



ORYX PROPERTIES LIMITED

FY24 Initial Impression

September 2024



Research Analyst:

Zane Feris
zane@ijg.net
+264 81 958 3543

Oryx Properties Limited

FY24 Initial Impression

Current Price (c)

1280

Year End 30 June	FY22	FY23	FY24A	FY25E	FY26E	Recommendation*	HOLD
Revenue (N\$ m)	335.4	356.3	451.2	459.9	476.8	NSX Code	ORY
Commercial Vacancies (%)	5.4	6.8	4.2	4.2	4.2	Market Cap (N\$ m)	1,463
HEPU (c)	146.5	116.2	107.5	110.5	113.7	Shares in Issue (m)	114.3
HEPU growth (%)	-18.2	-20.8	-7.5	2.7	2.9	Free Float (%)	100
DPU (c)	101.75	105.25	103.0	108.8	113.5	52-Week High (c)	1200
DY (%)	9.9	9.3	8.0	8.5	8.9	52-Week Low (c)	1024
P/E (x)	7.0	9.7	11.9	11.6	11.3		
D/A (%)	36.5	35.2	34.4	37.5	38.2		

Source: Oryx Properties Limited, IJG Securities

FY24 Initial Impression

Oryx Properties Limited (Oryx) released results for the year ended 30 June 2024 (FY24). Profit after tax rose by 150.7% y/y to N\$397.4 million, driven by a 26.6% y/y increase in revenue (more below). Adjusted earnings attributable to linked units (EPU) marginally declined by 0.3% y/y to 140.6cpu. Headline earnings attributable to linked units, however, fell by 7.5% y/y to 107.5cpu, following the rights issue completed for the acquisition of Dunes Mall. Oryx declared a final distribution of 51.5cpu, bringing the total distribution declared for the year to 103.0cpu (FY23:105.3cpu)

Net rental income rose by 28.8% y/y to 303.1 million. Total revenue increased by 26.6% y/y to N\$451.3 million. The retail portfolio, the biggest contributor to the growth in revenue, rose by 37.6% y/y or N\$86.2 million to N\$315.2 million. The office portfolio posted growth of 19.8% y/y or N\$7.1 million to N\$42.9 million. Revenue from the residential and industrial portfolios increased by 6.3% y/y and 1.1% y/y to N\$12.2 million and N\$80.9 million respectively. Property expenses rose by 22.5% y/y to N\$148.1 million, outpacing annual inflation of 4.6% y/y over the same period. The cost-to-income ratio for Oryx declined to 32.8% in FY24, from 33.9% in FY23.

Property Portfolio: Oryx' property portfolio was valued at N\$4.08 billion as of 30 June 2024, up by 35% y/y or N\$1.06 billion. It is worth noting that this jump is mainly due to the inclusion of Dunes Mall which was valued at N\$706.9 million at the same comparable time. A positive fair value adjustment of N\$341.0 million was reported for the period. The Channel Life Office Tower and Baines Retail Centre was unencumbered during the year, following the settlement of the Nedbank Namibia facilities.

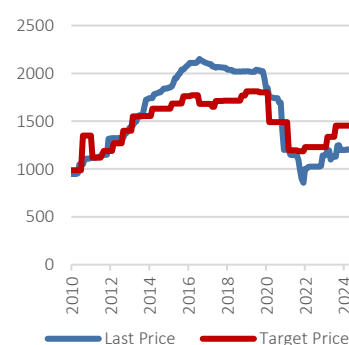
Vacancies: Oryx' commercial vacancy rate improved to 4.2% in FY24, from 6.8% in FY23. The improved rate was mainly due to a better tenant retention ratio. Retail vacancies, however weakened to 2.4% (FY23:2.2%). Residential vacancies also weakened to an average of 1.6% in FY24, from 1.4% in FY23.

Interest-bearing borrowings rose by 27.6% y/y or N\$342.8 million to N\$1.59 billion in FY24. During the year, the group secured two key financing facilities: a N\$500 million RMB Bridge Facility, converted into a 4-year Preference Share Agreement at 3M JIBAR plus 1.39%, and a N\$200 million ABSA Maerua Mall development loan at Namibian Prime less 1%, to be converted to a term loan upon completion of each development phase. No drawdowns were made from this loan as phase one was funded through existing revolving credit facilities. Multiple facilities were refinanced during the period, including Standard Bank facilities A, B, and C, with revised expiry dates extending to 2026 and 2027, while Facility B was increased to N\$110 million. Additionally, ABSA facilities were refinanced, including a €9.7 million loan and a N\$130 million revolving credit facility, with slightly reduced interest rates and extended maturities, some up to 2029.

Lastly, the company repaid/terminated three facilities: a N\$75 million Nedbank Namibia loan, a N\$15 million Nedbank Namibia overdraft, and a N\$100 million RMB term loan, all with varying interest rates. The group's gearing ratio marginally improved from 35.0% in FY23 to 34.8% in FY24, maintaining the gearing ratio well within limits. The total weighted average interest rate paid on the group's debt was 9.3% in FY24, from 8.9% in FY23. Finance costs subsequently rose by 53.4% y/y or N\$54.9 million to N\$157.6 million, attributed to the above-mentioned increase in borrowings.

