

Grainger plc

Half year financial results
for the six months ended 31 March 2026

Strong H1 performance & excellent earnings outlook

- Net rental income up +7.8%
- EPRA Earnings up +4.0%
- LfL rental growth +3.1%¹
- High occupancy at 96%
- Dividend up +3.0%
- On track to deliver EPRA earnings of £60m (+12%) by FY26; and £72m (+35%) by FY29

Grainger plc, the UK's largest listed residential landlord and leader in the build-to-rent (BTR) sector, today announces a strong financial performance for the six months ended 31 March 2026, the company's first period reporting as a REIT.

Helen Gordon, Chief Executive, said:

"Grainger continues to deliver a strong performance, despite operating in a time of global and market uncertainty. We continue to build a resilient, high quality income stream. Occupancy remains high, rental income continues to grow along with our portfolio, and like-for-like rental growth continues in line with expectations, underpinned by wage inflation.

"We are on track to deliver our target of £60m (8.1pps) EPRA Earnings for this financial year, a 12% increase from FY25, and £72m (9.7pps) for FY29, a 35% increase. Grainger continues to deliver compounding earnings growth, with strong EBITDA margin expansion continuing. We are again increasing our dividend for the period, the 21st consecutive period of dividend growth.

"Earlier this month the new Renters' Rights Act took effect, which we have supported from the beginning. The new legislation strikes a balance between tenant and landlord rights, albeit it is contributing to structural changes in the sector with smaller, private landlords exiting, and larger scale, professional landlords gaining market share.

"Housing is a needs-based asset class. Everyone will always need a place to live. Grainger's rental income is underpinned by wage inflation, with a diversified, growing customer base and targeted asset clusters in the UK's biggest cities. We have limited energy cost exposure, insulating us and our customers from inflationary cost pressures over the coming months. We remain focused on our financial discipline and have a clear capital allocation strategy designed to deliver shareholder value, with a focus on reducing net debt from our disposals programme in order to offset higher interest rates as our low-cost debt facilities mature. And as we complete our committed pipeline of high quality BTR schemes our earnings will grow as we leverage our sector-leading operational platform.

"As the UK's only listed, scaled, pure-play build-to-rent platform, we continue to benefit from a structurally undersupplied rental market and long-duration, inflation-linked income. The outlook for Grainger is excellent."

	HY26	HY25	Change
Net rental income ¹ (Note 5)	£66.1m	£61.3m	+8%
EPRA Earnings ²	£31.4m	£30.2m	+4%
EPRA EPS	4.2p	4.1p	+4%
IFRS (loss)/profit ² (Note 2)	(£14.6m)	74.0m	(120%)
Dividend per share ³ (Note 11)	2.94p	2.85p	+3%
	HY26	FY25	Change
EPRA NTA per share (Note 3)	290p	298p	(3)%
Net debt	£1,524m	£1,463m	+4%
Group LTV	40.2%	38.4%	+186 bps
Cost of debt (average)	3.2%	3.3%	(12) bps

HIGHLIGHTS

Strong rental growth & high occupancy

- Increased net rental income by +7.8% to £66.1m (HY25: £61.3m)
- Delivered +3.1% total like-for-like rental growth (FY25: +3.6%) with BTR rental growth +2.9% (new lets +2.0% and renewals +3.3%), whilst regulated tenancy rental growth was +5.9%
- Strong demand; achieved high occupancy at 95.9% (FY25: 98.0%)
- Customer affordability remains healthy, marginally improving to a rent-to-income ratio of 27%

Strong earnings growth continues

- EPRA Earnings increased to £31.4m (HY25: £30.2m)
- Interim dividend increased +3% to 2.94p per share (HY25: 2.85pps)
- On track to deliver targeted earnings growth from our committed pipeline to £60m (8.1pps) by FY26 and £72m (9.7pps) by FY29
- Following outward yield shift and subsequent modest valuation decline, IFRS loss before tax of £(14.6)m

Strong balance sheet

- EPRA NTA of 290p, after modest yield expansion reflecting macro sentiment (FY25: 298p)
- Extended £540m core banking facilities to 2033 at lower margins, resulting in a reduction of finance costs of c.£1m per annum and a weighted average facility maturity including extension options of 4.6 years
- Highly cash generative with c.£200m+ operating cashflow per annum
- Deleveraging plan supported by disposals programme with LTV forecast to reduce over time to c.30% by FY29 and a Net debt to EBITDA ratio of c.8x
- Ability to absorb higher interest rates and continue to deliver strong earnings growth

Excellent earnings outlook, driving short, medium and long-term value creation

- A clear capital allocation strategy, with a focus on delivering our remaining onsite committed pipeline and deleveraging by £300-350m by FY29, which will grow earnings by 35% by FY29. Future capital allocation considerations will include share buy backs, acquisitions of stabilised assets or committing to new developments, with a strong focus on whichever is most accretive to shareholder returns at the appropriate time
- Strong like-for-like rental growth expected to continue, supported by wage inflation, expecting between 3.0-3.5% for the full year
- Sector-leading operating platform will drive further efficiencies to deliver EBITDA margin expansion from 56% in FY25 to 60% by FY29
- Continuing strong year-on-year compounding earnings growth

¹ Refer to Note 5 for net rental income calculation.

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

³ Dividend – The dividend of 2.94p per share (gross) amounting to £21.7m, all of which will be paid as a Property Income Distribution (PID), will be paid on 3 July 2026 to shareholders on the register at the close of business on 22 May 2026. Shareholders will again be offered the option to participate in a dividend re-investment plan and the last day for election is 14 May 2026 – refer also to Note 11.

Future reporting dates

- Trading Update – September 2026
- Full year results – 19 November 2026

Half year results presentation

Grainger plc will be holding a presentation of the results at 9:00am (UK time) today, 14 May 2026, 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_26

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 HY26**” 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 08:00am (UK 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 (**Grainger**) 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 undertakes no obligation to update or revise these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. Grainger and its Directors accept no liability to third parties in respect of this announcement save as would arise under English law.

Any forward-looking statements in this announcement speak only at the date of this announcement and Grainger 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.

Principal Risk & Uncertainties

Information about the management of the principal risks and uncertainties facing Grainger are set out within the Annual Report and Accounts 2025. A number of risks and uncertainties faced by the Group are not directly within Grainger's control such as the wider economic and political environment.

In line with Grainger's risk management approach (detailed in the Annual Report and Accounts 2025), the principal risks and uncertainties to the business are under regular review by the Directors and by Management, applying Grainger's risk management framework.

It is currently considered that the principal risks and uncertainties previously reported remain Grainger's principal risks and uncertainties. The risks and uncertainties continue to be monitored closely as well as the potential controls and mitigants that may be applied.

These principal risks and uncertainties, and other factors could adversely affect the outcome and financial effects of the events specified in 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 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.

Chief Executive's review

Delivering compounding earnings growth

We have delivered a strong performance for the first half.

Net rental income has grown 7.8% from both robust like-for-like rental growth of 3.1% and portfolio expansion as we build out our committed pipeline and lease up our new buildings. This in turn drove earnings growth of 4.0% for the period and we have increased the dividend 3.0% as a result.

We are on track to deliver significant EPRA earnings growth this year of 12% from FY25 to £60m or 8.1p per share and 35% to £72m or 9.7pps by FY29.

Portfolio valuations have reduced 1.1% following modest yield expansion reflecting macro sentiment with net asset value of our portfolio (EPRA NTA) down to 290p. It is worth noting that over the past five years, the net asset value of our portfolio has materially outperformed other real estate sectors including industrial, retail and offices, and our NTA today is ahead of what it was five years ago (HY21), unlike many other UK REITs.

