

Grainger plc

Preliminary full year financial results for the twelve months ended 30 September 2025

Continuing to deliver excellent earnings growth

- Net Rental Income up +12%
- Pre tax EPRA Earnings +12%
- Dividend per share up +10%
- High occupancy at 98.1%
- FY29 guidance reiterated:
£72m EPRA earnings (9.7pps),
8%+ TAR, c.30% LTV

Grainger plc, the UK's largest residential REIT and leader in the build-to-rent (BTR) sector, today announces an excellent performance for the 12 months ended 30 September 2025.

Helen Gordon, Chief Executive, said:

"It is my pleasure to once again report that we have delivered an excellent performance and another year of strong earnings growth.

"Our focus on delivering great homes and great service to our customers and excellent risk-adjusted returns for shareholders has meant we have delivered an increase in earnings of +12%, an increase in net rental income of +12% and a +10% increase in dividend, our 20th consecutive period of increasing our dividend, which has seen us distribute c.£345m to shareholders over the past 10 years. In the last 7 years we have delivered like-for-like rental growth on average of 4.1% per annum. Customer affordability remains resilient and customer satisfaction levels remain sector-beating and put us on par with leading global consumer brands.

"Pre tax EPRA earnings will continue to grow. We continue to target £60m (8.1p per share) by FY26 and £72m (9.7pps) by FY29 in line with guidance, even after assuming we absorb higher interest rates over this period. This growth will come from the delivery of our £343m Committed Pipeline of which only c.£130m of capital expenditure is remaining.

"This year, after the successful transformation of Grainger into the UK's leading listed build-to-rent business, we converted to a Real Estate Investment Trust (REIT), which will enhance shareholder returns and supports our enduring strategy.

"We have certainty and clarity over the regulatory landscape for our market with the Renters' Rights Act, which aligns to our business model and rejects any form of rent control.

"Our asset class is characterised by strong fundamentals and is low-risk. Both residential rents and capital values have outperformed commercial real estate for the past twenty years. Residential rents, on average, outperform inflation. The net asset value of our portfolio has proven resilient again this period, backed up by disposals, and over the past five years despite increased interest rates the net asset value of our portfolio has increased +5.0%.

"We have a clear focus on delivering returns for shareholders. Our approach to capital allocation prioritises the delivery of our Committed Pipeline and delivery of our earnings growth guidance to FY29, whilst also focusing on driving cost efficiencies and deleveraging by between c.£300m-350m with a Net Debt to EBITDA target of c.8x and LTV of c.30%. We believe this is eminently deliverable when considering we generate c.£200m+ of cashflow each year from operating activities and sales proceeds.

"We are committed to continuing to deliver progressive dividend growth for years ahead.

"It has been another excellent performance for Grainger and the outlook for the business is bright as we continue to deliver sector-leading earnings growth despite macro-economic headwinds."

Highlights

- +12% growth delivered in Net Rental Income¹ to £123.6m (FY24: £110.1m)

- +12% increase in EPRA Earnings to £53.7m (FY24: £48.0m) and in EPRA EPS to 7.3pps (FY24: 6.5pps)
- Dividend increased +10% to 8.31p per share (FY24: 7.55p per share)
- IFRS Profit before tax up to £102.6m
- Strong occupancy of 98.1% in our BTR portfolio (FY24: 97.4%)
- EBITDA margin expansion continues to 55.5% (FY24: 54.0%)
- +3.6% like-for-like rental growth³ in our portfolio (Mar-25: 4.4%)
 - +3.4% like-for-like rental growth in our BTR Portfolio
 - +1.8% on new lets (Mar-25: 3.1%)
 - +4.5% on renewals (Mar-25: 4.9%)
 - +6.6% like-for-like rental growth in our Regulated Tenancy Portfolio (Mar-25: 7.0%)
- Capital recycling: Strong sales performance of £169m, recycling capital from lower-yielding assets in line with valuations into BTR
- Net asset value (EPRA NTA) resilient at 298pps (FY24: 298pps), with overall portfolio valuation up 0.7%
- Strong balance sheet and funding position, debt costs fixed in mid 3%^s to FY29 with plans in place to deleverage between c.£300m-£350m by FY29, targeting Net Debt to EBITDA of c.8x and LTV of c.30%
- Customer affordability remains robust at 28% of gross household income (FY24: 28%)
- Customer satisfaction remains high, with our Customer Net Promoter Score placing Grainger in line with leading global consumer brands
- Rental growth for FY26 expected to be in line with the long-term historical average of 3-3.5%

Income returns	FY25	FY24	Change
Net rental income (Note 5)	£123.6m	£110.1m	+12%
Adjusted earnings (Note 2)	£91.0m	£91.6m	(1)%
EPRA Earnings (Note 3) ⁴	£53.7m	£48.0m	+12%
EPRA Earnings per share	7.3p	6.5p	+12%
IFRS Profit before tax (Note 2)	£102.6m	£40.6m	+153%
Earnings per share (diluted, after tax) (Note 10) ⁵	27.3p	4.2p	+550%
Dividend per share (Note 10) ⁶	8.31p	7.55p	+10%

Capital returns	FY25	FY24	Change
EPRA NTA per share (Note 3)	298p	298p	0%
Net debt	£1,463m	£1,453m	1%
Group LTV	38.4%	38.2%	+20bps
Cost of debt (average)	3.3%	3.2%	+10bps

ESG benchmark performance

FTSE4Good	since 2010
ISS ESG	Prime Rating
MSCI ESG	'AA'
Sustainalytics ESG Risk Rating	Low Risk
S&P Corporate Sustainability Assessment	91 st percentile
Dow Jones Best-In-Class Indices	Europe constituent

EPRA Sustainability Best Practice Reporting	Gold Award
CDP (formerly the Carbon Disclosure Project)	'B' for Climate Change 'B-' for water 'A-' for supply chain
Workforce Disclosure Initiative	98%
GRESB Public Disclosure	'A' Rating
National Equality Standard	Accredited in FY24
SBTi (Science Based Targets initiative)	Validated emissions reduction targets

Future reporting dates

2026

AGM & Trading update	4 February
Half year results	14 May
Trading update	October
Full year results	19 November

¹ Refer to Note 5 for net rental income calculation.

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

³ Rental growth is the average increase in rent charged across our portfolio on a like-for-like basis.

⁴ EPRA Earnings is a measure of recurring earnings from core operational activities which the Company uses in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). For more details please see page 180-183 of the Annual Report and Accounts

⁵ £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

⁶ Dividends – Subject to approval at the AGM, the final dividend of 5.46p per share (gross) amounting to £40.4m will be paid on 20 February 2026 to Shareholders on the register at the close of business on the record date, 16 January 2026 (the shares will go ex-dividend on 15 January 2026). Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 30 January 2026. An interim dividend of 2.85p per share amounting to a total of £21.1m was paid to Shareholders on 7 July 2025. – refer also to Note 11.

Results presentation

Grainger will be holding a presentation of the results at 08.30am (UK time) today, 20 November 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_FY_25

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

Conference call details:

Call: **+44 (0)330 551 0200**

Confirmation Code: Quote **Grainger FY25** when prompted by the operator

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).

Annual Report & Accounts

We are today also publishing our 2025 Annual Report & Accounts on our website, including the ESEF (tagged) version, (<https://corporate.graingerplc.co.uk/investors/investor-downloads>) and we will also be submitting both versions to the National Storage Mechanism and they will shortly be available for inspection at: data.fca.org.uk/#/nsm/nationalstoragemechanism.

We will be publishing our Notice of Annual General Meeting in December 2025, and we will also submit this to the National Storage Mechanism to make it available for inspection. A further announcement will be made at this time.

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Forward-looking statements disclaimer

This announcement may contain certain statements that are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding Grainger plc's intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve risks and uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and, unless otherwise required by applicable law, Grainger plc undertakes no obligation to update or revise these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. Grainger plc and its Directors accept no liability to third parties in respect of this announcement save as would arise under English law.

Information about the management of the Principal Risks and Uncertainties facing Grainger plc is set out within the Annual Report and Accounts 2025. Any forward-looking statements in this announcement speak only at the date of this announcement and Grainger plc undertakes no obligation to update publicly or review any forward-looking statement to reflect new information or events, circumstances or developments after the date of this announcement.

Nature of announcement

This announcement is for information purposes only and no reliance may be placed upon it. No representative 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 plc 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 Statement

Continuing to deliver excellent earnings growth

Once again I am pleased to say your company has delivered another excellent performance with strong income growth, evidencing our resilience despite macroeconomic headwinds.

These challenging macro factors, including enduring high interest rates, are undoubtedly putting downward pressure on the listed real estate sector generally. However we are focused on what is in our control, such as growing income, managing costs, and enhancing our portfolio of high quality homes.

