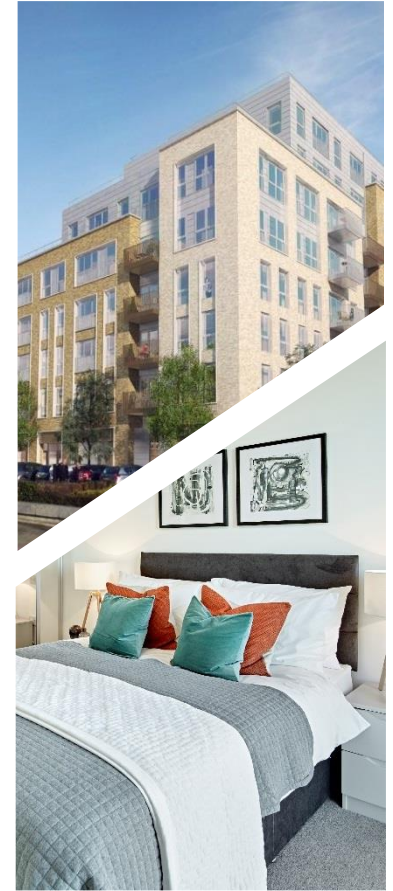


Market leader with a strong growth trajectory

2018 Half year results

Helen Gordon, Chief Executive
Vanessa Simms, Chief Financial Officer

17 May 2018



Investing in homes since 1912
grainger plc

1. Highlights and strategic update

Helen Gordon
Chief Executive

2. Financial review

Vanessa Simms
Chief Financial Officer

3. Market, business update and outlook

Helen Gordon
Chief Executive

4. Q&A

Helen Gordon, Chief Executive
Vanessa Simms, Chief Financial Officer
John Kenny, Chief Operating Officer
Andrew Saunderson, Director of Investments
Mike Keaveney, Director of Land and Development

Strong performance

Originate

Invest

Operate

Adjusted earnings

+20%
£40.9m

Net rental income

+9%
£21.8m

Rental growth

+4.1%
Like-for-like

EPRA NNAV

+1%
306pps

Key highlights

- Secured pipeline now up to £756m (FY17: £651m, HY17: £439m)
- Good visibility on investment opportunities beyond £850m
- Improved design, purpose built PRS product now operational (Argo Apartments)
- Accelerated asset recycling
- Strong sales performance
- Improved capital structure
- Investment in technology

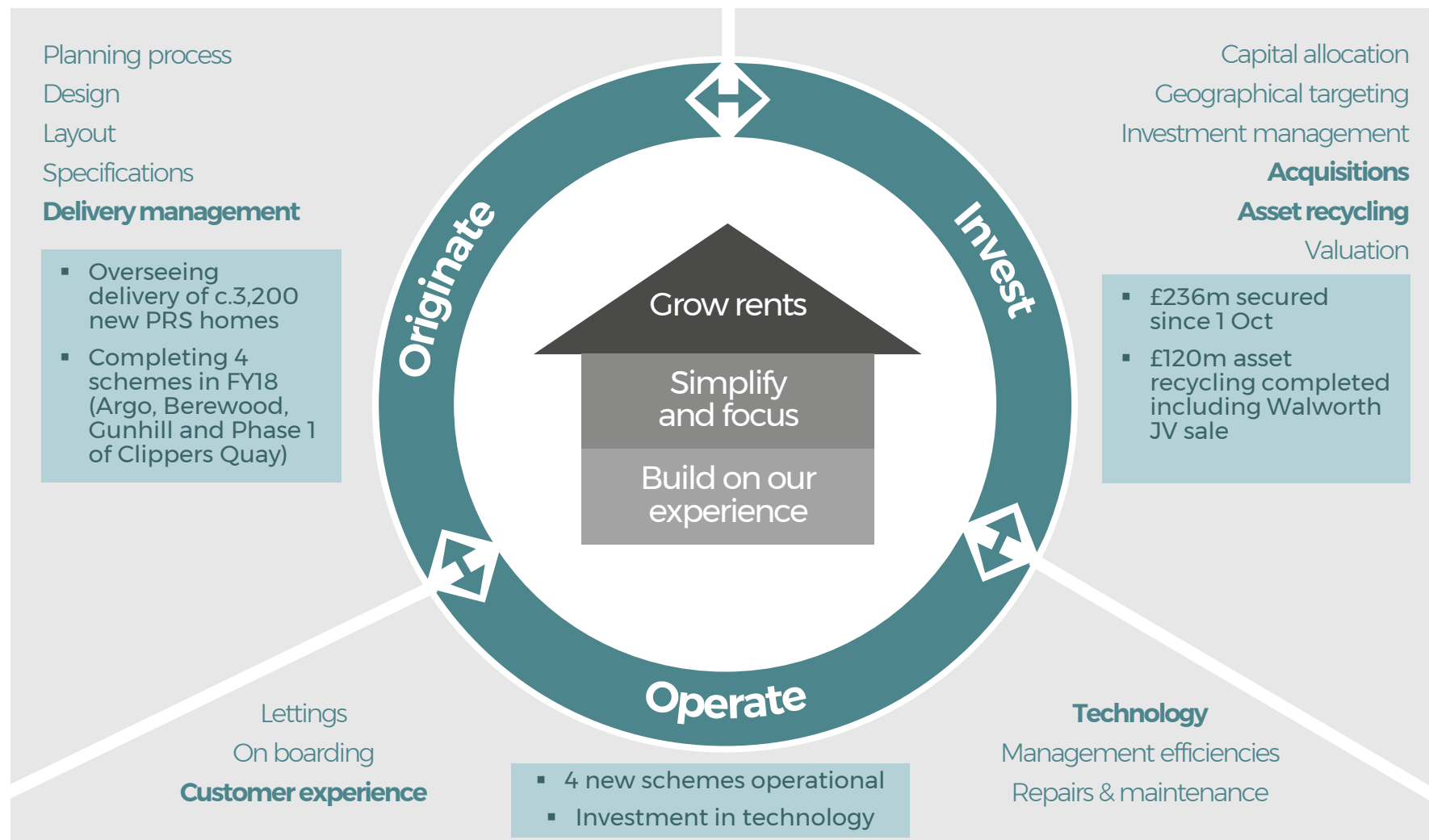
A fully integrated business model

Originate

Invest

Operate

How we create value



Delivering on our strategy

Originate

Invest

Operate

Since FY15

Strategic priority 1: **Grow rents**

- Net rental income increased by 35%
- £756m of PRS investment secured
- PRS investment plan beyond £850m to deliver significant growth in net rental income
- Property operating costs (gross to net) improved from 31% to 26%

Strategic priority 2: **Simplify and focus**

- Restructured the business to enhance efficiency, overheads reduced by 25%
- c.£450m cash from sale of non core businesses
- Cost of debt reduced from 5.3% to 3.1%*
- Debt maturities extended to 6.6 years*
- Continued asset recycling with £250m targeted over 3 years

Strategic priority 3: **Build on our experience as the UK's leading residential landlord**

- c.8,500 operational rental homes** (c.5,100 PRS)
- c.3,200 new PRS homes under development (5,000 in the pipeline)
- Increased scalability through organisation and technology
- Improved customer service delivery and building design

