

Grainger plc

Half year financial results
for the six months ended 31 March 2025

Outstanding performance; Accelerating growth; Delivering shareholder value

- EPRA Earnings up +23%
- Net rental income growth of +15%
- Strong like-for-like rental growth of +4.4%
- Dividend up +12%
- Strong demand and high occupancy at 96.0%
- Property values increasing
- Excellent outlook

Grainger plc, the UK's largest listed residential landlord and leader in the build-to-rent (BTR) sector, today announces another period of strong performance for the six months ended 31 March 2025.

Helen Gordon, Chief Executive, said:

"Grainger has delivered another period of outstanding performance and we are continuing to deliver growth year-on-year. Earnings¹ are up 23% whilst net rental income grew 15% compared to this period last year, driven by our new openings, growth in underlying rents and our ability to leverage our central costs and operational platform. Our properties are in high demand and our portfolio remains fully let with occupancy at 96% with a strong customer demographic base and stable and healthy levels of affordability. The expansion of our BTR portfolio is accelerating our earnings growth.

"Residential, specifically private rented residential, has proven its resilience through the cycle compared to other real estate asset classes with excellent rental growth protecting valuations and we are seeing continued valuation growth. Investment activity in the build-to-rent sector is very buoyant with reports of more than £1bn of investment activity in Q1 this year. Our market is characterised by structural demand drivers, supply-constrained markets, strong customer demographics and a supportive regulatory and political backdrop which is aimed at stimulating investment activity.

"Through the delivery of the first part of our pipeline, our committed pipeline, we expect to deliver strong like-for-like rental growth and 50% earnings growth from FY24 to FY29 after fully absorbing the impact of higher interest costs. We have significant firepower from our non-core portfolio to fund growth beyond that for our remaining pipeline or additional stabilised acquisitions.

"Our business is designed to create shareholder value. We operate in a sector with strong structural tailwinds. Our asset class and specifically our portfolio and platform, deliver inflation-backed rental growth. Our sector leading operating platform is scalable and our EBITDA margins are growing substantially as we deliver our large pipeline. This shareholder value creation model creates excellent, risk-adjusted returns, with a commitment to delivering a continued progressive dividend. We are increasing our interim dividend 12%, reflecting our outstanding performance."

	HY25	HY24	Change
Net rental income ² (Note 5)	£61.3m	£53.2m	+15%
EPRA Earnings	£30.2m	£24.5m	+23%
Adjusted earnings ³ (Note 2)	£50.1m	£44.4m	+13%
IFRS profit before tax ³ (Note 2)	£74.0m	£(31.2)m	+337%
Earnings per share (diluted, after tax) (Note 10)	7.5p	(3.0)p	+350%
Dividend per share ⁴ (Note 11)	2.85p	2.54p	+12%
Total Property Return ⁵	2.5%	(0.4)%	+286bps
Total Accounting Return (Note 3)	1.3%	(2.9)%	+419bps
	HY25	FY24	Change
EPRA NTA per share (Note 3)	300p	298p	+1%
Net debt	£1,475m	£1,453m	+2%
Group LTV	38.5%	38.2%	+35bps
Cost of debt (average)	3.1%	3.2%	(4)bps

HIGHLIGHTS

Delivering excellent rental growth through our best-in-class operational platform

- Increased net rental income by 15% to £61.3m (HY24: £53.2m)
- Delivered 4.4% like-for-like rental growth (FY24: 6.3%) with BTR⁶ rental growth 4.2% (new lets 3.1% and renewals 4.9%), whilst regulated tenancy rental growth was 7.0%
- Strong demand; achieved high occupancy at 96.0% (FY24: 97.4%)
- Strong customer demographic base with 89% between ages 20-44 from a broad, robust employer base

Accelerating earnings growth, demonstrating our ability to leverage our operational platform

- EPRA Earnings increased 23% to £30.2m (HY24: £24.5m)
- Our committed pipeline, with only £166m remaining to invest, will grow FY24 EPRA Earnings by 25% to FY26 and 50% by FY29 even after absorbing higher interest costs over the period
- Interim dividend increased 12% to 2.85p per share (HY24: 2.54pps)

Strong investment market and valuations growing

- £1.1bn of BTR investment activity seen in Q1⁷, forecast to be £6bn for 2025⁸
- Property valuations have continued to increase, with EPRA NTA up 1% to 300p

Self-funded growth

- Significant firepower of £1.1bn of low-yielding, non-core assets to fund future growth
- Adjusted Earnings grown by 13% to £50.1m, which includes sales profits (HY24: £44.4m)
- Strong sales of regulated tenancies achieving vacant sales in line with valuations

Attractive market dynamics

- Rental demand expected to grow by 20% between 2021 and 2031⁹
- Supply of rental housing remains constrained and expected to worsen
- Opportunity to grow market share as BTR represents only 2.3% of total rental market¹⁰
- Political support for BTR

Strong balance sheet to support growth

- Fixed low debt cost with no material refinancing required until 2029
- Highly cash generative business with c.£200m+ pa
- LTV forecast to reduce over time
- Ability to absorb future implied interest rates and continue to deliver earnings growth

REIT conversion on track for FY26

- On track to convert to a REIT for FY26; enhancing total returns by c.50bps and delivering corporation tax savings of c.£15m in the first year and growing thereafter, whilst supporting our strategy and growth prospects
- Commitment to deliver continued progressive dividend returns

Excellent outlook, delivering shareholder value

- Strong underlying market conditions with ongoing undersupply as demand grows
- Strong like-for-like rental growth expected to continue, supported by inflation
- Sector-leading operating platform will drive further efficiencies to deliver EBITDA margin expansion from 54% to 60%
- Continuing strong year-on-year compounding earnings growth
- Buoyant investment activity in the BTR sector will continue to support property valuations

Our £1.3bn Build-to-Rent Pipeline

Committed pipeline	
Investment value	£413m
Remaining cost to complete	£166m
Homes	1,180
Secured pipeline	
Investment value	£541m
Homes	2,044
Planning & legal pipeline	
Investment value	£370m
Homes	1,341
Total pipeline	
Investment value	£1,324m
Homes	4,565

ESG Awards and benchmarks

FTSE4Good	Constituent since 2010
CDP	'B' for Climate Change; 'B-' for water
MSCI ESG	'AA' Rating
ISS-oekom	'Prime' rating
GRESB Public Disclosure	'A' rating
Sustainalytics	'Low risk'; 2025 ESG Top Rated company
Dow Jones	'Best-in-Class' indices constituent
S&P Global Sustainability Assessment	93 percentile
Workforce Disclosure Initiative	98% score
EPRA Sustainability Best Practice Reporting	Gold
EPRA Societal Awards	Outstanding Contribution to Society 2023 Winner
FTSE Women Leaders	2 nd in Real Estate; 19 th in FTSE250
National Equality Standard	Achieved in 2024

¹ EPRA Earnings

² Refer to Note 5 for net rental income calculation.

³ Refer to Note 2 for IFRS profit before tax and adjusted earnings reconciliation.

⁴ Dividend – The dividend of 2.85p per share (gross) amounting to £21.0m will be paid on 7 July 2025 to shareholders on the register at the close of business on 23 May 2025. Shareholders will again be offered the option to participate in a dividend re-investment plan and the last day for election is 9 June 2025 – refer also to Note 11.

⁵ Total Property Return (TPR) represents the change in gross asset value, net of capital expenditure incurred, plus net income, expressed as a percentage of gross asset value.

⁶ Previously referred to as PRS

⁷ Knight Frank, BTR Market Update Q1 2025

⁸ LSH Built to Last report, 1 May 2025

⁹ Savills using English Housing Survey data

¹⁰ ONS, Northern Ireland Statistics & Research Agency, BPF, Savills

Future reporting dates

- Trading Update – September 2025
- Full year results – 20 November 2025

Half year results presentation

Grainger plc will be holding a presentation of the results at 9:00am (UK time) today, 15 May 2025, which can be accessed via webcast and a telephone dial-in facility (details below), which will be followed by a live Q&A session for sell side analysts and shareholders.

Webcast details:

To view the webcast, please go to the following URL link. Registration is required.

https://brrmedia.news/GRI_HY_25

The webcast will be available for six months from the date of the presentation.

Conference call details:

Call: +44 (0) 33 0551 0200

Quote “**Grainger Half Year**” when prompted by the operator

**Please note that Live Questions can be submitted by analysts and investors via the webcast, but not via the conference call facility.*

Presentation material:

A copy of the presentation slides will also be available to download on Grainger’s website (<http://corporate.graingerplc.co.uk/>) from 08:30am (UK time).

For further information, please contact:

Investor relations

Kurt Mueller, Grainger plc:

+44 (0) 20 7940 9500

Media

Ginny Pulbrook / Geoffrey Pelham-Lane, Camarco:

+44 (0) 20 3757 4992 / 4985

Forward-looking statements disclaimer

This announcement contains certain forward-looking statements. Any statement in this publication that is not a statement of historical fact including, without limitation, those regarding Grainger plc's (Grainger) future financial condition, business, operations, financial performance and other future events or developments involving Grainger, is a forward-looking statement. Such statements may, but not always, be identified by words such as 'expect', 'estimate', 'project', 'anticipate', 'believe', 'should', 'intend', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. By their nature, forward-looking statements involve inherent risks, assumptions and uncertainties as they relate to events which occur in the future and depend on circumstances which may or may not occur and go beyond Grainger's ability to control. Actual outcomes or results may differ materially from the outcomes or results expressed or implied by these forward-looking statements. Factors which may give rise to such differences include (but are not limited to) changing economic, financial, business, regulatory, legal, political, industry and market trends, house prices, competition, natural disasters, terrorism or other social, political or market conditions.

Grainger's principal risks are described in more detail in its Annual Report and Accounts, set out in the Risk Management report on pages 62-67 of the 2024 Annual Report and Accounts, and there has been no change.

A number of risks faced by the Group are not directly within our control such as the wider economic and political environment.

In line with our risk management approach detailed in our Annual Report and Accounts, the key risks to the business are under regular review by the Board and management, applying Grainger's risk management framework. It is currently considered that the principal risks previously reported remain our principal risks and uncertainties. The risks to Grainger will continue to be monitored closely as well as the potential controls and mitigants that may be applied.

These risks and other factors could adversely affect the outcome and financial effects of the events specified in this announcement. The forward-looking statements reflect knowledge and information available at the date they are made, and Grainger does not intend to update on the forward-looking statements contained in this announcement.

