Oryx Properties Limited: FY26 Initial Impression

September 2026

Key Focus Points

- **Profit after tax increased to N$227.7m in FY26 (FY25: -N$193.7m), with distributable earnings up 8.9% YoY to 157.0 cents per linked unit.**
- The total distribution amounts to 117.5cpu, 8.8% higher YoY than the 108.0cpu paid in FY25.
- Revenues grew by 17.8% YoY to N$579.8m; net rental income rose 14.3% YoY to N$382.5m.
- Commercial vacancies increased from 2.4% to 3.4%.
- The weighted average interest rate on borrowings fell from 8.8% to 8.7%, with the loan-to-value ratio at 41.3% against covenant thresholds of 50.0%-55.0%.
- NAV per linked unit increased to 2,429cpu, leaving the units trading at a 44.4% discount.
- We issue a **HOLD recommendation**, with a one-year target price of 1,390cps, implying 3.0% upside from the current share price of 1,350cps.

FY26 Initial Impression

Oryx Properties Limited (ORY) share data

Share data (c, N$ m, %)

NSX Code	Current Price (c)	52-Week High (c)	52-Week Low (c)	Market Cap (N$ m)	Shares in Issue (m)	Free Float (%)
ORY	1,350	1,370	1,320	1,543	114.0	100

Source: Oryx Properties Limited; IJG Securities

Key financial metrics

Interim year end 31 December

	FY24	1H25	FY25	1H26	FY26
Revenue (N$ m)	451.2	237.2	492.2	286.0	579.8
Commercial Vacancies (%)	4.2	2.0	2.4	5.0	3.4
HEPU (c)	107.5	65.3	-124.2	96.5	163.6
DPU (c)	103.0	52.5	108.0	58.5	117.5
DY (%)	8.0	8.2	8.1*	8.7	8.7*
E/Y (%)**	8.4	9.7	-9.2	14.3	12.1*
D/A (%)	34.4	35.6	40.1	40.8	41.3

Source: Oryx Properties Limited; IJG Securities

**Based on the current share price.*

***Earnings yield*

Oryx Properties Limited (Oryx) released a strong set of financial year-end results for the year ended 30 June 2026. Revenue growth from recent acquisitions began to filter through, while a more normalised tax charge supported a significant improvement in profitability, with profit after tax (PAT) increasing from a loss of N$193.7m to N$227.7m. The 2024 income tax amendments, which revised the deductibility of intergroup interest and introduced a five-year limit on deferred tax carry forwards, continue to present material challenges for Oryx given its business model. These tax provisions remain a key risk to Oryx's operations and financial performance. Nevertheless, distributable earnings per linked unit increased by 8.9% YoY to 157.0 cents per unit (cpu), from 144.2cpu in FY25. Oryx declared a final distribution of 59.0cpu, bringing the total distribution for the year to 117.5cpu, an 8.8% YoY increase from 108.0cpu in FY25.

