Dipula share distribution growth 'due to management'

By Alistair Anderson

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Dipula Income Fund managed to grow its distribution per share 8% in the year to August, attributing it to organic growth and strong asset management.

Dipula Income Fund CEO Izak Petersen

CEO Izak Petersen said on Wednesday, 9 November, upon the release of financial results that Dipula would continue to be cautious about acquisitions and corporate activity while economic conditions were weak and political uncertainty was rife in SA.

"Market conditions are very difficult at the moment. We only want to do deals if we know they will add value to our shareholders. There is so much political uncertainty in SA and we would rather focus on our current portfolio.

"We do not have plans to go and do deals overseas in the next six months. We of course are always analysing the South African market and right now, it is very challenging," he said.

The 8% combined share increase year on year in distributions to 185.97c per share for the period, translated into 5% growth in distribution per A share and 11.5% per B share.

Nevertheless, Dipula still made acquisitions worth R1.2bn. Its property portfolio increased 27% year on year, meaning it had exceeded R7bn, marking considerable growth from the R2bn at listing in 2011.

"Our largely organic growth reflects the strength of our strategy to grow and develop our portfolio in such a way as to ensure it continues to perform even under tough conditions.

"We have been buying well and managing brilliantly," Petersen said.

Dipula's net asset value per share grew 12% to R10.46, compared with R9.34 as a result of a revaluation to the portfolio, worth R284m. Revenue was up 46% to R1.1bn for the year.

The group continued refurbishments and enhancements of the portfolio at a total cost of R100m. "The success of this strategy is evident in the R60m invested in Renaissance Park, which saw a new blue chip tenant brought on stream at higher than budgeted rentals. Retail property Score Ivory Park was also successfully completed during the year at a cost of R11m," Petersen said.

Development and revamp projects to the value of R350m were planned.

Source: Business Day