* Proforma

** After the sale of the Walworth JV

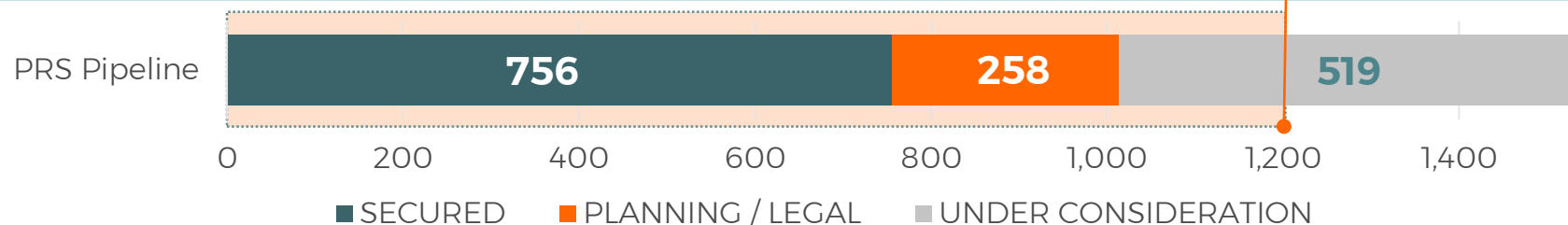
Further investment progress

Originate

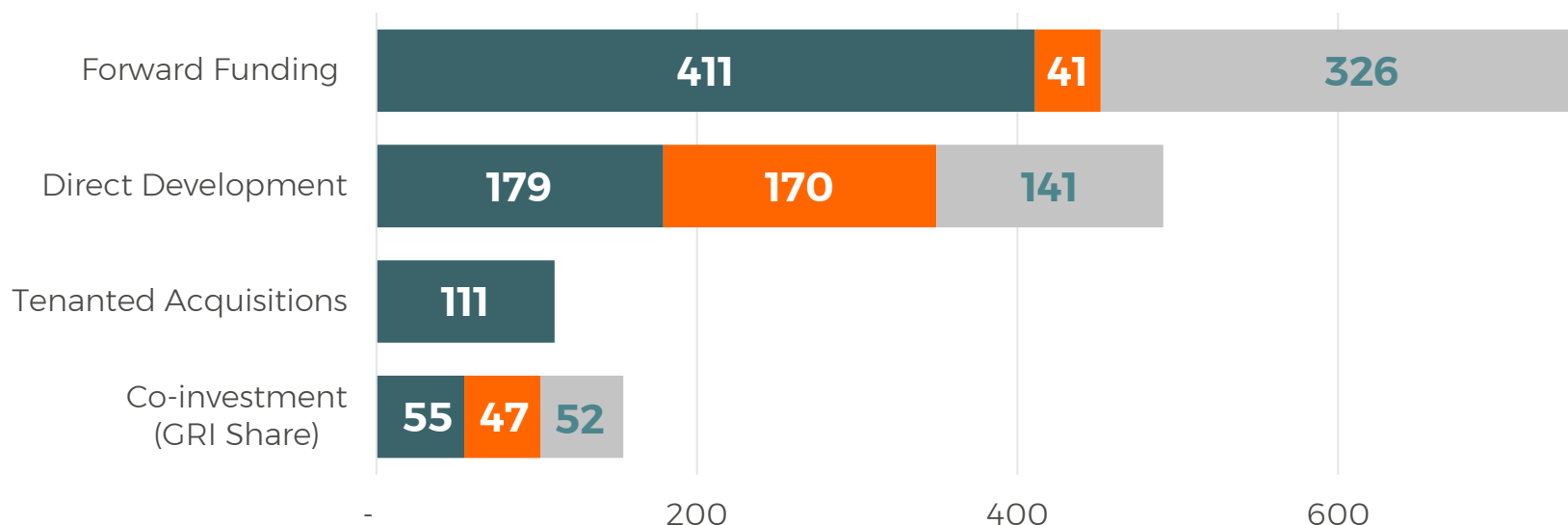
Invest

Operate

PRS investment, £m



Breakdown of pipeline by acquisition type, £m



Operate

PRS

Planning / legals

- c.950 further units
- Direct development schemes including Newbury, Waterloo and Besson St JV in Lewisham

Long-term growth potential

Weak existing tenant demand but strong growth prospects

Strong existing tenant demand & strong growth prospects

London

Bristol

Manchester

Birmingham

Leeds

Milton Keynes

Southampton

Portsmouth

Sheffield

Brighton

Liverpool

Strong existing tenant demand but weak growth prospects

Weak existing tenant demand & weak growth prospects

Current PRS demand

Summary of highlights

Originate

Invest

Operate

- **Good financial & operational performance**
- **Leading the market**
- **Further investment success**
- **Improved capital structure**
- **Accelerated asset recycling**
- **Well positioned for future growth**

Silbury Boulevard, Milton Keynes



Financial review

Vanessa Simms
Chief Financial Officer



Investing in homes since 1912
grainger plc

Financial highlights

Originate

Invest

Operate

Strong financial performance and improved capital structure

Income	HY17	HY18	Change
Rental growth (like-for-like)	3.5%	4.1%	+60 bps
Net rental income	£20.0m	£21.8m	+9%
Adjusted earnings	£34.1m	£40.9m	+20%
Profit before tax	£41.2m	£50.6m	+23%
Operating cashflow	£63.5m	£77.5m	+22%
Interim dividend per share	1.60p	1.74p	+9%

Capital	FY17	HY18	Change
EPRA NAV per share	343p	345p	+1%
EPRA NNNNAV per share	303p	306p	+1%
Net debt	£848m	£912m	+8%
Group LTV	37.7%	39.0%	+130 bps
Cost of debt (average)	3.5%	3.5%	-
Reversionary surplus	£310m	£305m	(2)%

Income statement

+20% growth in adjusted earnings

- Growth in adjusted earnings
 - Increased net rental income
 - Residential sales
 - Effective cost management
 - High rental margins maintained, gross to net 25.9% (HY17: 25.8%)
- Strong sales pipeline for H2
- Post period end
 - Walworth JV sale generating £7m profit
 - Corporate bond refinancing, saving c.£1.5m in H2

Originate

Invest

Operate

	HY17	HY18	Change
Net rental income	£20.0m	£21.8m	+9%
Profit from sales – residential	£28.7m	£32.3m	+13%
Profit from sales – development	£6.3m	£6.6m	+5%
Mortgage income (CHARM)	£3.1m	£2.9m	(6)%
Management fees	£2.3m	£2.8m	+22%
Overheads & other expenses	£(13.8)m	£(13.8)m	0%
Joint ventures	£1.2m	£1.5m	+25%
Finance costs	£(13.7)m	£(13.2)m	(4)%
Adjusted earnings	£34.1m	£40.9m	+20%
Adjusted EPS (diluted, after tax)	6.6p	7.9p	+20%
Profit before tax	£41.2m	£50.6m	+23%
Earnings per share (diluted, after tax)	8.0p	10.0p	+25%

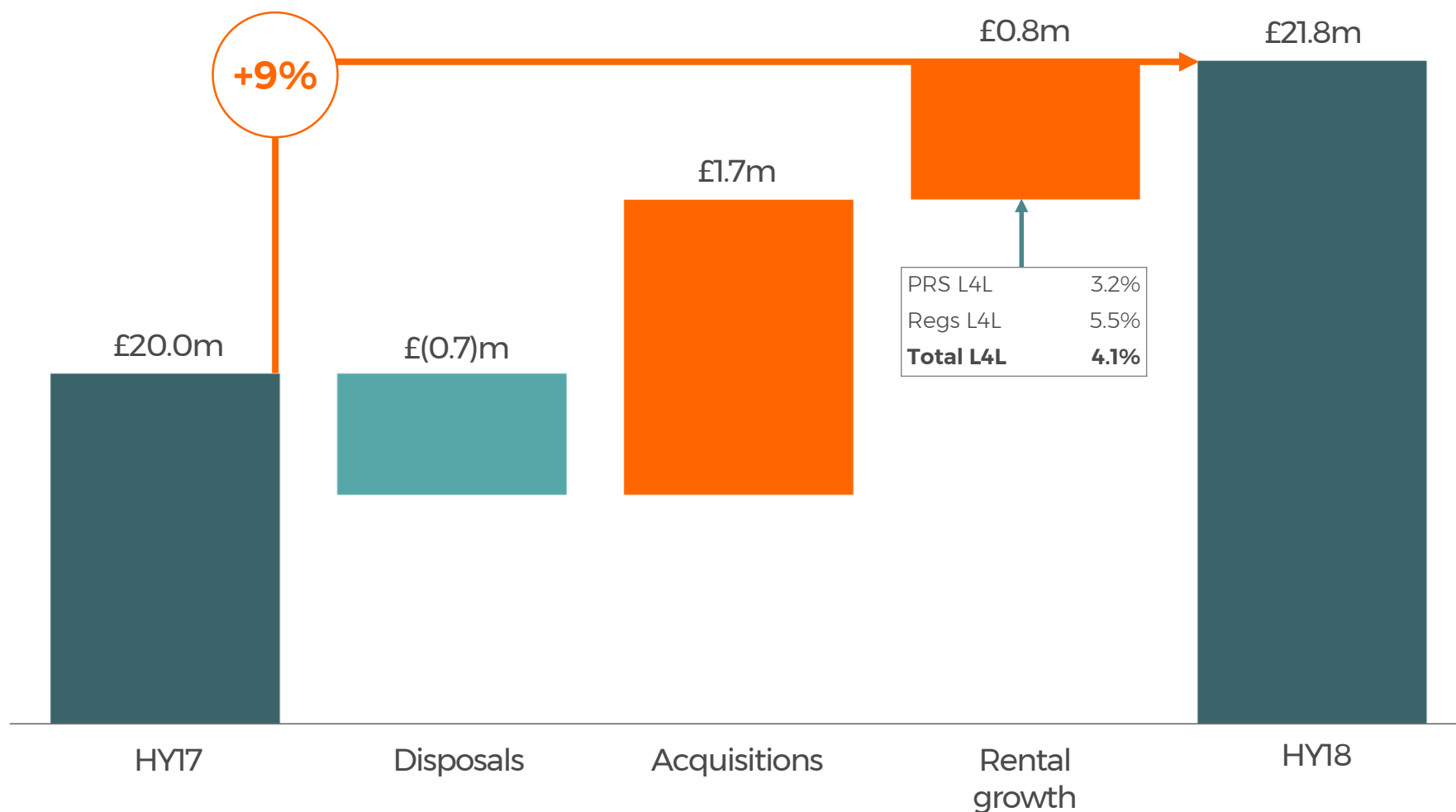
Net rental income growth

Originate

Invest

Operate

Underpinning interim dividend growth of 9%



+11% profit growth driven by strong residential sales

Residential sales revenue and profit up +13%

- Strong performance from tenanted and other sales providing capital for recycling into PRS

Vacant sales

- Maintaining sales values at 1.7% above previous valuations
- H1 tempered by high volume of completions at the end of FY17, where £8.9m of profit was delivered in September (18% of total for the year)
- 'Keys to cash' metric of 107 days (HY17: 103)