Overall, Oryx delivered solid results. With a diversified portfolio and improved vacancy rates, the company is well-positioned for steady growth. Lower expected interest rates could enhance profitability in the near term. Pending further analysis of the FY24 results and management discussions, we change our recommendation to a **HOLD** on ORY. Our target price and recommendation

ORY Share Price vs Target Price (c)



Dividends

Oryx declared a final distribution of 51.5 cents per linked unit to unitholders.

- Last day to trade cum distribution: 27 September 2024
- First day to trade ex-distribution: 30 September 2024
- Record date: 04 October 2024
- Payment date: 18 October 2024





0,0005	4,85%
0,0003	13,04%
0,001	50,00%
0,0003	14,29%
0,0005	12,50%

will be revised with our full review of the FY24 results, as will the forecasts in the table at the top of the page.



IJG Holdings

Mathews Hamutenya	Group Chairman		Tel: +264 (61) 256 699
Mark Späth	Group Managing Director	mark@ijg.net	Tel: +264 (81) 958 3510
Helena Amutenya	Group Financial Director	helena@ijg.net	Tel: +264 (81) 958 3528
Leonie De Klerk	Group Compliance Officer	leonie@ijg.net	Tel: +264 (81) 958 3533
Tashiya Josua	Financial Manager	tashiya@ijg.net	Tel: +264 (81) 958 3511
Benita Windisch	Financial Manager	benita@ijg.net	Tel: +264 (81) 958 3539
Lynnet Sasele	Financial Accountant	lynnet@ijg.net	Tel: +264 (81) 958 3536
Counney Kemp	Group PA	reception@ijg.net	Tel: +264 (81) 958 3500

IJG Securities

Eric van Zyl	Managing Director Designate	eric@ijg.net	Tel: +264 (81) 958 3530
Leon Maloney	Equity & Fixed Income Dealing	leon@ijg.net	Tel: +264 (81) 958 3512
Maria Amutenya	Settlements & Administration	maria@ijg.net	Tel: +264 (81) 958 3515
Zane Feris	Sales and Research	zane@ijg.net	Tel: +264 (81) 958 3543

IJG Wealth Management

Andri Ntema	Managing Director	andri@ijg.net	Tel: +264 (81) 958 3518
Wim Boshoff	Head Wealth Manager	wim@ijg.net	Tel: +264 (81) 958 3537
Aretha Thiert	Wealth Manager	aretha@ijg.net	Tel: +264 (81) 958 3540
Katja Greeff	Wealth Manager	katja@ijg.net	Tel: +264 (81) 958 3538
Wetu Ishitile	Junior Wealth Manager	wetu@ijg.net	Tel: +264 (81) 958 3500
Maunda Rautenbach	Head of Operations	maunda@ijg.net	Tel: +264 (81) 958 3529
Lorein Kazombaruru	Wealth Administration	lorein@ijg.net	Tel: +264 (81) 958 3521
Francoise van Wyk	Wealth Administration	francoise@ijg.net	Tel: +264 (81) 958 3513
Calvin Mwinga	Wealth Administration	calvin@ijg.net	Tel: +264 (81) 958 3514

IJG Capital

Jakob de Klerk	Managing Director	jakob@ijg.net	Tel: +264 (81) 958 3517
Mirko Maier	Senior Manager: Investments	mirko@ijg.net	Tel: +264 (81) 958 3531
Fares Amunkete	Senior Manager: Investments	fares@ijg.net	Tel: +264 (81) 958 3527
Peterson Mbise	Manager: Investments	peterson@ijg.net	Tel: +264 (81) 958 3532
Veripi Ngapurue	Senior Associate	veripi@ijg.net	Tel: +264 (81) 958 3500
Jacinda Lima	Associate	jacinda@ijg.net	Tel: +264 (81) 958 3500

IJG Investment Managers & IJG Unit Trusts

Chidera Onwudinjo	Portfolio Manager	chidera@ijg.net	Tel: +264 (81) 958 3523
Danie van Wyk	Portfolio Manager	danie@ijg.net	Tel: +264 (81) 958 3534

IJG Advisory

Herbert Maier	Managing Director	herbert@ijg.net	Tel: +264 (81) 958 3522
Jolyon Irwin	Director	jolyon@ijg.net	Tel: +264 (81) 958 3500
Hugo van den Heever	Corporate Advisor	hugo@ijg.net	Tel: +264 (81) 958 3542
Lucas Martin	Corporate Advisory Associate	lucas@ijg.net	Tel: +264 (81) 958 3541

No representation is given about, and no responsibility is accepted, for the accuracy or completeness of this document. Any views reflect the current views of IJG Holdings (Pty) Ltd. The views reflected herein may change without notice. IJG Holdings (Pty) Ltd provides this document to you for information purposes only and should not be constructed as and shall not form part of an offer or solicitation to buy or sell securities or derivatives. It may not be reproduced, distributed or published by any recipient for any purposes.



**Independent. Focused.
Personalised.**