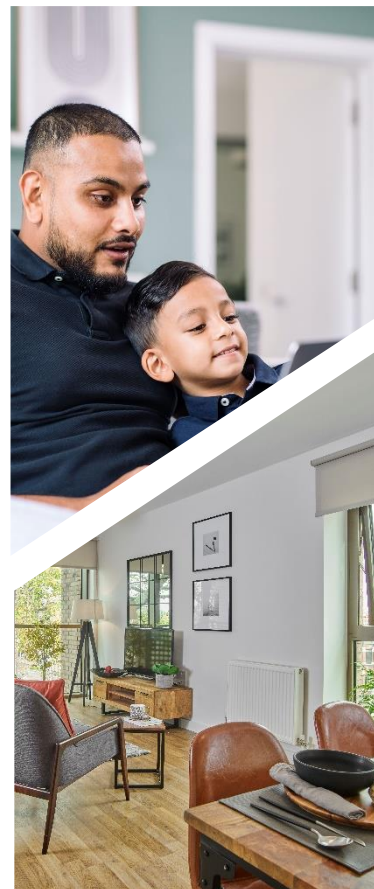


# Continued growth and strong performance

## Full Year Financial Results for the year ended 30 September 2020

19 November 2020



Investing in homes since 1912  
**grainger plc**

# Agenda

Originate

Invest

Operate

## 1. Overview

**Helen Gordon**  
Chief Executive

## 2. Financial Results

**Vanessa Simms**  
Chief Financial Officer

## 3. Market and business update

**Helen Gordon**  
Chief Executive

## 4. Summary and Q&A

**Helen Gordon**  
Chief Executive

## 5. Appendix

# Continued growth despite a challenging market

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**+16%**

NRI growth

**+3%**

L4L rental growth

**97%**

Average rent collection

# Strong performance

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Net rental income

**£73.6m**

+16%

Rental growth (L4L)

**+3.0%**

(69) bps

Adjusted earnings

**£81.8m**

(1)%

Profit before tax

**£110.8m**

(16)%

Total property return

**5.4%**

+40 bps

## Key highlights:

- NRI growth of **+16%**
- L4L rental growth of **+3.0%**
- Avg rent collection of **97%**
- Acquisitions continued (6 schemes, 1,475 homes)
- Pipeline progress and strong sales performance
- Successful £187m equity raise to fund investment pipeline and £350m bond issue

## Covid response:

- Emerge stronger through innovation, communication and improvement
- No staff furloughed
- No government support
- Dividend maintained and increased +5%
- Customer service levels maintained
- **Momentum maintained**

## ESG commitments:

1. Net zero carbon in asset operations by 2030
2. ESG integrated investment decision-making
3. Deliver positive social value
4. Diverse and inclusive workforce



FTSE4Good



Corporate Responsibility Prime  
rated by ISS-oekom



Gold



SUSTAINALYTICS  
Low risk rating



MSCI  
ESG RATINGS  
| CCC | B | BB | BBB | A | AA | AAA |

# Our Covid-19 strategy

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## 1. Innovate

**Implemented Covid-secure sales and lettings processes**

**67%** of sales profit in H2

**Doubled internet bandwidth for our customers**, free of charge

## 2. Communicate

**“During these tough times Louise has really shown commitment to her residents, even courtesy calls to check on tenants’ wellbeing.**

**Well done Grainger for going that extra mile; it does matter.”**

Mr. Quick, Grainger resident

## 3. Improve

**3,100+ hours of employee training delivered**

**Enhanced Resident Services Training and Operating Procedures**

**Continued investment in CONNECT technology platform**

## Our inhouse operating platform delivered significant value during Covid-19

- No employees furloughed
- No government financial support
- Three new schemes launched
- Dividend maintained and up +5% per share

- Minimal reliance on third parties
- Greater ability to deliver on our values and brand promises (e.g. health and safety)
- Balancing customer support with business risk

# Scalable inhouse model proven to outperform: a key competitive advantage

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## Driving forward construction and delivery of our pipeline

- Two schemes completed (375 homes)
- Two completing imminently (539 homes)
- Two planning consents secured (784 homes)
- In addition, three further planning applications submitted (780 homes)

## Investing for the long term, through cycles

- Six schemes secured in FY20 (1,475 homes)
- Enhanced city strategy & analysis
- Integrating ESG into investment decision-making



- 97% avg rent collection
- 3.0% rental growth (L4L)

**Direct control of our assets and direct relationship with our customers**

- 95% avg occupancy
- Scalable platform



# Operational excellence

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Building on 108 years of experience renting homes

## Our scalable in-house operating platform delivers...

Higher  
occupancy



Higher rent  
collection



Better  
customer  
satisfaction



**34** months

PRS customer  
Avg length of stay

...Stronger more sustainable rental income

## Actions taken in FY20

Enhanced Resident Services Operating Procedures

Enhanced Resident Services Team **Training**

Launched the **Grainger Academy** providing training and development for our people

**Doubled internet bandwidth** for our customers free of charge

Rolled out a **Resident Support Programme**, e.g. Wellness Wednesdays

All powered by our investment in **Technology**



Every home  
matters



People at  
the heart

Renting  
homes,  
enriching  
lives



Leading  
the way



Exceeding  
expectations

# Significant growth momentum

## £1,085m secured pipeline

Originate

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FY20 OPERATIONAL PORTFOLIO  
8,941 homes, £2.7bn

PIPELINE  
8,950 homes, £2.1bn



- **New investments:** secured 6 schemes delivering 1,475 new homes representing over £400m of additional pipeline investment
- **New planning consents:**
  - Waterloo planning consent for 215 PRS homes achieved in the year
  - Besson Street planning approval for 324 new homes in our joint venture with the London Borough of Lewisham
  - Approval at Southall for 460 new homes in our JV with TfL with 3 more schemes currently in the planning process, totalling over 1,200 homes
- **Schemes delivered:** Millet Place and Solstice apartments completed with Apex Gardens and The Filaments to be delivered shortly, totalling 914 homes



# A proven strategy, platform and business model

Originate

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Operate

- **2020 has tested our business and we have performed well**
- **In-house model:** development, investment and operations in-house delivered outperformance in a challenging market
- **Long term:** our PRS strategy has proven its resilience
- **Mid market:** lower risk through a higher affordability buffer

## Growth momentum maintained

## 2. FY20 Financial Results

Vanessa Simms  
Chief Financial Officer



Investing in homes since 1912  
**grainger plc**

# Financial highlights

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## Enhancing performance through our inhouse operating platform

Income	FY19	FY20	Change
Rental growth (like-for-like)	3.6%	<b>3.0%</b>	(69) bps
Net rental income	£63.5m	<b>£73.6m</b>	+16%
Adjusted earnings	£82.5m	<b>£81.8m</b>	(1)%
Profit before tax	£131.3m	<b>£110.8m</b>	(16)%
Dividend per share	5.19p	<b>5.47p</b>	+5%
Capital	FY19	FY20	Change
EPRA NTA per share	278p	<b>285p</b>	+3%
Total Property Return	5.0%	<b>5.4%</b>	40 bps
Total Accounting Return*	3.7%	<b>3.6%</b>	(16) bps
Reversionary surplus	£302m	<b>£301m</b>	(0)%
Net debt	£1,097m	<b>£1,032m</b>	(6)%
Group LTV	37.1%	<b>33.4%</b>	(371) bps
Cost of debt (average)	3.2%	<b>3.1%</b>	(12) bps

\* Based on EPRA NTA

# Income statement

## Continued growth in net rental income

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Invest

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### Key highlights:

#### ■ NRI growth continues

- Stabilised gross to net = 25.0%
- Overall gross to net = 25.9%  
(including new openings)
- NRI 54% of overall income

#### ■ Sales performance

- 67% of residential sales profit generated in H2
- Selling at 2.0% ahead of valuations
- Sales velocity maintained at 120 days
- Annualised vacancy rate of 6.4% in regulated tenancy portfolio

#### ■ Joint ventures:

- FY19 includes one quarter of GRIP
- FY20 includes TfL pre-contract costs

#### ■ Strong cost control maintained

	FY19	FY20	Change
Net rental income	£63.5m	<b>£73.6m</b>	+16%
Profit from residential sales	£60.4m	<b>£59.4m</b>	(2)%
Profit from development	£7.4m	<b>£4.2m</b>	(43)%
Mortgage income (CHARM)	£5.5m	<b>£5.1m</b>	(7)%
Management fees	£4.4m	<b>£3.5m</b>	(20)%
Overheads	£(28.0)m	<b>£(28.7)m</b>	+2%
Pre-contract costs	£(0.6)m	<b>£(0.6)m</b>	+0%
Joint ventures	£2.0m	<b>£(0.7)m</b>	(135)%
Net finance costs	£(32.1)m	<b>£(34.0)m</b>	+6%
<b>Adjusted earnings</b>	<b>£82.5m</b>	<b>£81.8m</b>	<b>(1)%</b>
Adjusted EPS (diluted, after tax)	11.5p	<b>10.2p</b>	(11)%
<b>Profit before tax</b>	£131.3m	<b>£110.8m</b>	(16)%
Earnings per share (diluted, after tax)	19.8p	<b>14.2p</b>	(28)%
<b>Adjusted EPRA Earnings</b>	£28.8m	<b>£26.1m</b>	(9)%

