

# REITS 2023 Annual Performance Snapshot

## Key highlights from Acorn D-REIT 2023 Annual Report results:



Student Accommodation

### Financial Snapshot:

- Operating profit:** KES 369 Mn, down by 46.5% from KES 690 Mn recorded in the prior year. The decrease is largely attributable to significant rise in construction cost and unrecognized embedded value for pipeline projects driven by a conservative accounting policy adopted by the REIT. With this prudent and conservative approach even though to date the D-REIT investors have recognized a capital appreciation of close to 25% and benefited from the dividend payment in December 2023.
- Administrative expenses:** Reduced to KES 151 Mn, from KES 174 Mn recorded in the prior year primarily attributed reduced operational activities after sale of Qwetu Hurlingham to the I-REIT.
- Fund operating expenses:** Increased to KES 214 Mn, from KES. 184 Mn due to growth in assets under management.
- Total AUM:** KES 10.96Bn; grown by 6.2% from KES. 10.32 Bn recorded in the prior year largely due to capital expenditure that has gone into the assets of the D-REIT.
- Total Asset Value:** KES 11.5 Bn, comprising investment property valued at KES 8.5Bn. It reflects a 10.6% increase compared to the KES 10.4Bn recorded in the prior year due to increase in portfolio assets.
- Net Asset Value:** KES 6.6Bn reflects a 6.5% increase compared to KES 6.2Bn recorded in the prior year.
- NAV per Unit:** Decreased to 24.54 from KES 25.31 following payment of dividends in December 2023.
- Management Expense Ratio:** Slight increase to 1.9% resulting from higher increase in fund costs compared with the increase in assets.
- Distributable Earnings:** Decreased because of distribution of dividends of KES 239.8mn in Dec 2023.
- Debt-to-Assets Ratio:** The portfolio LTV sits at 35% and within the regulatory limit of 60%.

Full financial statements:  
<https://acornholdingsafrica.com/wp-content/uploads/2024/03/ASA-DREIT-2023-Financial-Statements.pdf>

## Key highlights from Acorn I-REIT Annual Report 2023 results:



Student Accommodation

### Financial snapshot:

- Operating Profit:** KES 340 Mn, up by 170% compared with the prior year of KES 126 Mn, as revenue increases by 64%.
- Administrative expenses:** Increased to KES 265 Mn, from KES 185 Mn recorded in the prior year primarily attributed to fund growth.
- Fund operating expenses:** Increased to KES 115 Mn, from KES. 72 Mn primarily attributed to growth in assets under management.
- Management Expense Ratio:** Increased to 1.5%, from 1.4% reported in the prior year mainly impacted by increase in fund costs compared with increase in the assets.
- Total AUM:** KES 8.99 Bn; grown by 33% from KES 6.74Bn recorded in the prior year largely due to acquisition of Qwetu Hurlingham.
- Net Asset Value:** KES. 7.4Bn up by 27% from 5.9Bn recorded in the prior year, primarily attributed to growth in assets.
- NAV per Unit:** KES 22.03 reflects a 26% increase compared to KES 21.59 recorded in the prior year with growth in NAV.
- Adjusted Earnings Per Share (EPS):** Increased to 0.72% from 0.53 in 2022, driven by increase in operating profit.
- Fund Operating Margin:** Increase to 47% from 28% in 2022, driven by higher increase in operating profit (170%) compared to increase in revenue (64%).
- Interest Coverage Ratio (ICR):** 2.7 declined due to increase in debt levels necessary for acquisitions within the year and on account of increased cost of debt.
- Loan to Value:** increased to 17% from 12% on account of increased debt but within the 35% regulatory limit.
- Net Debt: EBITDA ratio:** The 2023 ratio is lower than the IMF maximum of 4.0x.
- Distribution per unit:** KES 0.47 per unit and KES 0.77 per unit including the Interim dividend paid in June 2023.
- Distribution yield:** 3.6%.

Full Financial Statements:  
<https://acornholdingsafrica.com/wp-content/uploads/2024/03/ASA-IREIT-2023-Financial-Statements.pdf>

## Key highlights from ILAM Fahari I-REIT 2023 Annual Report results:



### Financial snapshot

- **Net Loss:** Reduced significantly by 99% to KES. 0.3 Mn from KES. 28.4 Mn in the prior year. This was mainly due to a reduction in the fair value loss on investment property at Green Mall Limited. The Mall recorded a loss of KES. 2.1 Mn compared to KES. 30.5 Mn in 2022. This was however offset by an increase in fair value loss on Starling Park Properties of KES. 136.5 Mn (2022: KES. 125.8 Mn) on account of lease expiry. The process of finding a replacement tenant is on-going.
- **Rental and related income:** KES. 322 Mn reduced by 9% owing to the lease expiry at 67 Gitanga Place property, which was single tenanted. The REIT Manager is in the process of finding a replacement tenant.
- **Property expenses:** KES. 97Mn decreased by 26% mainly due to lower repairs and maintenance costs as well as reduced provision for doubtful debts.
- **Fund operating expenses:** KES. 129Mn increased by 15% on the account of restructuring costs incurred during the year under review.
- **Total AUM:** Decreased by 4.6% to KES. 3.34 Bn from KES. 3.5 Bn in the prior year. This mainly due to fair value loss recorded by Starling Park Properties and Bay Holdings Limited.
- **Net Asset Value:** KES 3.3 Bn reflects a 3% decrease compared to KES 3.4 Bn recorded during the same period last year.
- **NAV per Unit:** KES. 18.27 down by 3% in the comparative period last year KES. 18.92, attributable to fair value loss recorded on investment property..
- **Distribution:** The REIT Manager recommended and the Trustee has approved a first and final distribution of KES. 126,680,610 in relation to the year ended 31st December 2023 (2022: KES. 117,631,995) subject to Unitholders approval at the annual general meeting scheduled for 18th April 2024. This amounts to 70 cents per unit (2022: 65 cents per unit) and is payable by no later than 30th April 2024.

**Full report:** <https://ilamfahariireit.com/assets/files/ilam-fahari-i-reit-annual-report-fy2023.pdf>