This announcement is for information purposes only and no reliance may be placed upon it. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this announcement. Past performance of securities in Grainger cannot be relied upon as a guide to the future performance of such securities.

This announcement does not constitute an offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of Grainger plc.

Chief Executive's review

Outstanding performance; accelerating growth

We have again delivered an outstanding performance.

We increased net rental income by 15%, driven by new openings and like-for-like rental growth of 4.4%. By leveraging our central costs and our sector-leading operational platform, we accelerated EPRA Earnings by 23%, demonstrating the compounding nature of our business. We are increasing dividend 12%, reflecting our strong performance.

Our £413m committed pipeline of 1,180 homes, with £166m remaining left to spend, will increase FY24 EPRA Earnings by 50% to FY29 even after fully absorbing higher interest rates.

We have c.£1.1bn of low-yielding non-core assets to fund our continued growth through either our remaining pipeline of 4,565 homes or opportunistic opportunities.

We operate in one of the strongest and most resilient real estate markets in the UK. The private rental market in the UK faces growing demand, severe supply constraints, and political support for BTR as a means to deliver new homes and raise housing standards.

We have always espoused the resilience of UK residential and this was proven again during the past cycle where strong rental growth broadly offset yield expansion. We have now returned to growth and have seen our second consecutive period of valuation growth. EPRA net tangible assets were up 1% to 300pps. The BTR investment market is very buoyant with over £1bn of investment activity reported in Q1¹, supporting valuations.

Our sector-leading operational platform continues to deliver excellent performance and service

Our operational platform is designed for scale. As we grow, we will accelerate earnings growth and are able to further enhance our service to our customers. Our newly upgraded customer App, 'MyGrainger', is a great example. It provides customers with enhanced functionality enabling them to more efficiently and effectively enjoy their homes and live their lives.

Having great properties in great locations is essential for a successful property business, but the platform is what drives outperformance. Demand for our homes remains high and with occupancy at 96%, our portfolio remains fully let. We are seeing high levels of demand across all locations in our national portfolio. Customers want to stay with us, with a retention rate of 62% and an average length of stay of nearly three years. We retained strong like-for-like total rental growth over the past six months at 4.4%, whilst customer affordability remained healthy at 28% of gross income. The demographics of our target customer base underpins the resilience and strength of our rental income with 89% of our customers aged between 20-44 in good, reliable jobs who typically see above-average wage growth.

The nature of our fully-integrated platform allows us to harness data into actionable insights to enable us to continually improve efficiencies and customer service. Our CONNECT technology platform is a key differentiator, and we are increasingly utilising AI, most recently to monitor customer sentiment across our national portfolio in real time.

Self-funding our growth

We have £1.1bn of low-yielding, non-core assets which provide us firepower to reinvest into higher yielding BTR assets and continue to grow for years to come.

We continue to successfully work through our regulated tenancy portfolio. Vacant sales performance remains strong, with sales prices broadly in line with valuations at (0.1)%. We are able to accelerate this wind down through the sale of tenanted properties (investment sales), which we have increased over recent years as part of our accelerated asset recycling programme. These investment sales are equally performing well, albeit we are unable to capture the reversionary uplift on vacancy in these instances. Sales proceeds during the past six months totalled £79m, demonstrating the significant cash we are able to generate, typically in the order of c.£200m per annum.

A positive political and regulatory backdrop

The UK Labour Government is proving its commitment to supporting economic growth and investment, specifically by stimulating new housing delivery. We are heavily engaged in positive dialogue with policy makers and there is clear, strong support for BTR, recognising the important contribution businesses like Grainger can make to the UK housing market. Proposals to improve and speed up the planning process are welcome, as are proposals to strengthen recognition for BTR within the planning system.

¹ Knight Frank, BTR Market Update Q1 2025

The Renters' Rights Bill, entering its final stages of debate and scrutiny in the House of Lords, will professionalise the rental market and raise standards, something that Grainger has been forging the way forward for many years. Grainger, in the main, is already aligned to the new legislative landscape with our focus on high management standards, good quality customer service and high-quality, energy efficient properties. We are very well positioned to continue to perform strongly. That said, it is likely that many smaller, private individual landlords will find the new regime challenging and will therefore accelerate their exit from the market, further constraining supply.

As we have stated previously, we have fully provided for the very limited number of cladding remediation issues within our portfolio. The vast majority of our portfolio has been built post-Grenfell and the majority of the facades are brickwork. The timing of our pipeline projects means that we have been insulated from delays associated with the Building Safety Regulator approval process.

Clarity on the Renters Rights Bill, a resolute commitment from Government opposing rent controls, and support from Government for growing the BTR sector means Grainger is in a strong position to continue to grow.

Leading through responsibility

We continue to make great strides in our environmental and social impact.

95% of our BTR portfolio is now EPC rated A-C, in line with future minimum standards. Our energy efficient properties are not only better for the environment but, importantly, they support our customers' affordability by enabling them to keep their energy costs down.

Our environmental targets were approved by the Science Based Target Initiative (SBTi) during the period, confirming that they are robust and aligned to the 1.5 degree reduction pathway.

We were recognised once again for our commitment to diversity, equality and inclusion, building on our National Equality Standard accreditation, we were ranked 2nd place in the real estate sector in the FTSE Women Leaders Review, and 19th position overall in the FTSE250.

Exciting outlook, delivering shareholder value

We are on track and ready to convert to a REIT in September this year ready for FY26, a significant milestone in our strategy to reposition to a BTR rental investment business.

The BTR market continues to grow strongly supporting our growth ambitions, whilst consumer demand for renting accelerates. At the same time, housing supply remains well below demand and is set to remain so for many years to come.

Our growth ambitions remain unabated. Our platform which is designed for scale, our significant pipeline, our firepower from non-core assets and the strong levels of activity in the BTR investment market provides us with great confidence for delivering accelerated growth ahead.

Our committed pipeline alone will see us delivering earnings growth year-on-year, increasing by 25% from FY24 to FY26 and by 50% by FY29, even after fully absorbing higher interest rate costs. This excludes the projects in our remaining pipeline or any attractive stabilised acquisitions that may arise.

Our business is designed to create shareholder value. We operate in a sector with strong structural tailwinds. Our asset class and specifically our portfolio and platform, deliver inflation-backed rental growth. Our sector leading operating platform is scalable and our EBITDA margins are growing substantially as we deliver our large pipeline. EPRA Earnings are set to grow by 50% by FY29 even after absorbing higher interest rates. This is underpinned by our growth funding engine as we continue to dispose of our low-yielding regulated tenancy portfolio and non-core assets. This shareholder value creation model creates excellent, risk-adjusted returns, with a commitment to delivering a continued progressive dividend.

We are looking forward to welcoming many new customers to their new Grainger home as we open the doors at our new schemes in London and Bristol later this year.

Helen Gordon
Chief Executive
14 May 2025

Financial review

The first six months of FY25 continued to deliver strong results on the back of our excellent performance as a business. Strong demand for our homes continues with fully let occupancy levels at 96.0% and total like-for-like rental growth remains at a healthy level of 4.4%. The strong occupational market combined with the opening of new schemes has resulted in a significant increase in net rents of 15%. The operating leverage in our business model, which is built for scale, means this revenue growth results in even higher earnings growth with EPRA earnings up 23%.

Valuations to 31 March 2025 have continued to grow, up 1% in the period despite the difficult current macro-economic conditions, with yields largely remaining flat.

Our balance sheet is well positioned and continues to reflect our strong liquidity position. Our committed pipeline is fully funded and fully hedged, giving us minimal exposure to interest rate rises for the next 3 ½ years. In line with the strong underlying performance of the business we increase our interim dividend per share to 2.85p on a per share basis (HY24: 2.54p), up 12% as we continue to deliver strong, sustainable dividend growth.

With new openings and our committed pipeline, we are seeing and have great visibility on net rental income growth. Our guidance is maintained based off our strong near-term earnings growth to deliver an EPRA earnings target of £60m by FY26. Beyond this, we will continue to deliver strong compounding earnings growth for years to come.

Highlights

Income returns	HY25	HY24	Change
Rental growth (like-for-like)	4.4%	8.0%	(355)bps
- PRS	4.2%	8.1%	(392)bps
- Regulated tenancies (annualised)	7.0%	7.1%	(8)bps
Net rental income (<i>Note 5</i>)	£61.3m	£53.2m	+15%
Adjusted earnings (<i>Note 2</i>)	£50.1m	£44.4m	+13%
EPRA earnings (<i>Note 3</i>)	£30.2m	£24.5m	+23%
IFRS profit/(loss) before tax (<i>Note 2</i>)	£74.0m	£(31.2)m	+337%
Earnings/(loss) per share (diluted, after tax) (<i>Note 10</i>)	7.5p	(3.0)p	+350%
Dividend per share (<i>Note 11</i>)	2.85p	2.54p	+12%

Capital returns	HY25	HY24	Change
Total Property Return	2.5%	(0.4)%	+286bps
Total Accounting Return	1.3%	(2.9)%	+419bps
	HY25	FY24	Change
EPRA NTA per share (<i>Note 3</i>)	300p	298p	+1%
Net debt	£1,475m	£1,453m	+2%
Group LTV	38.5%	38.2%	+35bps
Cost of debt (average)	3.1%	3.2%	(4)bps
Reversionary surplus	£139m	£147m	(5)%

Income statement

Strong increase in net rental income of £8.1m has resulted in improving adjusted earnings increasing by 13% to £50.1m (HY24: £44.4m). Profits from sales were in line with the prior year as we continue to divest from our regulated tenancy portfolio and focus on growing recurring net rental income. Overheads increased in line with wage inflation as we remain focused on cost control, whilst interest costs increased by £3.1m due to higher average debt levels during the period. EPRA earnings, which is an increasingly important metric for our business, continued to deliver very strong growth and was up 23% to £30.2m (HY24: £24.5m). The valuation movement was £28.7m with other adjustments of £4.8m including a derivative valuation movement of £2.9m and an additional £1.9m fire safety provision. This resulted in IFRS profits for the period of £74.0m.