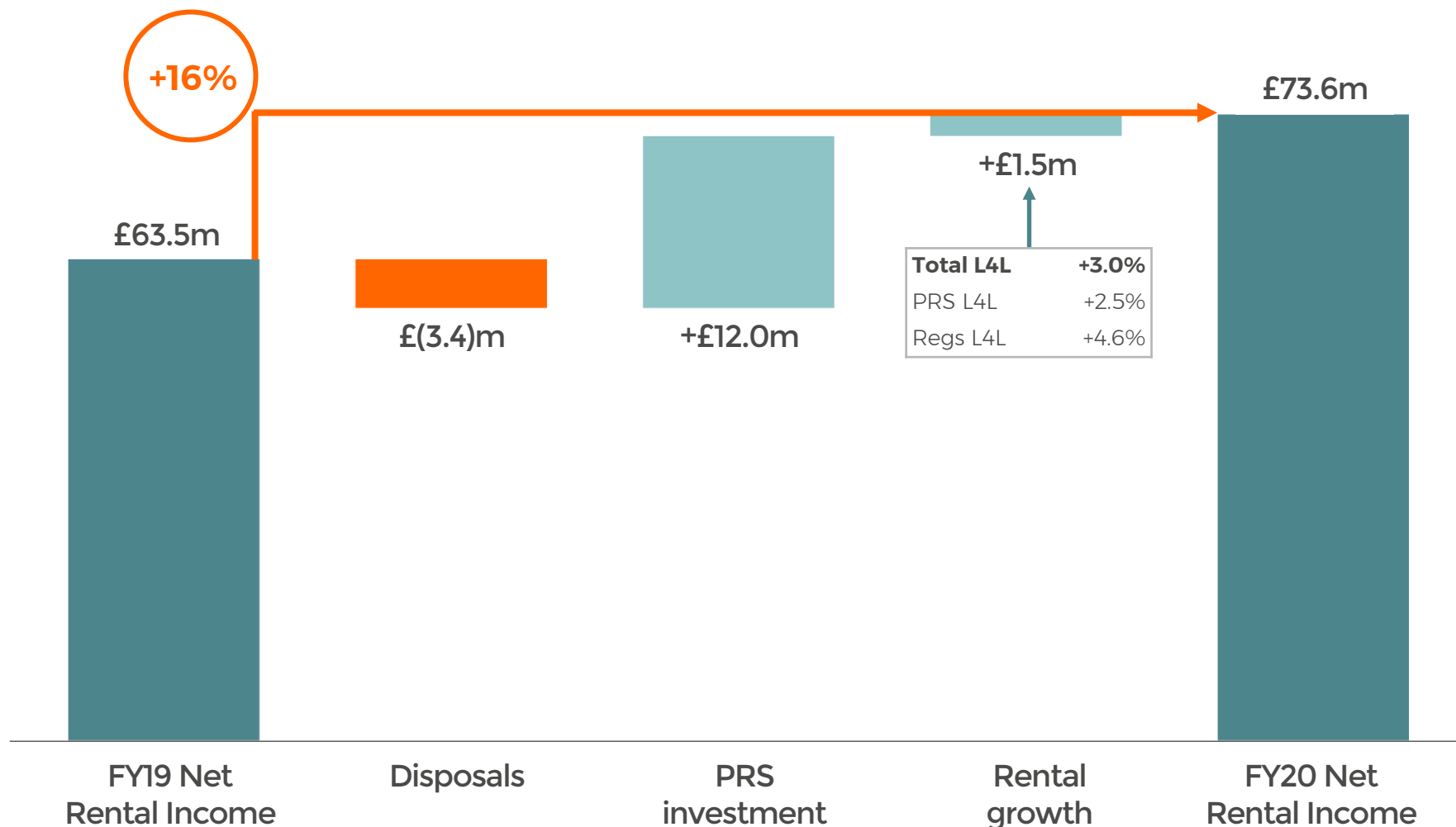
# Net rental income growth

PRS investment delivering NRI and dividend growth

Originate

Invest

Operate



# Rental income resilience continues

Rental growth and cash collections have remained strong

Originate

Invest

Operate

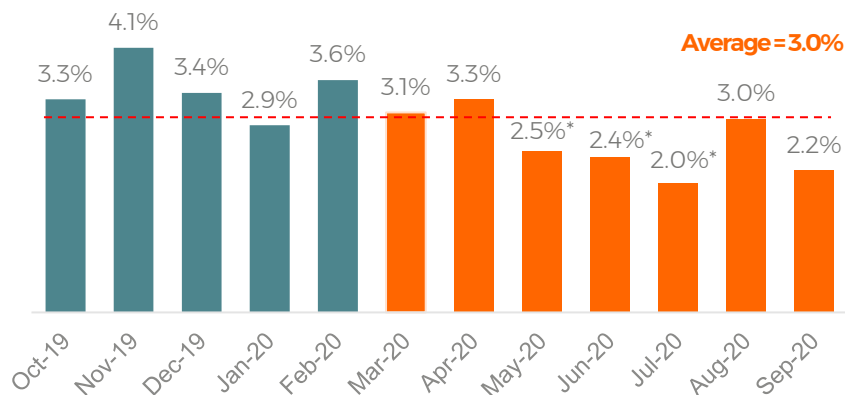
## Rental Growth

- Strong rental growth at 3.0%  
(H1: 3.4%, H2: 2.6%)
  - PRS rental growth at 2.5%
    - Renewals 2.5%
    - New lets 2.6%
  - Regulated portfolio at 4.6%
- Average occupancy at 95%

## Rent Collection

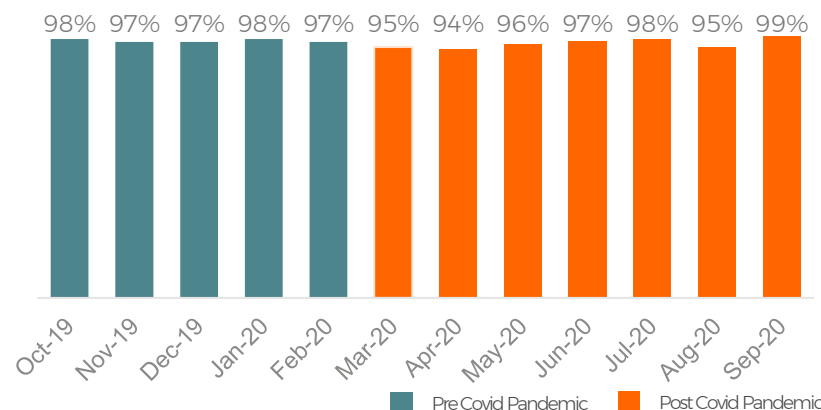
- Consistently high rent collection
- In-house operations and customer relationships vital to strong performance
- Mid market product & diverse customer profile have proved resilient
- Low residential arrears at 1.8%

## Rental growth continues



\*higher level of renewals

## Monthly rent collected on time



# EPRA Net Asset Values

EPRA NTA per share growth of 3%

Originate

Invest

Operate

	£m	pence per share
Property assets (market value)	3,085	457
Net liabilities	(1,032)	(153)
<b>EPRA Net Reinstatement Value (NRV)</b>	<b>2,053</b>	<b>304</b>
Tax – deferred & contingent – trading assets	(109)	(16)
Exclude: Intangible assets	(23)	(3)
<b>EPRA Net Tangible Assets (NTA)</b>	<b>1,921</b>	<b>285</b>
Add back: Intangible assets	23	3
Tax – deferred & contingent – investment assets	(24)	(3)
Mark to market fixed rate debt and derivatives	(57)	(9)
<b>EPRA Net Disposal Value (NDV)</b>	<b>1,863</b>	<b>276</b>
<b>Reversionary surplus</b> – excluded from NAV metrics	<b>301</b>	<b>45</b>

EPRA Net Tangible  
Assets (NTA)

**285pps**

+3%

EPRA measures

EPRA NTA is the most  
appropriate NAV measure

Reversionary surplus

£301m of reversionary  
surplus to crystallise

**+45pps**



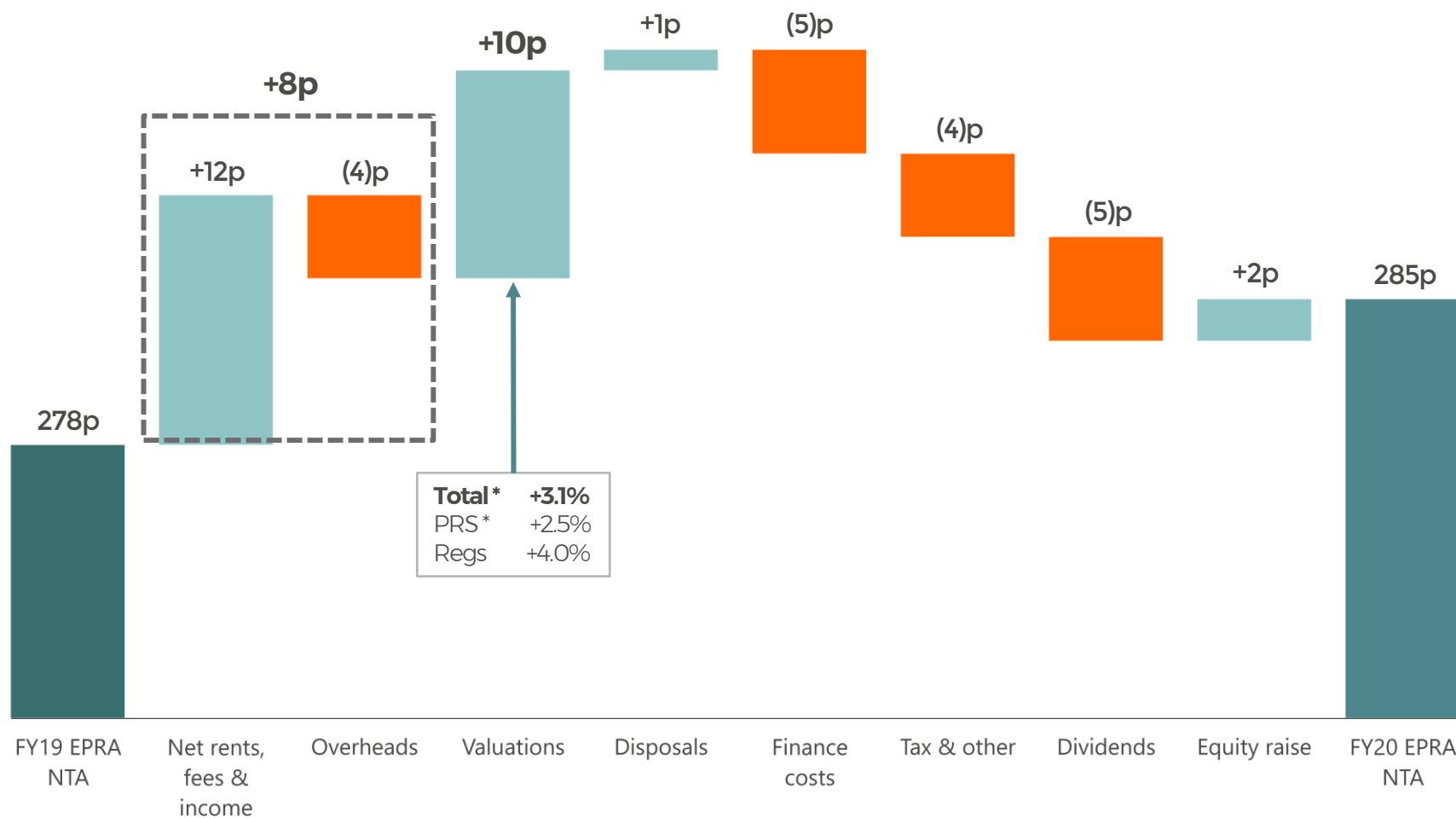
# EPRA Net Tangible Assets (NTA)

