



SEGR

# 2020 FULL YEAR RESULTS

19 February 2021



# WE CREATE THE SPACE THAT ENABLES EXTRAORDINARY THINGS TO HAPPEN

**Strong financial  
results**

**Record  
operating  
performance**

**Investing to  
support further  
growth**

**Confident  
outlook**

# THE SEGRO CENTENARY FUND



£10 million of funding over 10 years to make a positive impact across our local communities across the UK and Continental Europe

- 2020 funding aimed at supporting those impacted by the Covid-19 pandemic
  - £967,000 of funding
  - 100 charities
  - Helping more than 77,000 people
- Additional £541,000 of assistance in kind
- Future funding aimed at community projects which align with our new Responsible SEGRO focus areas



# POSITIONING SEGRO TO DELIVER ON ITS PURPOSE



Championing **LOW-CARBON GROWTH**

Investing in our local **COMMUNITIES** and **ENVIRONMENTS**

Nurturing **TALENT**

A photograph of a large industrial building with a sign that reads "SEGRO LOGISTICS PARK EAST MIDLANDS GATEWAY" and "SEGRO.COM". The sign is white with black text. The building is grey and has yellow accents. There are trees in the foreground and a blue sky in the background.

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# STRONG FINANCIAL RESULTS

**£297m**

Adjusted profit before tax  
+10.8%

**25.4p**

Adjusted earnings per share  
+4.1%

**22.1 p**

Dividend per share  
+6.8%

**£13bn**

Portfolio valuation  
+10.3%

**814p**

Adjusted NAV per share  
+16.3%

**24%**

Loan to value

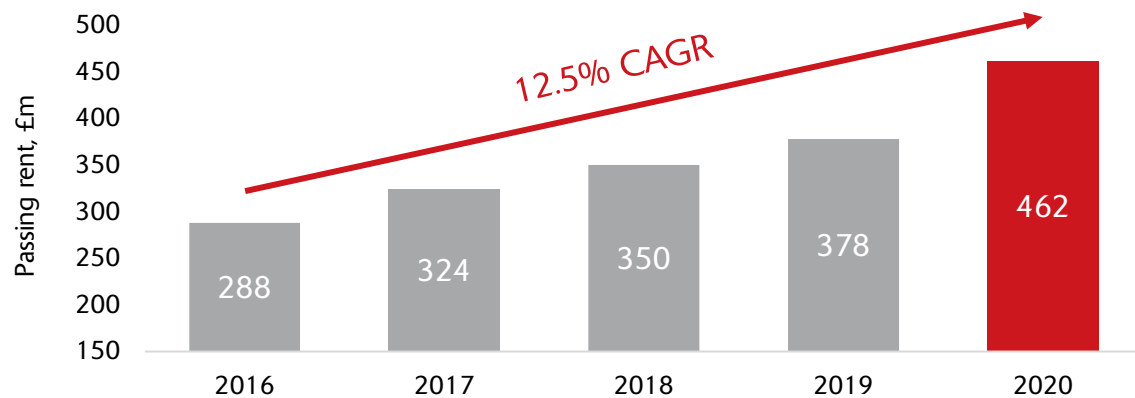
1 Average number of shares increased to 1,149.8 million as of 31 December 2020 reflecting the June equity raise (31 December 2019: 1,081.3 million)

2 Percentage valuation change based on difference between opening and closing valuation for all properties including those under construction and land, adjusting for capex, acquisitions and disposals

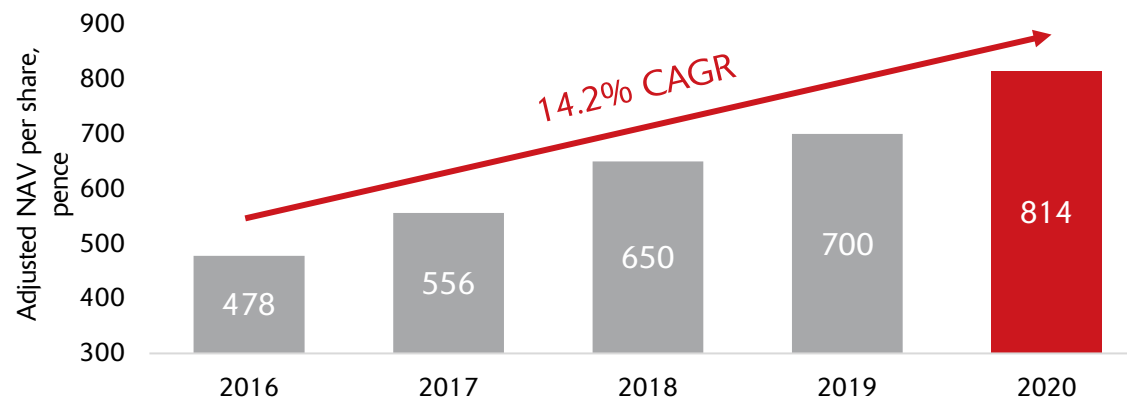
3 Adjusted NAV per share is in line with EPRA NTA – the FY19 figure has been restated to align with the definition of EPRA NTA

# CONSISTENTLY DELIVERING STRONG RETURNS

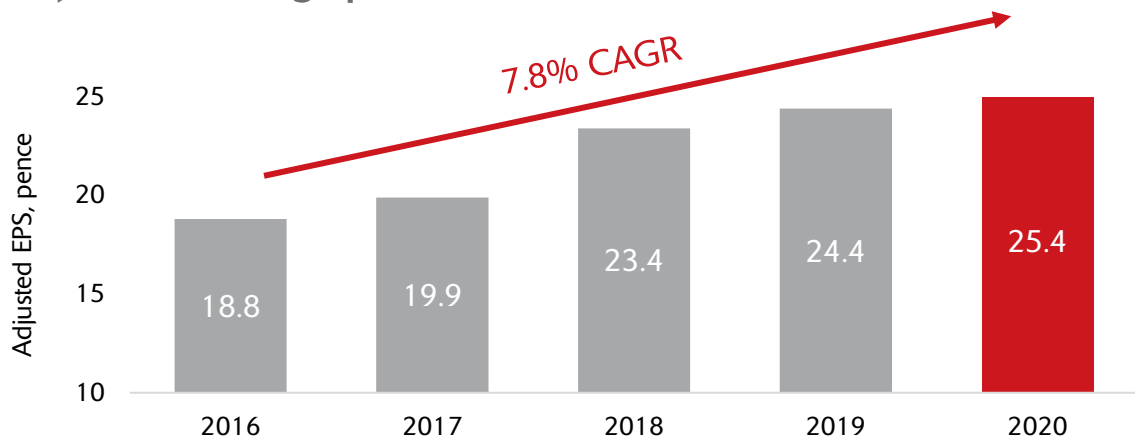
## Passing Rent



## Adjusted NAV<sup>1</sup> per share

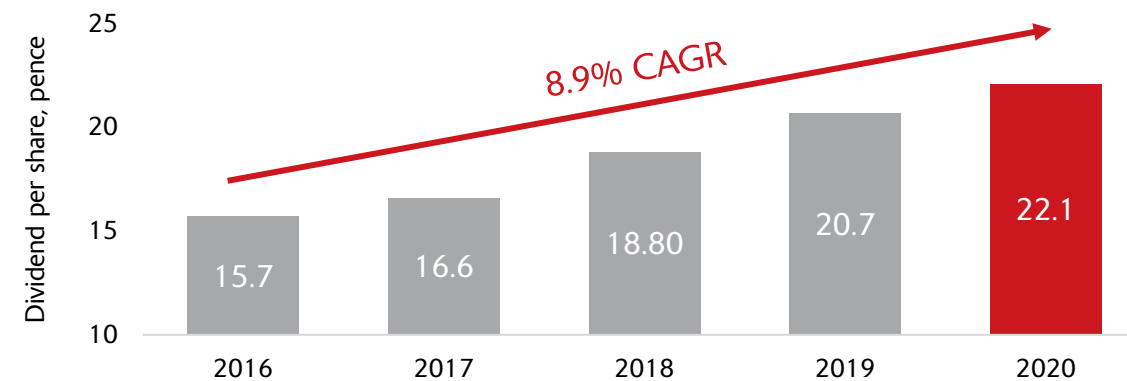


## Adjusted earnings per share



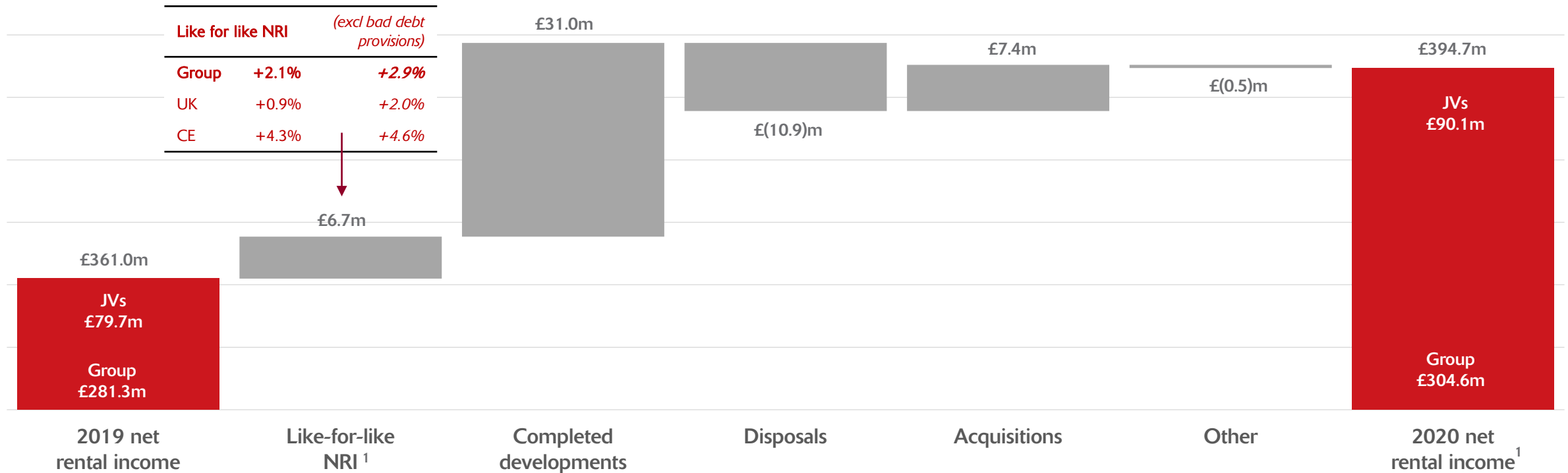
## Dividend per share

(Distribution policy of 85-95% of full year adjusted earnings)



# 9.3% GROWTH IN NET RENTAL INCOME

Proportionally consolidated net rental income (excluding joint venture fees), 2019-20, £ million



<sup>1</sup> Proforma 2020 net rental income can be found on slide 38



# 10.8% INCREASE IN ADJUSTED PBT

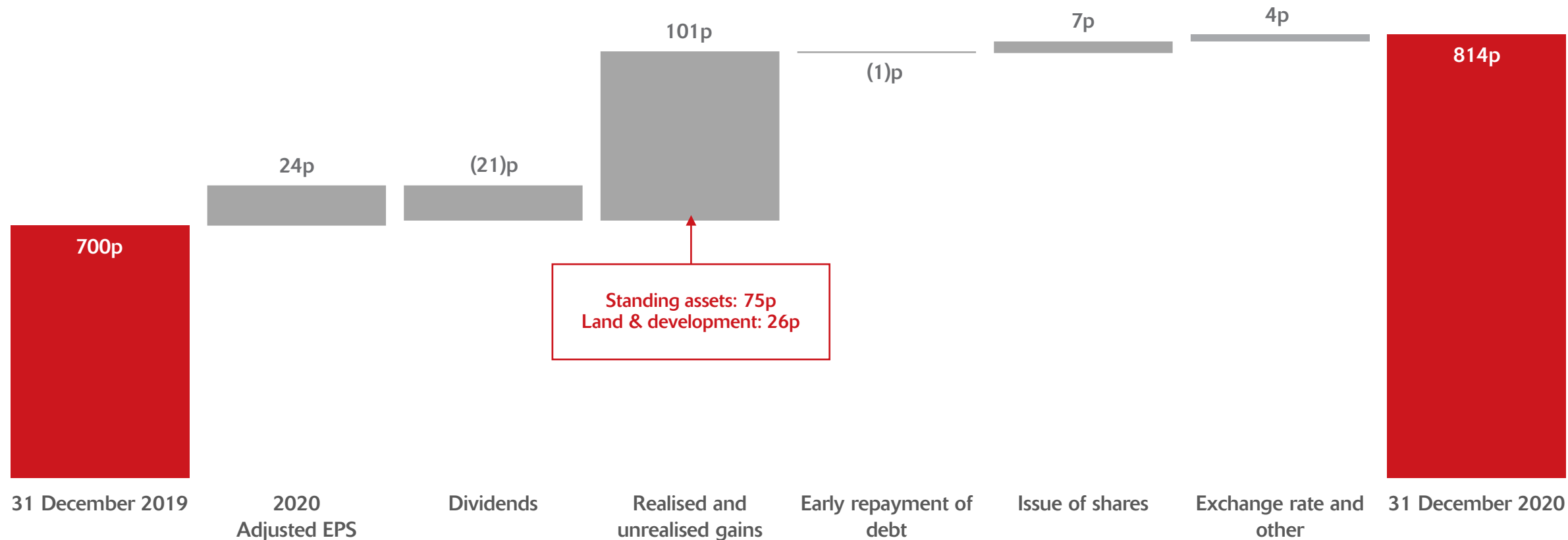
Adjusted income statement	2020 £m	2019 £m	Change
Gross rental income	392.9	362.0	
Property operating expenses	(88.3)	(80.7)	
<b>Net rental income</b>	<b>304.6</b>	<b>281.3</b>	<b>+8.3%</b>
Share of joint ventures' adjusted profit after tax <sup>1</sup>	61.5	54.0	
Joint venture fee income	21.6	20.4	
Administration expenses	(51.5)	(51.5)	
<b>Adjusted operating profit</b>	<b>336.2</b>	<b>304.2</b>	<b>+10.5%</b>
Net finance costs	(39.7)	(36.7)	
<b>Adjusted profit before tax</b>	<b>296.5</b>	<b>267.5</b>	<b>+10.8%</b>
Adjusted EPS	25.4	24.4	<b>+4.1%</b>
Average share count	1,149.8	1,081.3	

Total cost ratio lower at 21.1% (2019: 22.9%)  
- 18.8% excl share based payments (2019: 19.9%)

<sup>1</sup> Net property rental income less administrative expenses, net interest expenses and taxation

