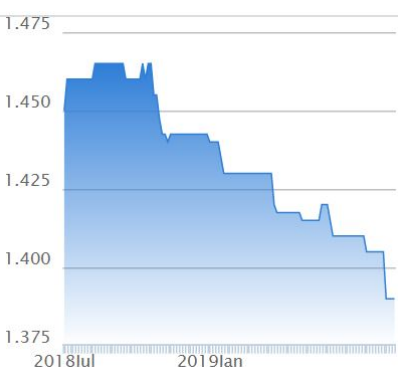


Real estate

| | |
|----------------|----------|
| 52-WEEK HIGH | \$1.48 |
| 52-WEEK LOW | \$1.39 |
| PRICE | \$1.39 |
| MARKET CAP MLN | \$412.07 |

Share Price



Major Shareholders

| | |
|--|-------------|
| Govt. Employees Pension Fund (PIC) - 28% | |
| Drive In Trading Limited - 8% | |
| Delta Property Fund - 8% | |
| Avg Three-month trading volume | 340,448 |
| Primary Index | FTSE AS |
| Next Key Announcement | 26 Sep 2019 |

Company Information

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Analyst Details

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GRIT Real Estate - The next level

Year-end update - Solid performance

GRIT Real Estate Income Group (LON:GRIT), the leading pan-African real estate company, has released a trading update for its financial year ending June 2019. The company is on track to deliver its targeted 12% total shareholder return for FY June 2019, and an increased dividend. Furthermore, the occupancy rate stands at 97.2%, and 95% of expiring Gross Lettable Area has been renewed or replaced.

Against a mixed backdrop, with headwinds from EUR/USD translation effect and some weakness in the African retail sector, this performance fully delivers on the expectations set out at the time of the London listing in August 2018.

Opportunities to expand the portfolio

The company states that it has an identified pipeline of investment opportunities totalling US\$600m, from existing tenants and other multi-nationals operating in Africa. This pipeline compares with an existing portfolio of US\$796m (December 2018), i.e. a near doubling of the asset base.

The statement indicates that the company will consider options for financing these investments, in the short and medium term.

Measures to further enhance returns

The company has also outlined initiatives to drive incremental returns on investment, which could enable the company to exceed its 12% TSR target in future years, in our view. Measures include: 1) Participating in risk-limited development opportunities, as a route to enhancing NAV growth without impacting the dividend. 2) Opportunities to provide Asset Management services internally and to external property owners, to drive fee generation and to reduce the group's operating cost ratios.

Conclusion

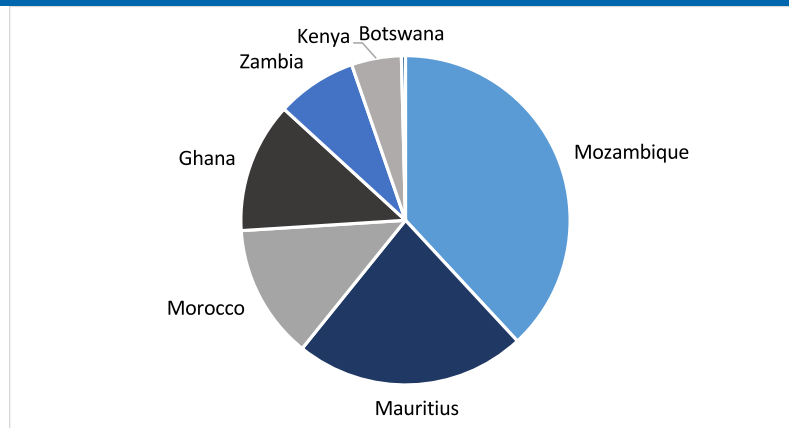
GRIT offers a 9.2% dividend yield, and the prospect of good ongoing NAV growth. We believe that the FY June 2019 performance also demonstrates the robustness of GRIT's business model.

| Year end Dec 31 | 2017 | 2018 | Current | 2020 |
|---------------------------|-------|-------|---------|-------|
| Income producing assets | 488.5 | 642.3 | 816.6 | 841.3 |
| Adj. EPRA net income | 5.6 | 22.8 | 37.2 | 38.9 |
| Adj EPRA EPS (cents) | 5.1 | 11.3 | 12.4 | 12.9 |
| DPS (cents) | 12.1 | 12.2 | 12.4 | 12.7 |
| Dividend yield | 8.8% | 8.9% | 9.0% | 9.2% |
| EPRA NAV / share (cents) | 137.4 | 145.7 | 149.7 | 153.5 |
| Price / NAV (x) | 1.0 | 1.0 | 0.9 | 0.9 |

Bronwyn Corbett, CEO. Corbett was appointed to the board in 2015, having been a founder member and served as non-executive director on the board of Mara Delta Property Holdings (now Grit Real Estate Income Group)

Leon Van de Moorlele - CFO. Van de Moorlele was appointed to the board in 2015. He was previously a senior manager at PwC and the group finance director of Solenta Aviation.

Portfolio, by asset value, Dec 2018



Source: GRIT Real Estate

GRIT Real Estate Income Group (LON:GRIT) is a pan-African (excluding South Africa) real estate company, generating high levels of US dollar and euro-denominated rental yield underpinned by a blue-chip tenant base.

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