Earnings and valuation key drivers of growth

Originate

Invest

Operate



\* Includes stabilised assets only

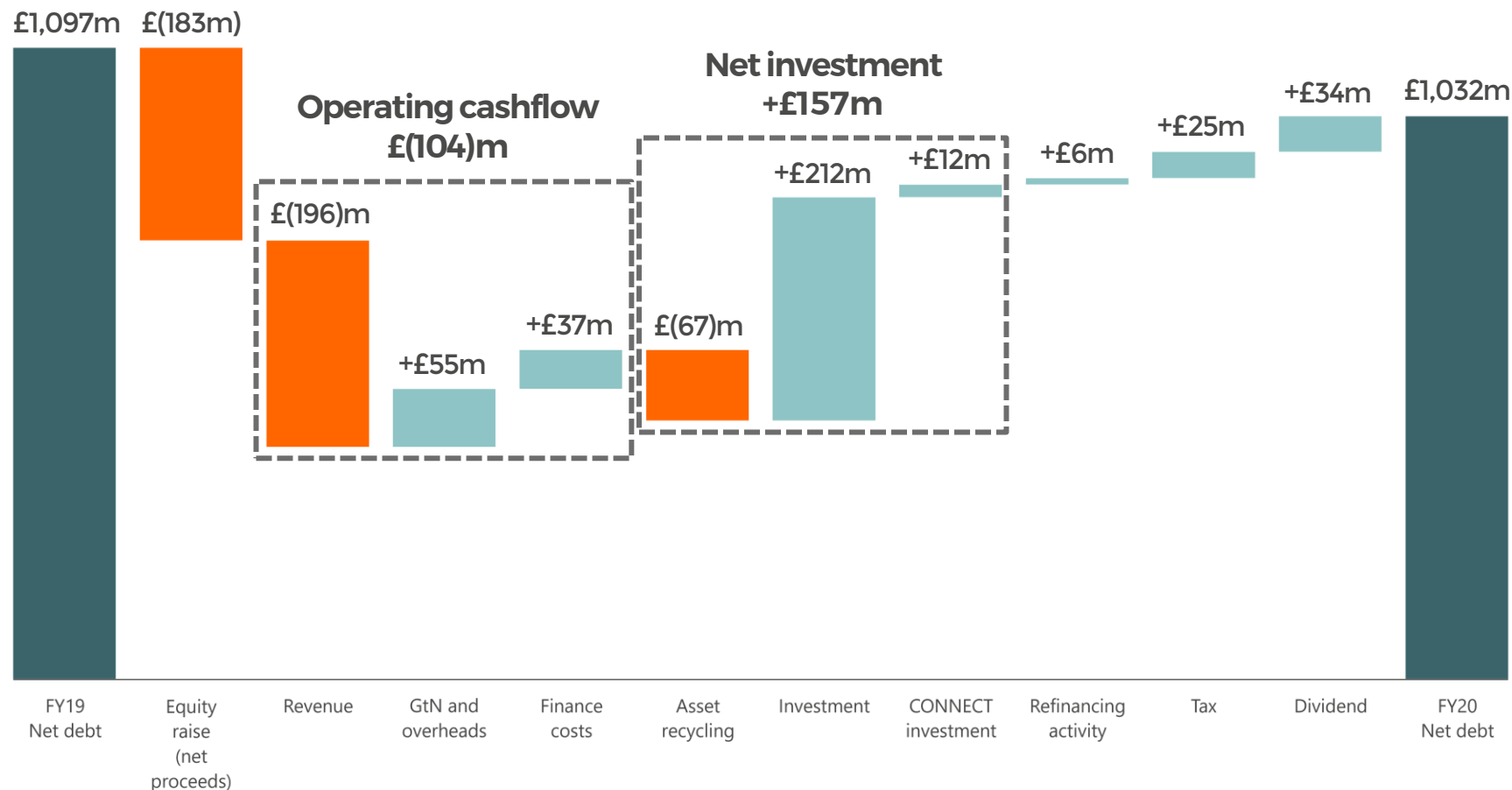
# Net debt

Originate

Invest

Operate

Strong operational cashflow supports our growth plans



# Robust and flexible capital structure

Low risk, flexible capital structure to support growth

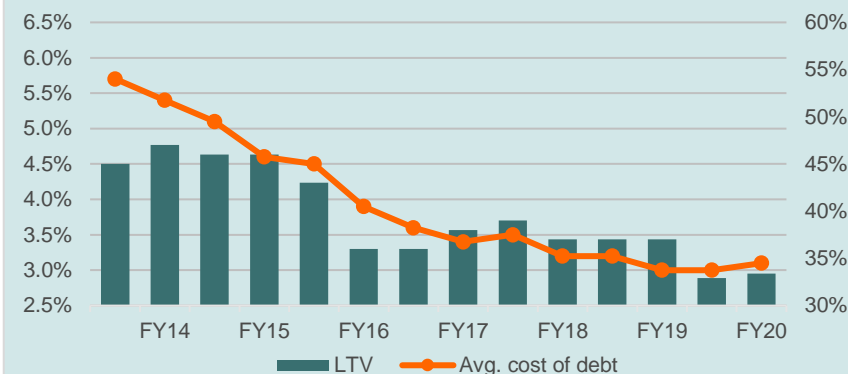
Originate

Invest

Operate

	FY20
Net debt	£1,032m
Loan to value	33.4%
Cost of debt (average)	3.1%
Incremental cost of debt	1.6%
Fully drawn cost of debt	2.8%
Headroom	£650m
Weighted average facility maturity <sup>^</sup>	6.6 years

## Cost of debt



## Funding strategy: Diversification, lower debt cost, extend maturity

### Equity raise

Delivering net proceeds of £183m

### £350m bond issue

10 year term with a 3% coupon

### Credit rating affirmed

S&P affirmed our credit rating with a stable outlook in May at the height of the Covid-19 lockdown

### Diverse sources

A variety of lenders, reducing risk and optimising costs and structure

<sup>^</sup> Including extension options

# Liquidity and capex

## £650m headroom to fund investment pipeline

Originate

Invest

Operate

### Strong liquidity

- Strong headroom of £650m from cash and available facilities
  - £318m of cash
  - £332m available facilities

### Committed capex funded

- Capital expenditure plans covered by headroom
- Total committed capex of £550m

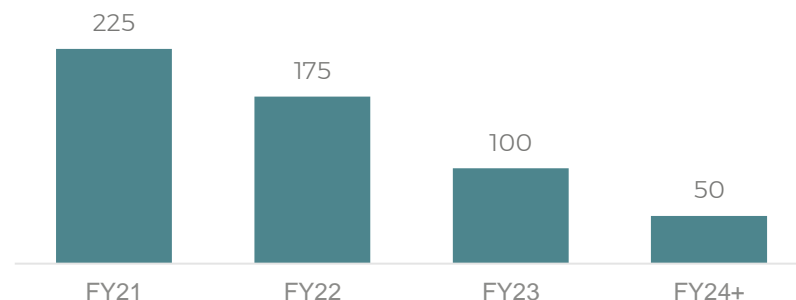
### LTV to remain below 40%

- LTV expected to remain below our target range of 40%-45% in near term
- LTV excludes reversionary surplus of £301m which reduces LTV to 30.5%

### Current liquidity position (£m)



### Committed capex phasing\* (£m)



\* Excluding Waterloo & Seven Sisters

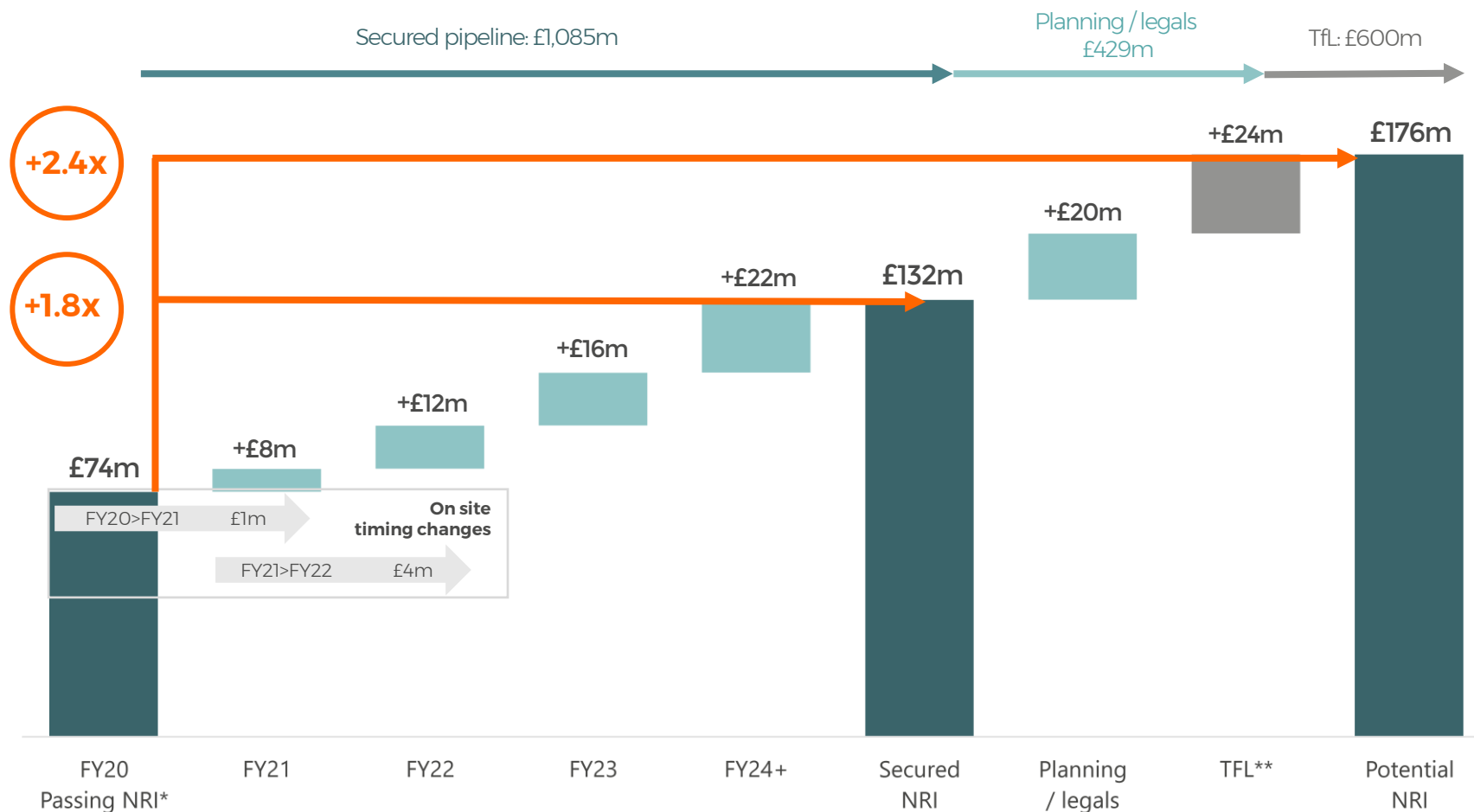
# Net rent progression

## Dividend growth underpinned by NRI growth

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\* FY20 Passing net rent includes new openings in the year when stabilised.