Income statement (£m)	HY25	HY24	Change
Net rental income	61.3	53.2	+15%
Mortgage income (CHARM) (Note 16)	2.1	2.3	(9)%
Management fees and other income	4.7	3.5	+34%
Overheads	(16.9)	(16.2)	(4)%
Pre-contract costs	(0.3)	(0.7)	+57%
Net finance costs	(20.8)	(17.7)	(18)%
Joint ventures and associates	0.1	0.1	-
EPRA earnings	30.2	24.5	+23%
Profit from sales	19.9	19.9	-
Adjusted earnings	50.1	44.4	+13%
Underlying valuation movements	28.7	(16.8)	+138%
MDR valuation movement	-	(58.8)	+100%
Other adjustments	(4.8)	-	(100)%
IFRS profit/(loss) before tax	74.0	(31.2)	+337%

Rental income

Net rental income increased by 15% to £61.3m (HY24: £53.2m), a continuation of the high levels of growth in recent years. The £8.1m increase was driven by continued high occupational demand for our homes resulting in both strong lettings of new launches and continued rental growth.

Overall like-for-like rental growth remains robust at +4.4%, with rental growth in our PRS portfolio continuing to deliver healthy growth at +4.2% (HY24: +8.1%), with rental growth on renewals of +4.9% and +3.1% on new lets. Our regulated tenancy portfolio also delivered strong rental growth at +7.0% (HY24: +7.1%). Gross to net for our stabilised portfolio has remained at a resilient level of 25.0% (FY24: 25.0%) as we continue to deliver the efficiency benefits of our scale and clustering model.

	£m
HY24 Net rental income	53.2
Disposals	(3.1)
PRS investment	10.3

Rental growth	0.9
HY25 Net rental income	61.3
YoY growth	+15%

Sales

Our disposals programme continued to deliver throughout the period with overall sales revenue of £79.0m exceeding the prior period (HY24: £71.1m). Sales profits were flat at £19.9m (HY24: £19.9m) as demand for our properties remains strong.

Residential sales

Vacant sales delivered £9.9m of profit (HY24: £10.6m). The 7% reduction in vacant property sales in the period reflects the reducing portfolio size of our regulated tenancy portfolio as part of our strategic divestment and recycling capital into higher yielding BTR assets. Vacancy rates within our regulated tenancy portfolio, driving sales, were 6.5% (HY24: 6.8%) with margins lower than in the prior year reflecting the mix of assets becoming vacant. Pricing achieved remained robust with sales values within 0.1% of previous vacant possession value.

Sales of tenanted and other properties delivered £10.0m of profit (HY24: £8.4m) from £50.4m of revenue (HY24: £49.2m). There were no development sales in the period (HY24: £0.9m) as we continue to work through sales of our remaining legacy land portfolio.

Sales

	HY25			HY24		
	Units sold	Revenue	Profit	Units sold	Revenue	Profit
		£m	£m		£m	£m
Residential sales on vacancy	53	28.6	9.9	53	21.0	10.6
Tenanted and other sales	189	50.4	10.0	146	49.2	8.4
Residential sales total	242	79.0	19.9	199	70.2	19.0
Development activity		-	-		0.9	0.9
Overall sales	242	79.0	19.9	199	71.1	19.9

Balance sheet

Maintaining a strong balance sheet from which to execute our growth strategy remains an absolute priority, and we are in good shape. Our LTV is 38.5% (FY24: 38.2%) and liquidity is strong with cash and available facilities of £545m. Our committed pipeline is fully funded and our debt costs are fully hedged, meaning we have minimal exposure to potential interest rate rises.

Market value balance sheet (£m)	HY25	FY24
Residential – PRS	2,788	2,708
Residential – regulated tenancies	545	591
Residential – mortgages (CHARM)	53	57
Forward Funded – PRS work in progress	260	266
Development work in progress	85	84
Investment in JVs/associates	94	91
Total investments	3,825	3,797
Net debt	(1,475)	(1,453)
Other liabilities	(52)	(48)
EPRA NRV	2,298	2,296
Deferred and contingent tax – trading assets	(70)	(76)
Exclude: intangible assets	(2)	(2)
EPRA NTA	2,226	2,218
Add back: intangible assets	2	2
Deferred and contingent tax – investment assets	(123)	(113)
Fair value of fixed rate debt and derivatives	79	88
EPRA NDV	2,184	2,195
EPRA NRV pence per share	309	309
EPRA NTA pence per share	300	298
EPRA NDV pence per share	294	295

EPRA NTA remained robust, increasing 1% from the year end to 300p per share (FY24: 298p per share). The 4p contribution from EPRA earnings was offset by the payment of our final dividend (5)p. EPRA NTA excludes the value of our reversionary surplus of £139m or 19p per share (FY24: £147m).

EPRA NTA movement	£m	Pence per share
EPRA NTA at 30 September 2024	2,218	298
Net rents, fees & income	65	9
Overheads & finance costs	(38)	(5)
EPRA earnings	27	4
Valuations (trading & investment property)	26	4
Dividend, tax & other	(45)	(6)
EPRA NTA at 31 March 2025	2,226	300

Property portfolio valuations

Our portfolio values increased by 0.8% (HY24: (0.3)%) over the six-month period. Our BTR portfolio saw strong ERV growth of 1.7% with yields remaining largely flat. Our regional PRS portfolio outperformed London marginally with stronger ERV growth of 1.9% compared to 1.6% in London. The regulated portfolio again proved its resilience with a 0.4% increase in the six month period.

Portfolio	Region	Capital Value	Total Valuation movement	
		£m	£m	%
PRS	London & SE	1,341	13	1.0%
	Regions	1,447	16	1.1%
	PRS Total	2,788	29	1.0%
Regulated Tenancies	London & SE	469	0	-
	Regions	76	2	2.2%
	Regulated Total	545	2	0.4%
Operational Portfolio		3,333	31	0.9%
	Development	345	(2)	(0.7)%
Total Portfolio¹		3,678	29	0.8%

¹ Excluding CHARM and Vesta.

Financing and capital structure

Net debt increased to £1,475m (FY24: £1,453m) in line with plan as we invested £64m into our pipeline which was offset by £83m of sales in the period. Going forward we expect net debt to be broadly flat with sales offsetting our pipeline capex.

LTV now stands at 38.5% (FY24: 38.2%) with our average cost of debt marginally decreasing compared to the full year at 3.1% (FY24: 3.2%). We have an average debt maturity of over four years including extension options. Our refinancing risk is minimal with £545m in headroom and no material refinancing required until 2029.

We plan to reduce our debt and LTV over the medium term. We will manage the quantum of this deleveraging to ensure that we offset the impact of higher interest rates and continue to deliver strong, compounding earnings growth.

	HY25	FY24
Net debt	£1,475m	£1,453m
Loan to value	38.5%	38.2%
Cost of debt (average)	3.1%	3.2%
Headroom	£545m	£509m
Weighted average facility maturity	4.3	4.7
Hedging	97%	95%

Summary and outlook

Our business continues to deliver resilient growth, once again evident in the period. Strong demand for our product combined with the delivery of new pipeline schemes drove growth in our net rental income. With the strong operational leverage in our business model this drives even larger growth in our EPRA Earnings which are set to grow strongly delivering compounding growth for many years to come. With our balance sheet in good shape and the strong operational cashflow that our business creates, we are well placed to take advantage of any opportunities to accelerate growth further.

Rob Hudson

Chief Financial Officer

14 May 2025

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Helen Gordon
Chief Executive Officer
14 May 2025

Rob Hudson
Chief Financial Officer
14 May 2025

Independent Review Report to Grainger plc

Conclusion

We have been engaged by Grainger plc (“the Group”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2025 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Other Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2025 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the

Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Craig Steven-Jennings
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E145GL

14 May 2025

Consolidated income statement

For the 6 months ended 31 March	Notes	Unaudited	
		2025 £m	2024 £m
Group revenue	4	136.4	113.7
Net rental income	5	61.3	53.2
Profit on disposal of trading property	6	20.2	19.9
Loss on disposal of investment property	7	(0.3)	-
Income from financial interest in property assets	16	1.5	0.8
Fees and other income	8	4.7	3.5
Administrative expenses		(16.9)	(16.2)
Other expenses		(2.2)	(0.7)
Reversal of impairment of inventories to net realisable value	13	1.0	0.4
Operating profit		69.3	60.9
Net valuation gain/(loss) on investment property	12	28.2	(73.8)
Hedge ineffectiveness under IFRS9	20	(2.9)	-
Finance costs	9	(22.4)	(19.2)
Finance income	9	1.6	1.5
Share of profit/(loss) of associates after tax	14	0.4	(0.5)
Share of loss of joint ventures after tax	15	(0.2)	(0.1)
Profit/(loss) before tax	2	74.0	(31.2)
Tax (charge)/credit for the period	21	(18.6)	9.2
Profit/(loss) for the period attributable to the owners of the Company		55.4	(22.0)
Basic earnings/(loss) per share	10	7.5p	(3.0)p
Diluted earnings/(loss) per share	10	7.5p	(3.0)p

Consolidated statement of comprehensive income

For the 6 months ended 31 March	Notes	Unaudited	
		2025 £m	2024 £m
Profit/(loss) for the period	2	55.4	(22.0)
<i>Items that will not be transferred to the consolidated income statement:</i>			
Actuarial loss on BPT Limited defined benefit pension scheme	22	(0.1)	(0.2)
<i>Items that may be or are reclassified to the consolidated income statement:</i>			
Changes in fair value of cash flow hedges		0.2	(17.3)
Other comprehensive income and expense for the period before tax		0.1	(17.5)
<i>Tax relating to components of other comprehensive income:</i>			
Tax relating to items that will not be transferred to the consolidated income statement	21	-	0.1
Tax relating to items that may be or are reclassified to the consolidated income statement	21	(0.1)	4.3
Total tax relating to components of other comprehensive income		(0.1)	4.4
Other comprehensive income and expense for the period after tax		-	(13.1)
Total comprehensive income and expense for the period attributable to the owners of the Company		55.4	(35.1)