Operationally, we performed strongly. Occupancy remains high at 95.9%. Rental growth at 3.1% is in line with expectations and accelerating into H2, whilst customer retention at 61% remains strong. Customer affordability (rent-to-income ratio) has improved slightly to 27% and we maintain strong rental margins with a gross-to-net of 25%, absorbing inflationary pressures on our operations.

Disciplined capital management

Despite the strong performance of the business and robust operating environment, we have faced a very challenging macroeconomic and geopolitical landscape over the past six months. This challenging macro backdrop has put pressure on shareholder returns.

We continually review how we allocate capital within our capital allocation framework with shareholder returns front of mind. Our approach to capital allocation has two immediate priorities: (1) delivering our committed pipeline and the subsequent earnings growth this generates; and (2) deleveraging our balance sheet by between £300-£350m by FY29 and bringing LTV to c.30% and Net debt to EBITDA to c.8x, mitigating higher interest rates.

Deleveraging is the most accretive use of shareholder capital, reducing future finance costs and protecting future earnings. Our proven disposals programme, with c.£850m of low-yielding, non-core assets remaining, helps generate c.£200m operating cashflow per annum to support this deleveraging.

Following these two immediate priorities, we have set out three actions we will consider and determine which is most accretive for shareholder returns: (1) share buy backs, (2) acquisitions of existing stabilised assets or (3) committing to new development. We have significant optionality with our disposals programme and pipeline to deliver strong shareholder returns.

Cost control

We remain committed to strict cost controls across the business. Central overheads today are the same as they were 10 years ago. Through restructuring and other initiatives we delivered £2m of annual cost savings at the beginning of this financial year which will offset wage inflation, with overheads to remain flat for this year and next.

When we deliver the growth from our committed pipeline, our scalable operational platform, enabled by our CONNECT technology platform, means that our central overheads will remain broadly the same, and therefore we will see significant margin expansion with EBITDA margins growing to more than 60% by FY29 (FY25: 56%), bringing us close to substantially larger US residential REITs.

Market update

Our market, the build to rent (BTR) sector, is characterised by both its positive growth drivers and low risk nature. With 5.6m households in the rental market in the UK, BTR is growing but today represents only c.2.6% of the market, demonstrating the significant opportunity for further growth.

Housing, including BTR, is a needs-based asset class. Everyone will always need somewhere to live. AI will not disrupt this occupational requirement. The ongoing exit from private individual landlords in the BTR sector is continuing to add pressure on the supply of homes in the UK. The large disparity between housing supply and demand in the UK remains and grows larger each day. BTR is a scarce institutional asset class with strong fundamentals.

BTR homes have low obsolescence, with the fundamental design of a home that endures. Rental housing exhibits low volatility. Through recent cycles rents continued to grow and occupancy in our portfolio remained high, averaging 97.5% since Covid and averaging over 90% through the pandemic. BTR also has low depreciation with no end-of-lease write downs and with ongoing repairs and maintenance expensed through the income statement..

Our market has a growing, low-risk tenant base, which is diversified and granular, and is significantly lower risk than other real estate sectors. Our customer base has a very broad range of employment sectors, and our core demographic group sees steady levels of employment and are at a point in their lives when their careers and earnings are on an upward trajectory. Nearly three-quarters of our customer base is between the ages of 25 and 44. Our self-imposed student cap of 10% remains in place, a decision to distinguish our communities from those of student accommodation.

BTR, as a real estate sub sector, has the characteristics of a 'HALO' trade (Hard Asset, Low Obsolescence) and a 'PACE' trade (Physical Asset, Compounding Earnings).

Regulatory changes – Renters' Rights Act

On 1 May 2026, the Renters' Rights Act came into force. We've successfully transitioned to the new rules due to a business-wide focus on preparing for the changes over a number of months.

As a provider of high quality, energy efficient homes, we remain confident in our outlook and operational guidance under the new Act and will continue to monitor our operational data daily to ensure we respond as necessary to maintain ongoing performance.

Insulated from energy cost inflation

Grainger has limited exposure to energy costs with a direct energy bill of only c.£2m. Equally, our customers benefit from highly energy efficient properties, with 99.9% of our BTR homes with EPC ratings of A-C, resulting in materially lower energy bills.

Our committed pipeline of development projects benefits from fixed price contracts, meaning there is limited risk to construction cost inflation affecting the delivery of our earnings targets.

Portfolio performance

Our carefully curated portfolio of high-quality assets in top locations continues to prove its value through our operational performance and leasing success.

Our city cluster strategy, targeting the cities with the greatest rental demand, limited supply and strong economic growth prospects is delivering.

We see broadly similar rental growth and operational performance across our key markets.

Political and future regulatory outlook

The Renters' Rights Act, now in force, was the biggest regulatory change to the rental market in 40 years and we therefore expect no further major legislative or regulatory changes directly aimed at our market over the coming years.

We remain in active dialogue with policy makers and politicians across all parties to ensure our sector is well understood and the positive role it plays for the housing market, in local communities and for the economy.

Conclusion

Our business is resilient with high quality homes, high occupancy, robust rental growth underpinned by wage inflation, a large, diverse and growing customer base and strong customer affordability.

Our growth is locked-in. Our committed pipeline is under construction, and with fixed priced contracts and an undersupplied market, we are confident of achieving our stretching targets. We are on track to deliver significant EPRA earnings growth this year of 12% from FY25 to £60m or 8.1pps and 35% to £72m of 9.7pps by FY29. We are also on track to achieve our ambitious target of >60% EBITDA margin by FY29, demonstrating the inherent scalability of our operational platform enabled by our CONNECT technology platform and stable central cost base.

Lastly, our capital allocation strategy sets a clear path for driving returns and protecting our growing earnings. Whilst completing our committed pipeline, we are focused on deleveraging to offset future rising finance costs, supported by our accelerated disposals programme.

We are clear-eyed in our determination to deliver long-term shareholder value.

Helen Gordon
Chief Executive
13 May 2026

Financial review

The first half of FY26 delivered another strong set of results, driven by a strong operational performance across the business. Healthy demand for our homes continues, with occupancy strong at 95.9% and robust like-for-like rental growth of 3.1%, in line with our expectations. These, combined with pipeline deliveries, drove growth in net rental income of 7.8%. This growth coupled with effective cost control resulted in pre-tax EPRA earnings growth of 4.0%, and we are on track to achieve our target £60m for the full year (representing 12% growth on FY25) and £72m by FY29 (c.35% growth on FY25).

Due to the challenging macroeconomic backdrop, valuations were marginally down in the period, with ERV growth of 1.1% partially offsetting c.25bps of outward yield shift. As a result of this 1.1% valuation decline, IFRS loss before tax was £(14.6)m (HY25 profit: £74.0m). It is worth noting that over the past five years, the net asset value of our portfolio has materially outperformed other real estate sectors including industrial, retail and offices, and our NTA today is ahead of what it was five years ago (HY21), unlike many other UK REITs.

Our balance sheet remains in good shape with strong liquidity and a good hedging profile. As expected, both H1 net debt and LTV are marginally increased from the year end. We expect net debt to be broadly flat on FY25 by FY26 year end. With c.£120m 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, in line with our plans.

With our new post-REIT dividend policy now in effect, our dividend per share continues its growth trajectory, increasing by 3% to 2.94p on a per share basis (HY25: 2.85p).

