

**INVESTOR ROADSHOW
& FINANCIAL RESULTS**
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

STENPROP

POSITIONED FOR GROWTH

SP



To deliver sustainable and growing income

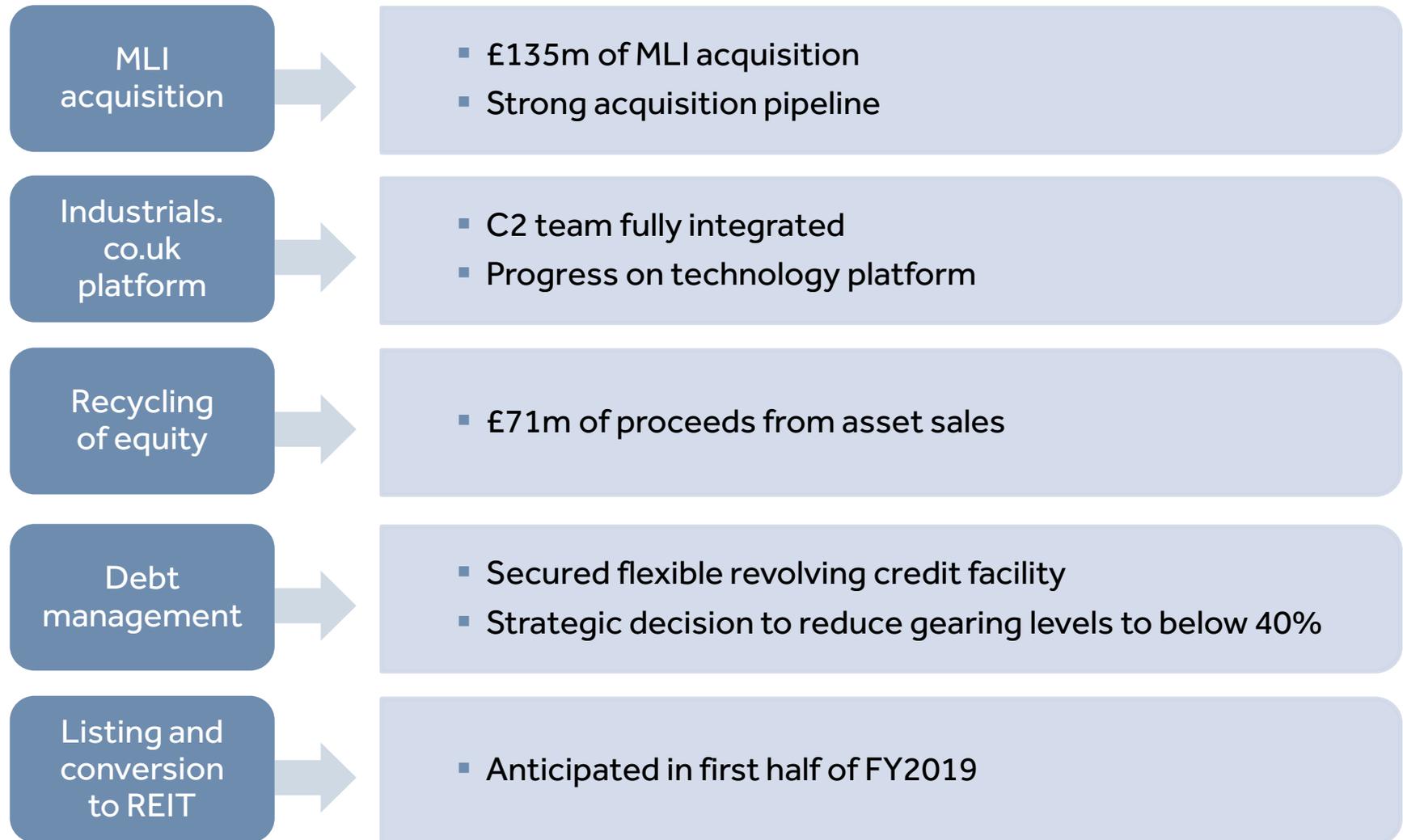


by becoming the leading specialist UK MLI REIT*



listed on the LSE and the JSE

* *Multi-Let Industrial Real Estate Investment Trust*



Identified a sector with real potential to drive sustainable growth

MLI sector has clear structural supply demand imbalance

Acquisition of Industrials.co.uk portfolio and C2 capital management team provided scale and expertise

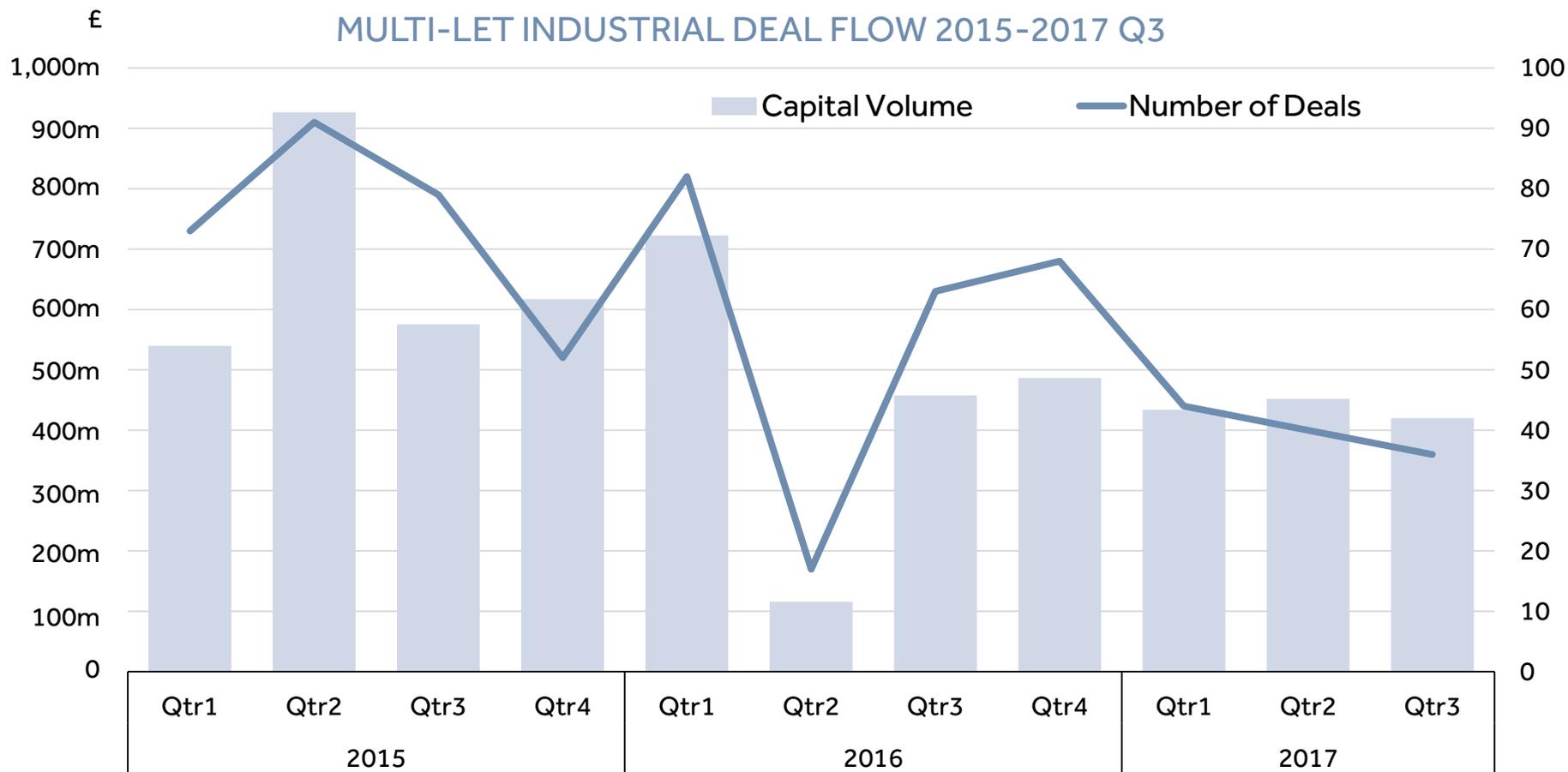
Performance of MLI portfolio has reinforced our views

