Greenbay seeks to lift payout

By Alistair Anderson

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Hybrid property group Greenbay aims to grow dividends by as much as 25% per year over the next three financial years, it said on Wednesday.

Such dividend growth is based on the assumptions that a stable global macroeconomic environment will prevail, there will be no failures of listed real estate or infrastructure investment, that no further direct property and infrastructure investment will be made, and that the additional investment in listed securities will be funded by debt, among other things, the company said.

Greenbay's strategy is to invest in direct property and infrastructure assets as well as in listed real estate and infrastructure securities.

Greenbay, which is listed in Mauritius and on the JSE, intends to declare a dividend of 0.236 euro cents per share.

Fayyaz Mottiar, head of listed property at Absa Asset Management, said Greenbay was a very exciting investment.

"These guys are excellent operators. Their gearing is very low at 10% and they have an excellent balance sheet. They are giving exceptional dividend growth in hard currency."

Greenbay had also been "very clever" to invest in infrastructure assets in the developed world given the lack of recent investment in those assets, Mottiar added.

"They are able to add value to these distressed assets. For example, they buy airports and then enhance the retail and logistics functions of those airports. Greenbay and its directors and management have historically shown skill in improving and managing retail and logistics assets," he said.

As at September 30, Greenbay's portfolio comprised 49.1% in listed infrastructure, 32.7% in listed real estate and 18.2% in direct property.

Greenbay's net asset value per share increased 22% to 9.59 euro cents in the half-year ending in September.

Source: Business Day