Financial highlights

Income return	HY26	HY25	Change
Rental growth (like-for-like)	3.1%	4.4%	(135) bps
- <i>BTR</i>	2.9%	4.2%	(132) bps
- <i>Regulated tenancies</i>	5.9%	7.0%	(107) bps
Net rental income (<i>Note 5</i>)	£66.1m	£61.3m	+8%
EPRA earnings (<i>Note 3</i>)	£31.4m	£30.2m	+4%
IFRS (loss)/profit before tax (<i>Note 2</i>)	£(14.6)m	£74.0m	(120)%
Earnings per share (diluted, after tax) (<i>Note 10</i>)	(2.1)p	7.5p	(128)%
Dividend per share (<i>Note 11</i>)	2.94p	2.85p	+3%
Capital return	HY26	HY25	Change
Total Property Return	0.7%	2.5%	(178) bps
Total Accounting Return (NTA basis) (<i>Note 3</i>)	(1.0)%	2.0%	(211) bps
	HY26	FY25	Change
EPRA NTA per share (<i>Note 3</i>)	290p	298p	(3)%
Net debt	£1,524m	£1,463m	+4%
Group LTV	40.2%	38.4%	186 bps
Cost of debt (average)	3.2%	3.3%	(12) bps

Income statement

We have continued to deliver good growth in EPRA earnings in H1, up 4.0% to £31.4m (HY25: £30.2m). This was driven by both strong growth in net rents of 7.8% and a focus on cost efficiency, with overheads flat at £16.9m.

IFRS loss before tax was £(14.6)m (HY25 profit: £74.0m) as a result of valuation decline.

Income statement (£m)	HY26	HY25	Change
Net rental income	66.1	61.3	+8%
Mortgage income (<i>CHARM, Note 16</i>)	1.7	2.1	(19)%
Management fees and other income ¹	2.8	4.7	(40)%
Overheads	(16.9)	(16.9)	-
Pre-contract costs	(0.3)	(0.3)	-
Net finance costs	(21.8)	(20.8)	(5)%
Joint ventures	0.1	0.1	-
EPRA earnings²	31.4	30.2	+4%
EPRA EPS	4.3p	4.1p	+4%
Profit from sales	5.2	19.9	(74)%
Valuation movements	(46.6)	28.7	(262)%
Other adjustments ³	(4.6)	(4.8)	+4%
IFRS (loss)/profit before tax	(14.6)	74.0	(120)%
Earnings per share (diluted, after tax)	(2.1)p	7.5p	(128)%

¹ Including LADs: "liquidated and ascertained damages" in HY25 of £3.6m 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 note 3.

³ Including derivative valuation movements of £3.4m (HY25: £2.9m) and one-off restructuring costs of £1.2m (HY25: nil). HY25 also included a £1.9m increase in fire safety provision.

Rental income

Net rental income grew strongly by 7.8% to £66.1m (HY25: £61.3m), as we saw continued strength in occupational markets. The £4.8m increase was driven by a combination of strong lease up of recent pipeline scheme launches which contributed £5.7m along with another year of good rental growth reflecting healthy demand for our product.

Overall like-for-like rental growth was in line with expectations and with our long run average at +3.1% (FY25: +3.6%) with the BTR portfolio continuing to deliver good rental growth at +2.9% (FY25: +3.4%), with rental growth on renewals of +3.3% (FY25: +4.5%) and +2.0% (FY25: +1.8%) on new lets. Our regulated tenancy portfolio also delivered strong rental growth at +5.9% (FY25: +6.6%). Looking forward we expect full year BTR rental growth to be in line with the long-run average rate of 3.0% - 3.5%, reflecting our normal patterns of seasonality as demand grows into the second half.

Gross to net for our stabilised portfolio was stable at 25.0% (FY25: 25.0%) as we continue our focus on cost efficiencies.

	£m
HY25 Net rental income	61.3
Rental growth and occupancy	1.5
BTR Investment	5.7
Disposals	(2.4)
HY26 Net rental income	66.1

Net finance costs

Finance costs were higher at £21.8m in the period (HY25: £20.8m) due to one-off costs related to refinancing our bank debt, with the benefits of this to be delivered in the second half and beyond.

Sales

Our disposals programme continued to deliver throughout the period with sales revenue of £58.8m (HY25: £79.0m). Post half year end we have exchanged on a further £23m of sales. Sales profits were lower at £5.2m (HY25: £19.9m) a result of both the timing and mix of asset sales. Vacant property sales profits in the period were down as expected, delivering £4.5m (HY25: £9.9m), Vacancy rates were slightly higher at 8.2% (HY25: 6.5%), giving a strong sales pipeline for the second half of the year. Pricing achieved remained robust with sales values in line with previous vacant possession values.

Sales of tenanted and other properties delivered £0.7m of profit (HY25: £10.0m) from £42.1m of revenue (HY25: £50.4m), reflecting a greater proportion of PRS sales which were sold in line with book.

Sales (£m)	HY26		HY25	
	Revenue	Profit	Revenue	Profit
Residential sales on vacancy	16.7	4.5	28.6	9.9
Tenanted and other sales	42.1	0.7	50.4	10.0
Overall sales total	58.8	5.2	79.0	19.9

Overheads

Overheads remained flat in the half having implemented a c.£2m annualised cost saving. This will keep our overheads flat during FY26 and FY27.

Balance sheet

Our BTR portfolio is now 85% of our operational portfolio due to the success of both our pipeline delivery and regulated tenancy recycling.

Net debt increased marginally to £1,524m, as expected, reflecting investment in our pipeline and our typically second half weighted sales. Since 31 March, we have exchanged on a further £23m of sales. LTV was up on the year end at 40.2% (FY25: 38.4%) as values marginally declined as a result of the macro economic uncertainty. Looking forward, we will 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 down at 290p per share (FY25: 298p per share) reflecting an outward yield shift of c.25bps in our valuation due to macroeconomic uncertainty.

Market value balance sheet (£m)	HY26	FY25
Residential – BTR	2,908	2,846
Residential – regulated tenancies	486	503
Residential – mortgages (CHARM)	44	49
Forward Funded – BTR work in progress	146	223
Development work in progress	104	93
Investment in JVs/associates	96	93
Total investments	3,784	3,807
Net debt	(1,524)	(1,463)
Other liabilities	(40)	(61)
EPRA NRV	2,220	2,283

Deferred and contingent tax – trading assets	(63)	(64)
Exclude: intangible assets	(3)	(2)
EPRA NTA	2,154	2,217
Add back: intangible assets	3	2
Deferred and contingent tax – investment assets	(1)	(1)
Fair value of fixed rate debt and derivatives	69	60
EPRA NDV	2,225	2,278
EPRA NRV pence per share	299	307
EPRA NTA pence per share	290	298
EPRA NDV pence per share	299	307

Pence per share

EPRA NTA at 30 September 2025	298
Net rents, fees & income	9
Overheads	(2)
Finance costs	(5)
EPRA earnings	2
Valuations (trading & investment property)	(6)
Dividends, tax & other	(6)
EPRA NTA at 31 March 2026	290

Property portfolio performance

Our portfolio valuation was down 1.1% over the period. Our BTR portfolio valuation fell 1.4% over the half, driven by an outward yield movement of c.25bps which was partly offset by continued good ERV growth of 1.1% in the period. Valuations in the regulated portfolio were up 0.6% in the period.

Portfolio	Region	Capital Value	Total Valuation movement	
		£m	£m	%
BTR	London & SE	1,342	(17)	(1.3)%
	Regions	1,566	(23)	(1.5)%
	BTR total	2,908	(40)	(1.4)%
Regulated tenancies	London & SE	433	2	0.6%
	Regions	53	1	1.0%
	Regulated tenancy total	486	3	0.6%
Operational portfolio				
	BTR development	250	(1)	(0.5)%
Total portfolio		3,644	(38)	(1.1)%

Financing and capital structure

As expected, net debt was up in the period to £1,524m (FY25: £1,463m). The committed investment in our pipeline of £80m was partially offset by our continued asset recycling strategy generating £61m of net sales proceeds. With c.£120m left to spend on our committed pipeline, we will start to use operational cash flows to lower net debt from FY27, in line with our plans. We expect net debt to be broadly flat on FY25 by FY26 year end.

