



# 2019 FULL YEAR RESULTS

14 FEBRUARY 2020

Attractive returns for shareholders			
Total property return	10.5%	Adjusted EPS growth	4.3%
NAV growth	8.9%	Total dividend growth	10.1%

£692 million invested	
Asset acquisitions	£136m
Development capex	£409m
Land acquisitions	£147m
£442 million disposals	
Asset sales	£433m
Land sales	£9m



Strong operating metrics	
New rent contracted	£66m
Customer retention rate	88%
Vacancy rate	4.0%
Like-for-like net rental income	+4.7%
ERV growth	+2.7%

Financial strength			
LTV ratio	24%	Cost of debt	1.7%

“We create the space  
that enables  
extraordinary things to  
happen”





Strong financial results and balance sheet

Driven by operational excellence

- record development completions
- active asset management

Allocating our capital strategically, with a focus on development

Confident about our prospects in 2020 and beyond



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- 4.3% adjusted EPS growth to 24.4p
  - 9.9% excluding the impact of the 2018 SELP performance fee
- 8.9% NAV growth to 708p
- 2019 final dividend increased by 8.7%
  - Total 2019 dividend increased by 10.1%

**£267.5m**

Adjusted  
pre-tax profit

**+4.7%**

Like-for-like net rental  
income growth

**£10.3bn**

Portfolio value  
(7.5% growth)

**24%**

Loan to Value ratio  
(FY 2018: 29%)

**14.4p**

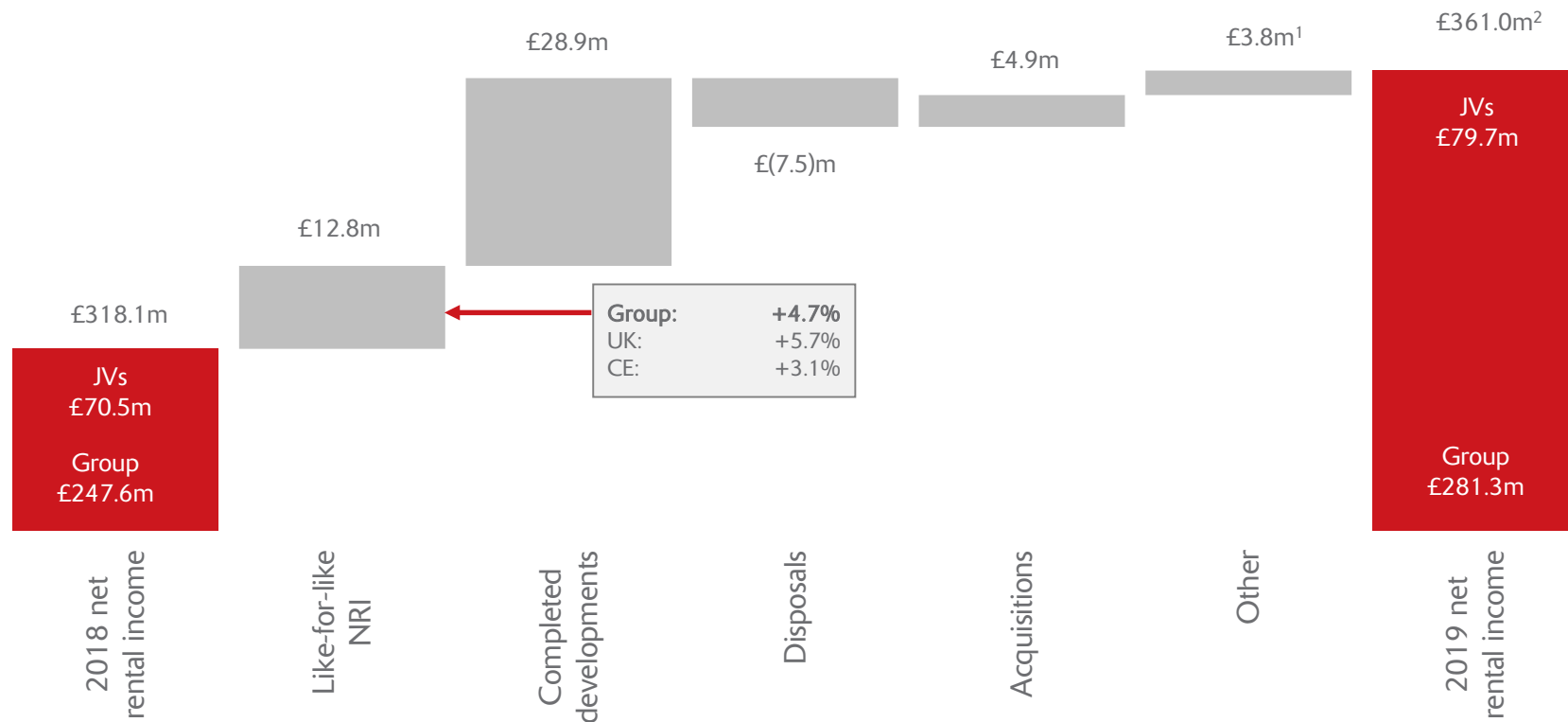
Final dividend per share  
(2018: 13.25p)

