



INVESTMENT CASE



17 FEBRUARY 2023



SEGRO

UK FTSE 100 LISTED COMPANY

ESTABLISHED IN 1920

SEGRO IS THE UK'S LARGEST LISTED REIT

—

9.9 MILLION
SQ M OF SPACE

—

8
COUNTRIES

—

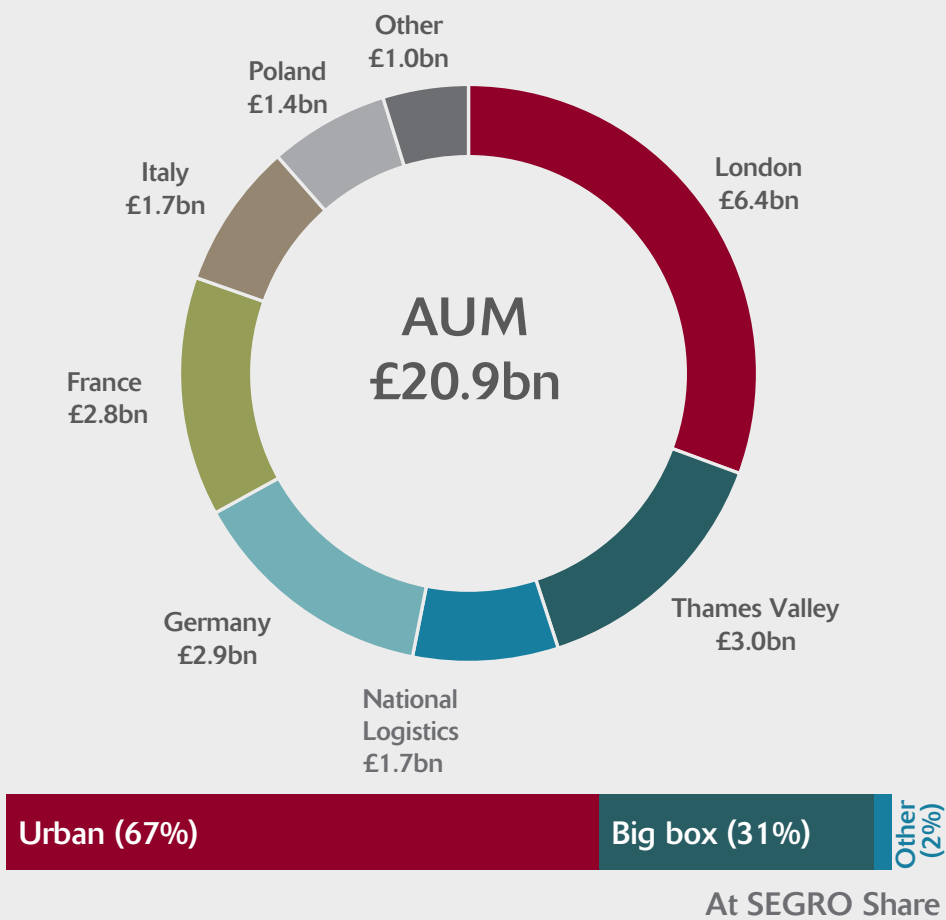
£20.9 BILLION
OF ASSETS UNDER
MANAGEMENT

—

1,452
CUSTOMERS

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

Portfolio split by geography and asset type
(at 31 December 2022)



URBAN AND BIG BOX WAREHOUSES – COMPLEMENTARY ASSET TYPES

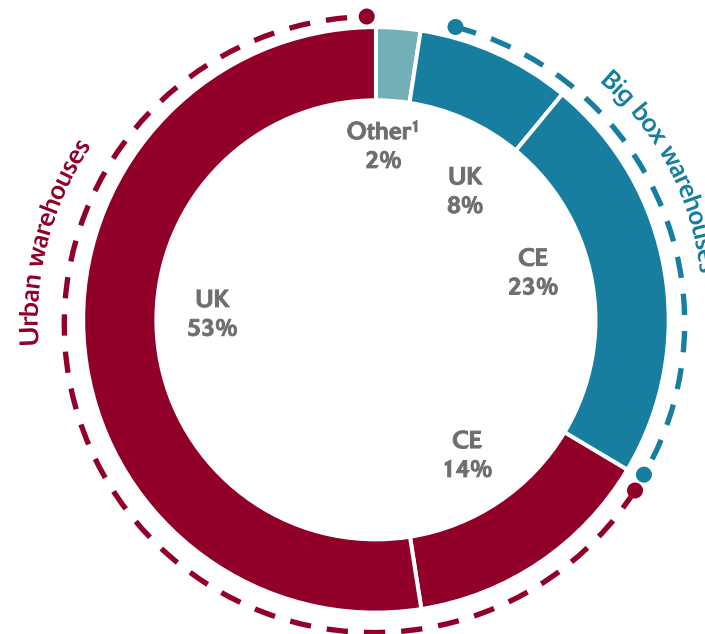
Urban warehouses (67%)

- 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 2022



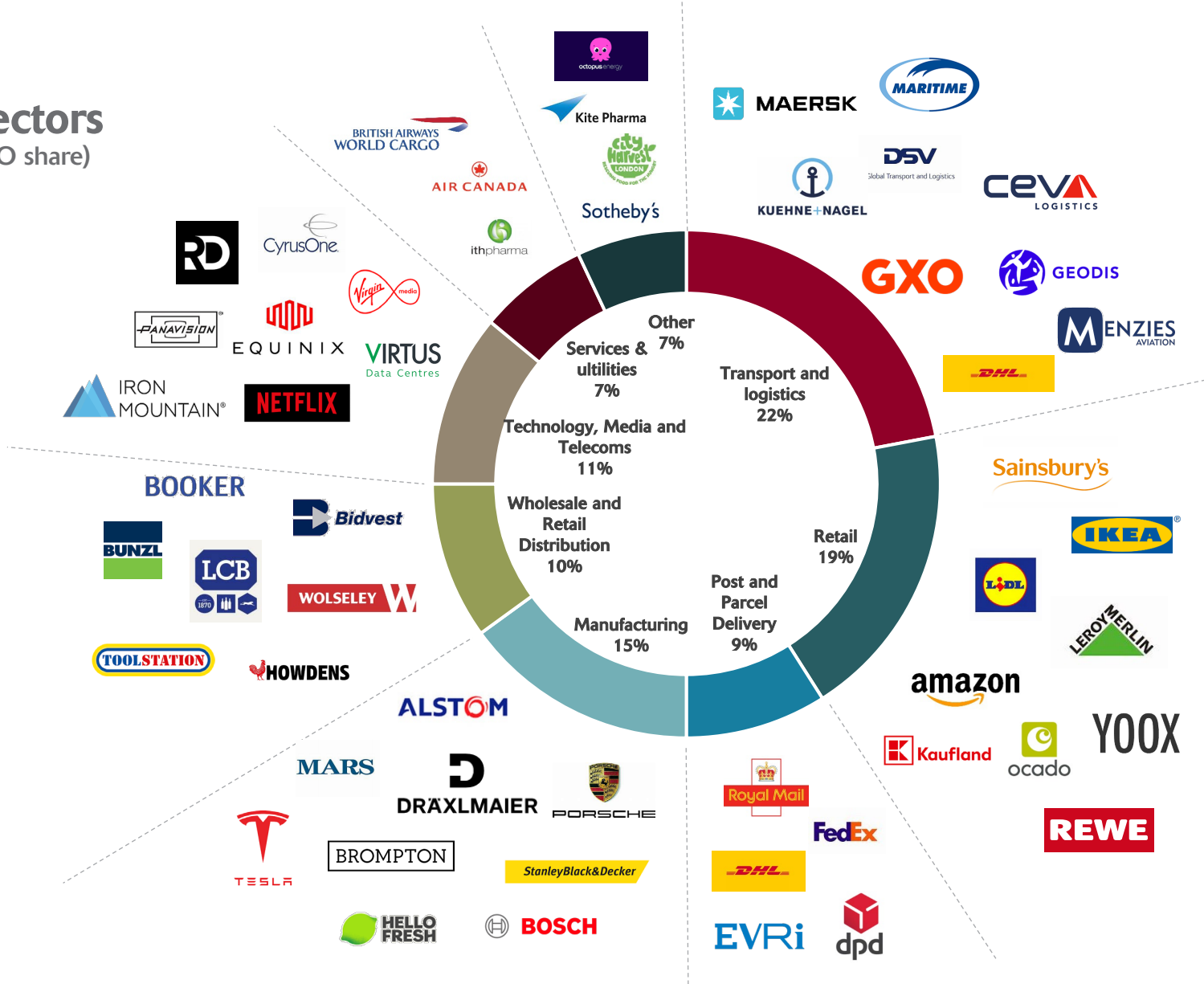
Big boxes (31%)

- 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)



