MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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**Growthpoint exceeds upper end of distributable income per share forecast and sees stronger growth ahead**

**Growthpoint Properties Limited (JSE: GRT) delivered results exceeding the top-end of its guidance for the financial year ended 30 June 2025, reporting distributable income per share (DIPS) of 146.3cps, up 3.1% from the prior financial year, and a total dividend per share (DPS) of 124.3cps, an increase of 6.1%.**

Growthpoint’s return to growth comes a full year earlier than initially expected.

Growthpoint entered the 2025 financial year (FY25) forecasting an earnings contraction of -2.0% to -5.0%. Better-than-expected half-year results, driven mainly by improved performance from the South African portfolio, better finance cost expectations and outperformance from the V&A Waterfront, marked a turnaround and Growthpoint upgraded its guidance to positive growth of between 1.0% and 3.0%. A further upgrade in June 2025 tightened the guidance range at the upper end of between 2.0% and 3.0%.

The same factors contributing to Growthpoint’s half-year outperformance, cemented its positive performance in the second half.

**Norbert Sasse, Group CEO of Growthpoint Properties, comments,** “*This strong set of results shows that Growthpoint has done well to exceed expectations and deliver solid earnings growth while executing our strategic priorities. The progress made in further strengthening our SA portfolio is evident in its improved performance. The V&A Waterfront once again delivered stand-out results. Streamlining our international investments has simplified our capital structure and equity story, and disciplined treasury management kept finance costs below expectations.”*

The watershed year also resulted in Growthpoint upgrading its payout ratio to 87.5% for the second half. Together with the 82.5% payout ratio for the first half, Growthpoint’s payout ratio for the full year is 85.0%.

Shifting its outlook from cautious to optimistic, Growthpoint will maintain its payout ratio at 87.5% for the 2026 financial year (FY26). The reset to the higher payout ratio reflects Growthpoint’s strong balance sheet, effective strategy execution and disciplined capital management leading to positive momentum in SA property values and operations and a simpler international investment capital structure. Growthpoint’s strong position is further reinforced by the tailwinds of decreasing interest rates and a growth phase taking shape in the property cycle.

**FINANCIAL PERFORMANCE**

Growthpoint delivered rewarding financial results in the face of ongoing external pressures. Total property assets stand at R155.8bn compared to R166.2bn for the 2024 financial year (FY24), with strategic disposals to optimise the international investment portfolio being the main factor contributing to the 6.3% decrease. The Group SA REIT loan-to-value (LTV) ratio decreased to a conservative 40.1% from 42.3% at FY24, while the interest cover ratio (ICR) improved to 2.5x. Growthpoint retains strong liquidity, with R0.9bn in cash and R4.7bn in unutilised committed debt facilities and enjoys excellent access to funding at attractive margins.

Finance costs in SA decreased, stemming from lower average borrowings compared to FY24 and a lower weighted average cost of debt in FY25 of 8.9% (FY24: 9.6%), and 6.9% (FY24: 7.2%) when including foreign exchange instruments.

*“LTV ratios, linked to valuations, have now stabilised. Growthpoint remains committed to balance sheet resilience and liquidity for the long term, underpinning our continuing access to competitive funding and maintaining financial flexibility,”* notes Sasse.

**STRATEGIC PRIORITIES**

Growthpoint has a diversified portfolio and defensive income streams. It successfully advanced its strategic initiatives to improve the quality of its SA portfolio including driving sustainability initiatives towards the goal of carbon neutrality by 2050, and to optimise its international investments.

**Improving the quality of the directly held SA portfolio** of logistics and industrial, office and retail properties, Growthpoint is focused on disposals, developments and targeted investments.

Over the past decade, it has trimmed asset numbers in the portfolio from 471 to 328, reducing gross lettable area by 18.9%. While the property count has reduced, the core SA portfolio has been significantly improved with quality income streams. In FY25, Growthpoint disposed of 25 non-core (including trading and development) properties for R2.5bn at a R37.9m profit to book value and invested R1.6bn in value-adding development and capital expenditure.