**20.7p**

Total dividend per share  
(2018: 18.8p)

# 13.5% growth in net rental income

Proportionally consolidated net rental income (excluding joint venture fees), 2018-19, £ million



<sup>1</sup> Other includes take-backs for redevelopment (–£1.6m), currency impacts (–£1.4m) one-off rates refunds and fees for forward funded developments (£6.8m)

<sup>2</sup> Proforma 2019 net rental income can be found on slide 36

# 10.8% increase in Adjusted PBT

Adjusted income statement	2019 £m	2018 £m
Gross rental income	362.0	323.2 <sup>1</sup>
Property operating expenses	(80.7)	(75.6) <sup>1</sup>
<b>Net rental income</b>	<b>281.3</b>	<b>247.6</b>
Share of joint ventures' adjusted profit after tax <sup>2</sup>	54.0	39.0
Joint venture fee income	20.4	44.9
Administration expenses	(51.5)	(44.1)
<b>Adjusted operating profit</b>	<b>304.2</b>	<b>287.4</b>
Net finance costs	(36.7)	(45.9)
<b>Adjusted profit before tax</b>	<b>267.5</b>	<b>241.5</b>
Adjusted EPS	24.4	23.4
Average share count	1,081.3	1,008.6

- Reduced JV fee income due to 2018 SELP performance fee (1.2p impact on 2018 EPS)

- Finance costs £9.2m lower

- Total cost ratio stable at 22.9%, 19.9% excl share based payments

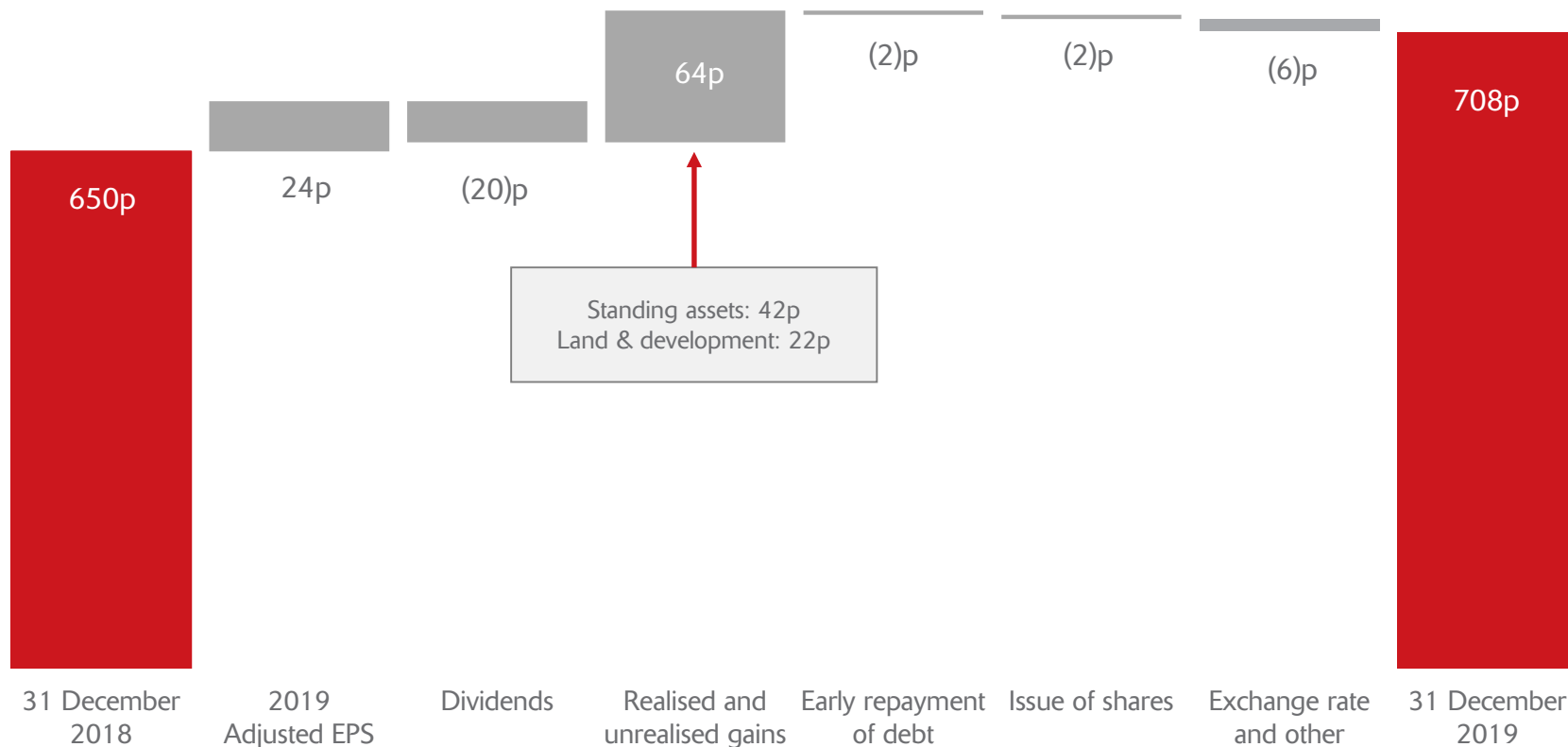
<sup>1</sup> 2018 number has been re-presented for change in the treatment of service charges