Portfolio expansion and strong operational performance delivered another year of strong earnings growth, with pre tax EPRA earnings up +12%. IFRS profit before tax was £102.6m (FY24: £40.6m) as a result of positive valuation movements.

Grainger operates in the UK housing rental market which continues to see a worsening supply shortage coupled with strong demand. Our sector-leading operational platform enables us to outperform and we delivered exceptional occupancy in the year of 98.1% alongside robust like-for-like rental growth of 3.6%, broadly in line with the long run average.

Our customer affordability level remains robust at 28% and customer satisfaction levels remain sector-beating with scores alongside global consumer brands.

Our capital structure is in a strong position with our average cost of debt at 3.3% and remaining low until FY29, with plans in place to reduce debt in the medium-term.

We will continue to recycle out of our low-yielding, non-core assets (primarily regulated tenancies) which will fund the remaining spend in our Committed Pipeline and enable us to reduce net debt by between c.£300m-£350m by FY29 to support ongoing earnings growth.

Grainger is therefore well positioned to continue to grow and deliver shareholder value. Our £343m Committed Pipeline, with only c.£130m remaining to spend, will grow earnings significantly. We continue to target £60m earnings (pre tax EPRA basis) by FY26 and £72m by FY29 in line with prior guidance.

In addition, we have a significant pipeline of future opportunities which provides us optionality to accelerate growth in the future.

Strategic transformation culminating in REIT conversion

It is almost 10 years since I set out our build-to-rent (BTR) strategy and our ambition to deliver for Shareholders a company with resilient earnings in an undersupplied market. We laid out a path toward transforming Grainger into a focused, simplified residential rental investment business and over the past 10 years we have delivered:

1. +14% 10yr CAGR in Net Rental Income
2. Significantly increased EPRA earnings to £54m
3. Increased EBITDA margins by nearly 3 times from 19% to 56%
4. Increased dividend per share by +202%, 20 consecutive periods of growth, distributing c.£345m to Shareholders over the 10 year period
5. Improved customer satisfaction by 2.75 times or +66pts since we first measured NPS in 2017

We have disposed of £1.9bn of non-core assets over the 10 year period and have invested to create from scratch our BTR portfolio which now stands at £2.9bn and 11,078 homes, serving more than 25,000 customers. This major transformation focusing on growing recurring rental income has enabled us to convert to a Real Estate Investment Trust (REIT) this year, which requires at least 75% of assets and profits to come from rental investments.

REIT status will enhance shareholder returns and importantly will not impede our growth trajectory. Our business model and strategy remains unchanged.

Grainger has a compelling investment case:

1. Low risk asset class with resilient growth
2. Strong market fundamentals
3. Strong customer base with positive outlook for rental growth
4. Certain and supportive regulatory outlook
5. Sector leading portfolio and operational platform underpinned by data insight.

Residential rental: Low risk asset class with excellent growth prospects

Residential rental has some of the most defensive characteristics of any real estate asset class. Both residential rents and capital values have outperformed commercial real estate for the past twenty years. Residential rents, on average, outperform inflation. The net asset value of our portfolio has proven resilient again this period, backed up by sales. Over the past five years despite increased interest rates the net asset value of our portfolio has increased +5.0%.

Strong market fundamentals

A worsening supply shortage with a current deficit of 4.3m homes nationally contrasts starkly with a growing population of renters. Only 2.5% of the rental market is BTR with the remainder mainly made up of small, private landlords who continue to exit the sector. At the same time, demand for renting continues to grow with Savills forecasting 20% growth in demand for the 10 years to 2031

Strong customer base

Our customer base is diverse and robust. Customer affordability remains stable and healthy at 28%, and our customers are employed across a broad range of sectors and job types.

A certain and supportive regulatory outlook

There is a strong political and societal push toward greater professionalisation. In October this year the Government passed the Renters' Rights Bill. We now have certainty over the regulatory outlook for our market and we have confirmation that this Government fundamentally opposes any form of rent controls. We are well positioned to thrive in this new legislative environment.

All these factors provide a strong foundation for Grainger's continued future success.

A market-beating strategy with a sector leading portfolio and operational platform underpinned by data insight

Grainger's BTR strategy is to invest in and provide mid-market rental homes in locations with the greatest demand and shortest supply. We own and manage all our properties directly. We are responsible for the customer relationship and this overall approach allows us to outperform. It allows us to fully understand our customers, their preferences and drivers and respond accordingly. Our technology platform, CONNECT, enables us to manage a large portfolio efficiently and effectively.

Our sector-leading operational platform is focused on delivering great service to customers and great value for Shareholders.

Delivering outperformance

Our strategy has proven that it delivers. We continue to achieve high occupancy and responsibly drive rental growth year-on-year.

This in turn delivers shareholder returns. EPRA Earnings were up +12% this year, after a 24% increase last year. And this growth will continue. From the delivery of our Committed Pipeline, after assuming a full rebasing of our debt costs to a higher rate, we expect to grow EPRA earnings significantly to £72m by FY29.

The portfolio continues to demonstrate its resilience with valuations stable and EPRA NTA resilient at 298p per share. The value of our portfolio (EPRA NTA) is up +5.0% over the past five years despite the high interest rate environment. This is amongst the highest in the real estate sector, evidencing our resilience. And our accelerated disposals programme reaffirms the value of our portfolio with a high volume of varying asset types being sold in line with valuations. Over the last three years, we have sold £640m of non-core assets.

Due to the strength of Grainger's ongoing performance, we are proposing a final dividend of 5.46p per share, which brings our total dividend for the year to 8.31p, a +10% increase.

A leading approach to the workplace, communities and environment

We are committed to being a great place to work. Our recognition by the National Equality Standard reaffirms this commitment.

Equally, our colleagues confirm that Grainger is a great place to work. This year we achieved our highest ever employee engagement score, securing two out of three stars for being an 'Outstanding' workplace by the independent assessor Best Companies, and placing in the Top 50 best places to work in the Large Company category.

Our high performance and inclusive culture is central to Grainger's continued success and strength.

Over the year, we partnered with over 30 local charities, giving both colleagues and customers the opportunity to give something back to their local communities. Much of our charitable efforts focus on housing and homelessness, aligned to our business. One standout initiative is our partnership with the youth homelessness charity, LandAid, and our involvement in their BTR Pathfinder programme, which sees us pledging accommodation to support young people at risk of homelessness. To date, we have supported three young people to give them a home in our communities from which to start living independently.

We have for many years also taken a sector leading approach to sustainability. I am pleased to report that this year our emissions reduction targets have been validated by the globally recognised Science Based Targets initiative (SBTi) and align to the 1.5 degree climate commitment by the UK Government and the Paris Agreement. Because of our strong sustainability credentials, we have now been added to the Dow Jones Best-in-Class Indices for Europe for 2025, supplementing our high ratings in a number of other benchmarks. And I am pleased to report that 96% of our BTR portfolio now has EPC certificates of between A to C, providing our customers energy efficient homes.

An excellent, positive outlook

As I first mentioned, what we have in our control is in excellent shape and we intend to ensure this remains the case.

A focus on capital allocation and delivering shareholder value

With current expectations of high interest rates remaining, we are focusing our attention on the imminent delivery of our Committed Pipeline and delivering our guided EPRA earnings target of £72m by FY29. Our other priority is to reduce net debt in order to mitigate against the impact of higher interest rates. These initiatives are both deliverable because of our successful ongoing disposals programme.

We are equally focusing our attention on costs, particularly central overheads. Our platform has been designed for growth and scale, and as the pace of our acquisitions naturally settles to align to the prevailing market conditions, it is important we manage costs appropriately in the interim. We therefore have plans in place to ensure central costs are as efficient as possible and sized appropriately for the scale and nature of our portfolio. With this front footed approach, we will maintain the strength of our market positioning to enable us to accelerate growth swiftly in the future.

I would like to thank the Board of Grainger and particularly our Chair of the last nine years, Mark Clare, for his unwavering support of our strategy and for his guidance and insights he has given me and the senior leadership team of Grainger. His support has been invaluable. I would also like to thank Justin Read, our Senior Independent Director, for leading the search for our Chair Designate, Simon Fraser. I look forward to working with Simon.

Finally, I would like to thank my colleagues, an exceptional team who have once again delivered for you.

Helen Gordon

Chief Executive Officer
19 November 2025

Financial review

FY25 saw another strong year of growth in net rental income and earnings, with good visibility of further growth to come. Strong occupational markets with occupancy at 98.1% and like-for-like rental growth of 3.6% combined with our pipeline deliveries saw total net rents grow by 12%. This resulted in strong earnings growth with pre tax EPRA earnings up 12%, as we continue to target £60m for the coming year and £72m by FY29.

It was also another good year for sales with £169m of sales delivered during the year, demonstrating both the value and liquidity of our asset base. Despite the challenging macroeconomic backdrop valuations were marginally up in the year as we saw ERV growth of 3.2% offsetting a small outward yield shift.

