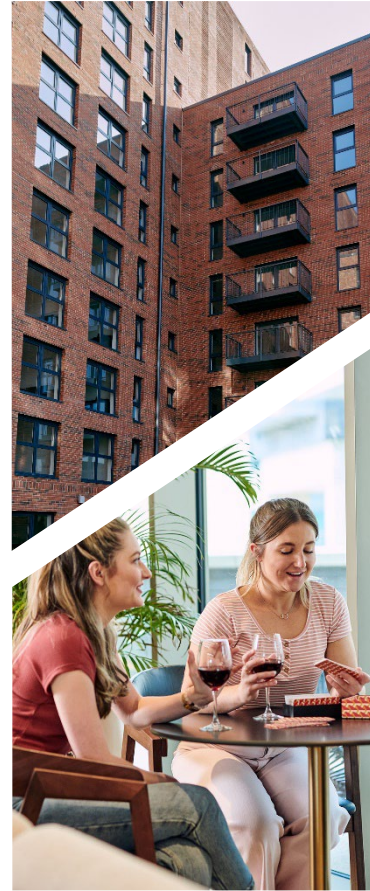


# Record performance with 4-year growth locked-in and de- risked

## Full Year Financial Results for the year ended 30 September 2022

17 November 2022



Investing in homes since 1912  
**grainger plc**

# Agenda

Originate

Invest

Operate

## 1. Overview

Helen Gordon  
Chief Executive

## 2. Financial results

Rob Hudson  
Chief Financial Officer

## 3. Market and business update

Helen Gordon  
Chief Executive

## 4. Summary and Q&A

Helen Gordon  
Chief Executive

## 5. Appendix

# Record performance with 4-year growth locked-in and de-risked

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Gilders Yard, Birmingham

**+22%**

NRI growth delivered

**+4.7%**

L4L rental growth

**98%**

PRS occupancy

**25.5%**

Stabilised GtN

**63.5%**

Retention

**£3.2bn**

Operational portfolio

**£1.2bn**

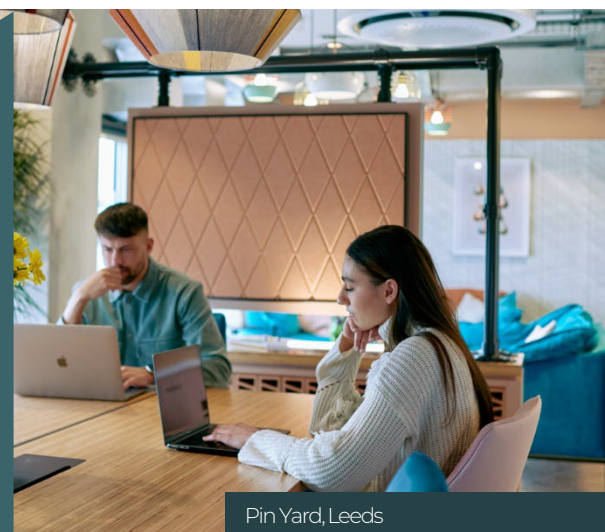
Secured pipeline

**9,669**

Operational rental homes

**4,427**

Homes in secured pipeline



Pin Yard, Leeds



Weavers Yard, Newbury



Enigma Square, Milton Keynes

# Record performance driven by operational momentum

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## High occupancy, strong demand and rental growth

Net rental income

**+22%**

£86.3m

Rental growth

**+4.7%**

(L4L, FY)

**+5.5%**

in H2

Adjusted earnings

**+12%**

£93.5m

EPRA NTA

**+7%**

317pps

Dividend

**+16%**

5.97pps

### Financial highlights:

- Net rental income up **+22%** to £86.3m on reported FY21
- Dividend per share up **+16%** reflecting strong rental income performance
- L4L rental growth of **+4.7%** reflecting the strength of demand for our product
- Adjusted earnings **+12%** over the last 12m
- Strong sales performance delivering **£63.3m** residential sales profit
- Strong balance sheet, debt refinanced, 97% hedged, no significant refinancing until 2027

### Strategic highlights:

- PRS fundamentals **stronger than ever** with occupational demand strengthening and supply reducing
- 4** years of growth de-risked, funded and locked-in
- Record delivery next year of **1,640** homes and £17m potential NRI annualised (with full benefit in FY24 due to timings)
- Growing PRS Portfolio now **£2.3bn** and **73%** of the operational portfolio
- PRS customer net promoter score **+34**



## Strong operational performance continues into Q1

### Leasing (PRS)

- **+5.5%** L4L rental growth in PRS
- **Successful leasing of new launches**
  - **Fully let** at Gilders Yard since Aug
  - **20%** let at Enigma Square since 5<sup>th</sup> Nov
- **98%** spot occupancy
- **98%** rent collection

### Sales

- Vacant sales of **£6m** to date in FY23
- Typically **c.40%** of regulated sales are cash buyers
- Strong demand in London given strength of international buyers
- **£20m** of asset recycling completed to date

### Pipeline

- **14** projects on site and progressing well
- Construction cost inflation easing
- **100%** of committed projects on fixed price contracts
- Strong relationships with our delivery partners

# A resilient business in a resilient sector

Originate

Invest

Operate

## Structural Drivers

### Occupational Drivers

- Increasing demand
- Increasing undersupply

### Investment Drivers

- Accelerating rental growth
- Historically lower volatility

## Grainger

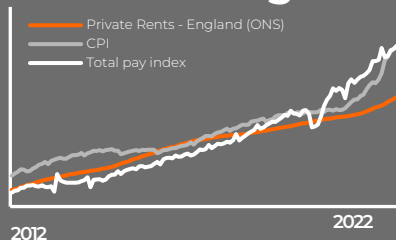
■ Strong balance sheet & funding

■ High quality assets in proven locations

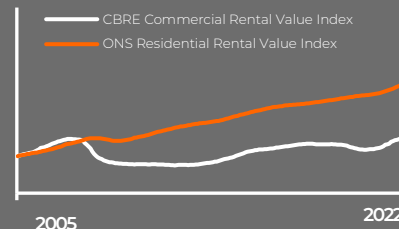
■ Leading operating platform, powered by CONNECT

■ Deep customer insight & a resilient customer base

### Rents track wages providing an inflation hedge



### Income exhibits lower volatility



### Solid financial footing

Fully funded committed pipeline, strong balance sheet, flexibility in recycling

Debt refinanced with WADM of 6.5yrs and 97% hedged

LTV range could withstand capital values falling by c.50% and remain within covenants

### Resilient performance through cycles

High quality, well positioned assets where supply/demand imbalance most acute

Greater customer affordability and affluence than national average

# Growth de-risked and locked-in

Originate

Invest

Operate

4 years of growth de-risked, funded and locked-in via committed pipeline

Further optionality over timing of the secured but not yet committed direct development pipeline

## OPERATIONAL PORTFOLIO\*

9,669 homes, £3.2bn



## 669 new homes delivered to date

1. Pin Yard, Leeds (216 homes, Mar 22)
2. Weavers Yard (Ph1), Newbury (34 homes, Apr 22)
3. Gilders Yard, Birmingham (158 homes, May 22)
4. Enigma Square, Milton Keynes (261 homes, Oct 22)

## New investments secured in the year

1. Merrick Place, London (401 homes)
2. Redcliff Quarter, Bristol (468 homes)
3. West Way Square, Oxford (150 homes)
4. Exmouth Junction, Exeter (230 homes)
5. Brook Place 2, Sheffield (c.250 homes)\*\*\*

## 1,640 further homes to be delivered in 2023

1. Weavers Yard (Ph2+), Newbury (198 homes, various)
2. The Copper Works, Cardiff (307 homes, early 23)
3. Fortunes Dock, London (146 homes, mid 23)
4. The Barnum, Nottingham (348 homes, mid 23)
5. The Mint, Guildford (98 homes, mid 23)
6. The Condor, Derby (259, late 23)
7. The Tilt Works, Sheffield (284, late 23)

\*Assets under management

\*\* Includes Grainger's 51% share of the 4 TFL sites with full planning consent

\*\*\*Land acquisition included in planning and legals

# A market-leading business with growth locked-in, in a sector with high demand

Originate

Invest

Operate

## Income up by +22%

- LfL rental growth of +4.7% and growing
- Strong lease up of new launches
- Robust customer base seeing above average wage growth

## Strong balance sheet

- LTV at 33% and 97% hedged
- Debt refinanced for 6 years
  - £663m of headroom

Creating  
homes,  
enriching  
lives

## PRS market fundamentals better than ever

- Modern, irreplaceable portfolio
- Acute supply / demand imbalance
- Best in class operating platform

## 4 years of growth locked-in and de-risked

- £953m fully funded committed pipeline, optionality over £241m secured but not committed
- 14 schemes to deliver between 2023-2026



---

# 2. FY22 Financial Results

Rob Hudson  
Chief Financial Officer



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**grainger plc**

# Financial highlights

Originate

Invest

Operate

## Net rental income up +22% as the pipeline delivers and rental growth accelerates

### Income performance

- Another strong operational performance driven by rapid lettings and pipeline delivery
- Net rent up 22% due to lease up of new launches, LfL Rental Growth of 4.7% and record occupancy at 98%
- Adjusted Earnings up 12%
- Dividend per share up 16% reflecting strong performance

### Capital Performance

- Profit before tax up 96%
  - Includes £81m from one-off asset transfers to investment property<sup>1</sup>
- Total property return +7.5% due to strong valuation growth of £157m
- Valuation growth driven by strong performance on lettings and rental growth
- EPRA NTA up 7%

Income	FY21	FY22	Change
Rental growth (like-for-like)	1.0%	<b>4.7%</b>	+372 bps
Net rental income	£70.6m	<b>£86.3m</b>	+22%
Adjusted earnings	£83.5m	<b>£93.5m</b>	+12%
Profit before tax <sup>1,2</sup>	£152.1m	<b>£298.6m</b>	+96%
Dividend per share	5.15p	<b>5.97p</b>	+16%

Capital	FY21	FY22	Change
EPRA NTA per share	297p	<b>317p</b>	+7%
Total Property Return	7.5%	<b>7.5%</b>	+2 bps
Total Accounting Return	5.5%	<b>8.8%</b>	+330 bps
Net debt	£1,042m	<b>£1,262m</b>	+21%
Group LTV	30.4%	<b>33.4%</b>	+304 bps
Cost of debt (average)	3.1%	<b>3.1%</b>	+1 bps

<sup>1</sup> Profit before tax includes an £81.2m valuation uplift from one-off transfers from trading property to investment property in FY22. The transfer does not impact the market value of properties reflected in EPRA measures, but does increase EPRA NTA by 3pps following the reclassification of £20.3m contingent tax, see p57.

<sup>2</sup> FY22 includes £9.5m fire safety provision following review of legacy projects.

# Income statement

## Pipeline delivery accelerating income and earnings growth

Originate

Invest

Operate

### Key highlights:

#### Strong occupancy and rental growth momentum

- Record occupancy continues at 98%
- Like-for-like rental growth = 4.7% (H1 3.5%, H2 5.5%)
  - PRS = 4.8% (H1 3.5%, H2 5.5%)
    - New lets 5.6%
    - Renewals 4.1%
  - Regs = 4.6% (H1 3.7%, H2 5.7%)
- Stabilised gross to net at 25.5%, an improvement on 25.9% in FY21

#### Strong sales performance

- Robust residential sales profits in line with plan
- Sales at 3.9% ahead of valuations
- 7% annualised vacancy rate in our regulated tenancy portfolio
- £74m of regulated portfolio sold on vacancy, with a further £110m of asset recycling
- Flexibility over capital recycling, levels increasing in FY23 to support REIT conversion

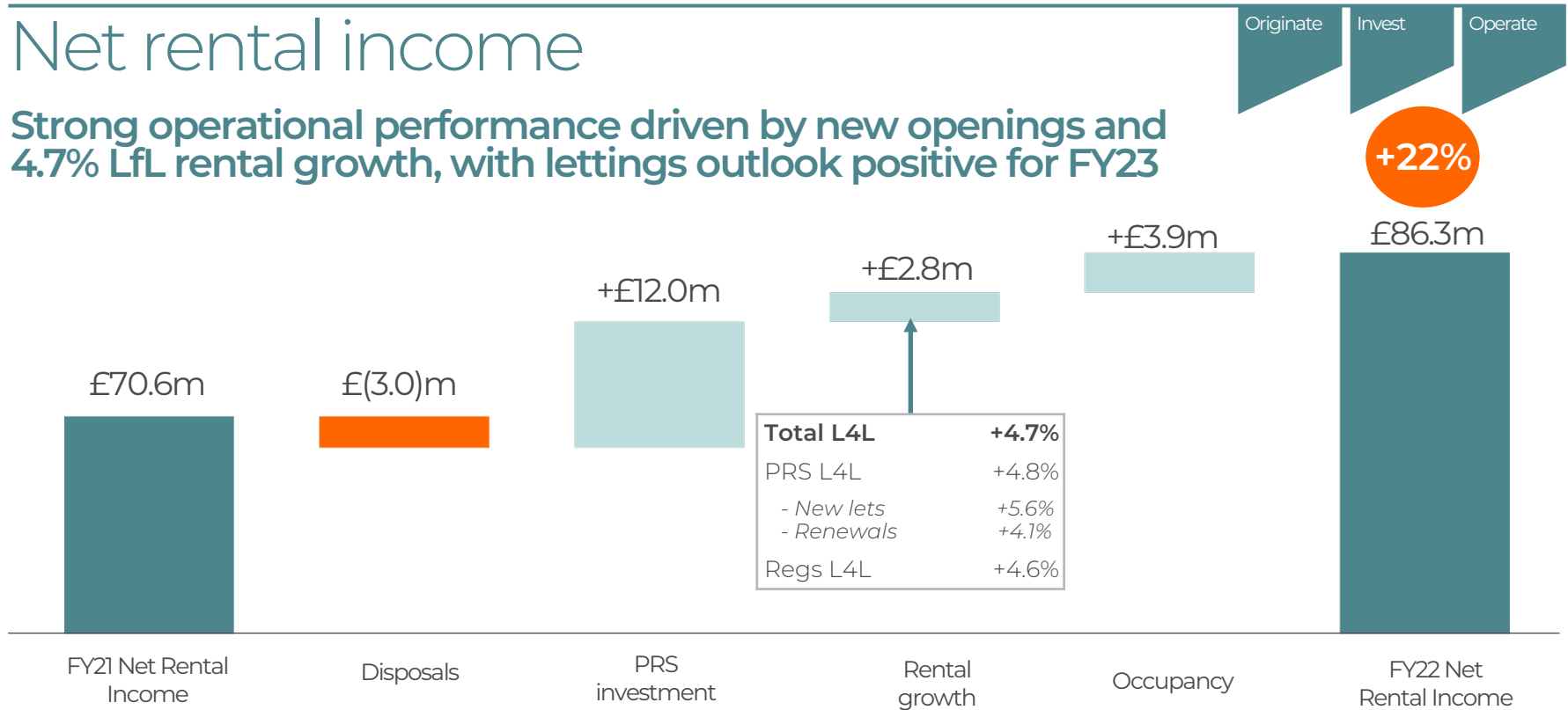
	FY21	FY22	Change
Net rental income	£70.6m	<b>£86.3m</b>	+22%
Profit from residential sales	£67.5m	<b>£63.3m</b>	(6)%
Profit from development	£1.8m	<b>£2.0m</b>	+11%
Mortgage income (CHARM)	£4.9m	<b>£4.8m</b>	(2)%
Management fees	£5.1m	<b>£4.4m</b>	(14)%
Overheads	£(30.2)m	<b>£(31.8)m</b>	+5%
Pre-contract costs	£(0.6)m	<b>£(0.8)m</b>	+33%
Net finance costs	£(35.2)m	<b>£(33.3)m</b>	(5)%
Joint ventures	£(0.4)m	<b>£(1.4)m</b>	+250%
<b>Adjusted earnings</b>	<b>£83.5m</b>	<b>£93.5m</b>	<b>+12%</b>
Adjusted EPS (diluted, after tax)	<b>9.9p</b>	<b>10.2p</b>	+3%
Valuation movements	£80.7m	<b>£133.4m</b>	+65%
Other valuation movements <sup>1</sup>	-	<b>£81.2m</b>	
Other adjustments <sup>2</sup>	£(12.1)m	<b>£(9.5)m</b>	(21)%
<b>Profit before tax<sup>1</sup></b>	<b>£152.1m</b>	<b>£298.6m</b>	<b>+96%</b>
Earnings per share (diluted, after tax)	16.1p	<b>30.9p</b>	+92%
<b>Adjusted EPRA Earnings</b>	<b>£26.0m</b>	<b>£30.7m</b>	<b>+18%</b>

<sup>1</sup> Profit before tax includes an £81.2m valuation uplift from one-off transfers from trading property to investment property in FY22. The transfer does not impact the market value of properties reflected in EPRA measures, but does increase EPRA NTA by 3pps following the reclassification of £20.3m contingent tax, see p57.