Strong sales pipeline

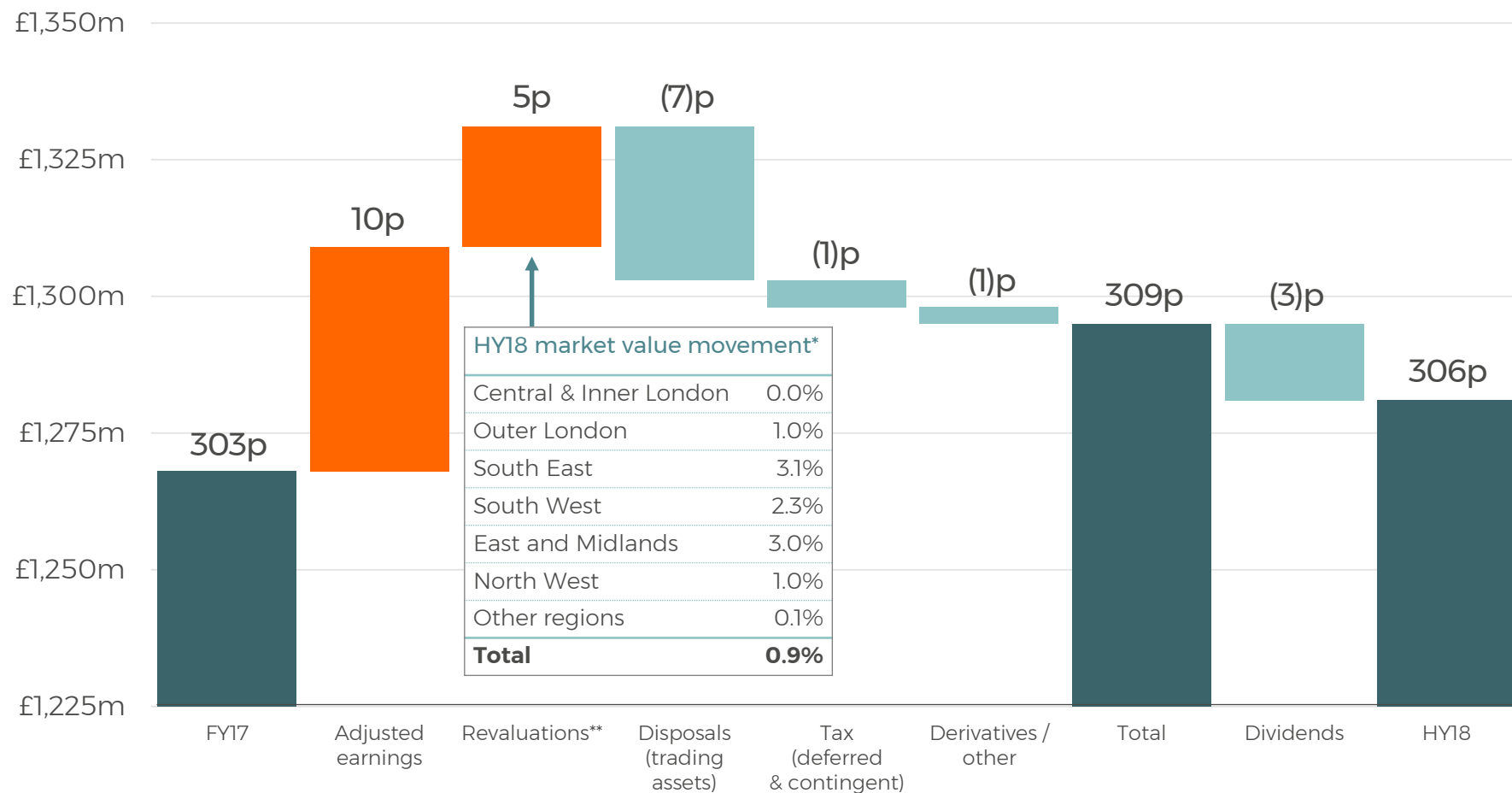
- Total residential sales pipeline* of £127m at 30 April 2018 (30 April 2017: £115m)

Development profit up +5%

- Sales at Berewood, Hampshire
- Development activity relating to RBKC due to complete this year

	HY17 £m	HY18 £m
Revenue		
Residential sales on vacancy	49.5	38.3
Tenanted and other sales	7.3	25.6
Residential sales total	56.8	63.9
Development activity	34.6	41.5
Total sales revenue	91.4	105.4
Profit	£m	£m
Residential sales on vacancy	24.7	18.8
Tenanted and other sales	4.0	13.5
Residential sales total	28.7	32.3
Development activity	6.3	6.6
Total sales profit	35.0	38.9

* Includes completed sales, contracts exchanged, with solicitors and for sale.



* Wholly owned PRS and regulated tenancies

** Revaluations of trading property, investment property and co-investments

EPRA NAV & NNNAV

Originate

Invest

Operate

	£m	pence per share
Property assets (market value)	2,250	537
Net liabilities	(805)	(192)
EPRA NAV	1,445	345
Tax – deferred & contingent – regulated tenancies*	(93)	(22)
Sub-total	1,352	323
Tax – deferred & contingent – PRS / Other**	(47)	(11)
Mark to market fixed rate debt	(24)	(6)
EPRA NNNAV	1,281	306
Reversionary surplus	305	73

	£m	pence per share
FY17		
EPRA NAV	1,434	343
EPRA NNNAV	1,268	303
Reversionary surplus	310	74

* Including mortgages (CHARM), a reversionary portfolio

** Including co-investments and development activity

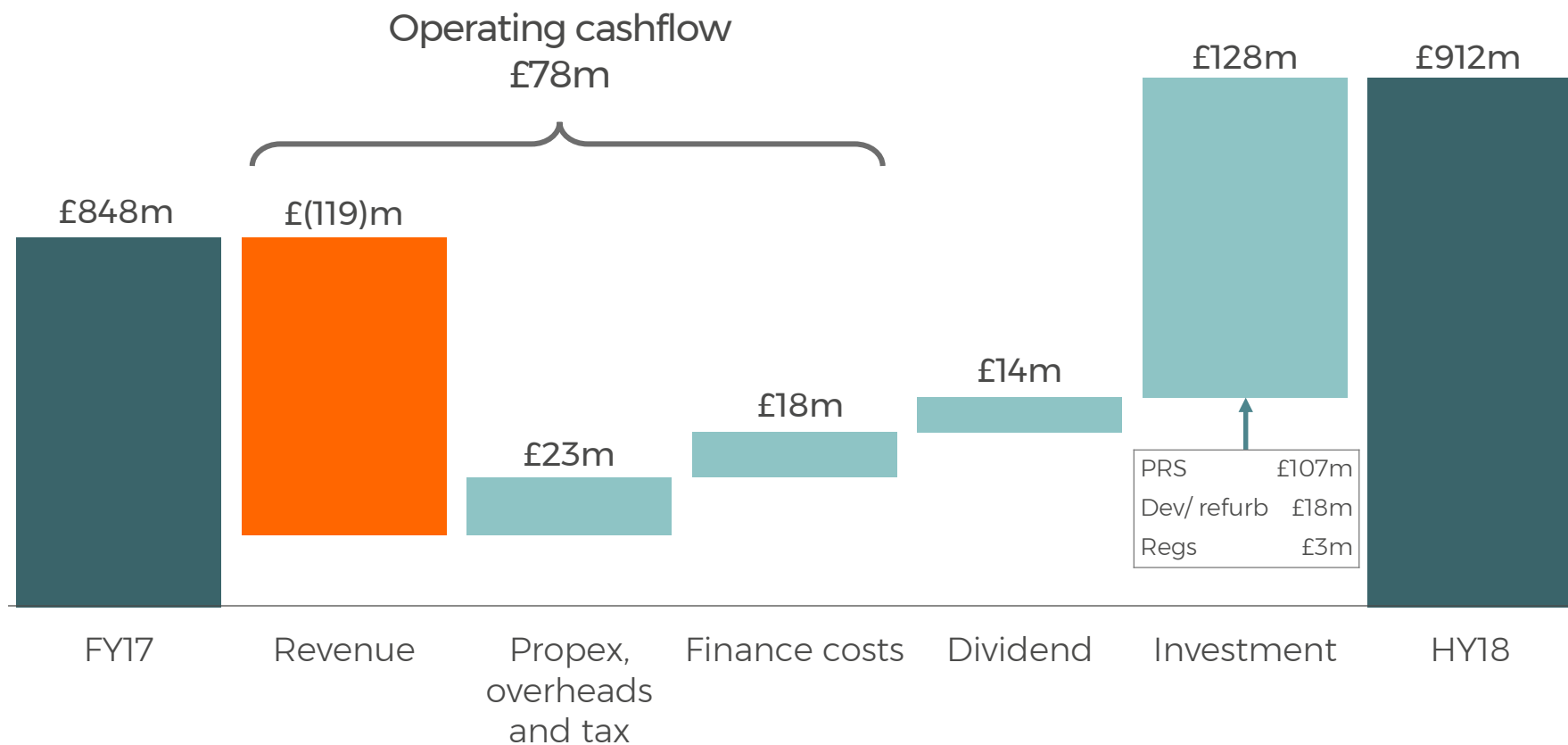
Net debt

Originate

Invest

Operate

+22% growth in operating cashflow



Capital structure

Originate

Invest

Operate

Strategic execution

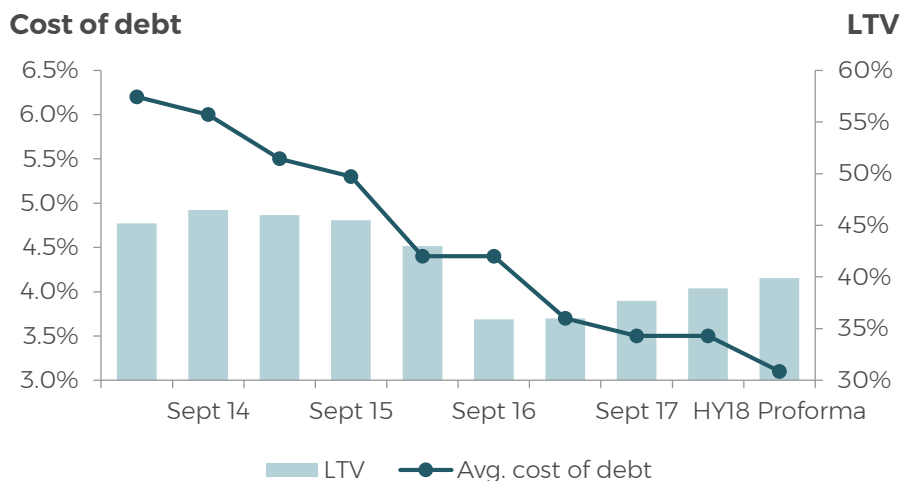
- Enhanced maturity profile
- Locked into low rates
- Longer-term financing secured
- Diversified sources of funding