As a result of its portfolio enhancement over the past decade (from 1 July 2016), Growthpoint has strategically grown its logistics and industrial assets from 15.0% to 20.0% of the total SA portfolio value. To achieve this, it reduced property numbers from 247 properties totalling 2.2m square metres gross lettable area (GLA) to 143 properties just shy of 1.8m square metres, selling primarily older industrial and manufacturing facilities while increasing its exposure to modern logistics warehouses, which are now nearly half of the portfolio, and to better performing nodes.

It also reduced its office exposure from 46.0% to 40.0% of portfolio value, streamlining the portfolio from 186 properties to 146 or 1.6m square metres of GLA, by reducing exposure to B‑ and C‑grade assets and those in non-core business nodes and aligning its office assets more closely with modern business aspirations and operational needs.

Retail property assets remained a steady 39.0% of the total portfolio value, but the number of retail properties has nearly halved from 61 to 32 and now spans 1.1m square metres of GLA. The shift has seen Growthpoint exiting non‑core retail in declining nodes and central business districts, and smaller, niche segments such as motor dealerships. At the same time, extensive redevelopments and upgrades at all its long-hold shopping centres have resulted in a more focused, modern and relevant retail portfolio.

**Optimising its international investments,** Growthpoint simplified and enhanced its capital structure and equity story by disposing of its entire stake in C&R to NewRiver REIT (NRR) in December 2024, receiving R1.16bn cash and a 14.2% stake in NRR, using proceeds to reduce debt. Post-year-end, Growthpoint disposed of its entire NRR stake at a market premium price of 75.0pps raising gross sale proceeds of R1.3bn thereby exiting its investment in the UK while bolstering its balance sheet and liquidity position.

Growthpoint continues to evaluate options to maximise value from its 29.6% stake in Globalworth Real Estate Investments (GWI), where it is supporting value-unlock initiatives. Progress is being made with constructive discussions amongst the shareholders in respect of the future strategy for the company.

The 63.6% stake in Growthpoint Properties Australia (GOZ) remains core.

Growthpoint owns 15.7% of Lango Real Estate Limited (Lango) which internalised its asset management function and was redomiciled to the UK during the year. Growthpoint now classifies its investment in Lango as an international investment, and no longer as part of Growthpoint Investment Partners (GIP).

**SOUTH AFRICAN PORTFOLIO**

In SA, Growthpoint owns and manages a R66.7bn diversified core portfolio of retail, office, logistics and industrial, and trading and development properties, representing 50.1% of Growthpoint’s total asset book value. This portfolio contributed 51.2% of DIPS.

Rental renewal growth improved materially while vacancies reduced moderately, and like-for-like net property income (NPI) grew at 5.9%. Arrears remain firmly in check. Together, these improving metrics signal positive momentum, and all three of the portfolios are showing like‑for‑like growth. The SA balance sheet is robust, with conservative leverage at 34.5% (FY24: 35.4%) providing capacity to grow decisively.

The SA portfolio value increased 2.2% or R1.4bn, driven by disciplined capital recycling with proceeds from its R2.5bn in assets sales (R2.7bn including R120.0m for Fountains View sold to Growthpoint Student Accommodation Holdings) fuelling reinvestment and targeted development to improve the portfolio quality.

**The office portfolio** delivered the most pronounced improvement in the SA portfolio, achieving a meaningful turnaround in like-for-like NPI from -1.0% to +6.8%, driven by steady letting and disciplined cost and recovery management. Vacancies reduced to 14.6% with a sharp improvement in rental renewal growth from -14.8% to -3.2%, and over half of leases were signed at equal or higher rentals. For the second year, the office portfolio printed positive valuation growth of 1.9%.

While oversupply persists in the broader office market, Growthpoint’s results signal a clear positive trend and more improvement ahead, although potentially uneven as significant offices leases were renewed post year-end with negative reversions which will have an impact on the sector’s FY26 renewal growth rate. Growthpoint curates its office portfolio to accommodate modern businesses and concentrates its assets in high-demand areas. It completed the Longkloof mixed-use precinct development in Cape Town, including the Canopy by Hilton hotel. Growthpoint’s net-zero carbon redevelopment at 36 Hans Strydom for Ninety One on a 15-year lease, is well progressed and set for completion later this year.