\*\* Tfl Partnership - indicative estimate of Grainger's unlevered 51% share based on c.3,000 units at an assumed £400k per unit and 4% NY. Excludes rental growth from operational portfolio and disposals & asset recycling.

## Proven resilience & continued progress in our PRS strategy

- **Strong performance:** +16% NRI growth from the delivery of our PRS pipeline
- **In-house model:** proven to deliver operational outperformance
- **Capital structure:** strong balance sheet and liquidity, and our flexible approach supports ongoing growth
- **Support for continued growth:** equity placing and bond issue has accelerated our strategic growth plans

## Proven resilience & continued growth

# 3. Market and business update

Helen Gordon  
Chief Executive



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# The market leader in a compelling sector

Originate

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Operate

## Why PRS



### Compelling long-term returns



**Underpinned by structural supply demand imbalance**



### **PRS demand growing**

**4.5m** to **7.2m** by 2025



**Supply reducing**



### **Competition's progress limited**

**1%** market share of large-scale landlords (BTR)



**Inflation linked rent growth**



### **Professionalisation**

Policy changes encouraging professional operators and discouraging private, amateur landlords



### **No prospect of rent controls**

Government confirms its opposition to rent control

## Why Grainger



### Market leader with the largest PRS portfolio of a PLC



**£2.1bn** pipeline to come



### **Fully integrated business model**

We originate, invest and operate all in house



### **Excellent customer service**

Supported by technology



**Research led capital allocation**



**Depth of experience**



### **Partner of choice**

Trusted public sector partner (e.g. TfL)



**Strong balance sheet**

# PRS fundamentals remain strong

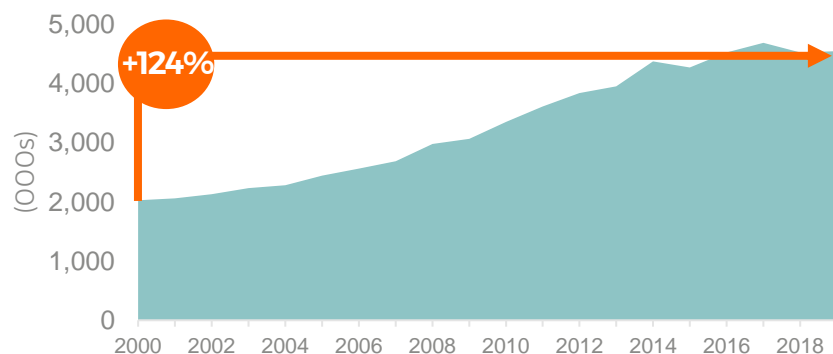
Originate

Invest

Operate

## +124% growth in PRS since 2000

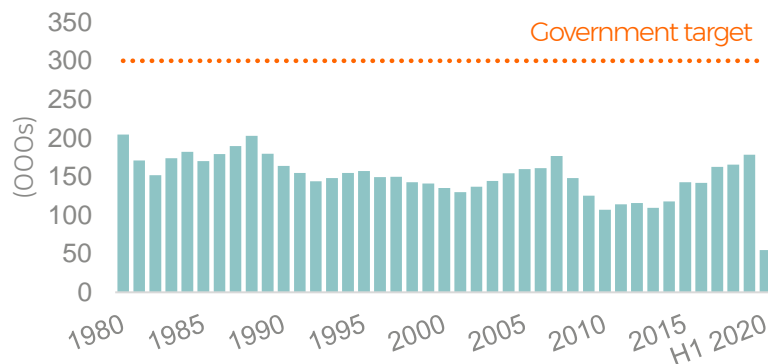
### PRS households



Source: English Housing Survey 2018/19

## Undersupply underpins pricing

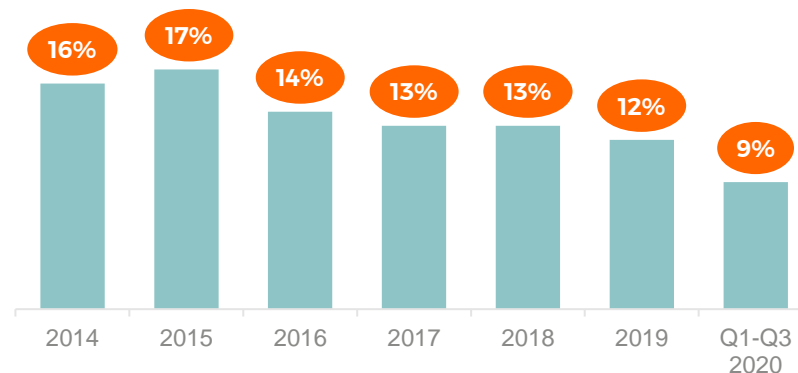
### New build completions, England



Source: MHCLG

## Private landlords shrinking as a % of the market

### Share of homes bought by landlords



Source: Hamptons International

## No rent controls

***“The Government currently has no plans to introduce rent controls nor to provide local authorities with the powers to introduce rent controls.”***

*– Housing Minister, Oct 2020*

# PRS fundamentals remain strong (continued)

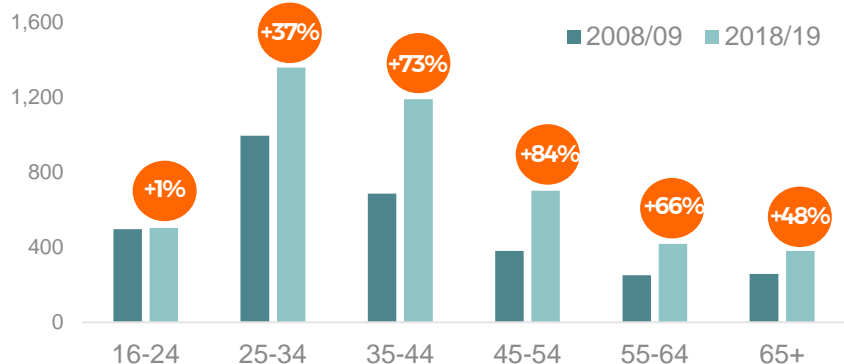
Originate

Invest

Operate

## Strong growth among all ages over 25

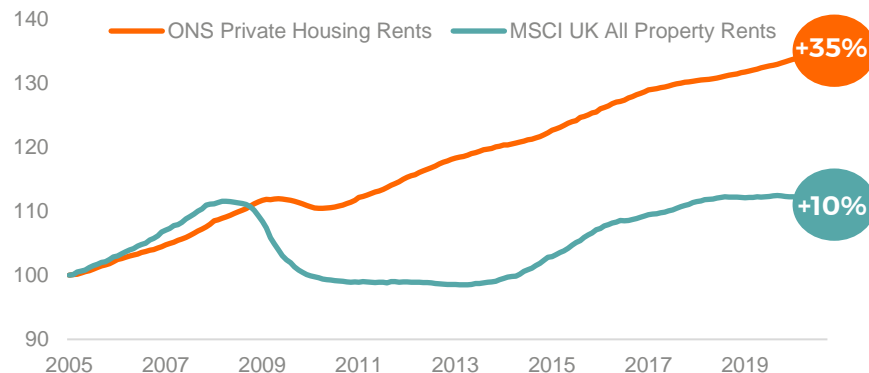
### PRS households ('000s)



Source: English Housing Survey 2018/19

## PRS outperforms other asset classes

### Residential rents show low volatility (2005 = 100)

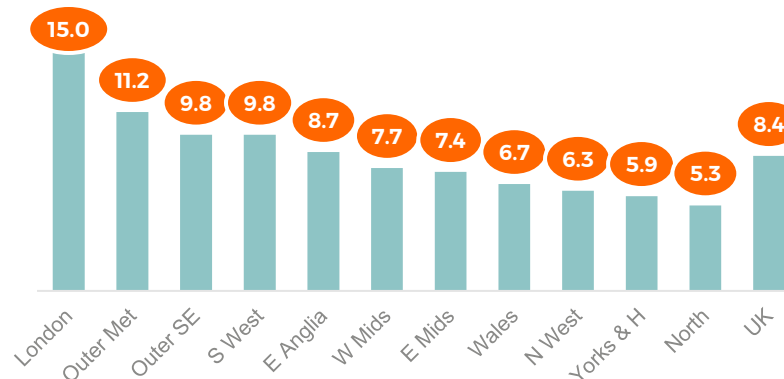


Source: MSCI, ONS

\*Average time it would take someone earning the typical wage in each region to save a 20% deposit to buy the typical FTB property, assuming they set aside 15% of their take home pay each month.