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MULTI-LET INDUSTRIAL PORTFOLIO AND MARKET



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Consistent pipeline of c. £2bn p.a. of multi-let industrial opportunities per annum



- 4 Multi-Let Industrial estates
- 81 units
- 29 tenants
- 395,727 sq ft
- £999,730 per annum rent roll
- £16.75m gross purchase price plus £4.54m forecast capex in year 1
- Average capital value per sq ft of £42
- Locations around the UK and Scotland
- Earnings accretive - 5 yearly average EPRA earnings yield in excess of 8% p.a.
- Significant potential for capital gain
- 3 off-market, 1 openly-marketed
- Sellers include a local authority pension fund, a major PLC and a UK property fund

Industrials.co.uk portfolio

- 18 lettings completed - £232k of income, 8.1% ahead of June 2017 ERVs
- 12 relettings completed - £104k of income, 6.3% ahead of June 2017 ERVs
- Over 50% of units which became vacant from June to September have been re-let or are under offer at an average rent 18% above the previous passing rent
- 39 units totalling 113,000 sq ft under offer - combined rent roll of £620,500 p.a. at rents 10% above portfolio average

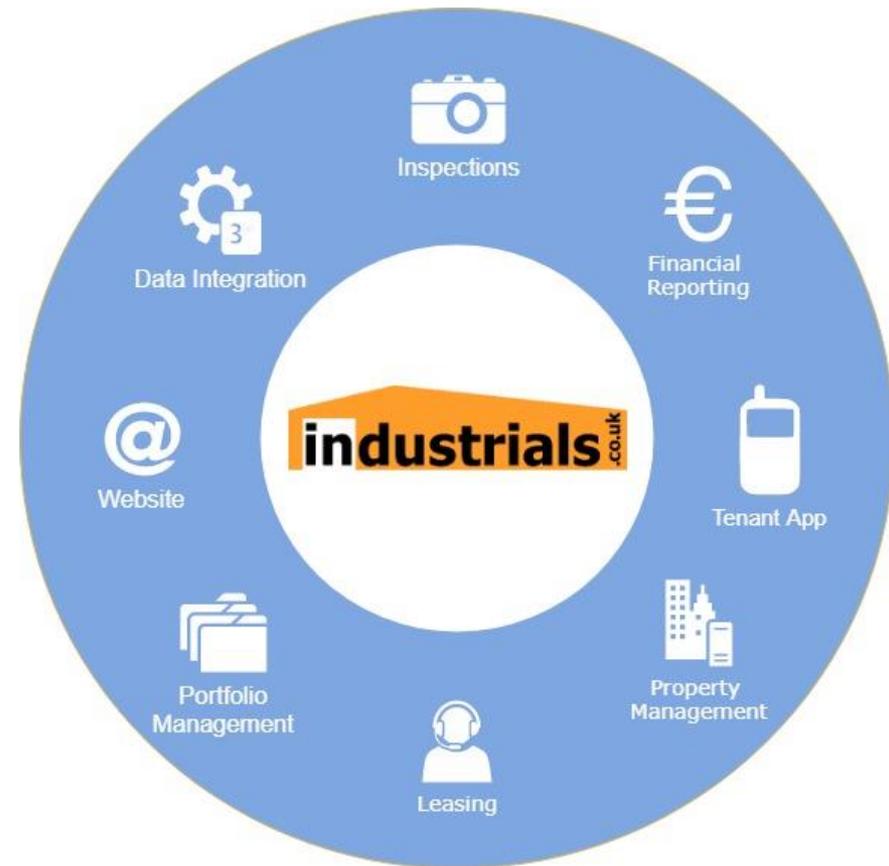
Key Statistics

Sq ft	2 million
Rent roll	£8.9 million
No of buildings	25
Tenants	451
Vacancy	8.9%



Rents continue to perform ahead of expectations. Occupancy is marginally down, but this was largely expected over the period and re-letting is going well.

- Implementing a market leading tech platform
- Modular platform – building bridges between off-the-shelf IT solutions
- Resilient to change and with no reliance on any one system
- Implementation of phase 1 by March 2018
- Market leading leasing tool in development