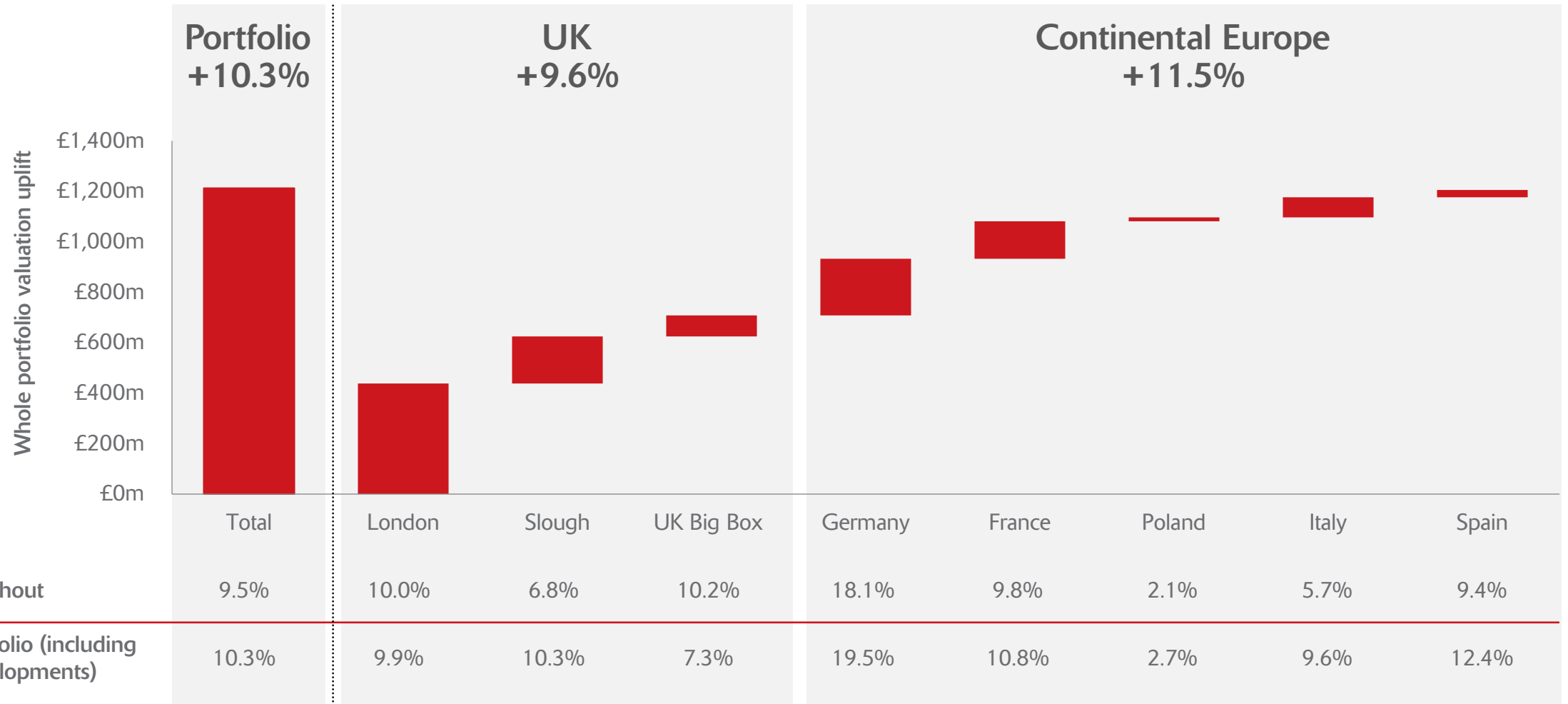
# 16.3% INCREASE IN ADJUSTED NAV<sup>1</sup>

Components of Adjusted NAV change, 31 December 2019 to 31 December 2020



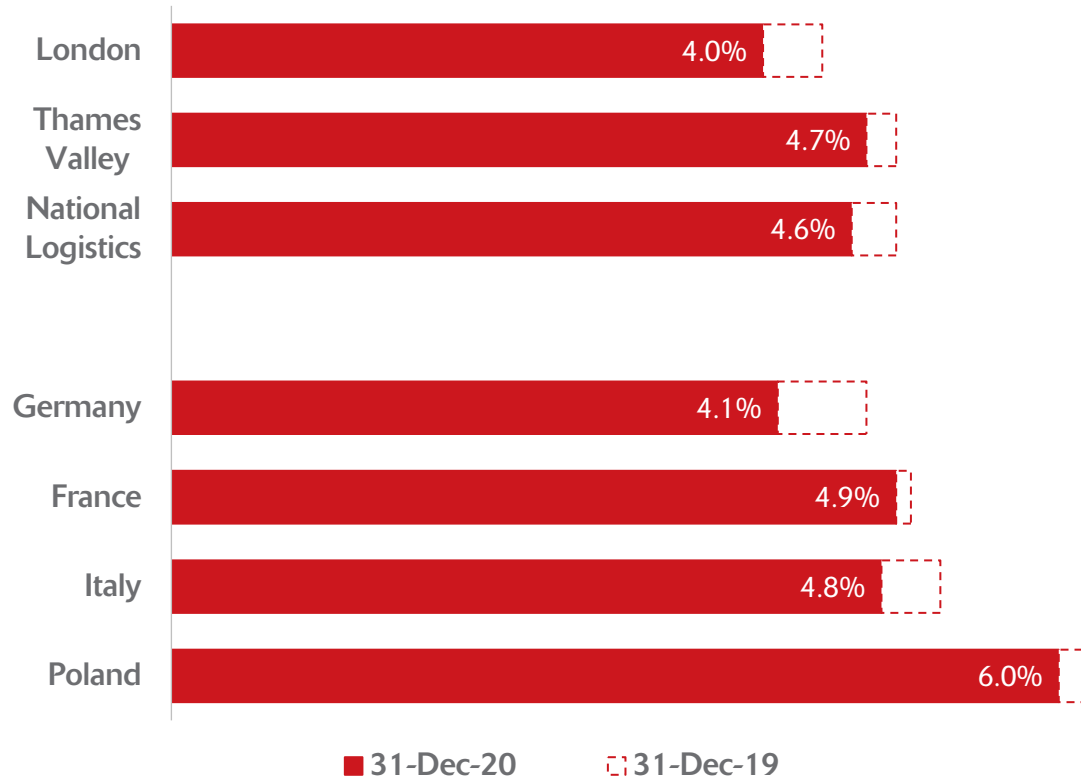
<sup>1</sup> Adjusted NAV is in line with EPRA NTA which was introduced 1 January 2020. The 31 December 2019 net asset value has been restated.

# £1.2 BILLION VALUATION SURPLUS



# DRIVEN BY YIELD SHIFT, ASSET MANAGEMENT AND RENTAL GROWTH<sup>1</sup>

## Property yield<sup>2</sup>: 4.5%



## ERV growth: 2.5%

+3.2%	<b>UK:</b> <b>+3.1%</b>
+3.7%	
+1.8%	

London	ERV
Heathrow	+2.1%
Park Royal	+4.6%
N&E London	+3.4%

+2.4%	<b>Cont. Eur:</b> <b>+1.5%</b>
+2.7%	
+0.0%	
+0.0%	

Continental Europe (by owner)	ERV
SEGRO (mainly urban)	+1.9%
SELP (big box)	+1.2%

<sup>1</sup> Yield on standing assets at 31 December 2020; ERV growth based on assets held throughout 2020.

<sup>2</sup> Net true equivalent yield

# £1.1BN<sup>1</sup> OF NEW FINANCING: BALANCE SHEET POSITIONED TO SUPPORT GROWTH

## SEGRO equity placing

£680m gross proceeds

7.5% of share capital at 820p per share

## SEGRO US private placement

€450m of new debt

16.8 year average duration, 1.6% average coupon

## SEGRO sterling bond buyback

£79.3m 6.75% 2021

£39.1m 7.00% 2022

Redemption of some of our remaining high coupon bonds

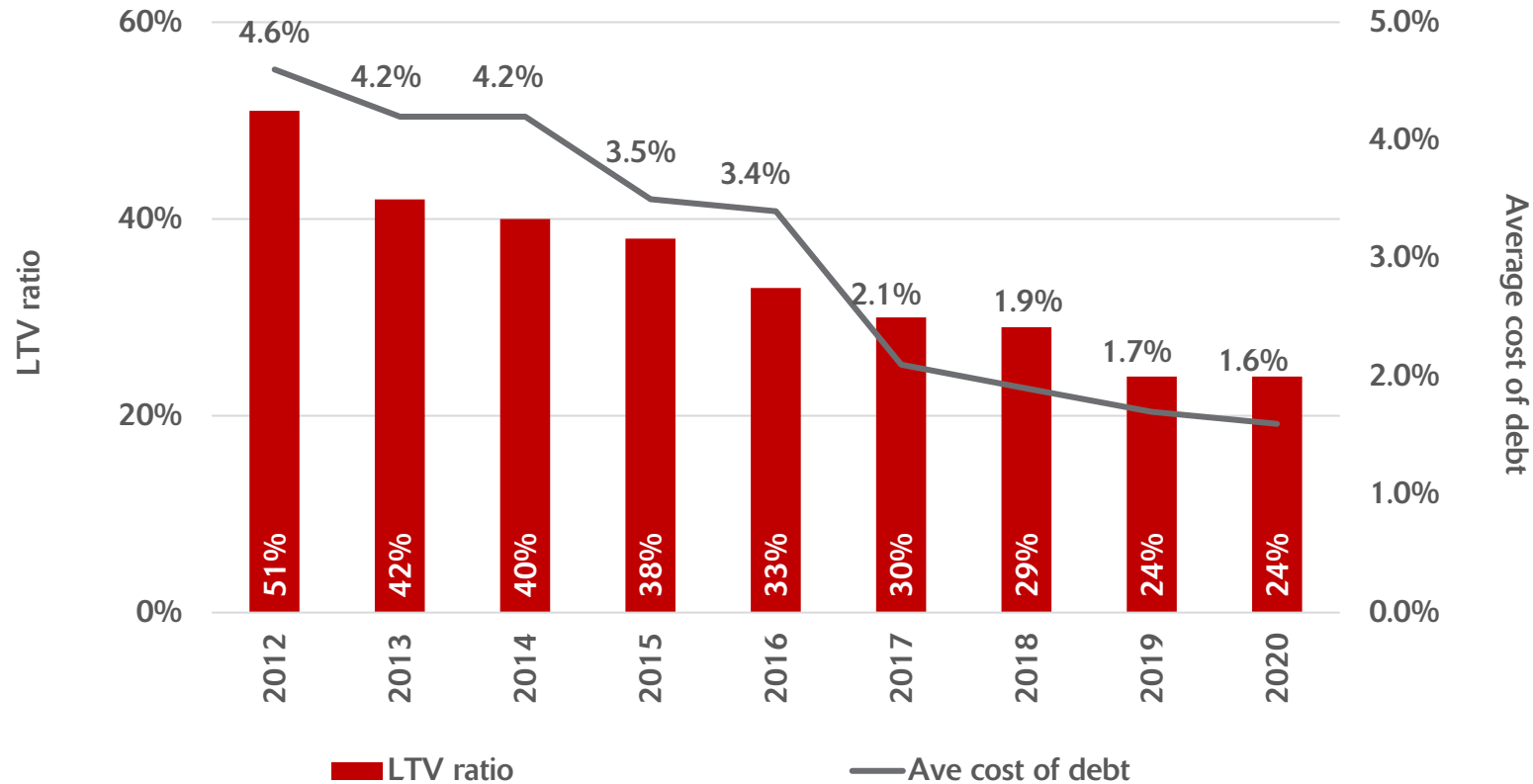
## Bank facilities extended

SEGRO (£1.1bn) and SELP (€200m) credit facilities extended by 1 year

<sup>1</sup> Sterling equivalent, including JVs at share

# BALANCE SHEET POSITIONED TO SUPPORT FURTHER GROWTH

LTV ratio and average cost of debt  
(incl share of joint ventures), 2012-20



**Net debt £3.1bn**  
(FY 2019: £2.5bn)

**Debt maturity 9.9 years**  
(from 10.0 years at end-2019)

**£1.2bn liquidity**  
cash and available bank facilities

**2021: £700m+**  
estimated development capex  
**2021: c£150-200m**  
estimated disposals

# STRONG FINANCIAL RESULTS

Strong earnings growth driven by record lettings and development

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**10.3%** increase in the value of the portfolio

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**£1.1bn** of new financing to fund future growth

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2020 full year dividend increased by **6.8%**





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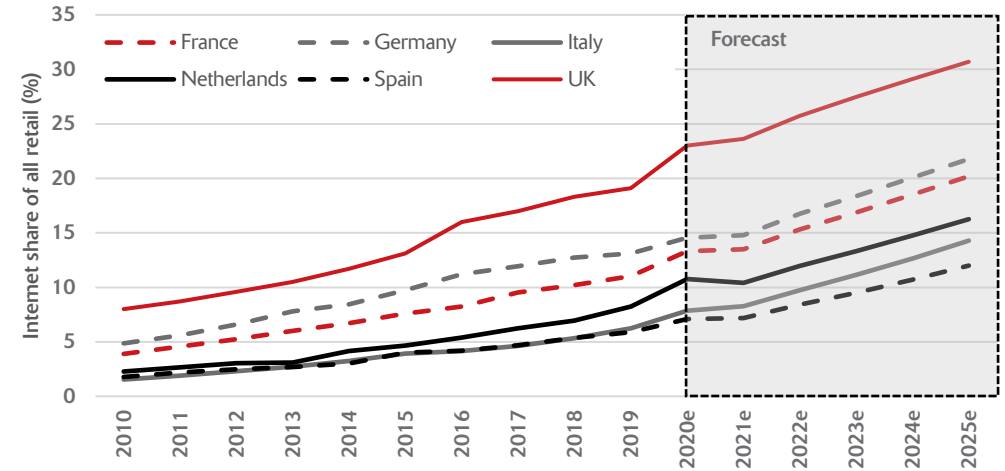


# ACCELERATION OF STRUCTURAL DRIVERS



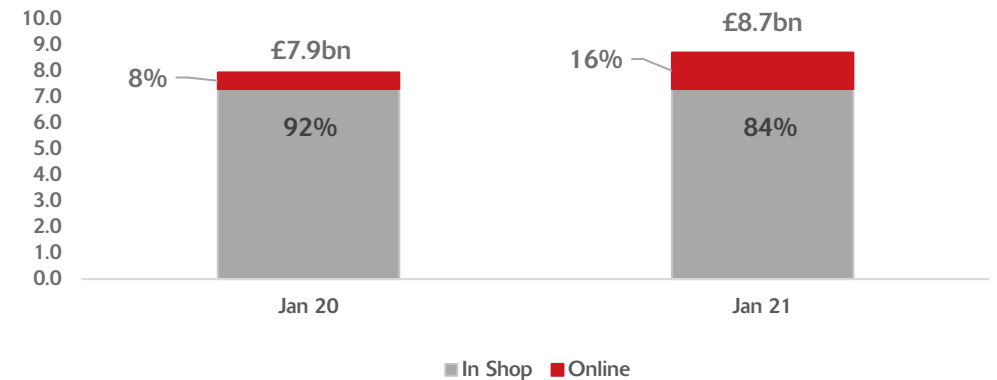
E-commerce penetration increased significantly during 2020

Source: CBRE



Online share of grocery UK sales doubled during 2020

Source: Nielsen Homescan FMCG (4 weeks to February 1, £bn)