**The logistics and industrial portfolio** delivered the strongest performance. Vacancies reduced and were contained to only a few properties. The two vacancies at new speculative developments at year-end are now fully let. Encouraging demand signals vacancies are likely to decrease even further. Like-for-like NPI increased 5.5% and the portfolio value, which remains conservative, grew by 3.1%. Rental escalations, both in-force and on renewal, are trending upwards, with 59.0% of new and renewed leases signed at the same or higher rentals. High-quality developments have strengthened the portfolio, including new units at Centralpoint and the second phase of Arterial Industrial Estate.

With fewer properties of better quality, nearly half of which are logistics and warehouse properties, this portfolio has evolved into a more focused, higher-performing selection of assets. The portfolio metamorphosis is set to continue, with a strong pipeline of demand-aligned speculative developments.

**The retail portfolio** delivered a solid performance, marked by like-for-like NPI growth of 5.3% and consistently low core vacancies of 4.4%. Portfolio value increased 2.2%, supported by value-adding upgrades improving the portfolio quality through expansions, redevelopments, tenant mix enhancements, consumer-focused updates and solar installations, as part of the ongoing portfolio repositioning supported by recycling capital. These highly targeted asset management interventions are driving rental upside.

Retail fundamentals in the portfolio continued to improve, with footfall growing and trading density increasing at 4.8%, outperforming the Clur benchmark. Community centres led annual trading density growth by type (7.6%) while Western Cape shopping centres outperformed by region (5.3%). Top-performing retail categories for trading density growth included non-discretionary food (8.2%), department stores (6.8%) and homeware, furniture, and interiors (7.0%).

**SA trading and development** is delivered by the in-house Growthpoint Trading & Development division, which creates value through internal delivery of new developments for Growthpoint’s balance sheet and has an external mandate to earn third-party development fees and trading profits. This year it concentrated on industrial and retail developments that strengthen long-term portfolio quality while third-party projects played a smaller role. The division earned R51.6m (FY24: R42.2m) of trading profits and R3.1m (FY24: R25.4m) of NPI, but no development fees (FY24: R9.8m). FY26 represents a new cycle of third-party developments commencing when the landmark Olympus Sandton residential towers, which is being undertaken in partnership with Tricolt within Growthpoint’s Sandton Summit mixed-use precinct, breaks ground later this month.

**Sustainability is integrated across Growthpoint’s business.** As an innovator in this space, Growthpoint is making measurable progress against its goal to achieve net-zero carbon emissions across its portfolio by 2050.

Scaling practical and smart solutions for energy saving while expanding renewable energy generation, Growthpoint has cumulatively spent R1bn on installed solar, with 80 plants and a PV capacity of 61.2MWp placing it on par with a commercial-scale renewable utility.

Growthpoint’s innovative e-co₂ solution will deliver certified green electricity at cost-saving fixed escalations directly to its tenants at 10 of its Sandton office buildings next month (October 2025). It is anchored by a 195GWh power purchase agreement with Etana Energy, signed in 2023, drawing on hydro, wind, and solar supply equal to 32.0% of Growthpoint’s energy consumption for its 2023 financial year.

The first electrons of e-co₂ renewable electricity will be wheeled from October 2025 via the national grid from the Boston Hydroelectric Plant in the Lesotho Highlands Water Scheme, developed in partnership with Serengeti Energy. E-co₂ provides tenants with three benefits: certified zero-carbon electricity, blockchain registered Renewable Energy Certificates (RECs) that can be used as verified proof of Scope 2 carbon emission reductions or traded on global renewable energy markets, and cost-saving fixed escalations.

Growthpoint is driving water resilience and waste reduction through targeted programmes designed to cut intensity across the portfolio. Over the next three years, it projects saving 89.4 megalitres of water. This year, it diverted 43.0% of waste from its properties from landfill and is on track to reach 50.0% next year. Its water resilience infrastructure continues to grow, with 40 registered boreholes and 162 backup facilities providing nearly 10,000 kilolitres of storage capacity.

Growthpoint is a Level 1 B-BBEE contributor and invested R58 million in corporate social responsibility during the year, with a strong focus on its flagship education projects. Its social investment directly benefitted 7,316 individuals, while enterprise development initiative Property Point sustained 216 jobs.