Our balance sheet remains in a healthy position with strong liquidity and a good hedging profile. Both net debt and LTV are broadly in line with the prior year. With only c.£130m of committed capex left to spend we will start using our significant operating cash flows to lower leverage by c.£300m-£350m from FY27 onwards.

Our dividend per share continues its strong growth trajectory, increasing by 10.1% to 8.31p on a per share basis (FY24: 7.55p).

We also successfully converted to a REIT in September 2025 marking a significant milestone in Grainger's transformation. Converting to REIT status positions Grainger as a more tax-efficient investment vehicle, eliminating effective double taxation for the business and its Shareholders. The move unlocks meaningful Shareholder value through improved returns, strengthens the company's ability to continue to grow its dividend, and allows the business to continue to enhance its operational platform. In the year we have recognised a tax credit of £123.6m as a result of the conversion.

Financial highlights

Income return	FY25	FY24	Change
Rental growth (like-for-like)	3.6%	6.3%	-270bps
- BTR	3.4%	6.3%	-290bps
- Regulated tenancies	6.6%	6.6%	-
Net rental income (Note 5)	£123.6m	£110.1m	+12%
Adjusted earnings (Note 2)	£91.0m	£91.6m	(1)%
EPRA earnings (Note 3)	£53.7m	£48.0m	+12%
IFRS profit before tax (Note 2)	£102.6m	£40.6m	+153%
Earnings per share (diluted, after tax) (Note 10) ¹	27.3p	4.2p	+550%
Dividend per share (Note 11)	8.31p	7.55p	+10%
Capital return	FY25	FY24	Change
Total Property Return	3.9%	1.9%	+200bps
Total Accounting Return (NTA basis) (Note 3)	2.6%	0.1%	+230bps
EPRA NTA per share (Note 3)	298p	298p	-
Net debt	£1,463m	£1,453m	+1%
Group LTV	38.4%	38.2%	+20bps
Cost of debt (average)	3.3%	3.2%	+10bps
Reversionary surplus	£131m	£147m	(11)%

1. £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

Income statement

The business continues to deliver very strong growth in EPRA earnings, up 12% to £53.7m (FY24: £48.0m) This was driven by continued strong growth in net rents of 12% combined with a strong focus on cost efficiency.

Adjusted earnings were broadly flat at £91.0m (FY24: £91.6m) as the sales profits from our reducing regulated tenancy business are replaced with rental income from our pipeline. The lower sales profits were in line with the smaller size of the regs portfolio.

IFRS profit before tax was £102.6m (FY24: £40.6m) as a result of positive valuation movements.

Income statement (£m)	FY25	FY24	Change
Net rental income	123.6	110.1	+12%
Mortgage income (<i>CHARM, Note 16</i>)	4.3	4.6	(7)%
Management fees and other income ¹	6.1	8.1	(25)%
Overheads	(36.7)	(35.3)	(4)%
Pre-contract costs	(0.7)	(1.0)	+30%
Net finance costs	(42.7)	(38.8)	(10)%
Joint ventures	(0.2)	0.3	(167)%
EPRA earnings²	53.7	48.0	+12%
EPRA EPS	7.3p	6.5p	+12%
Profit from sales	37.3	43.6	(14)%
Adjusted earnings	91.0	91.6	(1)%
Adjusted EPS (diluted, after tax) ³	9.3p	9.3p	-
Valuation movements ⁴	23.4	(39.4)	+159%
Other adjustments	(11.8)	(11.6)	(2)%
IFRS profit before tax	102.6	40.6	+153%
Earnings per share (diluted, after tax) ⁵	27.3p	4.2p	+550%

1 Including LADs: "liquidated and ascertained damages" of £3.6m (2024: £5.2m) which provide financial compensation for the loss of rental income caused by delays to the practical completion of our schemes

2 EPRA Earnings is a measure of recurring earnings from core operational activities. For more details please see page 35

3 Adjusted earnings per share includes tax of £22.2m (FY24: £22.9m) at the Group's adjusted tax rate of 24.4% (FY24: 25%), adjusted for the effect of REIT conversion (FY24: 25%).

4 Including £(59)m in H1 FY24 due to the removal of MDR; excluding this, underlying valuation movement was +£20m in FY24.

5 £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

Rental income

Net rental income increased by 12% to £123.6m (FY24: £110.1m), as we saw continued strength in occupational markets. The strong £13.5m increase was driven by a combination of strong delivery of pipeline scheme launches which contributed £17.7m along with another year of rental growth reflecting strong demand for our product.

Overall like-for-like rental growth was in line with our long run average at +3.6% (FY24: +6.3%) with the BTR portfolio continuing to deliver at +3.4% (FY24: +6.3%), with rental growth on renewals of +4.5% (FY24: +6.8%) and +1.8% (FY24: +5.6%) on new lets. While our new lets rental growth remained strong, the lower levels compared to FY24 were due to our focus on maximising our occupancy levels. Our regulated tenancy portfolio also delivered strong rental growth at +6.6% (FY24: +6.6%). Looking forward we maintain our guidance on rental growth in the coming year to continue in line with the long-run average rate of 3.0% - 3.5%, with occupational markets back to normalised levels we expect to see some seasonality in rental growth return with H2 stronger than H1 growth.

Gross to net for our stabilised portfolio improved to 25.0% (FY24: 25.0%) as we continue our strong focus on cost efficiencies.

	£m
FY24 Net rental income	110.1
Rental growth and occupancy	2.1
PRS Investment	17.7
Disposals	(6.3)
FY25 Net rental income	123.6

Sales

FY25 was another good year for sales as we continue our non-core asset recycling strategy in order to fund the required capital expenditure on our committed pipeline and the plan to lower leverage. Overall sales revenue was £168.9m, (FY24: £274.3m) with £82.4m of sales revenue coming from BTR recycling and £86.4m from regs sales. The continued delivery of sales saw pricing in line with book values, justifying current valuations.

Sales profits were lower at £37.3m (FY24: £43.6m) as expected reflecting a smaller regulated tenancy portfolio from which sales profits are generated. Profits from BTR recycling are based on valuation and therefore profit margins are much lower.

Vacant property sales profits in the period were down (27)%, as expected, delivering £18.5m (FY24: £25.4m), Vacancy rates were slightly lower at 6.0% (FY24: 7.1%) with margins slightly down on prior year due to the tenancy mix. Pricing achieved remained robust with sales values within 0.4% of vacant possession values.

Sales of tenanted and other properties delivered £18.7m of profit (FY24: £15.6m) from £121.2m of revenue (FY24: £194.0m).

Sales (£m)	FY25		FY24	
	Revenue	Profit	Revenue	Profit
Residential sales on vacancy	47.6	18.5	54.9	25.4
Tenanted and other sales	121.2	18.7	194.0	15.6
Residential sales total	168.8	37.2	248.9	41.0
Development sales	0.1	0.1	25.4	2.6
Overall sales	168.9	37.3	274.3	43.6

Overheads

Overheads increased by 4% in the period to £36.7m (FY24: £35.3m) as a result of wage growth across our employee base. Looking forward we see the opportunity to remove £2m of costs from overheads of which we expect to deliver £1m of these savings in the coming year. This will ensure that overheads will not increase in the next 2 years.

Balance sheet

Our BTR portfolio now represents 84% of our operational portfolio given the success of both our pipeline delivery and regulated tenancy recycling.

LTV was broadly flat on the prior year at 38.4% (FY24: 38.2%) reflecting investment. Looking forward, we plan to lower net debt by c.£300m-£350m by FY29 in order to mitigate the impact of rising finance costs as our low rate hedging rolls off. This will be funded by our strong operating cash flows.

EPRA NTA was flat at 298p per share (FY24: 298p per share) reflecting the resilience of our asset class against a backdrop of macroeconomic uncertainty.

Market value balance sheet (£m)	FY25	FY24
Residential – BTR	2,846	2,708
Residential – regulated tenancies	503	591
Residential – mortgages (CHARM)	49	57
Forward Funded – BTR work in progress	223	266
Development work in progress	93	84
Investment in JVs/associates	93	91
Total investments	3,807	3,797
Net debt	(1,463)	(1,453)
Other liabilities	(61)	(48)
EPRA NRV	2,283	2,296
Deferred and contingent tax – trading assets	(64)	(76)
Exclude: intangible assets	(2)	(2)
EPRA NTA	2,217	2,218
Add back: intangible assets	2	2
Deferred and contingent tax – investment assets	(1)	(113)
Fair value of fixed rate debt and derivatives	60	88
EPRA NDV	2,278	2,195
EPRA NRV pence per share	307	309
EPRA NTA pence per share	298	298
EPRA NDV pence per share	307	295

	Pence per share
EPRA NTA at 30 September 2024	298
Net rents, fees & income	18
Overheads	(5)
Finance costs	(6)
EPRA earnings	7
Valuations (trading & investment property)	1
Dividends, tax & other	(8)
EPRA NTA at 30 September 2025	298

Property portfolio performance

Over the year our portfolio valuation was up overall by 0.7%. Our BTR portfolio grew 1.1% over the year which saw strong ERV growth of 3.2% which was partly offset by a small outward yield movement in the period. Valuations in the regulated portfolio were largely flat in the year.

