GRAINGER

REAL ESTATE INVESTMENT & SERVICES

19 August 2026

GRI.L

174p

Market Cap: £1289.6m

SHARE PRICE (p)

12m high/low	211p/150p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£(1,524.0)m *(at 31/03/26)*
Enterprise value	£2813.6m
Index/market	LSE
Next news	Trading update, Oct, TBC
Shares in issue (m)	741.6
Chairman	Simon Fraser
Chief Executive	Helen Gordon
CFO	Robert Hudson

COMPANY DESCRIPTION

UK's largest listed residential landlord, owning 11,000 private rental and regulated tenancy homes. Became REIT in 2025

https://www.graingerplc.co.uk

GRAINGER IS A RESEARCH CLIENT OF PROGRESSIVE

ANALYSTS

Alastair Stewart

+44 (0) 20 7781 5300

astewart@progressive-research.com

Rayner reins-in rent controls parade

Angela Rayner, in one of her first statements since returning as Housing Secretary, publicly ruled out rent controls, in response to calls from left-leaning think tanks for an intervention in the lettings market. We believe the perceived risk of rent controls had undermined investment in the wider private rental sector. PM Andy Burnham's cabinet reshuffle also brought in other pro-development heavyweights, not least the new Chancellor, to the top of government - adding, in our view, to a series of positives for Grainger.

- **Rent caps ruled out.** Rayner's unambiguous statement on BBC Breakfast on 24 July followed weeks of speculation that rental growth could be controlled or capped: 'I don't think that rent freezes, rent controls, is a way forward at the moment. That is not something that we're looking to do because we've seen what's happened in areas like Scotland'. We provide evidence to support Rayner's contention that a freeze and then caps from 2022-24 actually increased rents north of the Border (page 2).
- **Pro-development Cabinet.** Rayner is cited by leading housebuilders to have aggressively driven through positive planning reforms in her initial term. She joins two other members of Burnham's re-shuffled Cabinet who were strongly pro-development: Matthew Pennycook, who stays as Housing Minister; and, indeed, Chancellor John Healey, who was widely respected as government- and then shadow-Housing Minister. All three have supported a range of tenures, including build-to-rent (BTR) (page 3).
- **Renters' Rights Act.** There was widespread uncertainty across the property industry ahead of the introduction of the act on 1 May. Grainger has welcomed the new regulations, including single annual rent reviews and the abolition of no-fault evictions, arguing it presents 'a clear and certain regulatory environment for BTR investors [but] a challenging bureaucratic environment for private landlords' (page 4).
- **Capital allocation.** The group's current priorities are investment in committed pipeline and deleveraging, whilst indicating that thereafter share buybacks could be compelling at this share price (page 5).
- **Expanded forecasts.** Our FY26E estimates are broadly unchanged, but we have reduced our forecast for EPRA earnings before tax for FY27E, partly reflecting updated timings in the development pipeline completions. We have introduced estimates for FY27-29E, covering the group's medium-term guidance range (pages 6-8). (Grainger in brief, pages 9-10).

FYE SEP (£M)	2025	2026E	2027E	2028E	2029E
Net rental income	123.6	135.8	141.5	147.6	150.1
EPRA earnings before tax	53.7	60.5	62.0	64.0	71.9
EPRA EPS, before tax* (p)	7.2	8.2	8.4	8.6	9.7
Dividend per share (p)	8.3	8.6	8.8	9.1	9.4
PER (x)	24.0x	21.3x	20.8x	20.1x	17.9x
EPRA PTNAV (x)	0.54x	0.61x	0.53x	0.52x	0.51x
Dividend yield	4.8%	4.9%	5.1%	5.2%	5.4%

*Source: Company Information and Progressive Equity Research estimates. * REIT basis*

This publication should not be seen as an inducement under MiFID II regulations.

Please refer to important disclosures at the end of the document.

PM's rent control speculation quashed by new cabinet

Burnham's first interview indicated rent controls were under consideration …

In his first interview with journalists in the Downing Street garden on 20 July, the PM declined to rule out rent controls as part of his pledge to help people with living costs, according to the London Evening Standard. He was asked what his priorities were and whether he was looking at bus fares, energy bills or rent freezes as part of his package of help. He said 'we're looking at all of those things. We're just finalising the details, so it's premature to say it will be any one of those particular things'. Over the next few days, the Financial Times and iPaper hinted that rent control plans would be dropped, but the sourcing was anonymous and the views appeared to us to be tenuous.