Net Rental Income

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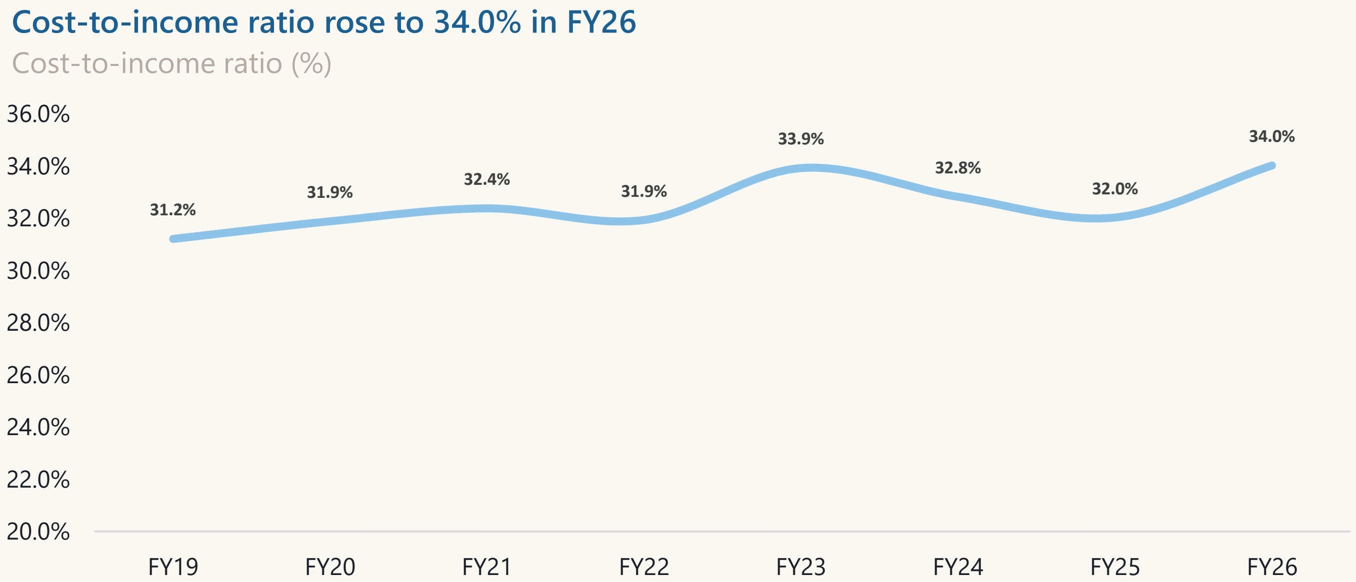
Net rental income grew by 14.3% YoY to N$382.5m, supported by strong revenue growth of 17.8% YoY, which lifted total revenue from N$492.2m in FY25 to N$579.8m in FY26. Recurring rental income stemming from numerous quality commercial assets provide a sound income stream for Oryx. However, property expenses increased at a faster pace, rising by 25.1% YoY to N$197.3m. Consequently, the cost-to-income ratio increased by 200bps from 32.0% in FY25 to 34.0% in FY26.



Source: Oryx Properties Limited; IJG Securities

Excluding the Platz Am Meer acquisition and adjusting for portfolio reallocations, management reported same-store (organic) net rental income growth of 5.2% YoY. Looking ahead, we expect further synergies to materialise in FY27 following the completion of Goreangab Mall, which commenced operations at the end of May 2026 and is expected to contribute meaningfully to Oryx's rental income stream. Rental income was also supported by an improvement in commercial vacancies, which declined from 5.0% in 1H26 to 3.4% in FY26. However, vacancies remained 100bps higher than the 2.4% recorded in FY25.