1,452 customers

Top 20 customers =
32% of total group
headline rent

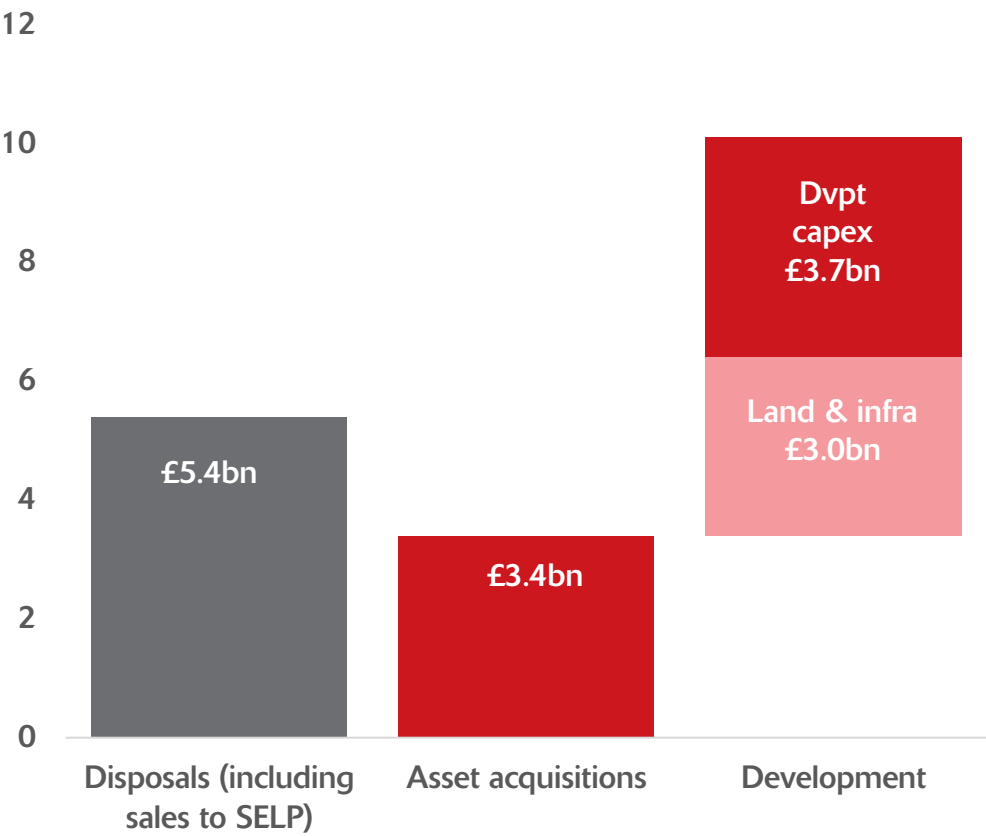
No single customer
> 7% of total group
headline rent

A CLEAR AND SUCCESSFUL STRATEGY

We aim to be the best property company, and the partner of choice for our customers and other stakeholders

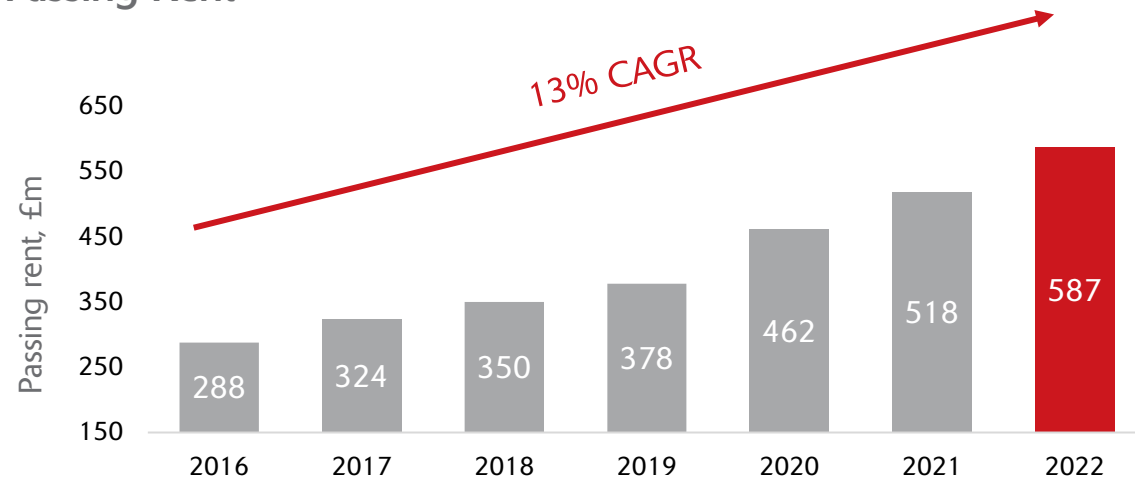


Disposal and investment activity since 1 January 2012 (£bn)