… but this was quickly ruled out by returning Housing Secretary Rayner – citing Scottish experience …

Rayner's subsequent interview was, however, unambiguous: 'We won't be looking at rent controls. That is not something we're looking to do … because we've seen what's happening in areas like Scotland. It hasn't necessarily brought rents down. We see it as actually it's an aspiration that [landlords say maximum rents are] the ceiling as opposed to a floor. I think the work we've done to make sure that landlords are giving people fair rents – people can challenge rent hikes at tribunal now; making sure [tenants] are not in bidding wars – is actually having an impact on the market, which is more favourable to renters and I think that's a better way of stabilising the rental market'.

… and backed up by continuing Housing Minister Pennycook's longstanding opposition

It is a view that continuing Housing Minister Matthew Pennycook has long held. On 15 April, he reiterated the Government's opposition, after the Green Party put support for capping rents at the centre of its local election campaign. He told Parliament: 'The Government does not support the introduction of rent controls, which we believe could make life more difficult for renters'. In his speech, he countered a common refrain among proponents of rent controls – that many countries in Europe have successfully adopted them: 'There is sufficient international evidence from countries such as Sweden and Germany, and from individual cities such as San Francisco, as well as the recent Scottish experience, to attest to the potential detrimental impacts of rent controls on tenants."

Figure 1: Comments on rent controls from pro-development new cabinet

'We won't be looking at rent controls … because we've seen what's happening in areas like Scotland. It hasn't necessarily brought rents down.'

Angela Rayner, Housing Secretary

'The Government does not support the rent controls, which we believe could make life more difficult for renters … from countries such as Sweden and Germany'.

Matthew Pennycook, Housing Minister

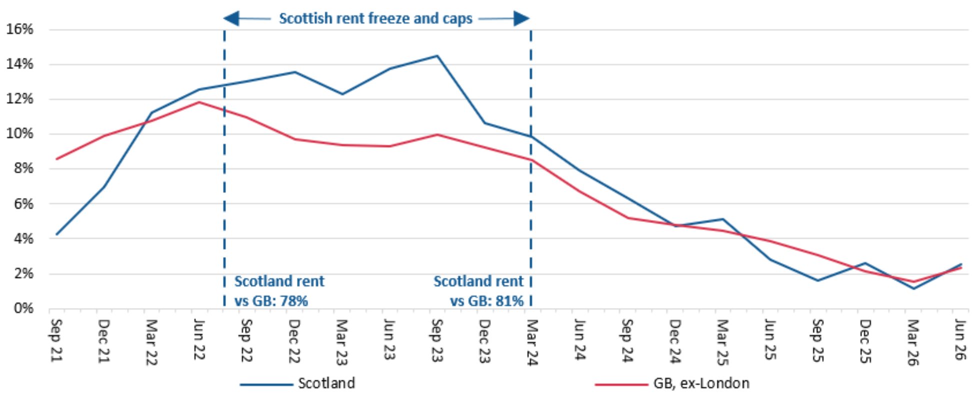
Source: BBC, House of Commons

Scottish rent freeze … which actually pushed up rents

Rent cap and then controls were introduced north of the Border from 2022 to 2024

The Scottish Parliament announced in emergency legislation in September 2022 a freeze on most rents until March 2023 and restrictions on evictions under most circumstances, blaming the cost of living crisis. Following this, rent caps of 3% were set (with exceptions up to 6% for specific landlord costs) until March 2024.

Figure 2: Rental growth, Y/Y, and rental ratios, Scotland vs GB (%)



Source: Rightmove Rental Trends Tracker; Progressive Equity Research analysis

Rent rises then exceed the rest of Great Britain as landlords reacted by hiking rents when new tenancies began. And new BTR development was curtailed

The moves, which were completely unexpected prior to the original announcement of the freeze, are widely blamed for have had the opposite effect (Figure 2). Y/Y growth in rents, which had been approaching the GB average (excluding London), then accelerated faster until the end of the cap in March 2024. The two trends have subsequently converged and were almost identical in Q2 2026. At the start of the period, average rents in Scotland were £910 per month, 78% of GB ex-London (£1,162), according to Rightmove; at the end they had increased to £1,051 (81% vs £1,291), the same discount as in Q2 26.

One reason given for the increase was landlords that were nearing the end of their 12-month tenancy periods responded to the initial freeze by making substantial increases in rents. There was at the time a widely-reported rental housing shortage in Scotland; an immediate response we observed was a widespread pause of BTR development (including Sigma Capita Group, in partnership with Springfield Properties). We see this as potentially clear evidence that rent controls can constrain the development in new rental properties.