We have low refinancing risk with an average debt maturity of 4.6 years including extension options and continue to benefit from a very strong hedging profile, which is in place until FY29. Our average cost of debt has remained broadly flat at 3.2% (FY25: 3.3%). During the period, we have successfully extended £540m of bank facilities to 2033 and reduced margins, giving an annual saving of c.£1m on current debt levels.

As stated at the full year, we will lower our net debt by £300m-£350m over FY27 to FY29, which would equate to a reduction in LTV to c.30% and c.8x net debt to EBITDA, which we consider to be the appropriate capital structure for the long term.

	HY26	FY25
Net debt	£1,524m	£1,463m
Loan to value (LTV)	40.2%	38.4%
Cost of debt	3.2%	3.3%
Headroom	£251m	£532m
Weighted average facility maturity (years)	4.6	3.9
Hedging	94%	100%

Summary and outlook

The first half of FY26 was another period of strong growth in the business. We maintain 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. Despite current macroeconomic uncertainty, we continue to demonstrate the resilience of our asset class and the excellence of our team and operating platform. Our strong focus on operational execution both now and in the years to come will continue to deliver excellent earnings growth.

Rob Hudson

Chief Financial Officer

13 May 2026

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

Each member of the Board who was a Director during the period under review, confirms to the best of their 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
13 May 2026

Rob Hudson
Chief Financial Officer
13 May 2026

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 2026 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Other Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed 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 2026 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

13 May 2026

Consolidated income statement

For the 6 months ended 31 March	Notes	Unaudited	
		2026 £m	2025 £m
Group revenue	4	113.7	136.4
Net rental income	5	66.1	61.3
Profit on disposal of trading property	6	6.1	20.2
Loss on disposal of investment property	7	(0.9)	(0.3)
(Loss)/gain from financial interest in property assets	16	(0.3)	1.5
Fees and other income	8	2.7	4.7
Administrative expenses		(16.9)	(16.9)
Other expenses		(1.5)	(2.2)
Reversal of impairment of inventories to net realisable value	13	1.1	1.0
Operating profit		56.4	69.3
Net valuation (loss)/gain on investment property	12	(44.8)	28.2
Hedge ineffectiveness under IFRS9	20	(3.4)	(2.9)
Finance costs	9	(22.6)	(22.4)
Finance income	9	0.8	1.6
Share of (loss)/profit of associates after tax	14	(0.2)	0.4
Share of loss of joint ventures after tax	15	(0.8)	(0.2)
(Loss)/profit before tax	2	(14.6)	74.0
Tax charge for the period	21	(1.2)	(18.6)
(Loss)/profit for the period attributable to the owners of the Company		(15.8)	55.4
Basic (loss)/earnings per share	10	(2.1)p	7.5p
Diluted (loss)/earnings per share	10	(2.1)p	7.5p

Consolidated statement of comprehensive income

	Notes	Unaudited	
		2026 £m	2025 £m
For the 6 months ended 31 March			
(Loss)/profit for the period	2	(15.8)	55.4
<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)	(0.1)
<i>Items that may be or are reclassified to the consolidated income statement:</i>			
Changes in fair value of cash flow hedges		1.6	0.2
Other comprehensive income and expense for the period before tax		1.5	0.1
<i>Tax relating to components of other comprehensive income:</i>			
Tax relating to items that may be or are reclassified to the consolidated income statement	21	0.7	(0.1)
Total tax relating to components of other comprehensive income		0.7	(0.1)
Other comprehensive income and expense for the period after tax		2.2	-
Total comprehensive income and expense for the period attributable to the owners of the Company		(13.6)	55.4

Consolidated statement of financial position

As at	Notes	Unaudited 31 March 2026 £m	Audited 30 Sept 2025 £m
ASSETS			
Non-current assets			
Investment property	12	2,966.0	3,059.4
Property, plant and equipment		8.5	9.2
Investment in associates	14	15.0	15.2
Investment in joint ventures	15	80.7	77.5
Financial interest in property assets	16	43.6	48.6
Retirement benefits	22	6.2	6.2
Deferred tax assets	21	4.1	4.6
Intangible assets		3.1	2.9
		3,127.2	3,223.6
Current assets			
Inventories – trading property	13	292.1	298.6
Investment property – held for sale	12	144.4	64.9
Trade and other receivables	17	109.2	79.2
Derivative financial instruments	20	22.4	14.1
Current tax assets		1.8	5.6
Cash and cash equivalents		65.9	85.8
		635.8	548.2
Total assets		3,763.0	3,771.8
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	20	1,573.7	1,515.1
Trade and other payables	18	5.5	5.7
Provisions for other liabilities and charges	19	0.7	0.7
Deferred tax liabilities	21	7.2	8.2
		1,587.1	1,529.7
Current liabilities			
Interest-bearing loans and borrowings	20	83.9	75.0
Trade and other payables	18	94.5	115.3
Provisions for other liabilities and charges	19	10.4	12.0
		188.8	202.3
Total liabilities		1,775.9	1,732.0
NET ASSETS		1,987.1	2,039.8
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		5.0	2.7
Retained earnings		1,106.6	1,161.6
TOTAL EQUITY		1,987.1	2,039.8

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 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 expense 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
Total comprehensive expense		-	-	-	-	-	(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
Profit for the period		-	-	-	-	-	147.2	147.2
Other comprehensive expense for the period		-	-	-	-	(1.8)	(0.1)	(1.9)
Total comprehensive income		-	-	-	-	(1.8)	147.1	145.3
Share-based payments charge		-	-	-	-	-	2.4	2.4
Dividends paid		-	-	-	-	-	(21.1)	(21.1)
Total transactions with owners recorded directly in equity		-	-	-	-	-	(18.7)	(18.7)
Balance as at 30 September 2025		37.2	817.9	20.1	0.3	2.7	1,161.6	2,039.8
Loss for the period	2	-	-	-	-	-	(15.8)	(15.8)
Other comprehensive income for the period		-	-	-	-	2.3	(0.1)	2.2
Total comprehensive expense		-	-	-	-	2.3	(15.9)	(13.6)
Purchase of own shares		-	-	-	-	-	-	-
Share-based payments charge	23	-	-	-	-	-	1.3	1.3
Dividends paid	11	-	-	-	-	-	(40.4)	(40.4)
Total transactions with owners recorded directly in equity		-	-	-	-	-	(39.1)	(39.1)
Balance as at 31 March 2026		37.2	817.9	20.1	0.3	5.0	1,106.6	1,987.1