<sup>2</sup> FY22 includes £9.5m fire safety provision following full review of legacy projects.

# Net rental income

Strong operational performance driven by new openings and 4.7% LfL rental growth, with lettings outlook positive for FY23



- Strong lettings performance during FY22, with LfL growth accelerating in H2 to 5.5%
- Expect to deliver good growth in FY23 net rent:
  - Passing net rent at the end of FY22 of £91m
  - Expect FY23 rental growth to be partially offset by increased disposals to support REIT conversion
  - FY23 deliveries largely H2 weighted with lease up primarily benefiting FY24
  - Above long-term average LfL rental growth expected to continue into FY23

# Valuation Summary

Originate

Invest

Operate

Portfolio	Homes	Capital Value	Total Valuation movement*	
		£m	£m	%
PRS Portfolio				
London & SE	3,469	1,262	37	3.1%
Regions	3,915	927	59	6.8%
PRS Total	7,384	2,189	96	4.6%
Regs Portfolio				
London & SE	1,101	680	22	3.5%
Regions	640	132	11	7.5%
Regs Total	1,741	812	33	4.1%
Operational Portfolio	9,125	3,001	129	4.5%
Development				
Development		648	28	4.0%
Total Portfolio**	9,125	3,649	157	4.4%

- PRS grown to 73% of the total operational portfolio, from 23% in 2016 and 69% in 2021
- PRS portfolio valued on a rent / yield basis and Reg portfolio valued on a discount to vacant possession basis (HPI driven)
- Strong growth in PRS valuations primarily driven by ERV growth of 3.1% in the year and strong lettings activity
- Regulated tenancy portfolio, which accounts for 27% by value, is largely weighted to London with growth at 3.5%, stronger HPI in the regions leading to growth of 7.5%

\*Total valuation movement of £157m comprises £129m from Investment Properties and £28m from Trading properties.

\*\* Excluding CHARM and Vesta

# EPRA Net Asset Values

EPRA NTA per share growth of 7%

Originate

Invest

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	£m	pence per share
Property assets (market value)	3,773	508
Net liabilities	(1,303)	(175)
<b>EPRA Net Reinstatement Value (NRV)</b>	<b>2,470</b>	<b>333</b>
Tax – deferred & contingent – trading assets	(111)	(16)
<b>EPRA Net Tangible Assets (NTA)</b>	<b>2,359</b>	<b>317</b>
Tax – deferred & contingent – investment assets	(116)	(16)
Mark to market fixed rate debt and derivatives	240	33
<b>EPRA Net Disposal Value (NDV)</b>	<b>2,483</b>	<b>334</b>

## EPRA Net Tangible Assets (NTA)

**317pps**  
+7%

## Reversionary surplus

**33pps**  
£248m

## Property Transfers for REIT conversion

Transfer of properties from trading property to investment property generating £20.3m contingent tax reclassification increasing NTA by 3p.

See p57

## Not included in EPRA NTA

- Platform value
- Technology investment
- Secured pipeline
- Reversionary surplus



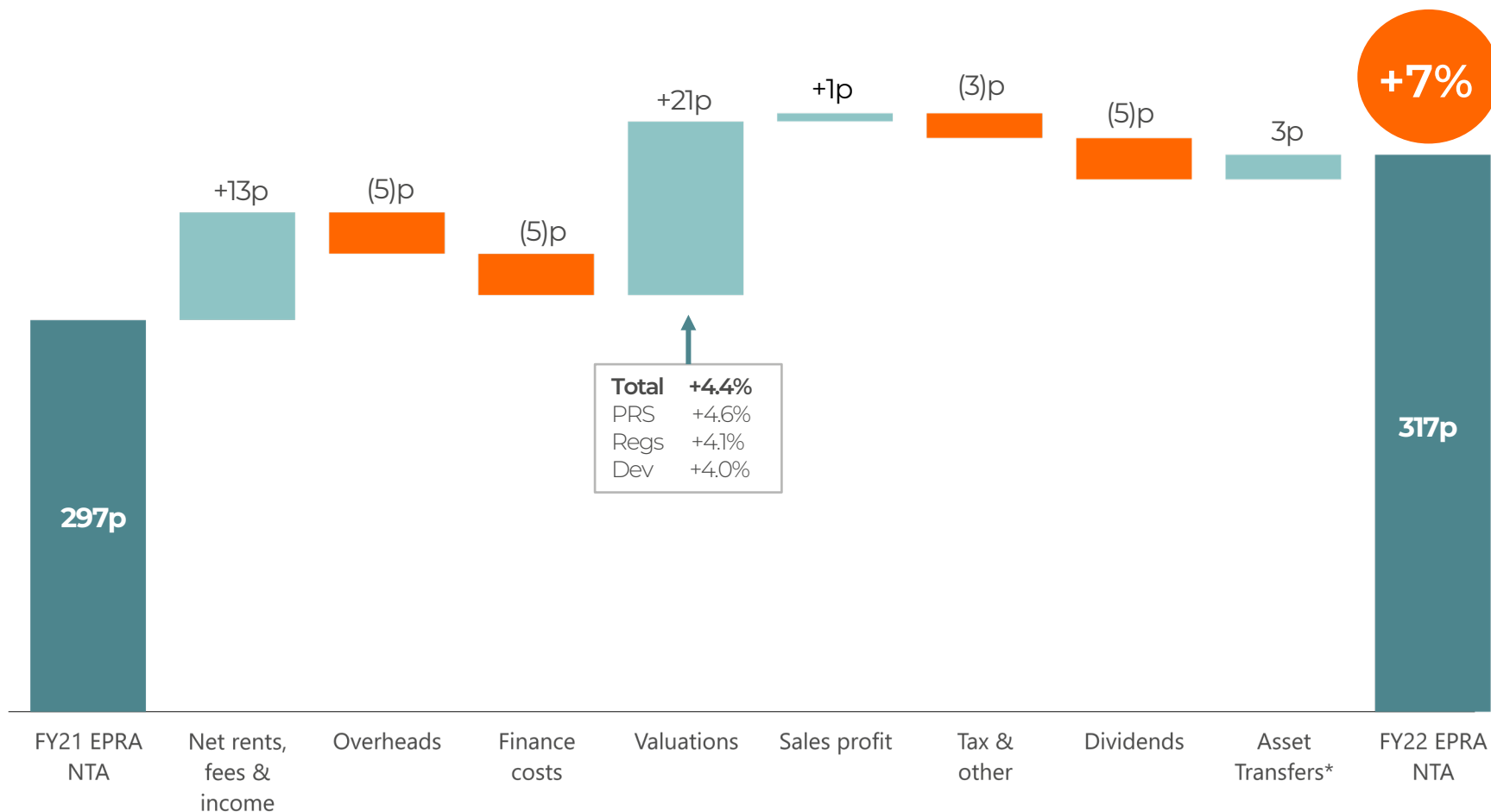
# EPRA Net Tangible Assets (NTA)

Originate

Invest

Operate

Strong valuation growth and increasing net rent drives NTA growth of 7%



\* Transfer of properties from trading property to investment property generating £20.3m contingent tax reclassification, see p57.

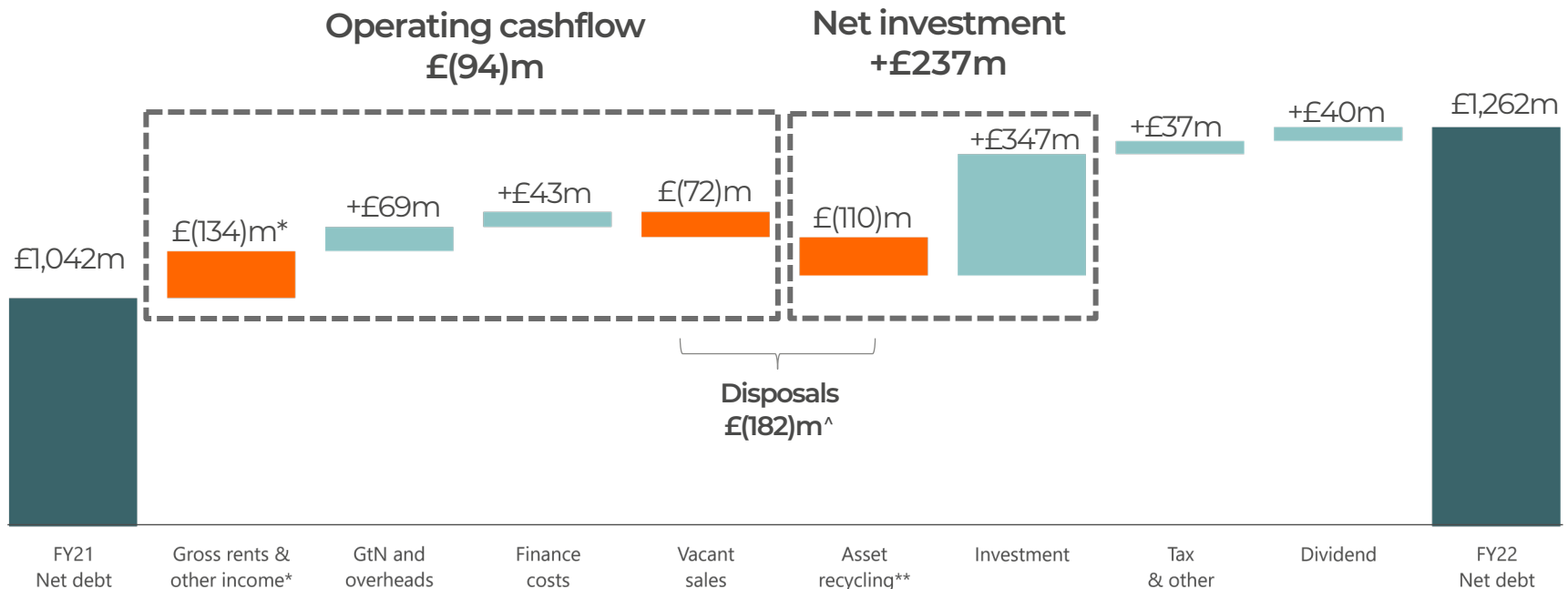
# Net debt

Originate

Invest

Operate

Significant investment in pipeline delivery, with £182m of disposals



- Net debt increased to £1.26bn reflecting investment in delivery of the PRS pipeline
- Strong operating cashflow of £94m highlighting cash generation from our business model
- FY22 asset recycling of £110m of non-core, lower performing assets, £182m total disposals including vacant sales
- Investment of £347m reflecting delivery of PRS pipeline
- Expect FY23 investment to continue broadly at FY22 levels with ongoing delivery of fully funded committed pipeline
- Expect FY23 disposals to increase to support future REIT conversion plans

\* Includes £13m of other income (management fees and CHARM)

\*\* Includes £10m of deferred receipts from land sales

^ Disposal proceeds net of sales fees

# Balance sheet, funding and hedging: strong, secured and de-risked

Originate

Invest

Operate

	FY22
Net debt	£1,262m
Loan to value	33.4%
Cost of debt (average)	3.1%
Headroom	£663m
Weighted average debt maturity <sup>^</sup>	6.5 years
Interest rate hedging	97%

## No significant refinancing until 2027

Successfully refinanced bank RCF and term debt, increasing to £575m from £500m and maintaining margins

## Cost of debt

97% hedged with a hedge maturity of 6 years

Expected marginal increase in WAIR of c. 20bps in FY23

## Strong liquidity

Fully funded committed capex programme

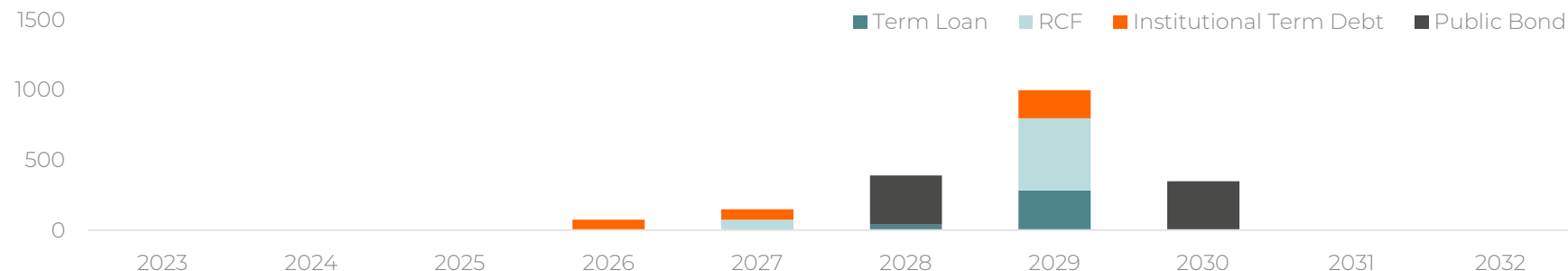
£663m of headroom

Future capex commitments of £479m largely phased over next 3 years

## Asset recycling

Flexibility over regulated and non-core PRS disposals providing ongoing balance sheet strength

## No significant debt maturities until 2027



<sup>^</sup> Including extension options

# Liquidity and capex

Originate

Invest

Operate

**£663m headroom fully funding our committed pipeline**

## Strong liquidity

- Strong headroom of £663m from cash and available facilities

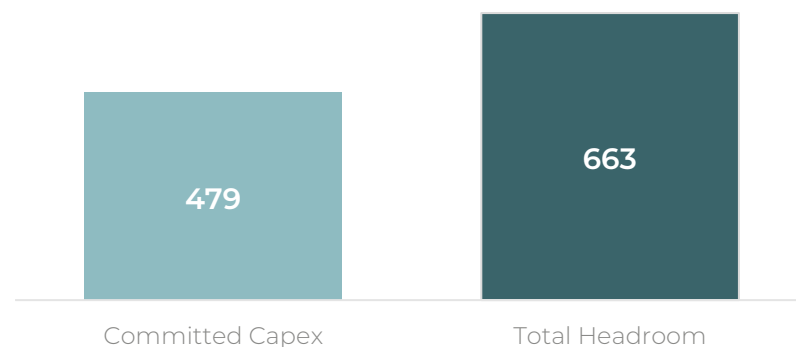
## Committed capex fully funded

- Capital expenditure plans more than covered by headroom
- Total committed capex of £479m phased largely over the next 3 years