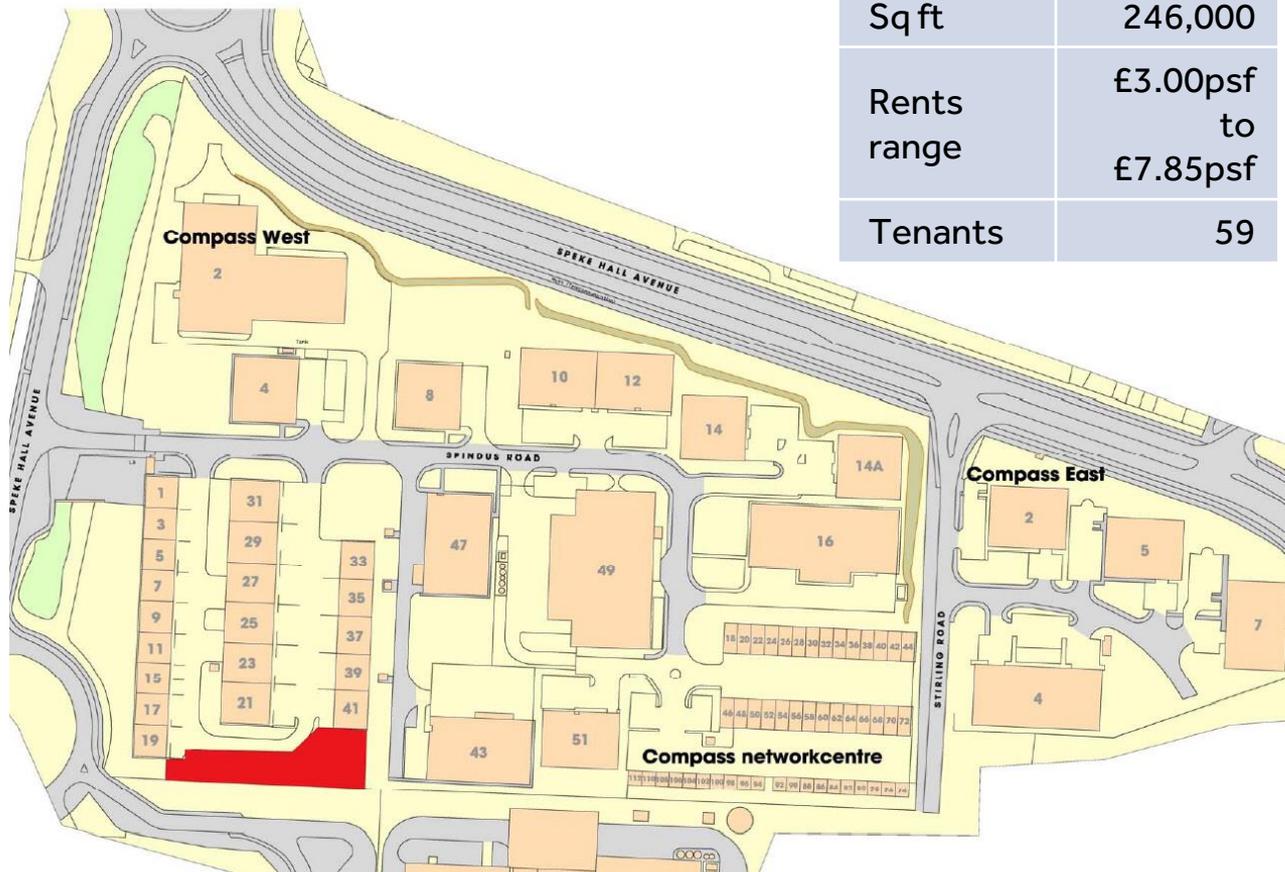
Compass Industrial Park, Speke



Compass Industrial Park, Speke

Key Statistics

Sq ft	246,000
Rents range	£3.00psf to £7.85psf
Tenants	59



Compass Industrial Park, Speke

**At Purchase
(May 2016)**

**As at
30th September 2017**

Passing Rent	£656,000	£1,042,000
Occupancy	60%	85%
Value	£12,000,000	£14,650,000
Weighted Average Lease Length	3.5 years	6.7 years

Of 246,000 sq ft, in 16 months we let or re-let over 96,000 sq ft of space in 28 separate transactions

Tenants include:



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OPERATIONAL & FINANCIAL UPDATE



Remaining portfolio

- Trafalgar Court, Guernsey – Uplift agreed on 2014 rent review, with provisional agreement for a further uplift at 2017 rent review
- Lugano, Switzerland – development of “wellness village” expected to complete spring 2018
- Bleichenhoff, Hamburg – repositioning progressing well with completion expected mid 2018
- Herman Quartier, Berlin – a number of positive lettings
- Euston House, London – the refurbishment of the top floor is underway, targeting rents of £50psf+ upon completion (compared with average rents in the building of £33psf)

Key Statistics

Sq ft	2.3 million
Rent roll	£39.9 million
No of buildings	49
Tenants	222
Vacancy	3.5%



- Granges Paccot – CHF20m at valuation
- Dolphin Bridge House £3.4 million 13.4% above valuation
- Cham – CHF14.2 million at valuation
- Pilgrim Street – Exchanged 20 Nov 2017 - £80.9 million 3.7% above valuation
- Worthing – Exchanged 24 Nov 2017 - £3.65 million 26.3% above valuation



4.87 pence

Diluted adjusted
EPRA earnings
per share

4.0 pence

dividend
per share

Diluted
EPRA NAV

£1.35
per share

9.1 pence

Projected full year diluted adjusted
EPRA earnings per share.
In line with guidance

7.3 pence - Property income
1.8 pence - Management income

8.0 pence

Projected full year
dividend per share
In line with guidance

88% pay-out ratio

Dividend yield on
current share price*

7.5%

* Based on a share price of £1.07

Net rental income

↑ **25.1%**

On previous period

Management fee income

↑ **77.7%**

On previous period

Finance costs

↑ **61.6%**

On previous period

EPRA Cost ratio

↓ **14.1%**

On previous period to

21.3%

£3.5 million

Goodwill impairment

**Cost not included in EPRA earnings*

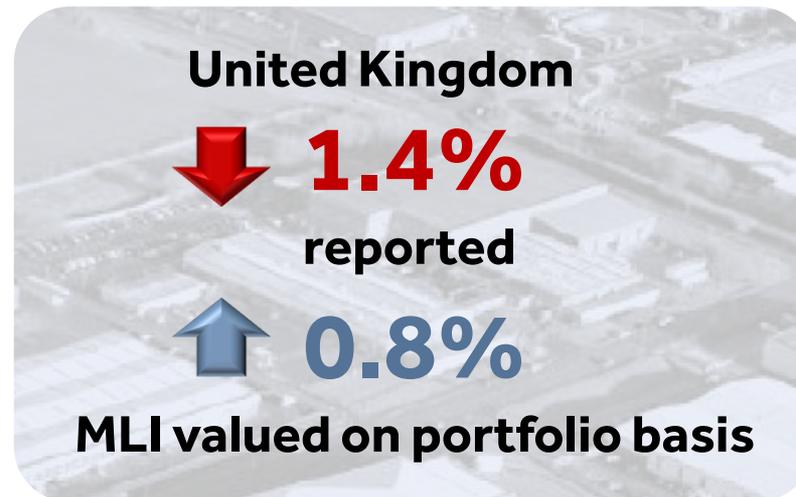
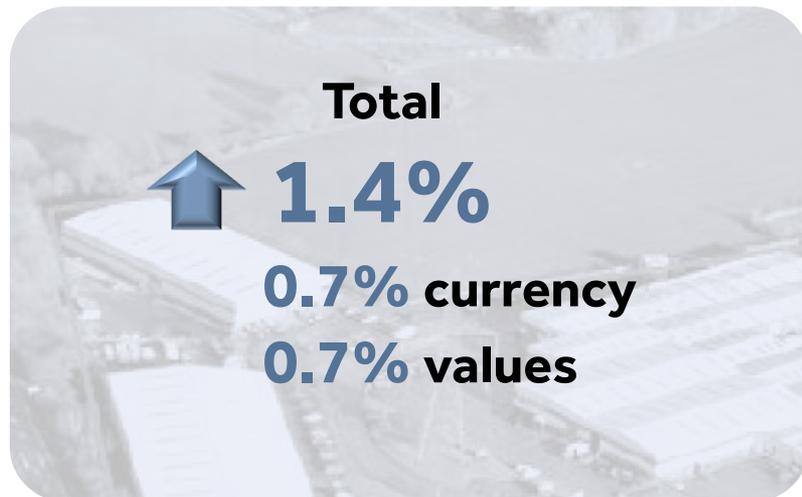
Expected to contribute
1.6p
to forecast distributions for
FY18