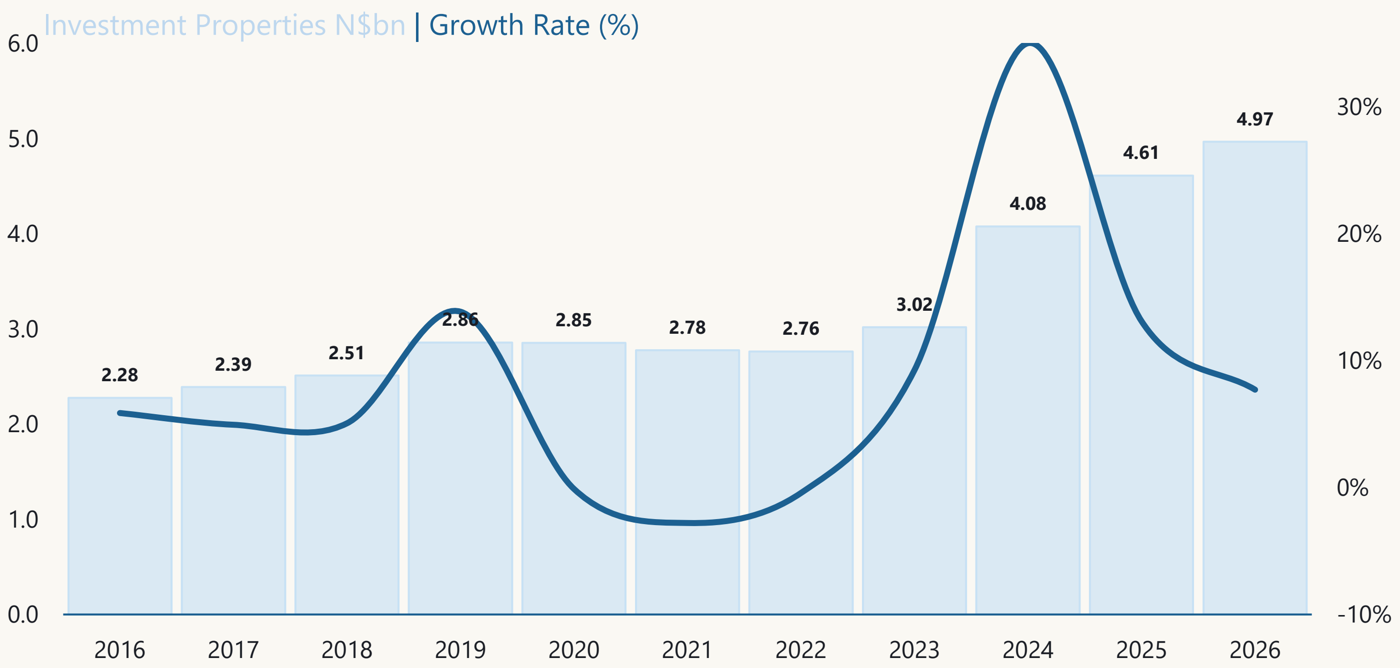
Segmental performance

The retail portfolio delivered the strongest performance, with rental operating income increasing by 28.0% YoY to N$447.6m, accounting for 76.6% of total rental operating income. The office segment recorded modest growth of 1.0% YoY, with rental operating income reaching N$42.2m. The residential and industrial segments, which collectively contribute 16.2% of total rental operating income, weighed on overall growth, with rental operating income declining by 8.0% YoY and 8.3% YoY, respectively. The decline in residential rental income was primarily attributable to a significant increase in the vacancy rate, which rose from 0.8% in FY25 to 9.7% in FY26. As highlighted in the interim report, the industrial portfolio was impacted by negative rental reversion on a lease with one of Oryx's larger industrial clients. The lease had been in place for several years at above-market rental rates, and the subsequent five-year renewal was agreed at rates more aligned with prevailing market levels, with escalations linked to inflation. This adjustment is considered a once-off, and industrial rental income is expected to resume steady growth going forward.

Property Portfolio

Oryx's property portfolio was valued at N$4.97bn as at 30 June 2026, representing a 7.7% YoY increase from N$4.61bn in the prior financial year. The portfolio recorded N$165.0m in fair value gains during the year. Oryx is currently in a capital-intensive phase, with several developments underway across its portfolio. One of the key developments is Plexus Trading Enterprises (Pty) Ltd, the joint venture between Oryx and Safland Group, which is developing a Shoprite-anchored shopping mall in Lüderitz with an expected gross lettable area of approximately 7,970m^2. The project provides an opportunity to capitalise on the coastal town's growth potential, while creating future optionality for residential, hospitality and commercial office developments. The partnership also builds on the two organisations' successful collaboration on the Goreangab Mall project, providing an established foundation for the development. Oryx is also progressing plans for the Maerua Crossing project, a mixed-use, lifestyle-oriented precinct comprising office, retail, residential and hospitality components. The development is expected to complement Maerua Mall and support increased footfall and activity at the existing retail property. Together with other capital expenditure across the portfolio, these developments are expected to support the Group's longer-term rental income and asset growth.

In addition to its development pipeline, Oryx continued to actively manage its portfolio through selected disposals. The Group successfully completed the disposal of its Roodepoort industrial facility in South Africa, which had previously contributed to the elevated vacancy rate. The asset was sold above book value, reflecting management's decision to wait for an opportune time to realise its value, as previously indicated. Oryx also disposed of 11 units at the Engedi Residential Complex and three units at the Penuel Residential Complex. Management continues to monitor its residential assets and market appetite, with further acquisitions or disposals providing scope to recycle capital and optimise portfolio yields.