Consolidated statement of financial position

As at	Notes	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
ASSETS			
Non-current assets			
Investment property	12	3,035.9	2,996.8
Property, plant and equipment		9.9	10.6
Investment in associates	14	15.3	14.9
Investment in joint ventures	15	78.5	76.4
Financial interest in property assets	16	53.2	57.4
Retirement benefits	22	6.4	6.5
Deferred tax assets	21	6.8	6.1
Intangible assets		2.2	1.8
		3,208.2	3,170.5
Current assets			
Inventories – trading property	13	310.6	331.6
Investment property – held for sale	12	66.2	31.5
Trade and other receivables	17	51.0	90.9
Derivative financial instruments	20	21.1	19.8
Current tax assets		3.7	5.2
Cash and cash equivalents		74.9	93.2
		527.5	572.2
Total assets		3,735.7	3,742.7
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	20	1,562.8	1,592.9
Trade and other payables	18	6.0	6.3
Provisions for other liabilities and charges	19	0.7	1.0
Deferred tax liabilities	21	131.3	121.5
		1,700.8	1,721.7
Current liabilities			
Trade and other payables	18	107.6	114.1
Provisions for other liabilities and charges	19	14.1	13.2
		121.7	127.3
Total liabilities		1,822.5	1,849.0
NET ASSETS		1,913.2	1,893.7
EQUITY			
Issued share capital		37.2	37.2
Share premium account		817.9	817.9
Merger reserve		20.1	20.1
Capital redemption reserve		0.3	0.3
Cash flow hedge reserve		4.5	4.4
Retained earnings		1,033.2	1,013.8
TOTAL EQUITY		1,913.2	1,893.7

Consolidated statement of changes in equity

	Notes	Issued share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Retained earnings £m	Total equity £m
Balance as at 1 October 2023		37.2	817.8	20.1	0.3	20.0	1,033.2	1,928.6
Loss for the period	2	-	-	-	-	-	(22.0)	(22.0)
Other comprehensive expense for the period		-	-	-	-	(13.0)	(0.1)	(13.1)
Total comprehensive expense		-	-	-	-	(13.0)	(22.1)	(35.1)
Purchase of own shares		-	-	-	-	-	(0.1)	(0.1)
Share-based payments charge	23	-	-	-	-	-	1.2	1.2
Total comprehensive expense		-	-	-	-	-	(32.2)	(32.2)
Total transactions with owners recorded directly in equity		-	-	-	-	-	(31.1)	(31.1)
Balance as at 31 March 2024		37.2	817.8	20.1	0.3	7.0	980.0	1,862.4
Profit for the period		-	-	-	-	-	53.2	53.2
Other comprehensive expense for the period		-	-	-	-	(2.6)	(2.2)	(4.8)
Total comprehensive income		-	-	-	-	(2.6)	51.0	48.4
Award of SAYE shares		-	0.1	-	-	-	-	0.1
Share-based payments charge		-	-	-	-	-	1.6	1.6
Dividends paid		-	-	-	-	-	(18.8)	(18.8)
Total transactions with owners recorded directly in equity		-	0.1	-	-	-	(17.2)	(17.1)
Balance as at 30 September 2024		37.2	817.9	20.1	0.3	4.4	1,013.8	1,893.7
Profit for the period	2	-	-	-	-	-	55.4	55.4
Other comprehensive income for the period		-	-	-	-	0.1	(0.1)	-
Total comprehensive income		-	-	-	-	0.1	55.3	55.4
Purchase of own shares		-	-	-	-	-	(0.1)	(0.1)
Share-based payments charge	23	-	-	-	-	-	1.2	1.2
Dividends paid	11	-	-	-	-	-	(37.0)	(37.0)
Total transactions with owners recorded directly in equity		-	-	-	-	-	(35.9)	(35.9)
Balance as at 31 March 2025		37.2	817.9	20.1	0.3	4.5	1,033.2	1,913.2

Consolidated statement of cash flows

For the 6 months ended 31 March	Notes	Unaudited	
		2025 £m	2024 £m
Cash flow from operating activities			
Profit/(loss) for the period	2	55.4	(22.0)
Depreciation and amortisation		0.9	0.7
Net valuation (gains)/loss on investment property	12	(28.2)	73.8
Net finance costs	9	20.8	17.7
Hedge ineffectiveness under IFRS9	20	2.9	-
Share of (profit)/loss of associates and joint ventures	14, 15	(0.2)	0.6
Loss on disposal of investment property	7	0.3	-
Share-based payment charge	23	1.2	1.2
Income from financial interest in property assets	16	(1.5)	(0.8)
Tax charge/(credit)	21	18.6	(9.2)
Cash generated from operating activities before changes in working capital		70.2	62.0
Decrease/(increase) in trade and other receivables		6.6	(15.1)
Increase in trade and other payables		(0.9)	13.6
Increase in provisions for liabilities and charges		0.6	-
Decrease in inventories		21.0	6.2
Cash generated from operating activities		97.5	66.7
Interest paid		(26.0)	(24.8)
Interest received		1.0	1.0
Tax paid		(8.0)	(6.9)
Net cash inflow from operating activities		64.5	36.0
Cash flow from investing activities			
Proceeds from sale of investment property	7	63.8	34.3
Proceeds from financial interest in property assets	16	5.7	3.9
Investment in joint ventures	15	(1.4)	-
Loans advanced to joint ventures	15	(0.9)	(0.6)
Acquisition of investment property	12	(76.4)	(121.9)
Acquisition of property, plant and equipment and intangible assets		(0.6)	(3.4)
Net cash outflow from investing activities		(9.8)	(87.7)
Cash flow from financing activities			
Purchase of own shares		(0.1)	(0.1)
Proceeds from new borrowings		146.0	164.0
Payment of loan costs		(1.9)	(0.2)
Cash flows relating to new derivatives/settlement of derivatives		(4.0)	-
Repayment of borrowings		(176.0)	(135.0)
Dividends paid	11	(37.0)	(32.2)
Net cash outflow from financing activities		(73.0)	(3.5)
Net decrease in cash and cash equivalents		(18.3)	(55.2)
Cash and cash equivalents at the beginning of the period		93.2	121.0
Cash and cash equivalents at the end of the period		74.9	65.8

Notes to the unaudited interim financial results

1. Accounting policies

1a Basis of preparation

These condensed interim financial statements are unaudited and do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. This condensed set of financial statements has been prepared using accounting policies consistent with UK-adopted international accounting standards, in accordance with IAS 34 Interim Financial Reporting, and in accordance with the Disclosure Guidance and Transparent Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The current period financial information presented in this document has been reviewed, not audited.

The accounting policies used are consistent with those contained in the Group's last annual report and accounts for the year ended 30 September 2024 which is available on the Group's website (www.graingerplc.co.uk). The Grainger business is not judged to be highly seasonal, therefore comparatives used for the six month period ended 31 March 2025 Consolidated Income Statement are the six month period ended 31 March 2024 Consolidated Income Statement. It is therefore not necessary to disclose the Consolidated Income Statement for the full year ended 30 September 2024 (available in the last annual report).

The comparative figures for the financial year ended 30 September 2024 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

All property assets are subject to a Directors' valuation at the half year end, supported by an independent external valuation. External valuations at the half year are conducted by the Group's valuers, Allsop LLP and CBRE Limited. The valuation process is consistent with the approach set out on pages 131-132 of the 2024 Annual Report and Accounts, with the exception being the Group's Residential portfolio valued by Allsop LLP. At the half year, Allsop LLP inspected 14.1% of the Residential portfolio, with the movement extrapolated over the non-sampled assets to form 50% of the valuation movement for these portfolios. The remaining 50% is based on a blended rate arrived at by taking Halifax, Nationwide and Acadata indices (16.67% weighting each), applied on a regional Implicit Price Deflator 'IPD' basis.

The Group's financial derivatives were valued as at 31 March 2025 in-house by a specialised treasury management system, using a discounted cash flow model and market information. The fair value is derived from the present value of future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments.

1b Adoption of new and revised International Financial Reporting Standards and interpretations

New standards, amendments and interpretations in the period

The following new standards, amendments to standards and interpretations were effective for the Group in the period and have no material impact on the financial statements:

- Amendments to IAS 1 – Classification of liabilities as current or non-current;
- Amendments to IAS 1 – Non-current Liabilities with Covenants;
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier finance arrangements;
- Amendments to IFRS 16 – Lease liability in a sale and leaseback;

Notes to the unaudited interim financial results continued

The following new standards and amendments to standards have been issued but are not yet effective for the Group and have not been early adopted:

- Amendments to IAS 21 – Lack of exchangeability;
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments;
- Annual Improvements to IFRS Accounting Standards – Volume 11;
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;
- IFRS 18 – Presentation and Disclosure in Financial Statements;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures;

With the exception of IFRS 18, the application of these new standards and amendments are not expected to have a material impact on the Group's financial statements.

1c Significant judgements and estimates

Full details of critical accounting estimates are given on pages 131-133 of the 2024 Annual Report and Accounts. This includes detail of the Group's approach to valuation of property assets and the use of external valuers in the process.

The valuations exercise is an extensive process which includes the use of historical experience, estimates and judgements. The Directors are satisfied that the valuations agreed with our external valuers are a reasonable representation of property values in the circumstances known and evidence available at the reporting date. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an on-going basis with revisions recognised in the period in which the estimates are revised and in any future periods affected.

1d Group risk factors

The principal risks and uncertainties facing the Group are set out in the Risk Management report on pages 56-64 of the 2024 Annual Report and Accounts. A number of risks faced by the Group are not directly within our control such as the wider economic and political environment.

In line with our risk management approach detailed on pages 56-58 of the 2024 Annual Report and Accounts, the key risks to the business are under regular review by the Board and management, applying Grainger's risk management framework. There have been no significant updates to risk, or failures of control, within the reporting period.

1e Going concern assessment

The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern for a period of at least 12 months from the date of the financial statements. Given the macro-economic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the interim financial statements for the period ended 31 March 2025.

The Directors have assessed the future funding commitments of the Group and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe sensitivities have been applied to the key factors affecting financial performance for the Group.

The going concern assessment is based on the first 18 months of the Group's five year forecast model, which exceeds the required period of assessment of at least 12 months in order to be aligned to the Group's financial year end, covering the period 1 April 2025 to 30 September 2026.

Notes to the unaudited interim financial results continued

The assessment considers a severe but plausible downside scenario, reflecting the following key assumptions:

- Reducing PRS occupancy to 93.0% by 30 September 2025 and to 86.0% by 30 September 2026
- Rental growth reduced to 2.5% in FY25 and FY26
- Reducing property valuations by 2.5% by 30 September 2025 and another 7.5% by 30 September 2026, driven by rents, yield expansion or house price deflation
- Operating and development cost inflation of 10% p.a.
- Delay of 3 months to the development sites completions and stabilisations
- Assumption of 75% of the regulated tenancies recycling target achieved
- An increase in SONIA rate of 2% from 1 April 2025
- Credit rating downgrade to increase coupon rates on corporate bonds by 1.25% from 1 April 2025

The Directors consider these assumptions appropriate given the majority of costs are incurred under fixed term price contracts, development agreements, or are under the Group's control.