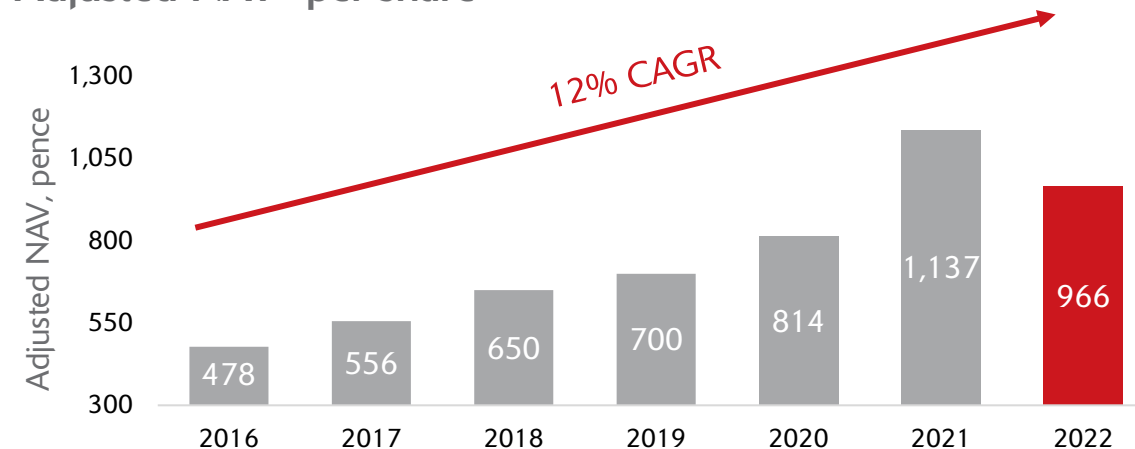


CONSISTENTLY DELIVERING STRONG RETURNS

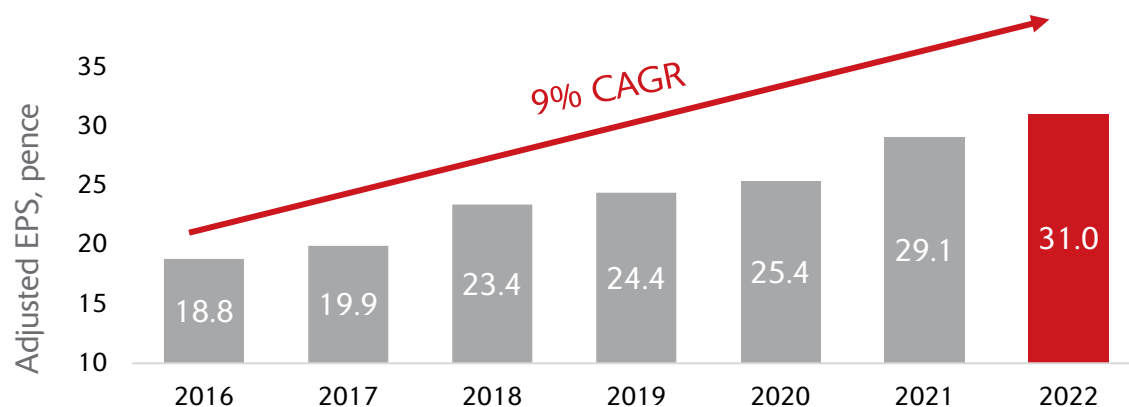
Passing Rent



Adjusted NAV¹ per share

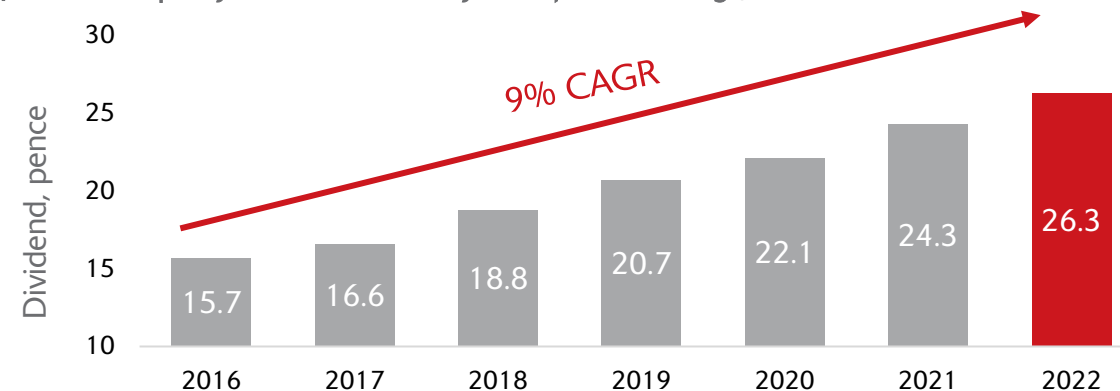


Adjusted earnings per share²



Dividend per share

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



LONG-TERM STRUCTURAL DRIVERS SUPPORTING DIVERSE OCCUPIER DEMAND



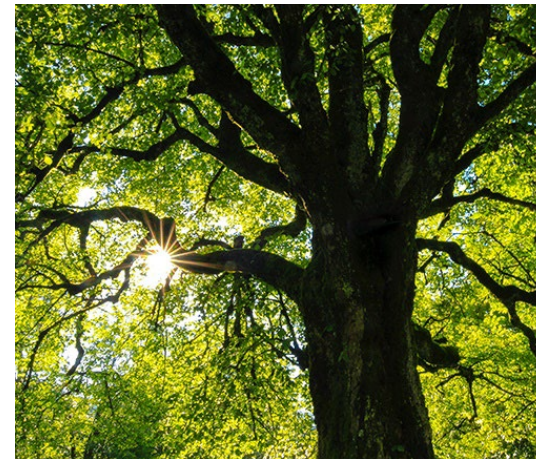
DATA &
DIGITALISATION



URBANISATION



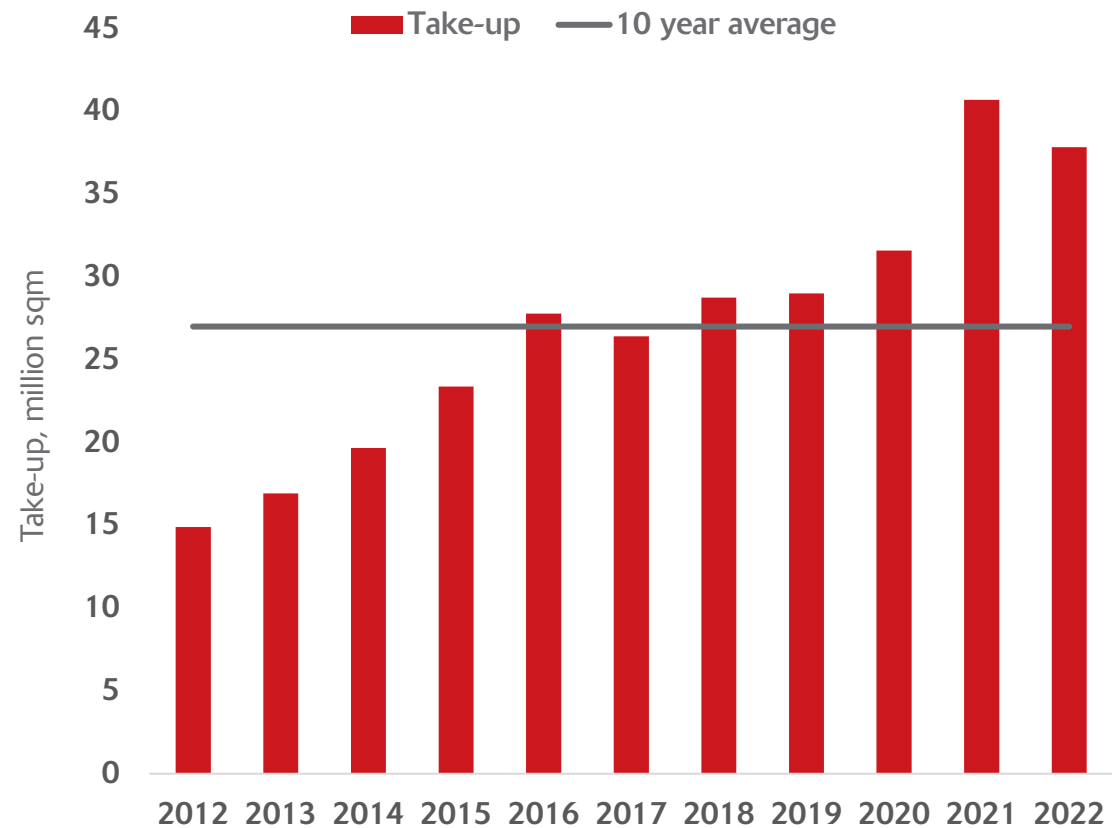
SUPPLY CHAIN
EFFICIENCY &
RESILIENCE



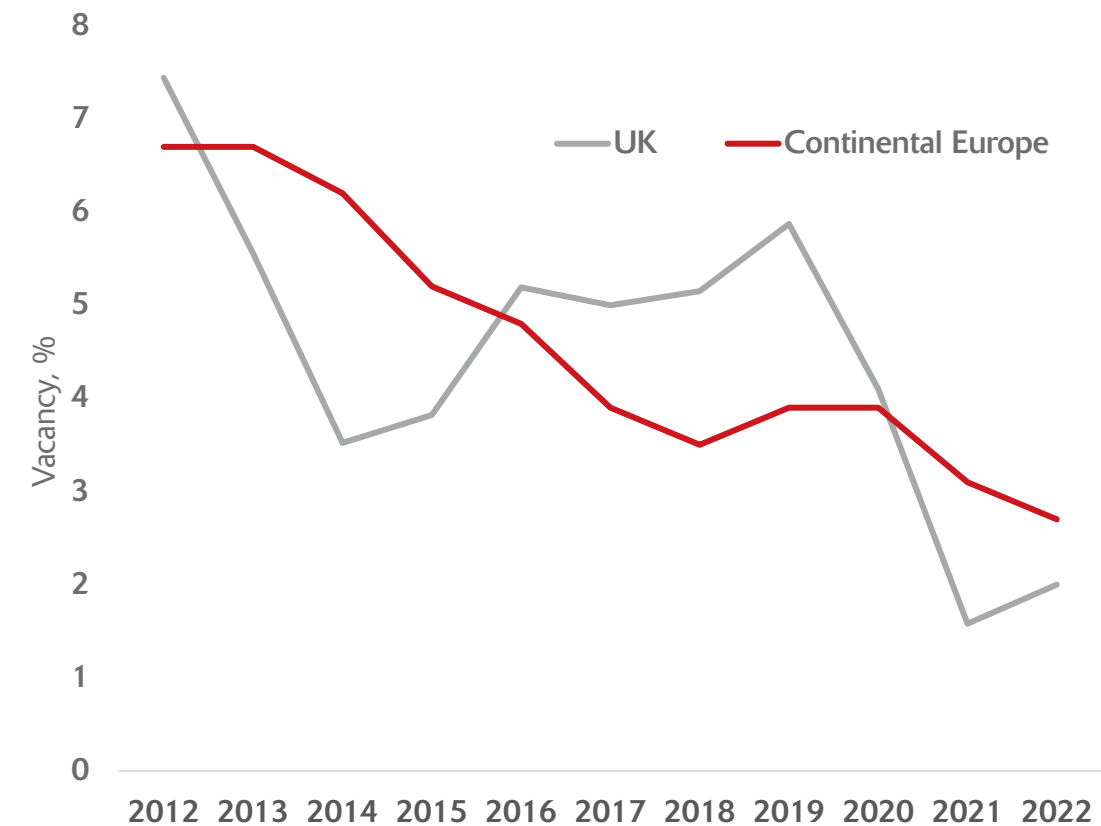
SUSTAINABILITY

SUPPLY-DEMAND DYNAMICS REMAIN FAVOURABLE

European take-up remains at historically high levels¹



Low vacancy rate across all European markets²

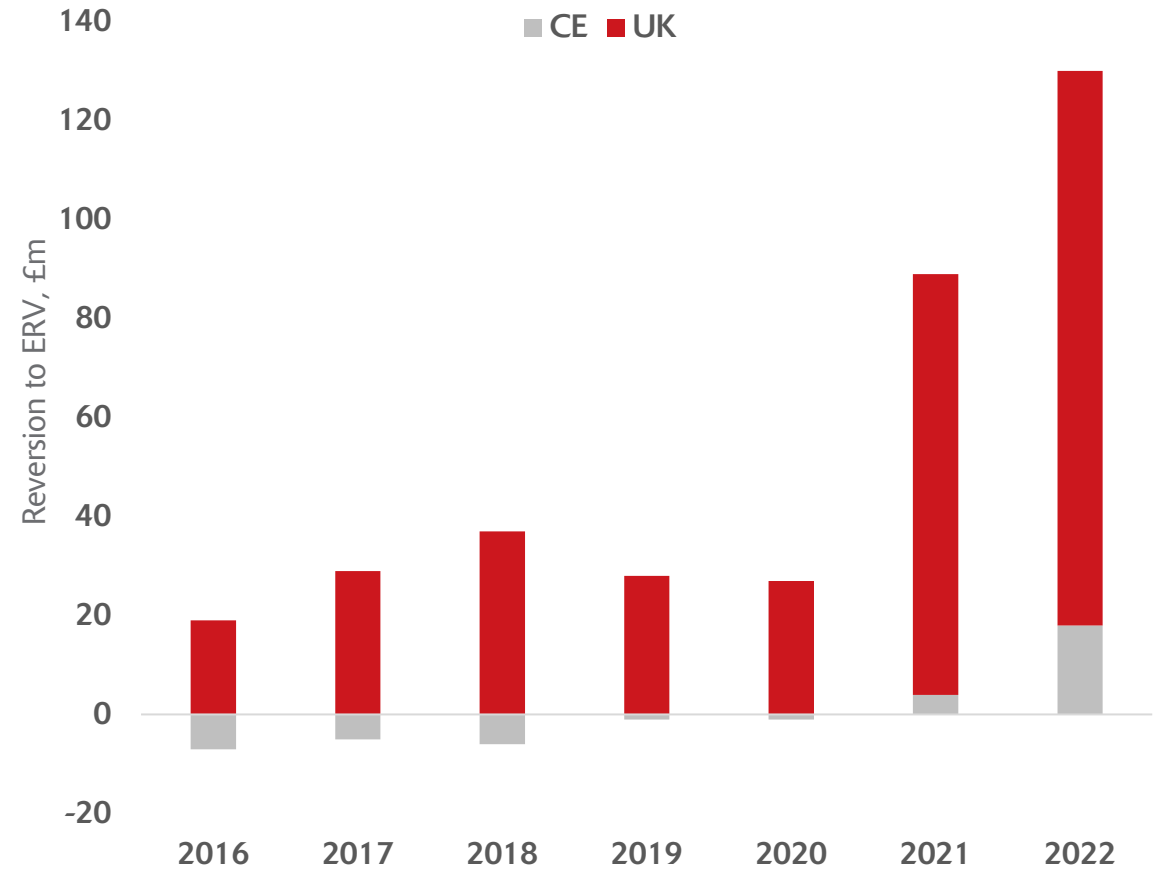


¹ Source: Savills.