Corporate bond refinancing

- £350m, 10-year bond
- 3.375% coupon
- Excellent investor demand
- Break cost £21m net of tax, impact on NAV of (5)p, NNNAV negligible
- c.£3m annualised saving
- Reduced cost of debt to 3.1%*

	FY17	HY18	Proforma* HY18
Net debt	£848m	£912m	£935m
Loan to value	37.7%	39.0%	39.9%
Cost of debt (average)	3.5%	3.5%	3.1%
Incremental cost of debt	< 2%	< 2%	< 2%
Interest cover	3.8x	4.1x	4.1x
Headroom	£269m	£271m	£316m
Weighted avg. facility maturity	5.2^	4.7^	6.6^
Hedging	87%	81%	86%

Cost of debt



* Proforma, reflects corporate bond refinance.

^ Including extension options; excluding these options it is 4.4 years (FY17), 3.9 years (HY18) and 5.8 years (HY18 proforma).

£1.2bn of funding capacity

Originate

Invest

Operate

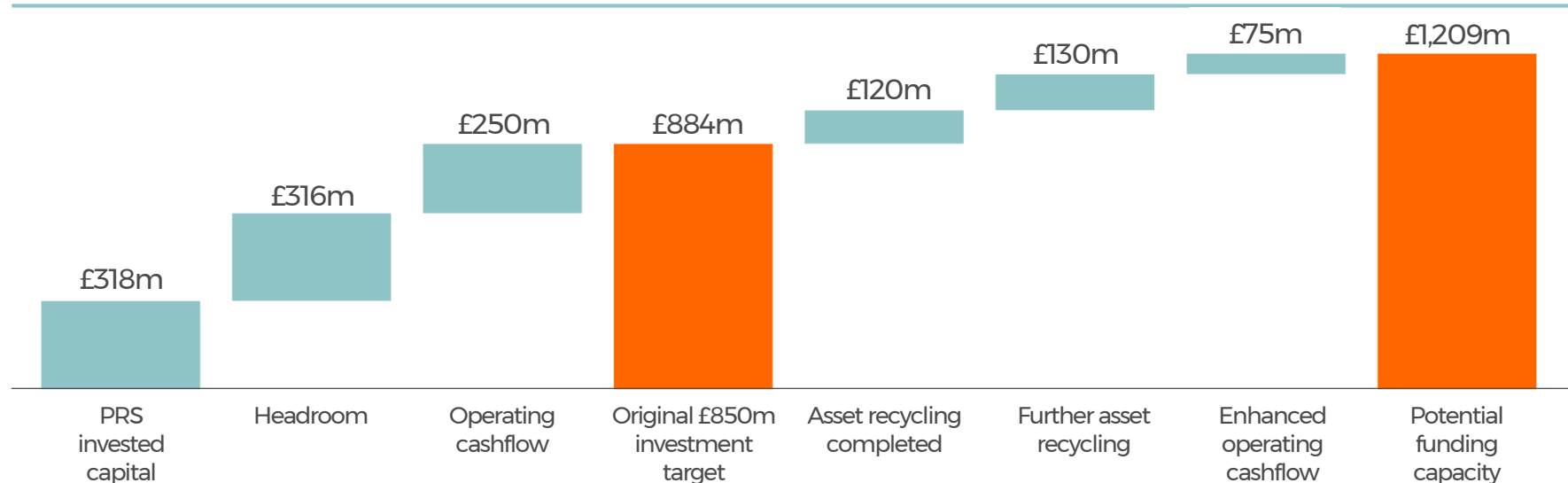
Investment to date

- £756m secured
- £258m in planning / legals
- £519m under consideration

Future funding – 3 year outlook

- £316m headroom, maintaining 40-45% LTV range
- £250m operating cashflow
- £120m asset recycling completed
- £130m further potential asset recycling
- £75m enhanced operating cashflow
- £1.2bn of potential funding capacity

3 year target cash flows



Net rental income progression

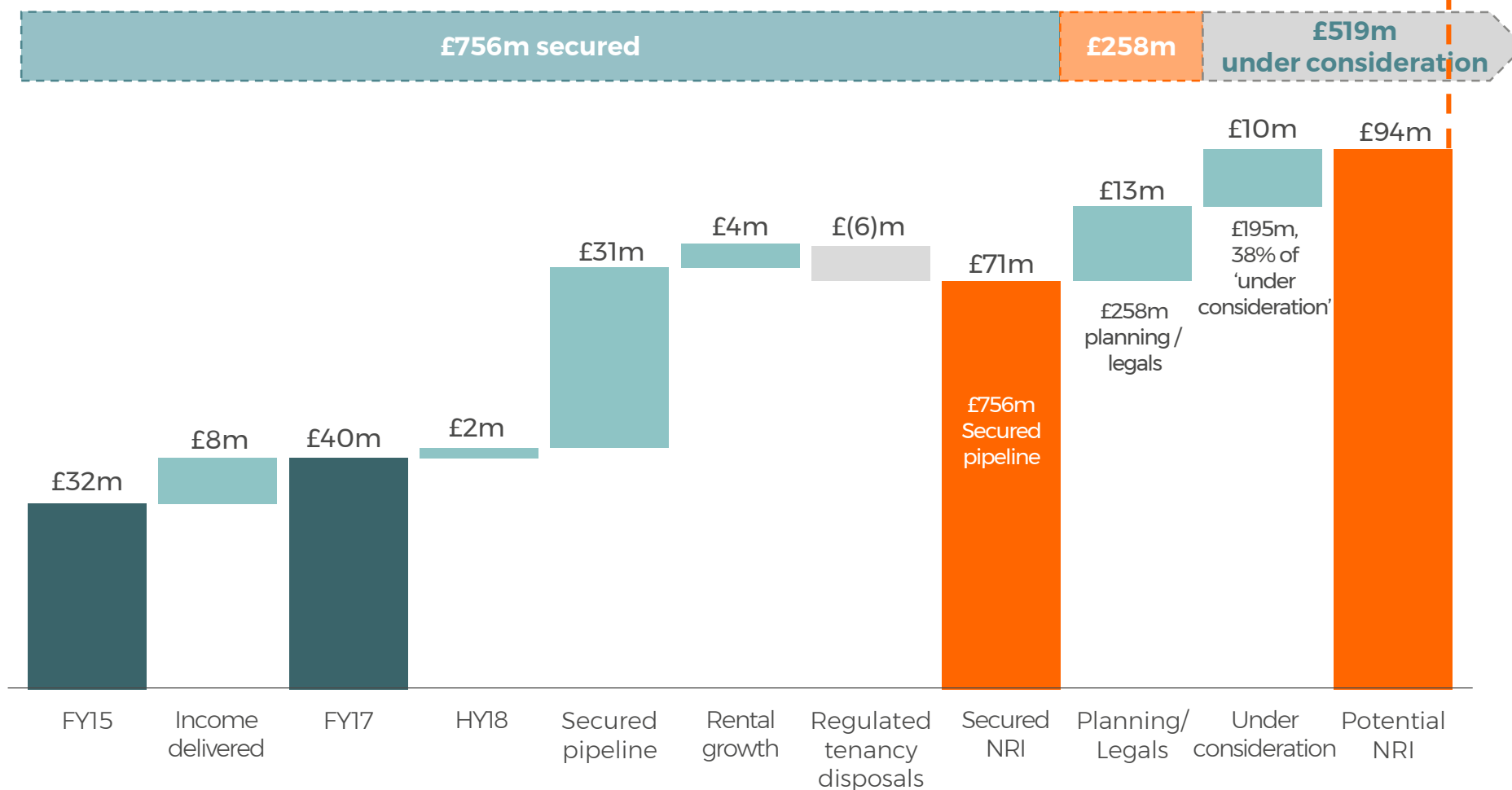
Originate

Invest

Operate

Driving dividend growth

£1.2bn funding capacity identified



Estimates for secured pipeline NRI based on projections for secured, wholly owned acquisitions (excludes co-investments)