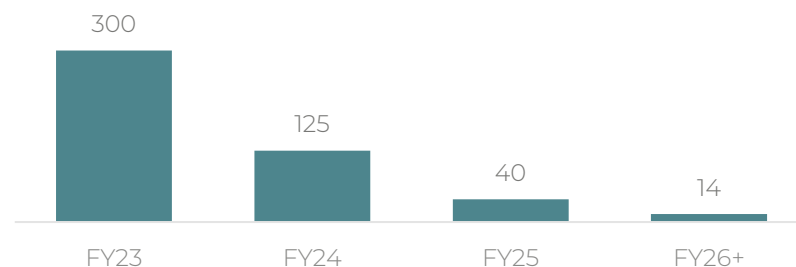
## LTV to remain within target range

- LTV expected to operate within the lower end of our target range of 40%-45%
- Target range designed to withstand a fall in values of c.50% and remain within covenants
- Ability to flex disposals provides valuable optionality to manage both debt and growth
- LTV excludes reversionary surplus of £248m which reduces LTV by 2.0% from 33.4% to 31.4%

Current liquidity position (£m)



Committed capex phasing\* (£m)



\* Excludes un-committed projects in the secured pipeline (Waterloo, Besson Street, Exeter) and TFL

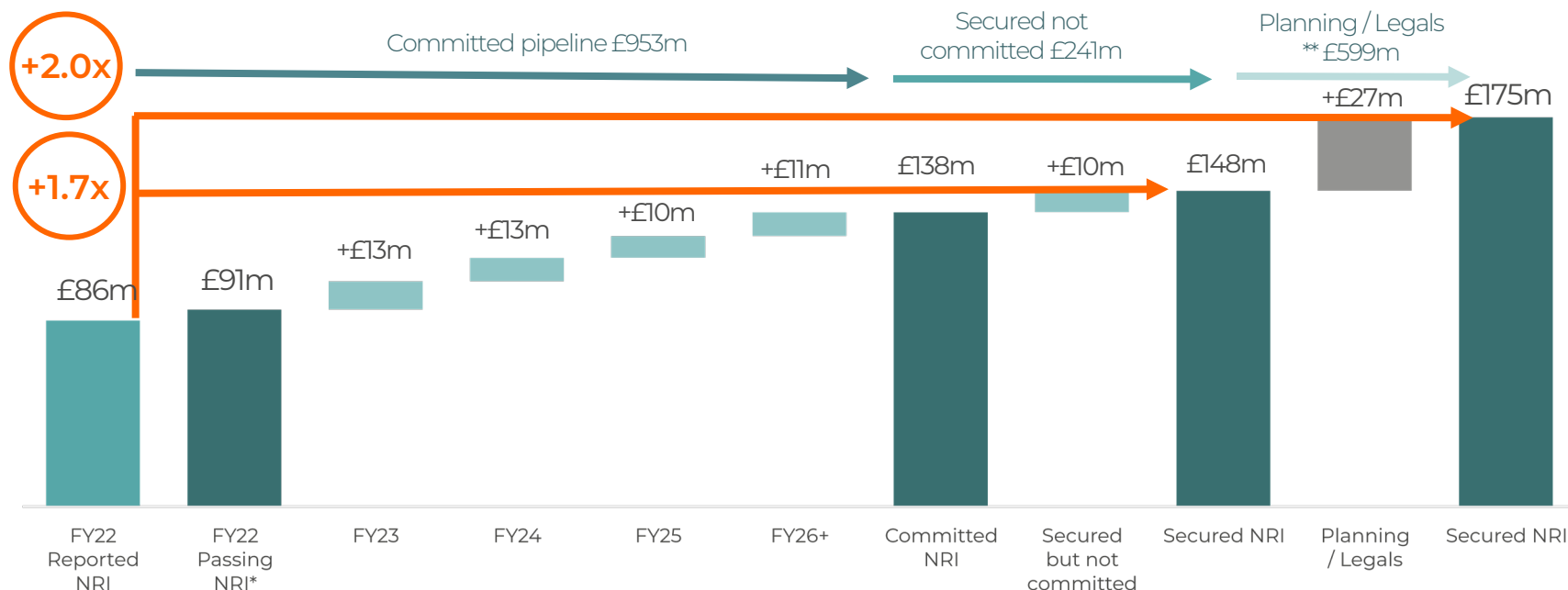
# Passing net rent and earnings progression

Originate

Invest

Operate

## Significant growth in NRI and earnings secured



- Committed pipeline fully funded and driving further NRI growth
- Optionality over the remaining projects
- 72% growth in NRI from delivery of secured pipeline
- Strong operating leverage from secured pipeline significantly grows the income return and platform efficiencies further drive margin improvement

- Growth trajectory in EPRA earnings from secured pipeline unchanged, doubling compared to FY22
- Medium term total return outlook post delivery of secured pipeline of 8% unchanged (at constant yields)
- Dividend linked to 50% of net rent, growing in line

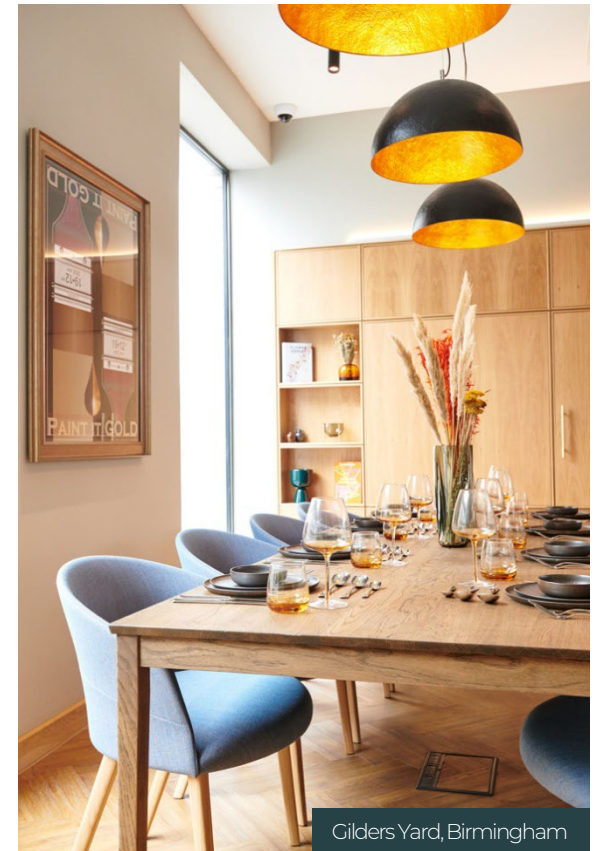
\*Passing net rent is the annualised rent roll of units let at the reported date, with FY22 reported NRI lagging.

\*\* Includes our share of TFL partnership projects within Planning & Legals.

Excludes rental growth from operational portfolio and disposals & asset recycling.

## Record performance, strong operational momentum, earnings outlook unchanged

- **Net rental income growth of +22%** driven by new launches, strength of letting demand and rental growth
- **Dividend per share up +16%** as pipeline delivers
- **Earnings outlook unchanged:** Committed pipeline provides clear visibility over 4 years of future rent and earnings growth
- **Strong balance sheet, fully funded pipeline and fixed cost debt** gives strength to capital structure, with flexibility over disposals



Gilders Yard, Birmingham



# 3. Market and business update

Helen Gordon  
Chief Executive



Investing in homes since 1912  
**grainger plc**

## A resilient business in a growth sector

### Positive structural trends

- Acute **supply & demand imbalance**
- **Very strong occupational market...**
- ...Underpinning **future rental growth**
- **Competition constrained** from reducing individual landlords and high barriers to entry

### Positive market outlook

- Rising mortgage costs a **positive for rental demand**
- Rental **demand expected to continue to outstrip supply**
- **Structural shift** accelerating away from private landlords toward large-scale landlords

### Grainger is well positioned

- **High quality, modern properties**, with lower running costs
- **Mid market pricing**
- Locations with **strong investment fundamentals**
- **Young professional demographic** with greater affordability

# Positive structural trends

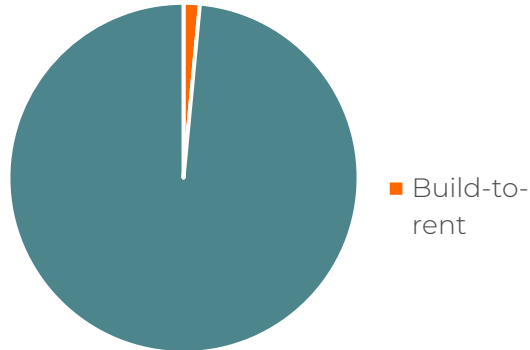
Originate

Invest

Operate

## Vast opportunity to grow market share

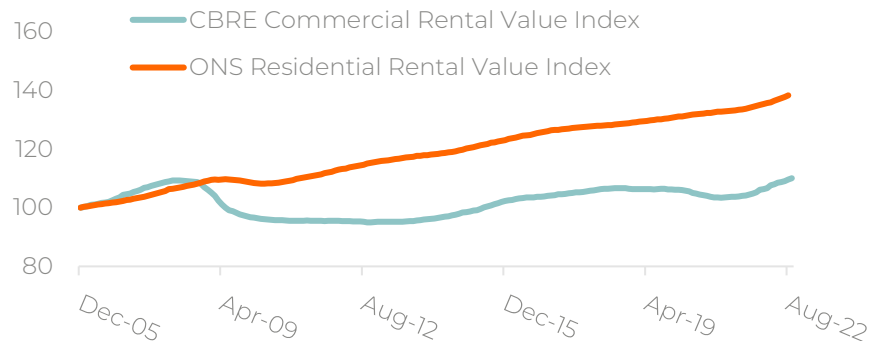
BTR only **1.5%** of homes in **5m** UK private-rented sector



Sources: Savills, Molior, BPF, English Housing Survey, Scottish Household Survey, StatsWales, Northern Ireland Housing Statistics

## A “real”, growing income stream

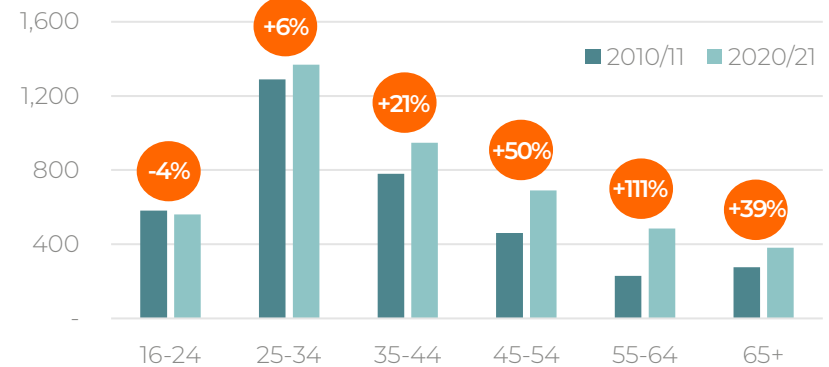
### Commercial vs Residential rental indices (Dec-05=100)



Sources: CBRE, ONS

## Demand broadening across age groups

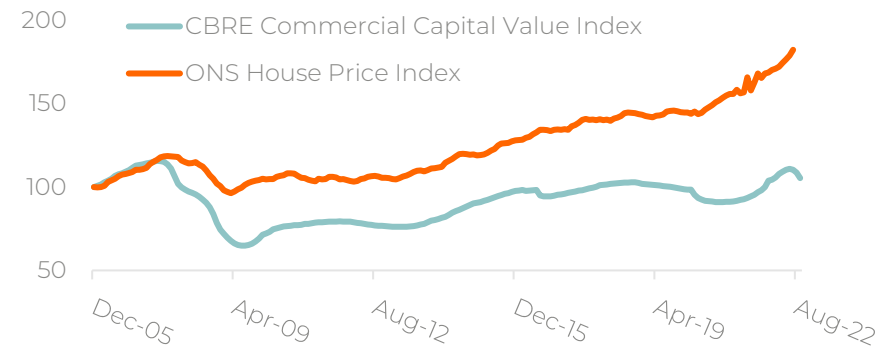
### PRS households ('000s)



Source: English Housing Survey 2020/21

## Leads to lower capital value volatility

### Commercial vs Residential capital value indices (Dec-05=100)



Source: CBRE, ONS

# Positive PRS market outlook

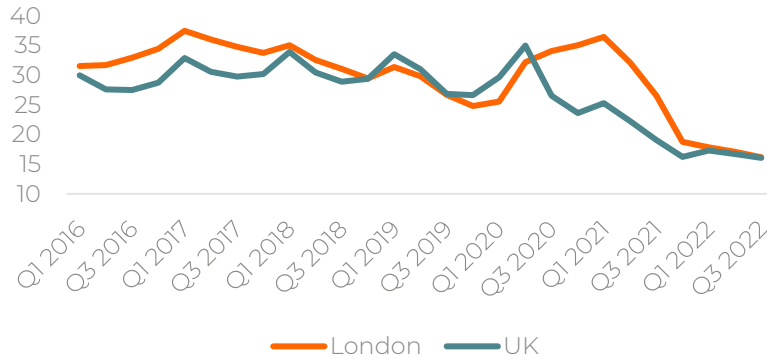
Originate

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## Leasing market continues to strengthen

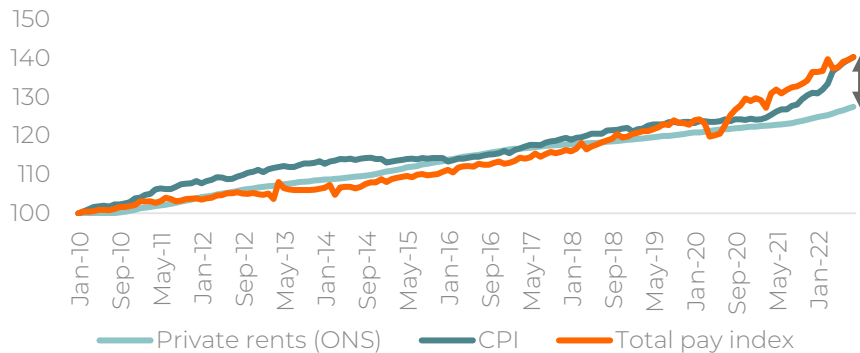
Rightmove – time-to-let - days



Source: Rightmove

## And rents have room to grow

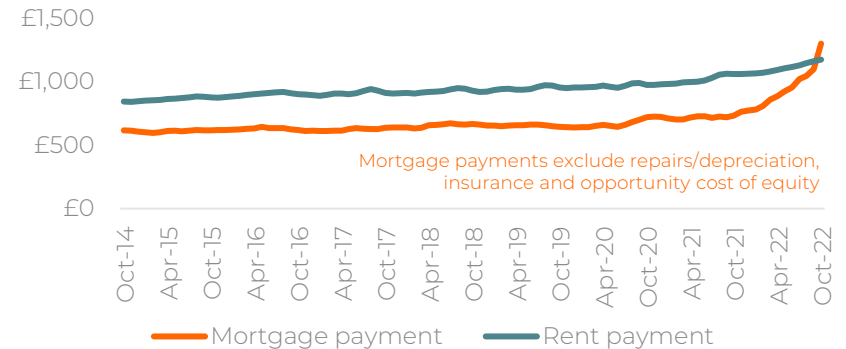
Rental growth follows inflation, (Index, Jan-10=100)