## Ownership affordability stretched

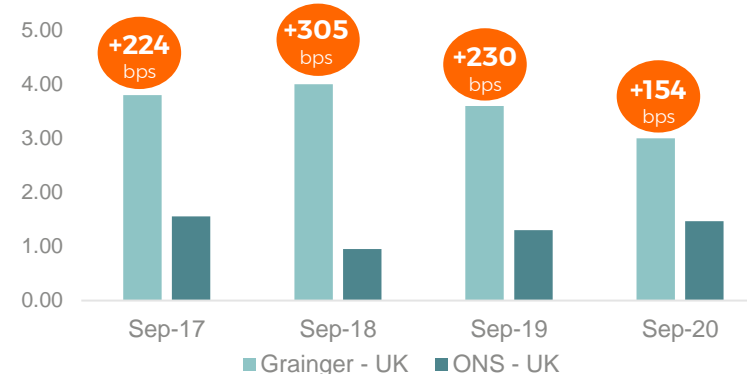
### Years to save 20% deposit for typical first-time buyer\*



Source: Nationwide

## Grainger's market outperformance

### Like-for-like rental growth (% YoY)



Source: ONS, Company data

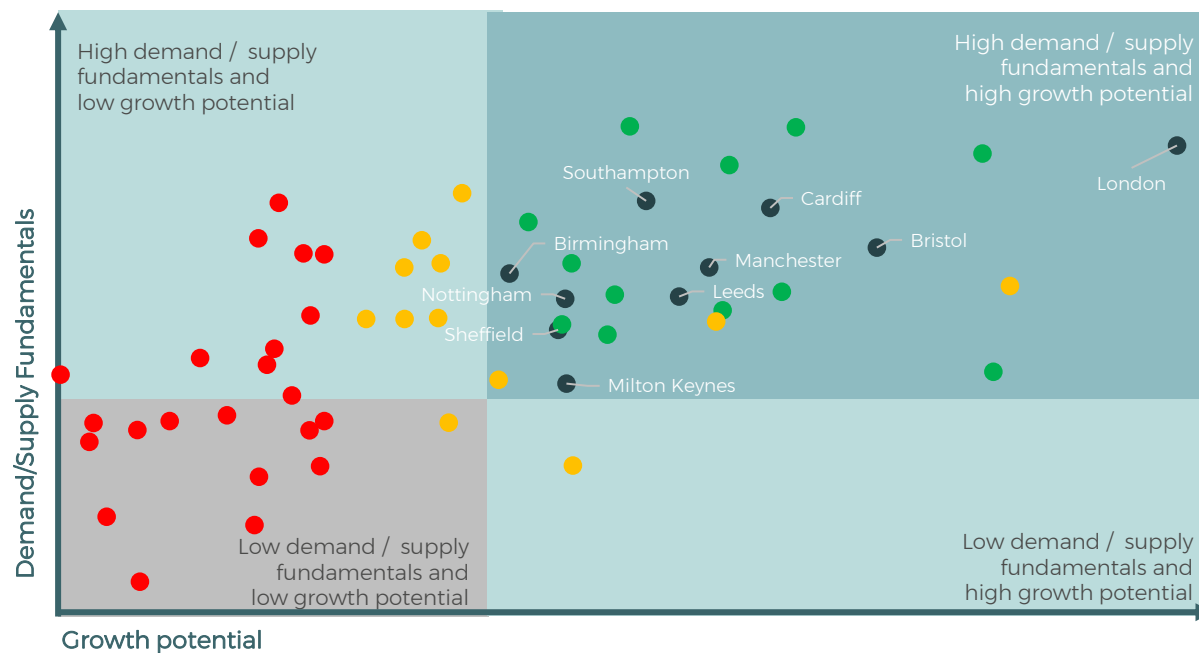
# Enhancing our cities strategy

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Operate

## Evolving our proprietary research to maintain our market leading position



- Schemes secured
- Target locations
- Under review
- Not under consideration

- ▀ Proprietary research
- ▀ Improved data, methodology and analysis
- ▀ Dual approach:
  - ▀ Top-down city level data & analysis
  - ▀ Bottom-up local authority level data & analysis

Analysed 378 local authorities

Ranked on six success factors

Analysed 62 cities

Underpinned by 18 economic datasets

Targeting 22 cities

Detailed demographic and rental market analysis

# Building our portfolio across the UK

Research led investment strategy and asset clustering to deliver operational efficiencies

MANCHESTER (PRS Homes)		1,647
Operational		1,271
Pipeline		
Gore Street		376

BIRMINGHAM (PRS Homes)		531
Pipeline		
Gilders Yard		156
Exchange Square		375

WEST & WALES (PRS Homes)		1,049
Operational (inc 194 at Hawkins & George)		511
Pipeline		
Millwrights Place*		231
Capital Quarter, Cardiff		307

SOUTH (PRS Homes)		827
Operational (inc 107 at Gunhill)		365
Pipeline		
East Street, Southampton		132
Newbury		232
Guildford Station		98

Originate	Invest	Operate
-----------	--------	---------

LEEDS & SHEFFIELD (PRS Homes)		1,488
-------------------------------	--	-------

Operational (inc 237 at Brook Place)		398
---	--	-----

Pipeline		
Yorkshire Post, Leeds		242
Fabrik, Leeds		216
Well Meadow, Sheffield		284
Queens Road, Nottingham		348

MILTON KEYNES (PRS Homes)		400
---------------------------	--	-----

Operational (inc 139 at Silbury Blvd)		139
--	--	-----

Pipeline		
YMCA		261

LONDON (PRS Homes)		6,235
--------------------	--	-------

Operational (inc 154 at Pontoon Dock)		1,951
--	--	-------

Pipeline		
Apex House		163
Hale Wharf		108
Canning Town 2		146
Besson Street		324
Seven Sisters		196
TfL Partnership		3,000+
Waterloo		215
Canning Town 3		132

\* Announced project within the planning & legal pipeline  
Secured in FY20 and supported by February's equity raise

# Extensive political engagement, differentiating the professional, institutional landlord

Originate

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## Lending our support and ensuring our voice is heard

### Promoting the benefits we bring

Investing and delivering  
homes through cycles

High housing safety  
standards

### Leading by example

Self-governed customer  
support measures put in place

No government intervention  
required

No rent holidays  
No rent controls

### Raising standards

Greater security for tenants  
with longer term tenancies

Greater safety standards

Better design, supporting  
wellbeing

### Key engagements during the year:

- Ministerial discussions on rental housing during the pandemic
- GLA Housing Taskforce
- Industry Safety Standards Board
- Planning and Development Advisory Forum
- Property tours



# Safe and secure homes

## Our commitment to our residents

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Operate

### Live.Safe 2.0



#### Evolving our in house H&S programme

- ▀ Investment in people and training
- ▀ Technology enabled
- ▀ Rapid Covid-19 response

### Covid-19 Response



#### Looking after our customers

- ▀ Communicating with our customers
- ▀ One way & booking systems implemented
- ▀ Increased cleaning & onsite PPE

### Fire Safety



#### Embedded across our business

- ▀ Considered throughout investment, development & operations
- ▀ Engaged in building design and fire safety strategy





# Delivering a positive social impact

Originate

Invest

Operate

1

## Resident support

- Regular communications during Covid-19
- Initiated a buddy system and wellbeing check-ins
- Personal conversations and payment plans for those in need
- >200 residents and community events
- LiveSafe commitment to ensure our homes continue to be a safe environment

2

## Workforce wellbeing

- Started an employee led Diversity and Inclusion network
- Introduced a new Employee Assistance app
- Promoted mental and physical health initiatives
- Joined Carers UK to support colleagues with caring responsibilities

3

## Contributing to our communities

- Developed blueprint for best practice community engagement
- Piloting social value measurement for our properties and operations
- Supporting BPF's Social Value Steering Group
- Raised over £30,000 for LandAid

We don't just build houses, we build homes and communities

# Net zero carbon by 2030 for operational buildings

Originate

Invest

Operate

## World Green Building Council's Net Zero Carbon Buildings Commitment Signatory

committing to only owning assets operating at net zero carbon within areas of direct control by 2030

### Our approach

#### ■ Be Lean

*Enhance the energy efficiency of our assets*

#### ■ Be Clean

*Invest in low carbon energy systems*

#### ■ Be Green

*Procure 100% renewable energy*

### Key activities in FY20

- **Energy efficiency** - improving ratings of PRS properties with 80% rated A-C. Refurbishment programme achieving energy savings of up to 51%
- **New technology** - trialling new low carbon and renewable energy systems including 139 heat pumps installed at Solstice Apartments
- **Renewable sources** - transitioning to renewable electricity, increasing renewable electricity to 83% of properties



# Five new openings in FY21

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Operate

## Delivering in H1



### **Apex Gardens, Tottenham, London**

- ▀ 163 PRS homes
- ▀ £60m investment
- ▀ c.6.5% gross yield targeted



### **The Filaments, Gore Street, Manchester**

- ▀ 376 PRS homes
- ▀ £80m investment
- ▀ c.7% gross yield targeted

## Delivering in H2



### **Gatehouse Apts, East Street, Southampton**

- ▀ 132 PRS homes
- ▀ £28m investment
- ▀ c.6.5% gross yield targeted



### **Windlass Apts, Tottenham Hale, London**

- ▀ 108 PRS homes
- ▀ £41m investment
- ▀ c.5.5-6% gross yield targeted

1,021

new PRS homes to  
be delivered in  
FY21



### **The Headline, Yorkshire Post, Leeds**

- ▀ 242 PRS homes
- ▀ £42m investment
- ▀ c.7% gross yield targeted

## Continued growth despite a challenging market

**Our strategy, platform and business model have delivered significant value**

---

- Strong performance despite Covid-19
- Growth momentum maintained
- Commitment to operational excellence a proven success

**Looking ahead: more significant value to come**

---

- **Growth market:** PRS demand set to continue to grow
- **Significant growth potential:** a market leader with a pipeline with the potential to more than double NRI



# Thank you

## Q&A



Solstice Apartments, Milton Keynes

Investing in homes since 1912  
**grainger plc**

# Appendix

Originate

Invest

Operate

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Cumulative funding capacity	Page 46
Secured pipeline projects	Page 47
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### 2. Financial information

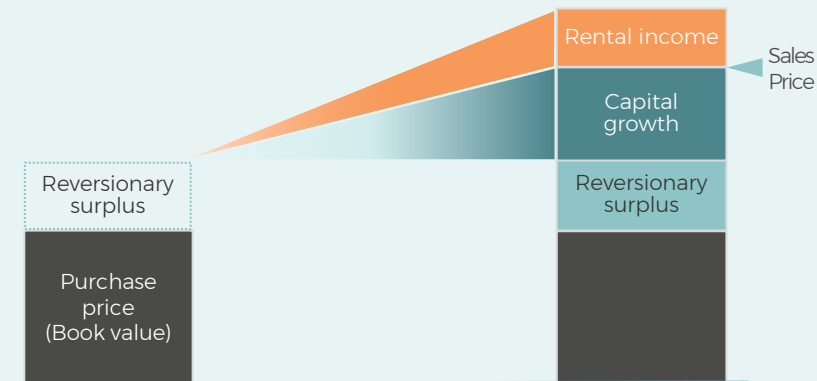
Segmental income statement	Page 49
Balance sheet	Page 50
Segmental balance sheet	Page 51
EPRA Earnings	Page 52
EPRA NAV Metrics	Page 53
Debt facilities schedule	Page 54

### 3. Other

Our approach to Covid-19	Page 55
Future reporting dates	Page 56

## Regulated tenancies

- Tenant has the right to live in the property for the rest of their life
- Sub-market rent set by Valuation Office Agency
- Upon vacancy Grainger sells the property
- Returns comprise
  - Resilient rental income: typically 2-4% gross yield, increasing at RPI+5% over two years
  - Capital growth during investment period
  - Reversionary surplus realised upon vacancy: typically 18%-20% uplift
- Long term, predictable source of cash generation



## PRS

- Leases with typical duration of 1-3 years
- Market rents
- Returns based on
  - Securing rental income at gross yields on cost of 6-7.5%
  - Capital growth
- Securing schemes in areas with high demand and rental growth potential
- Significant opportunity for growth underpinned by long term and structural trends
- Investment funded through cash generated from regulated portfolio and asset recycling