Potential for
**additional
performance fees**
before end of FY19

Reducing to
insignificant levels
by FY20

With focus on MLI,
no intention
to pursue
further
management fee
opportunities

In functional currencies



LTV

55.1%

Including bridge

LTV

50.7%

Excluding bridge

49.9%

Projected LTV at
31 March 2018

Bridge repaid

3.3 years

Weighted average debt
maturity

Excluding bridge
and assets held for sale

2.52%

All in cost of debt
Excluding bridge

**Revolving credit
facility**

£50m

**Debt on new
acquisitions**

40%

Repay bridge loans

£34m

**Deleverage
Industrials portfolio**

Target LTV

31 March 2019 45%

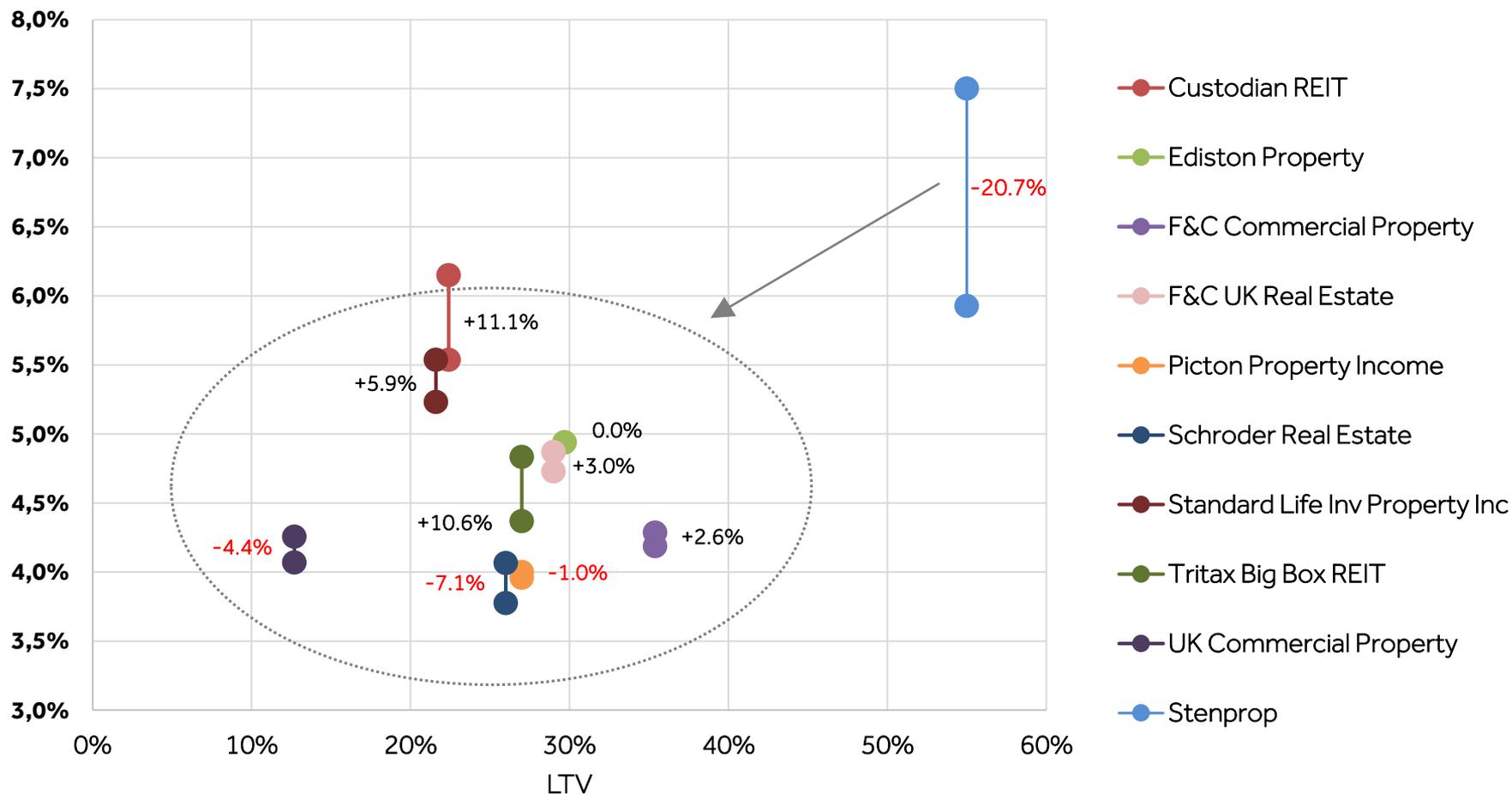
31 March 2020 40%

- New tax legislation in the UK
 - Bringing non-resident landlords into line with UK Residents
 - Capital gains from April 2019
 - Corporation tax from April 2020, including restrictions on interest deductibility
- Target date for REIT Conversion: **1 April 2018**

- Specialist fund segment of main market
- EU directive standards (unlike AIM)
- Suitable for existing investors and sophisticated investors
- Less volatility in share price
- No new capital raise anticipated whilst at discount to NAV



Dividend Yield on current share price and NAV vs. LTV



Note: Percentages indicate the premium/discount to NAV

- Reduction of income from
 - Tailing off management fees
 - Deleveraging
 - Costs associated with implementing strategy
- Partially offset by
 - Tax saving from REIT conversion
 - Rental growth from MLI portfolio
- Positioning the company to deliver sustainable growing income

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NEXT STEPS



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- Will continue to sell assets to fund MLI acquisitions



- Strong pipeline of investment opportunities



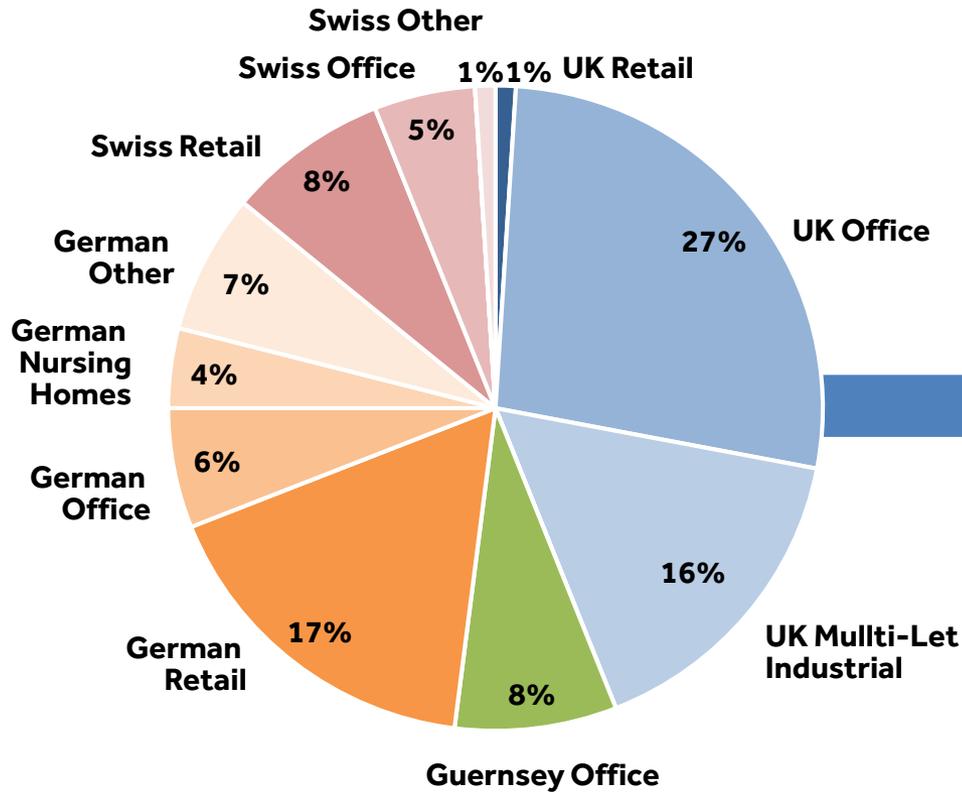
- REIT Conversion and London Listing planned for 2018



- Plan to use proceeds of sales to deleverage
 - 45% end of FY19
 - 40% end of FY20

100%
UK
Multi-Let
Industrial

- Focused portfolio of UK MLI assets
- Focused management team
- Recognised as a leading listed MLI specialist
- Technology at the core of management platform
- LTV at 40% or less
- Delivering consistent and growing earnings and dividends
- No third party management business
- Greater share liquidity



“To be the leading Multi-Let Industrial Property Company in the UK”

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ANNEXURES



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Market Data

As at 23 November 2017

Share price	R19.7	£1.07
Shares in issue (m)*	283.7	
Market cap	R5.67bn	£308m
GBP:ZAR exchange rate	18.4	

Shareholding – 30 September 2017

Total Shareholders	2,782
Directors' holdings	6.12%
Largest Shareholder (Peregrine)	6.93%
Holding Bermuda register	68.5%
Holding SA register	31.5%

JSE Daily Trading Volumes – 23 Nov ('000)**

Shares traded	1 Month	3 Months	12 Months
High	1,708	1,708	1,898
Low	1.1	1.1	-
Median	45.0	72.2	90.1
Average	158.6	165.8	182.9