Consolidated statement of cash flows

For the 6 months ended 31 March	Notes	Unaudited	
		2026 £m	2025 £m
Cash flow from operating activities			
(Loss)/profit for the period	2	(15.8)	55.4
Depreciation and amortisation		0.9	0.9
Net valuation loss/(gains) on investment property	12	44.8	(28.2)
Net finance costs	9	21.8	20.8
Hedge ineffectiveness under IFRS9	20	3.4	2.9
Share of loss/(profit) of associates and joint ventures	14, 15	1.0	(0.2)
Loss on disposal of investment property	7	0.9	0.3
Share-based payment charge	23	1.3	1.2
Loss/(gain) from financial interest in property assets	16	0.3	(1.5)
Provisions for liabilities and charges	19	-	1.6
Tax charge	21	1.2	18.6
Cash generated from operating activities before changes in working capital		59.8	71.8
(Increase)/decrease in trade and other receivables		(2.7)	6.6
Decrease in trade and other payables		(6.9)	(0.9)
Decrease in inventories		6.5	21.0
Cash generated from operating activities		56.7	98.5
Interest paid		(24.9)	(26.0)
Interest received		0.8	1.0
Cash outflow from fire safety remediation work		(1.6)	(1.0)
Tax received/(paid)		2.8	(8.0)
Net cash inflow from operating activities		33.8	64.5
Cash flow from investing activities			
Proceeds from sale of investment property	7	9.0	63.8
Proceeds from financial interest in property assets	16	4.7	5.7
Investment in joint ventures	15	(4.8)	(1.4)
Loans advanced to joint ventures	15	(1.9)	(0.9)
Loans repaid by joint ventures	15	2.7	-
Acquisition of investment property	12	(68.1)	(76.4)
Acquisition of property, plant and equipment and intangible assets		(0.5)	(0.6)
Net cash outflow from investing activities		(58.9)	(9.8)
Cash flow from financing activities			
Purchase of own shares		-	(0.1)
Proceeds from new borrowings		181.4	146.0
Payment of loan costs		(0.3)	(1.9)
Cash flows relating to new derivatives/settlement of derivatives		(10.1)	(4.0)
Repayment of borrowings		(125.4)	(176.0)
Dividends paid	11	(40.4)	(37.0)
Net cash inflow/(outflow) from financing activities		5.2	(73.0)
Net decrease in cash and cash equivalents		(19.9)	(18.3)
Cash and cash equivalents at the beginning of the period		85.8	93.2
Cash and cash equivalents at the end of the period		65.9	74.9

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 2025 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 2026 Consolidated Income Statement are the six month period ended 31 March 2025 Consolidated Income Statement. It is therefore not necessary to disclose the Consolidated Income Statement for the full year ended 30 September 2025 (available in the last annual report).

The comparative figures for the financial year ended 30 September 2025 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 Allsop LLP and CBRE Limited as well as Savills who have been appointed in the period. The valuation process is consistent with the approach set out on pages 139-141 of the 2025 Annual Report and Accounts, with the exception being the Group's Residential portfolio valued by Allsop LLP. At the half year, Allsop LLP inspected 26.8% 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 ONS 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 2026 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 21 – Lack of exchangeability.

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 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.

IFRS 18 is set to supersede IAS 1 Presentation of Financial Statements and will apply to reporting periods beginning on or after 1 January 2027. The new standard does not change how items are recognised or measured in the Financial Statements; however, it is expected to bring significant changes to how information is presented and disclosed. Management is currently evaluating how the adoption of IFRS 18 may affect the Group's consolidated Financial Statements.

Notes to the unaudited interim financial results continued

1c Significant judgements and estimates

Full details of critical accounting estimates are given on pages 139-142 of the 2025 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 61-69 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.

In line with our risk management approach detailed on pages 61-64 of the 2025 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 2026.

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 2026 to 30 September 2027.

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

- Reducing PRS occupancy to 93.0% by 30 September 2026 and to 86.0% by 30 September 2027
- Rental growth reduced by 100bps in FY26 and FY27
- Reducing property valuations by 15.0% by 30 September 2026 remaining 15.0% down by 30 September 2027, 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 2026
- Credit rating downgrade to increase coupon rates on corporate bonds by 1.25% from 1 April 2026

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

Notes to the unaudited interim financial results continued

During H2 FY26 £75m of the Rothesay Life facility will expire in July 2026, with the remaining £75m to mature in October 2027 at the end of the going concern period. The other existing facilities are assumed to remain available. Upon expiry, the Rothesay facilities will be repaid out of existing undrawn debt facilities and ongoing sales. Even in the severe but plausible downside scenario, the Group has sufficient cash reserves, with the loan-to-value covenant remaining no higher than 49% (facility maximum covenant ranges between 70% – 75%) and interest cover no lower than 3.08x (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 2026.

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 EPRA 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 business and excludes sales profit, valuation movements and other adjustments which do not form part of the normal ongoing revenue or costs of the business. EPRA earnings are presented on page 39, and the reconciliation from statutory profit to EPRA earnings is shown below.

For the 6 months ended 31 March 2026 (unaudited)					
£m	Statutory	Profit on disposals	Valuation	Other adjustments	EPRA earnings
Group revenue	113.7	-	-	-	113.7
Net rental income	66.1	-	-	-	66.1
Profit on disposal of trading property	6.1	(6.1)	-	-	-
Loss on disposal of investment property	(0.9)	0.9	-	-	-
Loss from financial interest in property assets	(0.3)	-	2.0	-	1.7
Fees and other income	2.7	-	-	-	2.7
Administrative expenses	(16.9)	-	-	-	(16.9)
Other expenses	(1.5)	-	-	1.2	(0.3)
Reversal of impairment of inventories to net realisable value	1.1	-	(1.1)	-	-
Operating profit	56.4	(5.2)	0.9	1.2	53.3
Net valuation loss on investment property	(44.8)	-	44.8	-	-
Hedge ineffectiveness under IFRS9	(3.4)	-	-	3.4	-
Finance costs	(22.6)	-	-	-	(22.6)
Finance income	0.8	-	-	-	0.8
Share of loss of associates after tax	(0.2)	-	0.9	-	0.7
Share of loss of joint ventures after tax	(0.8)	-	-	-	(0.8)
(Loss)/profit before tax	(14.6)	(5.2)	46.6	4.6	31.4
Tax charge for the period	(1.2)	-	-	-	-
Loss for the period attributable to the owners of the Company	(15.8)	-	-	-	-
Basic EPRA earnings per share	-	-	-	-	4.2p
Diluted EPRA earnings per share	-	-	-	-	4.2p

Notes to the unaudited interim financial results continued

**For the 6 months ended
31 March 2025 (unaudited)**

£m	Statutory	Profit on disposals	Valuation	Other adjustments	EPRA earnings
Group revenue	136.4	-	-	-	136.4
Net rental income	61.3	-	-	-	61.3
Profit on disposal of trading property	20.2	(20.2)	-	-	-
Loss on disposal of investment property	(0.3)	0.3	-	-	-
Gain from financial interest in property assets	1.5	-	0.6	-	2.1
Fees and other income	4.7	-	-	-	4.7
Administrative expenses	(16.9)	-	-	-	(16.9)
Other expenses	(2.2)	-	-	1.9	(0.3)
Reversal of impairment of inventories to net realisable value	1.0	-	(1.0)	-	-
Operating profit	69.3	(19.9)	(0.4)	1.9	50.9
Net valuation gain on investment property	28.2	-	(28.2)	-	-
Hedge ineffectiveness under IFRS9	(2.9)	-	-	2.9	-
Finance costs	(22.4)	-	-	-	(22.4)
Finance income	1.6	-	-	-	1.6
Share of profit of associates after tax	0.4	-	(0.1)	-	0.3
Share of loss of joint ventures after tax	(0.2)	-	-	-	(0.2)
Profit before tax	74.0	(19.9)	(28.7)	4.8	30.2
Tax charge for the period	(18.6)	-	-	-	-
Profit for the period attributable to the owners of the Company	55.4	-	-	-	-
Basic EPRA earnings per share					3.1p
Diluted EPRA earnings per share					3.1p

EPRA earnings of £31.4m (2025: £30.2m) are presented in the tables above. EPRA earnings per share assumes tax of £nil at an effective tax rate of nil% following the Group's conversion to REIT status (2025: £7.6m, in line with the standard rate of UK Corporation Tax of 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 £nil for fire safety provisions (2025: £1.9m), restructuring costs of £1.2m (2025: £nil) and hedge ineffectiveness under IFRS9 of £3.4m (2025: £2.9m).