# CUSTOMERS AT THE HEART OF OUR BUSINESS



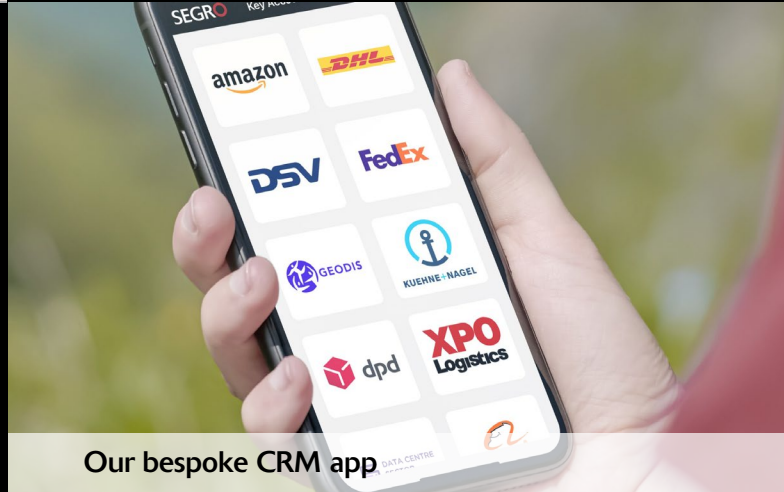
SEGRO Customer Helpdesk

**99%**  
of our customers would recommend SEGRO to others



Customer Futures Forum

**87%**  
of our customers rate their experience with SEGRO as 'very good' or 'excellent'

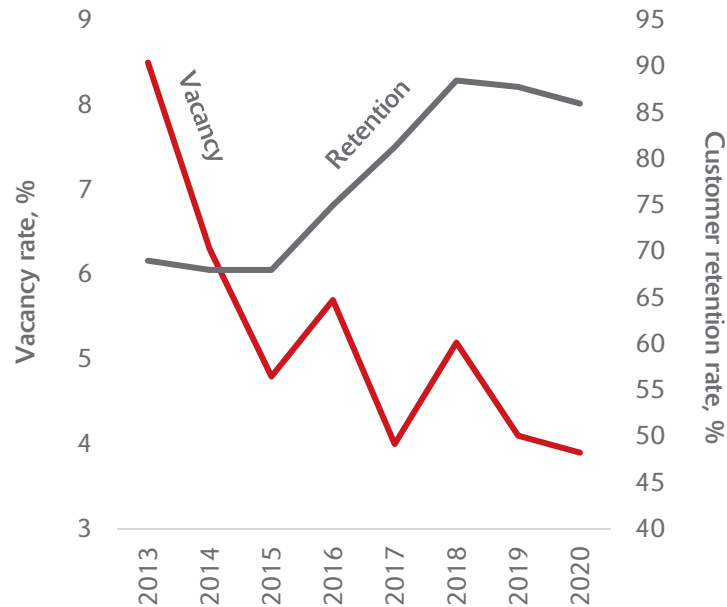


Our bespoke CRM app

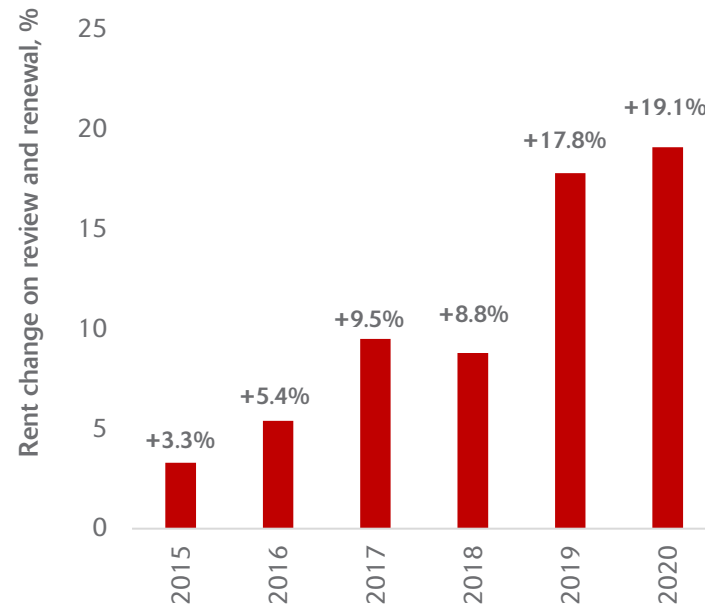
**91%**  
of the pre-lets in the current development pipeline are with an existing SEGRO customer

# STRONG OPERATIONAL METRICS

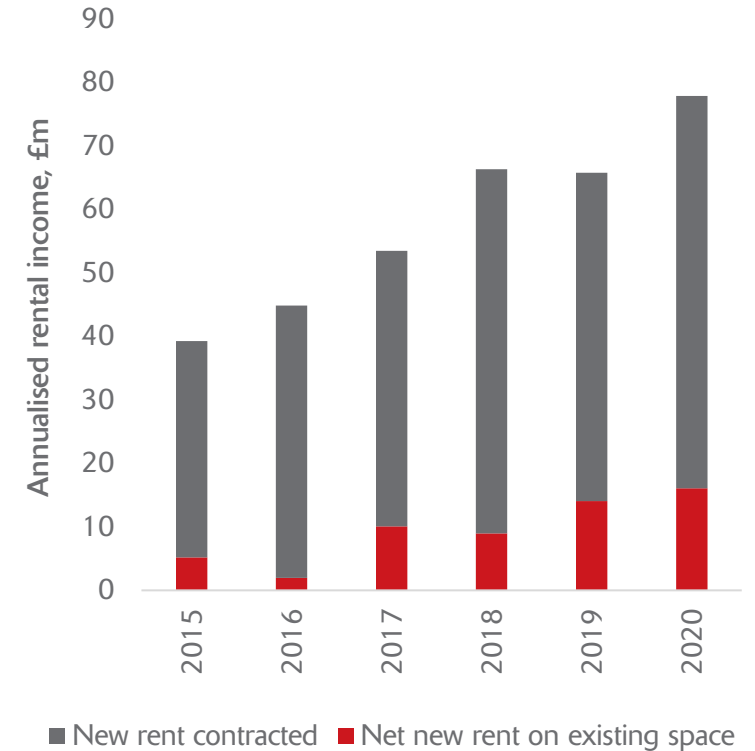
## High levels of customer retention and continued low vacancy<sup>1</sup>



## Capturing reversion from renewals and reviews<sup>2</sup>



## Record leasing performance<sup>3</sup>

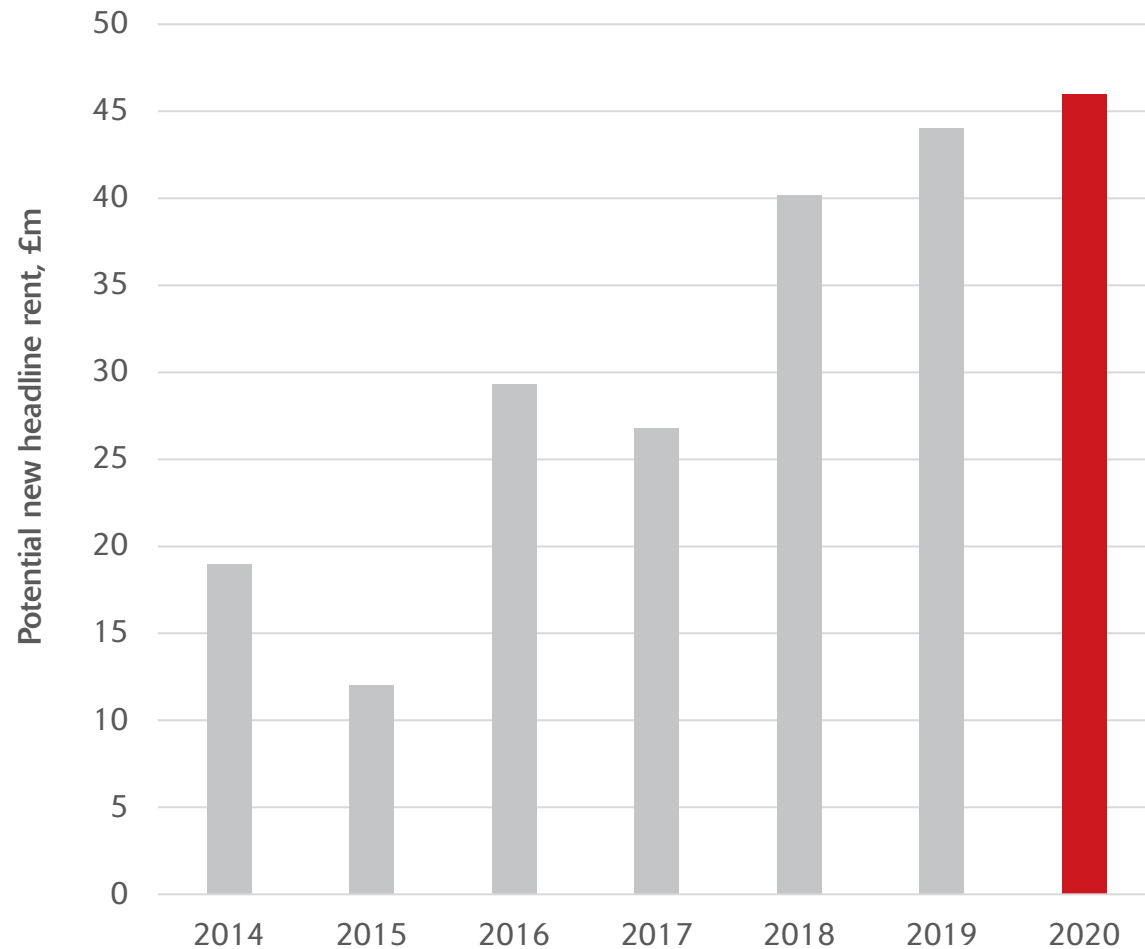


<sup>1</sup> Vacancy rate based on ERV at 31 December 2020; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.

<sup>2</sup> Uplift in 2019 and 2020 included re-gears on the peppercorn leases in the Heathrow portfolio so capture of reversion was higher – all of the re-gears have now been completed.

<sup>3</sup> Net new rent on existing space reflects headline rent agreed on new leases less passing rent lost from space taken back during the year; new rent contracted is total headline rent secured or (in the case of developments) agreed in the year.

# RECORD YEAR OF DEVELOPMENT



**835,900 sqm**  
of new space completed

**47**  
projects

**£47m**  
potential headline rent (84% leased)

**6.8%**  
average yield on cost

**93%**  
targeting BREEAM 'Excellent' or 'Very Good'  
(or local equivalent)

# 47 PROJECTS COMPLETED ON SCHEDULE TO HELP OUR CUSTOMERS RESPOND TO INCREASED DEMAND



SEGRO Park Enfield, North London



SEGRO Park Kettering, UK Midlands



SEGRO Park Collégien, Paris



SEGRO Logistics Park Getafe, Madrid



SEGRO CityPark Frankfurt



SEGRO Logistics Park Warsaw

# CONTINUED MOMENTUM IN THE DEVELOPMENT PIPELINE



SEGRO Logistics Park – EMG



SEGRO Park Rainham Phase 2



SEGRO CityPark Cologne



SEGRO Business Park Ozarow



Novara DC1



SEGRO Park St Esteve

**838,100 sqm**  
under construction

**38**  
developments

**£54m**  
potential rent (66% leased)

**6.5%**  
average yield on cost



# LEADING ON ENVIRONMENTAL SUSTAINABILITY



SEGRO Park Amsterdam Airport



SEGRO Park Tottenham



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# A RECORD YEAR – £1.3 BILLION NET INVESTMENT

## ASSET ACQUISITIONS

- Strategic acquisitions in London and Paris
- Big box warehouse in Poland in SELP



**£603m**

## LAND AND DEVELOPMENT

- £531m of development capex
- £286m invested in land acquisitions



**£817m**

## DISPOSALS

- SEGRO sales to SELP
- Remaining assets and land in Austria
- Older assets in Paris and London



**£139m**

# ACQUISITIONS OF RARE STRATEGIC ASSETS

## PERIVALE PARK, WEST LONDON

- 55,100 sq m space across 23 units
- 3 hectares of development land



£203m

## SEGRO PARK CANNING TOWN, EAST LONDON

- 21,200 sq m of space across 10 units



£133m

## PARC D'ACTIVITÉS DES PETITS CARREAUX, PARIS

- 149,000 sq m space across 35 units
- 17 hectares of development land



€241m<sup>1</sup>

# SIGNIFICANT LAND ACQUISITIONS ADD MORE DEVELOPMENT CAPACITY

## BARCELONA AND MADRID, SPAIN



Potential for 250,000 sq m of mostly big box warehouses

## SEGRO LOGISTICS PARK NORTHAMPTON GATEWAY, UK



Potential for 500,000 sq m of big box warehouses

## SEGRO PARK COVENTRY GATEWAY, UK



Potential for 350,000 sq m of big box warehouses



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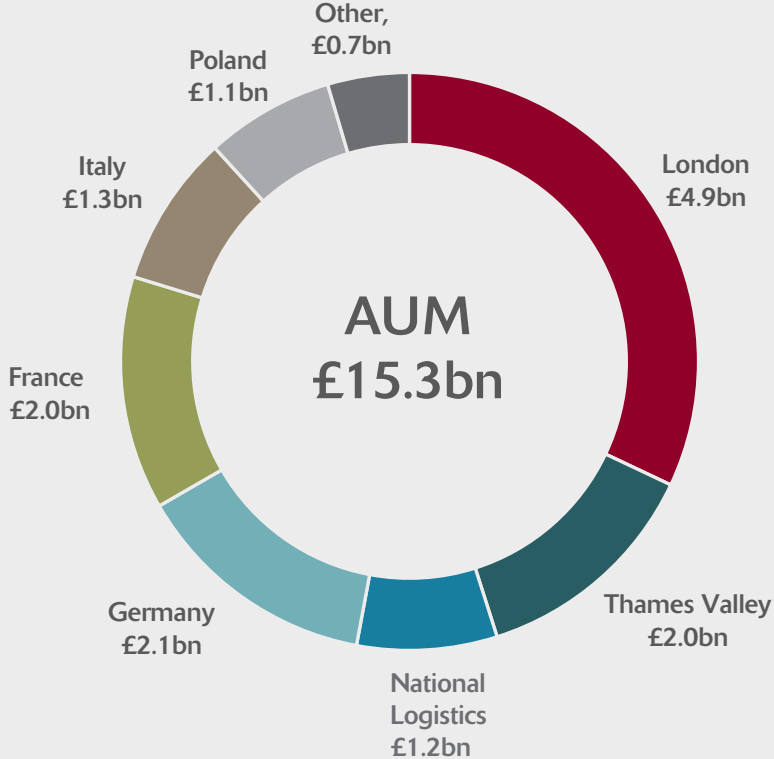
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# A PRIME PORTFOLIO OF ASSETS AND A PAN-EUROPEAN OPERATING PLATFORM

Portfolio split by geography and asset type  
(at 31 December 2020)



Urban (66%)

Big box (32%)

Other (2%)



# £270M+ OF POTENTIAL RENTAL INCOME FROM FUTURE DEVELOPMENT

SEGRO land bank (31 December 2020)



Potential annualised gross rent from current, near-term and future pipeline<sup>4</sup>, by asset type (£211 million at 31 December 2020)

Big box (72%)

Urban (25%)

Other (3%)

Development pipeline	Area (sq m)	Estimated cost to complete (£m)	Potential gross rent (£m)	Development yield <sup>3</sup>	Proportion pre-let	Expected delivery
Current	838,086	397 <sup>2</sup>	54	6.5%	66%	1-12 months
Near-term pre-lets <sup>1</sup>	385,475	302	27	6.4%	94%	12-18 months
Future <sup>1</sup>	2.4m	1,297	130	6-7%	-	1-7 years
Optioned land	c1.0m	c1,000	62	c6%	-	1-10 years
<b>Total</b>	<b>4.6m</b>	<b>2,996</b>	<b>273</b>	<b>6-7%</b>	<b>-</b>	<b>1-10 years</b>