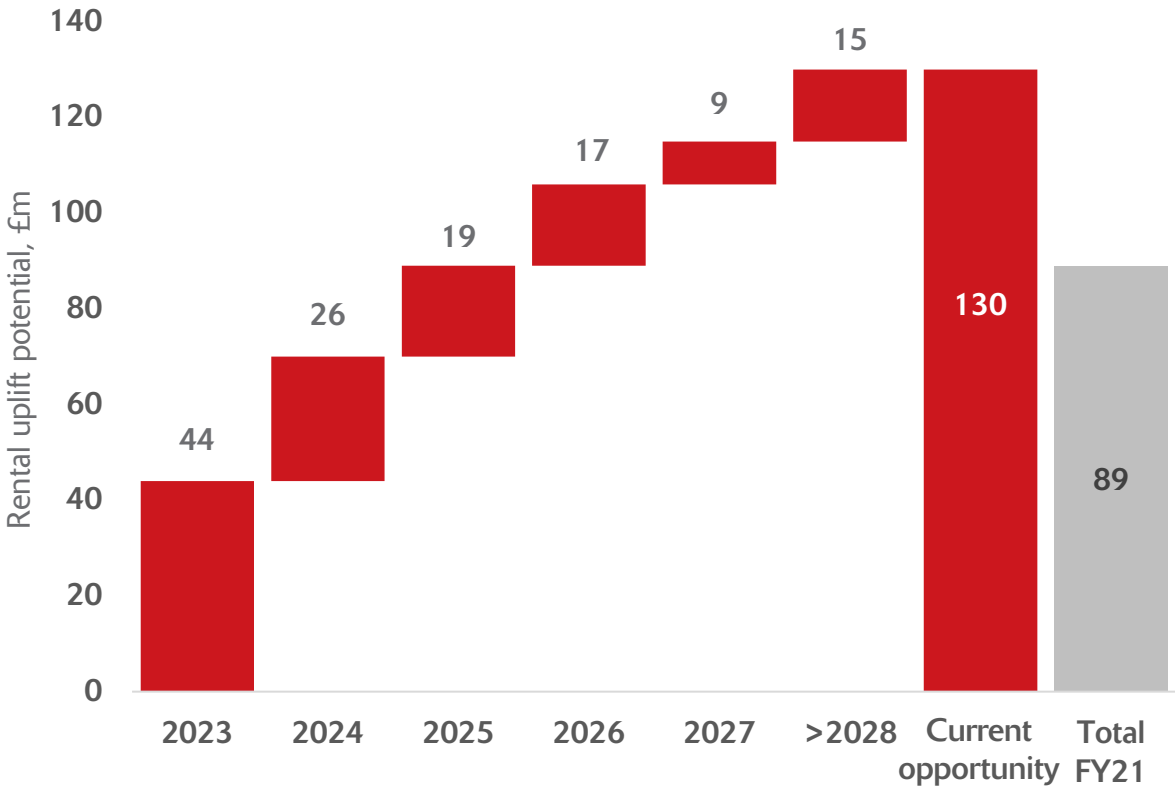
² Source: CBRE. Continental Europe includes: Belgium, Czech Republic, France, Germany, Italy, Netherlands, Poland, Slovakia, Spain.

SIGNIFICANT REVERSIONARY POTENTIAL TO BE CAPTURED

Accumulated reversion to ERV in the portfolio¹



Lease event uplift opportunity^{1,2}



STRONG MARKET RENTAL GROWTH PROSPECTS

Property Type	Region	% of portfolio ¹	Demand conditions	Supply conditions	SEGRO 3 year average ERV growth	SEGRO ERV growth expectations
Urban warehouses	UK	53%	STRONG	LIMITED	11.7%	3-6% pa
	Continental Europe	14%	STRONG	LIMITED	5.2%	
Big box warehouses	UK	8%	STRONG	LIMITED	8.1%	2-4% pa
	Continental Europe	23%	STRONG	LIMITED	5.3%	

>£530 MILLION OF POTENTIAL RENTAL INCOME FROM FUTURE DEVELOPMENT

SEGRO land bank (31 December 2022)



Potential annualised gross rent from current, near-term and future pipeline⁵, by asset type (£372 million at 31 December 2022)

Big box (46%)

Urban (49%)

Other (5%)

Potential annualised gross rent from current, near-term and future pipeline⁵, by region (£372 million at 31 December 2022)

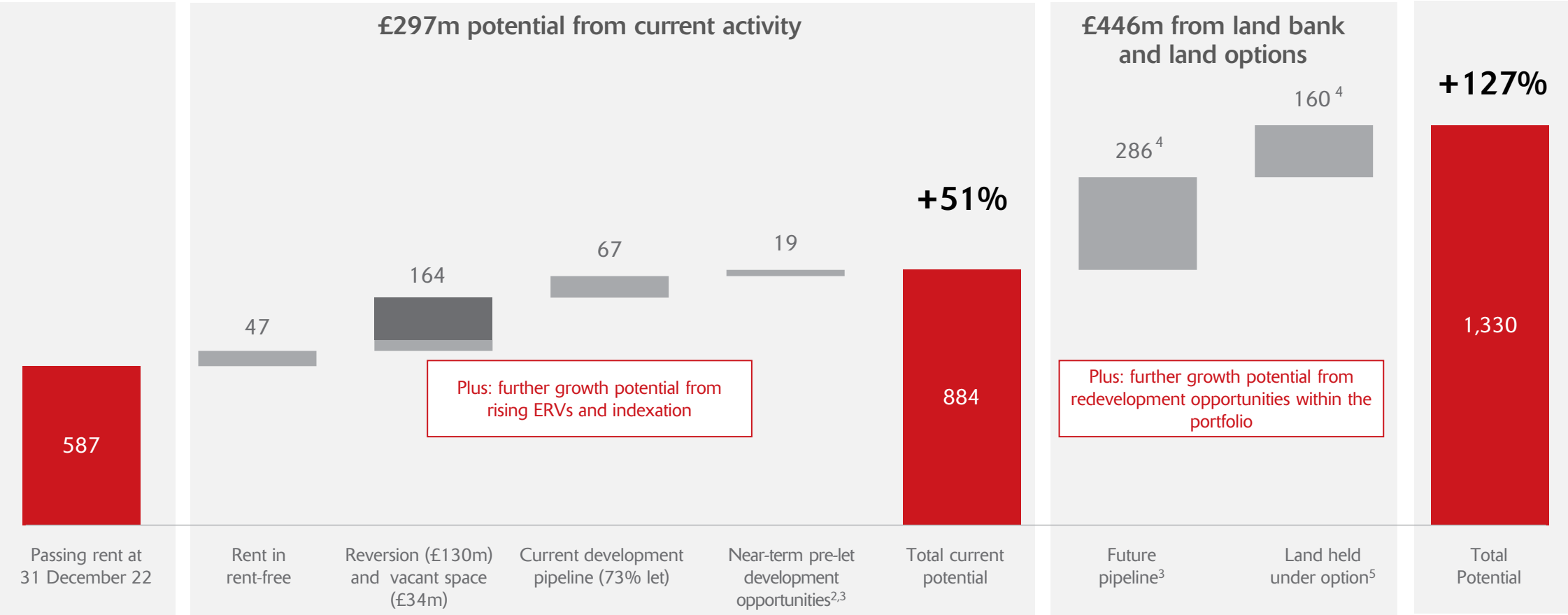
UK (57%)

Continental Europe (43%)

Development pipeline	Area (sq m)	Estimated cost to complete (£m)	Potential gross rent (£m)	Development yield ³	Proportion pre-let	Expected delivery
Current	749,000	328 ²	67	6.5%	73%	1-12 months
Near-term pre-lets ¹	166,600	179	19	6.9%	85%	12-18 months
Future ¹	3.3m	2,705	286	6.5%	-	1-7 years
Total	4.2m	3,212	372	6.5%	-	1-10 years
Optioned land ⁴	c1.7m		c160		-	1-10 years