Source: ONS

## Rising mortgage rates will drive rental demand

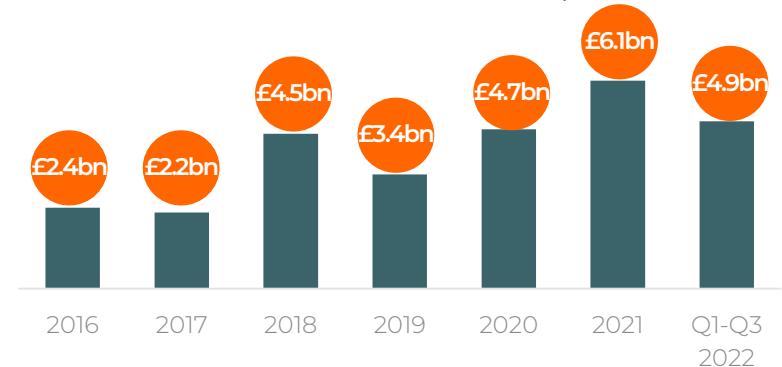
Average mortgage payment\* vs average rent (UK)



Source: Source: Bank of England, Homelet, Nationwide, Grainger calculation  
\*Based on 25-year repayment mortgage, 2-year initial fix, 75% LTV

## Investment in build-to-rent sector increasing

JLL – annual build-to-rent investment volumes, £bn



Source: JLL

# Grainger well positioned

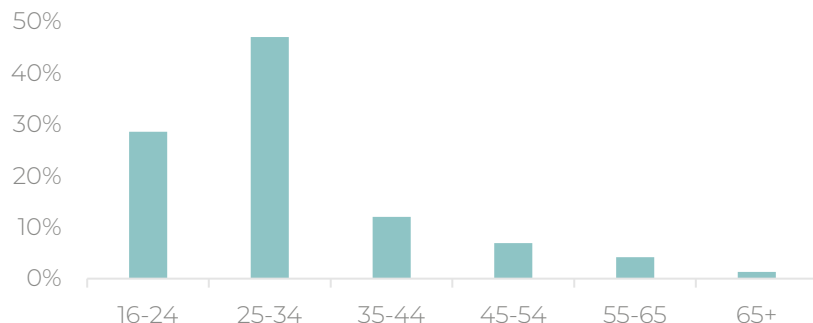
Originate

Invest

Operate

## Grainger focused on young professional demographic

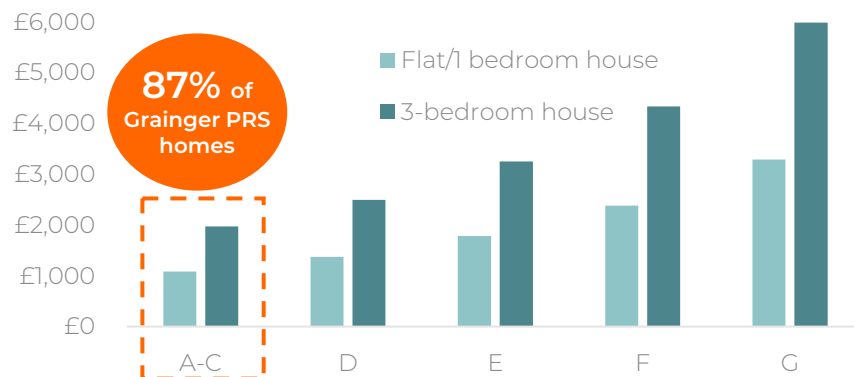
Proportion of residents by age in Grainger's PRS portfolio



Source: Dataloft analysis of applicant data

## Our customers benefit from energy efficient homes

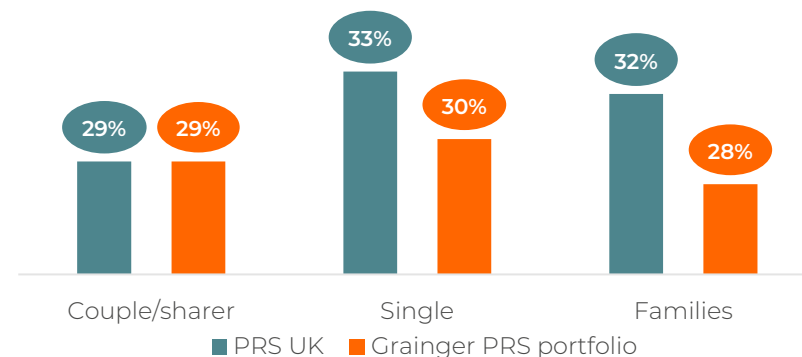
Estimated energy costs by EPC (October 2022)



Source: Policy in Practice

## Grainger's customers are paying affordable rents

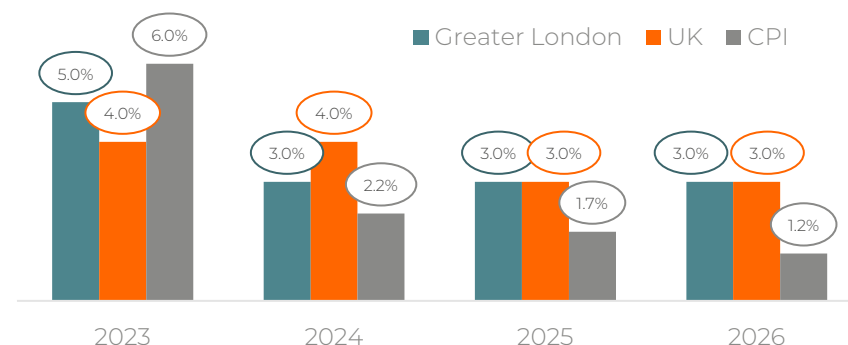
Proportion of household income spent on rent



Source: Dataloft analysis of applicant data

## Rents to resume inflation correlation from 2023

Knight Frank/Oxford Economics – Rent and CPI forecasts



Source: Knight Frank, Oxford Economics

# An operating model designed for insight, agility and out performance

Originate

Invest

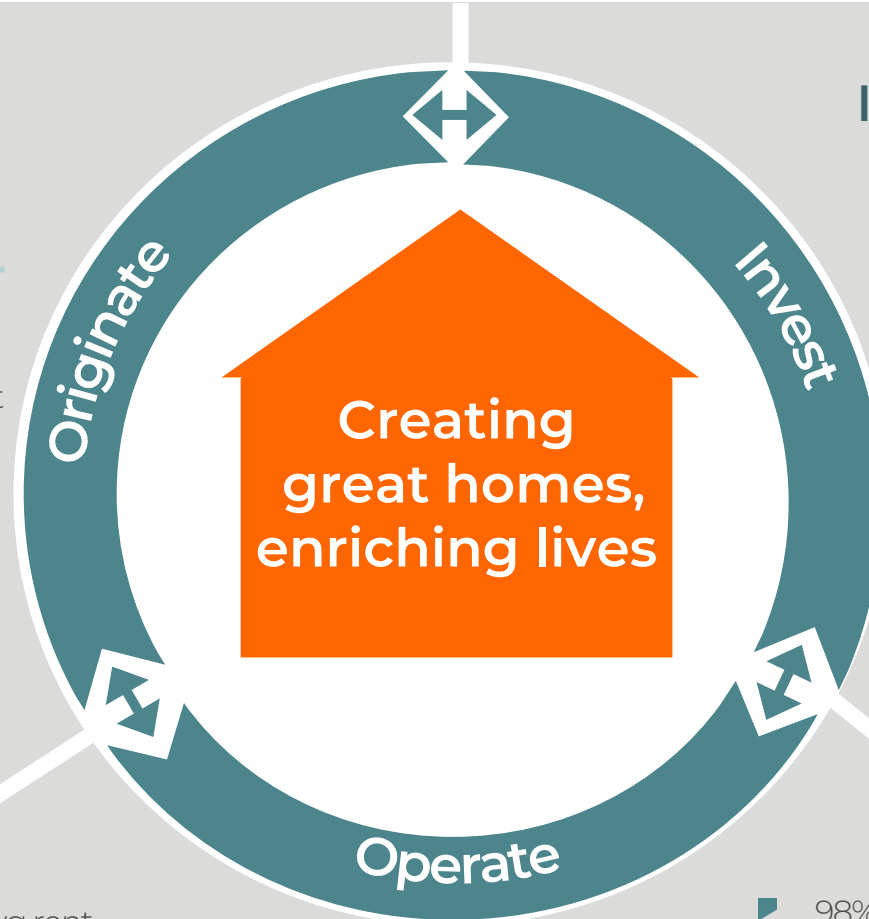
Operate

## Greater control and visibility on the delivery of our pipeline

- Experienced in-house development team
- High quality development partners
- 14 schemes on site (3,658 homes)
- Four projects launched to date (669 homes)\*
- Remaining homes at Weaver Yard (198 homes) and 6 new projects (1,442 homes) launching in 2023

## Investing for the long term, through cycles

- Focus on the best locations (Cities Strategy)
- Disciplined investment criteria and process
- Portfolio optimisation, £110m of asset recycling
- Value added through asset management



- 98% avg rent collection
- 4.7% PRS rental growth (L4L)

## Total control of our assets and direct relationship with our customers

- 98% current occupancy
- NPS improvement of **+16pts**
- Scalable platform

\*Completion phased at Weavers Yard, Newbury



# Our strongest year of leasing performance driven by our best-in-class in-house operating platform

Originate

Invest

Operate

## Exceptional leasing

- Strong demand and lease up for new launches
- Achieved rents well ahead of underwriting
- Enabled by our in-house direct letting team and investment in our CONNECT technology platform

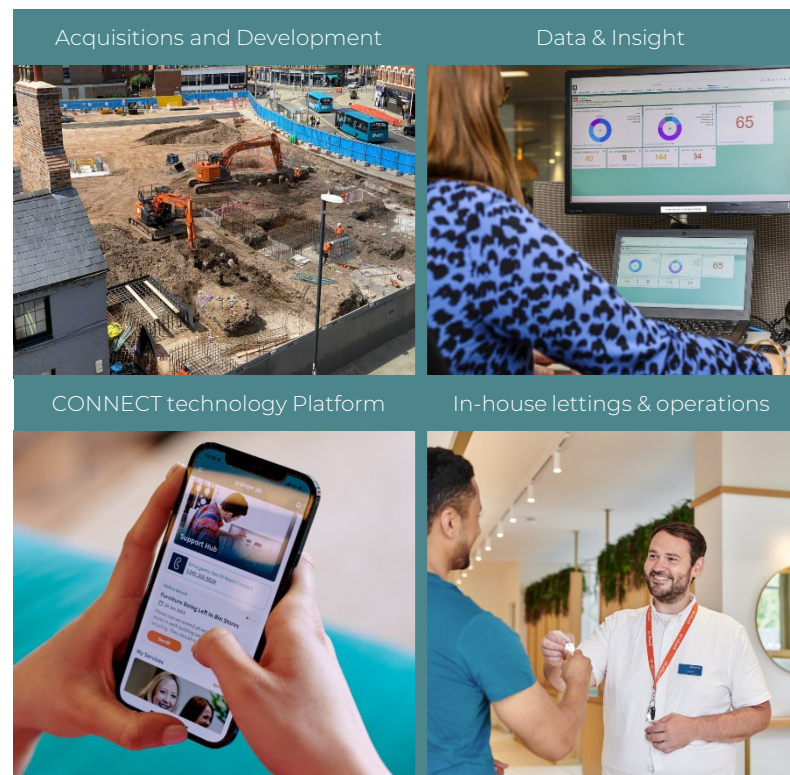
## Record occupancy and customer satisfaction

- Strong occupancy at 98% and retention at 63.5%
- High customer satisfaction
- High quality assets serving the deep mid market – Award winning design (The Headline)

## Best in class operating platform

- Scalable management platform to facilitate growth
- High performing in-house management teams
- Economies of scale enabling efficiencies and margin improvement

## In-house operating platform



# Continually enhancing our customer experience

Originate

Invest

Operate

Our Customer Experience Programme delivers improved customer satisfaction:

## Resident App

Rolled out across our entire PRS portfolio

- Contact Grainger
- Book a repair
- About my Neighbourhood
- Events & Clubs
- Book amenity space

## Service Style training

- **Bespoke training across the entire business**, including Executive team
- Executives go **“Back to the floor”**

## Living a greener life

- Supporting residents in saving on energy costs and reducing their carbon emissions

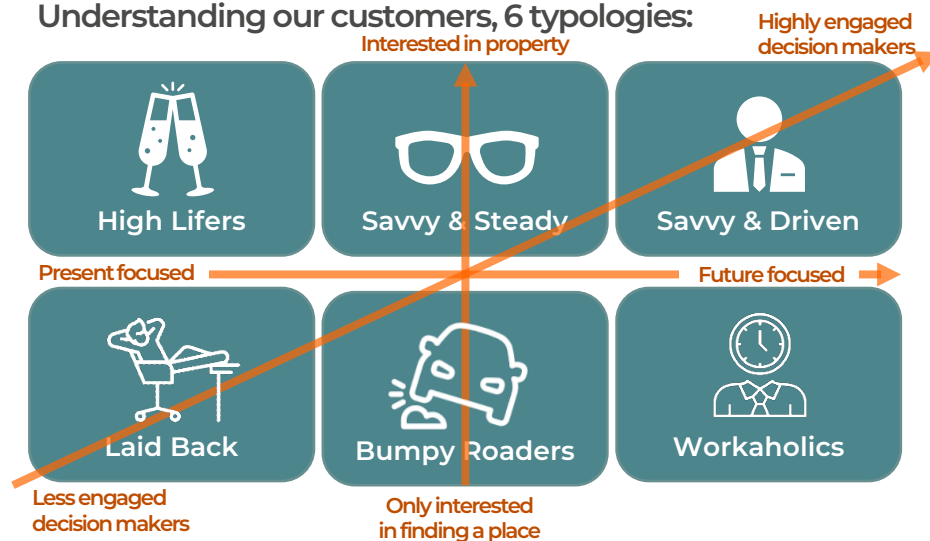
## Highlights

- **NPS** up to **34** (+16pts)
- **90%** customer satisfaction
- **9/10** “really like their Grainger home”

## Leveraging our insight and data

- Customer demographic data
- Leasing data
- Feedback surveys
- Touchpoint surveys
- Online Reviews
- Quantitative Surveys
- Qualitative Focus Groups
- Satisfaction tracking

## Understanding our customers, 6 typologies:



# Driving responsible business

Originate

Invest

Operate

## Environment

**87%**

PRS portfolio with EPC ratings A-C

**-26%**

Reduction in Scopes 1 & 2 emissions per £m AUM

**“Living a greener life”** Resident campaign launched

## People and Social impact

Donated **six** homes for free for a year to six Ukrainian Refugee families, worth more than £150,000

**572** community & resident events

## Key achievements in FY22

- Board Level Responsible Business Committee established
- Net Zero Carbon Programme on track
  - Scopes 1 & 2 – **26% reduction** in CO2 emissions; pathway to achieve EPC C on all PRS properties agreed and implementation underway
  - Scope 3 progress underway – focus on data capture and influencing resident behavior
- Social value measurement pilot completed at Brook Place, evidencing c.£500k economic impact created & £338k additional spend to the local area
- Achieved Best Companies “Very good” rating for employee engagement