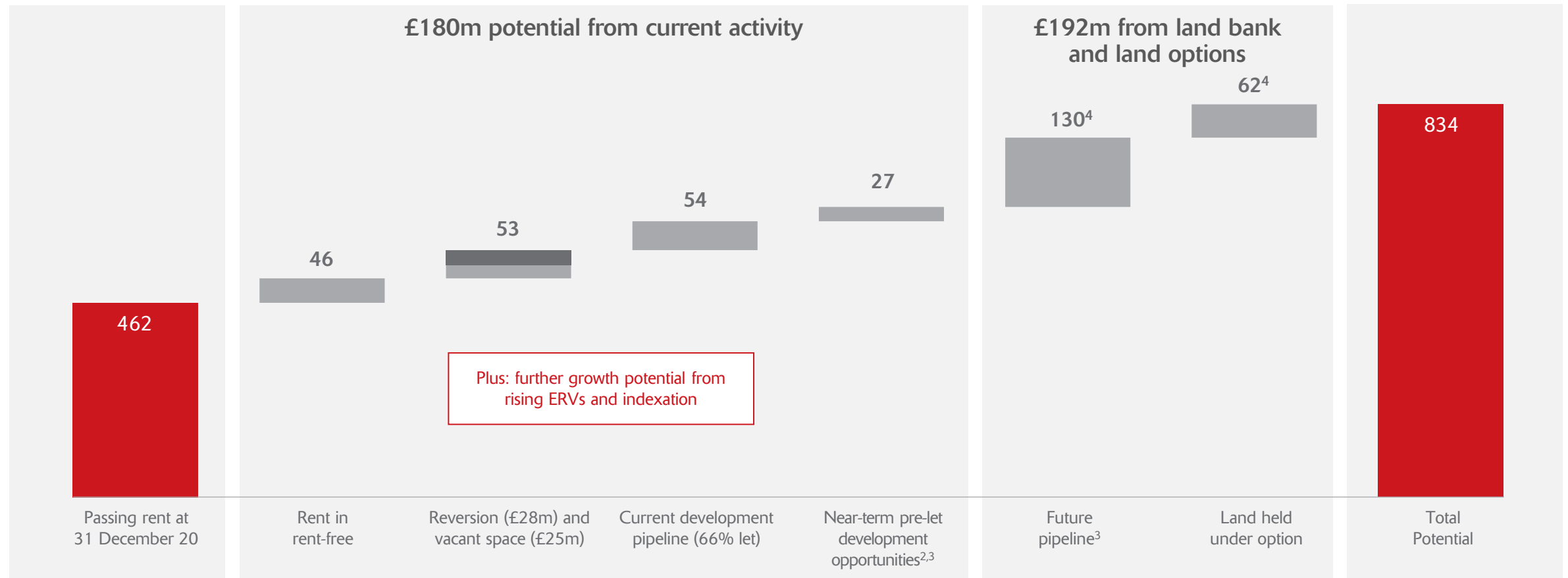
Potential annualised gross rent from current, near-term and future pipeline<sup>4</sup>, by region (£211 million at 31 December 2020)

UK (50%)

Continental Europe (50%)

# POTENTIAL FOR SIGNIFICANT INCOME GROWTH

Annualised gross cash passing rent<sup>1</sup>, £ million  
(as at 31 December 2020)



# DEMAND-SUPPLY CONDITIONS SUPPORTIVE OF FURTHER RENTAL GROWTH

Property Type	Region	% of portfolio <sup>1</sup>	Demand conditions	Supply conditions	SEGRO 3 year average ERV growth	SEGRO ERV growth expectations
Urban warehouses	UK	53%	STRONG	LIMITED	4.1%	2-5% pa
	Continental Europe	13%	STRONG	LIMITED	2.0%	
Big box warehouses	UK	8% <sup>2</sup>	STRONG	MODERATE	1.5%	1-2% pa
	Continental Europe	24%	STRONG	MODERATE	1.6%	

...with £28m of reversionary potential to capture

<sup>1</sup> Percentage of portfolio based on valuations as of 31 December 2020. 2% of the portfolio in other uses of industrial land, e.g. self-storage, car showrooms, offices

<sup>2</sup> Includes big box warehouses in the Midlands (within National Logistics) and South East England



# CONFIDENT OUTLOOK



# Q&A

2020 Full Year Results

# APPENDIX 1

Portfolio and Financial Data

# ADJUSTED INCOME STATEMENT (JVS PROPORTIONALLY CONSOLIDATED)

	2020			2019		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Gross rental income	392.9	121.2	514.1	362.0	107.1	469.1
Property operating expenses	(88.3)	(31.1)	(119.4)	(80.7)	(27.4)	(108.1)
<b>Net rental income</b>	<b>304.6</b>	<b>90.1</b>	<b>394.7</b>	<b>281.3</b>	<b>79.7</b>	<b>361.0</b>
JV management fee income <sup>1</sup>	21.6	(9.6)	12.0	20.4	(8.6)	11.8
Administration expenses	(51.5)	(1.6)	(53.1)	(51.5)	(1.6)	(53.1)
<b>Adjusted operating profit</b>	<b>274.7</b>	<b>78.9</b>	<b>353.6</b>	<b>250.2</b>	<b>69.5</b>	<b>319.7</b>
Net finance costs	(39.7)	(12.3)	(52.0)	(36.7)	(10.0)	(46.7)
<b>Adjusted profit before tax</b>	<b>235.0</b>	<b>66.6</b>	<b>301.6</b>	<b>213.5</b>	<b>59.5</b>	<b>273.0</b>
Tax and non-controlling interests	(4.2)	(5.1)	(9.3)	(3.4)	(5.5)	(8.9)
<b>Adjusted profit after tax</b>	<b>230.8</b>	<b>61.5</b>	<b>292.3</b>	<b>210.1</b>	<b>54.0</b>	<b>264.1</b>

<sup>1</sup> The management fees earned from joint ventures are recorded at 100% in SEGRO's income statement (2020: £21.6 million; 2019: £20.4 million). As a 50% owner of the joint ventures, SEGRO's share of JV income includes approximately half the cost of these fees in JV property operating expenses (2020: £9.6 million; 2019: £8.6 million).

# BALANCE SHEET

## (JVS PROPORTIONALLY CONSOLIDATED)

	31 December 2020			31 December 2019		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Investment properties	10,671.4	2,347.7	13,019.1	8,401.7	1,898.3	10,300.0
Trading properties	52.1	-	52.1	20.2	1.0	21.2
<b>Total properties</b>	10,723.5	2,347.7	13,071.2	8,421.9	1,899.3	10,321.2
Investment in joint ventures	1,423.0	(1,423.0)	-	1,121.4	(1,121.4)	-
Other net liabilities	(162.3)	(161.7)	(324.0)	(54.7)	(104.6)	(159.3)
Net debt	(2,325.0)	(763.0)	(3,088.0)	(1,811.0)	(673.3)	(2,484.3)
<b>Net asset value<sup>1</sup></b>	<b>9,659.2</b>	<b>-</b>	<b>9,659.2</b>	<b>7,677.6</b>	<b>-</b>	<b>7,677.6</b>
EPRA adjustments			66.0			34.5
<b>Adjusted NAV</b>			<b>9,725.2</b>			<b>7,712.1</b>

<sup>1</sup> After minority interests

# PRO FORMA 2020 ACCOUNTING NET RENTAL INCOME

	Group £m	JVs £m	Total £m
<b>2020 net rental income</b>	<b>304.6</b>	<b>90.1</b>	<b>394.7</b>
<b>Full year impact of:</b>			
Disposals since 1 January 2020	(3.2)	-	(3.2)
Acquisitions since 1 January 2020	20.0	0.7	20.7
Developments completed and let during 2020	12.4	5.0	17.4
One-off items	(7.8)	-	(7.8)
<b>Pro forma 2020 net rental income</b>	<b>326.0</b>	<b>95.8</b>	<b>421.8</b>

- Pro forma 2020 net rental income assuming disposals, acquisitions and let developments completed as at 1 January 2020

- One-off items (e.g. rates refunds) removed

- Share of JV fee costs removed from JV net rental income (see slide 36)

- Net rental income would have been £27.1m higher on this basis

# TOTAL COST RATIO

## Total cost ratio, 2019-20 (proportionally consolidated)

Incl. joint ventures at share	2020 £m	2019 £m
<b>Gross rental income (less reimbursed costs)</b>	448.4	414.9
Property operating expenses	88.3	80.7
Administration expenses	51.5	51.5
JV operating expenses	42.3	37.6
JV management fees <sup>2</sup>	(87.3)	(74.6)
<b>Total costs<sup>1</sup></b>	<b>94.8</b>	<b>95.2</b>
Of which share based payments	(10.4)	(12.5)
Total costs excluding share based payments	84.4	82.7
<b>Total cost ratio</b>	<b>21.1%</b>	<b>22.9%</b>
Total cost ratio excluding share based payments	18.8%	19.9%

1 Total cost includes wholly-owned vacancy property costs of £3.4 million (2019: £4.8 million) and share of JV vacant property costs of £1.4 million (2019: £1.1 million)

2 Includes JV property management fee income of £21.6m and management fees of £6.7m (2019: £20.4m and £4.5m respectively)

# EPRA PERFORMANCE MEASURES

	31 December 2020		31 December 2019	
	£m	£p per share	£m	£p per share
EPRA Earnings	292.3	25.4	264.1	24.4
EPRA NTA	9,725.2	814	7,712.1	700
EPRA NRV	10,571.2	885	8,370.7	760
EPRA NDA	9,155.3	766	7,425.8	674
EPRA net initial yield		3.8%		3.8%
EPRA topped-up net initial yield		4.1%		4.3%
EPRA vacancy rate		3.9%		4.0%
EPRA cost ratio (including vacant property costs)		21.1%		22.9%
EPRA cost ratio (excluding vacant property costs)		20.1%		21.5%



# EPRA CAPITAL EXPENDITURE ANALYSIS

	2020			2019		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Acquisitions	858.5	82.0	940.5	233.9	164.1	398.0
Development <sup>1</sup>	484.9	46.5	531.4	345.2	63.5	408.7
Completed properties <sup>2</sup>	34.0	6.1	40.1	25.2	5.6	30.8
Other <sup>3</sup>	27.0	9.4	36.4	44.7	10.6	55.3
<b>Total</b>	<b>1,404.4</b>	<b>144.0</b>	<b>1,548.4</b>	<b>649.0</b>	<b>243.8</b>	<b>892.8</b>

- Just over 60% of completed properties capex was for major refurbishment, infrastructure and fit-out costs prior to re-letting which is expected to be value-enhancing rather than simply maintenance capex

1 Includes wholly-owned capitalised interest of £7.0 million (2019: £8.2 million) and share of JV capitalised interest of £0.5 million (2019: £0.8 million)

2 Completed properties are those not deemed under development during the year.

3 Tenant incentives, letting fees and rental guarantees

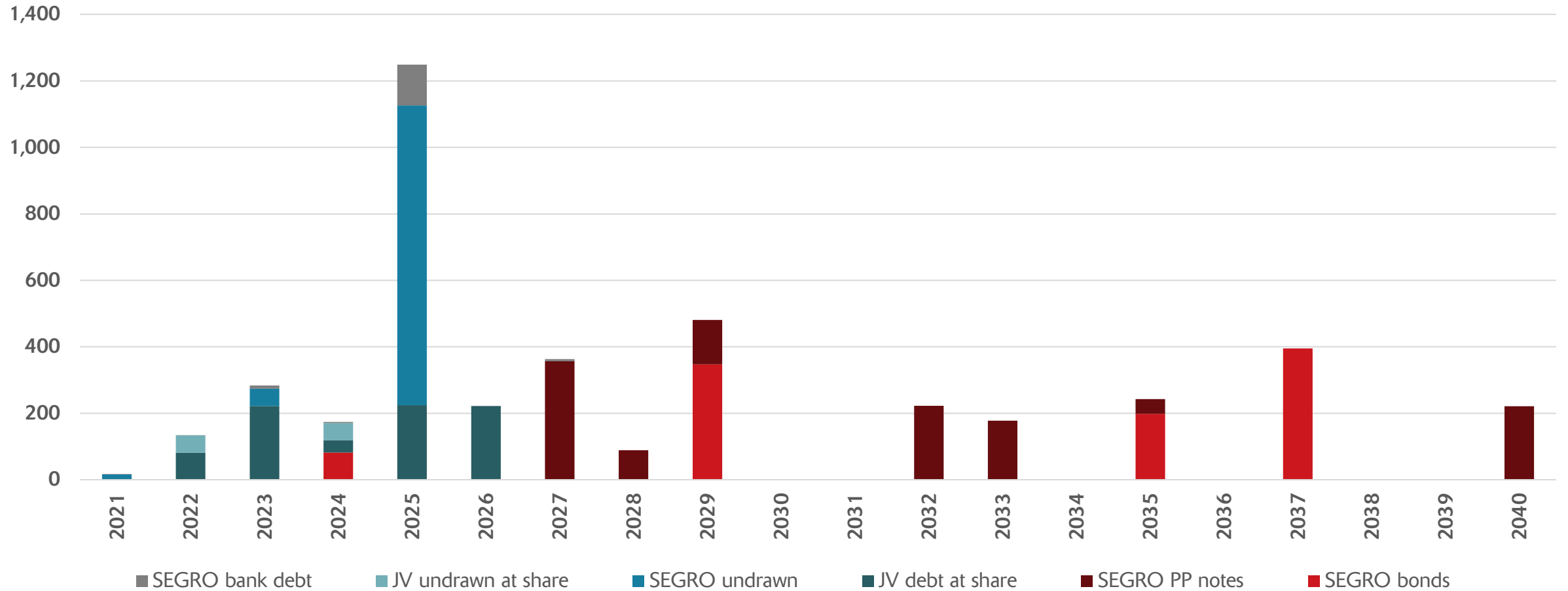
# RENT COLLECTION UPDATE

As of 16 <sup>th</sup> February 2021		FY 2020			Q1 2021		
		UK	CE	Group	UK	CE	Group
Paid	%	98	98	98	93	94	93
Deferrals (including payment plans)	%	2	0	1	5	-	3
Outstanding	%	-	2	1	2	6	4
<b>Total</b>	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Total rent billed	£m	245	172	417	65	37	102

- UK rents typically billed quarterly in advance
- CE rents vary between monthly and quarterly billing by markets

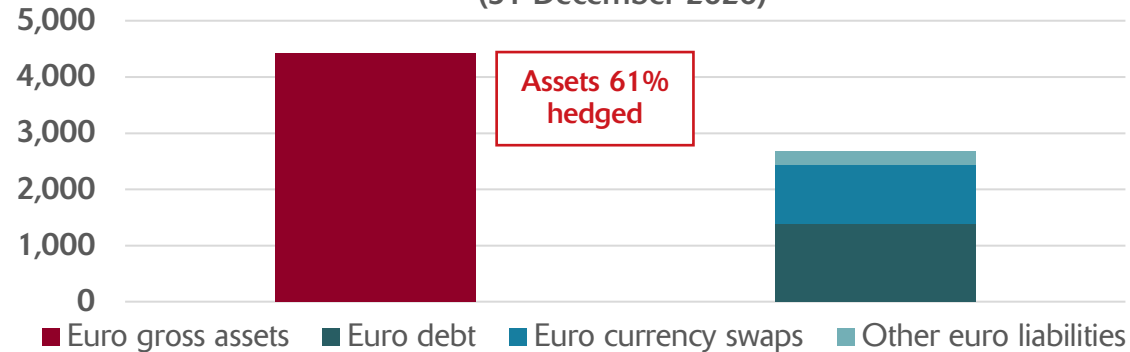
# FURTHER IMPROVEMENTS TO THE DEBT STRUCTURE