Listing

- Primary listing on JSE Main Board and secondary listing on the BSX
- Included in SAPY Index in December 2015
- JSE Ticker: STP
- Share Registrar: Computershare
- For information on dealings on the BSX contact Neil Marais: administration@stenpropci.com

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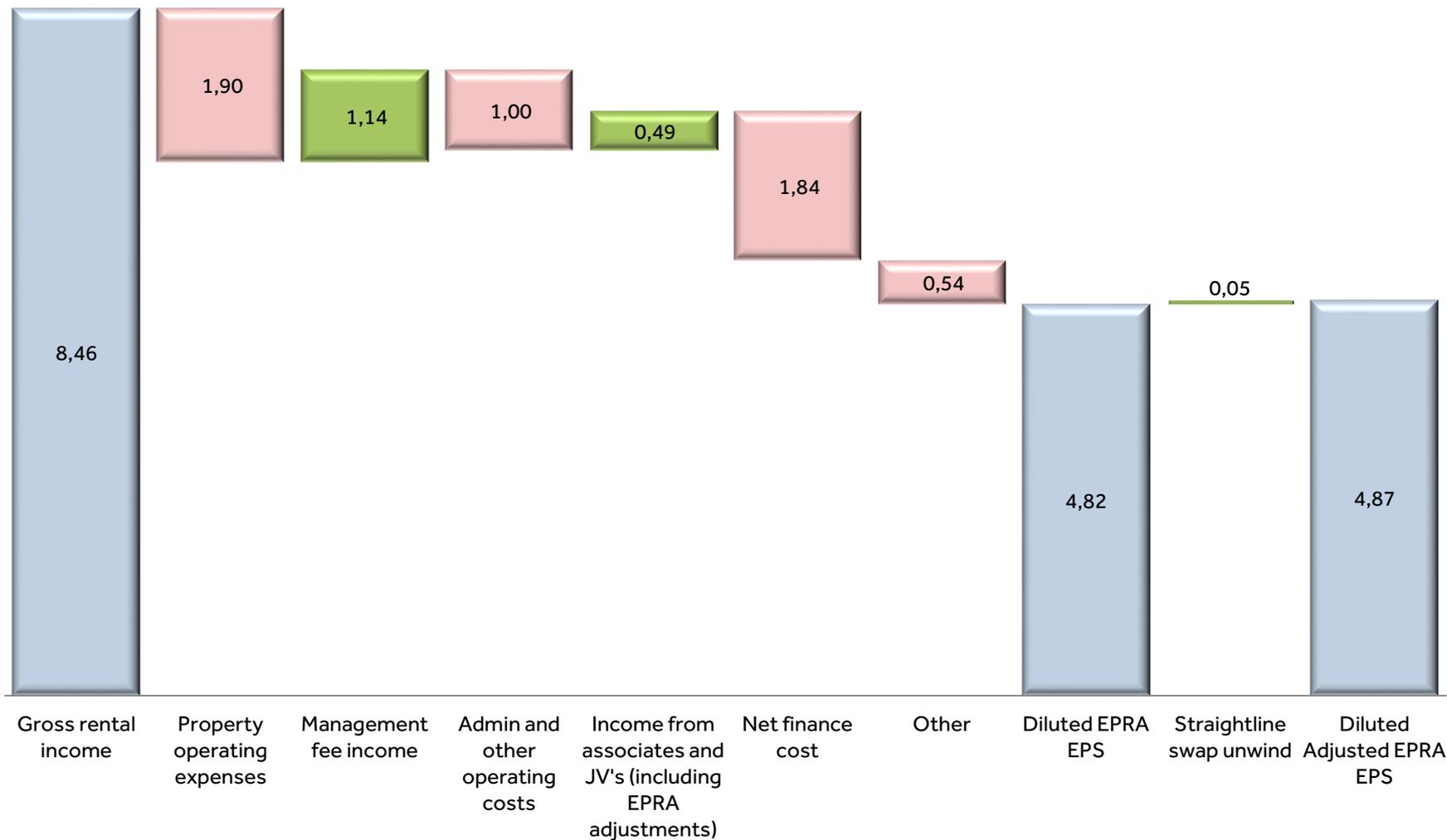
* Excludes 9m shares held in treasury

** Excludes trading on the Bermuda register through secondary matching market

	Six Months ended 30 September 2017 £m	Six Months ended 30 September 2016 £m
Net rental income*	18.5	15.5
Management fee income	3.2	1.8
Operating costs*	(2.8)	(2.6)
Net operating income	18.9	14.7
Income from Investment in associates/joint ventures (excl. fair value gains)	1.4	2.1
Net finance costs*	(5.2)	(4.0)
EPRA adjustments and other items*	(1.4)	(0.4)
Adjusted EPRA earnings	13.7	12.4
Diluted Adjusted EPRA EPS	4.87 cents	4.35 cents
Annualised	Earnings Yield	Dividend Yield
Current share price (£1.07)	9.1%	7.5%
EPRA NAV (£1.35)	7.2%	5.9%