Rental growth estimated at c.3%, regulated tenancy vacancy rate at 6.5-7%

Planning / legals NRI based on assumptions of 6.5-7.5% gross yield and 25-27.5% gross to net

Investment in technology

Originate

Invest

Operate

Accelerate and maintain market leadership position

Strategy

1. Leading customer experience

Digital self service-by-choice

2. Scalable & efficient platform

Growth with efficient cost base

Outcomes

1. Customer advocacy

Improved retention, lifetime value

3. Lower operating costs

Improved gross to net, efficient workforce

2. Improved returns

Fewer voids, higher rents

Deliverables

1. Dynamic revenue management

Optimising rents

3. Deeper business intelligence

Customer and business insight, data driven services, analytics

2. Digitised customer journey

Lettings and booking system, resident portal, online repairs service

4. Automated asset mgmt system

Optimising operational performance

An investment of £12m over 3 years

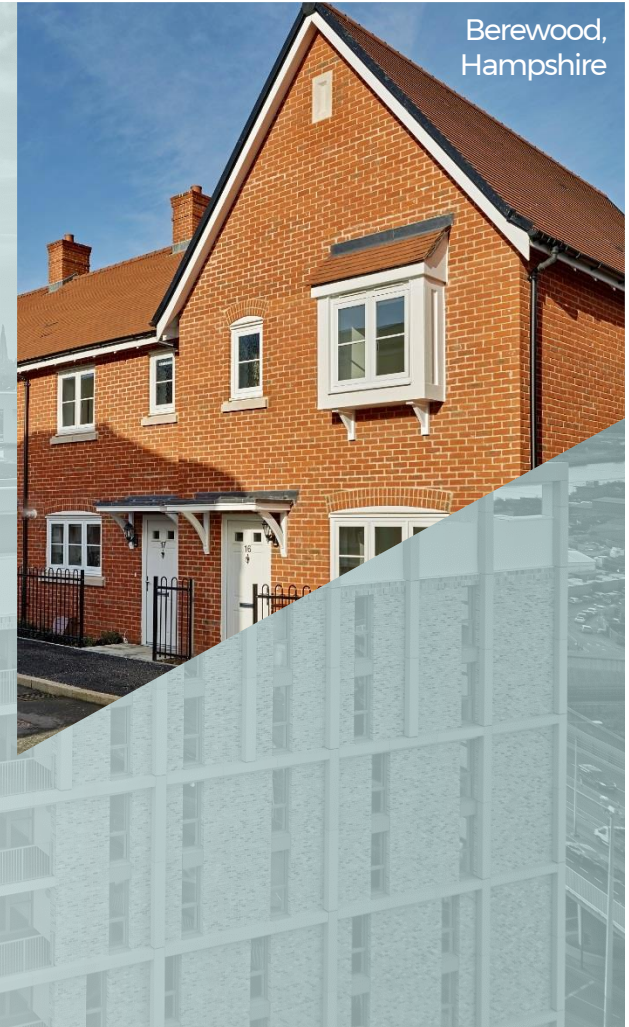
Summary of financials

Originate

Invest

Operate

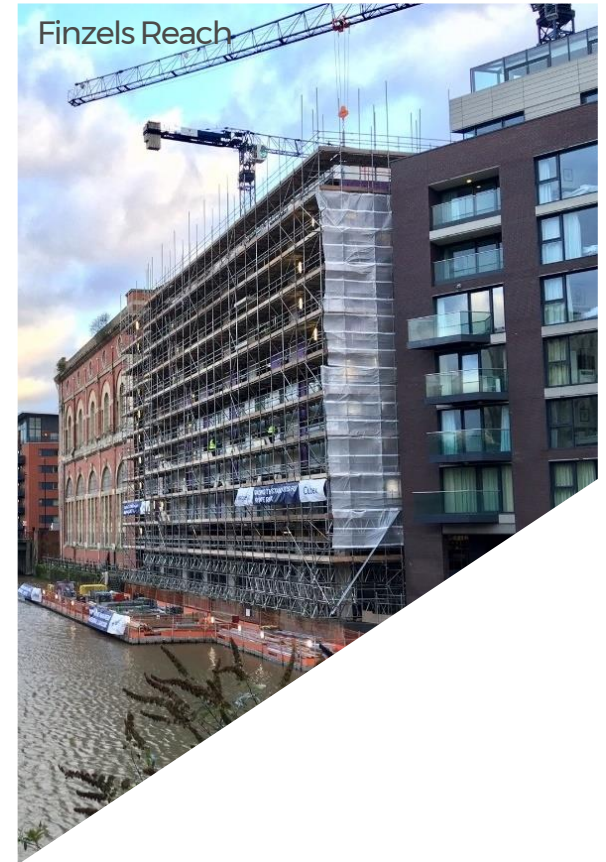
- **Strong financial performance and rental income growth**
- **Transformed capital structure and cost base**
- **Funding capacity enhanced by accelerated asset recycling**
- **Investment activity progressing at pace**
- **Investing in technology for the future**
- **Strong growth trajectory**



Berewood,
Hampshire

Market, business update and outlook

Helen Gordon
Chief Executive



Investing in homes since 1912
grainger plc

Robust market fundamentals

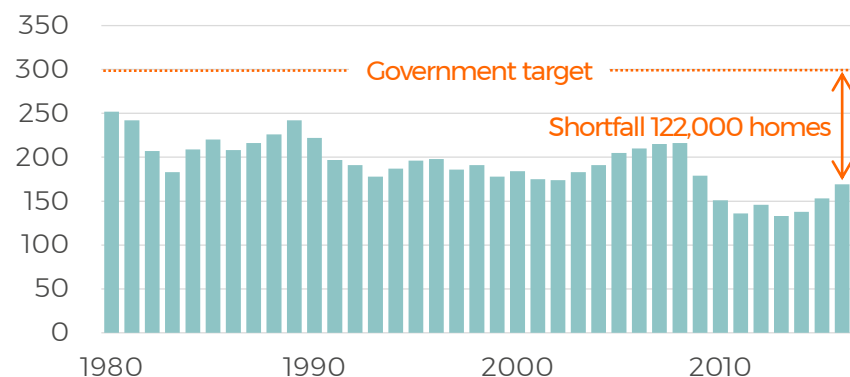
Originate

Invest

Operate

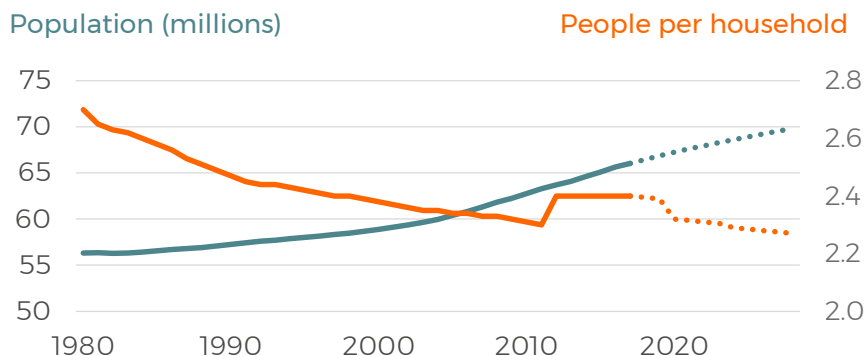
Resilience of residential

Supply: new homes delivery shortfall in UK

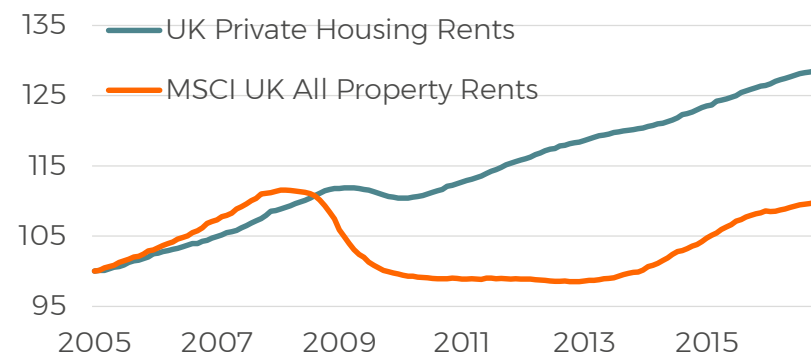


- Structural demand / supply imbalance
- Strong history of resilience relative to the wider market
- Supply constraints expected to continue to underpin rents and capital values
 - Land availability
 - Planning
 - Building capacity
- Cross party political support

Demand : growing population and shrinking household size



Resilience vs. wider market (2005 = 100)



Sources: Permanent dwellings completed by tenure, Department for Communities and Local Government, May 2017; ONS Mid-Year Population Estimates & Projections; ONS Household Projections; Index of Private Housing Rental Prices, May 2017 (source: Office for National Statistics) rebased to January 2005. Uses data for England before 2011 and Great Britain thereafter. MSCI Market Rental Value Growth index, May 2017 (source: MSCI rebased to January 2005).