No new financing is assumed in the assessment period and excluding the Rothesay GRIP 7yr facility of £75m reaching maturity in June 2026 the other existing facilities are assumed to remain available. Even in this severe but plausible downside scenario, the Group has sufficient cash reserves, with the loan-to-value covenant remaining no higher than 48% (facility maximum covenant ranges between 70% – 75%) and interest cover no lower than 2.69x (facility minimum covenant ranges between 1.35x – 1.75x) for the 18 months to September 2026, which covers the required period of at least 12 months from the date of authorisation of these financial statements.

Based on these considerations, together with available market information and the Directors' experience of the Group's property portfolio and markets, the Directors continue to adopt the going concern basis in preparing the interim financial statements for the period ended 31 March 2025.

1f Forward-looking statement

Certain statements in this interim announcement are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct.

Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

2. Analysis of profit before tax

The table below details adjusted earnings, which is one of Grainger's key performance indicators. The metric is utilised as a key measure to aid understanding of the performance of the continuing business and excludes valuation movements and other adjustments which do not form part of the normal ongoing revenue or costs of the business and, either individually or in aggregate, are material to the reported Group results.

Notes to the unaudited interim financial results continued

For the 6 months ended 31 March (unaudited)	2025				2024			
	Statutory	Valuation	Other adjustments	Adjusted earnings	Statutory	Valuation	Other adjustments	Adjusted earnings
£m								
Group revenue	136.4	-	-	136.4	113.7	-	-	113.7
Net rental income	61.3	-	-	61.3	53.2	-	-	53.2
Profit on disposal of trading property	20.2	-	-	20.2	19.9	-	-	19.9
Loss on disposal of investment property	(0.3)	-	-	(0.3)	-	-	-	-
Income from financial interest in property assets	1.5	0.6	-	2.1	0.8	1.5	-	2.3
Fees and other income	4.7	-	-	4.7	3.5	-	-	3.5
Administrative expenses	(16.9)	-	-	(16.9)	(16.2)	-	-	(16.2)
Other expenses	(2.2)	-	1.9	(0.3)	(0.7)	-	-	(0.7)
Reversal of impairment of inventories to net realisable value	1.0	(1.0)	-	-	0.4	(0.4)	-	-
Operating profit	69.3	(0.4)	1.9	70.8	60.9	1.1	-	62.0
Net valuation gain/(loss) on investment property	28.2	(28.2)	-	-	(73.8)	73.8	-	-
Hedge ineffectiveness under IFRS9	(2.9)	-	2.9	-	-	-	-	-
Finance costs	(22.4)	-	-	(22.4)	(19.2)	-	-	(19.2)
Finance income	1.6	-	-	1.6	1.5	-	-	1.5
Share of profit/(loss) of associates after tax	0.4	(0.1)	-	0.3	(0.5)	0.7	-	0.2
Share of loss of joint ventures after tax	(0.2)	-	-	(0.2)	(0.1)	-	-	(0.1)
Profit/(loss) before tax	74.0	(28.7)	4.8	50.1	(31.2)	75.6	-	44.4
Tax (charge)/credit for the period	(18.6)				9.2			
Profit/(loss) for the period attributable to the owners of the Company	55.4				(22.0)			
Basic adjusted earnings per share			5.1p					4.5p
Diluted adjusted earnings per share			5.1p					4.5p

Profit before tax in the adjusted columns above of £50.1m (2024: £44.4m) is the adjusted earnings of the Group. Adjusted earnings per share assumes tax of £12.5m (2024: £11.1m) in line with the standard rate of UK Corporation Tax of 25.0% (2024: 25.0%), divided by the weighted average number of shares as shown in Note 10. The Group's IFRS statutory earnings per share is also detailed in Note 10. The classification of amounts as other adjustments is a judgement made by management and is a matter referred to the Audit Committee for approval. Included in other adjustments are £1.9m for fire safety provisions (2024: £nil) and hedge ineffectiveness under IFRS9 of £2.9m (2024: £nil).

Notes to the unaudited interim financial results continued

3. Segmental Information

IFRS 8, Operating Segments requires operating segments to be identified based upon the Group's internal reporting to the Chief Operating Decision Maker ('CODM') so that the CODM can make decisions about resources to be allocated to segments and assess their performance. The Group's CODM are the Executive Directors.

The two significant segments for the Group are PRS and Reversionary. The PRS segment includes stabilised PRS assets as well as PRS under construction due to direct development and forward funding arrangements, both for wholly-owned assets and the Group's interest in joint ventures and associates as relevant. The Reversionary segment includes regulated tenancies, as well as CHARM. The Other segment includes legacy strategic land and development arrangements, along with administrative expenses.

The key operating performance measure of profit or loss used by the CODM is adjusted earnings before tax, valuation and other adjustments.

The principal net asset value (NAV) measure reviewed by the CODM is EPRA NTA which is considered to be the most relevant, and therefore the primary NAV measure for the Group. EPRA NTA reflects the tax that will crystallise in relation to the trading portfolio, whilst excluding the volatility of mark to market movements on fixed rate debt and derivatives which are unlikely to be realised. Other NAV measures include EPRA NRV and EPRA NDV which we report alongside EPRA NTA.

Information relating to the Group's operating segments is set out in the tables below. The tables distinguish between adjusted earnings, valuation movements and other adjustments and should be read in conjunction with Note 2.

March 2025 Income statement (unaudited)

For the 6 months ended 31 March 2025				
£m	PRS	Reversionary	Other	Total
Group revenue				
Segment revenue – external	82.4	53.1	0.9	136.4
Net rental income	55.3	5.4	0.6	61.3
Profit on disposal of trading property	(0.4)	20.6	-	20.2
Loss on disposal of investment property	(0.3)	-	-	(0.3)
Income from financial interest in property assets	-	2.1	-	2.1
Fees and other income	4.5	-	0.2	4.7
Administrative expenses	-	-	(16.9)	(16.9)
Other expenses	(0.3)	-	-	(0.3)
Net finance costs	(17.2)	(3.3)	(0.3)	(20.8)
Share of trading profit of joint ventures and associates after tax	0.1	-	-	0.1
Adjusted earnings	41.7	24.8	(16.4)	50.1
Valuation movements	28.1	0.6	-	28.7
Other adjustments	(1.9)	-	(2.9)	(4.8)
Profit before tax	67.9	25.4	(19.3)	74.0

A reconciliation from adjusted earnings to EPRA earnings is detailed in the table below, with further details shown in the EPRA performance measures section at the end of this document:

For the 6 months ended 31 March 2025				
£m	PRS	Reversionary	Other	Total
Adjusted earnings	41.7	24.8	(16.4)	50.1
Profit on disposal of trading property	0.4	(20.6)	-	(20.2)
Loss on disposal of investment property	0.3	-	-	0.3
EPRA earnings	42.4	4.2	(16.4)	30.2

Notes to the unaudited interim financial results continued

March 2024 Income statement (unaudited)

For the 6 months ended 31 March 2024 £m	PRS	Reversionary	Other	Total
Group revenue	70.1	41.9	1.7	113.7
Segment revenue – external				
Net rental income	46.8	5.8	0.6	53.2
Profit on disposal of trading property	0.1	18.9	0.9	19.9
Income from financial interest in property assets	-	2.3	-	2.3
Fees and other income	3.5	-	-	3.5
Administrative expenses	-	-	(16.2)	(16.2)
Other expenses	(0.7)	-	-	(0.7)
Net finance costs	(14.0)	(3.4)	(0.3)	(17.7)
Share of trading profit of joint ventures and associates after tax	0.1	-	-	0.1
Adjusted earnings	35.8	23.6	(15.0)	44.4
Valuation movements	(75.0)	(0.6)	-	(75.6)
Other adjustments	-	-	-	-
(Loss)/profit before tax	(39.2)	23.0	(15.0)	(31.2)

A reconciliation from adjusted earnings to EPRA earnings is detailed in the table below:

For the 6 months ended 31 March 2024 £m	PRS	Reversionary	Other	Total
Adjusted earnings	35.8	23.6	(15.0)	44.4
Profit on disposal of trading property	(0.1)	(18.9)	(0.9)	(19.9)
EPRA earnings	35.7	4.7	(15.9)	24.5

Segmental assets

The principal net asset value measures reviewed by the CODM are EPRA NRV, EPRA NTA and EPRA NDV. These measures reflect the current market value of trading property owned by the Group rather than the lower of historical cost and net realisable value. These measures are considered to be a more relevant reflection of the value of the assets owned by the Group.

EPRA NRV is the Group's statutory net assets plus the adjustment required to increase the value of trading stock from its statutory accounts value of the lower of cost and net realisable value to its market value. In addition, the statutory statement of financial position amounts for both deferred tax on property revaluations and derivative financial instruments net of deferred tax, including those in joint ventures and associates, are added back to statutory net assets. Finally, the market value of Grainger plc shares owned by the Group are added back to statutory net assets.

EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax liabilities. For the Group, deferred tax in relation to revaluations of its trading portfolio is taken into account by applying the expected rate of tax to the adjustment that increases the value of trading stock from its statutory accounts value of the lower of cost and net realisable value, to its market value. The measure also excludes all intangible assets on the statutory balance sheet, including goodwill.

Notes to the unaudited interim financial results continued

EPRA NDV reverses some of the adjustments made between statutory net assets, EPRA NRV and EPRA NTA. All of the adjustments for the value of derivative financial instruments net of deferred tax, including those in joint ventures and associates, are reversed. The adjustment for the deferred tax on investment property revaluations excluded from EPRA NRV and EPRA NTA are also reversed, as is the intangible adjustment in respect of EPRA NTA, except for goodwill which remains excluded. In addition, adjustments are made to net assets to reflect the fair value, net of deferred tax, of the Group's fixed rate debt.

Total Accounting Return of 1.3% is calculated from the closing EPRA NTA of 300p per share plus the dividend of 2.85p per share for the half year, divided by the opening EPRA NTA of 298p per share.