Pro-development cabinet

Rayner, Pennycook and Healey all demonstrated general pro-development support in previous roles

The make-up of the new cabinet was not just reassuring in terms of the perceived risk of rent controls but also the pro-development stance of the responsible members' views towards development. Rayner was widely applauded in the housebuilding and wider housing sector as a formidable force in pushing through planning reforms, over-ruling opposition to development in a number of high profile cases during her first period in the role. Pennycook and Healey before him were seen as pragmatic as well as highly engaged and receptive to viewpoints from across the sector's various tenures. On 12 January, Pennycook said: 'We need to support the build- to-rent sector, which will be an important part of the market in coming years'.

In urban development in particular, significant challenges remain for viability, due to affordability, building cost rises and regulations. But we believe the presence of these three around the cabinet table, will bring more urgency to housing issues in general.

Renters' Rights Act more beneficial to BTR providers

Far-ranging new act beneficial to large purpose-built providers like Grainger, but could accelerate exodus of smaller landlords from sector

The Renters Rights Act came into power on 1 May, with the principal aims of balancing and formalising the rights and responsibilities of tenants and the owners of their properties – in particular, addressing the perception of 'rogue landlords'. The Conservative government instigated the Renters (Reform) Bill in in 2023, but the final act was developed and passed by the Labour government. Although there were concerns in certain areas of the property industry in advance of the legislation, Grainger has been supportive of the act, as 'a clear and certain regulatory environment for BTR investors [but] a challenging bureaucratic environment for private landlords'.

The wide-ranging provision of the act include:

- Rent setting:
  - Annual rent reviews. Rents can be set annually in line with the open market with no regulation dictating rent levels. Also, once 'asking rents' are set for each 12-month period, they cannot be raised again if prospective tenants attempt to make higher offers.
  - Clarity over rent appeals. Tenants challenging their rents will have to fill out a 72 question form and pay a £47 admin fee. So far, we understand there has been little evidence of successful claims at tribunal.
- Abolition of no-fault evictions.
- Open-ended periodic tenancies. Tenancies are no longer are set for a fixed period of time. Instead, tenants must serve two months' notice to end a tenancy, and landlords can gain possession of their property on a number of legitimate grounds such as anti-social behaviour, non-payment of rent and sale of the property.
- A range of other features, including being 'pet friendly' for tenants

In our view, the benefits to 'investment grade' BTR operators include:

- A further exodus of 'small' private landlords, due to the extra cost and regulatory complexity of the act. This is on top of the pressure that has steadily been building on this end of the market since Chancellor George Osborne phased in higher taxation of rental properties in his 2017 Budget and the 'buy-to-let' sector has experienced 'regulatory creep' ever since. We believe that many renters will increasingly distinguish between the professionalism of the still relatively nascent BTR sector and the disparate offering of buy-to-let landlords.
- Transparency for BTR providers and investors. Larger BTR operators often have more sophisticated tools to identify and set rental sustainable levels than smaller private landlords. Anecdotal conversations with lettings agents suggest that some private landlords have introduced higher asking rents to 'test the market' (since they can't subsequently raise rents), but have subsequently had to taper them down if there are no offers. Likewise, BTR developers and operators should have more visibility on costs, given their new, purpose-built properties, and stronger purchasing power.
- Fewer voids. The RRA requires tenants to give two months' notice to end their tenancy, whereas previously landlords often did not know if a tenant would move out at the end of their fixed term contract. This provides landlords with much greater visibility on future vacancies and allows them to plan, begin marketing and line up new tenants well in advance of the property becoming empty, reducing void periods between tenancies.

Capital allocation: could buybacks gain priority?

In its latest results statements, Grainger has made clear its capital allocation priorities:

Investment in committed pipeline and deleveraging are key priorities currently …

- **Priority one: committed capex on development pipeline.** Approximately £120m is still to be invested in building the committed pipeline, which should underpin the group's target of delivering EPRA earnings of £60m in FY26E and reaching £72m by FY29E.
- **Priority two: deleveraging.** The aim is to reduce net debt by c.£300-350m, LTV to c.30% and leverage to c.8x EBITDA by FY29E. As well as operational cashflow, this will be augmented by the continuing programme of non-core disposals.
- **Future considerations:**
  - Buybacks.
  - Acquisition of stabilised rental assets.
  - Investment in the development of the longer-term secured pipeline, in planning or legals.

