

21 April 2022

## SEGRO plc

### Trading Update

SEGRO plc (“SEGRO” or the “Group”) today publishes a trading update for the period from 1 January 2022 to 20 April 2022<sup>1</sup>.

#### **David Sleath, Chief Executive, said:**

“Our business has had a strong start to the year with continued demand from a broad range of customers enabling us to capture further rental growth through rent reviews and the re-letting of space. We have significantly increased our largely pre-let development pipeline and have secured future opportunities for growth in some of our most supply-constrained urban markets through the acquisition of land, as well as income-producing assets with medium-term redevelopment potential.

“We continue to monitor the tragic events unfolding in Ukraine, offering humanitarian support through the efforts of our Polish team and via donations to relevant relief agencies. There have been no direct effects of the invasion on our business, however it has added to construction supply chain and inflationary pressures and we are working closely with our construction partners so as to minimise the impact on our development programme. At the same time, we expect these pressures will further tighten the supply-demand imbalance for industrial assets and place further upward pressure on rents across our portfolio.

“The industrial sector continues to benefit from highly supportive and long-term structural tailwinds, which are leading to sustained strong occupier and investor demand, despite the challenges that the world is facing. We are alert to ongoing geopolitical and macro-economic risks but remain confident in the outlook for our business in 2022 and beyond.”

#### **Financial calendar**

The 2022 half year results will be published on Thursday 28 July 2022.

## OPERATING SUMMARY & KEY METRICS

	Q1 2022	Q1 2021
<b>ACTIVE ASSET MANAGEMENT CAPTURING RENTAL GROWTH AND GROWING THE RENT ROLL (see Appendix 1):</b>		
Good progress in capturing accumulated reversion in the portfolio through rent reviews and renewals and continued strong lettings performance.		
Total new headline rent <sup>2</sup> signed during the period (£m)	25	18
Pre-lets signed during the period (£m)	11	11
Uplift on rent reviews and renewals (%)	23	12
Vacancy rate (%)	3.3	4.4
Customer retention (%)	79	82
<b>FURTHER ACQUISITIONS TO SECURE POTENTIAL FUTURE GROWTH:</b>		
Capital investment continues to focus on development and acquisition of assets with opportunities for future growth, as well as sourcing land and assets with short-term income and redevelopment potential to extend our development pipeline. Development capex for 2022, including infrastructure, expected to be c.£700 million.		
Development capex (£m)	151	143
Acquisitions <sup>3</sup> (£m)	175	37
Disposals <sup>3</sup> (£m)	73	-
<b>EXECUTING AND GROWING OUR DEVELOPMENT PIPELINE:</b>		
Development programme has grown significantly since year end with 1.4 million sq m of space, equivalent to £108 million of new rent, under construction or in advanced discussions.		
Development completions:		
– Space completed (sq m, at 100%)	121,900	14,200
– Potential rent (£m, at share) (Rent secured, %)	3 (100)	1 (86)
Current development pipeline potential rent (£m) (Rent secured, %)	73 (63)	67 (71)
Near-term development pipeline potential rent (£m)	35	20
	<b>31 Mar 22</b>	<b>31 Dec 21</b>
<b>BALANCE SHEET POSITIONED TO SUPPORT FURTHER DEVELOPMENT-LED GROWTH</b>		
Issuance of €1.15 billion Green bonds during the period at a blended coupon of 1.5 per cent helped to strengthen the balance sheet and maintain low average cost of debt.		
Net debt (£bn)	4.4	4.2
Cost of debt (%)	1.6	1.5
LTV <sup>4</sup> (%)	24	23
Cash and available facilities (£bn)	1.9	1.1

<sup>1</sup> In this statement, space is stated at 100 per cent, whilst financial figures are stated reflecting SEGRO's share of joint ventures. Financial figures are stated for the period to, or at, 31 March unless otherwise indicated. The exchange rate applied is €1.19:£1 as at 31 March 2022.

<sup>2</sup> Headline rent is annualised gross passing rent receivable once incentives such as rent free periods have expired.