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 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.

Notes to the unaudited interim financial results continued

March 2026 Income statement (unaudited)

For the 6 months ended 31 March 2026				
£m	PRS	Reversionary	Other	Total
Group revenue				
Segment revenue – external	84.7	28.0	1.0	113.7
Net rental income	60.7	4.8	0.6	66.1
Income from financial interest in property assets	-	1.7	-	1.7
Fees and other income	1.3	-	1.4	2.7
Administrative expenses	-	-	(16.9)	(16.9)
Other expenses	(0.3)	-	-	(0.3)
Net finance costs	(18.3)	(3.0)	(0.5)	(21.8)
Share of trading loss of joint ventures and associates after tax	0.1	-	(0.2)	(0.1)
EPRA earnings	43.5	3.5	(15.6)	31.4
Profit on disposal of trading property	-	6.1	-	6.1
Loss on disposal of investment property	(0.9)	-	-	(0.9)
Valuation movements	(45.9)	(0.7)	-	(46.6)
Other adjustments	-	-	(4.6)	(4.6)
Loss before tax	(3.3)	8.9	(20.2)	(14.6)

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
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
EPRA earnings	42.4	4.2	(16.4)	30.2
Profit on disposal of trading property	(0.4)	20.6	-	20.2
Loss on disposal of investment property	(0.3)	-	-	(0.3)
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

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 (0.8)% is calculated from the closing EPRA NTA of 290p per share plus the dividend paid of 5.46p per share in the period, 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 2026 Segment net assets (unaudited)

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	1,868.9	86.1	32.1	1,987.1	267
Total segment net assets (EPRA NRV)	1,872.6	305.2	42.8	2,220.6	299
Total segment net assets (EPRA NTA)	1,869.8	250.4	34.1	2,154.3	290
Total segment net assets (EPRA NDV)	1,868.8	250.4	105.3	2,224.5	299

March 2026 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	3,110.4	-	3,110.4	-	3,110.4	-	3,110.4
Investment in joint ventures and associates	95.7	-	95.7	-	95.7	-	95.7
Financial interest in property assets	43.6	-	43.6	-	43.6	-	43.6
Inventories – trading property	292.1	241.7	533.8	-	533.8	-	533.8
Cash and cash equivalents	65.9	-	65.9	-	65.9	-	65.9
Other assets	155.3	(12.0)	143.3	(3.1)	140.2	25.0	165.2
Total assets	3,763.0	229.7	3,992.7	(3.1)	3,989.6	25.0	4,014.6
Interest-bearing loans and borrowings	(1,657.6)	-	(1,657.6)	-	(1,657.6)	69.0	(1,588.6)
Deferred and contingent tax liabilities	(7.2)	3.8	(3.4)	(63.2)	(66.6)	(23.8)	(90.4)
Other liabilities	(111.1)	-	(111.1)	-	(111.1)	-	(111.1)
Total liabilities	(1,775.9)	3.8	(1,772.1)	(63.2)	(1,835.3)	45.2	(1,790.1)
Net assets	1,987.1	233.5	2,220.6	(66.3)	2,154.3	70.2	2,224.5

¹ Includes investment property – held for sale.

Notes to the unaudited interim financial results continued

September 2025 Segment net assets (audited)

£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

September 2025 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 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.

4. Group revenue

	Unaudited	
	2026 £m	2025 £m
Gross rental income (Note 5)	89.3	84.1
Gross proceeds from disposal of trading property (Note 6)	21.7	47.6
Fees and other income (Note 8)	2.7	4.7
	113.7	136.4

5. Net rental income

	Unaudited	
	2026 £m	2025 £m
Gross rental income	89.3	84.1
Property operating expenses	(23.2)	(22.8)
	66.1	61.3

Notes to the unaudited interim financial results continued

6. Profit on disposal of trading property

	Unaudited	
	2026	2025
	£m	£m
Gross proceeds from disposal of trading property	21.7	47.6
Selling costs	(0.7)	(1.2)
Net proceeds from disposal of trading property	21.0	46.4
Carrying value of trading property sold (Note 13)	(14.9)	(26.2)
	6.1	20.2

7. Loss on disposal of investment property

	Unaudited	
	2026	2025
	£m	£m
Gross proceeds from disposal of investment property	37.0	31.4
Selling costs	(0.7)	(0.9)
Net proceeds from disposal of investment property	36.3	30.5
Carrying value of investment property sold (Note 12)	(37.2)	(30.8)
	(0.9)	(0.3)

8. Fees and other income

	Unaudited	
	2026	2025
	£m	£m
Property and asset management fee income	1.2	1.2
Other sundry income	1.5	3.5
	2.7	4.7

Included within other sundry income in the current period is £nil (2025: £3.5m) 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	
	2026	2025
	£m	£m
Finance costs		
Bank loans and mortgages	8.5	11.4
Non-bank financial institution	4.2	3.2
Corporate bond	11.2	11.4
Interest capitalised under IAS 23	(3.4)	(5.4)
Other finance costs	2.1	1.8
	22.6	22.4
Finance income		
Interest receivable from joint ventures (Note 24)	(0.4)	(0.6)
Other interest receivable	(0.4)	(1.0)
	(0.8)	(1.6)
Net finance costs	21.8	20.8

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 2026			31 March 2025		
	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 (loss)/earnings per share						
(Loss)/profit attributable to equity holders	(15.8)	739.6	(2.1)	55.4	738.5	7.5
Effect of potentially dilutive securities						
Share options and contingent shares	-	4.0	-	-	3.7	-
Diluted (loss)/earnings per share						
(Loss)/profit attributable to equity holders	(15.8)	743.6	(2.1)	55.4	742.2	7.5

11. Dividends

The Company has announced an interim dividend of 2.94p (March 2025: 2.85p) per share, all of which will be paid as a Property Income Distribution (PID), which will return £21.7m (March 2025: £21.0m) to shareholders. In the six months ended 31 March 2026, the final dividend for the year ended 30 September 2025 which amounted to £40.4m has been paid.

12. Investment property

	Unaudited 31 March 2026 £m	Audited 30 Sept 2025 £m
Opening balance	3,124.3	3,028.3
Acquisitions	6.2	20.0
Capital expenditure – completed assets	4.7	17.2
Capital expenditure – assets under construction	57.2	111.2
Total additions	68.1	148.4
Disposals (Note 7)	(37.2)	(81.9)
Net valuation (loss)/gain on investment properties	(44.8)	29.5
	3,110.4	3,124.3
Reclassifications to investment property – held for sale	(144.4)	(64.9)
Closing balance	2,966.0	3,059.4

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 £144.4m (September 2025: £64.9m). 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 2026 £m	Audited 30 Sept 2025 £m
Opening balance	298.6	331.6
Additions	7.3	11.9
Disposals (Note 6)	(14.9)	(45.5)
Reversal of impairment of inventories to net realisable value	1.1	0.6
Closing balance	292.1	298.6

14. Investment in associates

	Unaudited 31 March 2026 £m	Audited 30 Sept 2025 £m
Opening balance	15.2	14.9
Share of (loss)/profit for the period	(0.2)	0.6
Dividends paid	-	(0.3)
Closing balance	15.0	15.2

The closing balance comprises share of net assets of £0.5m (September 2025: £0.7m) and net loans due from associates of £14.5m (September 2025: £14.5m). At the balance sheet date, there is no expectation of any material credit losses on loans due.