… but buybacks could become more accretive at current share price

Priorities one and two are currently the key focus for the group. At market rate finance costs (c.5.5-6.0%), paying down debt is the most accretive use of capital. The group's current earnings yield is around 5%, so c.50-100bps below the cost of debt. After deleveraging and completion of the committed pipeline, the group has stated it will consider share buybacks alongside stabilised acquisitions and its development pipeline when deciding how it allocates surplus capital.

Financials

Amended estimates for FY26-27E; estimates introduced for FY28-29E

We have amended our forecasts for FY26E and FY27E and extended our forecasts period to FY29E, which covers a key phase in Grainger's strategy and for which the group gives broad medium-term targets.

For FY26E, we have broadly maintained our previous estimate, making a minimal 0.8% reduction in the group's key guidance metric, EPRA earnings (for definitions, see pages 6-9 of our 20 January 2025 initiation report, Switched onto income surge from Generation Rent) to £60.5m. The main drivers include a 1.2% reduction in net rental income, partly due to the phasing of lease up (the first full year of rental income on those schemes is FY29) as well as some delays on projects, due to third parties, compensated by the related receipt of 'liquidated and ascertained damages' plus an increase in 'other' operating income.

For FY27E, we have reduced EPRA earnings, by 4.9% to £62.0m – again, reflecting development delays – partially offset by a decrease in administrative expenses. Net debt in both years is expected to be in line with guidance of 'broadly flat' compared with FY25.

Accelerating rental income driving last two years of forecast

For the expanded forecast, our key considerations, include:

- Net rental income to increase by 4.3% and 6.2% respectively in FY28E and FY29E, with PRS rising by 5.0% and 7.0%, and reversionary sales continuing to decline.
- Admin costs rising by 3.0% in both years.
- Net debt trending down to the end of the forecast period, particularly in FY28E and FY29E, supported by disposals (included in net capex line).
- Dividends: we have now assumed annual growth of 3% pa from FY25-29E, to support the strategy of deleveraging.

Figure 3: Revenue and earnings

YE September (£m)	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Group revenue	**279.2**	**267.1**	**290.1**	**262.7**	**299.6**	**299.3**	**303.2**	**311.7**
Less: disposal proceeds, fees and other	(157.8)	(133.4)	(135.3)	(92.5)	(120.9)	(115.2)	(109.9)	(104.9)
Gross rental income	**121.4**	**133.7**	**154.8**	**170.2**	**178.7**	**184.1**	**193.3**	**206.8**
Property operating expenses	(35.1)	(37.2)	(44.7)	(46.6)	(43.0)	(42.6)	(45.7)	(56.7)
Net rental income	**86.3**	**96.5**	**110.1**	**123.6**	**135.8**	**141.5**	**147.6**	**150.1**
Of which, PRS	70.8	82.2	97.6	111.6	127.2	133.6	140.3	150.1
Change (%)	*36.4%*	*16.1%*	*18.7%*	*14.3%*	*14.0%*	*5.0%*	*5.0%*	*7.0%*
Of which, Reversionary	15.2	13.4	11.5	10.9	8.5	7.9	7.3	-
Other	0.3	0.9	1.0	1.1	-	-	-	-
Profit on disposal of development properties	63.6	54.8	49.4	38.9	40.0	35.0	30.0	30.0
Profit on disposal of investment properties	1.7	3.3	(5.8)	(1.6)	-	-	-	-
Administrative expenses	(31.8)	(33.5)	(35.3)	(36.7)	(36.6)	(36.5)	(37.6)	(39.1)
Other[1]	2.4	7.3	0.7	3.8	7.3	5.0	4.0	4.0
Operating profit, group only	**122.2**	**128.4**	**119.1**	**128.0**	**146.5**	**145.0**	**144.0**	**145.0**
Share in net income of associates, JVs	(0.5)	(0.4)	(0.6)	(3.7)	-	-	-	-
Net valuation gains/(losses)	210.2	(68.8)	(39.1)	21.0	-	-	-	-
Net finance costs	(33.3)	(31.8)	(38.8)	(42.7)	(46.0)	(48.0)	(50.0)	(43.0)
PBT, reported	**298.6**	**27.4**	**40.6**	**102.6**	**100.5**	**97.0**	**94.0**	**102.0**
Add back net valuation gains/(losses)	(210.2)	68.8	39.1	(21.0)	-	-	-	-
Additional adjustments	5.1	1.4	11.9	9.4	-	-	-	-
Adjusted earnings	**93.5**	**97.6**	**91.6**	**91.0**	**100.5**	**97.0**	**94.0**	**101.9**
EPRA adjustments [2]	(65.3)	(58.1)	(43.6)	(37.3)	(40.0)	(35.0)	(30.0)	(30.0)
EPRA earnings	**28.2**	**39.5**	**48.0**	**53.7**	**60.5**	**62.0**	**64.0**	**71.9**
IFRS EPS, basic (p)	31.0	3.5	4.2	27.4	13.4	13.0	12.6	13.6
EPRA EPS, diluted - pre-tax[3] (p)	**3.8**	**5.3**	**6.5**	**7.2**	**8.2**	**8.4**	**8.6**	**9.7**
DPS - declared (p)	**6.0**	**6.7**	**7.6**	**8.3**	**8.6**	**8.8**	**9.1**	**9.4**
Dividend cover, EPRA (x)	0.63	0.80	0.86	0.87	0.95	0.95	0.95	1.04
NAV (p)	264.7	259.6	254.8	274.5	279.5	283.8	287.4	291.7
EPRA NAVPS (p)	**317.5**	**305.2**	**298.5**	**321.2**	**285.2**	**330.5**	**334.1**	**338.4**