These measures are set out below by segment along with a reconciliation to the summarised statutory statement of financial position:

March 2025 Segment net assets (unaudited)

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	1,781.7	114.6	16.9	1,913.2	259
Total segment net assets (EPRA NRV)	1,907.0	362.0	29.0	2,298.0	309
Total segment net assets (EPRA NTA)	1,904.3	299.7	22.0	2,226.0	300
Total segment net assets (EPRA NDV)	1,781.4	299.7	103.1	2,184.2	294

March 2025 Reconciliation of EPRA NAV measures (unaudited)

£m	Statutory balance sheet	Adjustments to market value, deferred tax and derivatives	EPRA NRV balance sheet	Adjustments to deferred and contingent tax and intangibles	EPRA NTA balance sheet	Adjustments to derivatives, fixed rate debt and intangibles	EPRA NDV balance sheet
Investment property ¹	3,102.1	-	3,102.1	-	3,102.1	-	3,102.1
Investment in joint ventures and associates	93.8	-	93.8	-	93.8	-	93.8
Financial interest in property assets	53.2	-	53.2	-	53.2	-	53.2
Inventories – trading property	310.6	265.6	576.2	-	576.2	-	576.2
Cash and cash equivalents	74.9	-	74.9	-	74.9	-	74.9
Other assets	101.1	(7.1)	94.0	(2.2)	91.8	23.1	114.9
Total assets	3,735.7	258.5	3,994.2	(2.2)	3,992.0	23.1	4,015.1
Interest-bearing loans and borrowings	(1,562.8)	-	(1,562.8)	-	(1,562.8)	84.4	(1,478.4)
Deferred and contingent tax liabilities	(131.3)	126.3	(5.0)	(69.8)	(74.8)	(149.3)	(224.1)
Other liabilities	(128.4)	-	(128.4)	-	(128.4)	-	(128.4)
Total liabilities	(1,822.5)	126.3	(1,696.2)	(69.8)	(1,766.0)	(64.9)	(1,830.9)
Net assets	1,913.2	384.8	2,298.0	(72.0)	2,226.0	(41.8)	2,184.2

¹ Includes investment property – held for sale.

Notes to the unaudited interim financial results continued

September 2024 Segment net assets (audited)

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	1,757.6	117.5	18.6	1,893.7	255
Total segment net assets (EPRA NRV)	1,873.5	386.9	35.5	2,295.9	309
Total segment net assets (EPRA NTA)	1,870.3	319.1	28.7	2,218.1	298
Total segment net assets (EPRA NDV)	1,757.3	319.1	118.5	2,194.9	295

September 2024 Reconciliation of EPRA NAV measures (audited)

£m	Statutory balance sheet	Adjustments to market value, deferred tax and derivatives	EPRA NRV balance sheet	Adjustments to deferred and contingent tax and intangibles	EPRA NTA balance sheet	Adjustments to derivatives, fixed rate debt and intangibles	EPRA NDV balance sheet
Investment property	3,028.3	-	3,028.3	-	3,028.3	-	3,028.3
Investment in joint ventures and associates	91.3	-	91.3	-	91.3	-	91.3
Financial interest in property assets	57.4	-	57.4	-	57.4	-	57.4
Inventories – trading property	331.6	288.5	620.1	-	620.1	-	620.1
Cash and cash equivalents	93.2	-	93.2	-	93.2	-	93.2
Other assets	140.9	(3.2)	137.7	(1.8)	135.9	21.1	157.0
Total assets	3,742.7	285.3	4,028.0	(1.8)	4,026.2	21.1	4,047.3
Interest-bearing loans and borrowings	(1,592.9)	-	(1,592.9)	-	(1,592.9)	98.1	(1,494.8)
Deferred and contingent tax liabilities	(121.5)	116.9	(4.6)	(76.0)	(80.6)	(142.4)	(223.0)
Other liabilities	(134.6)	-	(134.6)	-	(134.6)	-	(134.6)
Total liabilities	(1,849.0)	116.9	(1,732.1)	(76.0)	(1,808.1)	(44.3)	(1,852.4)
Net assets	1,893.7	402.2	2,295.9	(77.8)	2,218.1	(23.2)	2,194.9

4. Group revenue

	Unaudited	
	2025 £m	2024 £m
Gross rental income (Note 5)	84.1	74.7
Gross proceeds from disposal of trading property (Note 6)	47.6	35.5
Fees and other income (Note 8)	4.7	3.5
	136.4	113.7

5. Net rental income

	Unaudited	
	2025 £m	2024 £m
Gross rental income	84.1	74.7
Property operating expenses	(22.8)	(21.5)
	61.3	53.2

Notes to the unaudited interim financial results continued

6. Profit on disposal of trading property

	Unaudited	
	2025	2024
	£m	£m
Gross proceeds from disposal of trading property	47.6	35.5
Selling costs	(1.2)	(0.9)
Net proceeds from disposal of trading property	46.4	34.6
Carrying value of trading property sold (Note 13)	(26.2)	(14.7)
	20.2	19.9

7. Loss on disposal of investment property

	Unaudited	
	2025	2024
	£m	£m
Gross proceeds from disposal of investment property	31.4	35.6
Selling costs	(0.9)	(1.3)
Net proceeds from disposal of investment property	30.5	34.3
Carrying value of investment property sold (Note 12)	(30.8)	(34.3)
	(0.3)	-

8. Fees and other income

	Unaudited	
	2025	2024
	£m	£m
Property and asset management fee income	1.2	1.2
Other sundry income	3.5	2.3
	4.7	3.5

Included within other sundry income in the current period is £3.5m (2024: £2.2m) liquidated and ascertained damages (LADs) recorded to compensate the Group for lost rental income resulting from the delayed completion of construction contracts.

9. Finance costs and income

	Unaudited	
	2025	2024
	£m	£m
Finance costs		
Bank loans and mortgages	11.4	8.6
Non-bank financial institution	3.2	4.2
Corporate bond	11.4	11.3
Interest capitalised under IAS 23	(5.4)	(6.6)
Other finance costs	1.8	1.7
	22.4	19.2
Finance income		
Interest receivable from joint ventures (Note 24)	(0.6)	(0.6)
Other interest receivable	(1.0)	(0.9)
	(1.6)	(1.5)
Net finance costs	20.8	17.7

Notes to the unaudited interim financial results continued

10. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held both in Trust and as treasury shares to meet its obligations under the Long-Term Incentive Plan ('LTIP') and Deferred Bonus Plan ('DBP'), on which the dividends are being waived.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue by the dilutive effect of ordinary shares that the Company may potentially issue relating to its share option schemes and contingent share awards under the LTIP and DBP, based upon the number of shares that would be issued if 31 March 2025 was the end of the contingency period. Where the effect of the above adjustments is antidilutive, they are excluded from the calculation of diluted earnings per share.

	Unaudited					
	31 March 2025			31 March 2024		
	Profit for the period £m	Weighted average number of shares (millions)	Earnings per share (pence)	Loss for the period £m	Weighted average number of shares (millions)	Loss per share (pence)
Basic earnings/(loss) per share						
Profit/(loss) attributable to equity holders	55.4	738.5	7.5	(22.0)	738.2	(3.0)
Effect of potentially dilutive securities						
Share options and contingent shares	-	3.7	-	-	3.3	-
Diluted earnings/(loss) per share						
Profit/(loss) attributable to equity holders	55.4	742.2	7.5	(22.0)	741.5	(3.0)

11. Dividends

The Company has announced an interim dividend of 2.85p (March 2024: 2.54p) per share which will return £21.0m (March 2024: £18.8m) of cash to shareholders. In the six months ended 31 March 2025, the final dividend for the year ended 30 September 2024 which amounted to £37.0m has been paid.

12. Investment property

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Opening balance	3,028.3	2,948.9
Acquisitions	7.6	85.9
Capital expenditure – completed assets	9.6	13.9
Capital expenditure – assets under construction	59.2	161.2
Total additions	76.4	261.0
Disposals (Note 7)	(30.8)	(149.1)
Net valuation gain/(loss) on investment properties	28.2	(32.5)
	3,102.1	3,028.3
Reclassifications to investment property – held for sale	(66.2)	(31.5)
Closing balance	3,035.9	2,996.8

Notes to the unaudited interim financial results continued

Within investment property are a number of assets held for sale at the reporting date, valued at £66.2m (September 2024: £31.5m). Held for sale properties are those that are for sale, where solicitors have been instructed, or where contracts have been exchanged. All investment properties which are held for sale are included within our PRS segment. Investment properties – held for sale are classified as current assets and are carried at fair value.

13. Inventories – trading property

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Opening balance	331.6	392.2
Additions	4.2	15.0
Disposals (Note 6)	(26.2)	(75.5)
Reversal of impairment/(impairment) of inventories to net realisable value	1.0	(0.1)
Closing balance	310.6	331.6

14. Investment in associates

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Opening balance	14.9	15.8
Share of profit/(loss) for the period	0.4	(0.4)
Dividends paid	-	(0.5)
Closing balance	15.3	14.9

The closing balance comprises share of net assets of £0.8m (September 2024: £0.4m) and net loans due from associates of £14.5m (September 2024: £14.5m). At the balance sheet date, there is no expectation of any material credit losses on loans due.

As at 31 March 2025, the Group's interest in active associates was as follows:

	% of ordinary share capital held	Country of incorporation	Accounting period end
Vesta LP	20.0	UK	30 September

15. Investment in joint ventures

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Opening balance	76.4	75.2
Share of loss for the period	(0.2)	(0.2)
Further investment ¹	1.4	-
Loans advanced to joint ventures	0.9	1.4
Closing balance	78.5	76.4

¹ Grainger invested £1.4m into Connected Living London (BTR) Limited in the period (September 2024: £nil).

The closing balance comprises share of net assets of £48.1m (September 2024: £46.7m) and net loans due from joint ventures of £30.4m (September 2024: £29.7m). At the balance date, there is no expectation of any material credit losses on loans due.

Notes to the unaudited interim financial results continued

At 31 March 2025, the Group's interest in active joint ventures was as follows:

	% of ordinary share capital held	Country of incorporation	Accounting period end
Connected Living London (BTR) Limited	51	UK	30 September
Curzon Park Limited	50	UK	31 March
Lewisham Grainger Holdings LLP	50	UK	30 September

16. Financial interest in property assets ('CHARM' portfolio)

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Opening balance	57.4	67.0
Cash received from the instrument	(5.7)	(8.3)
Amounts taken to income statement	1.5	(1.3)
Closing balance	53.2	57.4

The CHARM portfolio is a financial interest in equity mortgages held by the Church of England Pensions Board as mortgagee. It is accounted for under IFRS 9 and is measured at fair value through profit and loss.