## Benchmark performance



FTSE4Good

Since 2010



EPRA – Sustainability Best Practice Reporting

**Gold** Award



CDP

**‘B’** Rating



MSCI ESG

**‘AA’** Rating



ISS-oekom

**‘Prime’** Rating

# Disciplined research-led investment decisions

Originate

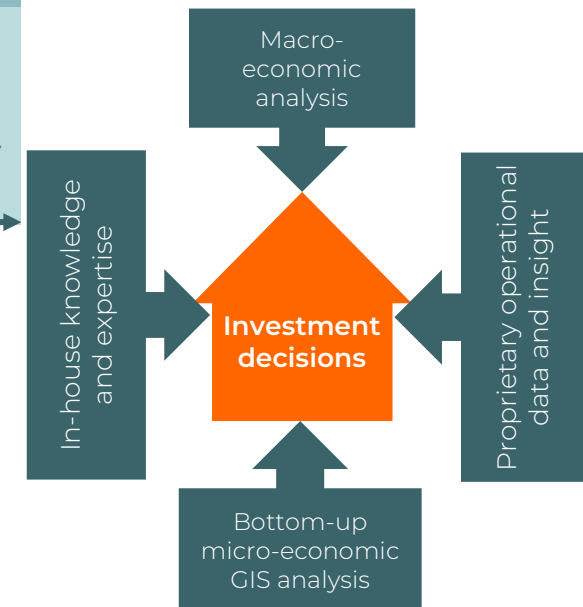
Invest

Operate



- Schemes secured
- Target locations
- Under review
- Not under consideration

Analysed 378 local authorities	Ranked on six success factors
Analysed 62 cities	Underpinned by 18 economic datasets
Targeting top ranking cities	Detailed demographic and rental market analysis



# The UK's leading rental portfolio

Originate

Invest

Operate

New schemes delivered since 2016, adding to our national private rental portfolio

## BTR schemes delivered since 2016

**High quality**, energy efficiency, mid market homes in strong investment locations

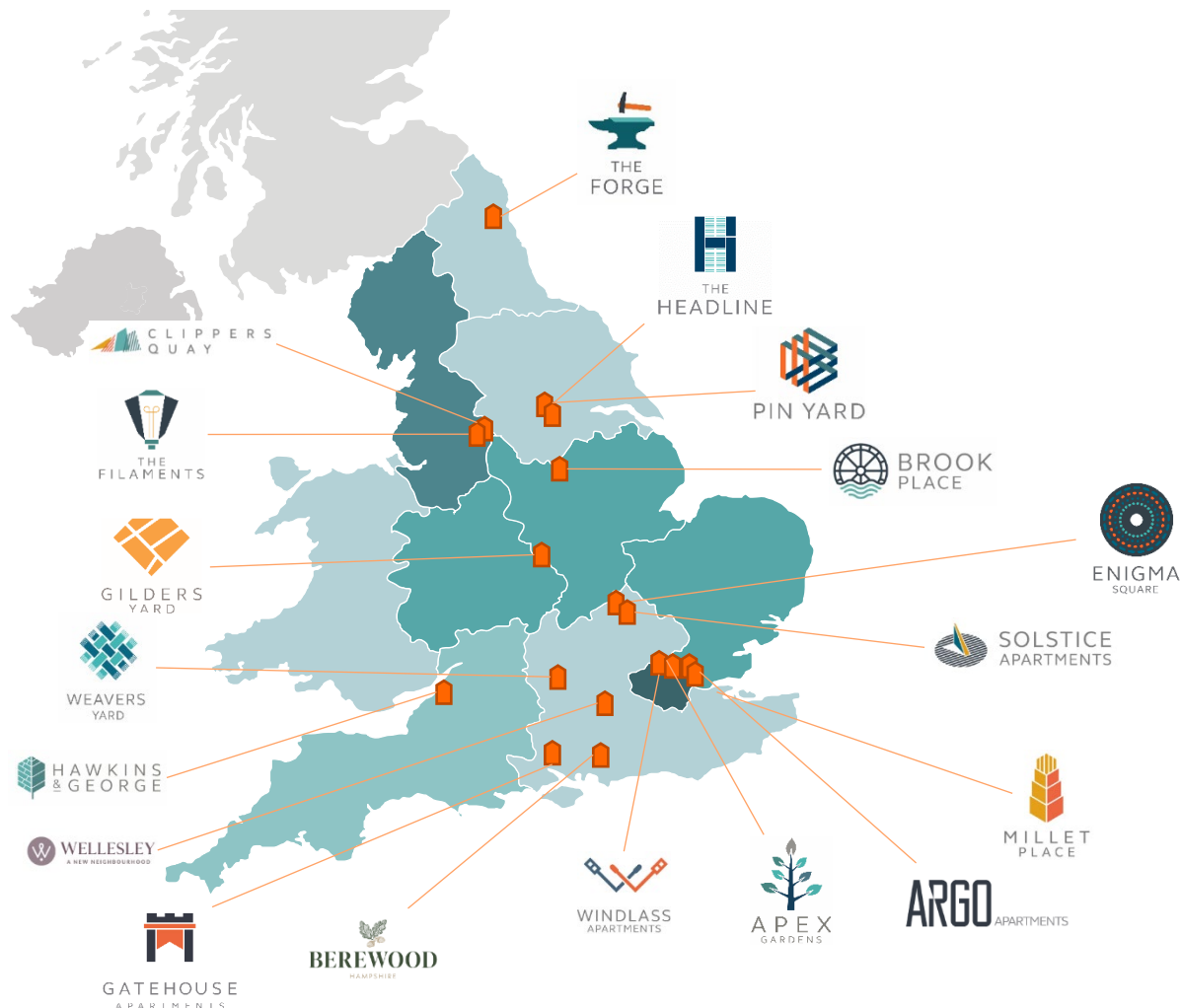
## National coverage

**18** new BTR assets

**9** cities & **3** towns

**3,339** new homes

**5,139** new residents



\*Assets under management including Millet Place co-investment



# New projects secured in FY22

**£23m** potential annual net rental income sourced

Originate

Invest

Operate

## Three new projects started onsite in the year

### Merrick Place, Southall

401 homes

Potential **£6m** NRI

West London cluster of 959 homes

Onsite

### Redcliff Quarter, Bristol

468 homes<sup>1</sup>

Potential **£6m** NRI

3<sup>rd</sup> scheme in Bristol

Onsite

### West Way Square, Oxford

150 homes

Potential **£3m** NRI

1<sup>st</sup> scheme in Oxford

Onsite

## Three new options for the future

### 'Exmouth Junction', Exeter

230 homes

Potential **£3m** NRI

1<sup>st</sup> scheme in Exeter

Secured not committed

### 'Brook Place 2', Sheffield

Potential for c.250 new PRS homes adjacent to Brook Place

Potential **£2m\*\*** NRI

Sheffield cluster of c.750 homes

Planning / legals

### Berewood, Hampshire

Acquisition of the remaining interest in the scheme enabling us to add c.250 suburban BTR homes

Potential **£3m\*** NRI

Planning / legals

<sup>1</sup> Includes 374 PRS homes and 94 affordable homes

\*Indicative estimate of net rent based on 250 units at an assumed £225k per unit and 4.5% NY

\*\*Indicative estimate of net rent based on 250 units at an assumed £200k per unit and 5.0% NY



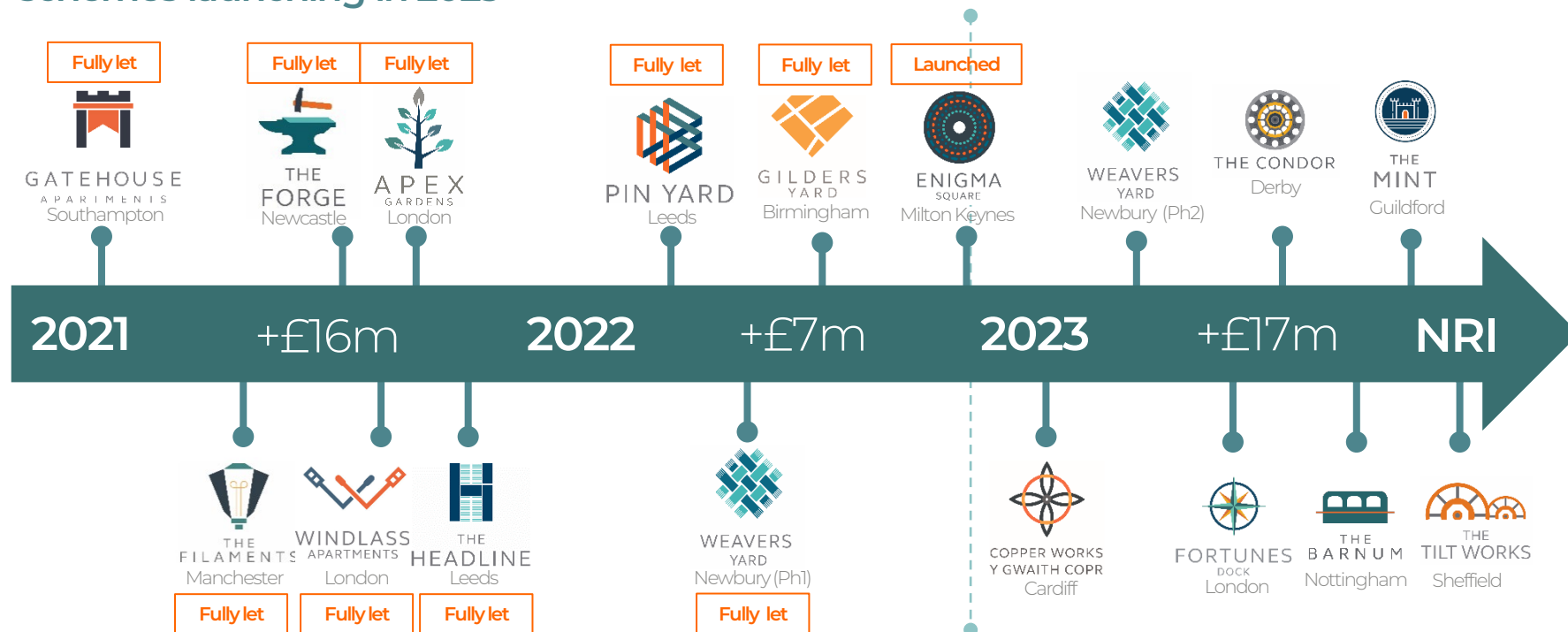
# Excellent leasing performance

Originate

Invest

Operate

**£23m** passing net rental income secured with **£17m** to come from schemes launching in 2023



\* Phased completion across 2022 and 2023

- 2021: Six schemes launched / acquired and all now stabilised, 1,304 homes, £16m net rents
- 2022: Four schemes launched, 669 homes, £7m net rents once fully complete and stabilised
  - Launched leasing up well and letting ahead of underwriting
- 2023: Seven launches delivering 1,640 new homes
- In total £40m of NRI expected from 2021, 2022 and 2023 launches once stabilised

# Summary & conclusion

Originate

Invest

Operate

**Record performance and 4 years of growth locked-in, funded and de-risked**

## ■ Record performance

- ✓ Record rental income
- ✓ Record lease up in new schemes
- ✓ Record occupancy
- ✓ Record rental growth
- ✓ Record retention
- ✓ Record customer satisfaction

## ■ PRS a structurally supported growth sector

## ■ Occupational market stronger than ever

## ■ Growth secured

## ■ Locked-in finance & costs

## ■ A business delivering for customers and shareholders



# A resilient growth business in a resilient growth sector

# Thank you

## Q&A



Gilders Yard, Birmingham

Investing in homes since 1912  
**grainger plc**

# Appendix

Originate

Invest

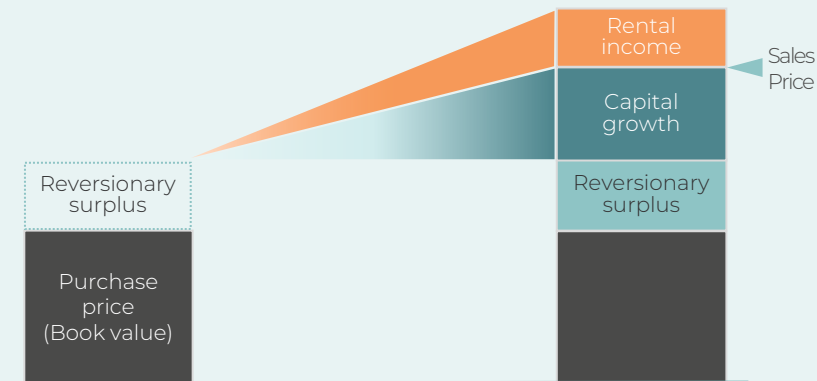
Operate

## Contents

1.	Property information	Portfolio overview	Page 37
		Our competitive advantage	Page 38
		Fully funded committed pipeline	Page 39
		Portfolio summary and movements	Page 40-41
		Portfolio geographical breakdown	Page 42-43
		PRS Portfolio	Pages 45-46
		Secured pipeline schedule	Pages 47-48
		Secured pipeline projects	Page 49
		ESG overview	Page 50-51
2.	Financial information	Balance sheet	Page 52
		Segmental balance sheet	Page 53
		EPRA Earnings	Page 54
		Segmental income statement	Page 55
		EPRA NAV Metrics	Page 56
		Property reclassification	Page 57
		Debt facilities schedule	Page 58
3.	Other	Asset Overviews	Page 59-62
		Future reporting dates	Page 63

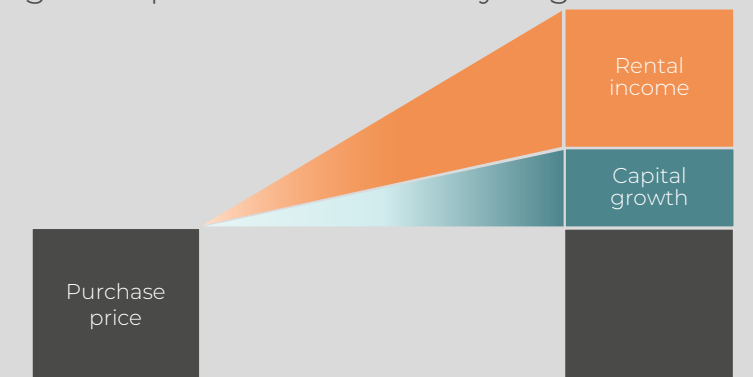
## Regulated tenancies

- Customer has the right to live in the property for the rest of their life
- Sub-market rent set by Valuation Office Agency
- Upon vacancy Grainger sells the property
- Returns comprise
  - Resilient rental income: typically 2-4% gross yield, increasing at RPI+5% over two years
  - Capital growth during investment period
  - Reversionary surplus realised upon vacancy: typically 15%-17% uplift
- Long term, predictable source of cash generation



## PRS

- Leases with typical duration of 1-3 years
- Market rents
- Returns based on
  - Securing rental income at gross yields on cost of 5-7%
  - Capital growth
- Securing schemes in areas with high demand and rental growth potential
- Significant opportunity for growth underpinned by long term and structural trends
- Investment funded through cash generated from regulated portfolio and asset recycling