Debt maturity by type and year, £ millions  
(as at 31 December 2020)

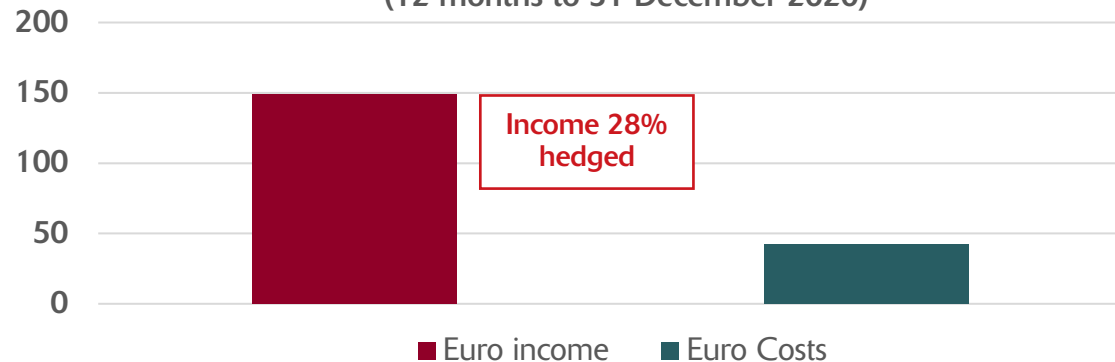


# EURO CURRENCY EXPOSURE AND HEDGING

Balance sheet, £m  
(31 December 2020)



Income Statement, £m  
(12 months to 31 December 2020)



- €1.12:£1 as at 31 December 2020
- € assets 61% hedged by € liabilities
- €1,942m (£1,734m) of residual exposure – 18% of Group NAV
- Illustrative NAV sensitivity vs €1.12:
  - +5% (€1.18) = -£83m (-c7.0p per share)
  - -5% (€1.06) = +£91m (+c.7.6p per share)

- Loan to Value (on look-through basis) at €1.12:£1 is 24%,
- Sensitivity vs €1.12:
  - +5% (€1.18) LTV -0.7%
  - -5% (€1.06) LTV +0.7%

- Average rate for 12 months to 31 December 2020 €1.13:£1
- € income 28% hedged by € expenditure (including interest)
- Net € income for the period €121m (£107m) – 37% of Group
- Illustrative annualised net income sensitivity versus €1.13
  - +5% (€1.19) = -£5.1m (c.0.4p per share)
  - -5% (€1.07) = +5.6m (c.0.5p per share)

# LOOK-THROUGH LOAN-TO-VALUE RATIO AND COST OF DEBT

	31 December 2020 £m	Weighted average cost of debt, %	
		Gross debt, excluding commitment fees and non-cash interest	Net debt, including commitment fees and non-cash interest
Group gross borrowings	2,414	1.7	
Group cash & equivalents	(89)		
<b>Group net borrowings</b>	<b>2,325</b>		<b>2.1</b>
Joint venture gross borrowings	787	1.4	
Joint venture cash & equivalents	(24)		
<b>Joint venture net borrowings</b>	<b>763</b>		<b>1.8</b>
<b>'Look-through' gross borrowings</b>	<b>3,201</b>	<b>1.6</b>	
<b>'Look-through' net borrowings</b>	<b>3,088</b>		<b>2.1</b>
<b>Total properties (including SEGRO share of joint ventures)</b>	<b>12,995</b>		
<b>'Look-through' loan to value ratio</b>	<b>24%</b>		

# POSITIONING SEGRO TO DELIVER ON ITS PURPOSE

	Championing Low-carbon growth	Investing in our local communities and environments	Nurturing talent
Context	Segro recognises that the world faces a climate emergency and we are committed to playing our part in tackling climate change, by limiting global temperature rise to less than 1.5 degrees, in tandem with growth in our business and the wider economy.	SEGRO is an integral part of the communities in which it operates, and we are committed to contributing to their long-term vitality.	SEGRO's people are vital to and inseparable from its success, and we are committed to attracting, enhancing and retaining a diverse range of talented individuals in our business.
Targets	<b>We will be net-zero carbon by 2030</b>	<b>We will create and implement Community Investment Plans for every key market in our portfolio by 2025</b>	<b>We will increase the overall diversity of our own workforce throughout the organisation</b>
Actions	<p>We will aim to reduce carbon emissions from our development activity and the operation of our existing buildings, and eliminate them where possible.</p> <p>We will implement plans to absorb any residual carbon</p>	<p>We will work with our customers and suppliers to support our local businesses and economies.</p> <p>We will help improve the skills of local people to enhance their career and employment opportunities, by investing in local training programmes.</p> <p>Equally, we will enhance the spaces around our buildings, working with local partners to ensure we meet the needs of our communities.</p>	<p>We will provide a healthy and supportive working environment, develop fulfilling and rewarding careers, foster an inclusive culture and build diverse workforce.</p>

# URBAN AND BIG BOX WAREHOUSES – COMPLEMENTARY ASSET TYPES

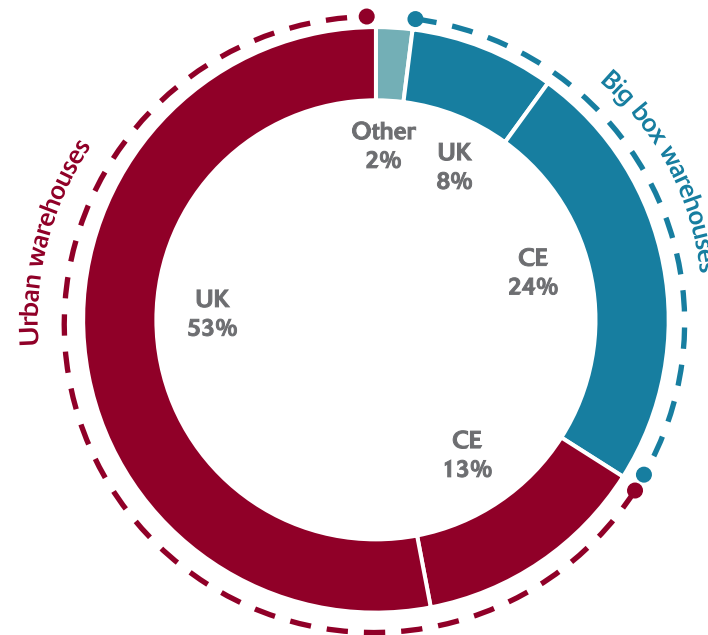
## Urban warehouses (66%)

- Smaller units, generally <10,000 sq m
- Diverse range of uses (including 'last mile' delivery and datacentres)
- Increased demand as a result of population expansion and growth of the digital economy
- Development highly restricted by declining land availability
- Lower net income yields, greater asset management potential
- Highest rental growth prospects

Future performance mainly driven by income yield and rental growth

Portfolio by type:  
(valuation, SEGRO share)

Data as at 31 December 2020



## Big boxes (32%)

- Larger units, generally over 10,000 sq m
- Mainly used for bulk storage and distribution of goods
- Increased demand as a result of online retail and supply chain optimisation
- Higher availability of development land but development constrained by planning/ zoning challenges
- Higher net income yields, lower management intensity
- Lower rental growth prospects

Future performance mainly driven by income yield, JV fees and development gains

# A VERY DIVERSIFIED CUSTOMER BASE

Customer sectors  
(headline rent, SEGRO share)



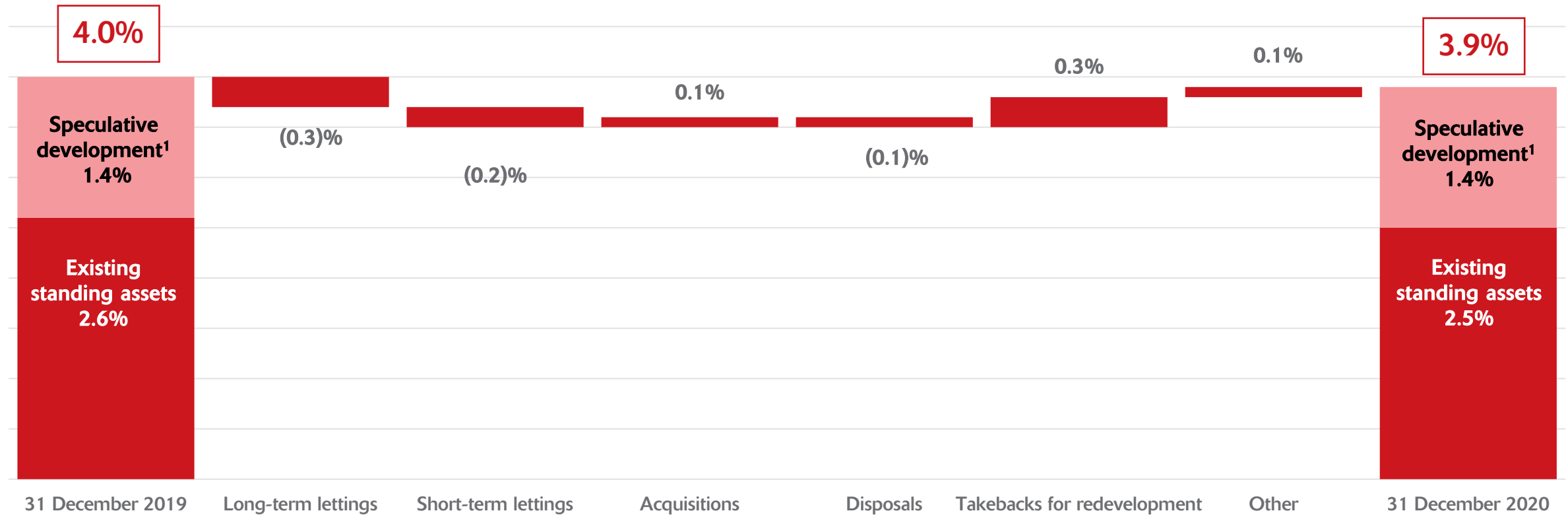
1,383 customers

Top 20 customers = 31% of total group headline rent



# EPRA VACANCY RATE

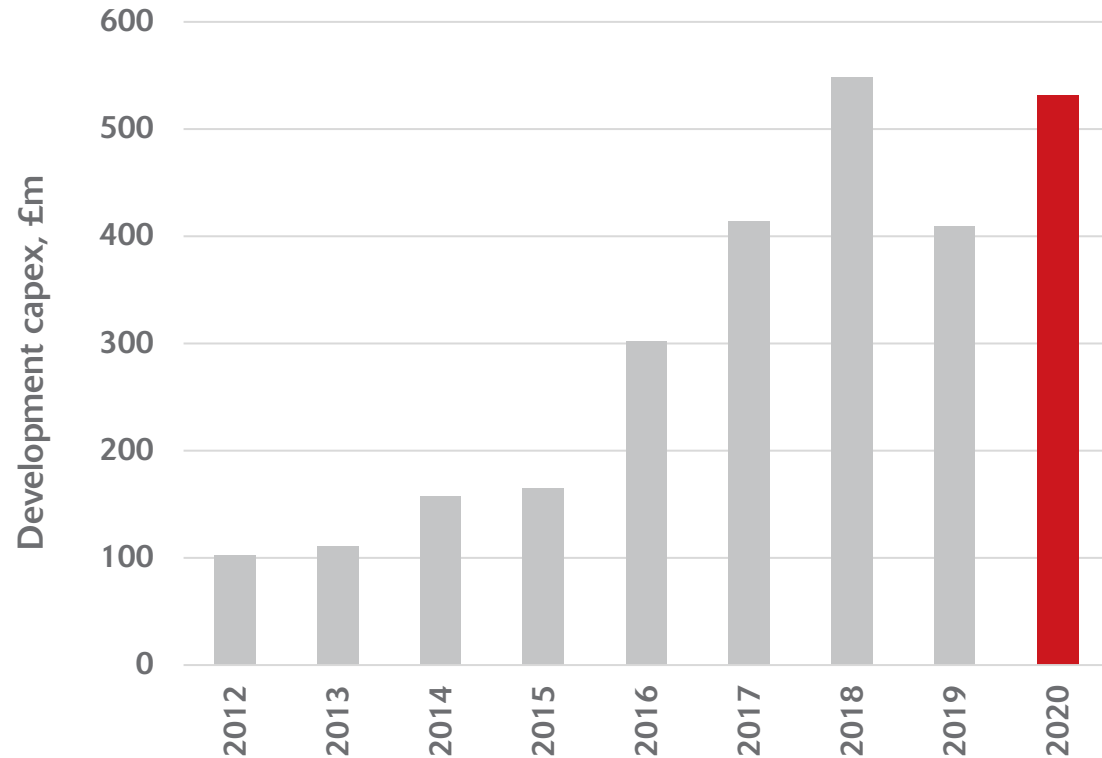
Vacancy rate reconciliation, 31 December 2019 to 31 December 2020



<sup>1</sup> Speculative developments completed in preceding 24 months.

