The company disposed of R630m of assets while simultaneously increasing its exposure to targeted, well-located, core retail centres with robust income streams and upside potential. Vukile also continued to invest in renewable energy infrastructure and sustainability initiatives. It took transfer of a 50% stake in Chatsworth Mall, a high-quality regional shopping centre in Chatsworth, KwaZulu-Natal, which it acquired for R620m at a yield of 8.7%. Vukile is also acquiring 100% of Botshabelo Mall in the Free State's largest township for R433m, which is expected to yield 8.6% and should transfer in July 2026.

In Spain, Vukile executed transactions of €902m. Castellana disposed of a portfolio of nine retail parks in Spain for €279m, recycling the proceeds into higher-quality, higher-growth shopping centres. Acquisitions included the Berceo shopping centre in La Rioja for €104m, with a cash-on-cash yield of 8.6%. Post-period, Castellana acquired the Islazul shopping centre in Madrid for €318m at an 8.6% cash-on-cash yield and a 50% stake in the Splau shopping centre in Barcelona, in joint venture with globally prominent retail REIT Unibail-Rodamco-Westfield (URW), with Castellana's share valued at €175m, which is expected to generate a cash-on-cash yield of 8%. These transactions have repositioned the Castellana portfolio as one of the strongest in Iberia, with dominant assets in compelling catchments in each of Spain's three largest cities: Madrid, Barcelona and Valencia.

### **Italy: growing Esperia from proven strength**



Pradera's track record in Italy de-risks Vukile's first foray into the Italian market through the purchase of three nodally dominant shopping centres — Le Due Valli in Turin, Le Centurie in Padua and Quarto Nuovo in Naples — for €115m at an initial yield of 10%. Pradera has managed these centres for a decade and will continue to carry out the asset management of the Italian portfolio.

*“Vukile is replicating our proven Castellana playbook to build Esperia in Italy, where we see the potential to acquire a portfolio in excess of €500m over time. Two further acquisitions of a combined €200m are already lined up at an expected cash-on-cash yield of 9%,”* confirms Rapp.

Italy offers a compelling combination of improving macro-fundamentals and a resilient consumer. Italian households carry exceptionally high net wealth and low debt. The nation has a deep-rooted consumer culture that prioritises discretionary spend, on fashion, food and beverage, and experiential retail. Italy has the lowest e-commerce penetration in Europe, at just 10%, and ranks second for cumulative tenant sales growth since 2019. Shopping centres exhibit strong trading metrics and with limited supply, the market dynamics are favourable.

*“These dynamics translate into an attractive investment case. Building off our experience and track record in Spain and Portugal, we see a clear opportunity to build specialist platform for institutional, permanent capital and unlock income growth through active management, strong tenant partnerships and a lower cost of capital,”* says Rapp.

### ***Continued compounding growth in the year ahead***

Vukile expects continued robust operational results from its South African and Castellana portfolios and has numerous value-add projects planned in Spain and Portugal.



As it beds down its entry to the Italian shopping centre market, Vukile's capital allocation focus will remain on accretive opportunities in its core markets of South Africa, Spain, Portugal and Italy. And, as every business in the Vukile group operates independently, growth in one exerts no operational pressure on the others.

Building on a year of strong organic growth and strategic acquisitive activity, Vukile is forecasting FFO per share growth of between 8% and 10% and dps growth of 10% to 12% for the financial year ending 31 March 2027.

*"We have started the new financial year firmly focused on our clearly defined strategy, with a more robust, more diversified retail portfolio, even deeper specialist retail expertise and a pipeline of value enhancing opportunities to pursue,"* says Rapp.

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