Source: Company data, Progressive Equity Research estimates [1] Includes LADs; [2] Mainly disposal profits [3] For comparison with other REITs.

Figure 4: Adjusted cash flow and summary balance sheet

YE September (£m)	2022	2023	2024	2025	2026E	2027E	2028E	2029E
Adjusted cash flow statement								
Group operating profit	122.2	128.4	119.1	128.0	146.5	145.0	144.0	145.0
Depreciation	0.9	1.1	1.5	7.7	1.5	1.5	1.5	1.5
Intangible amortisation	-	0.1	-	-	-	-	-	-
Other, non-cash	(6.0)	28.4	(24.0)	63.6	-	-	-	-
Changes in working capital	39.8	71.2	105.1	(11.8)	120.0	135.0	151.9	170.9
Operating cash flow	**156.9**	**229.2**	**201.7**	**187.5**	**268.0**	**281.4**	**297.4**	**317.4**
Dividends from associates	-	0.8	0.5	0.3	0.5	0.5	0.5	0.5
Capex, net	(263.4)	(237.9)	(166.8)	(57.1)	(150.0)	(160.0)	(60.0)	10.0
Net interest	(42.0)	(47.2)	(52.6)	(50.6)	(46.0)	(48.0)	(50.0)	(43.0)
Tax	(12.3)	2.7	(12.5)	(11.4)	(1.2)	(1.2)	(1.3)	(1.4)
Free cashflow	**(160.8)**	**(52.4)**	**(29.7)**	**68.7**	**71.2**	**72.7**	**186.6**	**283.4**
JV investments	(10.8)	(37.0)	(1.4)	(5.4)	-	-	-	-
Dividends - paid	(40.0)	(45.7)	(51.0)	(58.1)	(61.8)	(64.3)	(66.2)	(68.2)
Share (purchase)/proceeds	(3.3)	-	-	-	-	-	-	-
Other financing	(6.8)	160.2	54.3	(12.6)	-	-	-	-
Change in net cash/(debt)	**(221.7)**	**25.1**	**(27.8)**	**(7.4)**	**9.5**	**8.4**	**120.4**	**215.3**
Summary balance sheet								
Intangible fixed assets	0.5	1.0	1.8	2.9	2.9	2.9	2.9	2.9
Property, tangible fixed assets	2,849.2	3,024.5	3,064.8	3,117.2	3,265.7	3,424.3	3,482.8	3,471.2
Investments, other TA	66.2	104.3	103.9	103.5	103.0	102.5	102.0	101.5
Working capital	388.4	305.5	339.9	327.4	207.4	72.4	(79.5)	(250.3)
Provisions, others	(75.8)	(94.2)	(117.0)	(6.9)	(6.9)	(6.9)	(6.9)	(6.9)
Retirement benefit liabilities	-	-	-	-	-	-	-	-
Net cash/(debt)	(1,261.7)	(1,412.5)	(1,499.7)	(1,504.3)	(1,494.8)	(1,486.4)	(1,365.9)	(1,150.7)
Net assets (IFRS)	**1,966.8**	**1,928.6**	**1,893.7**	**2,039.8**	**2,077.3**	**2,108.8**	**2,135.3**	**2,167.7**
IFRS NTA	1,966.8	1,928.6	1,893.7	2,036.9	2,074.4	2,105.9	2,132.4	2,164.9
Adjustments	392.2	338.9	324.4	350.0	45.0	350.0	350.0	350.0
EPRA NTA	**2,359.0**	**2,267.5**	**2,218.1**	**2,386.9**	**2,119.4**	**2,455.9**	**2,482.4**	**2,514.9**