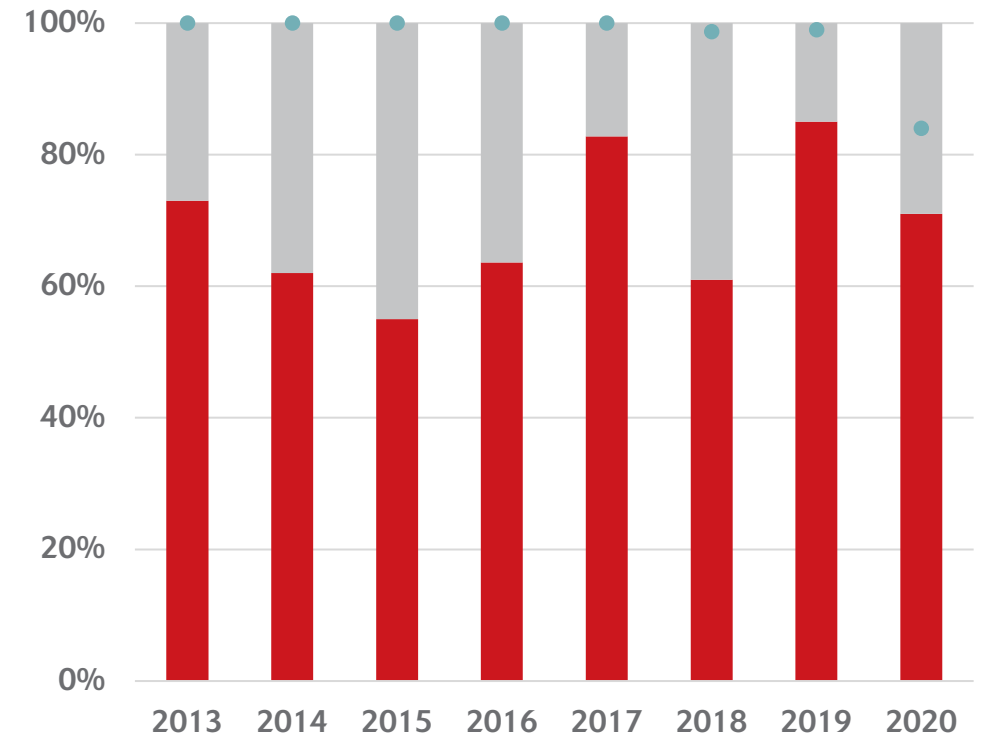
# ENHANCED, DE-RISKED DEVELOPMENT PROGRAMME

Development-led growth<sup>1</sup>



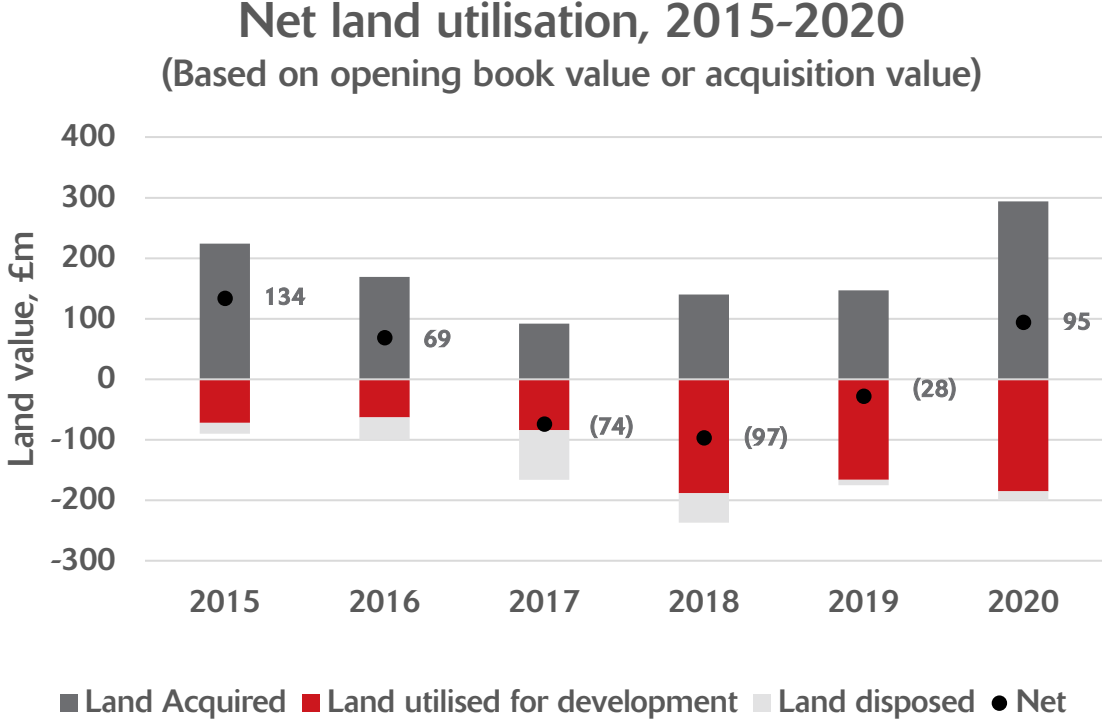
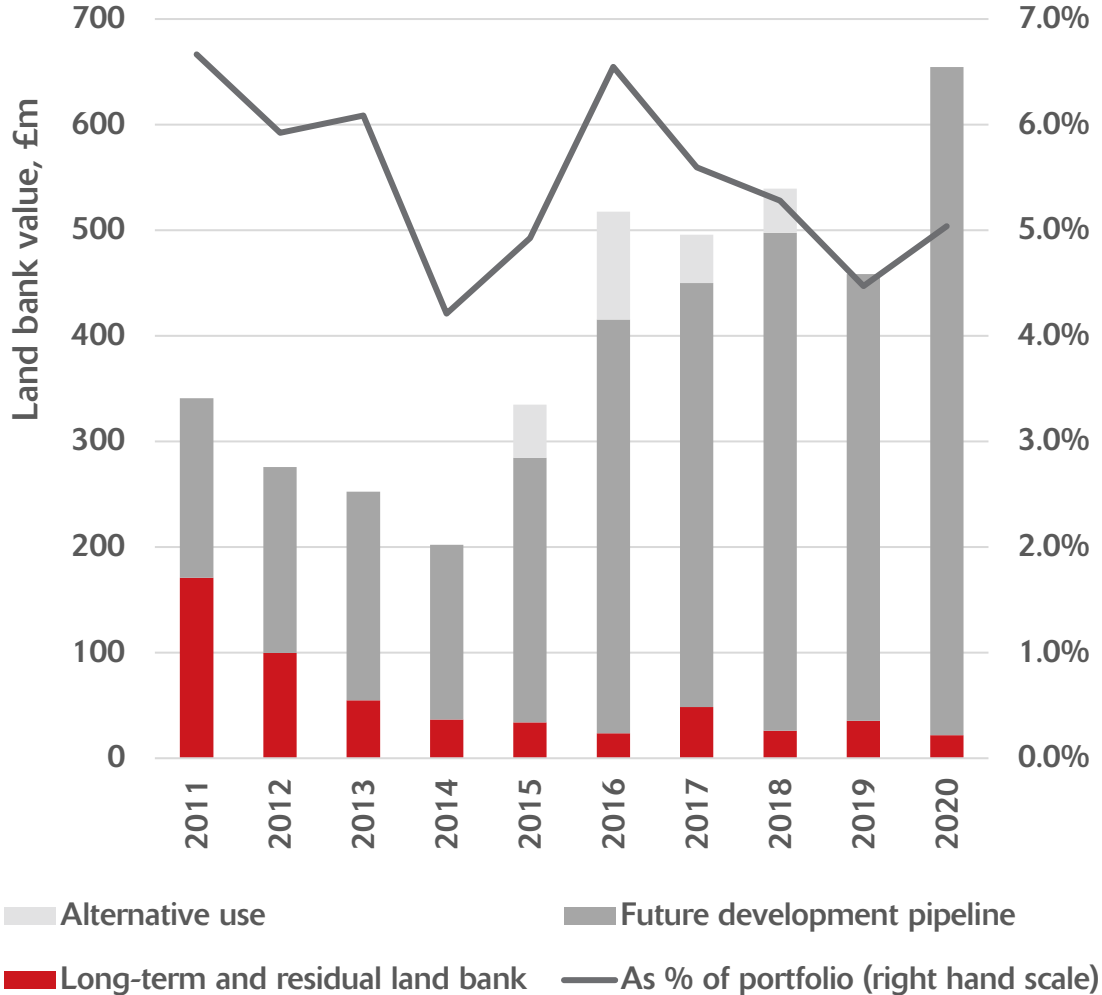
<sup>1</sup> Capex on developments and infrastructure £m (SEGRO share)

The majority of which is pre-let



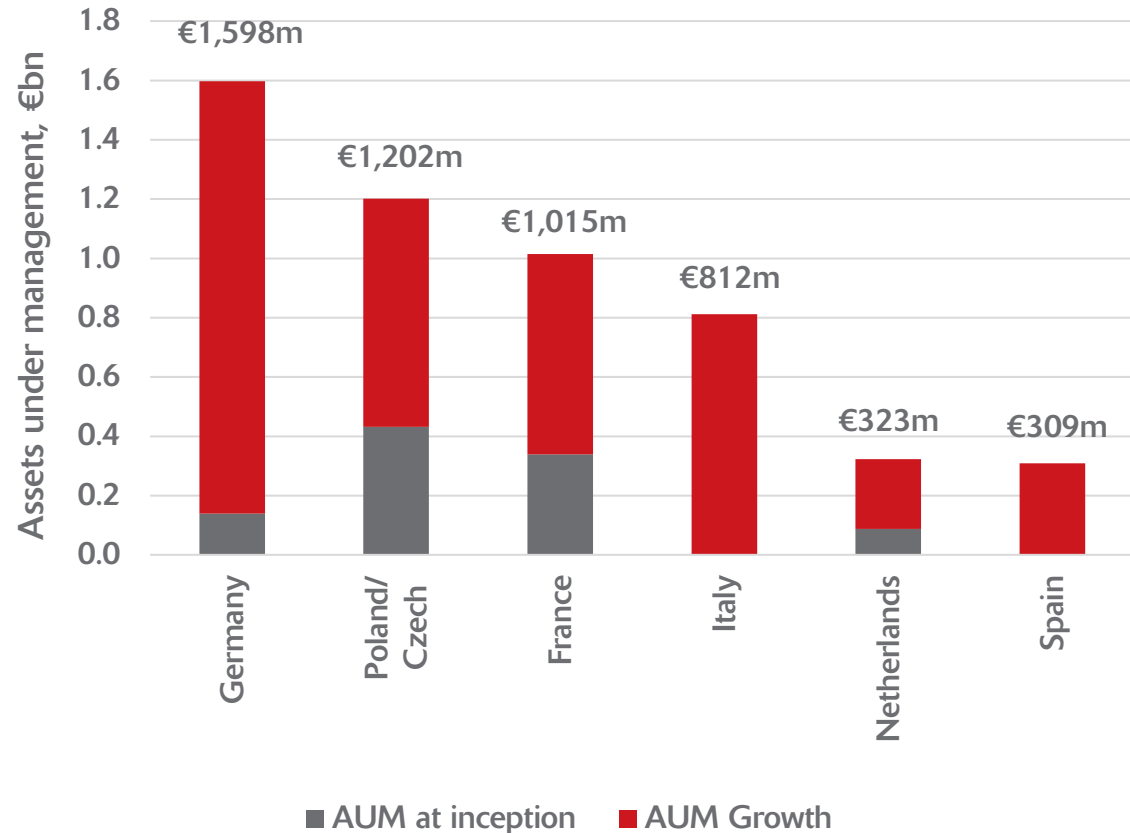
■ Pre-let   ■ Speculative   ● Let at 31 December 20

# LAND BANK PROVIDES OPTIONALITY AND OPPORTUNITY FOR GROWTH



# SEGRO EUROPEAN LOGISTICS PARTNERSHIP (SELP) HEADLINE FIGURES

Assets under Management  
(as at 31 December 2020)