POTENTIAL >£1.3 BILLION RENTAL INCOME

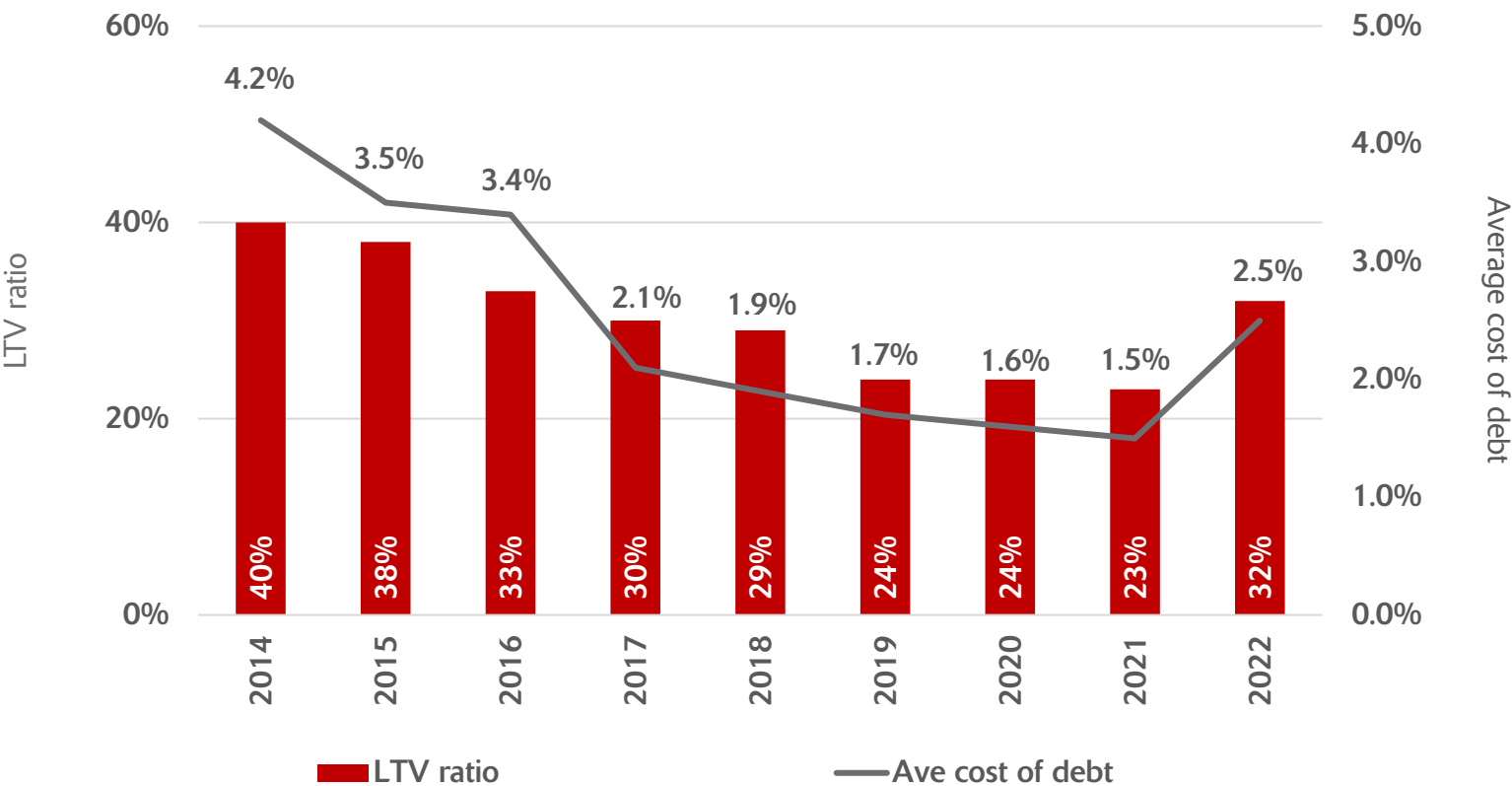
Annualised gross cash passing rent¹, £ million
(as at 31 December 2022)



1 Including JVs at share. | 2 Near-term development opportunities include pre-let agreements subject to final conditions such as planning permission, which are expected to commence within the next 12 months. | 3 Total rent potential of £305m from near-term development opportunities and future pipeline.
4 Estimated. Excludes rent from development projects identified for sale on completion and from projects identified as “Near-term opportunities”.
5 Land secured by way of options or conditional on contract.

LOW AVERAGE COST OF DEBT AND HIGH LIQUIDITY

LTV ratio and average cost of debt
(incl share of joint ventures), 2014-22



Credit rating
A (Fitch senior unsecured)

£2.2bn committed liquidity
cash and available bank facilities

4.5x interest cover

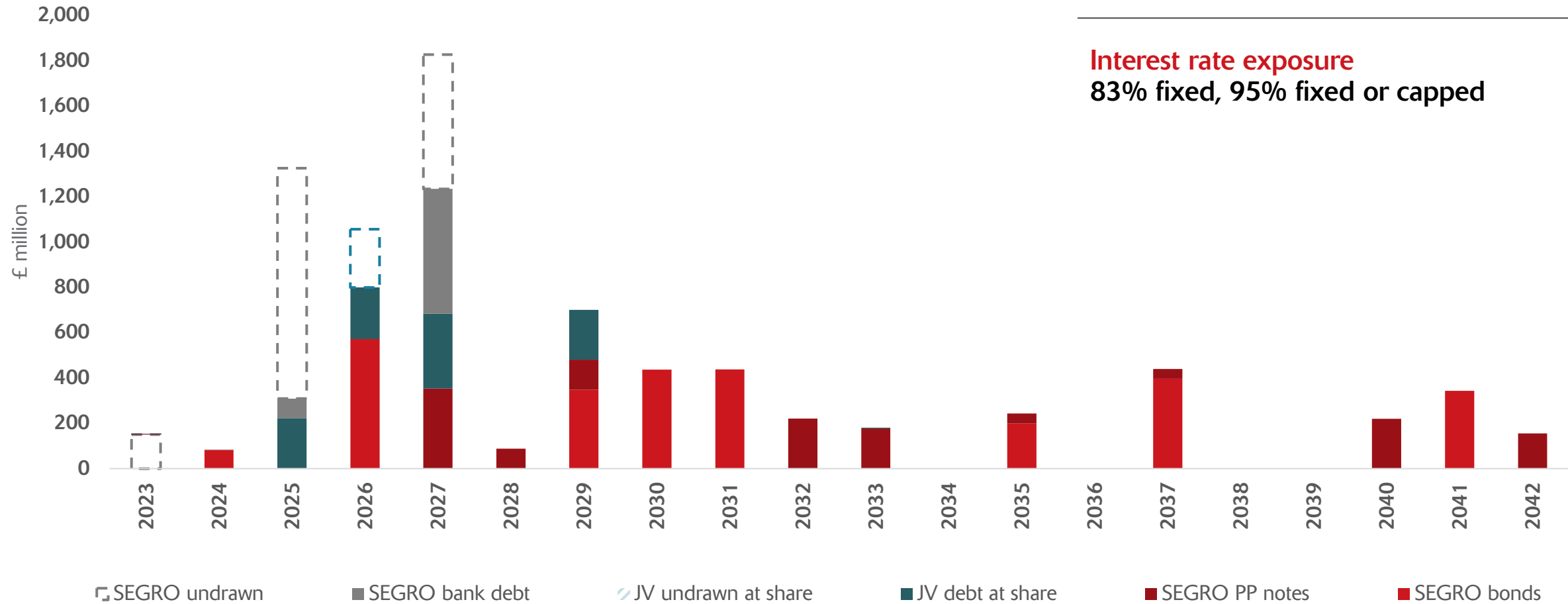
Estimated development capex:
2023: >£600 million
Disposals run rate:
1-2% of GAV per annum

NO NEAR TERM REFINANCING REQUIREMENTS

Debt maturity by type and year
(as at 31 December 2022)

Debt maturity 8.6 years
(FY21: 8.6 years)

Interest rate exposure
83% fixed, 95% fixed or capped



MEANINGFUL PROGRESS WITH RESPONSIBLE SEGRO



CHAMPIONING LOW CARBON GROWTH

Green lease clauses to help us achieve our net zero-carbon goals

Increasing our solar capacity by retrofitting existing assets and installing on all new developments