# Our competitive advantage

## Maximising the opportunity for growth

Originate

Invest

Operate

More than  
**£3bn**  
sourced since  
2015

- Multiple routes to source opportunities providing greater flexibility than many competitors
- Proven track record of sourcing success
- Reliable and trusted partner for developers and land owners
- Strong acquisitions team with expertise and coverage in both London and the Regions
- Experienced and integrated in-house acquisition, development and onboarding teams



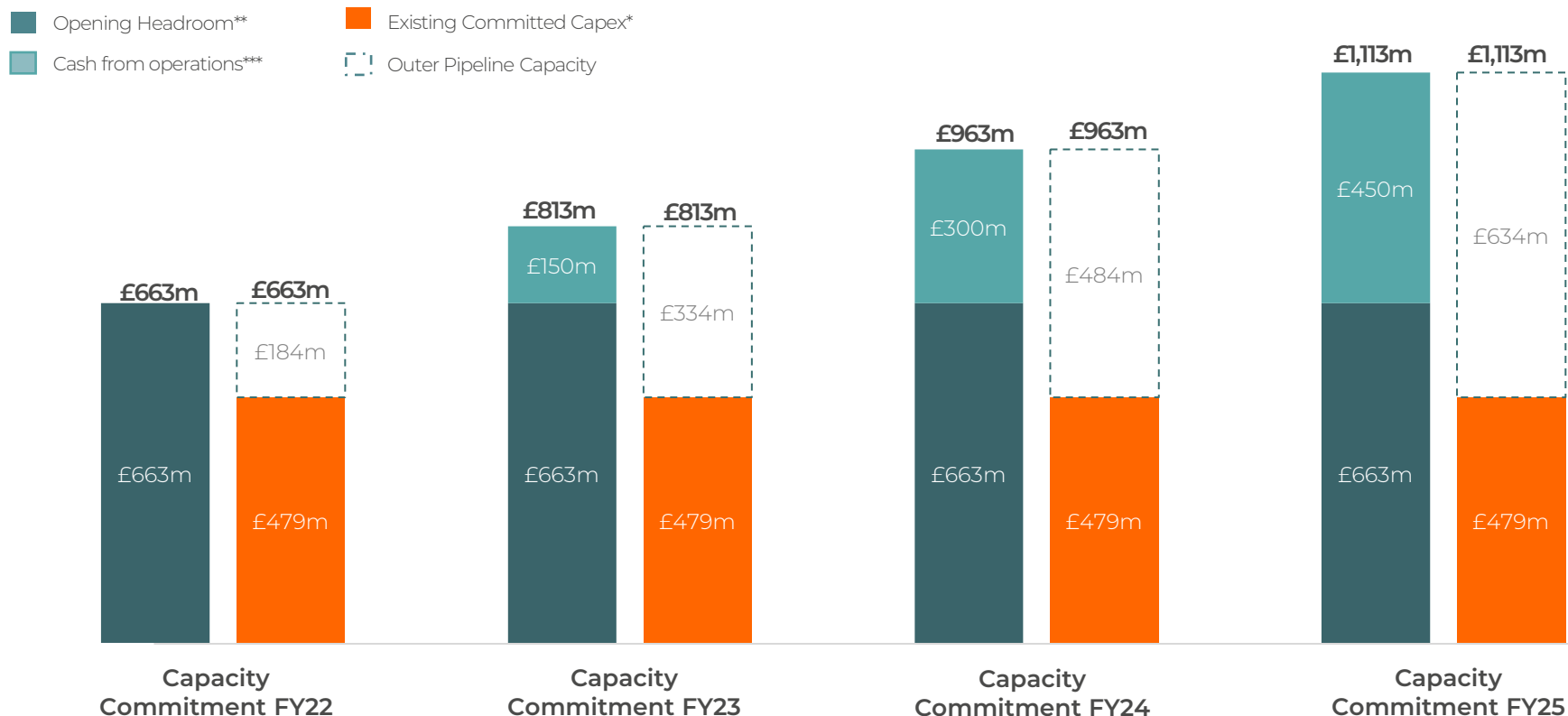
# Fully funded committed pipeline

Originate

Invest

Operate

## Disciplined capital management underpinning growth



### Assumptions:

\* Excluding Exeter, Waterloo, Besson Street which are secured but not yet committed.

\*\* Based on cash & undrawn facilities

\*\*\* Targeted £150m per annum generated from operational cashflows and asset recycling.



# Portfolio summary

Originate

Invest

Operate

	Units	Market value £m	Net Rent £m	Net yield
Residential – PRS	7,384	2,189	77	3.7%
Residential – regulated tenancies	1,741	812*	14	1.8%
Residential – mortgages (CHARM)	390	69	n/a	n/a
Forward Funded – PRS work in progress	-	466	-	-
Development work in progress	-	182	-	-
<b>Wholly-owned assets</b>	<b>9,515</b>	<b>3,718</b>	<b>91</b>	
Co-investment (Grainger share)**	31	16	-	
<b>Total investments</b>	<b>9,546</b>	<b>3,734</b>	<b>91</b>	
Assets under management (third party share)**	123	64	-	
<b>Total assets under management</b>	<b>9,669</b>	<b>3,798</b>	<b>91</b>	

## Reconciliation of assets under management

Residential – PRS	7,538	2,269	77
Residential – reversionary (regulated tenancies and CHARM)	2,131	881	14
Forward Funded – PRS work in progress	-	466	-
Development work in progress	-	182	-
<b>Total assets under management</b>	<b>9,669</b>	<b>3,798</b>	<b>91</b>

\* Regulated tenancies at market value excluding reversionary surplus

\*\* Co-investment includes the 20% of Vesta JV owned by Grainger, whilst assets under management reflects the residual 80% of Vesta JV owned externally to the Group.

# Portfolio movements

Originate

Invest

Operate

	Sep21 £m	Additions £m	Disposals £m	Transfers £m	Valuation £m	Sep22 £m
<b>PRS</b>						
London & SE	1,228	26	(7)	(22)	37	1,262
Regions	796	2	(10)	80	59	927
<b>Total PRS</b>	<b>2,024</b>	<b>28</b>	<b>(17)</b>	<b>58</b>	<b>96</b>	<b>2,189</b>
<b>Regs</b>						
London & SE	726	4	(72)	-	22	680
Regions	170	1	(50)	-	11	132
<b>Total Reg</b>	<b>896</b>	<b>5</b>	<b>(122)</b>	<b>-</b>	<b>33</b>	<b>812</b>
Development	390	315	(27)	(58)	28	648
<b>Total Portfolio</b>	<b>3,310</b>	<b>348</b>	<b>(166)</b>	<b>-</b>	<b>157</b>	<b>3,649</b>

## Balance Sheet Classification

Investment Properties	2,179	289	(19)	198	129	2,776
Trading Assets	1,131	59	(147)	(198)	28	873
<b>Total Portfolio</b>	<b>3,310</b>	<b>348</b>	<b>(166)</b>	<b>-</b>	<b>157</b>	<b>3,649</b>

The table above excludes 390 units and £69m of market value relating to mortgages (CHARM)

# Portfolio geographical breakdown

Originate

Invest

Operate

## PRS & Regulated tenancies (FY22)

Region	PRS				Regulated tenancies			
	Units	Market value £m	Change vs FY21	Net yield	Units	Market value £m	Change vs FY21	Net yield
London & SE	3,469	1,262	+3.1%	3.2%	1,101	679	+3.5%	1.6%
South West	514	213	+5.0%	4.0%	120	28	+7.3%	2.7%
East and Midlands	314	84	+4.0%	3.9%	339	71	+8.2%	2.5%
North West	1,895	379	+5.4%	4.3%	91	19	+6.6%	2.4%
Other regions	1,192	251	+11.6%	4.0%	90	15	+5.9%	3.2%
Regions	3,915	927	+6.8%	4.1%	640	133	+7.5%	2.6%
<b>Total</b>	<b>7,384</b>	<b>2,189</b>	<b>+4.6%</b>	<b>3.7%</b>	<b>1,741</b>	<b>812</b>	<b>+4.1%</b>	<b>1.8%</b>

The table above includes wholly owned PRS and regulated tenancy assets only. It excludes 390 units and £69m of market value relating to mortgages (CHARM), as well as forward funded PRS work in progress, development work in progress and co-investment

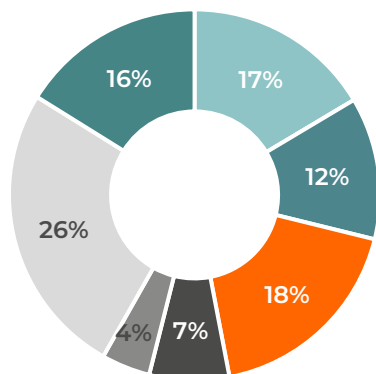
# PRS portfolio by geography

Originate

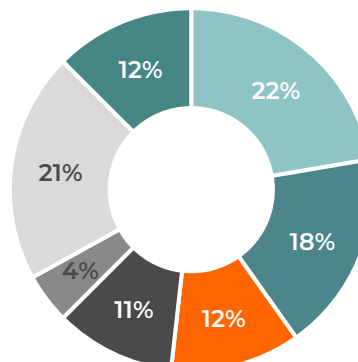
Invest

Operate

## Portfolio by units



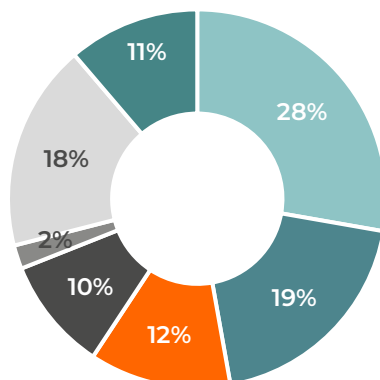
## Portfolio by rent (£m)



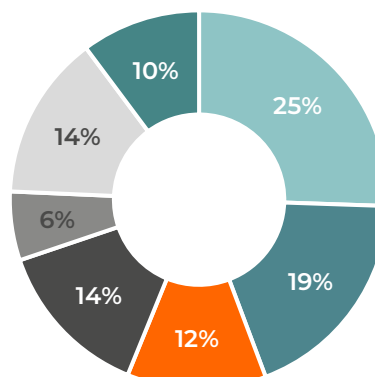
## Key

- Central / Inner London
- Outer London
- South East
- South West
- East and Midlands
- North West
- Other Regions

## Portfolio by value (£m)



## Post secured pipeline by value (£m)



# Building our PRS portfolio across the UK

Research led investment strategy and asset clustering to deliver operational efficiencies

**MANCHESTER** 1,612

**Operational** 1,612  
(inc The Filaments)

**EAST MIDLANDS** 607

## Pipeline

Queens Road, Nottingham 348  
Becketwell, Derby 259

**BIRMINGHAM** 543

**Operational** 168  
(inc Gilders Yard)

## Pipeline

Exchange Square 375

**WEST & WALES** 1,520

**Operational** 514  
(inc Hawkins & George)

## Pipeline

Capital Quarter, Cardiff 307  
Millwrights Place, Bristol 231  
Redcliff Quarter, Bristol 468

**Key:** Recent acquisition

**NEWCASTLE** 380

**Operational** 380  
(inc The Forge)

Originate

Invest

Operate

**LEEDS & SHEFFIELD** 1,095

**Operational** 811  
(inc Brook Place and The Headline)

## Pipeline

Well Meadow, Sheffield 284

**LONDON\*** 6,368

**Operational** 2,150  
(inc Argo, Apex Gardens and Windlass Apts)

## Pipeline

Canning Town 2 146  
Besson Street 324  
TfL Partnership 3,000+  
Waterloo 215  
Canning Town 3 132  
Merrick Place 401

**SOUTH EAST** 1,204

**Operational** 497  
(inc Gatehouse Apts and Solstice Apts)

## Pipeline

Weavers Yard, Newbury\* 198  
The Mint, Guildford 98  
Enigma Square, MK 261  
West Way Sq, Oxford 150

**SOUTH WEST** 230

## Pipeline

Exmouth Junction, Exeter 230

\*Remaining homes from phased completion

## Top assets by annual ERV (>£1.5m)

#	Asset	City	Postcode	Units	Unit mix			Area Sq ft	Annual ERV
					Studio / 1 bed	2 bed	3 bed		
1	Clippers Quay	Manchester	M50 3AF	510	162	290	58	371,622	£7.3m
2	The Filaments	Manchester	M3 5PF	376	98	235	43*	246,416	£6.1m
3	The Forge	Newcastle	NE1 3AA	283	78	179	26	177,451	£3.8m
4	Apex Gardens	London	N15 5EZ	163	72	59	32	129,783	£3.6m
5	Hawkins & George	Bristol	BS1 6WQ	194	109	85	-	116,486	£3.6m
6	The Gardens	London	SE22 9QE	208	141	60	7	112,830	£3.5m
7	The Headline	Leeds	LS1 4ET	242	111	131	-	148,651	£3.5m
8	Argo Apartments	London	E16 1ED	134	66	68	-	94,313	£3.1m
9	Pin Yard	Leeds	LS11 9FA	216	130	70	16	129,052	£2.9m
10	Ability Plaza	London	E8 4DT	101	50	49	2	85,468	£2.7m
11	Brook Place	Sheffield	S11 8BR	237	137	100	-	133,238	£2.7m
12	Windlass Apartments	London	N17 9LX	108	50	51	7	75,800	£2.7m
13	Springfield House	London	E8 2LY	85	38	28	19*	89,089	£2.6m
14	Kew Bridge Court	London	W4 3AZ	98	12	75	11*	77,552	£2.4m
15	Gilders Yard	Birmingham	B18 6ER	158	86	72	-	101,652	£2.3m
16	Solstice Apartments	Milton Keynes	MK9 3EY	139	66	73	-	85,577	£2.3m
17	The Rock	Manchester	BL9 0QY	233	133	100	-	140,932^	£2.1m
18	Ability Towers	London	EC1V 8AW	90	19	71	-	74,654	£2.1m
19	Gatehouse Apartments	Southampton	SO14 3HP	132	46	86	-	89,402	£2.0m
20	Mitre Road	London	SE1 8PY	100	35	43	22*	58,503^	£1.9m
21	Abbeville Apartments	London	IG11 8FW	100	54	36	10	65,088	£1.8m
22	Gunhill	Hampshire	GU11 1FH	107	40	47	20*	86,654	£1.6m

