Ten years of growth for PrimeTime shareholders

PrimeTime releases 2017 financial results and a pipeline full of projects

GABORONE, BOTSWANA – PrimeTime has recently announced its 2017 financial results which show its exponential growth over the past 10 years since the company listed on the Botswana Stock Exchange in December 2007. Over the past decade, PrimeTime has grown from an initial portfolio of 13 properties valued at P175 million to 25 properties valued at P1.12 billion with total assets of over P1.3 billion. PrimeTime Managing Director Sandy Kelly reflects on these achievements and outlines plans for the future.

“Successful implementation of our geographical diversification strategy and strategic acquisitions led to total group assets increasing by 30% to P1.3 billion at the year end. The share price has grown from P1.25 to P3.16 over the 10 years of our existence. Shareholders have received a sound investment with a rate of between 5-10% annual distribution since we listed on the BSE. Consistent with these good results and the addition of a further 64,760 linked units, we are pleased to report that a total distribution of 15.92 thebe per linked unit was achieved for the year, maintaining last year’s level while having laid the foundations for growth into the future. This proves the value of investing in quality stock like PrimeTime,” says PrimeTime Managing Director Sandy Kelly.

PrimeTime has achieved year-on-year increases in both revenues and operating profits before fair value adjustments. Lease revenue grew by 27% to P110 million, completed investment property by 34% to stand at P1.12 billion, and the price per linked unit ended the year at P3.16.

“PrimeTime is well positioned to pursue suitable investments. We are not stopping here – whilst good investments are few, due to our positioning, there are projects and properties out there. The reason for our consistent performance is because of the quality and diversification of our properties. No single property accounts for more than 15% of our portfolio. While our intention is growth, we will not compromise quality for the sake of growth. This ensures we are able to create long-term wealth for our shareholders while growing and diversifying our asset base. We will continue to unearth new opportunities wherever they may be,” says Kelly.

PrimeTime has identified Zambia as an additional investment opportunity because it has a robust, diversified economy with a strong democracy and democratic principles that work, according to Kelly. PrimeTime’s acquisition of its largest asset by value, Centro Kabulonga in Lusaka, represents its entry into the Zambian retail market. Kabulonga has secured Pick n
Pay, Woolworths and Mr Price as anchor tenants and there is already a waiting list for space from major regional and national brands.

This acquisition has resulted in the Zambian operations contributing over 20% of the group’s annual rental income. This brings PrimeTime’s portfolio in Zambia to $30 million, representing 27% of the group’s portfolio at the year end. Two other retail centres, Munali Mall and Chirundu Mall, are under construction and will add a further $20 million in value to the portfolio in Zambia, taking the total country investment to over $50 million.

In Botswana, PrimeTime has started construction on The Design Quarter in Setlhoa which is a retail concept for the home décor and design sector. Two smaller extensions to existing centres are also underway with an extension at Sebele Centre and a fast food drive-through at Pilane Crossing where KFC will be opening in early 2018.

“After tenanting difficulties due to trading licence setbacks, Pilane Crossing is now on track to become the successful retail centre we originally envisaged. The new Design Quarter is a first for Botswana which will benefit both shoppers and retailers in terms of having one centralised home décor and lifestyle shopping destination. In terms of major refurbishments, our plans for some additional space and improvements at the Ramotswa Mall are still on the table, as are some other extensions.

“We have made good progress against our strategic objectives and see a number of future growth opportunities. Our diversified business model and risk diversification strategy place us in a strong financial position and our willingness to invest in the business means we are well placed to take advantage of these opportunities, despite the challenges faced by the industry,” says Kelly.

Trading highlights for the year ended 31 August 2017:

- Total group assets increased by 30% to P1.3 billion at the year end.
- Close to P300 million in new additions specifically Centro Kabulonga and Pilane Crossing.
- P201 million in equity capital raised from rights issue.
- Opening of the Pilane Crossing retail centre in September 2016.
- Acquisition of the group’s largest asset by value Centro Kabulonga in Lusaka for US$ 17.3m in January 2017.
- 27% increase in contractual lease revenue and 17% increase in operating profits before fair value adjustments.
- 4% increase in per linked unit (PLU) standing at P3.16 plu up from P3.05 in 2016.

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About PrimeTime Property Holdings Limited

PrimeTime is a variable rate loan stock company on the Botswana Stock Exchange (BSE) that was incorporated in Botswana on 29 August 2007 and listed on the BSE on 20 December 2007. PrimeTime invests in a diversified portfolio of office, retail and industrial properties throughout Botswana and Zambia. The investment property portfolio was valued at BWP 1.12 billion at the 2017 financial year end.

PrimeTime focuses on creating long-term shareholder wealth for institutions and private investors through acquiring high-quality commercial real estate investments and development opportunities in Botswana and elsewhere in sub-Saharan Africa.
For further information, contact:

PrimeTime
Joe Simpson, PrimeTime Asset Manager
Email: joe@time.co.bw
Contact number: +267 395 6080

Nova Communications
Faye-Marie Cloete, Communications Manager
Email: faye@novacomms.net

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