Portfolio	Region	Capital Value	Total Valuation movement	
		£m	£m	%
BTR	London & SE	1,378	7	+0.5%
	Regions	1,468	24	+1.6%
	BTR total	2,846	31	+1.1%
Regulated tenancies	London & SE	447	(3)	(0.7)%
	Regions	56	0	(0.1)%
	Regulated tenancy total	503	(3)	(0.6)%
Operational portfolio		3,349	28	0.8%
	BTR development	316	(2)	(0.6)%
Total portfolio		3,665	26	0.7%

Financing and capital structure

Net debt was broadly flat during the year at £1,463m (FY24: £1,453m), however it was down from the half year position of £1,475m. The significant investment in our pipeline of £133m was offset by our continued asset recycling strategy generating £174m of net sales proceeds. With only c.£130m left to spend on our committed pipeline, we will start to use operational cash flows to lower net debt from FY27.

We have minimal refinancing risk with an average debt maturity of 3.9 years including extension options. We continue to benefit from a very strong hedging profile, which is in place until FY29 and with our average cost of debt remaining relatively flat at 3.3% (FY24: 3.2%). Looking forward we plan to lower our net debt by £300m-£350m over the next 4 years, which would equate to an LTV of c.30% and c.8x net debt to EBITDA which we see as the appropriate capital structure in this current interest rate environment.

	FY25	FY24
Net debt	£1,463m	£1,453m
Loan to value (LTV)	38.4%	38.2%
Cost of debt	3.3%	3.2%
Headroom	£532m	£509m
Weighted average facility maturity (years)	3.9	4.7
Hedging	100%	95%

Summary and outlook

FY25 was yet another year of strong growth in net rents and earnings as we continue to deliver compounding growth. As we start our next phase of growth as a REIT, we are confident of the outlook and retain our prior guidance of targeting pre tax EPRA earnings of £60m for FY26 and £72m by FY29, a period over which we will absorb the substantial headwind of higher interest rates. This continued growth despite the macroeconomic headwinds is a testament to the resilience of our asset class and the excellence of our operating platform.

Rob Hudson

Chief Financial Officer

19 November 2025

Consolidated income statement

		2025	2024
For the year ended 30 September	Notes	£m	£m
Group revenue	4	262.7	290.1
Net rental income	5	123.6	110.1
Profit on disposal of trading property	6	38.9	49.4
Loss on disposal of investment property	7	(1.6)	(5.8)
Gain/(loss) from financial interest in property assets	16	1.1	(1.3)
Fees and other income	8	6.1	8.1
Administrative expenses		(36.7)	(35.3)
Other expenses		(4.0)	(6.0)
Reversal of impairment/(impairment) of inventories to net realisable value	13	0.6	(0.1)
Operating profit		128.0	119.1
Net valuation gains/(losses) on investment property	12	29.5	(32.5)
Hedge ineffectiveness under IFRS 9		(8.5)	(6.6)
Finance costs		(45.4)	(41.8)
Finance income		2.7	3.0
Share of profit/(loss) of associates after tax	14	0.6	(0.4)
Share of loss of joint ventures after tax	15	(4.3)	(0.2)
Profit before tax	2	102.6	40.6
Tax charge	21	(23.6)	(9.4)
Tax credit arising from REIT conversion	21	123.6	-
Profit for the year attributable to the Shareholders of the Company		202.6	31.2
Basic earnings per share	10	27.4p	4.2p
Diluted earnings per share	10	27.3p	4.2p

Consolidated statement of comprehensive income

For the year ended 30 September	Notes	2025 £m	2024 £m
Profit for the year	2	202.6	31.2
<i>Items that will not be transferred to the consolidated income statement:</i>			
Remeasurement of BPT Limited defined benefit pension scheme	22	(0.3)	(3.1)
<i>Items that may be or are reclassified to the consolidated income statement:</i>			
Changes in fair value of cash flow hedges		(2.3)	(20.8)
Other comprehensive expense for the year before tax		(2.6)	(23.9)
<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	0.8
Tax relating to items that may be or are reclassified to the consolidated income statement	21	0.6	5.2
Total tax relating to components of other comprehensive income		0.7	6.0
Other comprehensive expense for the year after tax		(1.9)	(17.9)
Total comprehensive income for the year attributable to the Shareholders of the Company		200.7	13.3

Consolidated statement of financial position

As at 30 September	Notes	2025 £m	2024 £m
ASSETS			
Non-current assets			
Investment property	12	3,059.4	2,996.8
Property, plant and equipment		9.2	10.6
Investment in associates	14	15.2	14.9
Investment in joint ventures	15	77.5	76.4
Financial interest in property assets	16	48.6	57.4
Retirement benefits	22	6.2	6.5
Deferred tax assets	21	4.6	6.1
Intangible assets		2.9	1.8
		3,223.6	3,170.5
Current assets			
Inventories – trading property	13	298.6	331.6
Investment property – held for sale	12	64.9	31.5
Trade and other receivables	17	79.2	90.9
Derivative financial instruments	20	14.1	19.8
Current tax assets		5.6	5.2
Cash and cash equivalents		85.8	93.2
		548.2	572.2
Total assets		3,771.8	3,742.7
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	20	1,515.1	1,592.9
Trade and other payables	18	5.7	6.3
Provisions for other liabilities and charges	19	0.7	1.0
Deferred tax liabilities	21	8.2	121.5
		1,529.7	1,721.7
Current liabilities			
Interest-bearing loans and borrowings	20	75.0	-
Trade and other payables	18	115.3	114.1
Provisions for other liabilities and charges	19	12.0	13.2
		202.3	127.3
Total liabilities		1,732.0	1,849.0
NET ASSETS		2,039.8	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		2.7	4.4
Retained earnings		1,161.6	1,013.8
TOTAL EQUITY		2,039.8	1,893.7

Consolidated statement of changes in equity

		Issued share capital	Share premium account	Merger reserve	Capital redemption reserve	Cash flow hedge reserve	Retained earnings	Total equity
	Notes	£m	£m	£m	£m	£m	£m	£m
Balance as at								
1 October 2023		37.2	817.8	20.1	0.3	20.0	1,033.2	1,928.6
Profit for the year	2	-	-	-	-	-	31.2	31.2
Other comprehensive expense for the year		-	-	-	-	(15.6)	(2.3)	(17.9)
Total comprehensive income		-	-	-	-	(15.6)	28.9	13.3
Award of SAYE shares		-	0.1	-	-	-	-	0.1
Purchase of own shares		-	-	-	-	-	(0.1)	(0.1)
Share-based payments charge	23	-	-	-	-	-	2.8	2.8
Dividends paid		-	-	-	-	-	(51.0)	(51.0)
Total transactions with Shareholders recorded directly in equity		-	0.1	-	-	-	(48.3)	(48.2)
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 year	2	-	-	-	-	-	202.6	202.6
Other comprehensive expense for the year		-	-	-	-	(1.7)	(0.2)	(1.9)
Total comprehensive income		-	-	-	-	(1.7)	202.4	200.7
Purchase of own shares		-	-	-	-	-	(0.1)	(0.1)
Share-based payments charge	23	-	-	-	-	-	3.6	3.6
Dividends paid		-	-	-	-	-	(58.1)	(58.1)
Total transactions with Shareholders recorded directly in equity		-	-	-	-	-	(54.6)	(54.6)
Balance as at								
30 September 2025		37.2	817.9	20.1	0.3	2.7	1,161.6	2,039.8