Source: Oryx Properties Limited; IJG Securities

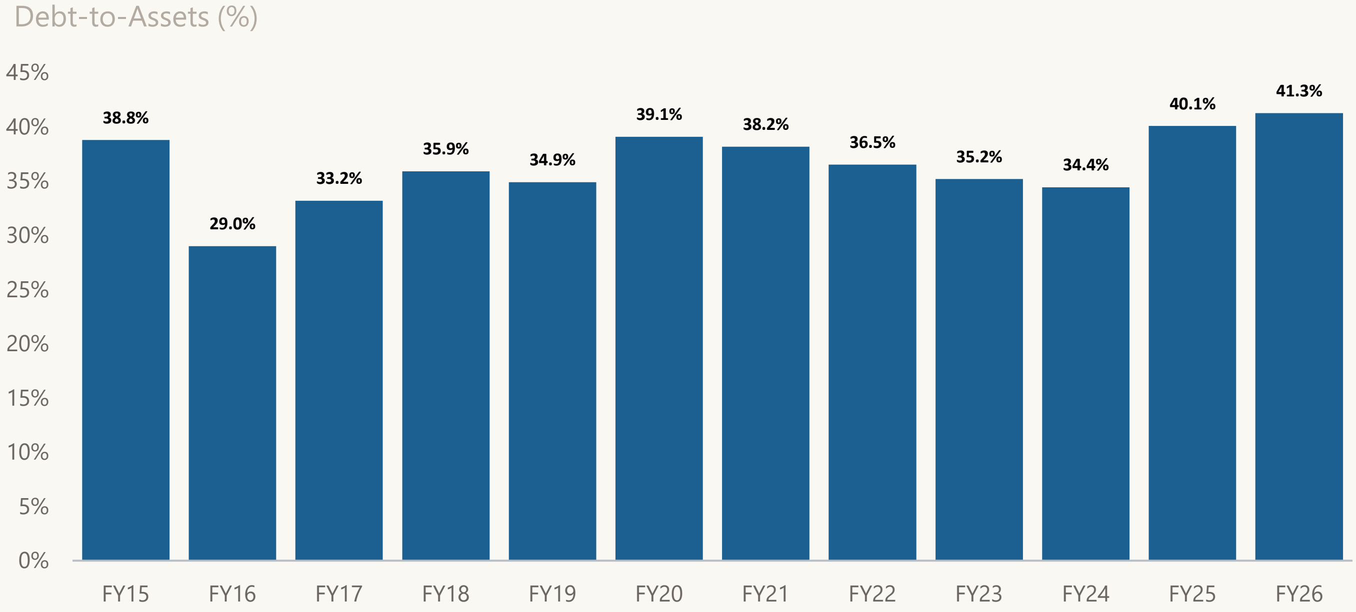
Oryx's offshore exposure through its investment in TPF International also delivered a meaningful improvement in profitability during the financial year. The Group's share of profit after tax from TPF International improved from a loss of N$25.5m in FY25 to a profit of N$16.7m in FY26. Despite accounting for only 4.8% of total assets, TPF International contributed 7.4% of total profit after tax, highlighting its growing contribution to Group earnings.