Mandatory Sustainability Policy for all development projects

Using low carbon concrete alternatives and timber instead of steel



INVESTING IN OUR COMMUNITIES AND LOCAL ENVIRONMENTS

Community Investment Plans

Employability training

Student mentoring

Volunteering days

UK living Wage Accreditation



NURTURING TALENT

NES Accreditation

Management Academy
Early careers recruitment

Diversity and inclusivity training
#10,000 black interns programme

Wellbeing Fund
Cost of living payment

CONFIDENT OUTLOOK



APPENDIX

STRONG FY22 FINANCIAL RESULTS

£386m

Adjusted profit before tax
+8.4%

31.0p

Adjusted earnings per share¹
+6.5%

26.3p

Dividend per share
+8.2%

£17.9bn

Portfolio valuation
-11.0%²

966p

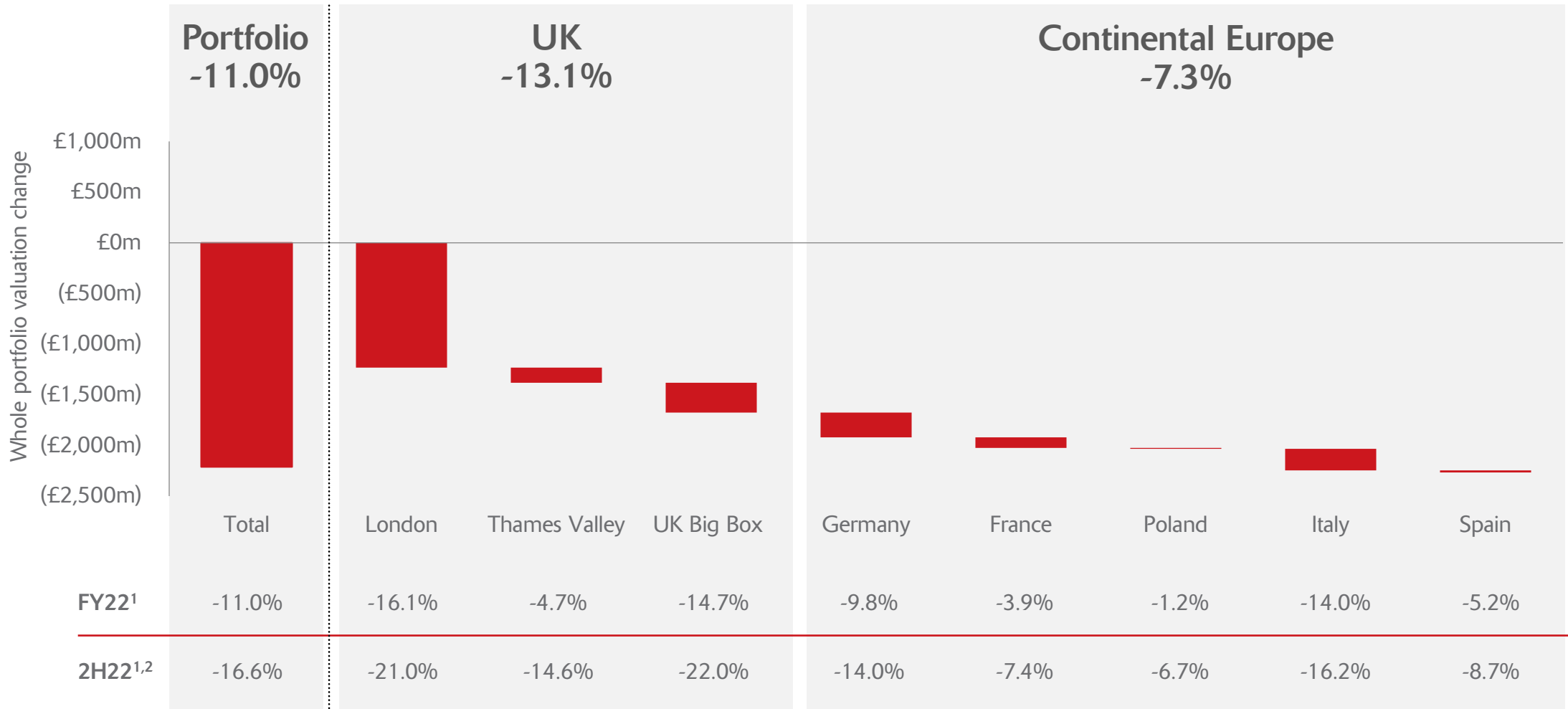
Adjusted NAV per share³
-15.0%

32%

Loan to value

VALUATION DECLINE DUE TO 2H22 YIELD EXPANSION

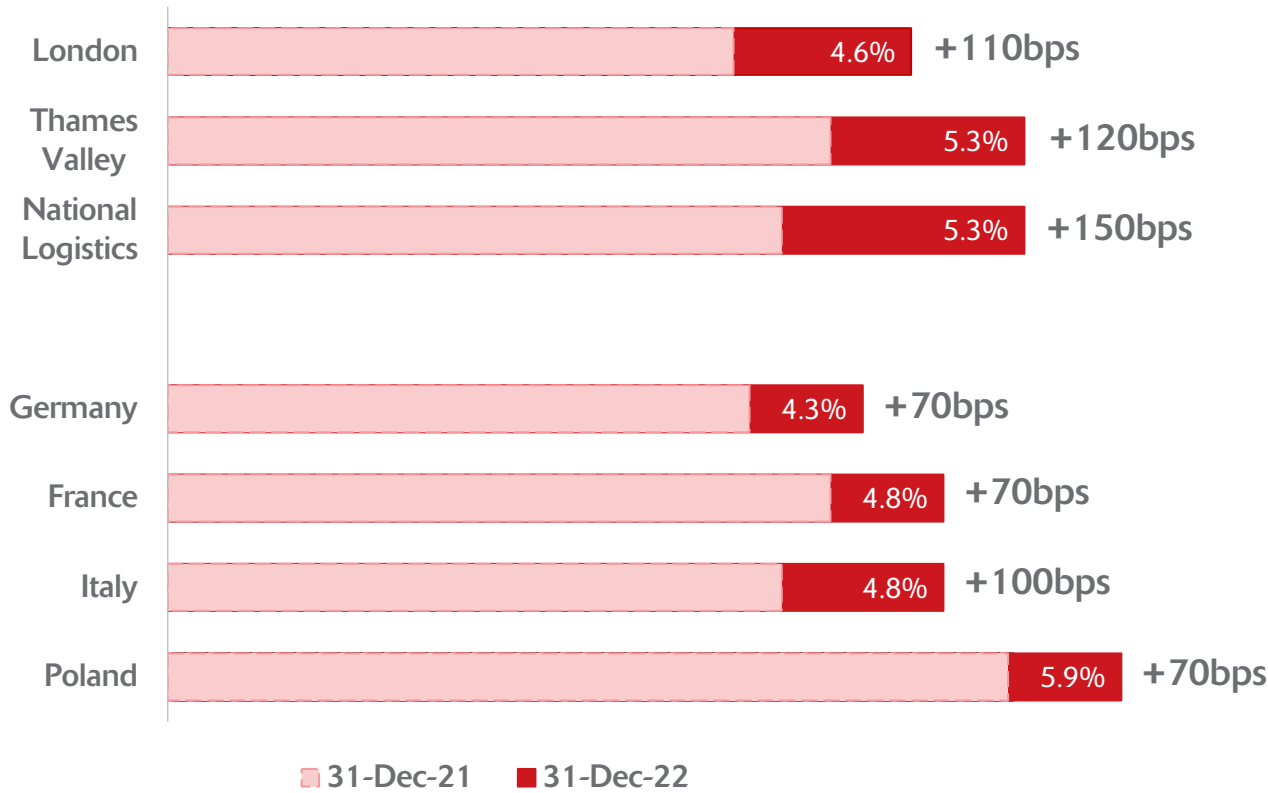
Portfolio value at 31 December 2022: £17.9 billion (at share)



SEGro PORTFOLIO YIELD AND RENTAL GROWTH PROFILE

Property yield¹: 4.8%
(+100bps)

ERV growth²: +10.9%

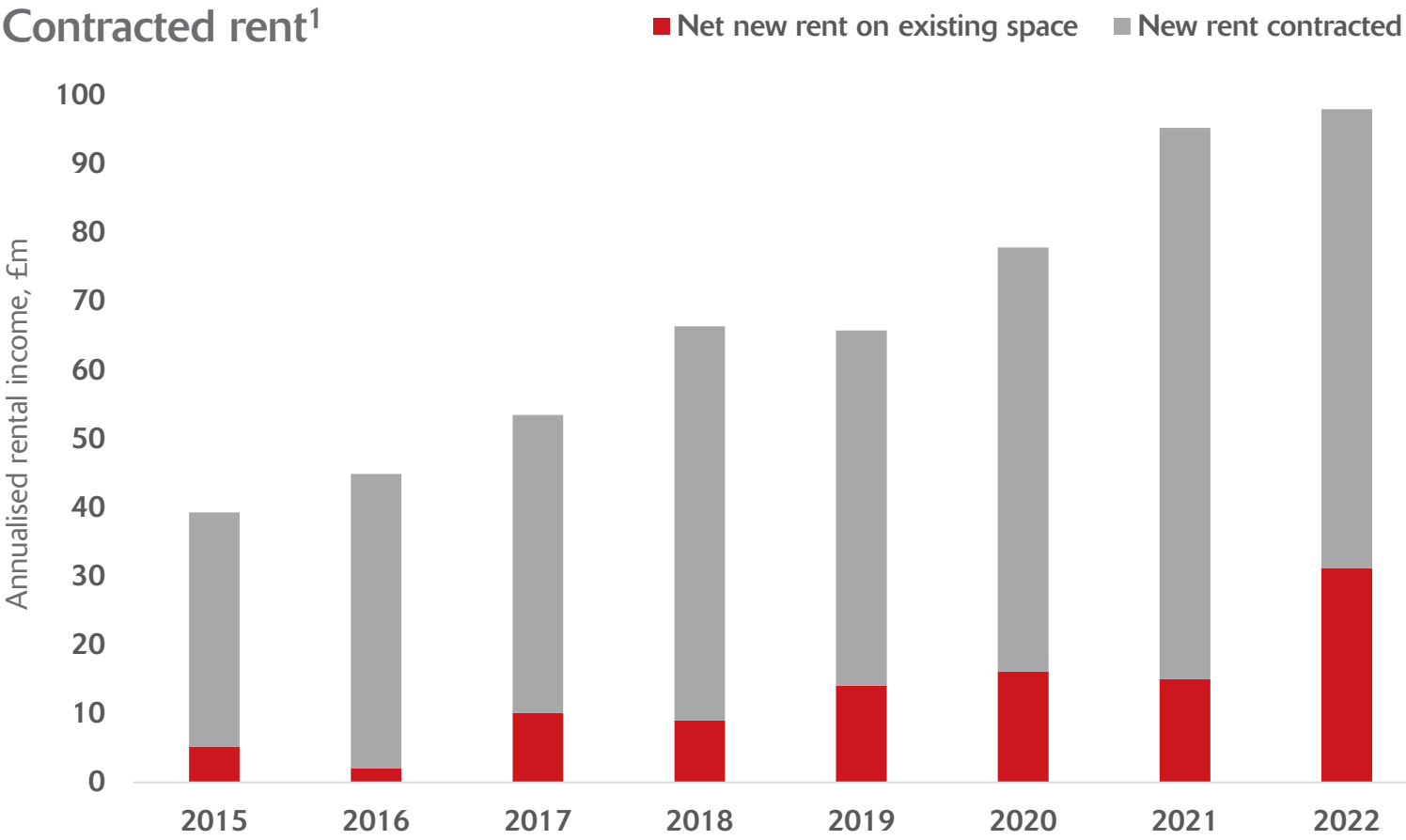


+10.3%	UK: +11.5%
+13.2%	
+14.1%	
+9.5%	Cont. Eur: +9.9%
+9.5%	
+6.5%	
+12.9%	

1 Net true equivalent yield. Yield on standing assets at 31 December 2022.
2 ERV growth based on assets held throughout 2022.