Vast market opportunity

Originate

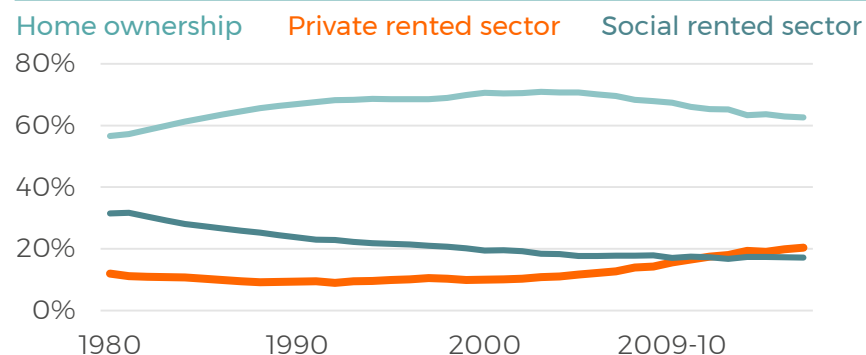
Invest

Operate

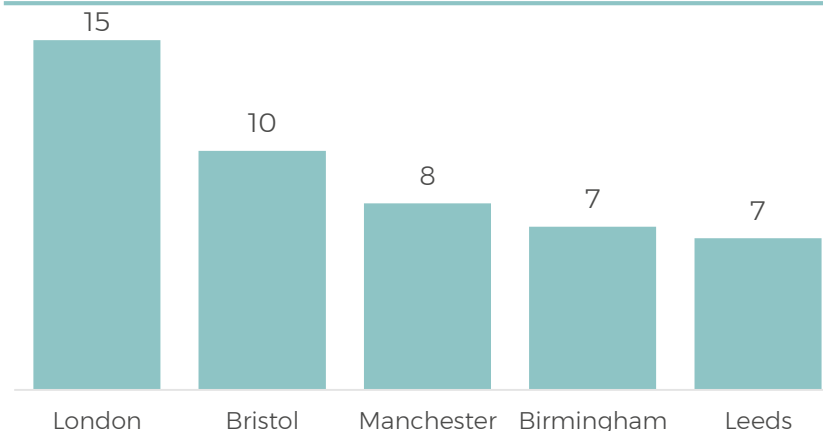
Significant growth prospects despite competition

- 4.7m households in PRS today
- 7.2m PRS households expected by 2025
- 118k supply of purpose-built PRS homes
- Top 10 PRS providers have c.7,500 operational units (excluding Grainger's c.5,100)
- Majority of competition focused on London

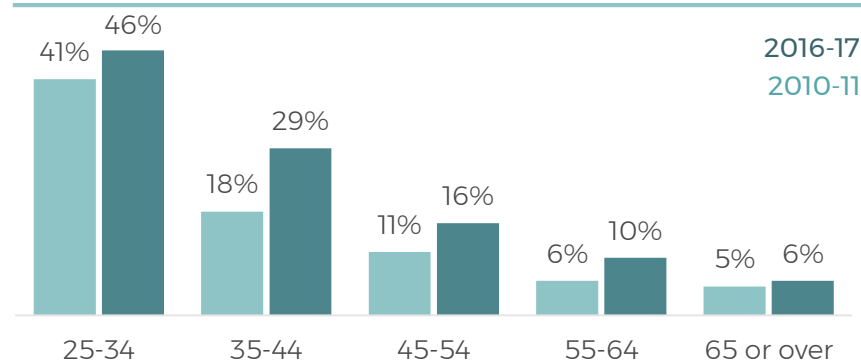
Long term trend toward private renting



Years to save a deposit for first time buyers



Growing demand across all age groups



Sources: Table 1: PwC, BPF, Company data; Chart 2: Average First Time Buyer price based on Hometrack City Average Price and a 15% discount (Nationwide First Time Buyer Index). Number of years saving required for deposit and SDLT based on Grainger research, utilising ONS data for average first time buyer salaries and expenditure, and 2017 wage growth. Chart 3: English Housing Survey; Chart 4: English Housing Survey

Two attractive portfolios

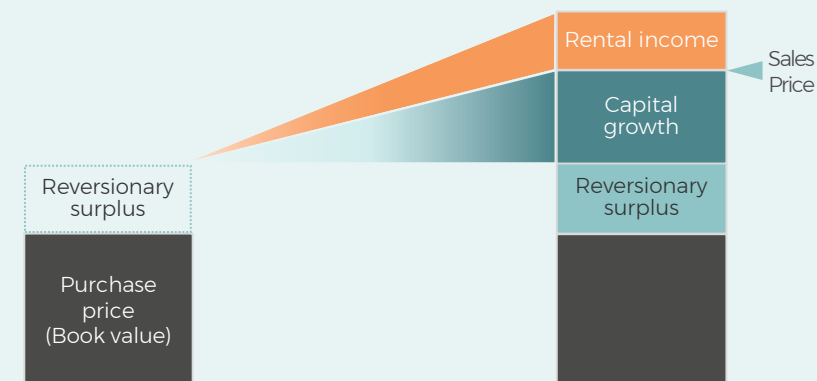
Originate

Invest

Operate

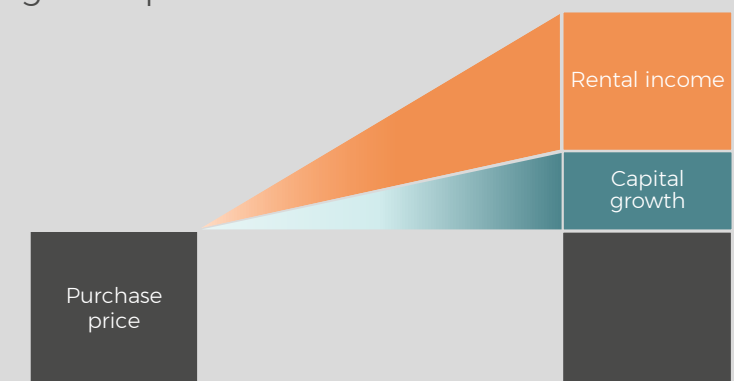
Regulated tenancies

- Tenant has the right to live in the property for life
- Sub-market rent set by Valuation Office Agency
- Upon vacancy Grainger sells the property
- Returns comprised of
 - 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 21-25% 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 6-8%
 - 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 sale of non-core businesses



Charts for illustrative purposes only.

Regulated tenancy portfolio

Originate

Invest

Operate

Portfolio

- Grainger is one of the largest owners with 3,338 units and market value of approx. £1.2bn

Characteristics

- Strong investment market albeit number of units are declining. Standard UK tenancy until 1989, none created since
- Landlord has responsibility for basic maintenance
- Tenant has the right to live in the property for life
- Sub-market rent, set by Local Government, increasing by RPI + 5% over 2 yrs
- Main drivers of vacancy are mortality (37%) or moving into assisted living (26%)
- Estimated average age 76
- Average house price of £375k

Performance

- Asset recycling opportunities, with £17m of tenanted investment sales in HY18, at 2.3% above market value or 17.5% discount to vacant possession value
- HY18 like-for-like rental growth 5.5%
- Low rent arrears (2%)

Altrincham,
Manchester



Moor Pool,
Birmingham



Norwich



Leeds



County Durham



Walworth,
London



Regulated tenancy portfolio

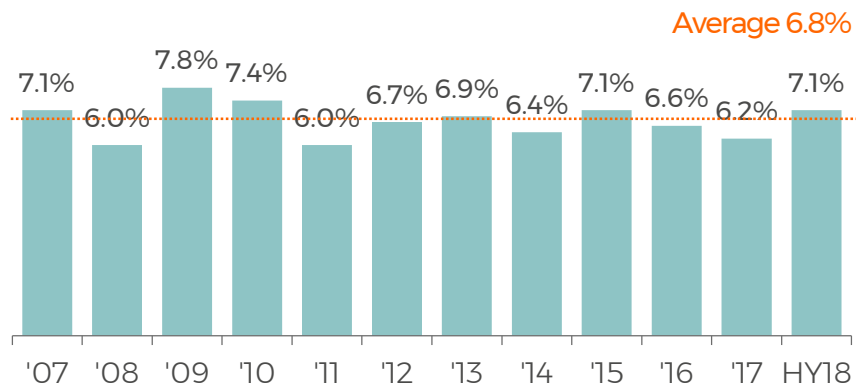
Originate

Invest

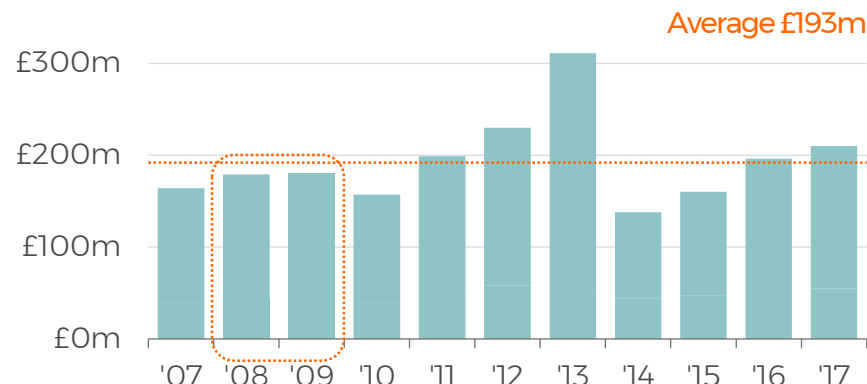
Operate

Predictable cashflow generation underpins funding for growth

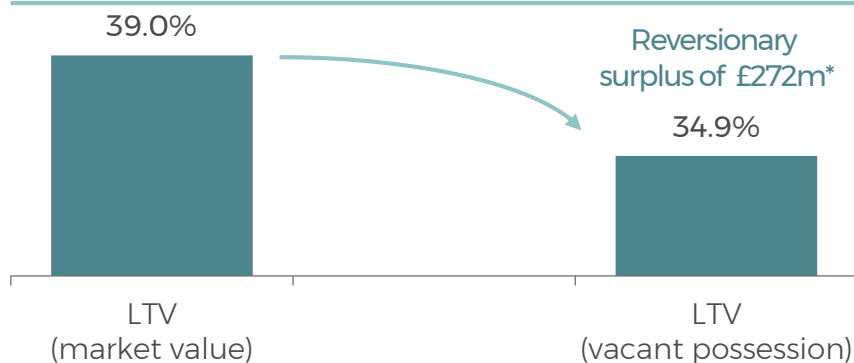
Scale gives predictable vacancy rate...



