Dipula caps transformative year with guidance-beating 8.6% dividend growth

JOHANNESBURG, 11 November 2026 – Dipula Properties (JSE: DIB) has delivered strong results ahead of guidance for the year ended 31 August 2026, with sustained strategic progress and improved financial and operational performance. Distributable earnings increased 22% to R636m, translating to distributable earnings per share of 62.17cents, up 8.6% and outperforming the guided 7% to 8%, with a consistent pay-out ratio of 90%.

Continuing this trajectory, Dipula anticipates distributable earnings growth of 8% to 10% per share for the 2027 financial year.

The results represent a pivotal year for Dipula. After its milestone FTSE/JSE All Property Index (ALPI) and SA REIT Index inclusion from March 2026 supported a positive rerating of Dipula's share price, underpinned by company and sector performance, market capitalisation grew 70% and net asset value (NAV) rose 20%. This created greater capacity to pursue and capitalise attractive opportunities in the market.

From the start of its 2026 financial year to date, Dipula has concluded R3bn of accretive, portfolio enhancing acquisitions and raised R2bn in new equity indicating positive market support, with a resulting NAV per share increase of 6%. Strategic acquisitions and disposals sharpened Dipula's strategic retail and industrial sector focus, reduced its office exposure and resulted in a post-year-end unconditional agreement to sell all but one of its non-core portfolio residential properties for R268m.

Investment in renewable energy more than tripled its installed solar PV capacity from 5,300kWp to 17,500kWp, helping to raise Dipula's avoided carbon emissions by 50% year on year and contain costs. It also made positive environmental stewardship impacts through its programmes for water saving, waste management and biodiversity, supporting the long-term sustainability of its portfolio.

Dipula's balance sheet further strengthened with gearing reduced to a low 31.8% from 34.9% and an ICR of 3.2x, improved from 2.8x. The company maintained prudent debt levels and lowered its net finance costs after refinancing R2bn of debt at more competitive margins with the company's debt maturity extended. It expanded its funding base by introducing an additional funder. A small window of more favourable interest rates during the year supported performance.



Izak Petersen, CEO of Dipula Properties, says, *"This transformative year reflects the positive results of consistency in responsible capital management, selective acquisitions and redevelopments, organic portfolio growth and hands-on disciplined asset and property management."*

Dipula is a South Africa-focused REIT with a track record of delivering sustainable, above-inflation returns and long-term stakeholder value spanning more than 20 years, including 15 years as a listed company.

At year-end its portfolio comprised 152 properties spanning nearly 900,000sqm across South Africa. Supported by a 6.5% like-for-like increase in valuations, proactive asset management and strategic acquisitions, of which R800m transferred during the year, the portfolio's value increased 13% to R12.2bn, reflecting stronger income prospects.

Retail assets in township, rural and urban convenience locations represented 68% (up 9%) of portfolio value, complemented by logistics and industrial properties at 15% (up 6.4%), offices at 14% (down 2.7%) and a small, non-core portfolio of affordable residential properties at 3% (down 7.7%).

Petersen describes Dipula's property portfolio as 'firing on all cylinders', with improved metrics across the board demonstrating focused and efficient operations.

Revenue grew 11% to R1.7bn excluding straight lining, and net property income increased 12%. Cost containment and improved recoveries remained priorities. The total cost-to-income ratio declined marginally to 42.6%.

Strong leasing activity, including a 20% increase in new leases signed, reduced vacancies and supported performance. Tenant retention improved significantly, from 76% to 85%, with Dipula's two largest sectors, retail and industrial, achieving 87% tenant retention, supporting sustainable income streams. Retail vacancies reduced to 4.5% from 5.1%, while total portfolio vacancies declined to 6% from 8.5% at the previous year-end. Vacancies in the relatively smaller office portfolio decreased to 21.7% from 26.4%.

Dipula's targeted growth strategy has delivered 14 acquired assets totalling R3bn during the year. These include its largest transaction to date, announced shortly before year-end: a R2bn acquisition of nine shopping centres from the Moolman Group and its co-investors. Spanning four provinces with a combined GLA of 89,168sqm, the portfolio strengthens Dipula's national retail presence and geographic diversification and advances its focus on quality convenience, township and rural retail assets that provide communities with accessible, everyday shopping.

Other acquisitions include Protea Gardens Mall, Woolworths Gezina, Bayer Klerksdorp and Airborne Business Park. It also acquired the 6,203sqm Birch Acres Square in Tembisa for R145m, which transferred to Dipula in July 2026. All acquisitions announced in 2025, except for the Tower Mall land, had transferred by January 2026. The Moolman portfolio transaction has received Competition Commission approval, and the properties are expected to begin

transferring towards the end of November 2026. The acquisitions were funded through new debt and equity, asset disposal proceeds and dividend reinvestment programmes.

Dipula also sold 20 non-core properties for R200m, including several offices, further increasing its asset quality and value. Together with retail and industrial acquisitions, disposals are expected to reduce office exposure to less than 10% of the portfolio in the near future. Proceeds from asset recycling helped repay debt and fund asset improvements, acquisitions and sustainability initiatives.

Dipula's acquisitions and asset sales since the beginning of the financial year have also enhanced its geographic diversification and reduced its Gauteng exposure from 58% to 54%.

"Dipula has a good growth pipeline, and we will continue to assess acquisition opportunities that align with our portfolio objectives," says Petersen. *"Our capital allocation priorities remain the same: to grow our retail portfolio, increase our exposure to logistics and industrial properties and advance our sustainability programmes."*

Dipula invested R122m in refurbishments and redevelopments to sustain and enhance portfolio quality, including R55m in income-generating capital expenditure. It has planned a further R250m of capital expenditure over the next 12 to 18 months and expects to grow its solar PV by another 6,000kWp to 8,000kWp in the 2027 financial year.

Looking ahead, Dipula sees South African property fundamentals continuing to improve, supported by better access to capital, a narrowing gap between buyer and seller price expectations, resilient tenant demand in defensive sectors and a gradual recovery in valuations. A more reliable electricity supply and greater political and policy stability under the Government of National Unity have also strengthened business confidence.

However, subdued economic growth, renewed inflationary pressures, rising interest rates and persistent municipal inefficiencies and service delivery challenges remain constraints on investment and growth.

Despite these challenges in the operating environment, Dipula remains positive about the sector's prospects.

"Our assets will grow from R11bn at the start of the year to almost R14.5bn once the Moolman portfolio transfers. This increased scale, our inclusion in the investable universe, a portfolio well positioned to create value and a promising pipeline of targeted acquisitions in core defensive sectors all give us confidence in Dipula's prospects. Active asset management and capital recycling, supported by disciplined capital allocation and operational efficiency, will drive sustainable income growth, further improvement in asset quality and long-term shareholder value," says Petersen.

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Image Caption: Izak Petersen, CEO of Dipula Properties



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