STRONG, DEEP AND DIVERSE OCCUPIER DEMAND

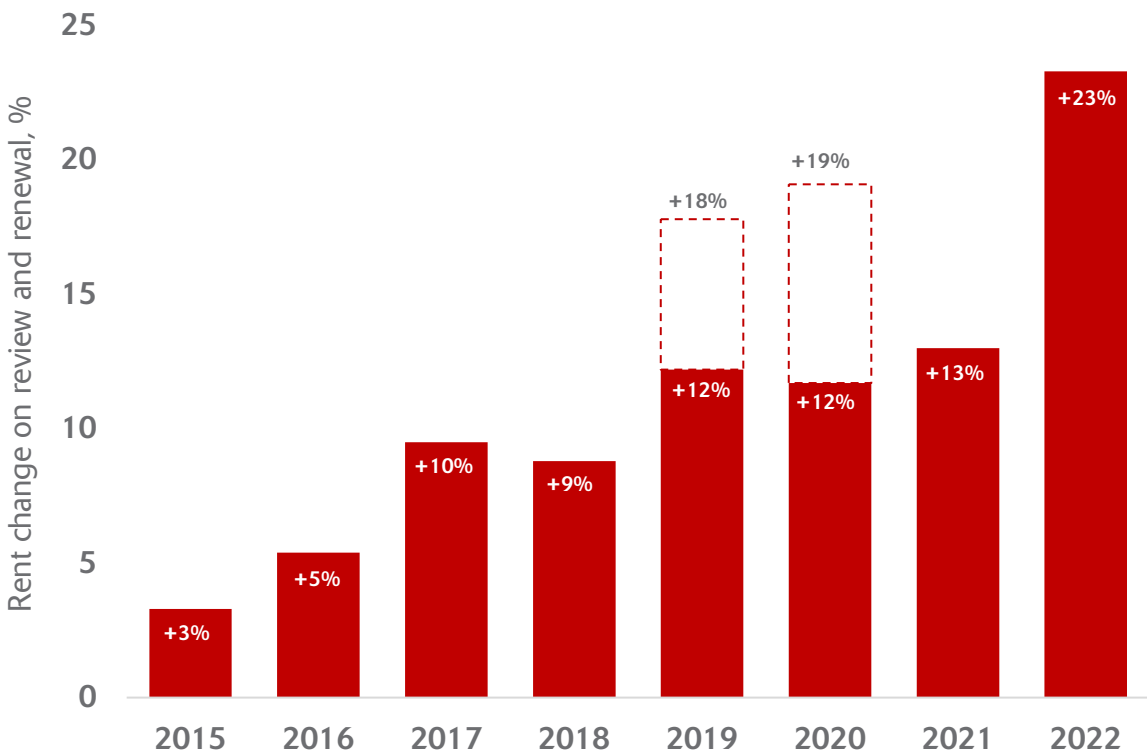
Contracted rent¹



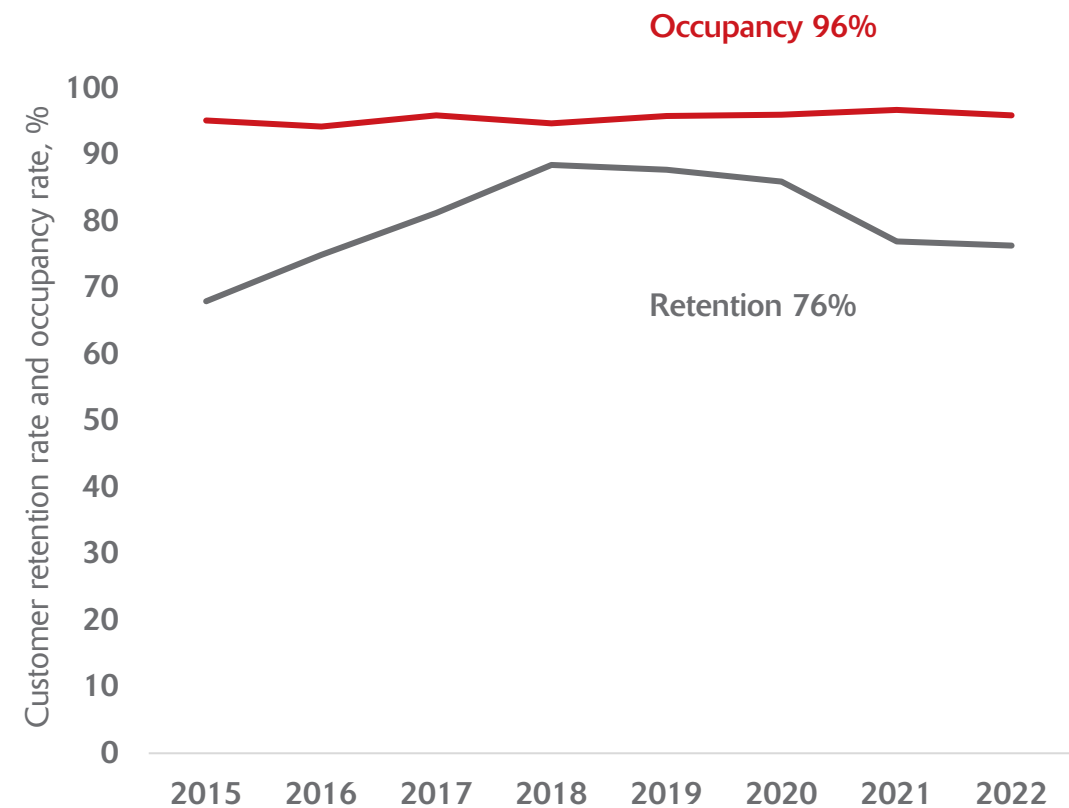
¹ Net new rent on existing space reflects headline rent agreed on new leases less passing rent lost from space taken back during the year; new rent contracted is total headline rent secured or (in the case of pre-let developments) agreed in the year.

PLATFORM DELIVERING STRONG OPERATING METRICS

Significant capture of reversion leading to record level of uplift from renewals and reviews¹



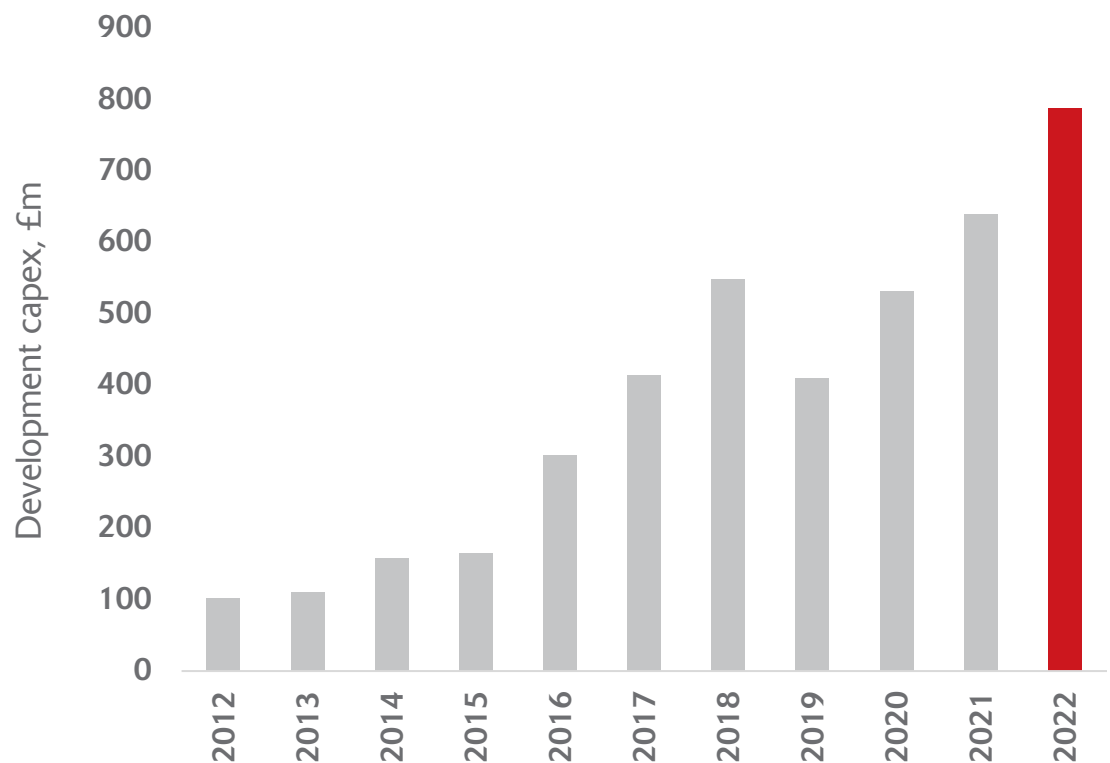
High levels of customer retention and occupancy²