\*includes some four bedroom units

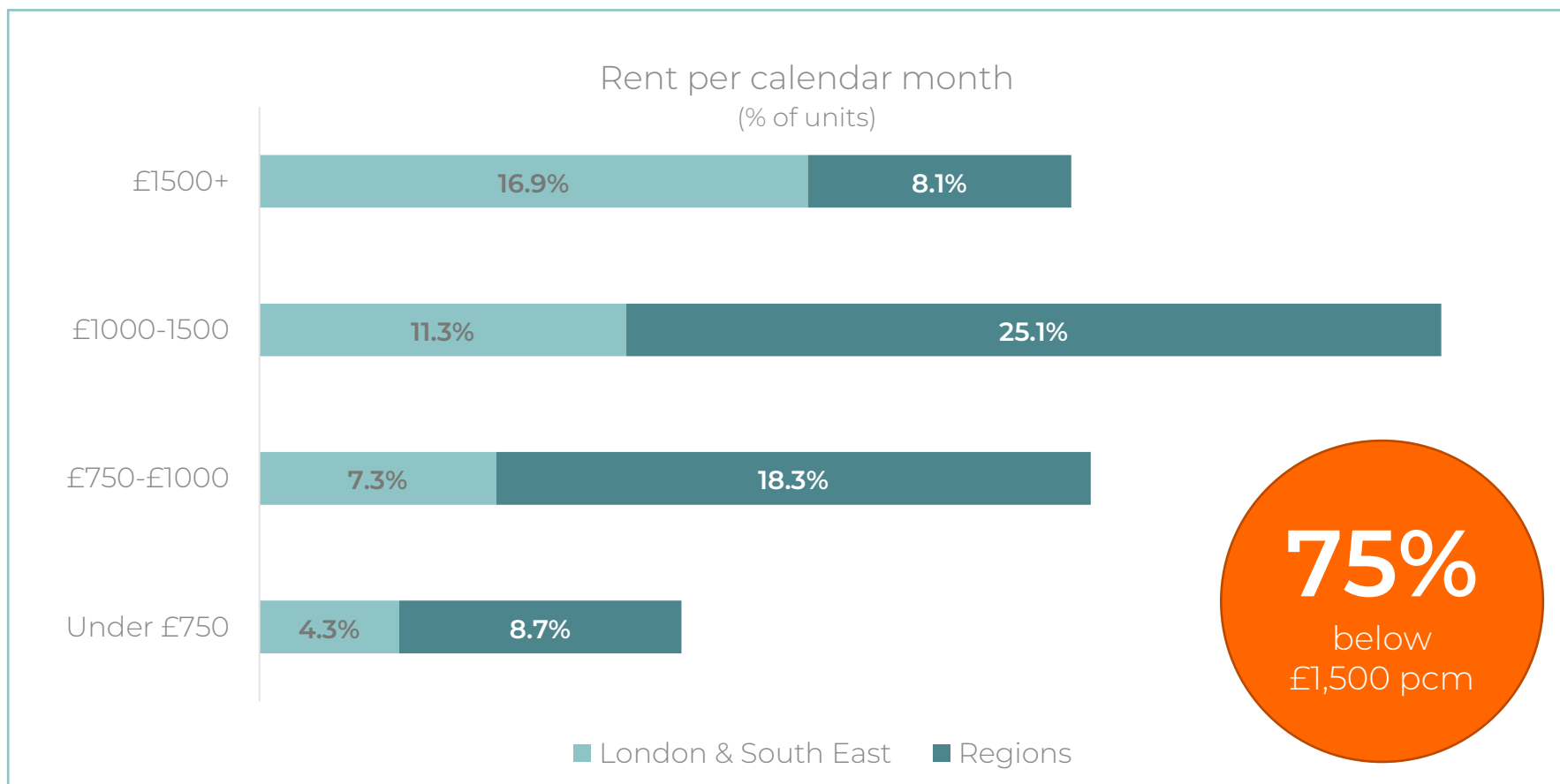
^ Area based on EPC data

# PRS portfolio – rent levels

Originate

Invest

Operate





# Secured pipeline schedule

(1 of 2 pages)

Originate

Invest

Operate

Name	No. units	Targeted launch	Status	Est. Grainger investment	Spend to date	Gross yield target
<b>Forward funding / acquisition</b>						
Enigma Square, Milton Keynes*	261	Early FY23	Completed	£63m	£63m	c.6.25%
The Copper Works, Capital Quarter, Cardiff	307	Early FY23	On site	£57m	£53m	c.7%
Fortunes Dock, Canning Town 2, London	146	Mid FY23	On site	£62m	£60m	c.5.5%
The Barnum, Queens Road, Nottingham	348	Mid FY23	On site	£56m	£34m	c.7%
The Mint, Guildford Station, Surrey	98	Mid FY23	On site	£37m	£24m	c.5.5%
The Tilt Works, Well Meadow, Sheffield	284	Late FY23	On site	£42m	£25m	c.7%
The Condor, Becketwell, Derby	259	Late FY23	On site	£38m	£27m	c.7%
The Silver Yard, Exchange Square, Birmingham	375	Early FY24	On site	£77m	£39m	c.6.5%
Millwrights Place, Bristol	231	Early FY24	On site	£63m	£47m	c.6.0%
West Way Square, Oxford	150	Early FY25	On site	£68m	£19m	c.5.5%
Canning Town 3, London	132	Early FY25	On site	£56m	£7m	c.5.5%
Redcliff Quarter, Bristol**	468	Mid FY25	On site	£126m	£27m	c.6%
Merrick Place, Southall, London	401	Mid FY26	On site	£156m	£0m	c.5.75%
<b>Forward funding sub-total</b>	<b>3,460</b>			<b>£901m</b>	<b>£425m</b>	

\* Completed post YE in October 2022

\*\* Total purchase price of £128m less £2m of completed commercial units acquired

# Secured pipeline schedule

(Continued from previous page)

Originate

Invest

Operate

Name	No. units	Targeted launch	Status	Est. Grainger investment	Spend to date	Gross yield target
<b>Direct development**</b>						
Weavers Yard, Newbury, West Berks*	198	Early phases launched	Part complete	£52m*	£49m*	c.6.25%
<b>Direct development total</b>	<b>198</b>			<b>£52m</b>	<b>£49m</b>	
<b>Total Committed Pipeline</b>	<b>3,658</b>			<b>£953m</b>	<b>£474m</b>	
Besson St, Lewisham, London (JV - 50%)	324	TBC	Detailed design, consent granted	£51m	£7m	c.6.25%
Waterloo, London	215	TBC	Consent granted	£130m**	£6m	c.5%
Exmouth Junction, Exeter	230	TBC	Acquired	£60m	£7m	c.6.25%
<b>Direct development total</b>	<b>769</b>			<b>£241m</b>	<b>£20m</b>	
<b>Total Secured Pipeline</b>	<b>4,427</b>			<b>£1,194m</b>	<b>£494m</b>	

\*Remaining phases - 232 homes in total, 34 homes completed in the year with 198 remaining under construction.

\*\*Net investment in addition to existing asset value

# Secured pipeline projects

## 17 high quality PRS schemes

Originate

Invest

Operate

Completed post YE

Secured

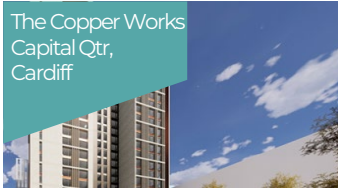
Secured in FY22

### Forward funding / Acquisitions

Enigma Square,  
Milton Keynes



The Copper Works  
Capital Qtr,  
Cardiff



Fortunes Dock,  
Canning Town 2,  
London



The Barnum,  
Queens Rd,  
Nottingham



The Mint,  
Guildford Station,  
Surrey



The Tilt Works,  
Well Meadow,  
Sheffield



The Condor,  
Becketwell,  
Derby



The Sliver Yard,  
Exchange Sq,  
Birmingham



Millwrights Place,  
Bristol



West Way Sq,  
Oxford



Canning Town 3,  
London



Redcliff Quarter,  
Bristol



Merrick Place,  
London



### Direct Development

Weavers Yard,  
Newbury, West  
Berks



Besson Street,  
Lewisham



Waterloo,  
London



Exmouth Junction,  
Exeter



# ESG: Securing our long-term future

Originate

Invest

Operate

## 4 long-term ESG commitments

Environment:

1

Net zero carbon for Scopes 1 & 2 emissions by 2030

Assets:

2

Enhance investment decisions further by integrating ESG considerations

People:

3

Measure and deliver positive social value

4

Diverse workforce reflective of society

## Excellent ESG benchmark achievements

Corporate ESG Index



FTSE4Good

Constituent since 2010

Real estate ESG reporting



Gold Award 2014-2022

ESG Risk Rating



SUSTAINALYTICS

'Low risk' rating

ESG benchmark



'Prime' rating

ESG benchmark



'AA' rating

# Delivering our ESG & Responsible Business ambitions

Originate

Invest

Operate

	Net carbon reduction	Sustainable investing	Making a positive social impact	A diverse and inclusive business
Our commitments	Net zero carbon for our operations by 2030 (Scopes 1 & 2)	Integrate ESG into all investment decisions	Deliver a positive social impact	Ensure our workforce is reflective of society
2022 Highlights	<p>We continued to implement our roadmap to net zero carbon by 2030. This year we increased our focus on Scope 3 emissions with pilots to measure customer emissions and to understand opportunities to measure and reduce embodied carbon on our developments.</p> <p>Our 'Living a Greener Life' engagement strategy was developed to help our customers join us on our net zero journey.</p>	<p>We defined our costed pathway to increasing energy efficiency standards across our portfolio to EPC band C by 2025, which we are underway in actioning with 87% of PRS properties currently rated EPC C or above.</p> <p>Climate scenario analysis was undertaken to assess the physical climate risks material to Grainger's portfolio and we produced Grainger's first full TCFD Report.</p> <p>Grainger's Sustainable Finance Framework was finalised and approved.</p>	<p>We have assessed the social value delivered by a typical operational BTR asset to inform how we measure the social impact of our portfolio.</p>	<p>Workforce diversity tracking has improved the accuracy and coverage of our workforce diversity data, to inform the development of our Diversity &amp; Inclusion Strategy.</p> <p>We introduced a new mentoring scheme and Diverse Talent Acceleration Programme to support the growth of our colleagues.</p>
Key workstreams for 2023	Define Grainger's strategy to measure and reduce embodied carbon. Plan Grainger's long-term roadmap to net zero Scope 3 emissions.	Create asset level sustainability action plans for Grainger's long-term hold assets.	Develop Grainger's social impact framework.	Undertake a review of external Diversity & Inclusion benchmarks with a view to selecting and progressing with one.

# Market value balance sheet

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Operate

FY21

FY22

## Market value balance sheet (£m)

Residential – PRS	2,024	2,189
Residential – regulated tenancies	896	812
Residential – mortgages (CHARM)	72	69
Forward Funded – PRS work in progress	244	466
Development work in progress	146	182
Investment in JVs/associates	45	55
<b>Total investments</b>	<b>3,427</b>	<b>3,773</b>
Net debt	(1,042)	(1,262)
Other liabilities	(35)	(41)
<b>EPRA NRV</b>	<b>2,350</b>	<b>2,470</b>
Deferred and contingent tax – trading assets	(142)	(111)
<b>EPRA NTA</b>	<b>2,208</b>	<b>2,359</b>
Deferred and contingent tax – investment assets	(59)	(116)
Fair value of fixed rate debt and derivatives	(38)	240
<b>EPRA NDV</b>	<b>2,111</b>	<b>2,483</b>
<b>EPRA net asset values (pence per share)</b>		
<b>EPRA NRV</b>	<b>316</b>	<b>333</b>
<b>EPRA NTA</b>	<b>297</b>	<b>317</b>
<b>EPRA NDV</b>	<b>284</b>	<b>334</b>

# Segmental EPRA NTA balance sheet

Originate

Invest

Operate

	FY21				FY22			
EPRA NTA market value balance sheet (£m)	PRS	Reg*	Other	Group	PRS	Reg*	Other	Group
Investment property	2,156.2	23.0	-	2,179.2	2,753.5	22.4	-	2,775.9
Investment in joint ventures and associates	26.9	-	18.0	44.9	37.1	-	18.1	55.2
Financial interest in property assets	-	71.7	-	71.7	-	69.1	-	69.1
Inventories - trading property	205.4	872.9	52.4	1,130.7	13.9	789.0	70.1	873.0
Cash and cash equivalents	212.5	89.7	15.4	317.6	71.2	22.4	2.3	95.9
Other assets	6.0	9.5	52.5	68.0	16.2	11.7	49.4	77.3
<b>Total Assets</b>	<b>2,607.0</b>	<b>1,066.8</b>	<b>138.3</b>	<b>3,812.1</b>	<b>2,891.9</b>	<b>914.6</b>	<b>139.9</b>	<b>3,946.4</b>
Interest-bearing loans and borrowings	(901.8)	(380.4)	(65.3)	(1,347.5)	(1,008.6)	(316.7)	(32.3)	(1,357.6)
Deferred and contingent tax liabilities	(28.9)	(106.0)	(10.2)	(145.1)	(5.4)	(99.3)	(7.3)	(112.0)
Other liabilities	(67.8)	(8.6)	(35.3)	(111.7)	(50.3)	(13.0)	(54.5)	(117.8)
<b>Total Liabilities</b>	<b>(998.5)</b>	<b>(495.0)</b>	<b>(110.8)</b>	<b>(1,604.3)</b>	<b>(1,064.3)</b>	<b>(429.0)</b>	<b>(94.1)</b>	<b>(1,587.4)</b>
<b>Net assets</b>	<b>1,608.5</b>	<b>571.8</b>	<b>27.5</b>	<b>2,207.8</b>	<b>1,827.6</b>	<b>485.6</b>	<b>45.8</b>	<b>2,359.0</b>

\* Includes regulated tenancy portfolio and CHARM portfolio.



# EPRA Earnings

Originate

Invest

Operate

£m	FY21			FY22		
	Adjusted Earnings	Adjustments	Adjusted EPRA earnings	Adjusted Earnings	Adjustments	Adjusted EPRA earnings
Net rental income	70.6	-	70.6	86.3	-	86.3
Profit from sales – trading property	67.8	(56.0)	11.8	63.6	(61.1)	2.5
Profit from sales – investment property	1.5	(1.5)	-	1.7	(1.7)	-
Mortgage income (CHARM)	4.9	-	4.9	4.8	-	4.8
Management fees	5.1	-	5.1	4.4	-	4.4
Overheads	(30.2)	-	(30.2)	(31.8)	-	(31.8)
Pre-contract costs	(0.6)	-	(0.6)	(0.8)	-	(0.8)
Net finance costs	(35.2)	-	(35.2)	(33.3)	-	(33.3)
Joint ventures	(0.4)	-	(0.4)	(1.4)	-	(1.4)
<b>Adjusted earnings</b>	<b>83.5</b>	<b>(57.5)</b>	<b>26.0</b>	<b>93.5</b>	<b>(62.8)</b>	<b>30.7</b>
Valuation movements	80.7			133.4		
Other valuation movements <sup>1</sup>	-			81.2		
Other adjustments	(12.1)			(9.5)		
<b>Profit before tax</b>	<b>152.1</b>			<b>298.6</b>		
<b>Adjusted EPS / Adjusted EPRA EPS, after tax</b>	<b>9.9</b>		<b>3.1</b>	<b>10.2</b>		<b>3.3</b>

<sup>1</sup>Profit before tax includes an £81.2m valuation uplift from one-off transfers from trading property to investment property in FY22. The transfer does not impact the market value of properties reflected in EPRA measures, but does increase EPRA NTA by 3pps following the reclassification of £20.3m contingent tax, see p57.

