

Defining the urban customer base



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DEFINING THE URBAN
WAREHOUSE OPPORTUNITY
Investor & Analyst Day

Enabling our customers to do extraordinary things in modern cities



Urban warehouse space is **critical** for the **effective functioning** of modern capital cities like London.



A large and **increasingly diverse** range of businesses use this space to provide goods and services to **growing populations**.



Structural drivers are **changing the way that our customers operate** in London and major European cities.



Being located **within reach of the city centre** is key to the success of our customers' businesses.



Our spaces attract **high quality, ambitious and innovative businesses** and we work with them as partners.



Delivering an outstanding customer experience and building strong relationships helps create future opportunities for SEGRO.

London is a thriving hub of activity

43% above UK

average GVA
per worker¹
(25% of UK GDP)

9m

people living in London
(13% of UK population)²

25m

daily TFL trips³

22m

Tourists per annum
(>2x resident
population)⁴

94,000

retail businesses⁵

22,000

music performances
per year (across
300+ venues)⁶

14,745

restaurants⁷

>1.8m

parcels delivered
per day⁸

1. Sources: 1. www.london.gov.uk | 2. www.data.london.gov.uk | 3. TFL 'Consolidated estimates of total travel and mode shares' Report | 4. www.worldcitiescultureforum.com (Office for National Statistics) | 5. www.brc.org.uk | 6. www.worldcitiescultureforum.com (Time Out) | 7. www.worldcitiescultureforum.com (Office for National Statistics) | 8. Pitney Bowes Parcel shipping index 2023 (14m parcels delivered in the UK per day as a proportion of UK population)

SEGRO

A **day** in
the life...



Structural drivers are reshaping the way modern cities function

Data & digitalisation

Rise of the digital economy – increasing consumption of data and the growth of e-commerce.

Urbanisation

Growing populations increase the need for goods and services yet put pressure on land supply.

Supply chain optimisation

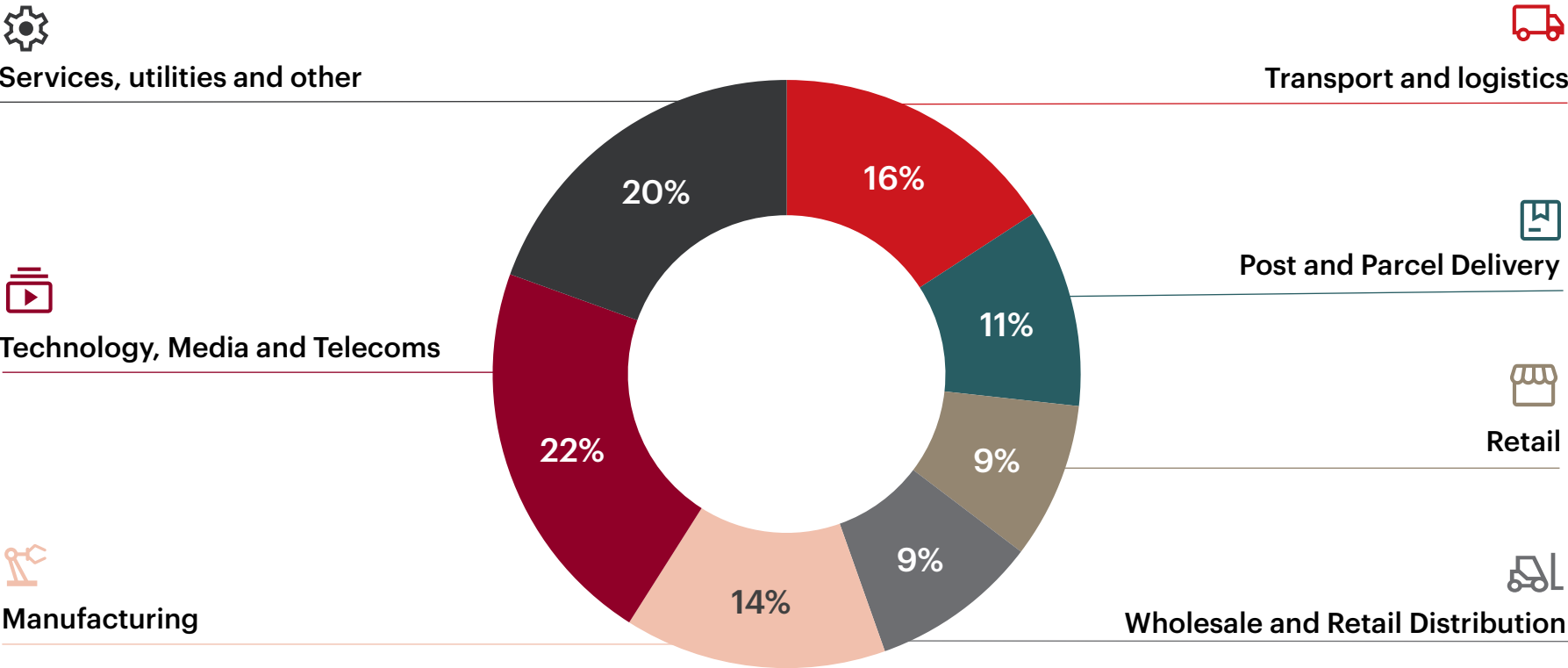
Pressure to deliver to consumers faster than ever before yet cities are getting harder to navigate.