Debt and Capital Structure

Interest-bearing borrowings increased by 12.3% YoY from N$2.06bn to N$2.31bn during FY26. Consequently, the Group's loan-to-value (LTV) ratio, based on the SA REIT Association calculation methodology, rose to 41.0% (FY25: 40.8%), remaining comfortably below the 50.0%–55.0% covenant thresholds applicable to its banking facilities. The debt-to-assets ratio also increased from 40.1% in June 2025 to 41.3% in June 2026. Notably, Oryx successfully issued N$359.9m in unsecured senior listed notes under its Domestic Medium-Term Note Programme, listed on the NSX. The ORYJ28 and

ORYJ30 notes mature in November 2028 and November 2030, respectively. The issuance was completed at more favourable spreads than the Group's previous listed notes, while extending its debt maturity profile. Despite this extension, Oryx's debt maturity profile remains relatively short for a property fund. Approximately 35.4% of total debt matures in 2027, including the N$500.0m RMB Namibia preference share facility, while a further 29.0% matures in 2028. The weighted average term to maturity is approximately 2.2 years, highlighting the Group's relatively near-term financing requirements. Oryx achieved a lower overall weighted average cost of funding of 8.7%, representing a 10bps reduction from FY25's 8.8%.

Debt-to-Assets at a 12-year high of 41.3%



Source: Oryx Properties Limited; IJG Securities

Finance costs rose 15.2% YoY to N$175.2m in FY26 (FY25: N$152.1m), outpacing both the 12.3% increase in interest-bearing borrowings and the 14.3% growth in net rental income, although the weighted average cost of debt was broadly flat at year end. On IJG's unadjusted calculation, the interest cover improved to 3.2x from 2.4x in FY25, the improvement is not underpinned by earnings. Adjusting items that do not service debt, being fair value movements on investment property, derivative instruments and listed investments, the profit on disposal of investment property, unrealised exchange differences on the foreign loan and equity-accounted associate earnings, cover was 2.1x in FY26 and 2.1x in FY25. Non-cash and capital items therefore account for the entire year-on-year movement in the headline ratio, and recurring cover has been broadly unchanged. Oryx reports cover of 2.2x (FY25: 2.1x), calculated per the Global Criteria for Rating Real Estate Investment Trusts and Other Commercial Property Companies, against covenant limits ranging from 1.75x to 2.00x depending on the financier's definition. Headroom on a recurring basis is thinner than the headline ratio suggests. Nevertheless, contributions from the Goreangab Mall will also support the headline ratio.

Net Asset Value

Net asset value (NAV) per unit increased by 7.1% YoY to 2,429cpu in FY26 (FY25: 2,269cpu), with the current share price trading at a 44.4% discount to NAV. The improvement was supported by total comprehensive income of N$198.5m, compared with a loss of N$175.9m in FY25, including N$165.2m in investment property revaluations. The discount to NAV widened from 40.7% in FY25 to 44.4% in FY26, as the share price remained largely unchanged while NAV per unit increased.

Our Take

Oryx delivered a strong set of financial results, supported by robust top-line growth, meaningful contributions from its equity-accounted investment, fair value gains on properties and investments, and a more normalised tax charge, which supported bottom-line growth. As Goreangab Mall only commenced operations towards the end of Oryx's financial year, we expect the property to make a more meaningful contribution to rental income going forward. Furthermore, management has proposed maintaining the 75% payout ratio over the next three years. While maintaining the 75% payout ratio supports balance sheet resilience and preserves retained capital to fund future growth, management may also need to consider the potential benefits of increasing the payout ratio. A higher payout would reduce retained earnings and, consequently, NAV, potentially narrowing the discount between Oryx's share price and NAV per unit, which management has identified as a strategic focus.

Oryx remains well positioned to capitalise on growth in high-growth nodes through its property portfolio, while its value-accretive development pipeline should support further portfolio expansion and rental income growth. Key downside risks include changes to Namibia's tax legislation and the implications of Oryx's group structure, which could necessitate a restructuring of its business model.

We issue a **HOLD recommendation**, with a one-year target price of 1,390cps, implying 3.0% upside from the current share price of 1,350cps.

Dividends

Oryx declared an interim distribution of 58.5cpu (FY25: 52.5cpu) and a final distribution of 59.0cpu (FY25: 55.5cpu). This brings the total distribution to 117.5cpu (FY25: 108.0cpu).

- Last day to trade cum distribution: 25 September 2026
- First day to trade ex-distribution: 28 September 2026
- Record date: 02 October 2026
- Payment date: 14 October 2026

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