*“With deep specialist expertise and our significant portfolio, Growthpoint is advancing our ESG commitments and reshaping how real estate investment delivers environmental and social returns,”* says Sasse.

**V&A WATERFRONT**

Growthpoint’s 50.0% interest in the V&A Waterfront in Cape Town has a property value of R13.3bn, which makes up 10.0% of Growthpoint’s total asset book value and contributed 16.3% to DIPS. Once again, the V&A delivered excellent performance. NPI increased 10.4% even with the Lux Mall and The Table Bay hotel temporarily undergoing value-adding redevelopment. Growth was driven by a full year of trading from newly introduced operational businesses in the hotel sector as well as those that opened during the year, the income activation of the Union Castle building in December 2024 and a strong cruise season. Vacancy is negligible, holding steady at 0.3%. Like-for-like NPI grew 12.7%.

NPI from operating businesses, where the V&A enjoys both the rewards and risks of a revenue-sharing model versus the traditional pure-rental model, increased to 16.0% of NPI from 10.0% in FY24. The V&A now has three hotels with nearly 600 keys under operating agreements. The Radisson Red Hotel delivered standout growth. Increased tourism, reflected in 6.0% more international visitors arriving at Cape Town International Airport in FY25, drove turnover rental gains across hotels, attractions and retail. The V&A drew 24 million visitors.

Retail sales increased by 5.8% reaching over R10.0bn, with further upside ahead as the new 3,759m² Lux Mall is set for phased occupation post-completion in December 2025. Office NPI increased by 17.0% and like-for-like by 10.0% on the back of strong demand, near-zero vacancy, high renewal rates and modest rental growth. The marine and industrial segment saw increases across the board in cruise vessels visits, casual birthing and charter boats.

Hotels, residential and leisure increased NPI by 10.0% with like-for-like growth of 27.0%. The V&A’s hotels recorded 23.8% higher average daily rates, steady occupancy and increased overall revenue per available room. A new luxury hotel with branded residences will launch mid-2026. Residential vacancies remain low and construction on the new 5 Dock Road apartments began this year, targeting completion by December 2025.

**GROWTHPOINT INVESTMENT PARTNERS**

Growthpoint’s alternative real estate co-investment platform, GIP, is 1.8% of Growthpoint’s total asset book value and contributed 3.8% to DIPS. It includes two funds distinct from Growthpoint’s core assets. Growthpoint Student Accommodation Holdings, operating under the Thrive Student Living brand, attracted R425m in new equity during the year. Growthpoint Healthcare Property Holdings expanded its mandate to include aged living and hospital-linked medical consulting rooms as it continues to drive scale. GIP closed the period with R8.6bn of assets under management, evenly weighted between the two funds.

**INTERNATIONAL INVESTMENTS**

Growthpoint continues to optimise its international investment. On 30 June 2025, 38.0% of property assets by book value were located offshore, and 28.7% of its DIPS was generated offshore. Foreign currency income of R1.4bn (FY24: R1.6bn) reflected the streamlined capital structure achieved during the year.

**GOZ, which invests in high-quality industrial and office properties in Australia,**accounts for 23.2% of Growthpoint’s total assets by book value and contributed 20.4% to its DIPS. Growthpoint received a steady R1.0bn net distribution from GOZ. GOZ’s distribution decreased 5.2% to AUD18.2cps (FY:24: AUD19.3cps) which excludes a special distribution of AUD2.1cps distributed to compensate for the increased dividend withholding tax due to the sale of industrial assets. GOZ’s payout ratio for FY25 was increased to 87.0% from the prior year’s 80.7%.

GOZ maintained a strong balance sheet and reduced gearing from 40.2% to 39.7%. The directly owned GOZ portfolio performed well, with occupancy remaining high at 94.0% (FY24: 95.0%) and a 5.6-year weighted average lease expiry.

The year was marked by strong momentum in GOZ’s funds management business. GOZ divested its non-core holding in Dexus Industria REIT and established the AUD198 million Growthpoint Australia Logistics Partnership with TPG Angelo Gordon owning 80.0%. It also launched the Growthpoint Canberra Office Trust, which acquired a high-yielding, primarily government-leased, A-Grade office building in Canberra’s CBD. Despite this momentum, performance was tempered by increased costs, lower lease surrender fees and high exposure to Melbourne office assets. The local market continues to recover gradually with valuations under pressure due to policy headwinds and delayed interest rate cuts. Cap rates valuations are stabilising. GOZ issued FY26 distribution guidance of AUD18.4cps.