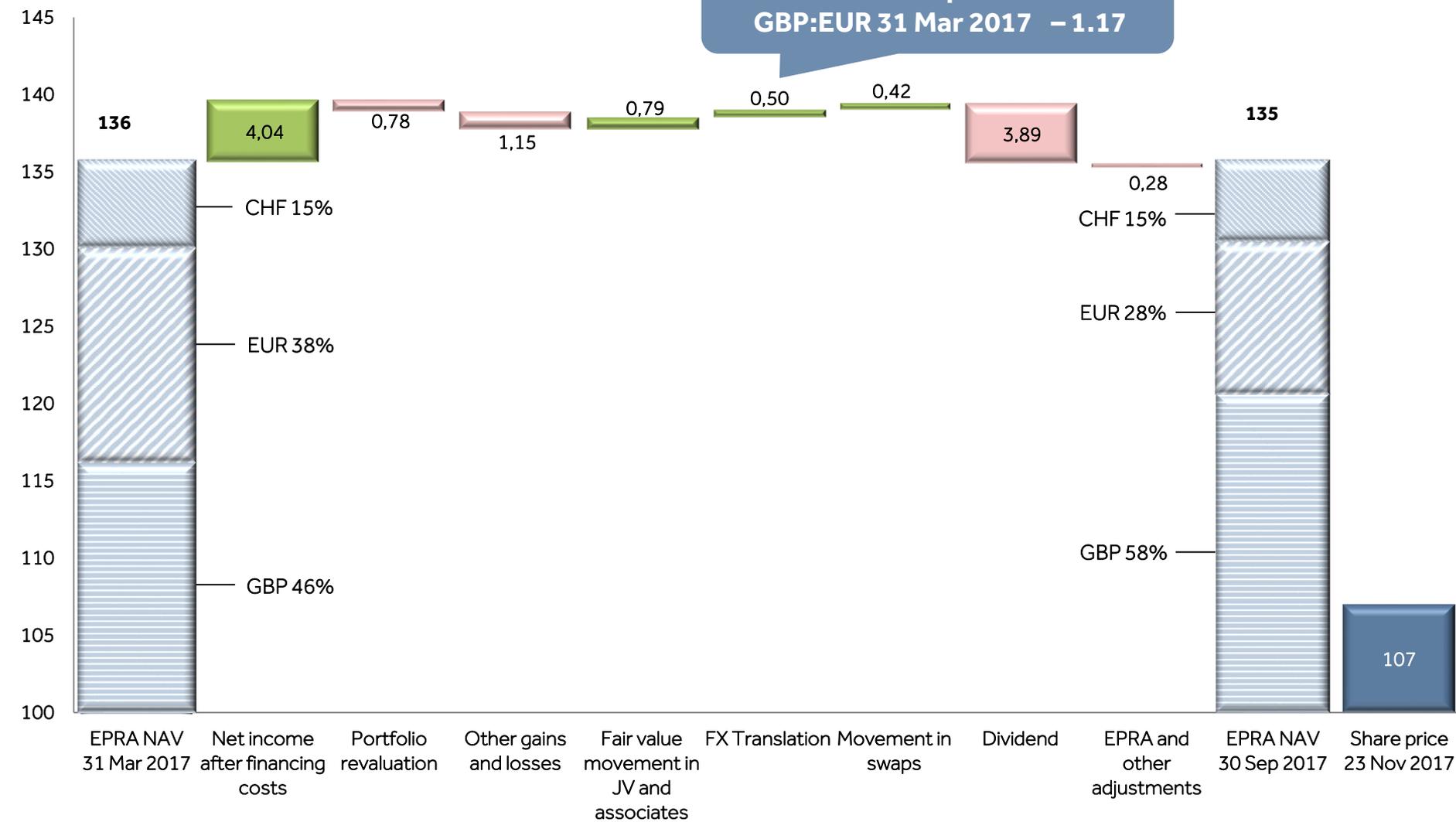
* Includes assets held for sale

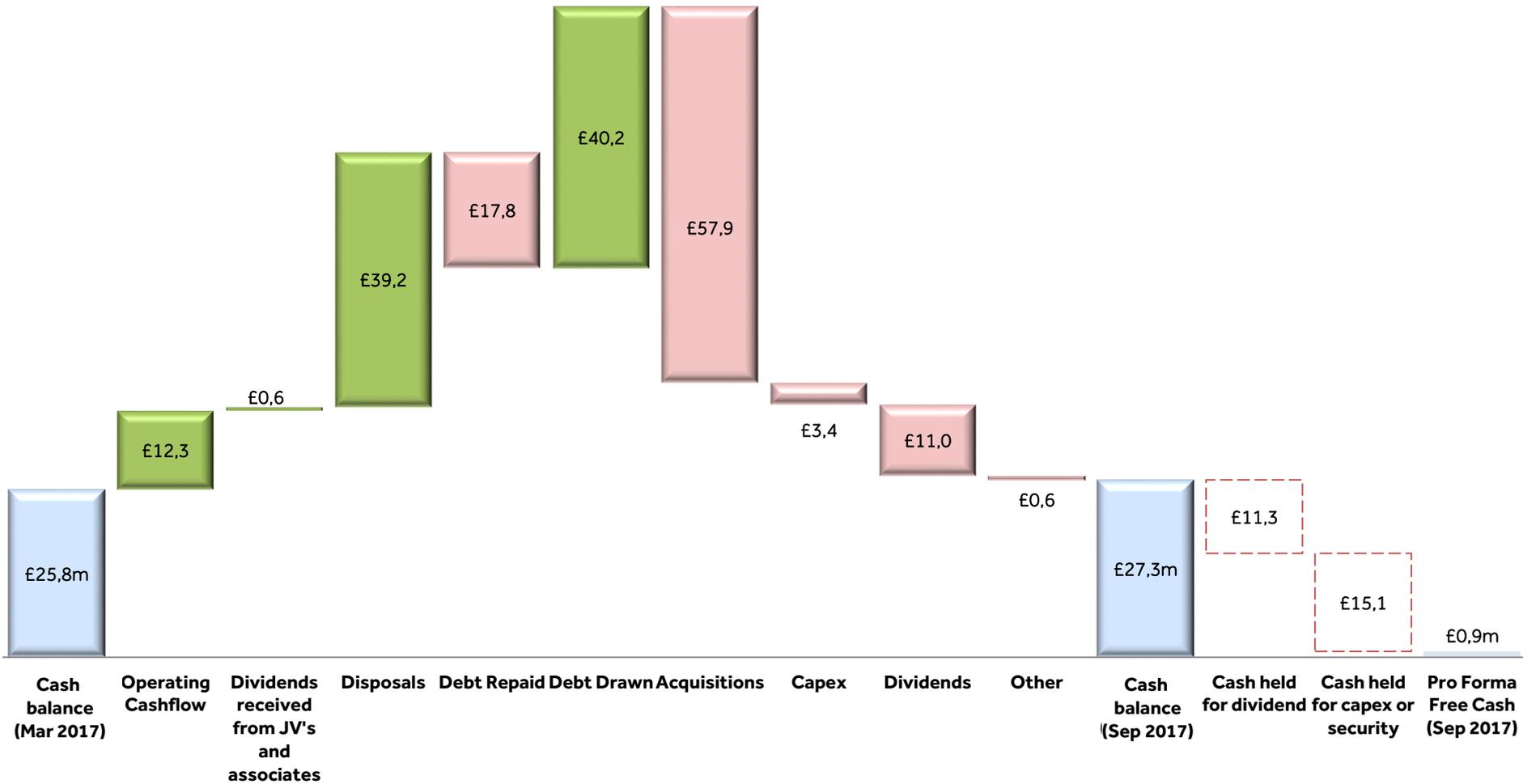
6 months to 30 September 2017

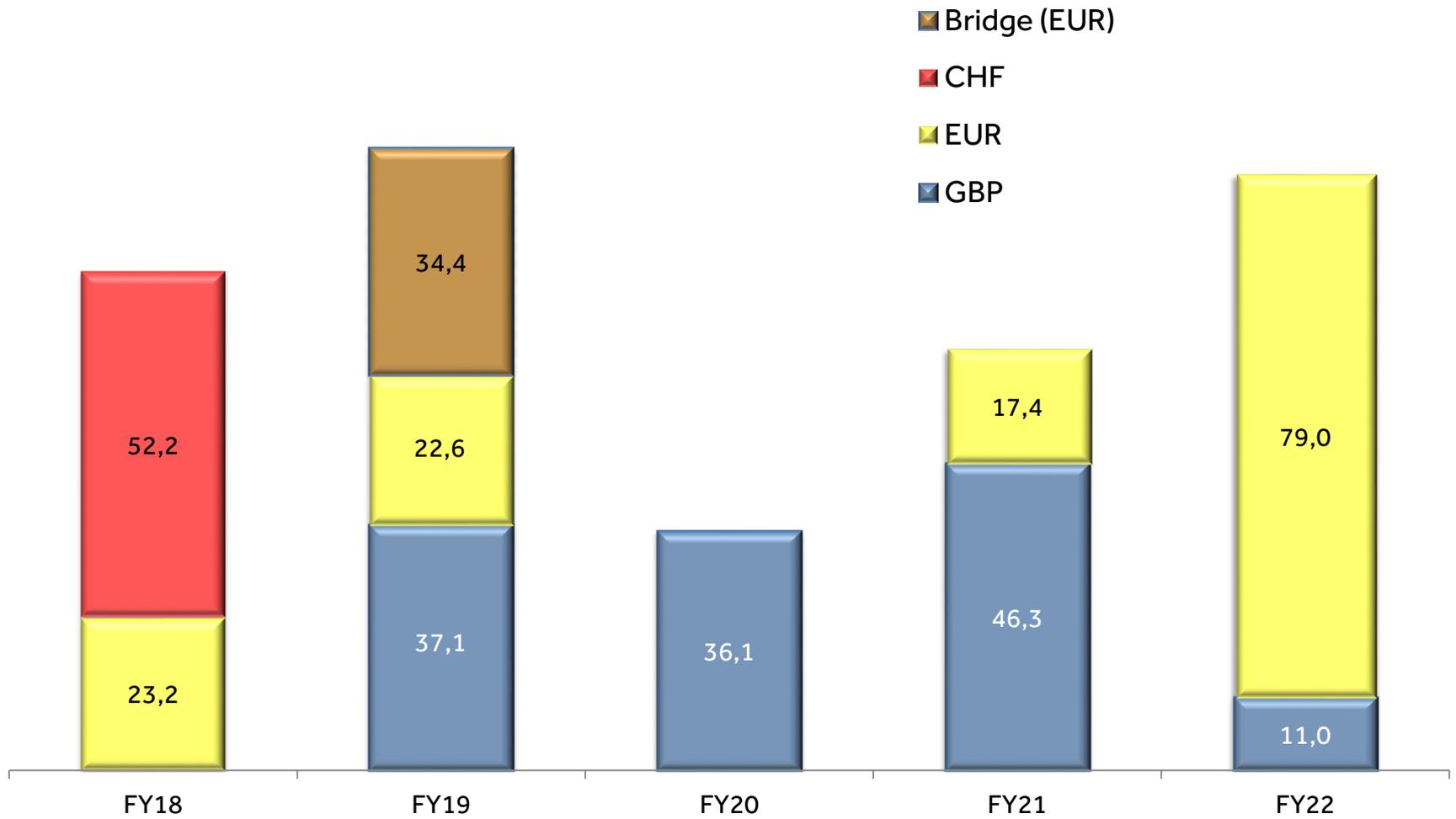


Cents per share

GBP:EUR 30 Sep 2017 - 1.13
 GBP:EUR 31 Mar 2017 - 1.17









- Trafalgar Court, Guernsey – Uplift agreed on 2014 rent review, with provisional agreement for a further uplift at 2017 rent review



- Lugano repositioning to complete spring 2018. Converted retail property to house an 11,000m² “wellness village” including spa, two gyms, rooftop pool, restaurant and medical practitioners
- FRI lease signed with Planet Wellness for entire building CHF1.35m p.a.



- Bleichenhof repositioning progressing well, on schedule to complete summer 2018
- Pre-let over 1,000m² of space to well known restaurant concept and boutique gym
- Strong interest in remaining retail space, which is focused on food and beverage occupiers. With potential to sign lease for all units with a single operator



- Hermann - REWE exercised option to extend lease for a further 5 years. Negotiating to expand REWE space and re-gear lease to market rent.
- Agreed to extend lease with coffee shop, in exchange they will construct new al-fresco dining area
- New 10 year lease with bakery
- Lease extensions with Mac Geiz, mobile shop, tobacco shop



- Euston House, London – the refurbishment of the top floor is underway, targeting rents of £50psf+ upon completion (compared with average rents in the building of £33psf)

Property/Portfolio	Property Value £m	Loan Value £m	Loan to Value	Contracted interest rate ¹	Weighted average duration to expiry (years)
United Kingdom ²	369.5	(180.7)	48.9%	3.26%	3.21
Switzerland ^{2,3}	110.3	(52.2)	47.3%	1.17%	0.11
Germany ¹	233.2	(126.3)	53.9%	1.95%	3.33
Short term bridging finance	-	(34.4)		7.00%	0.69
On balance sheet total	713.0	(393.6)	55.2%	2.90%	2.61
Off balance sheet debt					
Argyll Street (50%)	81.0	(37.5)	46.3%	2.97%	2.64
Care Homes Portfolio (100%)	31.5	(19.8)	62.7%	2.61%	0.86
Portfolio Total	785.0	(432.1)			
Less minority interests	(6.0)	3.8			
Portfolio Total (excluding minorities)	779.0	(428.3)	55.0%	2.89%	2.53

1. Interest rates include negative rates where applicable. At 30 September 2017 approximately 0.33% in Germany

2. Includes properties held for sale

3. UBS has agreed that the debt relating to the Kantone and Polo portfolios will be repayable when the properties are sold. i.e. rolling facility