Sustainability

Increased focus on reducing carbon emissions and having a positive impact on the environment.

A diverse customer base that supports a growing city

Customer sectors¹
(UK Urban headline rent, SEGRO share)



650

customers

35

sectors

1. As at 31 December 2023, UK urban

Users of our urban warehouse space



Movers

Moving the goods that we consume from where they are produced to end users.

Includes:

- Third-party logistics
- Post & parcel
- Retailers/ wholesalers
- Distributors
- Air cargo handlers



Makers

Producing the goods that we consume (both physical and digital).

Includes:

- Goods manufacturers
- Assembly operations
- Food preparation
- Pharmaceuticals
- Film & TV production studios



Enablers

Making things happen by providing goods and services to an industry or end user.

Includes:

- Data centres
- Support services
- Vehicle servicing
- Engineering/ tradesmen
- Utilities



Movers

How do they use urban warehouse space?

- Used to store, transport and sell goods.
- Modern operations need high buildings to maximise racking capacity and flexible space to enable automatisation.
- Customers often combine distribution with other parts of operations.

Why do they need to be in urban warehouse space?

- Proximity to end consumers

Structural drivers:

- ✓ Data & digitalisation
- ✓ Supply chain optimisation
- ✓ Urbanisation
- ✓ Sustainability

ocado



amazon

brakes
a Sysco company



BRITISH AIRWAYS
WORLD CARGO



JOHN LEWIS
& PARTNERS



DHL, SEGRO Logistics Centre Poyle



Ocado, SEGRO Logistics Park Purfleet



Makers

How do they use urban warehouse space?

- Layout will be determined by the production process.
- Some operations are very labour intensive and others very automated.

Why do they need to be in urban warehouse space?

- Perishable goods being consumed by local populations.
- Access to skilled labour.
- Proximity to airports for international distribution.

Structural drivers:

- ✓ Data & digitalisation
- ✓ Supply chain optimisation
- ✓ Urbanisation
- ✓ Sustainability



Camden Town Brewery, SEGRO Park Morson Road



Matrix Plastics, Slough Trading Estate

Enablers

How do they use urban warehouse space?

- Will vary significantly on the goods or services being provided.
- Many intensify the use of space through mezzanines and some require a 'customer-facing' function

Why do they need to be in urban warehouse space?

- Proximity to the end customer to meet customer service levels.
- Access to skilled labour.