**GWI, which invests in offices and mixed-use precincts in Poland and in Romania where it also develops logistics parks**, represents 12.2% of Growthpoint’s total assets by book value and a 5.1% contribution to DIPS. GWI displayed fundamental improvement with stronger key metrics. The portfolio value increased by 0.8% to EUR2.6bn. The capital cities of Warsaw and Bucharest continued to outperform regional markets. Like-for-like NPI grew 6.0%, offset by higher interest costs due to the recent Eurobond refinance.

Gearing remains a low 38.0% and liquidity strong with EUR325m of cash on hand and EUR115.0m of undrawn debt. GWI’s improved financial strength is reflected in cash dividends replacing prior scrip payments, although distribution growth has yet to follow, with a 33.3% decrease in distribution per share to EUR14.0cps dampened by higher finance costs and the EUR5.9m impact of a new tax policy in Poland.

GWI continues to invest in its portfolio, including its current refurbishment of the 48,300m² Renoma mixed-use property in Poland. In Romania, it delivered and secured a 20-year lease on 5,900m² of the Craiova Logistics Hub.

**Lango, which invests in prime commercial real estate assets in key gateway cities across the African continent (excluding SA),** accounts for 1.7% of Growthpoint’s total assets by book value and made a 0.2% contribution to DIPS. Lango finalised the acquisition of USD200m of assets from Hyprop Investments Limited and Attacq Limited, further cementing its position as the premier African real estate investment vehicle north of SA. Growthpoint received R11.0m dividend income from Lango.

**Growthpoint has exited its investment in the UK, selling its stakes in C&R and, post FY25, NRR.** At year-end the investment in NRR represented 0.9% of total assets by book value, which made a 3.0% contribution to DIPS.

**LOOKING AHEAD**

Growthpoint sees the property cycle entering a growth phase. Driving this positive shift are the improving performance from Growthpoint’s SA portfolio driven by strengthening property fundamentals, continued outperformance by the V&A, GOZ’s strong operational fundamentals and reduced interest rates.

Key metrics are improving consistently across all three SA sectors, supported by Growthpoint’s capital recycling strategy into higher-yielding opportunities with non-core SA asset sales of R3.5bn targeted for FY26. The V&A Waterfront is on track for double-digit growth. Reduced finance costs will continue to benefit the business.

On the international front, elevated capital costs domestically and globally, continue to constrain prudent investment growth.

For FY26, Growthpoint guides DIPS growth between 3.0% and 5.0% and DPS growth of between 6.0% and 8.0%, with a payout ratio of 87.5%.

*“Growthpoint’s diversified portfolio and income streams, and its embedded sustainability, which are all constantly being improved by skilled leadership and dedicated teams, position it strongly for FY26. The positive momentum across the portfolio is clear, and it is being driven by operational resilience and strategic execution,”* concludes Sasse, who will lead the business for one more financial year before handing over the Group CEO role to current SA CEO Estienne de Klerk on 1 July 2026.

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**About Growthpoint Properties**

Growthpoint creates space to thrive with innovative and sustainable property solutions in environmentally friendly buildings, while improving the social and material wellbeing of individuals and communities. Growthpoint is South Africa’s largest primary JSE-listed REIT. It is an international property company invested in real estate and communities in South Africa and across the African continent, Australia and Eastern Europe. Growthpoint has been at the forefront of environmental innovation in the South African property sector, establishing green building as an accepted practice in the local commercial property sector and driving the adoption of renewable energy. Visit [growthpoint.co.za](http://www.growthpoint.co.za/) for more information. Connect with Growthpoint on [Facebook](http://www.facebook.com/Growthpoint), [Twitter](http://www.twitter.com/Growthpoint), [LinkedIn](http://www.linkedin.com/company/growthpoint-properties-ltd) and [YouTube](http://www.youtube.com/GrowthpointBroadcast).

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