# Portfolio summary

Originate

Invest

Operate

	Units	Market value £m	Vacant possession value £m	Reversionary surplus £m	Net yield
Residential – PRS	5,817	1,624	1,745	121	4.0%
Residential – regulated tenancies	2,494	968	1,147	179	2.0%
Residential – mortgages (CHARM)	476	73	73	-	
Forward Funded – PRS work in progress	-	231	231	-	
Development work in progress	-	147	147	-	
<b>Wholly-owned assets</b>	<b>8,787</b>	<b>3,043</b>	<b>3,343</b>	<b>300</b>	
Co-investment (Grainger share)*	31	14	15	1	
<b>Total investments</b>	<b>8,818</b>	<b>3,057</b>	<b>3,358</b>	<b>301</b>	
Assets under management (third party share)*	123	58	62	4	
<b>Total assets under management</b>	<b>8,941</b>	<b>3,115</b>	<b>3,420</b>	<b>305</b>	

## Reconciliation of assets under management

Residential – PRS	5,971	1,696	1,822	126
Residential – reversionary (regulated tenancies and CHARM)	2,970	1,041	1,220	179
Forward Funded – PRS work in progress	-	231	231	-
Development work in progress	-	147	147	-
<b>Total assets under management</b>	<b>8,941</b>	<b>3,115</b>	<b>3,420</b>	<b>305</b>

\* Co-investment includes the 20% of Vesta JV owned by Grainger, whilst assets under management reflects the residual 80% of Vesta JV owned externally to the Group.

# Portfolio geographical breakdown

Originate

Invest

Operate

## PRS & Reversionary\* (wholly owned and Vesta)

Region	PRS units	PRS market value £m	Reversionary units	Reversionary market value £m	Total units	Total market value £m
Central / Inner London	1,294	584	891	592	2,185	1,176
Outer London	805	368	231	97	1,036	465
South East	984	177	327	97	1,311	274
South West	514	190	291	52	805	242
East and Midlands	216	45	683	126	899	171
North West	1,656	260	284	42	1,940	302
Other regions	502	72	263	35	765	107
<b>Total</b>	<b>5,971</b>	<b>1,696**</b>	<b>2,970</b>	<b>1,041</b>	<b>8,941</b>	<b>2,737</b>

\* Regulated tenancies and mortgages (CHARM)

\*\* Excluding forward funded PRS work in progress and development work in progress

# Valuation movements by region

Originate

Invest

Operate

## FY20

Region	Units	Market value £m	Change since FY19	Avg house price Avg VP per unit £000s
Central / Inner London	2,183	1,176	+2.3%	608
Outer London	877	391	+5.3%	507
South East	1,241	261	+5.6%	257
South West	720	228	+3.8%	329
East and Midlands	742	147	+3.3%	221
North West	1,871	294	+3.1%	164
Other regions	677	95	+4.7%	140
<b>Total</b>	<b>8,311</b>	<b>2,592</b>	<b>+3.4%</b>	<b>348</b>

The table above includes wholly owned PRS and regulated tenancy assets only. It excludes 476 units and £73m of market value relating to mortgages (CHARM), as well as forward funded PRS work in progress, development work in progress and co-investment

# Portfolio geographical breakdown

Originate

Invest

Operate

## PRS & Regulated tenancies (FY20)

Region	PRS				Regulated tenancies			
	Units	Market value £m	Change since FY19	Net yield	Units	Market value £m	Change since FY19	Net yield
Central / Inner London	1,294	584	+1.4%	3.4%	889	592	+3.1%	1.6%
Outer London	651	296	+5.2%	3.4%	226	95	+5.8%	2.0%
South East	984	177	+5.9%	3.7%	257	84	+4.8%	2.5%
South West	514	190	+3.1%	4.7%	206	38	+6.9%	3.2%
East and Midlands	216	45	(0.7)%	4.4%	526	102	+5.1%	2.7%
North West	1,656	260	+2.8%	5.1%	215	34	+6.0%	3.0%
Other regions	502	72	+4.9%	4.8%	175	23	+4.4%	3.8%
<b>Total</b>	<b>5,817</b>	<b>1,624</b>	<b>+3.1%</b>	<b>4.0%</b>	<b>2,494</b>	<b>968</b>	<b>+4.0%</b>	<b>2.0%</b>

The table above includes wholly owned PRS and regulated tenancy assets only. It excludes 476 units and £73m of market value relating to mortgages (CHARM), as well as forward funded PRS work in progress, development work in progress and co-investment

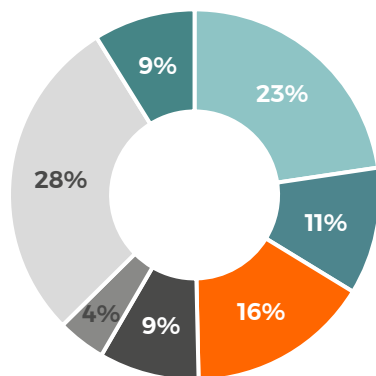
# PRS portfolio by geography

Originate

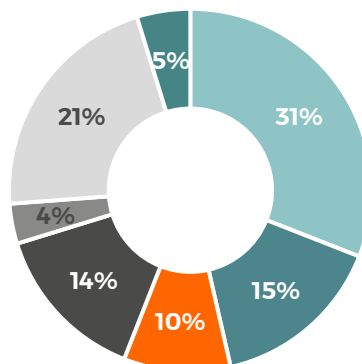
Invest

Operate

## Geographic breakdown by units



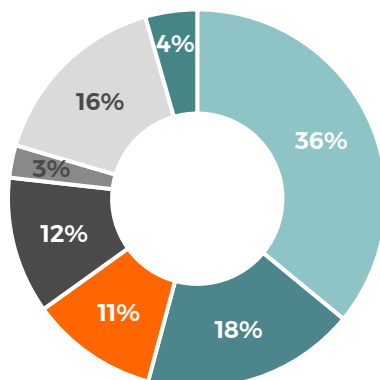
## Geographic breakdown by Rent (£m)



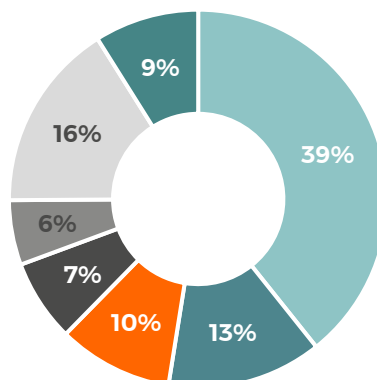
## Key

- Central / Inner London
- Outer London
- South East
- South West
- East and Midlands
- North West
- Other Regions

## Geographic breakdown by value (£m)



## Post secured pipeline geographic breakdown by value (£m)

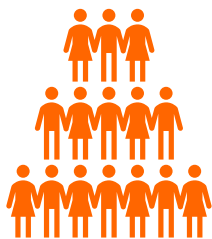
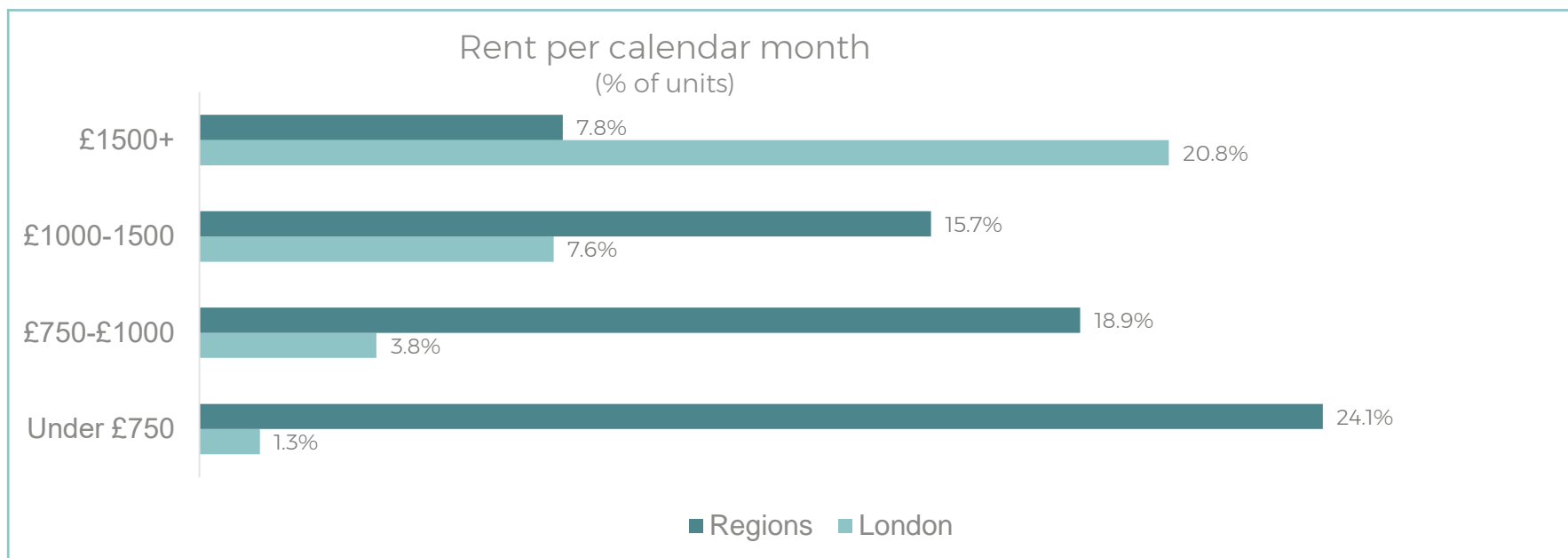


