

5 February 2025

Grainger plc

("Grainger", the "Group", or the "Company")

TRADING UPDATE

Delivering accelerated growth; strong outlook

- 15% growth in total net rental income
- Total like-for-like rental growth strong at 4.7% YTD
- Stabilised PRS portfolio occupancy remains high at 96.0%
- Strong lease up on new schemes continues well ahead of underwriting
- New schemes opening in Oxford, London and Bristol this year
- Continued strong rental demand

Grainger plc, the UK's largest listed provider of private rental homes with a c.£3.4bn operational portfolio of c.11,100 homes and a £1.4bn pipeline of a further c.5,000 build-to-rent homes¹, today provides an update on trading for the four months to the end of January 2025, alongside its AGM which is being held today at its head office in Newcastle upon Tyne. The Company will announce its half year results for the six-month period ending 31 March 2024 on 15 May 2025.

Helen Gordon, Chief Executive of Grainger, said:

"Grainger continues to perform strongly, delivering 15% growth in total net rental income on the same period last year, and up from 14% growth reported at FY24, supported by a Build to Rent ("BTR") market with excellent fundamentals. We expect to deliver continued growth in strong, reliable, cash-backed earnings for years to come, and our conversion to a REIT later this year, marks Grainger's transformation away from a trading business to a total returns focused, investment business underpinned by reliable, recurring income.

"We expect earnings² to grow by 50% in the medium term through the delivery of our committed BTR investment pipeline. Today's announcement of 15% net rental income growth demonstrates the progress in the delivery of this.

"Our leading operating platform powered by our CONNECT technology platform enables us to keep central costs relatively flat whilst we grow materially, driving this significant compounding earnings growth over the coming years.

"A supportive and improving regulatory backdrop alongside an increasing number of positive statements in support of Build to Rent from the UK Government further strengthens our outlook for the future."

Robust rental performance continues

Our market-leading operational platform, underpinned by CONNECT, continues to deliver value.

PRS rental growth remains at good levels, with very strong demand for our mid-market product and excellent customer service. Occupancy remains high and is in line with expectations given the seasonality of the lettings market.

- Total net rental income growth: **15.0%**
- Like-for-like rental growth:

¹ Last reported at FY24 Full Year Results in Nov 2024, figures as at 30 Sept 2024

² EPRA Earnings per share

- Total like-for-like rental growth YTD: **4.7%**
- PRS like-for-like rental growth YTD: **4.4%**
- Regulated tenancy like-for-like rental growth YTD: **7.5%**
- Occupancy in our PRS portfolio remains high (spot, as at 31 Jan): **96.0%**

Strong sales performance funding BTR investment and future growth

- Sales generated from our regulated tenancy portfolio as it unwinds continue to provide a reliable source of capital for our continued growth and accelerating earnings.
- We are seeing good levels of liquidity and demand in the residential sales market.
- We continue to see strong pricing, achieving average sales prices 0.5% ahead of valuations.
- As our regulated tenancy portfolio reduces in size over time, we expect to see volumes of vacant sales from this portfolio to reduce too.
- We continue to focus on our elevated asset recycling activity, selling low yielding tenanted properties, portfolios and land to reinvest the capital into our BTR pipeline and new higher-yielding BTR opportunities.

Outlook

The fundamentals of the UK residential rental market remain exceptionally supportive, as demand continues to grow and rental supply continues to be constrained as small, private landlords face increasing headwinds.

The regulatory backdrop is accelerating this trend, whilst we also have seen an increasing number of positive statements in support for Build to Rent from the UK Government.

We will deliver significant earnings growth as we deliver our pipeline, leveraging our operating platform. This growth is highly accretive as we fund it from the disposal of low yielding non-core assets, including our regulated tenancy portfolio, into new higher yielding BTR homes.

-ENDS-

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