Structural drivers:

- ✓ Data & digitalisation
- ✓ Supply chain optimisation
- ✓ Urbanisation
- ✓ Sustainability



Superhire Props, Premier Park



CLEAN Linen Services, Slough Trading Estate



Location and specification

Ease/speed of getting
goods to and from
operations

Ability to meet customer
expectations and service
level requirements

Ability to access
and retain
skilled labour

Total operating
costs

Building
specification

Secure and
safe estate

Energy
efficiency

Ability to reduce
carbon emissions
through the value chain



Case study: SEGRO Park Tottenham

Access to A10 and
A406 within 5 minutes
and M25 in 15 minutes

Ease/speed of getting goods to and from
operations

Seamless transport
links to the heart
of London

Ability to meet customer service level
requirements

Close to large
population and high
specification of amenities

Ability to access and retain skilled labour

Solar panels
help to reduce
energy costs

Total operating costs

Flexible space with
mezzanines and
outside space

Building specification

24-hour security and
segregated vehicle and
pedestrian movements

Secure and safe estate

EPC A+ and
equipped with smart
building technology

Energy efficiency

Outstanding environmental
credentials and carbon
negative in operation

Ability to reduce carbon emissions

Consistently strong retention and customer satisfaction despite recent cost pressures

Our focus on **prime markets** and the highest specification space helps us to attract the **highest quality customers**.

We aim to work in **partnership** with our customers to support them with their ambitions (and challenges).

Consistently striving to deliver the **highest levels of customer service**.

Our commitment to **delivering an outstanding customer experience** differentiates us from other landlords.

Customer satisfaction and retention has remained high despite higher rental levels.



85%

Customer satisfaction¹

95%

Would recommend us to someone else¹

88%

Customer retention²

1. 2023 Customer Satisfaction Survey, UK urban portfolio.
2. As at 31 March 2024, UK urban.

Creating outstanding customer relationships and future opportunities through connection...

Cross-border relationships



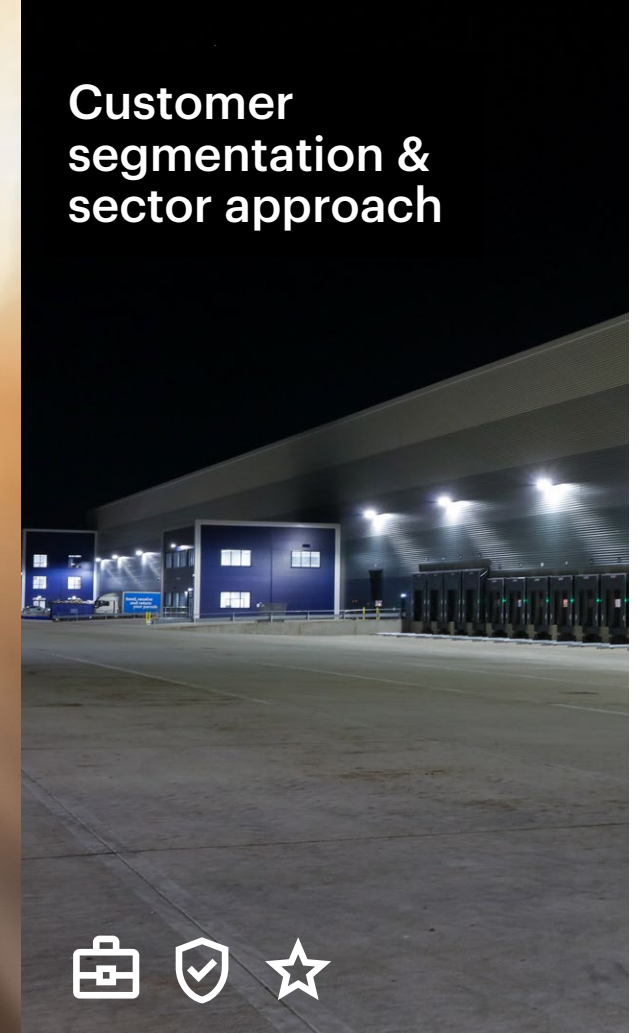
Use of technology



Connecting our customers



Customer segmentation & sector approach



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Customer panel



Moderator:

Paul Dunne

Group Customer
& Operations Director, SEGRO

Nigel Harris

Senior Asset Manager,
Group Property & Development,
John Lewis

Bonnie Minshull

Head of London, SEGRO

Paul Bridson

Estates Director,
Royal Mail

Ryan Dean

Founder,
RD Content



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Q&A



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