As at 31 March 2026, 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 2026 £m	Audited 30 Sept 2025 £m
Opening balance	77.5	76.4
Share of loss for the period	(0.8)	(4.3)
Further investment ¹	4.8	3.7
Loans advanced to joint ventures	1.9	1.7
Loans repaid by joint ventures	(2.7)	-
Closing balance	80.7	77.5

¹ Grainger invested £4.8m into Connected Living London (BTR) Limited in the period (September 2025: £3.7m).

The closing balance comprises share of net assets of £50.2m (September 2025: £46.1m) and net loans due from joint ventures of £30.5m (September 2025: £31.4m). 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 2026, 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 2026 £m	Audited 30 Sept 2025 £m
Opening balance	48.6	57.4
Cash received from the instrument	(4.7)	(9.9)
Amounts taken to income statement	(0.3)	1.1
Closing balance	43.6	48.6

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 2026 £m	Audited 30 Sept 2025 £m
Rent and other tenant receivables	5.2	4.5
Deduct: Provision for impairment	(1.8)	(1.6)
Rent and other tenant receivables – net	3.4	2.9
Restricted deposits	85.0	57.7
Other receivables	15.7	12.7
Prepayments	5.1	5.9
Closing balance	109.2	79.2

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 £5.2m (September 2025: £4.5m). 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 2026 £m	Audited 30 Sept 2025 £m
Current liabilities		
Deposits received	13.9	13.9
Trade payables	13.4	22.7
Lease liabilities	0.4	0.6
Tax and social security costs	1.2	0.8
Accruals	56.2	66.0
Deferred income	9.4	11.3
	94.5	115.3
Non-current liabilities		
Lease liabilities	5.5	5.7
	5.5	5.7
Total trade and other payables	100.0	121.0

Within accruals, £40.0m comprises accrued expenditure in respect of ongoing construction activities (September 2025: £46.0m).

19. Provisions for other liabilities and charges

	Unaudited 31 March 2026 £m	Audited 30 Sept 2025 £m
Current provisions for other liabilities and charges		
Opening balance	12.0	13.2
Additions	-	1.9
Utilisation	(1.6)	(3.1)
	10.4	12.0
Non-current provisions for other liabilities and charges		
Opening balance	0.7	1.0
Reversal	-	(0.3)
	0.7	0.7
Total provisions for other liabilities and charges	11.1	12.7

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. This activity has not been quantified in the financial statements as it is not considered to meet asset recognition criteria.

Notes to the unaudited interim financial results continued

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

	Unaudited 31 March 2026 £m	Audited 30 Sept 2025 £m
Current liabilities		
Bank loans – Pound Sterling	0.9	-
Non-bank financial institution	75.3	75.0
Corporate Bond	7.7	-
	83.9	75.0
Non-current liabilities		
Bank loans – Pounds sterling	603.0	544.1
Bank loans – Euros	-	0.7
Non-bank financial institution	273.5	273.5
Corporate bonds	697.2	696.8
	1,573.7	1,515.1
Total interest-bearing loans and borrowings	1,657.6	1,590.1

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 2026, unamortised costs totalled £9.1m (September 2025: £11.7m) and the outstanding discount was £1.2m (September 2025: £1.3m).

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 2026 and as at 30 September 2025.

As at 31 March 2026, the fair value of the non-bank loans is £330.8m (September 2025: £331.1m), 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.

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 2026		Audited 30 September 2025	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Level 3				
CHARM	43.6	-	48.6	-
Investment property ¹	3,110.4	-	3,124.3	-
	3,154.0	-	3,172.9	-
Level 2				
Interest rate swaps – in cash flow hedge accounting relationships	22.4	-	14.1	-
	22.4	-	14.1	-

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 Savills, 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 2026 £m	Audited 30 Sept 2025 £m
Assets – Level 3		
Opening balance	3,172.9	3,085.7
Amounts taken to income statement	(45.1)	30.6
Other movements	26.2	56.6
Closing balance	3,154.0	3,172.9

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 £3.4m (2025: £2.9m).

Notes to the unaudited interim financial results continued

21. Tax

The tax charge for the period of £1.2m (2025: £18.6m) recognised in the consolidated income statement comprises:

	Unaudited	
	2026	2025
	£m	£m
Current tax		
Corporation tax on (loss)/profit	1.1	9.5
	1.1	9.5
Deferred tax		
Origination and reversal of temporary differences	0.1	9.1
	0.1	9.1
Total tax charge for the period	1.2	18.6

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 taxable results for this period are taxed at the standard rate of 25.0% (2025: 25.0%). Property Rental Business profits are exempt from corporation tax as a result of the Group's REIT status.

In addition to the above, a deferred tax credit of £0.7m (2025: charge £0.1m) was recognised within other comprehensive income comprising:

	Unaudited	
	2026	2025
	£m	£m
Fair value movement in cash flow hedges	(0.7)	0.1
Amounts recognised in other comprehensive income	(0.7)	0.1

Deferred tax balances comprise temporary differences attributable to:

	Unaudited	Audited
	31 March	30 Sept
	2026	2025
	£m	£m
Deferred tax assets		
Short-term temporary differences	4.1	4.6
	4.1	4.6
Deferred tax liabilities		
Trading property uplift to fair value on business combinations	(2.9)	(3.0)
Investment property revaluation	(1.0)	(1.0)
Short-term temporary differences	(2.8)	(2.4)
Fair value movement in financial interest in property assets	(0.2)	(0.7)
Actuarial gain on BPT Limited defined benefit pension scheme	(0.1)	(0.2)
Fair value movement in derivative financial instruments	(0.2)	(0.9)
	(7.2)	(8.2)
Total deferred tax	(3.1)	(3.6)

Deferred tax has been calculated at a rate of 25.0% (September 2025: 25.0%) in line with the enacted main rate of corporation tax.

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 amount is £60.4m, calculated at 25.0% (September 2025: £60.6m, calculated at 25.0%) and will be realised as the properties are sold.

22. Retirement benefits

The Group retirement benefit asset remained at £6.2m at the six months ended 31 March 2026. This movement has arisen from a £0.6m reduction on plan assets offset by gains due to changes in assumptions of £0.6m (primarily market observable discount rates and inflationary expectations). The principal actuarial assumptions used to reflect market conditions as at 31 March 2026 are as follows:

	Unaudited 31 March 2026 %	Audited 30 Sept 2025 %
Discount rate	6.0	5.8
Retail Price Index (RPI) inflation	3.6	3.0
Consumer Price Index (CPI) inflation	2.9	2.3
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 £1.3m (2025: £1.2m).

24. Related party transactions

During the period ended 31 March 2026, 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 2026		31 March 2025	
	Fees recognised £'000	Period end balance £'000	Fees recognised £'000	Period end balance £'000
Connected Living London (BTR) Limited	323	330	280	347
Lewisham Grainger Holdings LLP	64	717	74	587
Vesta Limited Partnership	410	206	405	198
	797	1,253	759	1,132

	Unaudited			Audited		
	31 March 2026			30 Sept 2025		
	Interest recognised £'000	loan balance £m	Interest rate %	Interest recognised £'000	loan balance £m	Interest rate %
Curzon Park Limited	-	17.7	Nil	-	18.1	Nil
Lewisham Grainger Holdings LLP	379	12.8	5.6	921	13.2	5.8
Vesta LP	-	14.5	Nil	-	14.5	Nil
	379	45.0		921	45.8	

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 2026			31 March 2025		
	Earnings £m	Shares millions	Pence per share	Earnings £m	Shares millions	Pence per share
Earnings per IFRS income statement	(14.6)	739.6	(2.0)	74.0	738.5	10.0
Adjustments to calculate EPRA Earnings, exclude:						
i) Changes in value of investment properties, development properties held for investment and other interests	46.8	-	6.3	(27.6)	-	(3.7)
ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0.9	-	0.1	0.3	-	-
iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	(7.2)	-	(1.0)	(21.2)	-	(2.9)
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	3.4	-	0.5	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	0.9	-	0.1	(0.1)	-	-
x) Non-controlling interests in respect of the above	-	-	-	-	-	-
xi) Other adjustments in respect of adjusted earnings	1.2	-	0.2	1.9	-	0.3
EPRA Earnings/Earnings per share	31.4	739.6	4.2	30.2	738.5	4.1
EPRA Earnings per share after tax			4.2			3.1

EPRA Earnings have been divided by the basic average number of shares shown in Note 10 to these financial statements to calculate earnings per share. EPRA earnings per share assumes an effective tax rate of nil% following the Group’s conversion to REIT status (2025: in line with the standard rate of UK Corporation Tax of 25.0%).