Source: Company information and Progressive Equity Research estimates

Grainger in brief: UK's largest quoted landlord

At the forefront of Britain's private rental revolution

Grainger, founded in Newcastle upon Tyne in 1912, is the UK's largest listed residential landlord and property manager, operating c.11,000 rental homes. Its portfolio comprises 9,689 PRS/BTR apartments across the UK and 1,340 historical regulated tenancy 'reversionary' homes, together valued at £3.5bn at HY25. It is in the process of steadily disposing the reversionary portfolio to fund growth in new PRS homes, either buying from developers or, increasingly, its own purpose-built build-to-rent (BTR) pipeline. The pipeline of BTR apartments totals 4,565 with a value of £1.3bn. The group converted into a tax-efficient real estate investment trust (REIT) in October 2025. See Progressive Equity Research initiation report, Switched onto income surge from Generation Rent.

BTR developments: attractive city centre rental apartment developments, aimed at middle earners

The BTR developments typically comprise one or more blocks with 150-500 apartments mainly in 'clusters' in regional city centres, aimed at middle earners (the median customer income is £36,000 pa). Facilities often include gyms and superfast broadband, and Grainger offers a full range of property management services. On average, a Grainger customer stays for a little less than three years.

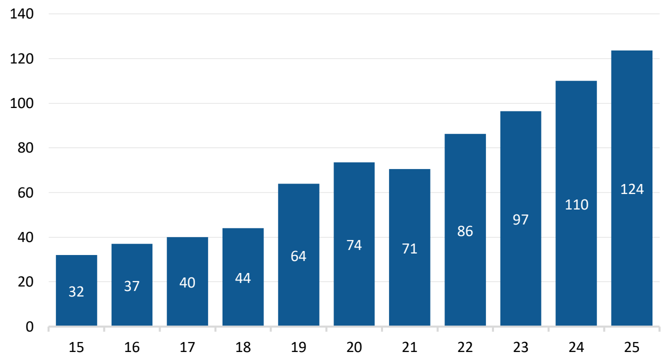
Regulated tenancies portfolio offers predictable, inflation-hedged income, with sales offering 'reversionary surplus' – to recycle into BTR investment

The number of regulated tenancies has reduced steadily from 8,234 in 2015 to 1,340. Although the rents are sub-market and set externally, the benefits are a long-term, predictable and generally inflation-hedged income with strong cashflow characteristics, with the ultimate proceeds from disposal generating capital that is recycled into BTR. We believe Grainger's key investment attractions include:

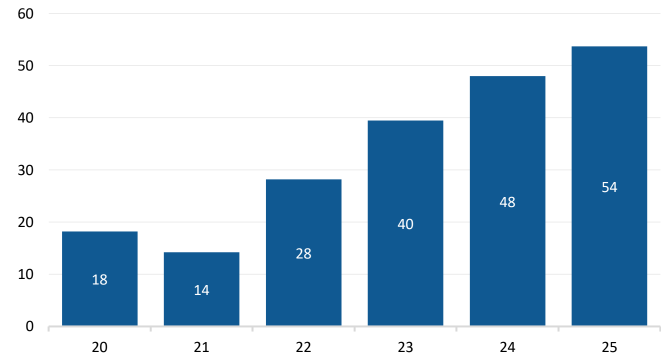
- **Huge need for homes and BTR development a solution, with attractive returns.** This is a result of the high prices of for-sale homes and relative lack of purpose-build rental housing. Rental demand is forecast by Savills to grow 20% for the 10 years to 2031. This undersupply has been exacerbated by many buy-to-let landlords exiting the market due to growing taxation and regulation. Grainger invests in assets with net yields of 4.5%+.
- **For private investors, 'BTL-to-BTR'.** Many private buy-to-let lenders have been exiting the sector due to several years of rising property taxes and regulatory demands. We have previously argued that shares in Grainger could offer them exposure to largely inflation-tracking rental income, with the benefits of the group's scale in BTR but without the 'hassle' of owning smaller scale portfolios…and soon, tax benefits.
- **Tax benefits from conversion to REIT status.** Grainger remains on track to convert to a REIT structure in October 2025, with FY26E to be the first year. This will have no impact on the business. The move should enhance returns, with a tax saving of 25% on BTR profits post-conversion, which Grainger estimates will enhance total returns by 50bps. There will be a minimum payout of 80% of EPRA earnings. The group's expectation is that dividends will be fully covered by EPRA earnings within around two years of conversion, with a top-up from regulated tenancy sales in the interim.
- **Pipeline to deliver 50% earnings growth.** The group aims to increase EPRA earnings by at least 50% from FY24 to FY29, from only the committed portion of the pipeline completing and being leased, and assumes LFL rental growth of c.3.5% pa and efficiencies offsetting higher interest costs.
- **Steady deleveraging planned.** Grainger has a record of generating operating cashflow of c.£200m+, funding the future pipeline. Around 97% of debt is hedged, with a maturity of c.4.6 years with extension options; net debt s projected to fall from 38% in FY25 to c.30%-35% by FY29.
- **Capital allocation:** The group's current priorities are investment in committed pipeline and deleveraging. However, we believe accretive buybacks could become an option.