## Top assets by annual ERV (>£1m)

Asset	City	Postcode	Units	Unit mix			Area Sq feet	Annual ERV
				Studio/1 bed	2 bed	3 bed		
Clippers Quay	Manchester	M50 3AF	614	178	370	66	444,178	£8.2m
Hawkins & George	Bristol	BS1 6WQ	194	109	85	-	116,486	£3.4m
The Gardens	London	SE22 9QE	208	141	60	7	112,830	£3.3m
Argo Apartments	London	E16 1ED	134	66	68	-	94,313	£2.8m
Ability Plaza	London	E8 4DT	101	50	49	2	85,468	£2.6m
Brook Place	Sheffield	S11 8BR	237	137	100	-	133,238	£2.5m
Springfield House	London	E8 2LY	85	38	28	19*	89,089	£2.5m
Ability Towers	London	EC1V 8AW	90	19	71	-	74,654	£2.4m
Kew Bridge Court	London	W4 3AZ	98	12	75	11*	77,552	£2.2m
Solstice Apartments	Milton Keynes	MK9 3EY	139	66	73	-	85,577	£2.1m
The Rock	Manchester	BL9 0QY	233	133	100	-	140,932^	£2.0m
Mitre Road	London	SE1 8PY	100	35	43	23*	58,503^	£1.8m
Abbeville Apartments	London	IG11 8FW	100	54	36	10	65,088	£1.7m
Gunhill	Hampshire	GU11 1FH	107	40	47	20*	86,654	£1.6m
Resi Salford	Manchester	M5 3LE	138	17	75	46	104,124^	£1.4m
Berewood PRS	Hampshire	PO7 3BH	104	13	45	46*	81,375	£1.3m
Grove House	London	E9 7QP	35	2	24	9	44,967	£1.3m
Eagle House	London	N1 7EH	43	28	6	9*	40,020	£1.2m
Kings Dock Mill	Liverpool	L1 8DW	120	27	88	5	69,040^	£1.1m
Shillington Old School	London	SW11 2TB	56	45	3	8	37,554	£1.1m
Dove Road	London	N1 3GE	44	22	17	5	32,977	£1.1m

\*includes some four bedroom units

^ Area based on EPC data



## 95%

Average occupancy

# +3.2%

5-year Avg Annual Rental Growth

# Secured pipeline schedule

(1 of 2 pages)

Originate

Invest

Operate

Name	No. units	Targeted launch	Status	Est. Grainger investment	Spend to date	Gross yield target
<b>Forward funding / acquisition</b>						
The Filaments, Gore Street, Manchester	376	Early FY21	Approaching completion	£80m	£77m	c.7%
Gatehouse Apts, East Street, Southampton	132	Mid FY21	On site	£28m	£26m	c.6.5%
The Headline, Yorkshire Post, Leeds	242	Late FY21	On site	£42m	£5m	c.7%
Windlass Apts, Tottenham Hale, London	108	Late FY21	On site	£41m	£32m	5.5-6%
The Pin Yard, Fabrik, Leeds	216	Mid FY22	On site	£34m	£14m	c.6.5%
Capital Quarter, Cardiff	307	Late FY22	On site	£57m	£16m	c.7%
YMCA, Milton Keynes	261	Early FY23	On site	£63m	£18m	c.6.25%
Canning Town 2, London	146	Early FY23	On site	£62m	£16m	c.5.5%
Guildford Station, Surrey	98	Mid FY23	Exchanged	£37m	-	c.5.5%
Queens Road, Nottingham	348	Mid FY23	Exchanged	£56m	-	c.7%
Well Meadow, Sheffield	284	Mid FY23	Exchanged	£42m	-	c.7%
Exchange Square, Birmingham	375	Early FY24	On site	£77m	£12m	c.6.5%
Canning Town 3, London	132	Early FY25	Pre-site	£56m	£6m	c.5.5%
<b>Forward funding sub-total</b>	<b>3,025</b>			<b>£675m</b>	<b>£222m</b>	



# Secured pipeline schedule

(Continued from previous page)

Originate

Invest

Operate

Name	No. units	Targeted launch	Status	Est. Grainger investment	Spend to date	Gross yield target
<b>Direct development</b>						
Apex Gardens, London	163	Early FY21	Approaching completion	£60m	£56m	c.6.5%
Newbury, West Berks	232	Late FY22	On site	£61m	£24m	c.6.25%
Gilders Yard, Birmingham*	156	Mid FY22	On site	£28m	£20m	c.7%
Besson St, Lewisham, London (JV - 50%)	324	Mid FY24	Detailed design, consent granted	£51m	£3m	c.6.25%
Waterloo, London	215	Phased from FY24	Consent granted	£130m**	£4m	c.5%
Seven Sisters, London	196	Land assembly Timing TBC	Consent granted, CPO awarded	£80m	£23m	c.7%
<b>Direct development total</b>	<b>1,286</b>			<b>£410m</b>	<b>£130m</b>	
<b>Total Secured Pipeline</b>	<b>4,311</b>			<b>£1,085m</b>	<b>£352m</b>	

\*Reclassified from forward funding as Grainger stepped in as developer during the year

\*\*Net investment in addition to existing asset value

# Cumulative funding capacity

Originate

Invest

Operate

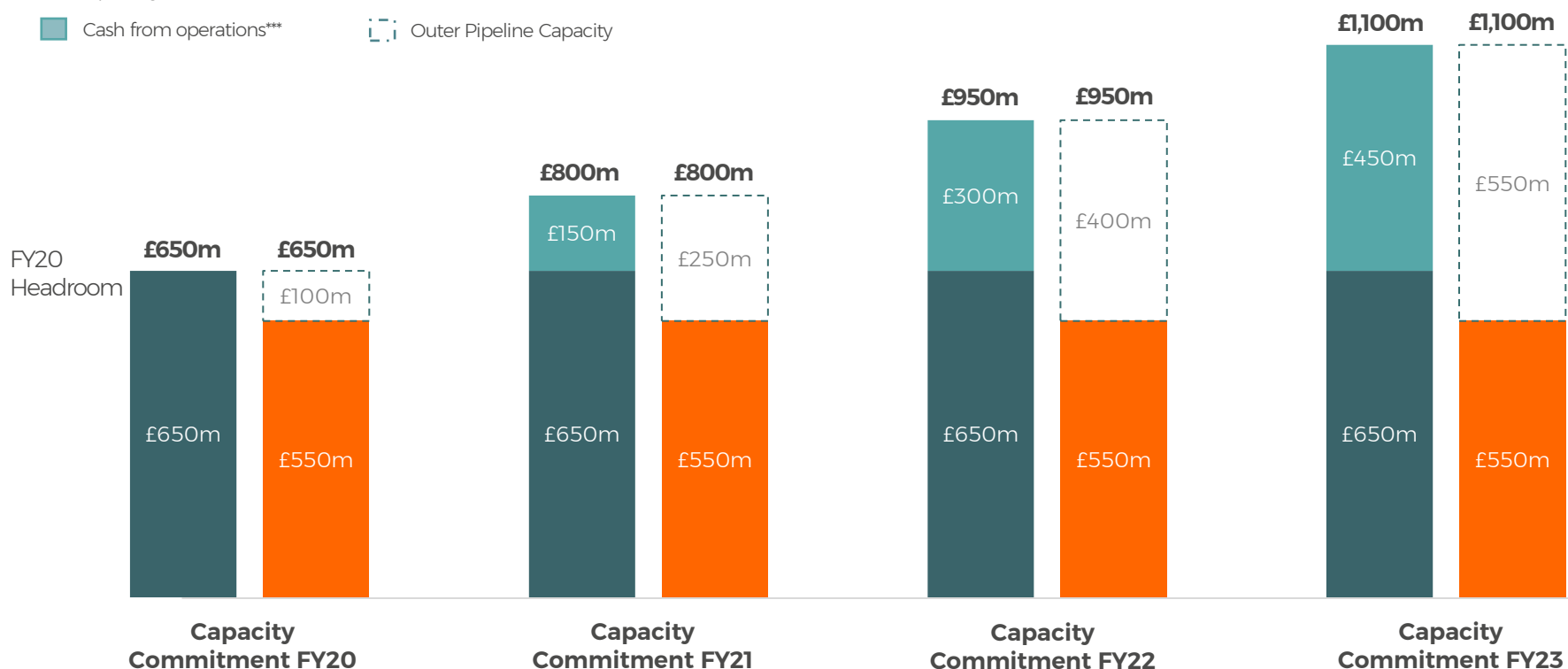
## Disciplined capital management

Opening Headroom\*\*

Existing Committed Capex\*

Cash from operations\*\*\*

Outer Pipeline Capacity



### Assumptions:

\* Excluding Waterloo and Seven Sisters which are secured but not yet committed.

\*\* Based on cash & undrawn facilities

\*\*\* Targeted £150m per annum generated from operational cashflows and asset recycling.

# Secured pipeline projects

Originate

Invest

Operate

## 19 high quality PRS schemes

 Secured

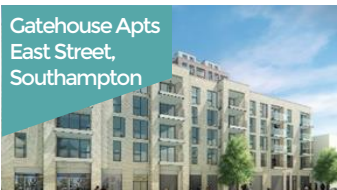
 Secured in FY20

### Forward funding / Acquisitions

The Filaments,  
Core Street,  
Manchester



Gatehouse Apts  
East Street,  
Southampton



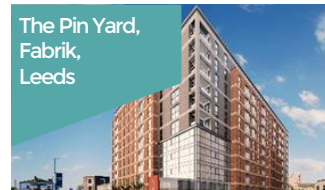
The Headline,  
Yorkshire Post,  
Leeds



Windlass Apts,  
Hale Wharf,  
Tottenham



The Pin Yard,  
Fabrik,  
Leeds



YMCA, Milton  
Keynes



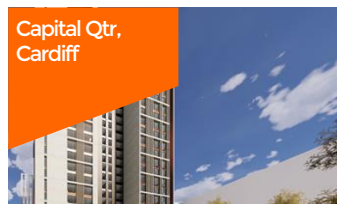
Well Meadow,  
Sheffield



Canning Town 2,  
London



Capital Qtr,  
Cardiff



Exchange Sq,  
Birmingham



Queens Rd,  
Nottingham



Canning Town 3,  
London



Guildford Station,  
Surrey



### Direct Development

Apex Gardens,  
Haringey



Gilders Yard,  
Birmingham



Newbury, West  
Berks



Besson Street,  
Lewisham



Seven Sisters,  
Haringey



Waterloo,  
London



# ESG: Securing our long-term future

Originate

Invest

Operate

## 4 long-term ESG commitments

Environment:

1

Net zero carbon of our operational buildings (aspiring to 2030)

Assets:

2

Enhance investment decisions further by integrating ESG considerations

People:

3

Measure and deliver positive social value

4

Diverse workforce reflective of society

## Excellent ESG benchmark achievements

Corporate ESG Index



FTSE4Good

Constituent since 2010

Real estate ESG reporting



Gold Award 2014-2020

ESG Risk Rating



SUSTAINALYTICS

'Low risk' rating

ESG benchmark



'Prime' rating

ESG benchmark



'AA' rating

# Segmental income statement

Originate

Invest

Operate

	FY19				FY20			
£m	PRS	Reg*	Other	Group	PRS	Reg*	Other	Group
Net rental income	42.6	20.6	0.3	63.5	53.8	19.6	0.2	73.6
Profit from sales – trading property	1.6	56.9	7.4	65.9	(0.1)	57.2	4.2	61.3
Profit from sales – investment property	1.9	-	-	1.9	2.0	0.3	-	2.3
Mortgage income (CHARM)	-	5.5	-	5.5	-	5.1	-	5.1
Management fees	2.1	0.1	2.2	4.4	2.9	-	0.6	3.5
Overheads	-	-	(28.0)	(28.0)	-	-	(28.7)	(28.7)
Pre-contract costs	(0.6)	-	-	(0.6)	(0.6)	-	-	(0.6)
Joint ventures	0.7	-	1.3	2.0	(0.5)	-	(0.2)	(0.7)
Net finance costs	(19.4)	(11.9)	(0.8)	(32.1)	(21.9)	(11.4)	(0.7)	(34.0)
<b>Adjusted earnings</b>	<b>28.9</b>	<b>71.2</b>	<b>(17.6)</b>	<b>82.5</b>	<b>35.6</b>	<b>70.8</b>	<b>(24.6)</b>	<b>81.8</b>
Valuation movements				65.9				29.7
Other adjustments				(17.1)				(0.7)
<b>Profit before tax</b>				<b>131.3</b>				<b>110.8</b>

\* Includes regulated tenancy portfolio and CHARM portfolio.