Land and assets  
**€5.3bn**

Equivalent yield  
**4.7%**

Capital value change  
**10.3%**

ERV growth  
**1.2%**

Headline rent  
**€247m**

ERV  
**€254m**

Occupancy rate  
**97%**

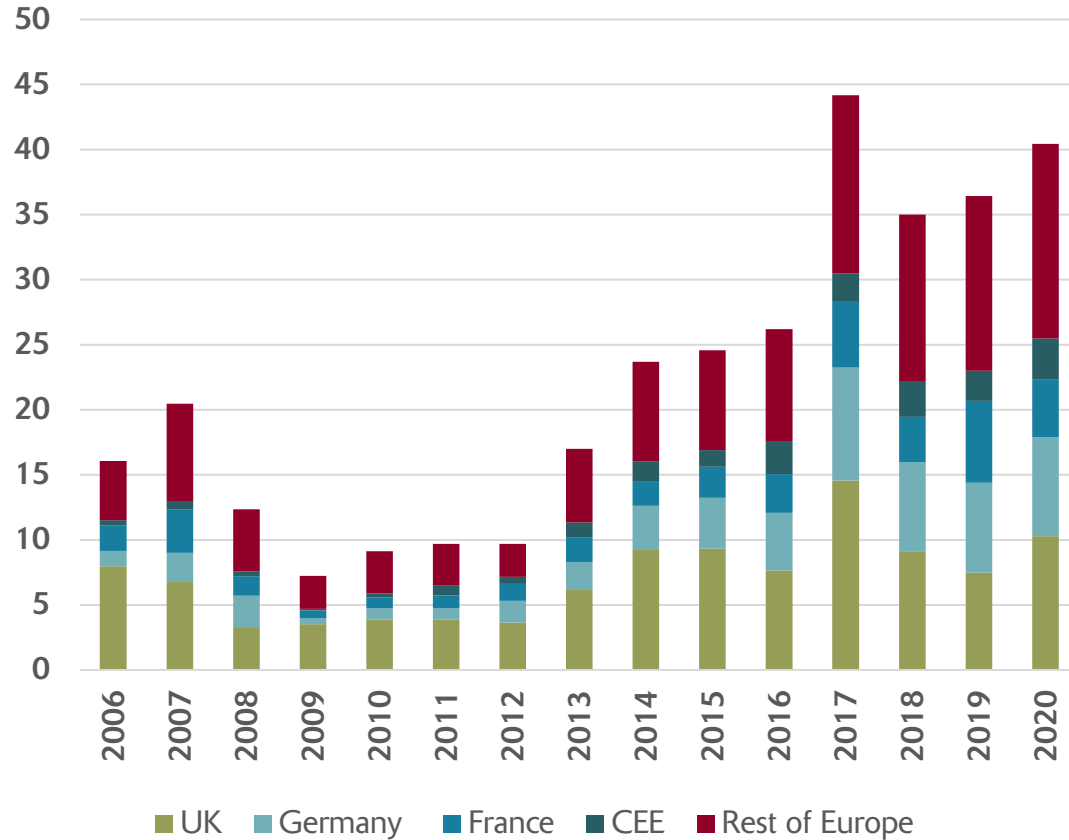
LTV ratio  
**33%**

# APPENDIX II

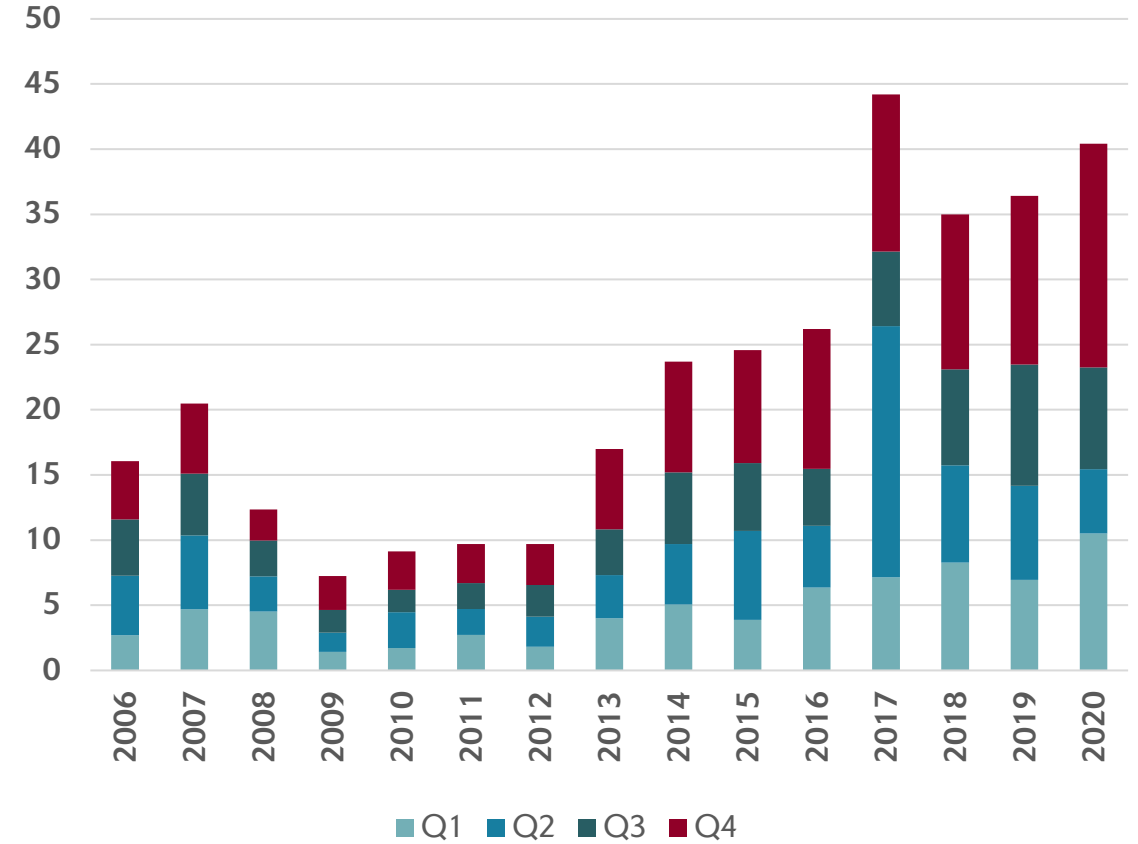
Market Data

# EUROPEAN INDUSTRIAL INVESTMENT VOLUMES

European industrial investment volumes  
By geography, €bn

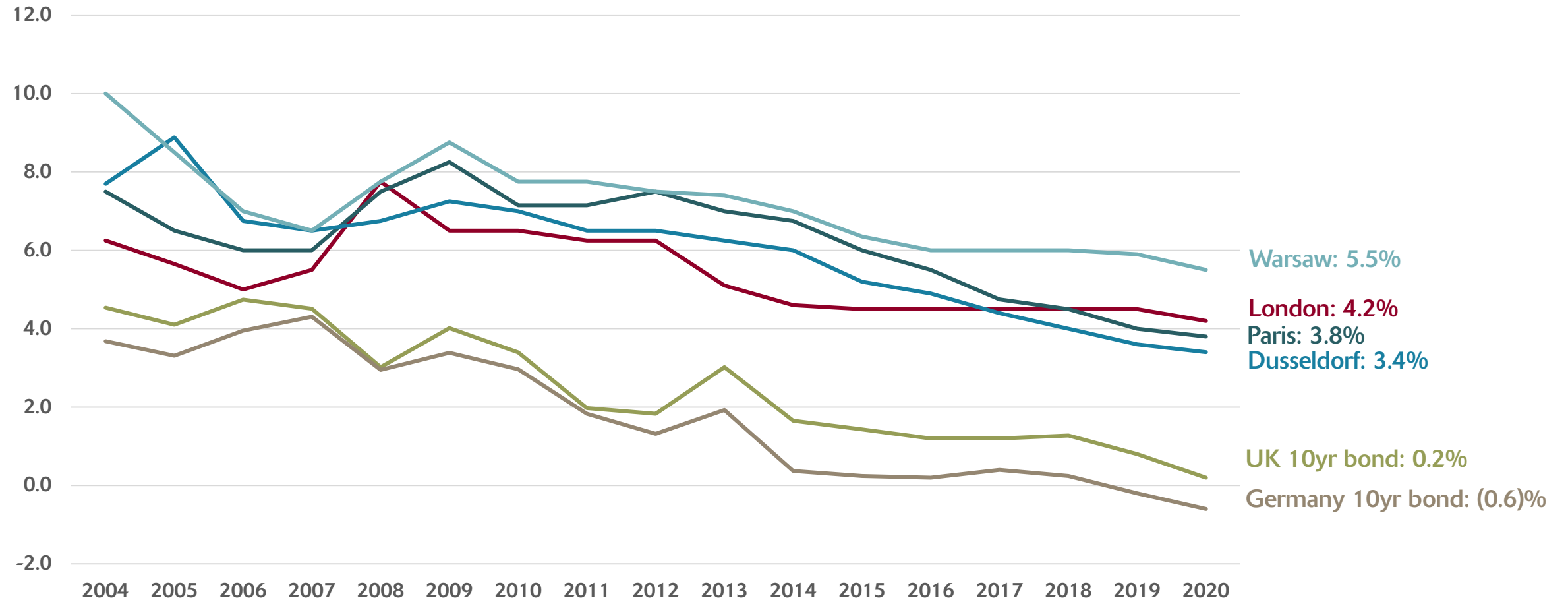


European industrial investment volumes  
By quarter, €bn



Source: CBRE

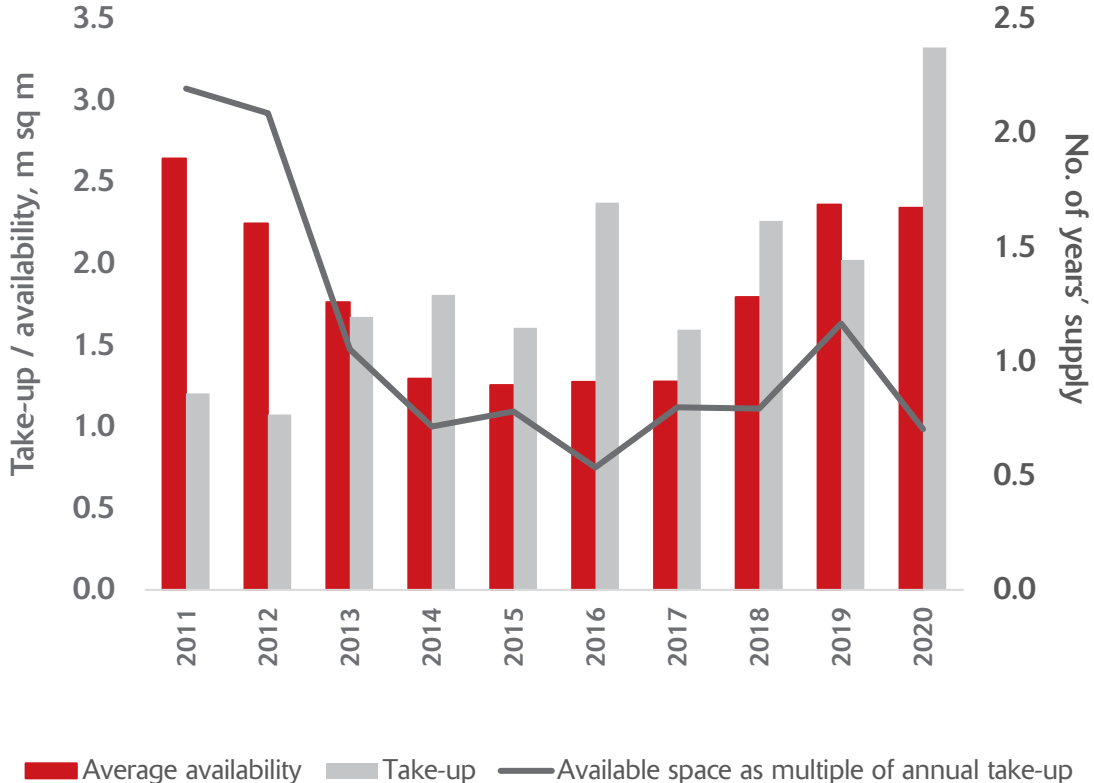
# PRIME LOGISTICS YIELDS VS 10 YEAR BOND YIELDS



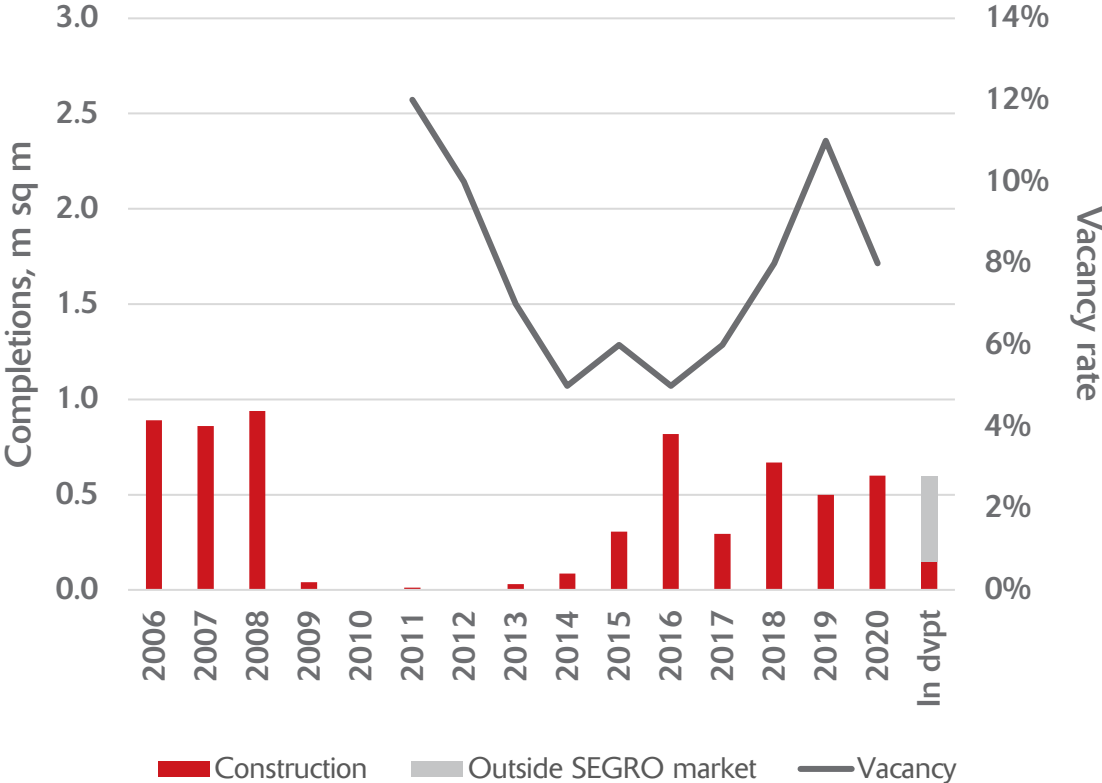
Source: CBRE, Bloomberg (data correct at 31 December 2020)

# FAVOURABLE DEMAND-SUPPLY CONDITIONS: UK SUPPLY SHORTAGE

UK Big Box supply-demand dynamics<sup>1</sup>  
(m sq m)



Speculative UK Big Box completions<sup>2</sup>  
(m sq m)



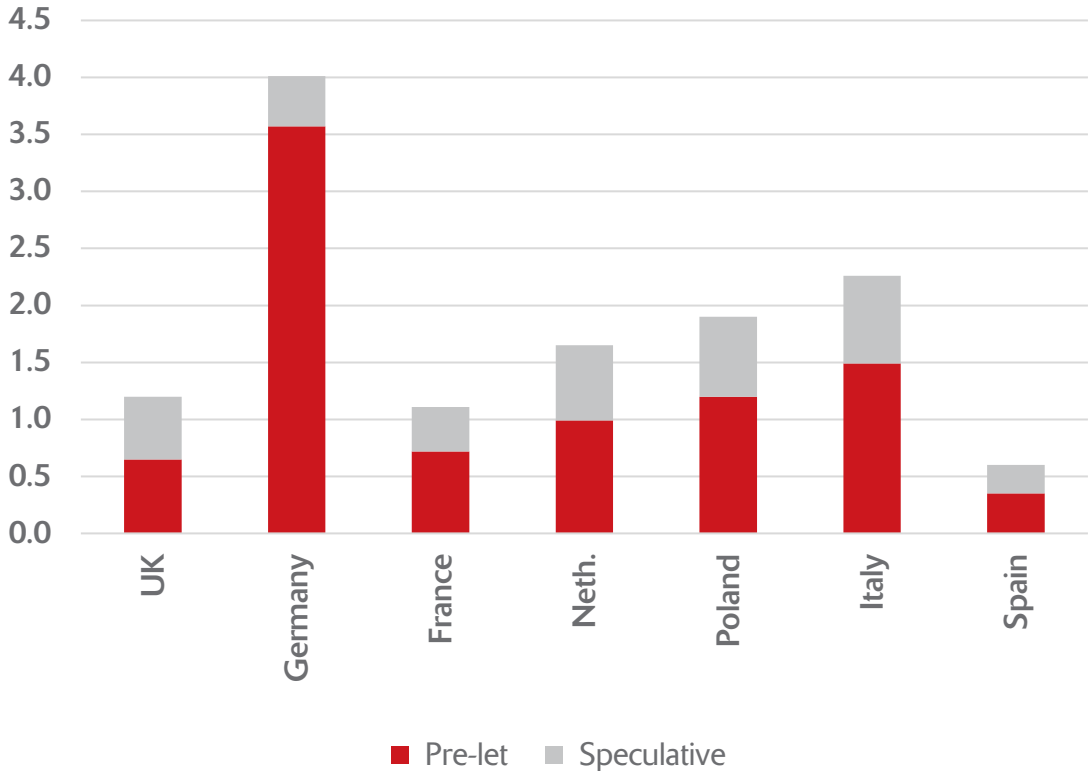
1 Source: JLL (logistics warehouses >100,000 sq ft, Grade A)

2 Source: JLL

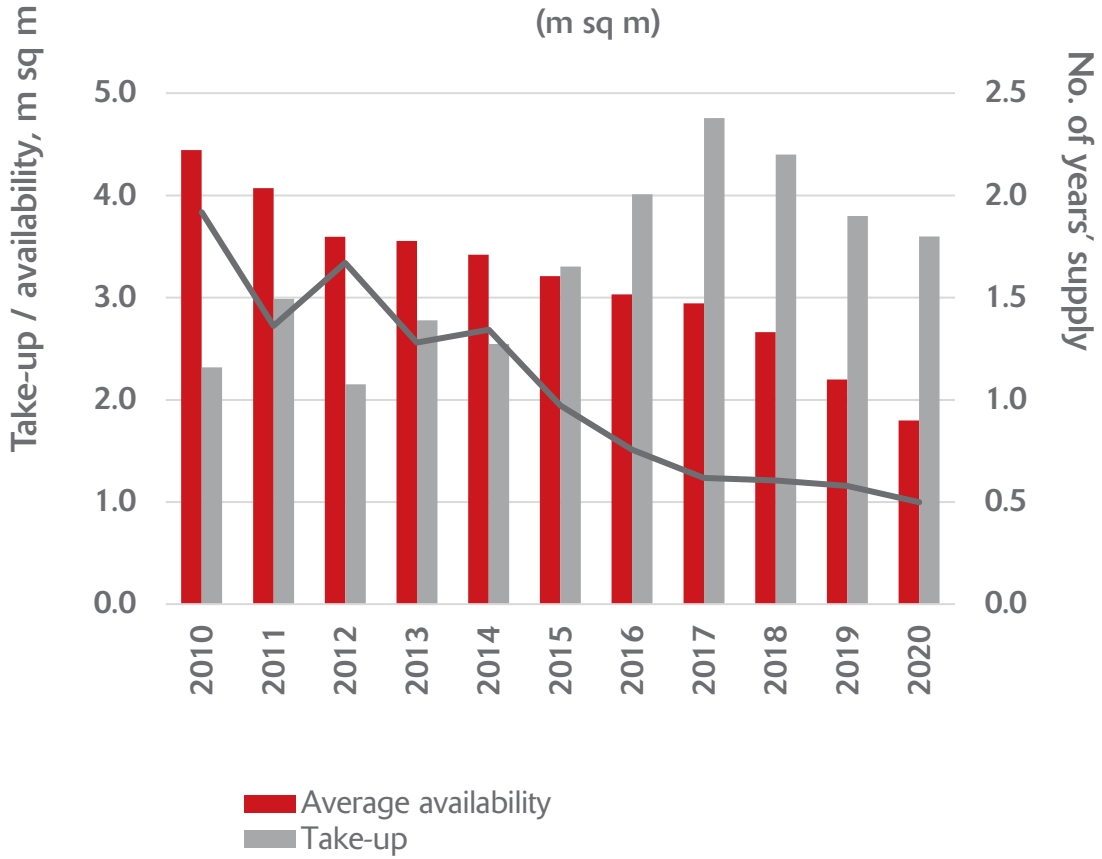


# EUROPEAN INDUSTRIAL AND LOGISTICS SUPPLY DYNAMICS

Logistics space under construction<sup>1</sup>  
(m sq m)