# Segmental income statement

Originate

Invest

Operate

	FY21				FY22			
£m	PRS	Reg*	Other	Group	PRS	Reg*	Other	Group
Net rental income	51.9	18.4	0.3	70.6	<b>70.8</b>	<b>15.2</b>	<b>0.3</b>	<b>86.3</b>
Profit from sales – trading property	(0.1)	66.1	1.8	67.8	<b>(0.1)</b>	<b>61.7</b>	<b>2.0</b>	<b>63.6</b>
Profit from sales – investment property	1.3	0.2	-	1.5	<b>1.6</b>	<b>0.1</b>	-	<b>1.7</b>
Mortgage income (CHARM)	-	4.9	-	4.9	-	<b>4.8</b>	-	<b>4.8</b>
Management fees	4.7	-	0.4	5.1	<b>3.8</b>	-	<b>0.6</b>	<b>4.4</b>
Overheads	-	-	(30.2)	(30.2)	-	-	<b>(31.8)</b>	<b>(31.8)</b>
Pre-contract costs	(0.6)	-	-	(0.6)	<b>(0.8)</b>	-	-	<b>(0.8)</b>
Net finance costs	(24.5)	(9.9)	(0.8)	(35.2)	<b>(24.7)</b>	<b>(7.8)</b>	<b>(0.8)</b>	<b>(33.3)</b>
Joint ventures	(0.3)	-	(0.1)	(0.4)	<b>(1.4)</b>	-	-	<b>(1.4)</b>
<b>Adjusted earnings</b>	<b>32.4</b>	<b>79.7</b>	<b>(28.6)</b>	<b>83.5</b>	<b>49.2</b>	<b>74.0</b>	<b>(29.7)</b>	<b>93.5</b>
Valuation movements				80.7				<b>133.4</b>
Other valuation movements <sup>1</sup>				-				<b>81.2</b>
Other adjustments				(12.1)				<b>(9.5)</b>
<b>Profit before tax</b>				<b>152.1</b>				<b>298.6</b>

\* Includes regulated tenancy portfolio and CHARM portfolio.

<sup>1</sup> Profit before tax includes an £81.2m valuation uplift from one-off transfers from trading property to investment property in FY22. The transfer does not impact the market value of properties reflected in EPRA measures, but does increase EPRA NTA by 3pps following the reclassification of £20.3m contingent tax, see p57.

# EPRA NRV, EPRA NTA and EPRA NDV

Originate

Invest

Operate

	FY21			FY22		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
£m						
<b>IFRS Equity attributable to shareholders</b>	1,739.0	1,739.0	1,739.0	<b>1,966.8</b>	<b>1,966.8</b>	<b>1,966.8</b>
<b>Diluted NAV</b>	1,739.0	1,739.0	1,739.0	<b>1,966.8</b>	<b>1,966.8</b>	<b>1,966.8</b>
Include:						
Revaluation of other non-current investments	6.0	6.0	6.0	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>
Revaluation of trading properties	543.3	401.6	401.6	<b>425.5</b>	<b>314.4</b>	<b>314.4</b>
<b>Diluted NAV at fair value</b>	<b>2,288.3</b>	<b>2,146.6</b>	<b>2,146.6</b>	<b>2,397.4</b>	<b>2,286.3</b>	<b>2,286.3</b>
Exclude:						
Deferred tax in relation to fair value gains of IP	58.3	58.3	-	<b>115.6</b>	<b>115.6</b>	-
Fair value of financial instruments	3.4	3.4	-	<b>(42.4)</b>	<b>(42.4)</b>	-
Goodwill as per the IFRS balance sheet	-	(0.5)	(0.5)	-	<b>(0.5)</b>	<b>(0.5)</b>
Intangibles as per the IFRS balance sheet	-	-	-	-	-	-
Include:						
Fair value of fixed interest rate debt	-	-	(35.0)	-	-	<b>197.2</b>
<b>NAV</b>	<b>2,350.0</b>	<b>2,207.8</b>	<b>2,111.1</b>	<b>2,470.6</b>	<b>2,359.0</b>	<b>2,483.0</b>
Fully diluted number of shares	742.8	742.8	742.8	<b>742.9</b>	<b>742.9</b>	<b>742.9</b>
<b>NAV pence per share</b>	<b>316</b>	<b>297</b>	<b>284</b>	<b>333</b>	<b>317</b>	<b>334</b>

# Property Reclassification

Originate

Invest

Operate

Reclassification of long term hold properties from trading stock to investment properties for REIT conversion.

	FY22 (Pre-reclass)	Property Reclass	FY22 (Reported)
	£m	£m	£m
<b>Consolidated income statement impact</b>			
Net valuation gains on investment property	129.0	81.2	210.2
<b>Profit before tax</b>	<b>217.4</b>	<b>81.2</b>	<b>298.6</b>
Tax charge	(48.9)	(20.3)	(69.2)
<b>Profit for the period attributable to the owners of the Company</b>	<b>168.5</b>	<b>60.9</b>	<b>229.4</b>
Basic earnings per share	22.8p	8.2p	31.0p
Diluted earnings per share	22.7p	8.2p	30.9p
<b>Consolidated statement of financial position impact</b>			
Investment property	2,578.2	197.7	2,775.9
<b>Total non-current assets</b>	<b>2,718.2</b>	<b>197.7</b>	<b>2,915.9</b>
Inventories – trading property	570.3	(116.5)	453.8
<b>Total current assets</b>	<b>779.7</b>	<b>(116.5)</b>	<b>663.2</b>
Deferred tax liabilities	(116.6)	(20.3)	(136.9)
<b>Total non-current liabilities</b>	<b>1,478.1</b>	<b>(20.3)</b>	<b>1,457.8</b>
<b>Net assets</b>	<b>1,905.9</b>	<b>60.9</b>	<b>1,966.8</b>
Retained earnings	998.7	60.9	1,059.6
<b>Total Equity</b>	<b>1,905.9</b>	<b>60.9</b>	<b>1,966.8</b>

## Financial Impact

- Profit before tax includes an £812m valuation uplift
- £20.3m deferred tax from one off transfers to investment properties
- No impact on EPRA market value, increases NTA by 3pps.

EPRA NAV Impact	Pre-reclass	Reclass	Final
	£m	£m	£m
EPRA NRV	2,470.6	-	2,470.6
EPRA NTA	2,338.7	20.3	2,359.0
EPRA NDV	2,483.0	-	2,483.0

# Debt facilities

Balance sheet, funding and hedging: strong, secured and de-risked

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	Lender	Size	Facility Drawn	Maturity
<b>Core Facilities:</b>				
Corporate Bond	Listed	£350m	£350m	Apr 2028
Corporate Bond	Listed	£350m	£350m	Jul 2030
Revolving Credit Facility	HSBC, NatWest, Barclays	£392m	£1m	Sep 2027*
Term Debt	HSBC, NatWest, Barclays, AIB	£183m	£183m	Sep 2027*
Bi-Lateral Term	HSBC	£50m	£50m	Apr 2027*
Bi-Lateral Term	NatWest	£50m	£50m	May 2027*
Bi-Lateral Term	Handelsbanken	£40m	£40m	Nov 2027**
Revolving Credit Facility	Wells Fargo	£125m	-	Apr 2027*
Revolving Credit Facility	ABN Amro	£75m	-	Apr 2025*
<b>Sub total</b>		<b>£1,615m</b>	<b>£1,024m</b>	
<b>Rothsay Term Debt:</b>				
Institutional Term Debt	Rothsay Life	£75m	£75m	Jul 2026
Institutional Term Debt	Rothsay Life	£75m	£75m	Oct 2027
Institutional Term Debt	Rothsay Life	£200m	£200m	Jul 2029
<b>Total Group Facilities</b>		<b>£1,965m</b>	<b>£1,374m</b>	

\* Further 2 x 1 year extension options available

\*\* Further 1 year extension option available

# Pin Yard

## Holbeck Village, Leeds

Originate

Invest

Operate



### Asset Overview

- Forward fund, completed March 22
- 216 high quality apartments  
(130 x 1 beds, 70 x 2 beds, 16 x 3 beds)
- c. 2,500 sq ft of internal residents amenity
- Onsite resident services
- Residents lounge, gym and co-working space

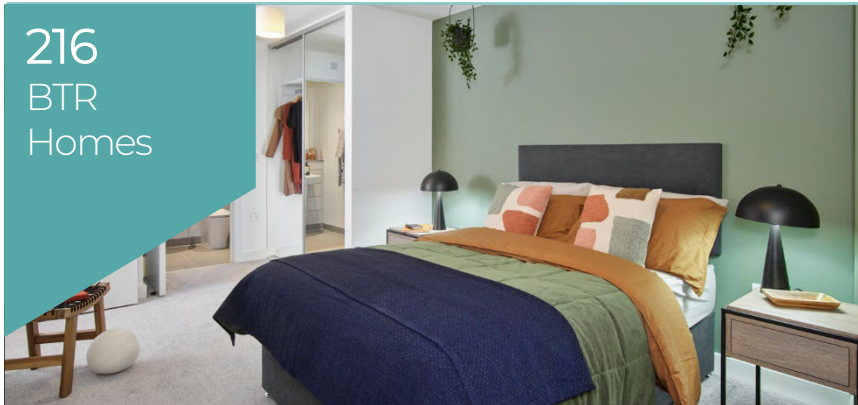
### Socially responsible investment

Walk  
score  
**83**



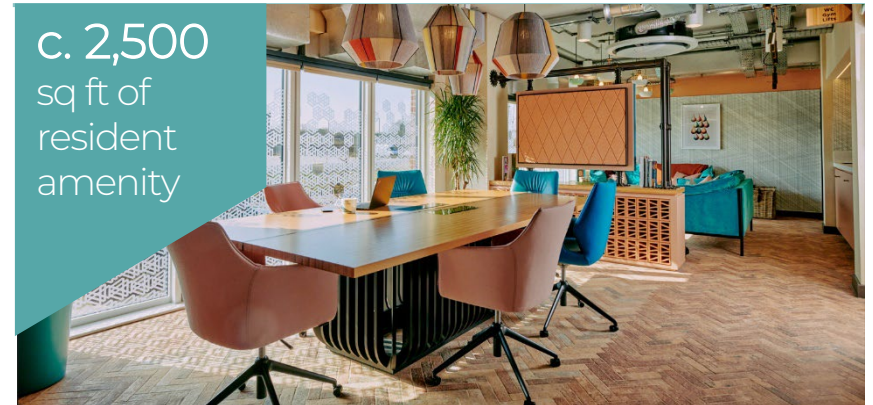
### Residential Accommodation

216  
BTR  
Homes



### Resident Amenity

c. 2,500  
sq ft of  
resident  
amenity





# Weavers Yard

## Newbury, Berkshire

Originate

Invest

Operate



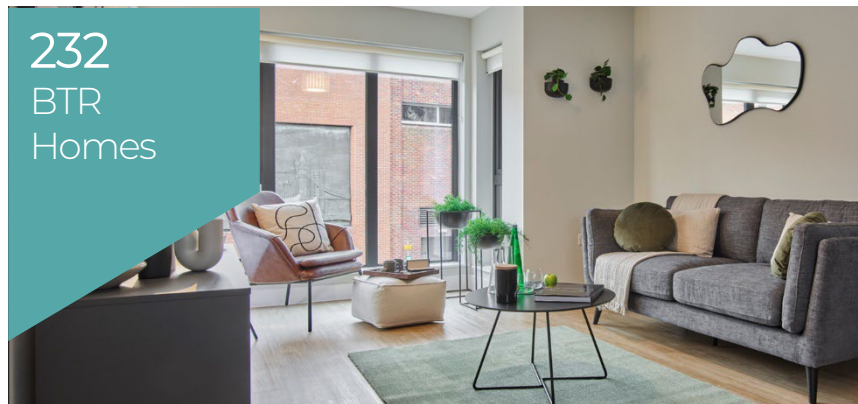
WEAVERS  
YARD

### Asset Overview

- Direct Development, first phase completed April 22
- 232 high quality apartments and townhouses (1 x Studio, 78 x 1 beds; 129 x 2 beds, 24 x 3 beds)
- c.,8,500 sq ft of commercial space
- Over 1,500 sq ft of internal residents amenity
- Onsite resident services
- Residents hub, lounge and co-working space

### Residential Accommodation

232  
BTR  
Homes



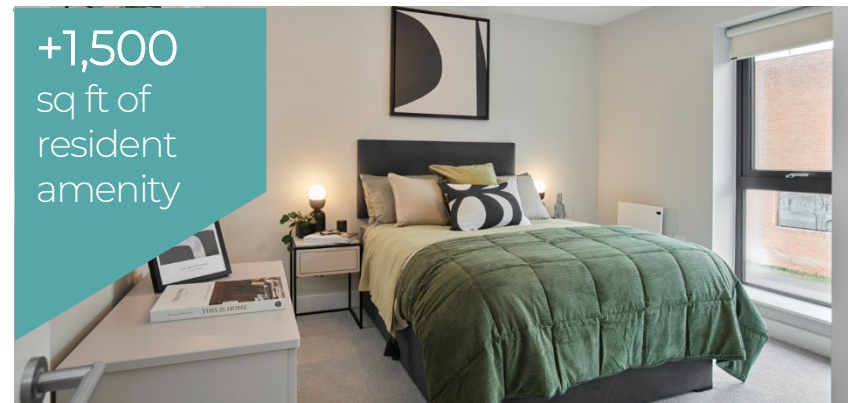
### Socially responsible investment

Walk  
score  
96



### Resident Amenity

+1,500  
sq ft of  
resident  
amenity





# Gilders Yard

## Jewellery Quarter, Birmingham

Originate

Invest

Operate



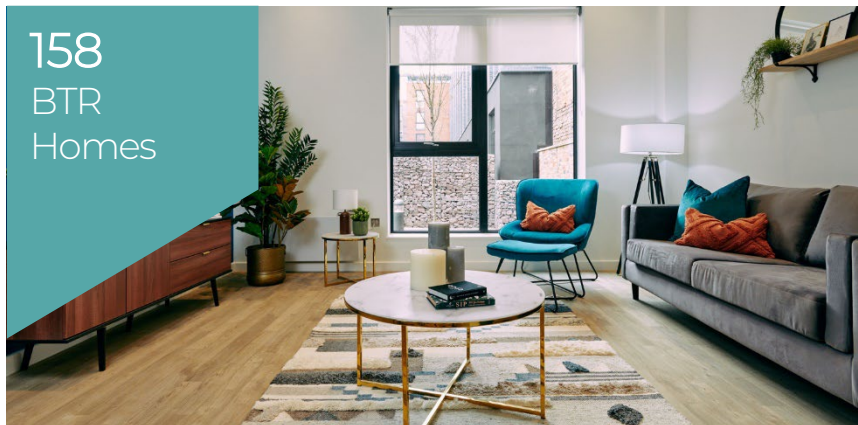
GILDERS  
YARD

### Asset Overview

- Direct Development, completed Aug22
- 158 high quality apartments (86 x 1 beds; 72 x 2 beds)
- c. 6,500 sq ft of commercial space
- c. 2,700 sq ft of internal residents amenity
- Onsite resident services
- Residents lounge, co-working space, gym and dining room

### Residential Accommodation

158  
BTR  
Homes



### Socially responsible investment

Walk  
score  
95



### Resident Amenity

c. 2,700  
sq ft of  
resident  
amenity



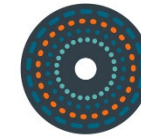
# Enigma Square

## Milton Keynes

Originate

Invest

Operate



ENIGMA  
SQUARE

### Asset Overview

- Forward fund, launched Nov 2022
- 261 high quality apartments  
(13 x Studios, 182 x 1 beds; 54 x 2 beds, 12 x 3 beds)
- c.8,000 sq ft of commercial space
- c.5,500 sq ft of internal residents amenity
- Onsite resident services
- Residents lounge, gym, co-working space and roof terrace

### Residential Accommodation



### Socially responsible investment



### Resident Amenity



# Future reporting dates

Originate

Invest

Operate

## 2023

AGM / Trading update	8 February
Half year results	11 May
Trading update	September
Full year results	22 November