Figure 5: Grainger at a glance

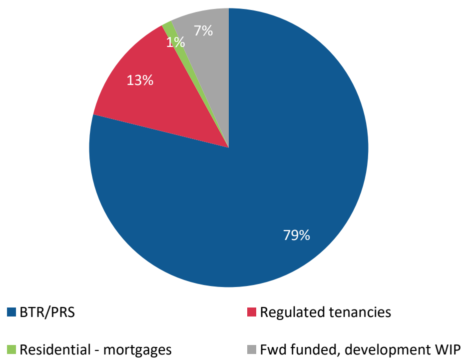
Net rental income (£m)



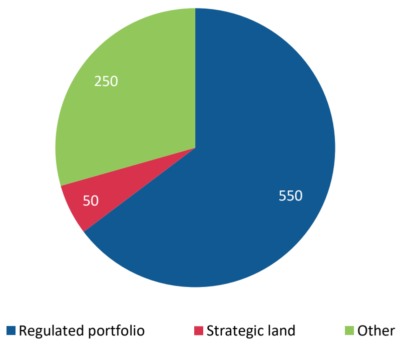
EPRA earnings (£m)



Portfolio valuation (total = £3,688m) (%)



Disposals of non-core, low yielding assets (£m, to date)



Glasshouse Square, Bristol

Glasshouse Square, launched in January 2026, comprises 374 BTR alongside 94 affordable apartments. It is a forward-funded project acquired by Grainger for £128m from Redcliff MCC LLP, and is part of the group's 'cluster' in Bristol of 799 PRS homes and 94 affordable rent homes

The Kimmeridge, Oxford

Launched in March 2025, the Kimmeridge has 150 one-to-three bed apartments with a wide range of resident amenities, including a rooftop terrace, gym and residents' lounge (above) and co-working spaces. It achieved full letting in just seven months of the projected 12 months.

Source: Company information, Progressive Equity Research commentary

Financial Summary: Grainger

Year end: September (£m unless shown)

PROFIT & LOSS	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
Net rental income	123.6	135.8	141.5	147.6	150.1
Revenue	262.7	299.6	299.3	303.2	311.7
Adj EBITDA	89.9	106.9	110.0	114.0	113.4
Reported PBT	102.6	100.5	97.0	94.0	102.0
EPRA earnings before tax	53.7	60.5	62.0	64.0	71.9
NOPAT	71.7	146.4	145.0	144.0	145.0
Reported EPS (p)	27.4	13.4	13.0	12.6	13.6
EPRA EPS, before tax* (p)	7.2	8.2	8.4	8.6	9.7
Dividend per share (p)	8.3	8.6	8.8	9.1	9.4
CASH FLOW & BALANCE SHEET	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
Operating cash flow	187.5	268.0	281.4	297.4	317.4
Free Cash flow	68.7	71.2	72.7	186.6	283.4
FCF per share (p)	9.3	9.7	9.8	25.3	38.4
Acquisitions	(5.4)	0.0	0.0	0.0	0.0
Disposals	N/A	N/A	N/A	N/A	N/A
Shares issued					
Net cash flow	(7.4)	9.5	8.4	120.4	215.3
Overdrafts / borrowings	1,590.1	1,592.7	1,584.1	1,465.0	1,252.5
Cash & equivalents	85.8	97.9	97.7	99.0	101.8
Net (Debt)/Cash	(1,504.3)	(1,494.8)	(1,486.4)	(1,365.9)	(1,150.7)
NAV AND RETURNS	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
Net asset value	2,039.8	2,077.3	2,108.8	2,135.3	2,167.7
NAV/share (p)	274.5	279.5	283.8	287.4	291.7
EPRA NTAV	2,386.9	2,119.4	2,455.9	2,482.4	2,514.8
NTAV/share (p)	321.2	285.2	330.5	334.1	338.4
Average equity	1,966.8	2,058.5	2,093.0	2,122.1	2,151.5
Post-tax ROE (%)	10.3%	4.8%	4.6%	4.4%	4.7%
METRICS	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
Net rental income growth	12.3%	9.8%	4.2%	4.3%	1.7%
Adj EBITDA growth	0.7%	18.9%	2.9%	3.7%	(0.6%)
Adjusted earnings growth	(0.7%)	10.4%	(3.5%)	(3.1%)	8.4%
EPRA earnings growth	11.9%	12.6%	2.5%	3.3%	12.3%
EPRA EPS growth	11.8%	12.6%	2.5%	3.3%	12.3%
Dividend growth	10.1%	3.0%	3.0%	3.0%	3.0%
EBITDA margin	52.8%	58.1%	59.7%	59.0%	54.8%
VALUATION	**2025**	**2026E**	**2027E**	**2028E**	**2029E**
EV/Sales (x)	10.7	9.4	9.4	9.3	9.0
EV/EBITDA (x)	31.3	26.3	25.6	24.7	24.8
EV/NOPAT (x)	39.2	19.2	19.4	19.5	19.4
PER (x)	24.0	21.3	20.8	20.1	17.9
Dividend yield	4.8%	4.9%	5.1%	5.2%	5.4%
FCF yield	5.4%	5.6%	5.7%	14.5%	22.1%