Consolidated statement of cash flows

For the year ended 30 September	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Profit for the year	2	202.6	31.2
Depreciation and amortisation		1.7	1.5
Net valuation (gains)/losses on investment property	12	(29.5)	32.5
Hedge ineffectiveness under IFRS 9		8.5	6.6
Net finance costs		42.7	38.8
Share of loss of associates and joint ventures	14, 15	3.7	0.6
Loss on disposal of investment property	7	1.6	5.8
Share-based payments charge	23	3.6	2.8
Gain/(loss) from financial interest in property assets	16	(1.1)	1.3
Provisions for liabilities and charges	19	1.6	4.5
Tax (credit)/charge	21	(100.0)	9.4
Cash generated from operating activities before changes in working capital		135.4	135.0
Decrease/(increase) in trade and other receivables		6.2	(3.8)
Increase in trade and other payables		12.9	6.9
Decrease in inventories		33.0	60.6
Cash generated from operating activities		187.5	198.7
Interest paid		(53.3)	(52.6)
Interest received		2.7	3.0
Cash outflow from fire safety remediation work		(3.1)	-
Tax paid		(11.4)	(12.5)
Net cash inflow from operating activities		122.4	136.6
Cash flow from investing activities			
Proceeds from sale of investment property		85.9	90.2
Proceeds from financial interest in property assets	16	9.9	8.3
Dividends received from associates	14	0.3	0.5
Investment in joint ventures	15	(3.7)	-
Loans advanced to joint ventures	15	(1.7)	(1.4)
Acquisition of investment property	12	(148.4)	(261.0)
Acquisition of property, plant and equipment and intangible assets		(1.4)	(4.3)
Net cash outflow from investing activities		(59.1)	(167.7)
Cash flow from financing activities			
Award of SAYE shares		-	0.1
Purchase of own shares		(0.1)	(0.1)
Proceeds from new loans and borrowings		186.0	244.0
Payment of loan costs		(2.3)	(2.8)
Cash flows relating to new derivatives / settlement of derivatives		(5.0)	(1.9)
Repayment of loans and borrowings		(191.2)	(185.0)
Dividends paid		(58.1)	(51.0)
Net cash (outflow)/inflow from financing activities		(70.7)	3.3
Net decrease in cash and cash equivalents		(7.4)	(27.8)
Cash and cash equivalents at the beginning of the year		93.2	121.0
Cash and cash equivalents at the end of the year		85.8	93.2

Notes to the preliminary financial results

1. Accounting policies

1a Basis of preparation

The Board approved this preliminary announcement on 19 November 2025. The financial information included in this preliminary announcement does not constitute the Group's statutory accounts for the years ended 30 September 2024 or 30 September 2025. Statutory accounts for the year ended 30 September 2024 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 September 2025 will be delivered to the Registrar of Companies following the Company's annual general meeting.

The auditors, KPMG LLP, have reported on the accounts for both years. The reports were unqualified, did not include reference to any matters by way of emphasis and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

These financial statements for the year ended 30 September 2025 have been prepared under the historical cost convention except for the following assets and liabilities, and corresponding income statement accounts, which are stated at their fair value; investment property; derivative financial instruments; and financial interest in property assets.

The accounting policies used are consistent with those contained in the Group's full annual report and accounts for the year ended 30 September 2025. The financial information included in this preliminary announcement has been prepared in accordance with UK-adopted international accounting standards (IFRS) and applicable law. The Group elected to adopt REIT status from 8 September 2025. As a consequence of the Group's REIT status, UK corporation tax is not levied on the Group's qualifying property rental business profits, or gains from the sale of qualifying investment properties.

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

The following new standards and amendments to standards were issued and adopted in the year 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.

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;
- Amendments to IFRS 10 Consolidated Financial Statements;
- Amendments to IAS 28 Investments in Associates and Joint Ventures.

With the exception of IFRS 18, which the Group is still assessing and the impact to the financial statements is not yet known, 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

Estimates

i. Valuation of property assets

Residential trading property is carried in the statement of financial position at the lower of cost and net realisable value and investment property is carried at fair value. The Group does, however, in its principal non-GAAP net asset value measures, EPRA NRV, EPRA NTA and EPRA NDV, include trading property at market value.

The adjustment in the value of trading property is the difference between the statutory book value and its market value as set out in Note 3. For investment property, market value is the same as fair value. In respect of trading properties, market valuation is the key assumption in determining the net realisable value of those properties.

Notes to the preliminary financial results continued

In all cases, forming these valuations inherently includes elements of judgement and subjectivity with regards to the selection of unobservable inputs. The valuation basis and key unobservable inputs are outlined in Note 2 in the 2025 Annual Report and Accounts.

The results and the basis of each valuation and their impact on both the financial statements and market value for the Group's non-GAAP net asset value measures are set out below:

	PRS £m	Reversionary £m	Other £m	Total £m	Valuer	% of properties for which external valuer provides valuation
Trading property	1.6	265.7	31.3	298.6		
Investment property ¹	3,110.1	14.2	-	3,124.3		
Financial asset (CHARM)	-	48.6	-	48.6		
Total statutory book value	3,111.7	328.5	31.3	3,471.5		
Trading property						
Residential	1.6	489.2	-	490.8	Allsop LLP	77%
Developments	-	-	50.2	50.2	CBRE Limited	94%
Total trading property at market value	1.6	489.2	50.2	541.0		
Investment property						
					Allsop LLP /	
Residential	603.7	14.2	-	617.9	CBRE Limited	99%
Developments	46.0	-	-	46.0	CBRE Limited	94%
New build PRS	2,086.5	-	-	2,086.5	CBRE Limited	100%
Affordable housing	229.0	-	-	229.0	Allsop LLP	100%
Tricomm Housing	144.9	-	-	144.9	Allsop LLP	100%
Total investment property	3,110.1	14.2	-	3,124.3		
Financial asset (CHARM) ²	-	48.6	-	48.6	Allsop LLP	100%
Total assets at market value	3,111.7	552.0	50.2	3,713.9		
Statutory book value	3,111.7	328.5	31.3	3,471.5		
Market value adjustment ³	-	223.5	18.9	242.4		
Total assets at market value	3,111.7	552.0	50.2	3,713.9		
Net revaluation gain recognised in the income statement for wholly-owned properties	29.5					
Net revaluation loss relating to joint ventures and associates ⁴	(3.5)					
Net revaluation gain recognised in the year⁴	26.0					

¹ Includes investment property – held for sale

² Allsop LLP provide vacant possession values used by the Directors to value the financial asset.

³ The market value adjustment is the difference between the statutory book value and the market value of the Group's properties. Refer to Note 3 for market value net asset measures.

⁴ Includes the Group's share of joint ventures and associates revaluation loss after tax.

Judgements

i. Distinction between investment and trading property

The Group considers the intention at the outset when each property is acquired in order to classify the property as either an investment or a trading property. Where the intention is either to trade the property or where the property is held for immediate sale upon receiving vacant possession within the ordinary course of business, the property is classified as trading property. Where the intention is to hold the property for its long-term rental yield and/or capital appreciation, the property is classified as an investment property. The classification of the Group's properties is a significant judgement which directly impacts the statutory net asset position, as trading properties are held at the lower of cost and net realisable value, whilst investment properties are held at fair value, with gains or losses taken through the consolidated income statement.

Notes to the preliminary financial results continued

The Group continually reviews properties for changes in use that could subsequently change the classification of properties. A change of use occurs if property meets, or ceases to meet, the definition of investment property which is more than a change in management's intentions. The fact patterns associated with changes in the way in which properties are utilised are considered on a case by case basis and to the extent that a change in use is established, property reclassifications are reflected appropriately.

1d Group risk factors

The principal risks and uncertainties facing the Group are set out in the Risk Management report of the 2025 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.

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 the foreseeable future. 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 financial statements for the year ended 30 September 2025.

The financial position of the Group, including details of its financing and capital structure, is set out in the financial review on pages 31 to 36 in the 2025 Annual Report and Accounts. In making the going concern assessment, the Directors have considered the Group's principal risks (see pages 59 to 63 in the 2025 Annual Report and Accounts) and their impact on financial performance. 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 but plausible sensitivities have been applied to the key factors affecting financial performance for the Group.

The going concern assessment covers at least a year from the date of approval of the financial statements. It uses the same forecasts considered by the Group for the purposes of the Viability Statement. The assessment considers a severe but plausible downside scenario, reflecting the following key assumptions:

- Reducing PRS occupancy to 90%
- Rental growth reduced by 100bps to 2.0%
- Reducing property valuations by 10%, driven by rents yield expansion or house price deflation
- Operating and development cost inflation of 10% p.a.
- An increase in SONIA of 2%

The Group's forecasts incorporate the likely impact of climate change and sustainability requirements including costs to deliver our climate related targets. This includes EPC upgrades across the portfolio and investing in energy efficient solutions for central heating systems.

No new financing is assumed in the assessment period, but 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 46% (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 period.

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 accounts for the year ended 30 September 2025.

1f Forward-looking statement

Certain statements in this preliminary 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. See [page 5](#) for the full forward-looking statements disclaimer.

Notes to the preliminary financial results continued

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.