Property/Portfolio	Percentage Ownership	Market Value 30 September 2017 (million)	Market Value 31 March 2017 (million)	Change %
United Kingdom - £				
ApexHi Portfolio	100%	£ 22.7	£ 22.8	0.7%
Euston House	100%	£ 78.1	£ 77.7	0.5%
Hollandbay Portfolio	100%	£ 7.5	£ 7.5	0.7%
Pilgrim Street	100%	£ 78.0	£ 78.0	-
Trafalgar Court	100%	£ 60.9	£ 62.6	(2.7%)
Argyll Street	50%	£ 81.0	£ 81.0	-
MLI Portfolio	100%	£122.4*	£127.0**	(3.6%)
UK Sub-Total		£410.0	£ 416.0	(1.4%)
Switzerland - CHF				
Kantone Portfolio	100%	₣ 72.9	₣ 73.2	(0.4%)
Polo Portfolio	100%	₣ 42.5	₣ 43.0	(1.2%)
Other Swiss Properties	100%	₣ 27.8	₣ 27.9	(0.4%)
Swiss Sub-Total		₣ 143.1	₣ 144.0	(0.6%)
Germany - €				
Aldi Portfolio	100%	€ 33.0	€ 33.0	-
Bikemax Portfolio	100%	€ 25.4	€ 25.2	0.8%
Bleichenhof	94.9%	€ 134.7	€ 127.5	5.6%
Hermann Quartier	100%	€ 21.0	€ 20.4	2.8%
Neukölln	100%	€ 18.9	€ 18.7	1.1%
Care Homes Portfolio	100%	€ 35.7	€ 35.4	1.0%
Victoria Centre	100%	€ 31.4	€ 31.2	0.7%
Germany Sub-Total		€ 293.3	€ 284.9	2.9%
Properties disposed during period				
		Sales Price		
Nova Eventis	28.4%	€ 207.7	€ 207.7	-
Granges Paccot	100%	₣ 20.0	₣ 20.0	-
Dolphin Bridge House	100%	£ 3.4	£ 3.0	13.3%

FINANCIAL SUMMARY

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Property/Portfolio	Ownership	Loan Value (£m)	Property Value (£m)	Gearing (LTV)	Contractual Rent ² (£m)	Net initial yield
UK						
UK Industrials	100%	(69.0)	122.4	56%	8.5	6.96%
Euston House	100%	(27.5)	78.1	35%	4.1	4.45%
Pilgrim Street	100%	(37.1)	78.0	48%	4.4	4.98%
Hollandbay Portfolio	100%	(4.0)	7.5	53%	0.9	11.52%
ApexHi Portfolio	100%	(7.0)	22.7	31%	2.1	8.73%
Trafalgar Court	100%	(36.1)	60.8	59%	4.2	6.75%
UK Sub-Total		(180.7)	369.5	49%	24.2	6.18%
SWISS						
Kantone Portfolio	100%	(22.4)	56.1	40%	3.4	3.88%
Polo Portfolio	100%	(17.9)	32.8	55%	2.1	4.18%
Other Suisse Properties	100%	(11.9)	21.4	56%	1.3	4.40%
Swiss Sub-Total		(52.2)	110.3	47%	6.8	4.07%
Germany						
Bikemax Portfolio	100%	(12.8)	22.4	57%	1.8	7.50%
Aldi Portfolio	100%	(13.3)	29.1	46%	1.9	5.81%
Bleichenhof	94.9%	(74.9)	118.8	63%	5.1	3.95%
Neukölln	100%	(7.9)	16.7	48%	1.2	6.69%
Hermann Quartier	100%	(8.3)	18.5	45%	1.3	6.20%
Victoria Centre	100%	(9.1)	27.7	33%	1.6	4.68%
Germany Sub-Total		(126.3)	233.2	54%	12.9	4.98%
Associates and joint ventures						
Argyll Street ¹	50%	(18.8)	40.5	46%	1.9	4.54%
Care Homes Portfolio	100%	(19.8)	31.5	63%	2.5	6.28%
Short-term funding		(34.4)	-	-	-	-
Portfolio Total		(432.1)	785.0	55%	48.3	5.45%