EPRA Performance Measures - Unaudited (continued)

EPRA NRV, EPRA NTA and EPRA NDV

	31 March 2026			30 Sept 2025		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	£m	£m	£m	£m	£m	£m
IFRS Equity attributable to shareholders	1,986.9	1,986.9	1,986.9	2,039.8	2,039.8	2,039.8
Include/Exclude:						
i) Hybrid Instruments	-	-	-	-	-	-
Diluted NAV	1,986.9	1,986.9	1,986.9	2,039.8	2,039.8	2,039.8
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	5.0	5.0	5.0	7.5	7.5	7.5
iii) Revaluation of tenant leases held as finance leases	-	-	-	-	-	-
iv) Revaluation of trading properties	244.5	181.3	181.3	245.4	181.8	181.8
Diluted NAV at Fair Value	2,236.4	2,173.2	2,173.2	2,292.7	2,229.1	2,229.1
Exclude:						
v) Deferred tax in relation to fair value gains of IP	1.0	1.0	-	1.0	1.0	-
vi) Fair value of financial instruments	(16.8)	(16.8)	-	(10.6)	(10.6)	-
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	-	(2.7)	-	-	(2.5)	-
Include:						
ix) Fair value of fixed interest rate debt	-	-	51.7	-	-	49.3
x) Revalue of intangibles to fair value	-	-	-	-	-	-
xi) Real estate transfer tax	-	-	-	-	-	-
NAV	2,220.6	2,154.3	2,224.5	2,283.1	2,216.6	2,278.0
Fully diluted number of shares	743.1	743.1	743.1	743.1	743.1	743.1
NAV pence per share	299	290	299	307	298	307

EPRA Performance Measures - Unaudited (continued)

EPRA NIY

		31 March 2026 £m	30 Sept 2025 £m
Investment property – wholly-owned		3,110.4	3,124.3
Investment property – share of JVs/Funds		70.5	67.6
Trading property (including share of JVs)		533.8	541.0
Less: developments		(305.7)	(369.1)
Completed property portfolio		3,409.0	3,363.8
Allowance for estimated purchaser's costs		194.2	188.9
Gross up completed property portfolio valuation	B	3,603.2	3,552.7
Annualised cash passing rental income		176.5	177.6
Property outgoings		(46.0)	(48.8)
Annualised net rents	A	130.5	128.8
Add: rent incentives		0.7	0.7
'Topped up' net annualised rents	C	131.2	129.5
EPRA NIY	A/B	3.6%	3.6%
EPRA 'topped up' NIY	C/B	3.6%	3.6%
Gross up completed property portfolio valuation		3,603.2	3,552.7
Adjustments to completed property portfolio in respect of regulated tenancies		(527.0)	(545.2)
Adjusted gross up completed property portfolio valuation	b	3,076.2	3,007.5
Annualised net rents		130.5	128.8
Adjustments to annualised cash passing rental income in respect of newly completed developments and refurbishment activity		11.1	6.6
Adjustments to property outgoings in respect of newly completed developments and refurbishment activity		(2.8)	(1.9)
Adjustments to annualised cash passing rental income in respect of regulated tenancies		(12.7)	(13.3)
Adjustments to property outgoings in respect of regulated tenancies		3.5	3.4
Adjusted annualised net rents	a	129.6	123.6
Add: rent incentives		0.7	0.7
EPRA 'topped up' NIY	c	130.3	124.3
Adjusted EPRA NIY	a/b	4.2%	4.1%
Adjusted EPRA 'topped up' NIY	c/b	4.2%	4.1%

EPRA Vacancy Rate

		31 March 2026 £m	30 Sept 2025 £m
Estimated rental value of vacant space	A	5.9	2.5
Estimated rental value of the whole portfolio	B	147.5	130.0
EPRA Vacancy Rate	A/B	4.0%	1.9%

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

		2026 £m	2025 £m
For the 6 months ended 31 March			
Administrative expenses		16.9	16.9
Property operating expenses		23.2	22.8
Share of joint ventures expenses		0.5	0.4
Management fees		(1.2)	(1.2)
Other operating income/recharges intended to cover overhead expenses		(1.5)	(3.5)
Exclude:			
Investment property depreciation		-	-
Ground rent costs		(0.1)	(0.1)
Costs (including direct vacancy costs)	A	37.8	35.3
Direct vacancy costs		(1.4)	(1.2)
Costs (excluding direct vacancy costs)	B	36.4	34.1
Gross rental income		89.4	84.1
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		5.2	19.9
Gross Rental Income and Trading Profits	C	94.7	104.1
Adjusted EPRA Cost Ratio (including direct vacancy costs)	A/C	39.9%	33.9%
Adjusted EPRA Cost Ratio (excluding direct vacancy costs)	B/C	38.4%	32.8%

EPRA LTV

£m		31 March 2026			Combined
		Group	Share of Joint Ventures	Share of Associates	
Borrowings from Financial Institutions		959.0	-	-	959.0
Bond loans		700.0	-	-	700.0
Net payables		(9.2)	9.4	14.6	14.8
Exclude:					
Cash and cash equivalents		(134.1)	(3.7)	(0.6)	(138.4)
Net debt	A	1,515.7	5.7	14.0	1,535.4
Investment properties at fair value		2,921.1	-	14.5	2,935.6
Investment properties under development		189.3	55.9	-	245.2
Properties held for sale		533.8	-	-	533.8
Financial assets		88.5	-	-	88.5
Total property value	B	3,732.7	55.9	14.5	3,803.1
EPRA LTV %	A/B	40.6%	10.3%	96.8%	40.4%

EPRA Performance Measures - Unaudited (continued)

£m	30 Sept 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	14.6	66.2	
Exclude:					
Cash and cash equivalents	(126.6)	(3.3)	(0.3)	(130.2)	
Net debt	A	1,518.2	6.5	14.3	1,539.0
Investment properties at fair value		2,858.1	-	14.9	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	14.9	3,827.3
EPRA LTV %	A/B	40.4%	12.3%	96.0%	40.2%

EPRA Capital Expenditure

£m	31 March 2026				
	Trading Properties	Investment Properties	Group (excl Joint Ventures)	Share of Joint Ventures	Combined
Acquisitions	-	6.2	6.2	-	6.2
Development	6.4	53.9	60.3	1.5	61.8
Completed assets					
- Incremental letting space	-	-	-	-	-
- No incremental letting space	0.8	4.7	5.5	-	5.5
- Tenant incentives	-	-	-	-	-
- Other material non-allocated types of expenditure	-	-	-	-	-
Capitalised interest	-	3.3	3.3	0.4	3.7
Total capital expenditure	7.2	68.1	75.3	1.9	77.2

£m	30 Sept 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