£m	2025				2024			
	Statutory	Valuation	Other adjustments	Adjusted earnings	Statutory	Valuation	Other adjustments	Adjusted earnings
Group revenue	262.7	-	-	262.7	290.1	-	-	290.1
Net rental income	123.6	-	-	123.6	110.1	-	-	110.1
Profit on disposal of trading property	38.9	-	-	38.9	49.4	-	-	49.4
Loss on disposal of investment property	(1.6)	-	-	(1.6)	(5.8)	-	-	(5.8)
Income/(expense) from financial interest in property assets	1.1	3.2	-	4.3	(1.3)	5.9	-	4.6
Fees and other income	6.1	-	-	6.1	8.1	-	-	8.1
Administrative expenses	(36.7)	-	-	(36.7)	(35.3)	-	-	(35.3)
Other expenses	(4.0)	-	3.3	(0.7)	(6.0)	-	5.0	(1.0)
Reversal of impairment/(impairment) of inventories to net realisable value	0.6	(0.6)	-	-	(0.1)	0.1	-	-
Operating profit	128.0	2.6	3.3	133.9	119.1	6.0	5.0	130.1
Net valuation gains/(losses) on investment property	29.5	(29.5)	-	-	(32.5)	32.5	-	-
Hedge ineffectiveness under IFRS 9	(8.5)	-	8.5	-	(6.6)	-	6.6	-
Finance costs	(45.4)	-	-	(45.4)	(41.8)	-	-	(41.8)
Finance income	2.7	-	-	2.7	3.0	-	-	3.0
Share of profit/(loss) of associates after tax	0.6	(0.2)	-	0.4	(0.4)	0.9	-	0.5
Share of loss of joint ventures after tax	(4.3)	3.7	-	(0.6)	(0.2)	-	-	(0.2)
Profit before tax	102.6	(23.4)	11.8	91.0	40.6	39.4	11.6	91.6
Tax credit/(charge)	100.0				(9.4)			
Profit for the year attributable to the owners of the Company	202.6				31.2			
Basic adjusted earnings per share				9.3p				9.3p
Diluted adjusted earnings per share				9.3p				9.3p

Profit before tax in the adjusted columns above of £91.0m (2024: £91.6m) is the adjusted earnings of the Group. Adjusted earnings per share assumes tax of £22.2m (2024: £22.9m) in line with the Group's current year tax rate of 24.4%, adjusted for the effect of REIT conversion on 8 September 2025 (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 of fire safety provisions (2024: £5.0m), REIT conversion costs of £0.6m (2024: £nil), aborted acquisition costs of £0.8m (2024: £nil), and hedge ineffectiveness under IFRS 9 of £8.5m (2024: £6.6m).

Notes to the preliminary 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 through 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.

2025 Income statement

£m	PRS	Reversionary	Other	Total
Group revenue	162.0	98.7	2.0	262.7
Segment revenue – external				
Net rental income	111.6	10.9	1.1	123.6
Profit on disposal of trading property	0.2	38.7	-	38.9
Loss on disposal of investment property	(1.7)	0.1	-	(1.6)
Income from financial interest in property assets	-	4.3	-	4.3
Fees and other income	5.6	-	0.5	6.1
Administrative expenses	-	-	(36.7)	(36.7)
Other expenses	(0.1)	-	(0.6)	(0.7)
Net finance costs	(35.8)	(6.2)	(0.7)	(42.7)
Share of trading loss of joint ventures and associates after tax	0.2	-	(0.4)	(0.2)
Adjusted earnings	80.0	47.8	(36.8)	91.0
Valuation movements	26.6	(3.2)	-	23.4
Other adjustments	(1.9)	-	(9.9)	(11.8)
Profit before tax	104.7	44.6	(46.7)	102.6

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:

£m	PRS	Reversionary	Other	Total
Adjusted earnings	80.0	47.8	(36.8)	91.0
Profit on disposal of trading property	(0.2)	(38.7)	-	(38.9)
Loss on disposal of investment property	1.7	(0.1)	-	1.6
EPRA earnings	81.5	9.0	(36.8)	53.7

Notes to the preliminary financial results continued

2024 Income statement

£m	PRS	Reversionary	Other	Total
Group revenue	150.3	112.5	27.3	290.1
Segment revenue – external				
Net rental income	97.6	11.5	1.0	110.1
Profit on disposal of trading property	(1.3)	48.1	2.6	49.4
Loss on disposal of investment property	(5.9)	0.1	-	(5.8)
Income from financial interest in property assets	-	4.6	-	4.6
Fees and other income	7.5	-	0.6	8.1
Administrative expenses	-	-	(35.3)	(35.3)
Other expenses	(0.4)	-	(0.6)	(1.0)
Net finance costs	(31.3)	(6.6)	(0.9)	(38.8)
Share of trading profit of joint ventures and associates after tax	0.3	-	-	0.3
Adjusted earnings	66.5	57.7	(32.6)	91.6
Valuation movements	(33.5)	(5.9)	-	(39.4)
Other adjustments	(5.0)	-	(6.6)	(11.6)
Profit before tax	28.0	51.8	(39.2)	40.6

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

£m	PRS	Reversionary	Other	Total
Adjusted earnings	66.5	57.7	(32.6)	91.6
Profit on disposal of trading property	1.3	(48.1)	(2.6)	(49.4)
Loss on disposal of investment property	5.9	(0.1)	-	5.8
EPRA earnings	73.7	9.5	(35.2)	48.0

Segmental assets

The 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.

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.

Notes to the preliminary financial results continued

Total Accounting Return (NTA basis) of 2.6% is calculated from the closing EPRA NTA of 298p per share plus the dividend paid of 7.55p per share in the 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:

2025 Segment net assets

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	1,911.1	104.3	24.4	2,039.8	274
Total segment net assets (EPRA NRV)	1,915.1	327.5	40.5	2,283.1	307
Total segment net assets (EPRA NTA)	1,912.1	271.7	32.8	2,216.6	298
Total segment net assets (EPRA NDV)	1,911.1	271.7	95.2	2,278.0	307

2025 Reconciliation of EPRA NAV measures

£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	3,124.3	-	3,124.3	-	3,124.3	-	3,124.3
Investment in joint ventures and associates	92.7	-	92.7	-	92.7	-	92.7
Financial interest in property assets	48.6	-	48.6	-	48.6	-	48.6
Inventories – trading property	298.6	242.4	541.0	-	541.0	-	541.0
Cash and cash equivalents	85.8	-	85.8	-	85.8	-	85.8
Other assets	121.8	(3.1)	118.7	(2.9)	115.8	(3.3)	112.5
Total assets	3,771.8	239.3	4,011.1	(2.9)	4,008.2	(3.3)	4,004.9
Interest-bearing loans and borrowings	(1,590.1)	-	(1,590.1)	-	(1,590.1)	65.7	(1,524.4)
Deferred and contingent tax liabilities	(8.2)	4.0	(4.2)	(63.6)	(67.8)	(1.0)	(68.8)
Other liabilities	(133.7)	-	(133.7)	-	(133.7)	-	(133.7)
Total liabilities	(1,732.0)	4.0	(1,728.0)	(63.6)	(1,791.6)	64.7	(1,726.9)
Net assets	2,039.8	243.3	2,283.1	(66.5)	2,216.6	61.4	2,278.0

¹ Includes investment property – held for sale

2024 Segment net assets

£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

Notes to the preliminary financial results continued

2024 Reconciliation of EPRA NAV measures

£m	Statutory balance sheet	Adjustments to market value, deferred tax and derivatives	EPRA NRV balance sheet	Adjustments to deferred 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

	2025 £m	2024 £m
Gross rental income (Note 5)	170.2	154.8
Gross proceeds from disposal of trading property (Note 6)	86.4	127.2
Fees and other income (Note 8)	6.1	8.1
	262.7	290.1

5. Net rental income

	2025 £m	2024 £m
Gross rental income	170.2	154.8
Property operating expenses	(46.6)	(44.7)
	123.6	110.1

6. Profit on disposal of trading property

	2025 £m	2024 £m
Gross proceeds from disposal of trading property	86.4	127.2
Selling costs	(2.0)	(2.3)
Net proceeds from disposal of trading property	84.4	124.9
Carrying value of trading property sold (Note 13)	(45.5)	(75.5)
	38.9	49.4

7. Loss on disposal of investment property

	2025 £m	2024 £m
Gross proceeds from disposal of investment property	82.5	147.1
Selling costs	(2.2)	(3.8)
Net proceeds from disposal of investment property	80.3	143.3
Carrying value of investment property sold (Note 12)	(81.9)	(149.1)
	(1.6)	(5.8)

Notes to the preliminary financial results continued

8. Fees and other income

	2025 £m	2024 £m
Property and asset management fee income	2.3	2.6
Other sundry income	3.8	5.5
	6.1	8.1

Included within other sundry income in the current year is £3.6m (2024: £5.2m) 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

	2025 £m	2024 £m
Finance costs		
Bank loans and mortgages	20.3	18.6
Non-bank financial institution	8.4	8.4
Corporate bond	22.9	22.9
Interest capitalised under IAS 23	(10.4)	(11.6)
Other finance costs	4.2	3.5
	45.4	41.8
Finance income		
Interest receivable from joint ventures	(0.9)	(1.2)
Other interest receivable	(1.8)	(1.8)
	(2.7)	(3.0)
Net finance costs	42.7	38.8

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 year, excluding ordinary shares purchased by the Group and held both in Trust and as treasury shares to meet its obligations under 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 share based payment schemes, based upon the number of shares that would be issued if 30 September 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.