Source: Company information and Progressive Equity Research estimates

19 August 2026

Disclaimers and Disclosures

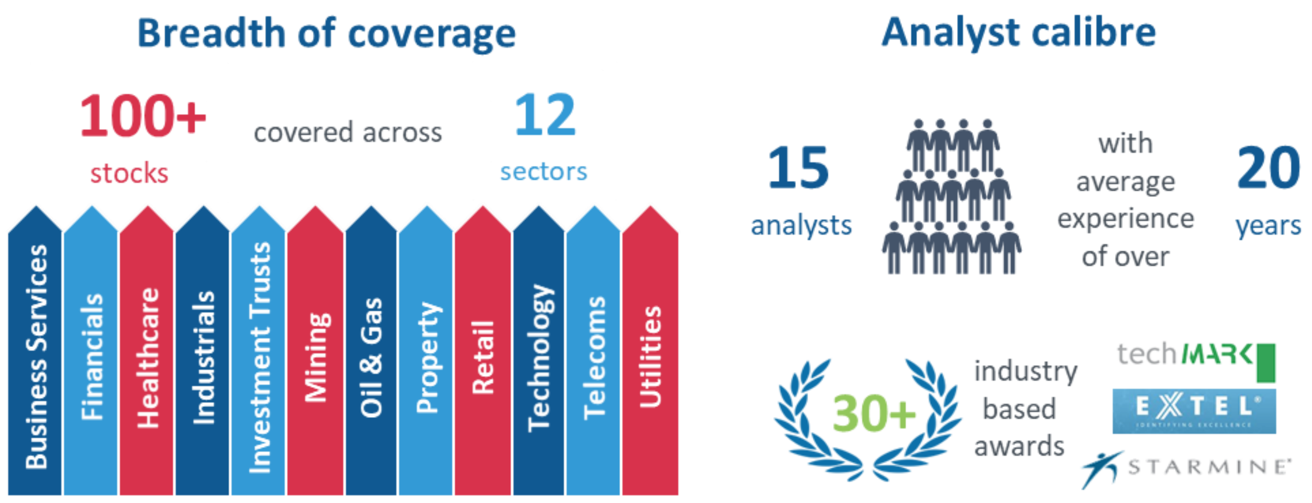
Copyright 2026 Progressive Equity Research Limited (“PERL”). All rights reserved. Progressive’s research is commissioned by the subject company under contract and is freely available to the public and all institutional investors. Progressive does not offer investors the ability to trade securities. Our publications should not, therefore, be considered an inducement under MiFID II regulations. PERL provides professional equity research services, and the companies researched pay a fee in order for this research to be made available. This report has been commissioned by the subject company and prepared and issued by PERL for publication in the United Kingdom only. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of PERL at the time of publication, and any estimates are those of PERL and not of the companies concerned unless specifically sourced otherwise. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in the securities mentioned in this report. However, PERL’s directors, officers, employees and contractors may have a position in any or related securities mentioned in this report. PERL or its affiliates may perform services or solicit business from any of the companies mentioned in this report.

The value of securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this report may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance.



To arrange a meeting with the management team, or for further information about Progressive, please contact us at:
+44 (0) 20 7781 5300
info@progressive-research.com