# Balance sheet

Originate

Invest

Operate

FY19

FY20

## Market value balance sheet (£m)

Residential – PRS	1,526	<b>1,624</b>
Residential – regulated tenancies	1,017	<b>968</b>
Residential – mortgages (CHARM)	76	<b>73</b>
Forward Funded – PRS work in progress	160	<b>231</b>
Development work in progress	120	<b>147</b>
Investment in JVs/associates	33	<b>42</b>
<b>Total investments</b>	<b>2,932</b>	<b>3,085</b>
Net debt	(1,097)	<b>(1,032)</b>
Other liabilities	(14)	-
<b>EPRA NRV</b>	<b>1,821</b>	<b>2,053</b>
Deferred and contingent tax – trading assets	(102)	<b>(109)</b>
Exclude: intangible assets	(11)	<b>(23)</b>
<b>EPRA NTA</b>	<b>1,708</b>	<b>1,921</b>
Add back: intangible assets	11	<b>23</b>
Deferred and contingent tax – investment assets	(19)	<b>(24)</b>
Fair value of fixed rate debt and derivatives	(34)	<b>(57)</b>
<b>EPRA NDV</b>	<b>1,666</b>	<b>1,863</b>

## EPRA net asset values (pence per share)

<b>EPRA NRV</b>	<b>297</b>	<b>304</b>
<b>EPRA NTA</b>	<b>278</b>	<b>285</b>
<b>EPRA NDV</b>	<b>272</b>	<b>276</b>

# Segmental balance sheet

Originate

Invest

Operate

	FY19				FY20			
EPRA NTA market value balance sheet (£m)	PRS	Reg*	Other	Group	PRS	Reg*	Other	Group
Investment property	1,550.7	23.9	-	1,574.6	1,755.9	23.0	-	1,778.9
Investment in joint ventures and associates	16.3	-	17.0	33.3	25.0	-	17.0	42.0
Financial interest in property assets	-	76.4	-	76.4	-	73.3	-	73.3
Inventories - trading property	215.2	993.5	40.1	1,248.8	201.9	944.3	44.6	1,190.8
Cash and cash equivalents	114.2	70.0	5.1	189.3	237.3	124.2	7.6	369.1
Other assets	6.5	6.1	37.4	50.0	1.6	7.0	42.4	51.0
<b>Total Assets</b>	<b>1,902.9</b>	<b>1,169.9</b>	<b>99.6</b>	<b>3,172.4</b>	<b>2,221.7</b>	<b>1,171.8</b>	<b>111.6</b>	<b>3,505.1</b>
Interest-bearing loans and borrowings	(770.6)	(472.2)	(34.0)	(1,276.8)	(895.1)	(468.3)	(28.5)	(1,391.9)
Deferred and contingent tax liabilities	(22.2)	(79.4)	(5.0)	(106.6)	(24.5)	(84.7)	(4.4)	(113.6)
Other liabilities	(41.9)	(7.8)	(31.2)	(80.9)	(35.3)	(7.4)	(35.8)	(78.5)
<b>Total Liabilities</b>	<b>(834.7)</b>	<b>(559.4)</b>	<b>(70.2)</b>	<b>(1,464.3)</b>	<b>(954.9)</b>	<b>(560.4)</b>	<b>(68.7)</b>	<b>(1,584.0)</b>
<b>Net assets</b>	<b>1,068.2</b>	<b>610.5</b>	<b>29.4</b>	<b>1,708.1</b>	<b>1,266.8</b>	<b>611.4</b>	<b>42.9</b>	<b>1,921.1</b>

\* Includes regulated tenancy portfolio and CHARM portfolio..

# EPRA Earnings

Originate

Invest

Operate

	FY19			FY20		
£m	Adjusted Earnings	Adjustments	Adjusted EPRA earnings	Adjusted Earnings	Adjustments	Adjusted EPRA earnings
Net rental income	63.5	-	63.5	<b>73.6</b>	-	<b>73.6</b>
Profit from sales – trading property	65.9	(51.8)	14.1	<b>61.3</b>	<b>(53.4)</b>	<b>7.9</b>
Profit from sales – investment property	1.9	(1.9)	-	<b>2.3</b>	<b>(2.3)</b>	-
Mortgage income (CHARM)	5.5	-	5.5	<b>5.1</b>	-	<b>5.1</b>
Management fees	4.4	-	4.4	<b>3.5</b>	-	<b>3.5</b>
Overheads	(28.0)	-	(28.0)	<b>(28.7)</b>	-	<b>(28.7)</b>
Pre-contract costs	(0.6)	-	(0.6)	<b>(0.6)</b>	-	<b>(0.6)</b>
Joint ventures	2.0	-	2.0	<b>(0.7)</b>	-	<b>(0.7)</b>
Net finance costs	(32.1)	-	(32.1)	<b>(34.0)</b>	-	<b>(34.0)</b>
<b>Adjusted earnings</b>	<b>82.5</b>	<b>(53.7)</b>	<b>28.8</b>	<b>81.8</b>	<b>(55.7)</b>	<b>26.1</b>
Valuation movements	65.9			<b>29.7</b>		
Other adjustments	(17.1)			<b>(0.7)</b>		
<b>Profit before tax</b>	<b>131.3</b>			<b>110.8</b>		
<b>Adjusted EPS / Adjusted EPRA EPS, after tax</b>	<b>11.5</b>		<b>4.1</b>	<b>10.2</b>		<b>3.2</b>



# EPRA NRV, EPRA NTA and EPRA NDV

Originate

Invest

Operate

	FY19			FY20		
£m	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS Equity attributable to shareholders</b>	<b>1,223.5</b>	<b>1,223.5</b>	<b>1,223.5</b>	<b>1,463.0</b>	<b>1,463.0</b>	<b>1,463.0</b>
<b>Diluted NAV</b>	<b>1,223.5</b>	<b>1,223.5</b>	<b>1,223.5</b>	<b>1,463.0</b>	<b>1,463.0</b>	<b>1,463.0</b>
Include:						
Revaluation of other non-current investments	6.5	6.5	6.5	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
Revaluation of trading properties	557.1	455.5	455.5	<b>541.3</b>	<b>432.1</b>	<b>432.1</b>
<b>Diluted NAV at fair value</b>	<b>1,787.1</b>	<b>1,685.5</b>	<b>1,685.5</b>	<b>2,011.7</b>	<b>1,902.5</b>	<b>1,902.5</b>
Exclude:						
Deferred tax in relation to fair value gains of IP	19.4	19.4	-	<b>24.4</b>	<b>24.4</b>	-
Fair value of financial instruments	14.4	14.4	-	<b>16.7</b>	<b>16.7</b>	-
Goodwill as per the IFRS balance sheet	-	(0.5)	(0.5)	-	<b>(0.5)</b>	<b>(0.5)</b>
Intangibles as per the IFRS balance sheet	-	(10.7)	-	-	<b>(22.0)</b>	-
Include:						
Fair value of fixed interest rate debt	-	-	(19.3)	-	-	<b>(39.5)</b>
<b>NAV</b>	<b>1,820.9</b>	<b>1,708.1</b>	<b>1,665.7</b>	<b>2,052.8</b>	<b>1,921.1</b>	<b>1,862.5</b>
Fully diluted number of shares	<b>613.8</b>	<b>613.8</b>	<b>613.8</b>	<b>675.3</b>	<b>675.3</b>	<b>675.3</b>
<b>NAV pence per share</b>	<b>297</b>	<b>278</b>	<b>272</b>	<b>304</b>	<b>285</b>	<b>276</b>

# Debt facilities

Originate

Invest

Operate

	Lender	Size	Facility Drawn	Maturity
Core Facilities:				
Corporate Bond	Listed	£350m	£350m	Apr 2028
Corporate Bond	Listed	£350m	£350m	Jul 2030
Revolving Credit Facility	HSBC, NatWest, Barclays	£330m	£48m	Aug 2024
Term Debt	HSBC, NatWest, Barclays, AIB	£170m	£170m	Aug 2024
Bi-Lateral Term	HSBC	£50m	£50m	Nov 2023
Bi-Lateral Term	NatWest	£50m	£50m	Nov 2022
Bi-Lateral Term	Handelsbanken	£40m	£40m	Jun 2023
Revolving Credit Facility	Wells Fargo	£50m	-	Nov 2024*
Sub total		£1,390m	£1,058m	
Excluded Entities:				
Institutional Term Debt	Rothesay Life	£75m	£75m	Jul 2026
Institutional Term Debt	Rothesay Life	£75m	£75m	Oct 2027
Institutional Term Debt	Rothesay Life	£200m	£200m	Jul 2029
Total Group Facilities		£1,740m	£1,408m	

\* Further 2 x 1 year extension options available

# Our approach to Covid-19

## Maintaining business continuity and strategic momentum

Originate

Invest

Operate

### Innovate



Innovating to maintain business as usual and continue to serve our customers.

- Virtual viewings
- Direct customer sales
- Remote working
- Sales process re-engineered

### Communicate



Continual communication with our customers, employees, partners and suppliers.

- Increased customer contact
- Increased Employee communications
- Government interaction
- Closely working with partners and suppliers

### Improve



Focus on continuous improvement to our people, product and service.

- Live.safe 2.0
- Resident services manual
- CONNECT platform
- Community plans

# Future reporting dates

Originate

Invest

Operate

## 2021

AGM / Trading update	10 February	
Half year results	13 May	9am
Trading update	September	
Full year results	18 November	9am