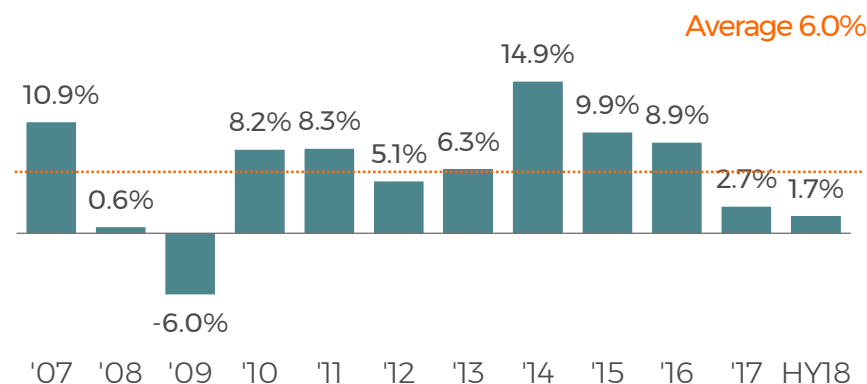
...resulting in resilient cashflow generation



Embedded reversion provides further underpinning...



...and is evidenced through consistent sale prices ahead of appraised vacant value



* Includes £54m of reversionary surplus from PRS assets and excludes £33m from co-investments

PRS portfolio

Originate

Invest

Operate

Portfolio

- c.5,100 PRS units and total value of £1.4bn (£833m Grainger share)*
- £756m secured PRS investment pipeline targeted to deliver significant net rental income growth
- PRS portfolio generates c.50% of group net rental income and rising

Characteristics

- Higher-yielding assets, market rents
- Targeting the deepest pool of demand, aimed at the mid-market, with an average rent of £806 per month
- New, purpose built assets include shared amenities

Performance

- Securing assets at average gross yield of 6 - 8 %
- HY18 like-for-like rental growth 3.2 %
- 97% occupancy



* Excluding forward funded PRS under development and development work in progress.

Strong lettings performance at Argo Apartments

Originate

Invest

Operate



Apartments

134

Investment
via GRIP REIT
(25% share)

£33m

97%
let in...

...4
months

42%
3yr lease

Gross yield
on cost

7.5%
+ mgmt. fees

Target
gross to
net

26%

"Argo is beautiful and the range of facilities on offer is second to none. Living at Argo has genuinely improved my quality of life and I couldn't ask for a better base in London."

Jamie, Argo resident

28

Average
age

£50k

Average
household
income

1/3

Banking &
finance

Design and operational evolution

Originate

Invest

Operate

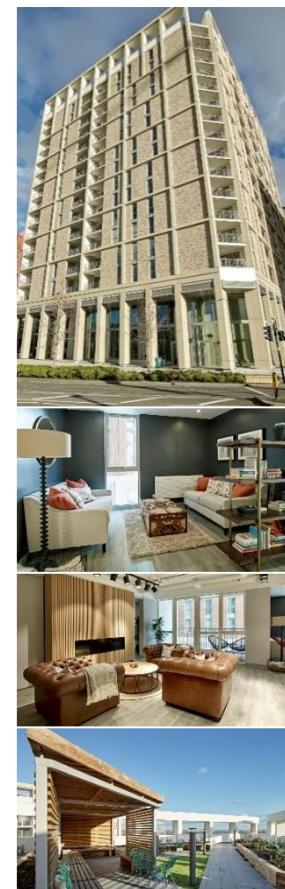
Abbeville to Argo Apartments

9,000 sqft
amenity with roof terrace



Utilising customer insight and operational experience

- Broader range of amenities (guest suite, dining room, roof terrace)
- Improved fit out
- Higher grade specification (furniture, kitchens, bathrooms, 100 mbps fibre optic broadband)
- Enhanced marketing and lettings, driving more direct lettings, utilising social media
- Improved customer service offer (24/7 on-site staff)
- Increased focus on shared spaces



Walk Score* 87

* Walk Score measures the walkability of any address.

Leading through partnerships

Originate

Invest

Operate

Delivering 4,908 homes through partnerships

Defence Infrastructure Organisation

Gunhill at Wellesley, Aldershot
3,850 homes, incl 107 PRS homes
Direct development

Royal Borough of Kensington & Chelsea

7 sites, London
162 homes
Direct development

Network Rail & West Berkshire Council

Newbury
232 PRS homes
Direct development

London Borough of Lewisham

Besson St, London
232 PRS homes
Direct development

Transport for London

Seven Sisters, Tottenham, London
196 PRS homes
Direct development

Greater London Authority

Pontoon Dock, London
236 homes
Forward funding

Market leader with a strong growth trajectory

Originate

Invest

Operate

1 Positive financial performance

Consistent growth in high quality earnings
Adjusted earnings up +20% HY18
Net rental income up +9% HY18

4 Market leading operating platform

Proven ability to successfully drive performance at scale
Scalability will drive future profitability
Customer service driven culture

2 Continued investment success

Proven track record of securing future income
£756m secured investments
£258m in planning & legals
Increasing funding capacity

5 Strong growth trajectory

Vast market opportunity
Strong pipeline
Investing in the platform and tech
Targeting a step change in NRI & dividend

3 Transformed capital structure

Disciplined approach to financing underpins future earnings
Extended maturities to 6.6 years
Cost of debt reduced to 3.1% (proforma)

Finzels Reach, Bristol



**London • Bristol • Birmingham • Leeds • Manchester • Sheffield
Hampshire • Milton Keynes • Liverpool • Southampton**

Appendices

Investment case

Originate

Invest

Operate

Strong foundations for growth

National reach

Presence across the UK.

1

Local knowledge

Local market knowledge provides a competitive advantage.

2

A well established network

Scale and strong industry contacts ensure access to the best investment opportunities in the market

3

Flexible approach

Ability to invest across the full spectrum of opportunities, from development to existing tenanted assets.

4

Leading operational platform

Unparalleled scale and expertise

5

- ▀ Sourcing
- ▀ Transactions
- ▀ Development
- ▀ Lettings and marketing
- ▀ Property and asset management

Strong future cashflows

Regulated tenancy home sales are expected to generate an average of £100m pa.
Asset recycling opportunities

6

Strong balance sheet

Capacity to deliver beyond the £850m investment plan.

7

Secured build to rent pipeline

Originate

Invest

Operate

Secured projects	Location	Units	Grainger investment	Net rent target est.	FY18	FY19	FY20	FY21
Berewood	Waterlooville, Hampshire	104	£17m	£1m	Lease up			
Gun Hill, Wellesley	Aldershot, Hampshire	107	£22m	£1m	Construction	Phased lease up		
Finzels Reach	Bristol	194	£46m	£2.25m	Construction	Phased lease up		
Gilders Yard	Birmingham	156	£28m	£1.5m	Construction	Lease up		
Clippers Quay	Salford Quays, Manchester	614	£99m	£5.75m	Construction	Phased lease up		
Eccy Village	Sheffield	237	£32m	£1.75m	Construction	Lease up		
Apex House	Haringey, London	163	£60m	£2.75m	Construction	Lease up		
Gore Street	Manchester	375	£80m	£4.25m	Construction	Phased lease up		
Yorkshire Post	Leeds	242	£42m	£2m	Construction	Lease up		
YMCA	Milton Keynes	261	£63m	£3.25m	Construction	Construction		
Seven Sisters	Haringey, London	196	£80m	£3.75m	Land assembly	Construction		
Total		2,649	£569m	£29.25m				

The above reflects the wholly owned build to rent schemes. It excludes investment in affordable homes, tenanted acquisitions and co-investments. Phased lease up includes staggered completions and associated lease ups.