It is considered to be a Level 3 financial asset as defined by IFRS 13. The financial asset is included in the fair value hierarchy within Note 20.

17. Trade and other receivables

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Rent and other tenant receivables	4.6	4.8
Deduct: Provision for impairment	(1.6)	(1.5)
Rent and other tenant receivables – net	3.0	3.3
Restricted deposits	30.0	63.3
Other receivables	13.8	19.3
Prepayments	4.2	5.0
Closing balance	51.0	90.9

The Group's assessment of expected credit losses involves estimation given its forward-looking nature. This is not considered to be an area of significant judgement or estimation due to the balance of gross rent and other tenant receivables of £4.6m (September 2024: £4.8m). Assumptions used in the forward-looking assessment are continually reviewed to take into account likely rent deferrals.

At the balance date, there is no expectation of any material credit losses on contract assets.

Restricted deposits arise from contracts with lenders that place restrictions on use of funds which cannot be accessed until the lender validates that covenant requirements continue to be met. They are made up of rental and sales income from assets linked to our non-bank facility. Funds are released by the lender once quarterly covenant compliance assessments have been completed.

The fair values of trade and other receivables are considered to be equal to their carrying amounts.

Notes to the unaudited interim financial results continued

18. Trade and other payables

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Current liabilities		
Deposits received	13.0	12.8
Trade payables	28.7	19.0
Lease liabilities	0.7	0.7
Tax and social security costs	3.2	4.9
Accruals	52.9	64.5
Deferred income	9.1	12.2
	107.6	114.1
Non-current liabilities		
Lease liabilities	6.0	6.3
	6.0	6.3
Total trade and other payables	113.6	120.4

Within accruals, £34.8m comprises accrued expenditure in respect of ongoing construction activities (September 2024: £43.9m).

19. Provisions for other liabilities and charges

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Current provisions for other liabilities and charges		
Opening balance	13.2	8.6
Additions	1.9	5.0
Utilisation	(1.0)	(0.4)
	14.1	13.2
Non-current provisions for other liabilities and charges		
Opening balance	1.0	1.1
Utilisation	(0.3)	(0.1)
	0.7	1.0
Total provisions for other liabilities and charges	14.8	14.2

Following an extensive review of legacy development projects, £14.1m (September 2024: £13.2m) for potential fire safety remediation costs has been provided for, relating to a small number of legacy properties that Grainger historically had an involvement in developing and may require fire safety related remediation works. Where appropriate, the Group is seeking recoveries from contractors and insurers which may reduce the liability over time.

Notes to the unaudited interim financial results continued

20. Interest-bearing loans and borrowings and financial risk management

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Non-current liabilities		
Bank loans – Pounds sterling	517.4	548.2
Bank loans – Euro	0.8	0.8
Non-bank financial institution	348.2	347.9
Corporate bond	696.4	696.0
Closing balance	1,562.8	1,592.9

The above analyses of loans and borrowings are net of unamortised loan issue costs and the discount on issuance of the corporate bonds. As at 31 March 2025, unamortised costs totalled £14.0m (September 2024: £13.7m) and the outstanding discount was £1.4m (September 2024: £1.6m).

Categories of financial instrument

The Group holds financial instruments such as financial interest in property assets, trade and other receivables (excluding prepayments), derivatives, cash and cash equivalents. For all assets and liabilities excluding interest-bearing loans the book value was the same as the fair value as at 31 March 2025 and as at 30 September 2024.

As at 31 March 2025, the fair value of interest-bearing loans is lower than the book value by £84.4m (September 2024: £319.1m lower than book value), but there is no requirement under IFRS 9 to adjust the carrying value of loans, all of which are stated at unamortised cost in the consolidated statement of financial position.

Market risk

The Group is exposed to market risk through interest rates, the availability of credit and house price movements relating to the Tricomm Housing portfolio and the CHARM portfolio. The Group is not significantly exposed to equity price risk or to commodity price risk.

Fair values

IFRS 13 sets out a three-tier hierarchy for financial assets and liabilities valued at fair value. These are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – unobservable inputs for the asset or liability.

Notes to the unaudited interim financial results continued

The following table presents the Group's assets and liabilities that are measured at fair value:

	Unaudited 31 March 2025		Audited 30 September 2024	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Level 3				
CHARM	53.2	-	57.4	-
Investment property ¹	3,102.1	-	3,028.3	-
	3,155.3	-	3,085.7	-
Level 2				
Interest rate swaps – in cash flow hedge accounting relationships	21.1	-	19.8	-
	21.1	-	19.8	-

¹ Includes investment property – held for sale

The significant unobservable inputs affecting the carrying value of the CHARM portfolio are house price inflation and discount rates. A reconciliation of movements and amounts recognised in the consolidated income statement are detailed in Note 16.

The investment valuations provided by Allsop LLP and CBRE Limited are based on RIC's Professional Valuation Standards, but include a number of unobservable inputs and other valuation assumptions.

The fair value of swaps and caps were valued in-house by a specialised treasury management system, using first a discounted cash flow model and market information. The fair value is derived from the present value of future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments. As all significant inputs required to value the swaps and caps are observable, they fall within Level 2.

The reconciliation between opening and closing balances for Level 3 is detailed in the table below:

	Unaudited 31 March 2025 £m	Audited 30 Sept 2024 £m
Assets – Level 3		
Opening balance	3,085.7	3,015.9
Amounts taken to income statement	29.7	(33.8)
Other movements	39.9	103.6
Closing balance	3,155.3	3,085.7

In accordance with IFRS 13, the Group measures derivatives at fair value including the effect of counterparty credit risk. Where derivatives have been designated in a cash flow hedge relationship, the Group carries out hedge effectiveness testing in accordance with IFRS 9. Hedge ineffectiveness recognised in the period of £2.9m (2024: £nil).

Notes to the unaudited interim financial results continued

21. Tax

The tax charge for the period of £18.6m (2024: £9.2m credit) recognised in the consolidated income statement comprises:

	Unaudited	
	2025	2024
	£m	£m
Current tax		
Corporation tax on profit/(loss)	9.5	9.5
Adjustments relating to prior periods	-	(0.1)
	9.5	9.4
Deferred tax		
Origination and reversal of temporary differences	9.1	(16.9)
Adjustments relating to prior periods	-	(1.7)
	9.1	(18.6)
Total tax charge/(credit) for the period	18.6	(9.2)

The Group works in an open and transparent manner and maintains a regular dialogue with HM Revenue & Customs. This approach is consistent with the 'low risk' rating that has been reconfirmed by HM Revenue & Customs during the period and to which the Group is committed.

The Group's results for this period are taxed at the standard rate of 25.0% (2024: 25.0%).

In addition to the above, a deferred tax charge £0.1m (2024: credit £4.4m) was recognised within other comprehensive income comprising:

	Unaudited	
	2025	2024
	£m	£m
Remeasurement of BPT Limited defined benefit pension scheme	-	(0.1)
Fair value movement in cash flow hedges	0.1	(4.3)
Amounts recognised in other comprehensive income	0.1	(4.4)

Deferred tax balances comprise temporary differences attributable to:

	Unaudited	Audited
	31 March	30 Sept
	2025	2024
	£m	£m
Deferred tax assets		
Short-term temporary differences	6.8	6.1
	6.8	6.1
Deferred tax liabilities		
Trading property uplift to fair value on business combinations	(3.5)	(3.9)
Investment property revaluation	(102.4)	(93.8)
Short-term temporary differences	(23.0)	(21.9)
Fair value movement in financial interest in property assets	(0.7)	(0.2)
Actuarial gain on BPT Limited defined benefit pension scheme	(0.2)	(0.2)
Fair value movement in derivative financial instruments	(1.5)	(1.5)
	(131.3)	(121.5)
Total deferred tax	(124.5)	(115.4)

Deferred tax has been calculated at a rate of 25.0% (September 2024: 25.0%) in line with the enacted main rate of corporation tax. These calculations do not incorporate any impact of the Group's anticipated REIT conversion.

Notes to the unaudited interim financial results continued

In addition to the tax amounts shown above, contingent tax based on EPRA market value measures, being tax on the difference between the carrying value of trading properties in the consolidated statement of financial position and their market value has not been recognised by the Group. This contingent tax amounts to £66.4m, calculated at 25.0% (September 2024: £72.1m, calculated at 25.0%) and will be realised as the properties are sold.

22. Retirement benefits

The Group retirement benefit asset decreased by £0.1m to £6.4m in the six months ended 31 March 2025. This movement has arisen from a £1.5m reduction on plan assets offset by gains due to changes in assumptions of £1.4m (primarily market observable discount rates and inflationary expectations). The principal actuarial assumptions used to reflect market conditions as at 31 March 2025 are as follows:

	Unaudited 31 March 2025	Audited 30 Sept 2024
	%	%
Discount rate	5.7	5.0
Retail Price Index (RPI) inflation	3.4	3.3
Consumer Price Index (CPI) inflation	2.7	2.6
Rate of increase of pensions in payment	5.0	5.0

23. Share-based payments

The Group operates a number of equity-settled, share-based compensation plans comprising awards under a Long-Term Incentive Plan ('LTIP'), a Deferred Bonus Plan ('DBP'), a Share Incentive Plan ('SIP') and a Save As You Earn Scheme ('SAYE'). The share-based payments charge recognised in the consolidated income statement for the period is £1.2m (2024: £1.2m).

24. Related party transactions

During the period ended 31 March 2025, the Group transacted with its associates and joint ventures (details of which are set out in Notes 14 and 15). The Group provides a number of services to its associates and joint ventures. These include property and asset management services for which the Group receives fee income. The related party transactions recognised in the consolidated income statement and consolidated statement of financial position are as follows:

	Unaudited			
	31 March 2025		31 March 2024	
	Fees recognised £'000	Period end balance £'000	Fees recognised £'000	Period end balance £'000
Connected Living London (BTR) Limited	280	347	390	648
Lewisham Grainger Holdings LLP	74	587	144	431
Vesta Limited Partnership	405	198	399	190
	759	1,132	933	1,269

	Unaudited			Audited		
	31 March 2025			30 Sept 2024		
	Interest recognised £'000	loan balance £m	Interest rate %	Interest recognised £'000	loan balance £m	Interest rate %
Curzon Park Limited	-	18.1	Nil	-	18.1	Nil
Lewisham Grainger Holdings LLP	628	12.3	10.5	1,196	11.5	11.0
Vesta LP	-	15.3	Nil	-	14.5	Nil
	628	45.7		1,196	44.1	

EPRA Performance Measures – Unaudited

The European Public Real Estate Association (EPRA) is the body that represents Europe's listed property companies. The association sets out guidelines and recommendations to facilitate consistency in listed real estate reporting, in turn allowing stakeholders to compare companies on a like-for-like basis. As a member of EPRA, the Group is supportive of EPRA's initiatives and discloses measures in relation to the EPRA Best Practices Recommendations ('EPRA BPR') guidelines. The most recent guidelines, updated in September 2024, have been adopted by the Group.