	30 September 2025			30 September 2024		
	Profit for the year £m	Weighted average number of shares (millions)	Earnings per share (pence)	Profit for the year £m	Weighted average number of shares (millions)	Earnings per share (pence)
Basic earnings per share						
Profit attributable to equity holders	202.6	738.8	27.4	31.2	738.2	4.2
Effect of potentially dilutive securities						
Share options and contingent shares	-	3.5	(0.1)	-	3.3	-
Diluted earnings per share						
Profit attributable to equity holders	202.6	742.3	27.3	31.2	741.5	4.2

11. Dividends

Subject to approval at the AGM, the final dividend of 5.46p per share (gross) amounting to £40.4m will be paid on 20 February 2026 to Shareholders on the register at the close of business on the record date, 16 January 2026 (the shares will go ex-dividend on 15 January 2026). Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 30 January 2026. An interim dividend of 2.85p per share amounting to a total of £21.1m was paid to Shareholders on 7 July 2025.

Notes to the preliminary financial results continued

12. Investment property

	2025 £m	2024 £m
Opening balance	3,028.3	2,948.9
Acquisitions	20.0	85.9
Capital expenditure – completed assets	17.2	13.9
Capital expenditure – assets under construction	111.2	161.2
Total additions	148.4	261.0
Disposals (Note 7)	(81.9)	(149.1)
Net valuation gains/(losses) on investment properties ¹	29.5	(32.5)
	3,124.3	3,028.3
Reclassifications to investment property – held for sale	(64.9)	(31.5)
Closing balance	3,059.4	2,996.8

¹ Within the above are provisions for fire safety works. No potential recovery of these costs has been accounted for.

Within investment property are a number of assets held for sale at the reporting date, valued at £64.9m (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.

13. Inventories – trading property

	2025 £m	2024 £m
Opening balance	331.6	392.2
Additions	11.9	15.0
Disposals (Note 6)	(45.5)	(75.5)
Reversal of impairment/(impairment) of inventories to net realisable value	0.6	(0.1)
Closing balance	298.6	331.6

14. Investment in associates

	2025 £m	2024 £m
Opening balance	14.9	15.8
Share of profit/(loss) for the year	0.6	(0.4)
Dividends paid in the year	(0.3)	(0.5)
Closing balance	15.2	14.9

The closing balance comprises share of net assets of £0.7m (2024: £0.4m) and net loans due from associates of £14.5m (2024: £14.5m). At the balance sheet date, there is no expectation of any material credit losses on loans due.

As at 30 September 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

	2025 £m	2024 £m
Opening balance	76.4	75.2
Share of loss for the year	(4.3)	(0.2)
Further investment ¹	3.7	-
Loans advanced to joint ventures	1.7	1.4
Closing balance	77.5	76.4

¹ Grainger invested £3.7m into Connected Living London (BTR) Limited in the year (2024: £nil).

Notes to the preliminary financial results continued

The closing balance comprises share of net assets of £46.1m (2024: £46.7m) and net loans due from joint ventures of £31.4m (2024: £29.7m). At the balance date, there is no expectation of credit losses on loans due.

At 30 September 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)

	2025 £m	2024 £m
Opening balance	57.4	67.0
Cash received from the instrument	(9.9)	(8.3)
Amounts taken to income statement	1.1	(1.3)
Closing balance	48.6	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

	2025 £m	2024 £m
Rent and other tenant receivables	4.5	4.8
Deduct: Provision for impairment	(1.6)	(1.5)
Rent and other tenant receivables – net	2.9	3.3
Restricted deposits	57.7	63.3
Other receivables	12.7	19.3
Prepayments	5.9	5.0
Closing balance	79.2	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 £4.5m (2024: £4.8m). Assumptions used in the forward-looking assessment are continually reviewed to take into account likely rent deferrals.

Restricted deposits arise from contracts with third parties that place restrictions on use of funds and cannot be accessed on demand. These deposits are held in connection with facility arrangements and are released by the lender on a quarterly basis once covenant compliance has been met.

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

Notes to the preliminary financial results continued

18. Trade and other payables

	2025 £m	2024 £m
Current liabilities		
Deposits received	13.9	12.8
Trade payables	22.7	19.0
Lease liabilities	0.6	0.7
Tax and social security costs	0.8	4.9
Accruals	66.0	64.5
Deferred income	11.3	12.2
	115.3	114.1
Non-current liabilities		
Lease liabilities	5.7	6.3
	5.7	6.3
Total trade and other payables	121.0	120.4

Within accruals, £46.0m comprises accrued expenditure in respect of ongoing construction activities (2024: £43.9m).

19. Provisions for other liabilities and charges

	2025 £m	2024 £m
Current provisions for other liabilities and charges		
Opening balance	13.2	8.6
Additions	1.9	5.0
Utilisation	(3.1)	(0.4)
	12.0	13.2
Non-current provisions for other liabilities and charges		
Opening balance	1.0	1.1
Reversal	(0.3)	-
Utilisation	-	(0.1)
	0.7	1.0
Total provisions for other liabilities and charges	12.7	14.2

Current provisions relate to potential fire safety remediation costs relating to a small number of legacy properties that Grainger historically had an involvement in developing and are expected to require fire safety related remediation works. These were first recognised in the year ended 30 September 2022 after an extensive assessment of the Group's legal and constructive obligations arising from the Building Safety Act 2022 and other associated fire regulations, and based on the results of relevant surveys which were commissioned. The provision is based on the latest estimation of costs to be incurred, offset by costs incurred to date. Where fire safety works are required and the Group owns the properties, the cost is considered as part of the valuation of those properties. Where appropriate, the Group is seeking recoveries from contractors and insurers.

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

	2025 £m	2024 £m
Current liabilities		
Non-bank financial institution	75.0	-
	75.0	-
Non-current liabilities		
Bank loans – Pounds sterling	544.1	548.2
Bank loans – Euros	0.7	0.8
Non-bank financial institution	273.5	347.9
Corporate bonds	696.8	696.0
	1,515.1	1,592.9
Total interest-bearing loans and borrowings	1,590.1	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 30 September 2025, unamortised costs totalled £11.7m (2024: £13.7m) and the outstanding discount was £1.3m (2024: £1.6m).

Notes to the preliminary financial results continued

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 30 September 2025 and as at 30 September 2024.

As at 30 September 2025, the fair value of the non-bank loans is £331.1m (2024: £319.1m), 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.

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

	2025		2024	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Level 3				
CHARM	48.6	-	57.4	-
Investment property ¹	3,124.3	-	3,028.3	-
	3,172.9	-	3,085.7	-
Level 2				
Interest rate swaps – in cash flow hedge accounting relationships	14.1	-	19.8	-
	14.1	-	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 RICS 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 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.

Notes to the preliminary financial results continued

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

	2025 £m	2024 £m
Assets – Level 3		
Opening balance	3,085.7	3,015.9
Amounts taken to income statement	30.6	(33.8)
Other movements	56.6	103.6
Closing balance	3,172.9	3,085.7

21. Tax

The tax (credit)/charge for the year of £(100.0)m (2024: £9.4m) recognised in the consolidated income statement comprises:

	2025 £m	2024 £m
Current tax		
Corporation tax on profit	12.9	14.5
Adjustments relating to prior years	(1.8)	(7.8)
	11.1	6.7
Deferred tax		
Origination and reversal of temporary differences	(111.7)	(4.0)
Adjustments relating to prior years	0.6	6.7
	(111.1)	2.7
Total tax (credit)/charge for the year	(100.0)	9.4

The 2025 current tax adjustments relating to prior years reflect adjustments which have been included in submitted tax returns and primarily relate to financing costs and capital allowances.

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 we have been awarded by HM Revenue & Customs and to which the Group is committed.

In addition to the above, a deferred tax credit of £0.7m (2024: £6.0m) was recognised within other comprehensive income comprising:

	2025 £m	2024 £m
Remeasurement of BPT Limited defined benefit pension scheme	(0.1)	(0.8)
Fair value movement in cash flow hedges	(0.6)	(5.2)
Amounts recognised in other comprehensive income	(0.7)	(6.0)

Deferred tax balances comprise temporary differences attributable to:

	2025 £m	2024 £m
Deferred tax assets		
Short-term temporary differences	4.6	6.1
	4.6	6.1
Deferred tax liabilities		
Trading property uplift to fair value on business combinations	(3.0)	(3.9)
Investment property revaluation	(1.0)	(93.8)
Short-term temporary differences	(2.4)	(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	(0.9)	(1.5)
	(8.2)	(121.5)
Total deferred tax	(3.6)	(115.4)

Notes to the preliminary financial results continued

As a result of conversion to REIT status, the Group has released £123.1m of deferred tax in respect of its Property Rental Business activities, including that related to unrealised gains on qualifying investment properties and capital allowances in respect of those properties. In addition, a £0.5m current tax credit has arisen in the period since conversion to REIT status, being the tax exempt income arising in that period.