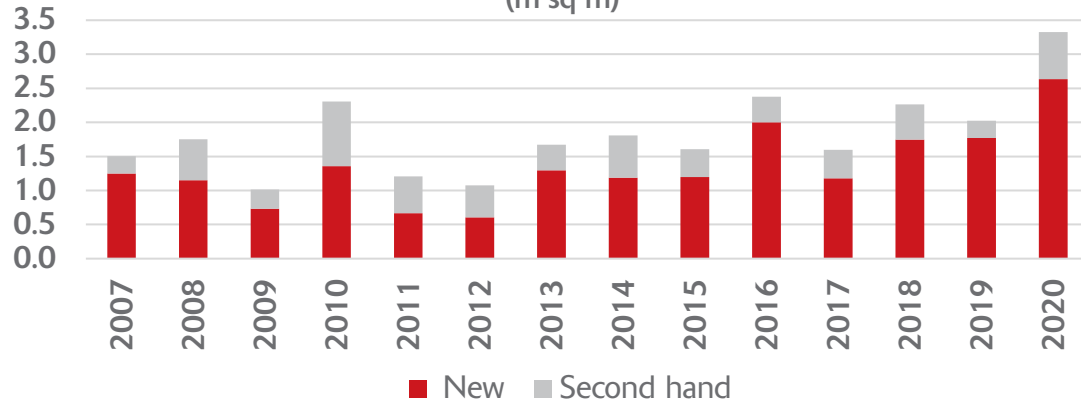
France logistics supply-demand dynamics<sup>2</sup>  
(m sq m)



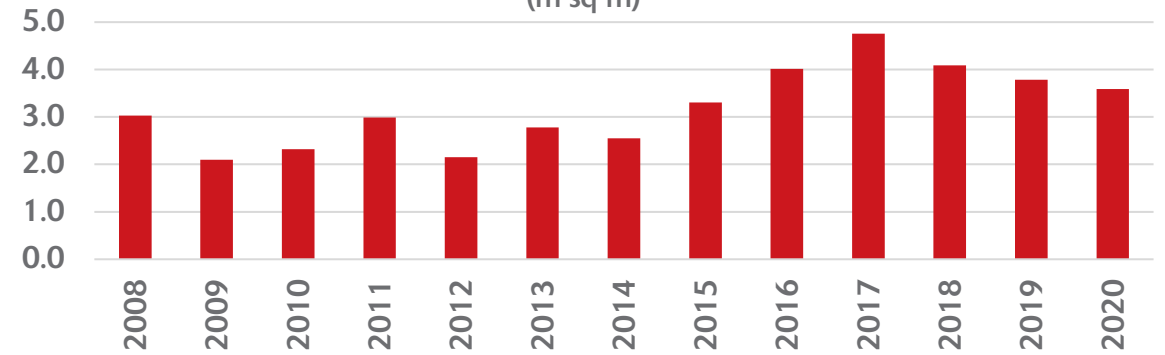
1 Source: 4Q 2020, JLL  
2 Source: CBRE

# EUROPEAN INDUSTRIAL AND LOGISTICS – TAKE-UP STATISTICS

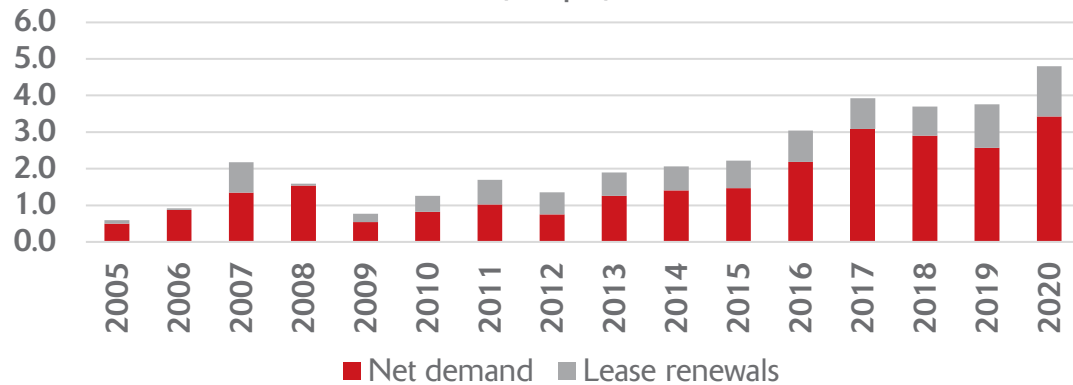
Take-up of warehouse space >100,000 sq ft – UK<sup>1</sup>  
(m sq m)



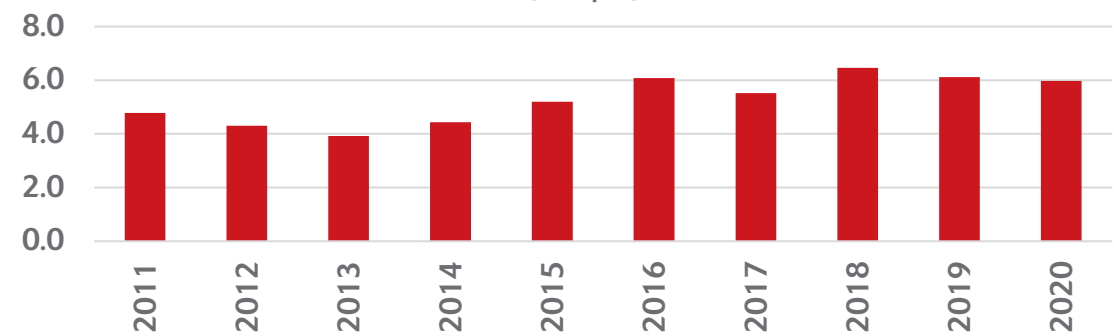
Take-up of warehouse space >5,000 sq m – France<sup>2</sup>  
(m sq m)



Take-up of warehouse space - Poland<sup>1</sup>  
(m sq m)

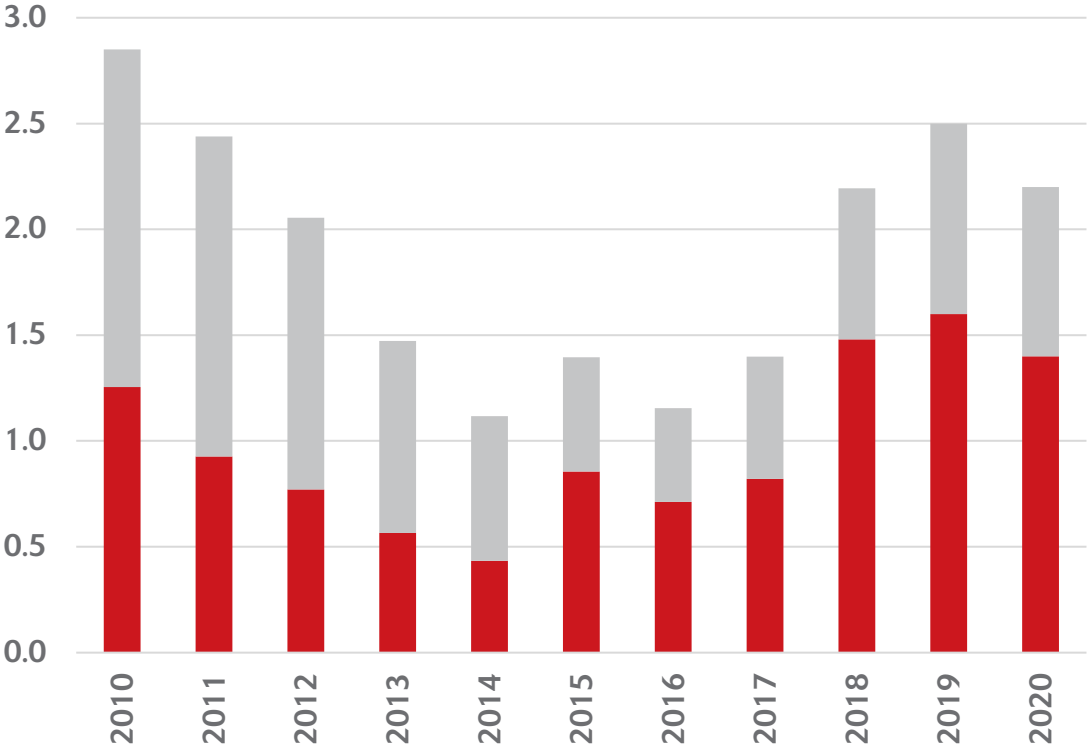


Take-up of warehouse space >5,000 sq m – Germany<sup>3</sup>  
(m sq m)



# EUROPEAN INDUSTRIAL AND LOGISTICS — AVAILABILITY STATISTICS

Availability of Grade A warehouse space >100,000 sq ft– UK<sup>1</sup>  
(m sq m)



Availability of warehouse space >5,000 sq m – France<sup>2</sup>  
(m sq m)



1 Source: JLL  
2 Source: CBRE

■ New / Early Marketed   ■ Second hand

# EUROPEAN LOGISTICS VACANCY

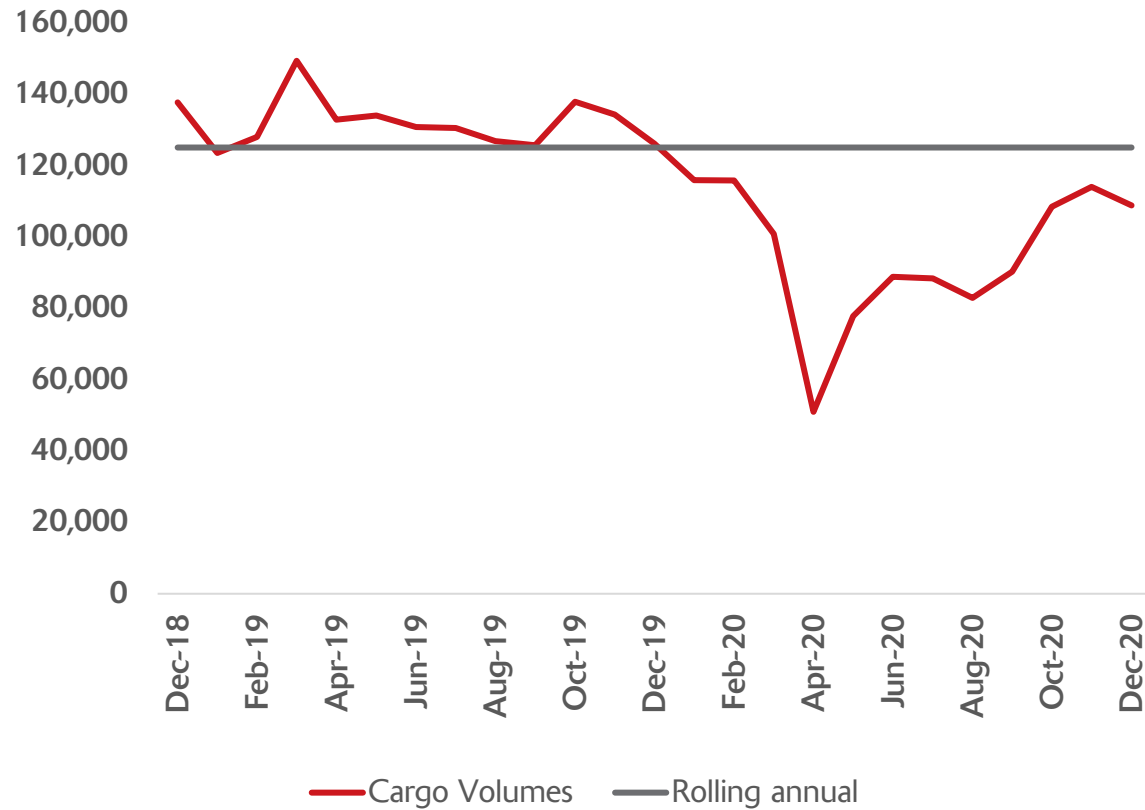
Low European big box vacancy rate of 4.5%  
(Rates at 31 December 2020)



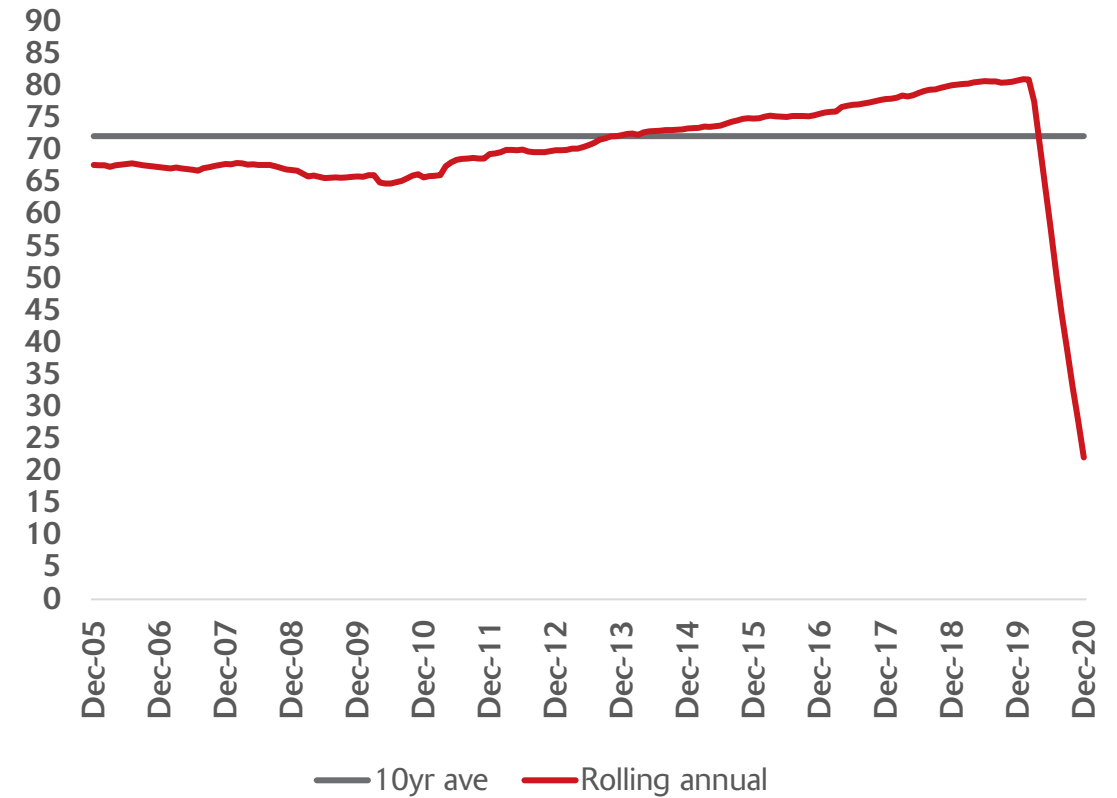
1 Source: JLL

# HEATHROW AIRPORT CARGO AND PASSENGER VOLUMES

Heathrow Airport cargo volumes  
(million metric tonnes)



Heathrow Airport passenger volumes  
(millions)



Source: Heathrow Airport

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