Secured pipeline schedule

(1 of 2)

Originate

Invest

Operate

Name	Status	No. units	Est. Grainger investment	Gross yield target	Completion/First lets
Forward funding / acquisition					
Clippers Quay, Salford	On site	614	£99m	c.8%	Early FY19
Gore Street, Manchester	On site	375	£80m	c.7%	Early FY20
YMCA, Milton Keynes	Conditionally exchanged	261	£63m	c.6.25%	Early FY22
Finzels Reach, Bristol	On site	194	£46m	c.7%	Mid FY19
Yorkshire Post, Leeds	Construction to commence in mid 2018	242	£42m	c.7%	Early FY21
Eccy Village, Sheffield	On site	237	£32m	c.7%	Late FY19
Gilders Yard, Birmingham	On site	156	£28m	c.7%	Mid FY19
Affordable homes acquisitions (inc. Pontoon Dock)	On site	156	£21m	5-6% + sales profit	Mid FY20
Sub total secured		2,235	£411m		
Direct development					
Apex House, London	On site	163	£60m	c.6.5%	Mid FY20
Gun Hill, Wellesley	On site	107	£22m	c.6.5%	Early FY19
Berewood, Hampshire	Part complete	104	£17m	c.7.5%	Late FY17
Seven Sisters, London	Consent granted, land assembly underway	196	£80m	c.7%	Land assembly Timing TBC
Sub total secured		570	£179m		

Secured pipeline schedule

(2 of 2)

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Name	Status	No. units	Est. Grainger investment	Gross yield target	Completion / First lets
Tenanted acquisitions					
Tribe Portfolio, Manchester	Acquired	192	£26m	c.7%	FY18
The Rock, Bury, Manchester	Acquired	233	£22m	c.7.5%	FY17
The Wirral Portfolio, Liverpool	Acquired	159	£12m	c.7%	FY17
Indigo Blu, Leeds	Acquired	46	£8m	c.7%	FY17
Kings Dock Mill, Liverpool	Acquired	120	£15m	c.7%	FY16
Other Tenanted Acquisitions	Acquired	327	£28m	6.5%-7%	From FY16
Sub total secured		1,077	£111m		
Co-investment (Grainger's share)					
GRIP – East Street, Southampton	Construction to commence mid 2018	132	£7m	c.6.5% + fees	FY21
GRIP – Silbury Boulevard, Milton Keynes	On site	139	£8m	c.6% + fees	FY20
GRIP – Argo Apartments, Canning Town, London	Fully let H2 18	134	£8m	c.7.5% + fees	FY18
GRIP – Stabilised Acquisitions (inc. Kew Bridge)	Acquired	241	£19m	4.5-6% + fees	From FY16
Vesta JV – Pontoon Dock, London	On site	154	£13m	c.6% + fees	FY20
Sub total secured		800	£55m		
TOTAL SECURED		4,682	£756m		

Balance sheet

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Market value balance sheet (£m)	FY17	HY18
Residential – PRS	526	564
Residential – regulated tenancies	1,214	1,177
Residential – mortgages (CHARM)	86	86
Forward Funded – PRS under development	75	152
Development work in progress	63	60
Investment in JVs/associates	206	211
Total investments	2,170	2,250
Net debt	(848)	(912)
Other assets/liabilities	112	107
EPRA NAV	1,434	1,445
Deferred and contingent tax – regulated tenancies	(95)	(93)
Deferred and contingent tax – PRS & other	(49)	(47)
Fair value of fixed rate debt and derivatives	(22)	(24)
EPRA NNNAV	1,268	1,281
EPRA NAV (pence per share)	343	345
EPRA NNNAV (pence per share)	303	306
LTV	37.7%	39.0%

Portfolio summary

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Property assets HY18

£m	No. units	Market value	Vacant possession value	Reversionary surplus
Residential – PRS	2,775	564	618	54
Residential – regulated tenancies	3,338	1,177	1,396	219
Residential – mortgages (CHARM)	611	86	85	(1)
Forward Funded – PRS under development	-	152	152	-
Development work in progress	-	60	60	-
Wholly-owned assets	6,724	2,039	2,311	272
Co-investments (Grainger share)	718	269	302	33
HY18 total investments	7,442	2,308	2,613	305
Assets under management (third party share)	1,598	604	684	80
Total assets under management	9,040	2,912	3,297	385

Reconciliation of assets under management

Residential – PRS	5,091	1,437	1,604	167
Residential – reversionary (regulated tenancies and CHARM)	3,949	1,263	1,481	218
Forward Funded – PRS under development	-	152	152	-
Development work in progress	-	60	60	-
Total assets under management	9,040	2,912	3,297	385

Total assets under management by region

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Invest

Operate

Reversionary* & PRS (wholly owned and co-investments^) HY18

Region	Homes under management units	Market value £m	Grainger's share of market value £m	Average house price (avg VPV per unit) £000s
Central / Inner London	3,292	1,601	1,109	558
Outer London	623	223	180	418
South East	896	198	177	271
South West	836	243	198	315
East and Midlands	1,024	163	160	183
North West	1,734	197	197	123
Other regions	635	75	75	126
Total	9,040	2,700**	2,096	341

* Regulated tenancies and mortgages (CHARM)

^ Including GRIP REIT & WIP JV

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

Reversionary assets under management by region


Originate

Invest

Operate

Regulated tenancies & mortgages (CHARM) HY18

Region	Homes under management units	Market value £m	Average house price (avg VPV per unit) £000s
Central / Inner London	1,071	699	775
Outer London	360	136	450
South East	435	119	321
South West	374	61	184
East and Midlands	898	153	194
North West	455	53	134
Other regions	356	42	127
Total	3,949	1,263	375



PRS assets under management by region


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Invest

Operate

PRS (wholly owned & co-investments[^]) HY18

Region	Homes under management units	Market value £m	Grainger's share of market value £m	Average house price (avg VPV per unit) £000s
Central / Inner London	2,221	903	411	454
Outer London	263	86	44	374
South East	461	79	58	225
South West	462	182	137	422
East and Midlands	126	10	6	100
North West	1,279	144	144	119
Other regions	279	33	33	125
Total	5,091	1,437*	833	315



[^] Including GRIP REIT & WIP JV

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

JVs & Associates

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Invest

Operate

Balance Sheet HY18 (£m)	GRIP	Walworth	Other	Total
Residential property assets	668	205	-	873
Development assets	5	-	55	60
Other assets	83	11	7	101
Total assets	756	216	62	1,034
External debt	(250)	(80)	-	(330)
Loans from equity participants	(75)	-	(58)	(133)
Other liabilities	(11)	(16)	(14)	(41)
Total liabilities	(336)	(96)	(72)	(504)
Net assets	420	120	(10)	530
<i>Grainger share</i>	24.9%	50%	20-50%	
Grainger share	105	60	(5)	160
Loans net of provisions	19	-	24	43
Total Grainger investment - statutory balance sheet*	124	60	19	203
Adjustments to market value, deferred tax and derivatives	-	8	-	8
Total Grainger investment - market value balance sheet	124	68	19	211

* Includes the value of investment in joint ventures, associates and assets classified as held-for-sale (Walworth)

JVs & Associates – Reconciliation

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Invest

Operate

Property asset reconciliation HY18

	GRIP (25%) Units	Walworth (50%) Units	Total Units
Total no. units	1,751	565	2,316
Grainger share	435	283	718
Third party share	1,316	282	1,598
Market value	£m	£m	£m
Total market value property assets	668	205	873
Grainger share	166	103	269
Third party share	502	102	604

Vacant possession value	£m	£m	£m
Total vacant possession value	760	226	986
Grainger share	189	113	302
Third party share	571	113	684

Reversionary surplus			
Total reversionary surplus	93	20	113
Grainger share	23	10	33
Third party share	70	10	80

See through debt

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Invest

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£m	Group	GRIP (25%)	Walworth (50%)	Total JVs	Grainger share	Consolidated Group
Syndicate	356					356
Corporate bond	275					275
Core bilaterals	140					140
Core total	771					771
Bilateral	150					150
Rothesay funding	75					75
HCA funding	8					8
Joint ventures and associates		250	80	330	102	102
Total group gross debt	1,004	250	80	330	102	1,106
Cash	(82)					(82)
Finance costs	(10)					(10)
Total group net debt	912	250	80	330	102	1,014
Group property and investment assets (market value)	2,341	673	205	878	270	2,611
Group LTV	39.0%	37.1%	39.0%	37.6%	37.8%	38.9%

Market value (MV) reconciliation	HY18
Total investments (MV)	2,250
Construction contracts / other assets	91
Market value for LTV	2,341

Net asset reconciliation

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Invest

Operate

£m	Statutory balance sheet	Market value adjustments	Market value balance sheet	Add back def tax on property	Add back fair value of derivative financial instruments	Gross NAV	Adj IAS 39 re fixed rate loan and derivative financial instruments	Deferred and contingent tax	NNNAV balance sheet
Investment Property	505		505			505			505
CHARM	86		86			86			86
Trading stock	818	630	1,448			1,448			1,448
JV/Associates*	203		203	8		211		(8)	203
Cash	96		96			96			96
Deferred tax	8		8			8	5		13
Other assets	154	7	161			161			161
Total assets	1,870	637	2,507	8	-	2,515	5	(8)	2,512
External debt	(993)		(993)			(993)	(28)		(1,021)
Derivatives	(1)		(1)		1	-	(1)		(1)
Deferred tax	(29)		(29)	24		(5)		(132)	(137)
Other liabilities	(72)		(72)			(72)			(72)
Total liabilities	(1,095)	-	(1,095)	24	1	(1,070)	(29)	(132)	(1,231)
Net assets	775	637	1,412	32	1	1,445	(24)	(140)	1,281
Net assets per share pence	185	152	337	8	-	345	(6)	(33)	306

Shares	418,749,762
Treasury / EBT shares	2,348,407

* Includes the value of investment in joint ventures, associates and assets classified as held-for-sale (Walworth)

Future reporting dates

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2018

Trading update	September
FY18 Full Year results	30 November

2019

Trading update	February
Half year results	16 May
Trading update	September
Full year results	28 November

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