August 24 2026, 10:22 (SAST)

Dipula secures accretive retail portfolio acquisition alongside successful equity raise

R2 billion transaction strengthens retail portfolio and diversification with nine shopping centres in four provinces, supported by a successful R1.1 billion equity raise.

Dipula Properties (JSE: DIB) today announced it has agreed to acquire a portfolio of shopping centres from Moolman Group and its co-investors in a R2 billion transaction that is accretive from day one and advances the company's focused growth strategy. Dipula's most valuable transaction to date strengthens its national retail presence and enhances portfolio diversification, adding nine assets across four provinces. It also brings to 14 assets and R3 billion, the total acquisitions by Dipula over the past 12 months as it continues to execute its strategy of disciplined, targeted, value-accretive growth.

At the same time, Dipula reported the successful completion of a private placement, securing subscription commitments of R1.1billion in new equity. The new Dipula shares are expected to be listed and commence trading on the JSE on 1 September 2026.

Dipula will deploy the equity raised, together with existing debt facilities, to fund the acquisition. Once the transaction is implemented Dipula's loan-to-value ratio will remain between 35% and 40%, well within its target range.

The announcement of the transaction also brings to an end the cautionary under which Dipula shares have traded since 22 May 2026.

Investor-backed strategy-led growth

Izak Petersen, CEO of Dipula Properties, says the transaction advances Dipula's strategic objective of expanding its portfolio through the selective addition of well located, quality convenience, township and rural retail assets.

"The acquisition is strategically aligned with our portfolio strategy and reinforces Dipula's commitment to uplift communities by providing accessible, everyday shopping experiences. This is not growth for the sake of scale. It is disciplined, selective growth that strengthens the quality and diversification of our portfolio and is accretive from day one," says Petersen.

Dipula is acquiring the portfolio at a blended yield of 9.3% which is below Dipula's weighted average cost of capital assuming a mix of approximately 40% debt and equity funding.

"The strong support for our equity raise also demonstrates investor confidence in our strategy, our disciplined approach to capital allocation and the growth path ahead," he adds.

Expanding national retail footprint

The portfolio spans nearly 90,000sqm of income-producing retail space, let to a strong base of national tenants, including Checkers, Shoprite, Game, Cashbuild and Makro.

Dipula is acquiring 50% in Lephalale Mall in Limpopo, which is the portfolio's largest asset by both size, at nearly 38,000sqm, and value, a R 1,032 billion or 19,000 sqm and R516 million for Dipula's 50%, accounting for approximately a quarter of the transaction value. Other Limpopo assets are Checkers Centre Polokwane, City Centre Polokwane and Great North Plaza in Musina. The Moolman Group and one other partner will retain the remaining 50% in Lephalale Mall.

The portfolio also includes two assets in the Free State, Bloemfontein Makro and a 50% stake in Sasolburg Mall (formerly Sasolburg Junxion), as well as two assets in Gauteng, Kaalfontein Corner in Tembisa and Rand Steam Shopping Centre in Richmond. Game Centre Vryburg in North West completes the geographic spread of the portfolio.

Strengthening portfolio quality, focus and diversification

The transaction builds on Dipula's acquisitions activity over the past 12 months, which includes Protea Gardens Mall, Gezina Walk, Bayer Klerksdorp and Airborne Business Park, as previously announced. In addition, Dipula acquired the 6,200sqm Birch Acres Square in Tembisa for R145.4 million.

"The transactions are transformational for Dipula's portfolio, increasing retail exposure to close to 80% of income in the short-term, while reducing office exposure to around 10%. Dipula also expects to enhance income across the acquired assets through active asset management and the positive operational leverage created with our internal property management platform," says Petersen.

The transaction is subject to the usual warranties for a transaction of this nature. The sale of each asset will become effective separately, based on the applicable transfer, closing or registration of the cession with the Deeds Office.

Growth that preserves balance sheet strength and flexibility

Dipula Properties is a prominent, diversified South Africa-focused REIT that has been delivering sustainable above-inflation returns, generating long-term value for stakeholders for more than 20-years, and listed on the JSE in August 2011.

Dipula is invested in a portfolio of well-positioned, high-quality in assets across South Africa. The company's retail properties are located conveniently close to where people live in townships, rural and urban convenience locations. It also has a core portfolio of mid-sized logistics and industrial assets, multi-purpose office assets and a small non-core affordable, quality residential property portfolio.

Taken together, Dipula's latest acquisitions represent a meaningful execution of strategy. Petersen comments, *"We are pleased to undertake this portfolio transaction with the Moolman Group, with whom we have a long-standing relationship and have done extensive business in the past in the form of joint ventures and acquisitions and disposals. Dipula is growing in a disciplined manner, with a clear focus on target assets, earnings accretion, sustainable returns and maintaining a robust balance sheet. The support received through the equity raise reinforces our confidence that we have the right strategy and the financial capacity to continue pursuing targeted growth that creates long-term value for our shareholders and the communities we serve."*

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