GBP:EUR exchange rate of 1.13 and a GBP:CHF exchange rate of 1.30

1. Stenprop's effective interest = 50%, total property value is £81.0 million

2. Excludes potential rent on vacant space

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DEBT SUMMARY

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Property/Portfolio	Property Value (Local currency)	Loan Value (Local Currency)	Gearing (LTV)	Margin	Swap (fixed rate)	Negative interest rate impact	All in rate	Annual interest expense	Amortisation per annum	Loan Maturity
UK - €m										
UK Industrials	122.4	(69.0)	56%	2.25%	0.95%	-	3.20%	(2.2)	-	02-Jun-22
Euston House	78.1	(27.5)	35%	1.40%	1.62%	-	3.02%	(0.8)	-	08-May-20
Pilgrim Street	78.0	(37.1)	48%	1.40%	1.50%	-	2.90%	(1.1)	-	25-Mar-19
Hollandbay Portfolio ¹	7.5	(4.0)	53%	2.25%	1.21%	-	3.46%	(0.1)	-	26-May-21
ApexHi Portfolio ¹	22.7	(7.0)	31%	2.25%	1.21%	-	3.46%	(0.2)	-	26-May-21
Trafalgar Court	60.8	(36.1)	59%	2.50%	1.35%	-	3.35%	(1.4)	(2.8)	23-Mar-20
Argyll Street (50%) ²	40.5	(18.8)	46%	1.40%	1.57%	-	2.97%	(0.6)	-	20-May-20
UK Sub-Total	410.0	(199.5)	49%				3.23%	(6.4)	(2.8)	
Swiss - CHFm										
Kantone Portfolio	72.9	(29.0)	40%	1.05%	0.00%	-	1.05%	(0.3)	(2.0)	N/A
Polo Portfolio	42.5	(23.3)	55%	1.15%	0.00%	-	1.15%	(0.3)	(1.0)	N/A
Other Swiss Properties	27.9	(15.5)	56%	1.41%	0.00%	-	1.41%	(0.2)	(0.5)	31-Mar-18
Swiss Sub-Total	143.3	(67.8)	47%				1.17%	(0.8)	(3.5)	
Germany - €m										
Bikemax Portfolio	25.4	(14.5)	57%	1.65%	1.02%	0.33%	3.00%	(0.4)	(0.4)	31-Dec-17
Aldi Portfolio	33.0	(15.0)	45%	1.85%	0.83%	0.33%	3.01%	(0.5)	(0.4)	30-Apr-18
Hermann Quartier ³	21.0	(9.4)	45%	1.13%	0.29%	-	1.42%	(0.1)	-	30-Jun-20
Victoria Centre ³	31.4	(10.3)	33%	1.28%	0.08%	-	1.36%	(0.1)	-	31-Aug-20
Bleichenhof (94.9%) ^{2,3}	127.8	(80.6)	63%	1.58%	-	-	1.58%	(1.3)	-	28-Feb-22
Care Homes Portfolio ²	35.7	(22.4)	63%	1.76%	0.85%	-	2.61%	(0.6)	(0.5)	31-Mar-18
Neukölln	18.9	(9.0)	48%	2.50%	0.48%	-	2.98%	(0.3)	-	31-Dec-21
Germany Sub-Total	293.2	(161.2)	55%				2.04%	(3.3)	(1.3)	
Short-term funding - €m	-	(39.0)	-	7.00%	-	-	7.00%	(2.7)	-	03-Jun-18

1. Debt is cross-collateralised with a combined LTV of 36%

2. Stenprop's effective interest shown

3. Fixed rate loan

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	Ticker	Mkt Cap (£m)	Price (p)	LTV (%)	Dividend yield on current share price (%)	NAV (p)	NAV Prem/(Disc) (%)
Custodian REIT	CREI	429	116.5	22.4%	5.5%	104.9	11.1%
Ediston Property	EPIC	146	111.4	29.7%	4.9%	111.3	0.0%
F&C Commercial Property	FCPT	1,149	143.7	35.4%	4.2%	140.0	2.6%
F&C UK Real Estate	FCRE	255	105.8	29.0%	4.7%	102.7	3.0%
Picton Property Income	PCTN	459	85.0	27.0%	4.0%	85.9	-1.0%
Schroder Real Estate	SREI	316	61.0	26.0%	4.1%	65.7	-7.1%
Standard Life Inv Property Inc	SLI	358	91.0	21.6%	5.2%	86.0	5.9%
Tritax Big Box REIT	BBOX	1,998	146.5	27.0%	4.4%	132.4	10.6%
UK Commercial Property	UKCM	1,123	86.5	12.7%	4.3%	90.4	-4.4%
Average		692		25.6%	4.6%		2.3%
Stenprop	STP	308	107.0	55.0%	7.5%	135.0	-20.7%

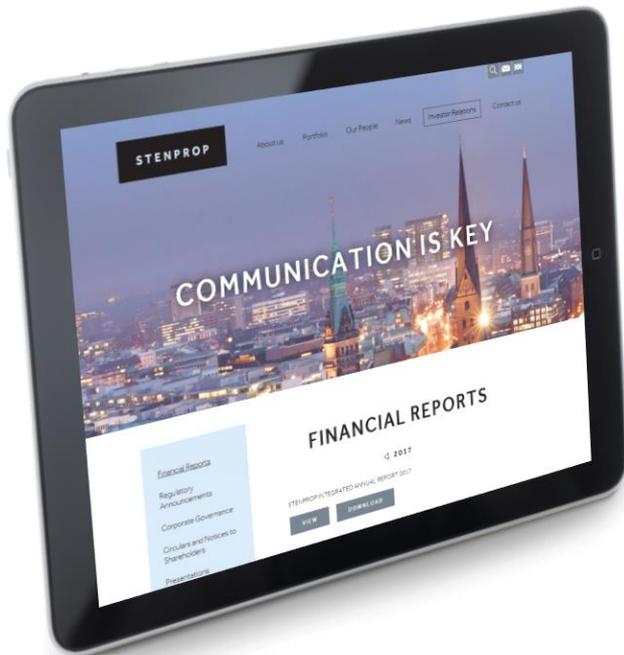
FORWARD-LOOKING STATEMENTS

Certain statements made in this document constitute forward-looking statements. Forward-looking statements can be identified by the use of words such as “may”, “will”, “should”, “predict”, “assurance”, “aim”, “hope”, “risk”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or other similar expressions that are predictive or indicative of future events. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company’s expectations, intentions and beliefs concerning, amongst other things, the Company’s results of operations, financial position, growth strategy, prospects, dividend policy and the industries in which the Company operates, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and its Directors, which may cause the actual results, performance, achievements, cash flows, dividends of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. As such, forward-looking statements are no guarantee of future performance.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic conditions in the relevant markets of the world, market position of the Company or its subsidiaries, earnings, financial position, cash flows, return on capital and operating margins, political uncertainty, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation, changing business or other market conditions and general economic conditions and such other risk factors identified in the “Risk Factors” section of this document. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document and are not intended to give assurance as to future results.

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