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 £60.6m, calculated at 25.0% (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 from £6.5m to £6.2m in the year ended 30 September 2025. This movement has arisen from changes in assumptions of £1.6m and a loss on plan assets of £1.9m. The principal actuarial assumptions used to reflect market conditions as at 30 September 2025 are as follows:

	2025	2024
	%	%
Discount rate	5.8	5.0
Retail Price Index (RPI) inflation	3.0	3.3
Consumer Price Index (CPI) inflation	2.3	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 Deferred Bonus Share Plan ('DBSP'), 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 £3.6m (2024: £2.8m).

24. Related party transactions

During the year ended 30 September 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:

	2025		2024	
	Fees recognised	Year end balance	Fees recognised	Year end balance
	£'000	£'000	£'000	£'000
Connected Living London (BTR) Limited	557	343	735	870
Lewisham Grainger Holdings LLP	140	653	226	513
Vesta LP	804	216	811	214
	1,501	1,212	1,772	1,597

	2025			2024		
	Interest recognised	Year end loan balance	Interest rate	Interest recognised	Year end loan balance	Interest rate
	£'000	£m	%	£'000	£m	%
Curzon Park Limited	-	18.1	Nil	-	18.1	Nil
Lewisham Grainger Holdings LLP	921	13.2	5.8	1,196	11.5	11.0
Vesta LP	-	14.5	Nil	-	14.5	Nil
	921	45.8		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

	2025			2024		
	Earnings £m	Shares millions	Pence per share	Earnings £m	Shares millions	Pence per share
Earnings per IFRS income statement	102.6	738.8	13.9	40.6	738.2	5.5
Adjustments to calculate adjusted EPRA Earnings, exclude:						
i) Changes in value of investment properties, development properties held for investment and other interests	(26.3)	-	(3.6)	38.4	-	5.2
ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	1.6	-	0.2	5.8	-	0.8
iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	(39.5)	-	(5.3)	(49.3)	-	(6.7)
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	8.5	-	1.2	6.6	-	0.9
vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-	-	-	-	-
viii) Adjustments related to funding structure	-	-	-	-	-	-
ix) Adjustments related to non-operating and exceptional items	3.3	-	0.4	5.0	-	0.7
x) Deferred tax in respect of EPRA adjustments	-	-	-	-	-	-
xi) Adjustments i) to viii) in respect of joint ventures	3.5	-	0.5	0.9	-	0.1
xii) Non-controlling interests in respect of the above	-	-	-	-	-	-
EPRA Earnings/Earnings per share	53.7	738.8	7.3	48.0	738.2	6.5
EPRA Earnings per share after tax			5.5			4.9

ix) Adjustments relate to fire safety provisions, REIT conversion costs and aborted acquisition costs as outlined within the Group's consolidated income statement.

EPRA Performance Measures - Unaudited (continued)

EPRA NRV, EPRA NTA and EPRA NDV

	2025			2024		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS Equity attributable to Shareholders	2,039.8	2,039.8	2,039.8	1,893.7	1,893.7	1,893.7
Include/Exclude:						
i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	2,039.8	2,039.8	2,039.8	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	7.5	7.5	7.5	11.8	11.8	11.8
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	245.4	181.8	181.8	292.4	216.4	216.4
Diluted NAV at Fair Value	2,292.7	2,229.1	2,229.1	2,197.9	2,121.9	2,121.9
Exclude:						
v) Deferred tax in relation to fair value gains of IP	1.0	1.0	-	112.9	112.9	-
vi) Fair value of financial instruments	(10.6)	(10.6)	-	(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	-	(2.5)	-	-	(1.4)	-
Include:						
ix) Fair value of fixed interest rate debt	-	-	49.3	-	-	73.4
x) Revaluation of intangibles to fair value	-	-	-	-	-	-
xi) Real estate transfer tax	-	-	-	-	-	-
NAV	2,283.1	2,216.6	2,278.0	2,295.9	2,218.1	2,194.9
Fully diluted number of shares	742.3	742.3	742.3	743.1	743.1	743.1
NAV pence per share	307	298	307	309	298	295

EPRA Performance Measures - Unaudited (continued)

EPRA NIY

		2025 £m	2024 £m
Investment property – wholly-owned		3,124.3	3,028.3
Investment property – share of JVs/Funds		67.6	66.5
Trading property (including share of JVs)		541.0	620.1
Less: developments		(369.1)	(401.7)
Completed property portfolio valuation		3,363.8	3,313.2
Allowance for estimated purchasers' costs		188.9	180.5
Gross up completed property portfolio valuation	B	3,552.7	3,493.7
Annualised cash passing rental income		177.6	166.1
Property outgoings		(48.8)	(48.8)
Annualised net rents	A	128.8	117.3
Add: rent incentives		0.7	0.2
'Topped up' net annualised rents	C	129.5	117.5
EPRA NIY	A/B	3.6%	3.4%
EPRA 'topped up' NIY	C/B	3.6%	3.4%
Gross up completed property portfolio valuation		3,552.7	3,493.7
Adjustments to completed property portfolio in respect of regulated tenancies		(545.2)	(634.5)
Adjusted gross up completed property portfolio valuation	b	3,007.5	2,859.2
Annualised net rents		128.8	117.3
Adjustments to annualised cash passing rental income in respect of newly completed developments and refurbishment activity		6.6	8.3
Adjustments to property outgoings in respect of newly completed developments and refurbishment activity		(1.9)	(2.4)
Adjustments to annualised cash passing rental income in respect of regulated tenancies		(13.3)	(15.0)
Adjustments to property outgoings in respect of regulated tenancies		3.4	4.5
Adjusted annualised net rents	a	123.6	112.7
Add: rent incentives		0.7	0.2
EPRA 'topped up' NIY	c	124.3	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

		2025 £m	2024 £m
Estimated rental value of vacant space	A	2.5	3.3
Estimated rental value of the whole portfolio	B	130.0	122.9
EPRA Vacancy Rate	A/B	1.9%	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 £m	2024 £m
Administrative expenses		36.7	35.3
Property operating expenses		46.6	44.7
Share of joint ventures expenses		1.0	0.6
Management fees		(2.3)	(2.6)
Other operating income/recharges intended to cover overhead expenses		(3.8)	(5.5)
Exclude:			
Investment property depreciation		-	-
Ground rent costs		(0.2)	(0.1)
Costs (including direct vacancy costs)	A	78.0	72.4
Direct vacancy costs		(3.0)	(2.4)
Costs (excluding direct vacancy costs)	B	75.0	70.0
Gross rental income		170.2	154.8
Less: ground rent income		(0.6)	(0.6)
Add: share of joint ventures (gross rental income less ground rents)		0.8	0.8
Add: adjustment in respect of profits or losses on sales of properties		37.3	43.6
Gross Rental Income and Trading Profits	C	207.7	198.6
Adjusted EPRA Cost Ratio (including direct vacancy costs)	A/C	37.6%	36.5%
Adjusted EPRA Cost Ratio (excluding direct vacancy costs)	B/C	36.1%	35.2%

EPRA LTV

£m		2025		
		Group	Share of Joint Ventures	Share of Associates Combined
Borrowings from Financial Institutions		903.0	-	903.0
Bond loans		700.0	-	700.0
Net payables		41.8	9.8	66.2
Exclude:				
Cash and cash equivalents		(126.6)	(3.3)	(130.2)
Net debt	A	1,518.2	6.5	1,539.0
Investment properties at fair value		2,858.1	-	2,873.0
Investment properties under development		266.2	52.7	318.9
Properties held for sale		541.0	-	541.0
Financial assets		94.4	-	94.4
Total property value	B	3,759.7	52.7	3,827.3
EPRA LTV %	A/B	40.4%	12.3%	40.2%

EPRA Performance Measures - Unaudited (continued)

£m		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	14.7 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		2025			
		Trading Properties	Investment Properties	Group (excl Joint Ventures)	Share of Joint Ventures Combined
Acquisitions		0.1	20.0	20.1	- 20.1
Development		9.5	100.8	110.3	3.9 114.2
Completed assets					
- Incremental letting space		-	-	-	- -
- No incremental letting space		2.3	17.2	19.5	0.2 19.7
- Tenant incentives		-	-	-	- -
- Other material non-allocated types of expenditure		-	-	-	- -
Capitalised interest		-	10.4	10.4	0.5 10.9
Total capital expenditure		11.9	148.4	160.3	4.6 164.9

£m		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