EPRA Earnings

	31 March 2025			31 March 2024		
	Earnings £m	Shares millions	Pence per share	Earnings £m	Shares millions	Pence per share
Earnings per IFRS income statement	74.0	742.2	10.0	(31.2)	741.5	(4.2)
Adjustments to calculate EPRA Earnings, exclude:						
i) Changes in value of investment properties, development properties held for investment and other interests	(27.6)	-	(3.7)	75.3	-	10.1
ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0.3	-	-	-	-	-
iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	(21.2)	-	(2.9)	(20.3)	-	(2.7)
iv) Tax on profits or losses on disposals	-	-	-	-	-	-
v) Negative goodwill/goodwill impairment	-	-	-	-	-	-
vi) Changes in fair value of financial instruments and associated close-out costs	2.9	-	0.4	-	-	-
vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-	-	-	-	-
viii) Deferred tax in respect of EPRA adjustments	-	-	-	-	-	-
ix) Adjustments i) to viii) in respect of joint ventures	(0.1)	-	-	0.7	-	0.1
x) Non-controlling interests in respect of the above	-	-	-	-	-	-
xi) Other adjustments in respect of adjusted earnings	1.9	-	0.3	-	-	-
EPRA Earnings/Earnings per share	30.2	742.2	4.1	24.5	741.5	3.3
EPRA Earnings per share after tax			3.1			2.5

EPRA Earnings have been divided by the average number of shares shown in Note 10 to these financial statements to calculate earnings per share. EPRA Earnings per share after tax is calculated using the standard rate of UK Corporation Tax of 25.0% (2024: 25.0%).

EPRA Performance Measures - Unaudited (continued)

EPRA NRV, EPRA NTA and EPRA NDV

	31 March 2025			30 Sept 2024		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	£m	£m	£m	£m	£m	£m
IFRS Equity attributable to shareholders	1,913.2	1,913.2	1,913.2	1,893.7	1,893.7	1,893.7
Include/Exclude:						
i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	1,913.2	1,913.2	1,913.2	1,893.7	1,893.7	1,893.7
Include:						
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-	-	-	-
ii.c) Revaluation of other non-current investments	8.9	8.9	8.9	11.8	11.8	11.8
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	269.0	199.2	199.2	292.4	216.4	216.4
Diluted NAV at Fair Value	2,191.1	2,121.3	2,121.3	2,197.9	2,121.9	2,121.9
Exclude:						
v) Deferred tax in relation to fair value gains of IP	122.7	122.7	-	112.9	112.9	-
vi) Fair value of financial instruments	(15.8)	(15.8)	-	(14.9)	(14.9)	-
vii) Goodwill as a result of deferred tax	-	-	-	-	-	-
viii.a) Goodwill as per the IFRS balance sheet	-	(0.4)	(0.4)	-	(0.4)	(0.4)
viii.b) Intangible as per the IFRS balance sheet	-	(1.8)	-	-	(1.4)	-
Include:						
ix) Fair value of fixed interest rate debt	-	-	63.3	-	-	73.4
x) Revalue of intangibles to fair value	-	-	-	-	-	-
xi) Real estate transfer tax	-	-	-	-	-	-
NAV	2,298.0	2,226.0	2,184.2	2,295.9	2,218.1	2,194.9
Fully diluted number of shares	743.1	743.1	743.1	743.1	743.1	743.1
NAV pence per share	309	300	294	309	298	295

EPRA Performance Measures - Unaudited (continued)

EPRA NIY

		31 March 2025 £m	30 Sept 2024 £m
Investment property – wholly-owned		3,102.1	3,028.3
Investment property – share of JVs/Funds		69.3	66.5
Trading property (including share of JVs)		576.2	620.1
Less: developments		(399.2)	(401.7)
Completed property portfolio		3,348.4	3,313.2
Allowance for estimated purchaser's costs		188.0	180.5
Gross up completed property portfolio valuation	B	3,536.4	3,493.7
Annualised cash passing rental income		168.2	166.1
Property outgoings		(44.8)	(48.8)
Annualised net rents	A	123.6	117.3
Add: rent incentives		0.2	0.2
'Topped up' net annualised rents	C	123.6	117.5
EPRA NIY	A/B	3.5%	3.4%
EPRA 'topped up' NIY	C/B	3.5%	3.4%
Gross up completed property portfolio valuation		3,536.4	3,493.7
Adjustments to completed property portfolio in respect of regulated tenancies		(589.2)	(634.4)
Adjusted gross up completed property portfolio valuation	b	2,947.2	2,859.2
Annualised net rents		123.4	117.3
Adjustments to annualised cash passing rental income in respect of newly completed developments and refurbishment activity		10.5	8.3
Adjustments to property outgoings in respect of newly completed developments and refurbishment activity		(2.8)	(2.4)
Adjustments to annualised cash passing rental income in respect of regulated tenancies		(14.2)	(15.0)
Adjustments to property outgoings in respect of regulated tenancies		3.8	4.5
Adjusted annualised net rents	a	120.7	112.7
Add: rent incentives		0.2	0.2
EPRA 'topped up' NIY	c	120.9	112.9
Adjusted EPRA NIY	a/b	4.1%	3.9%
Adjusted EPRA 'topped up' NIY	c/b	4.1%	3.9%

EPRA Vacancy Rate

		31 March 2025 £m	30 Sept 2024 £m
Estimated rental value of vacant space	A	5.1	3.3
Estimated rental value of the whole portfolio	B	128.6	122.9
EPRA Vacancy Rate	A/B	4.0%	2.7%

The vacancy rate reflects estimated rental values of the Group's stabilised habitable PRS units as at the reporting date.

EPRA Performance Measures - Unaudited (continued)

EPRA Cost Ratio

		2025	2024
		£m	£m
For the 6 months ended 31 March			
Administrative expenses		16.9	16.2
Property operating expenses		22.8	21.5
Share of joint ventures expenses		0.4	(0.1)
Management fees		(1.2)	(1.2)
Other operating income/recharges intended to cover overhead expenses		(3.5)	(2.3)
Exclude:			
Investment property depreciation		-	-
Ground rent costs		(0.1)	(0.1)
Costs (including direct vacancy costs)	A	35.3	34.0
Direct vacancy costs		(1.2)	(1.3)
Costs (excluding direct vacancy costs)	B	34.1	32.7
Gross rental income		84.1	74.7
Less: ground rent income		(0.3)	(0.3)
Add: share of joint ventures (gross rental income less ground rents)		0.4	0.4
Add: adjustment in respect of profits or losses on sales of properties		19.9	19.9
Gross Rental Income and Trading Profits	C	104.1	94.7
Adjusted EPRA Cost Ratio (including direct vacancy costs)	A/C	33.9%	36.0%
Adjusted EPRA Cost Ratio (excluding direct vacancy costs)	B/C	32.8%	34.5%

EPRA LTV

	31 March 2025			
£m	Group	Share of Joint Ventures	Share of Associates	Combined
Borrowings from Financial Institutions	878.2	-	-	878.2
Bond loans	700.0	-	-	700.0
Net payables	62.6	7.1	14.6	84.3
Exclude:				
Cash and cash equivalents	(87.7)	(0.6)	(0.6)	(88.9)
Net debt	A	1,553.1	6.5	1,573.6
Investment properties at fair value		2,801.1	-	2,816.0
Investment properties under development		301.0	54.5	355.5
Properties held for sale		576.2	-	576.2
Financial assets		98.1	-	98.1
Total property value	B	3,776.4	54.5	3,845.8
EPRA LTV %	A/B	41.1%	11.9%	40.9%

EPRA Performance Measures - Unaudited (continued)

£m	30 Sept 2024				
	Group	Share of Joint Ventures	Share of Associates	Combined	
Borrowings from Financial Institutions	908.2	-	-	908.2	
Bond loans	700.0	-	-	700.0	
Net payables	29.5	6.7	14.6	50.9	
Exclude:					
Cash and cash equivalents	(140.1)	(1.4)	(0.5)	(142.0)	
Net debt	A	1,497.6	5.3	14.2	1,517.1
Investment properties at fair value		2,720.2	-	14.5	2,734.7
Investment properties under development		308.1	52.0	-	360.1
Properties held for sale		620.1	-	-	620.1
Financial assets		101.7	-	-	101.7
Total property value	B	3,750.1	52.0	14.5	3,816.6
EPRA LTV %	A/B	39.9%	10.1%	97.6%	39.7%

EPRA Capital Expenditure

£m	31 March 2025				
	Trading Properties	Investment Properties	Group (excl Joint Ventures)	Share of Joint Ventures	Combined
Acquisitions	-	7.6	7.6	-	7.6
Development	3.1	53.8	56.9	2.2	59.1
Completed assets					
- Incremental letting space	-	-	-	-	-
- No incremental letting space	1.1	9.6	10.7	0.1	10.8
- Tenant incentives	-	-	-	-	-
- Other material non-allocated types of expenditure	-	-	-	-	-
Capitalised interest	-	5.4	5.4	0.3	5.7
Total capital expenditure	4.2	76.4	80.6	2.6	83.2

£m	30 Sept 2024				
	Trading Properties	Investment Properties	Group (excl Joint Ventures)	Share of Joint Ventures	Combined
Acquisitions	0.2	85.9	86.1	-	86.1
Development	11.0	149.6	160.6	1.2	161.8
Completed assets					
- Incremental letting space	-	-	-	-	-
- No incremental letting space	3.8	13.9	17.7	-	17.7
- Tenant incentives	-	-	-	-	-
- Other material non-allocated types of expenditure	-	-	-	-	-
Capitalised interest	-	11.6	11.6	0.6	12.2
Total capital expenditure	15.0	261.0	276.0	1.8	277.8