<sup>3</sup> Includes both assets and land

<sup>4</sup> Based on values at 31 December 2021, adjusted for acquisitions, disposals and other capital expenditure during the first quarter.

## **Appendices**

### **Leasing data for the period to 31 March (£million)<sup>1 2</sup>**

	<b>Q1 2022</b>	<b>Q1 2021</b>
Take-up of existing space (A)	5	3
Space returned <sup>2</sup> (B)	(5)	(6)
<b>NET ABSORPTION OF EXISTING SPACE (A-B)</b>	<b>-</b>	<b>(3)</b>
Other rental movements (rent reviews, renewals, indexation) (C)	7	2
<b>RENT ROLL GROWTH FROM EXISTING SPACE</b>	<b>7</b>	<b>(1)</b>
Take-up of developments completed in the period – pre-let space (D)	2	1
Take-up of speculative developments completed in the past two years (E)	2	1
<b>TOTAL TAKE UP (A+C+D+E)</b>	<b>16</b>	<b>7</b>
Less take-up of pre-lets and speculative lettings signed in prior periods	(2)	-
Pre-lets and lettings on speculative developments signed in the period for future delivery	11	11
<b>RENTAL INCOME CONTRACTED IN THE PERIOD<sup>2</sup></b>	<b>25</b>	<b>18</b>
Take-back of space for redevelopment	(1)	(1)

*1 All figures reflect headline rent (annualised gross rental income, after the expiry of any rent-free periods), exchange rates at 31 March and include joint ventures at share.*

*2 Excluding space taken back for redevelopment.*

### **CONTACT DETAILS FOR INVESTOR / ANALYST AND MEDIA ENQUIRIES:**

	Soumen Das (Chief Financial Officer)	Tel: +44 (0) 20 7451 9110
SEGRO	Claire Mogford (Head of Investor Relations)	Tel: +44 (0) 20 7451 9048
	Gary Gaskarth (External Communications Manager)	Tel: +44 (0) 20 7451 9069
FTI Consulting	Richard Sunderland / Claire Turvey / Eve Kirmatzis	Tel: +44 (0) 20 3727 1000

This Trading Update, the most recent Annual Report and other information are available on the SEGRO website at [www.segro.com/investors](http://www.segro.com/investors).

Neither the content of SEGRO's website nor any other website accessible by hyperlinks from SEGRO's website are incorporated in, or form part of, this announcement.

**Forward-Looking Statements:** This announcement contains certain forward-looking statements with respect to SEGRO's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. All statements other than historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations and all forward-looking statements are subject to assumptions, risk and uncertainty. Many of these assumptions, risks and uncertainties relate to factors that are beyond SEGRO's ability to control or estimate precisely and which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Certain statements have been made with reference to forecast process changes, economic conditions and the current regulatory environment. Any forward-looking statements made by or on behalf of SEGRO are based upon the knowledge and information available to Directors on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and you are cautioned not to place undue reliance on the forward-looking statements. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is provided as at the date of this announcement and is subject to change without notice. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), SEGRO does not undertake to update forward-looking statements, including to reflect any new information or changes in events, conditions or circumstances on which any such statement is based. Past share performance cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit estimate or profit forecast. The information in this announcement does not constitute an offer to sell or an invitation to buy securities in SEGRO plc or an invitation or inducement to engage in or enter into any contract or commitment or other investment activities.

Neither the content of SEGRO's website nor any other website accessible by hyperlinks from SEGRO's website are incorporated in, or form part of, this announcement.

## **About SEGRO**

SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 9.6 million square metres of space (103 million square feet) valued at £21.3 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

For 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

A commitment to be a force for societal and environmental good is integral to SEGRO's purpose and strategy. Its Responsible SEGRO framework focuses on three long-term priorities where the company believes it can make the greatest impact: Championing Low-Carbon Growth, Investing in Local Communities and Environments and Nurturing Talent.

See [www.SEGRO.com](http://www.SEGRO.com) for further information.