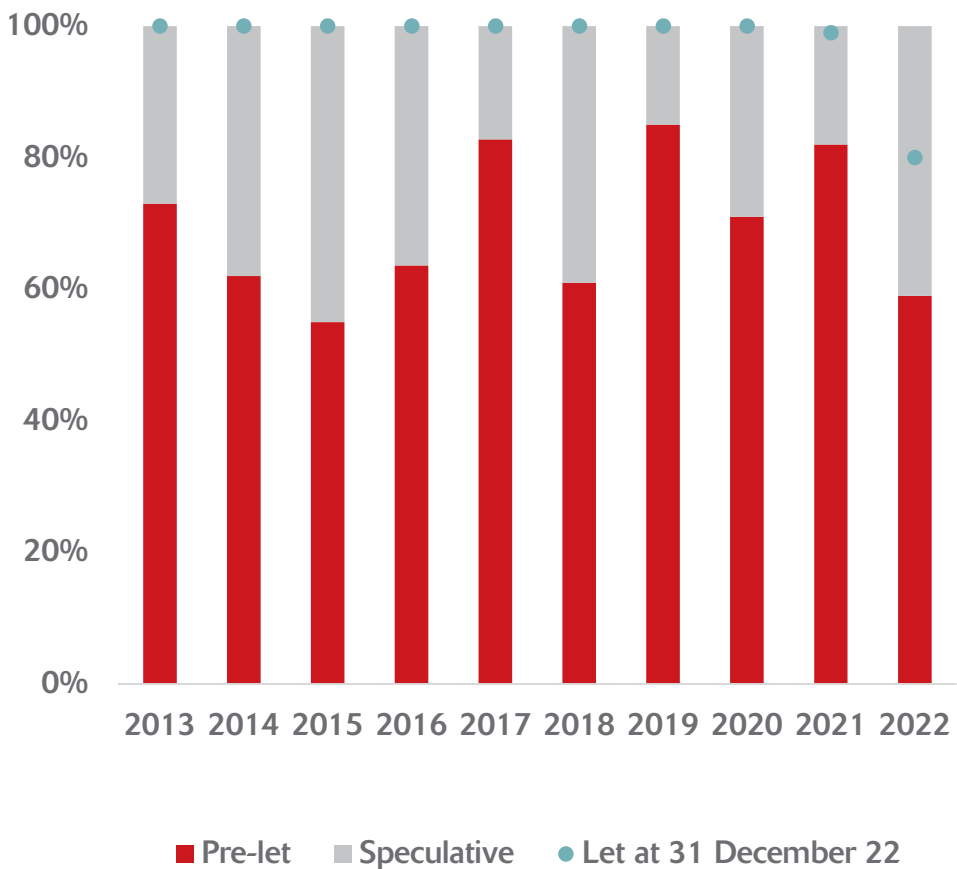
¹ Uplift in 2019 and 2020 included re-gears on the peppercorn leases in the Heathrow portfolio. Solid red bars indicate rental uplift excluding these one-off lease events.
² Occupancy rate based on ERV at 31 December 2022; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.

ENHANCED, DE-RISKED DEVELOPMENT PROGRAMME

Development-led growth¹



The majority of which is pre-let

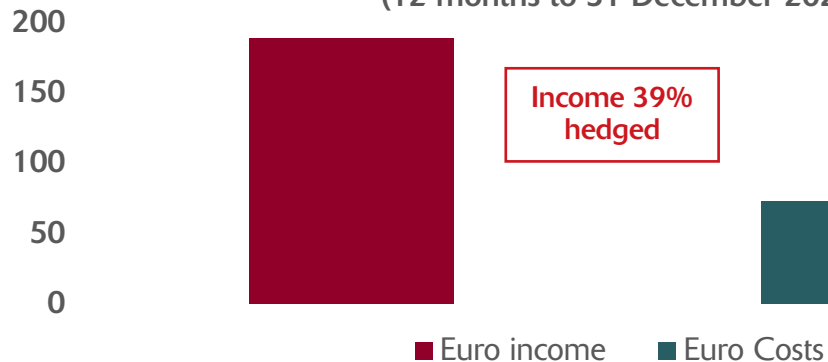


EURO CURRENCY EXPOSURE AND HEDGING

Balance sheet, £m
(31 December 2022)



Income Statement, £m
(12 months to 31 December 2022)



- €1.13:£1 as at 31 December 2022
- € assets 76% hedged by € liabilities
- €1.7bn (£1.5bn) of residual exposure – 13% of Group NAV
- Illustrative NAV sensitivity vs €1.13:
 - +5% (€1.19) = -£72m (-c5.9p per share)
 - -5% (€1.07) = +£79m (+c.6.6p per share)

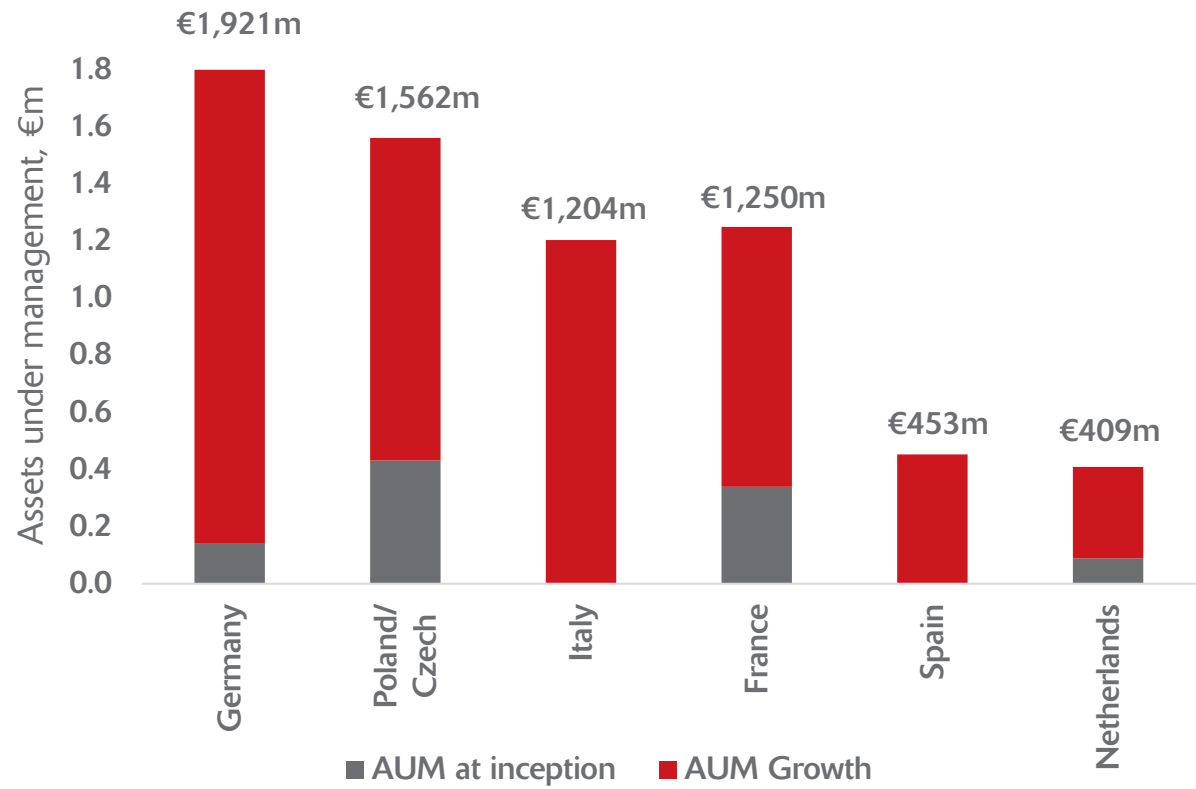
- Loan to Value (on look-through basis) at €1.13:£1 is 32%,
- Sensitivity vs €1.13:
 - +5% (€1.19) LTV -0.7%
 - -5% (€1.07) LTV +0.7%

- Average rate for 12 months to 31 December 2022 €1.17:£1
- € income 39% hedged by € expenditure (including interest)
- Net € income for the period €136m (£116m) – 31% of Group
- Illustrative annualised net income sensitivity versus €1.17
 - +5% (€1.23) = -£5.5m (c.0.5p per share)
 - -5% (€1.11) = +£6.1m (c.0.5p per share)

SEGRO EUROPEAN LOGISTICS PARTNERSHIP (SELP)

HEADLINE FIGURES

Assets under Management
(as at 31 December 2022)



Land and assets
€6.8bn

Equivalent yield
4.8%

Capital value change
-7.3%

ERV growth
11.7%

Headline rent
€313m

ERV
€341m

Occupancy rate
99%

LTV ratio
33%

FORWARD-LOOKING STATEMENTS AND DISCLAIMER

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