<sup>2</sup> Net property rental income less administrative expenses, net interest expenses and taxation

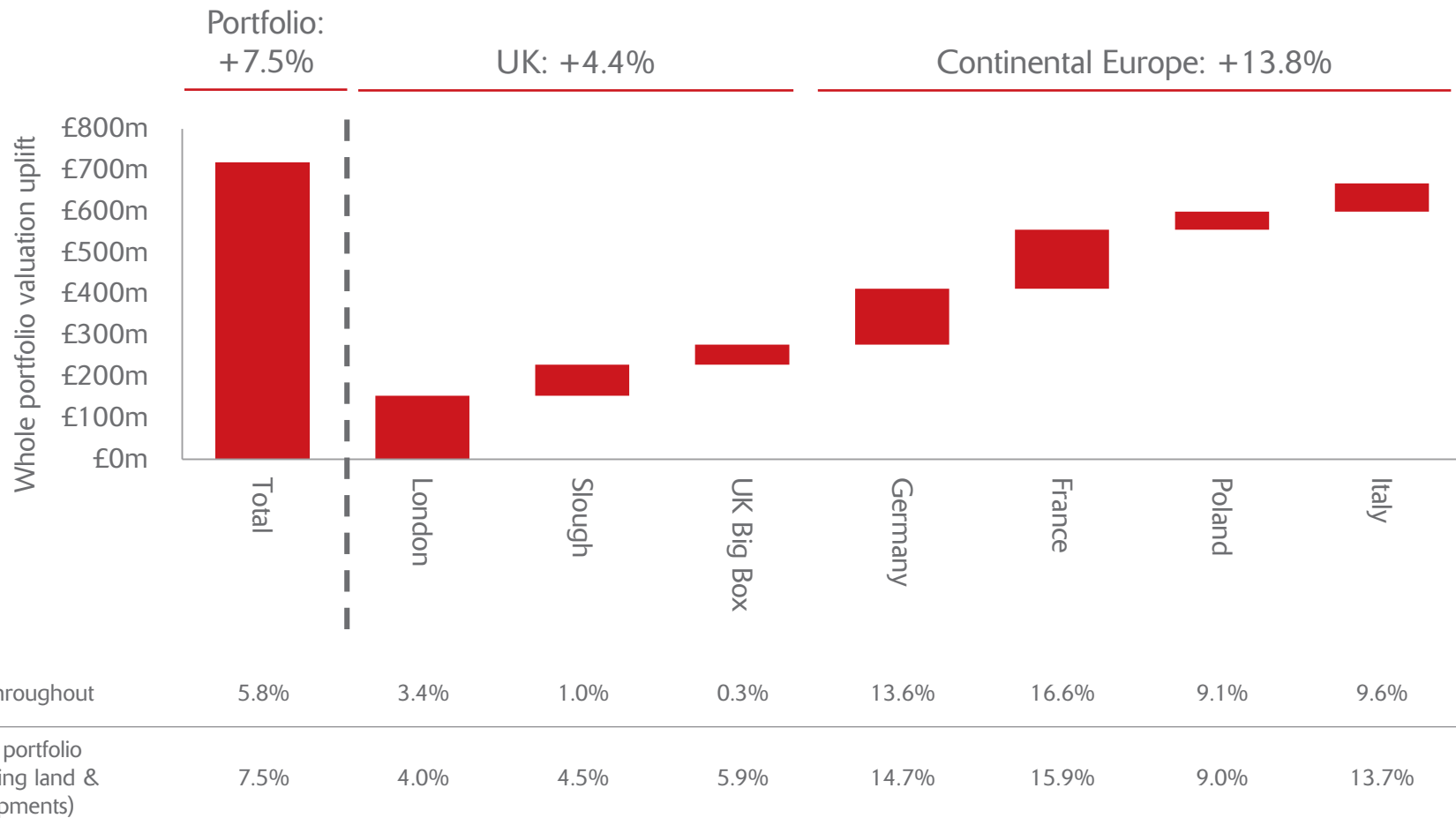


# 8.9% increase in EPRA NAV

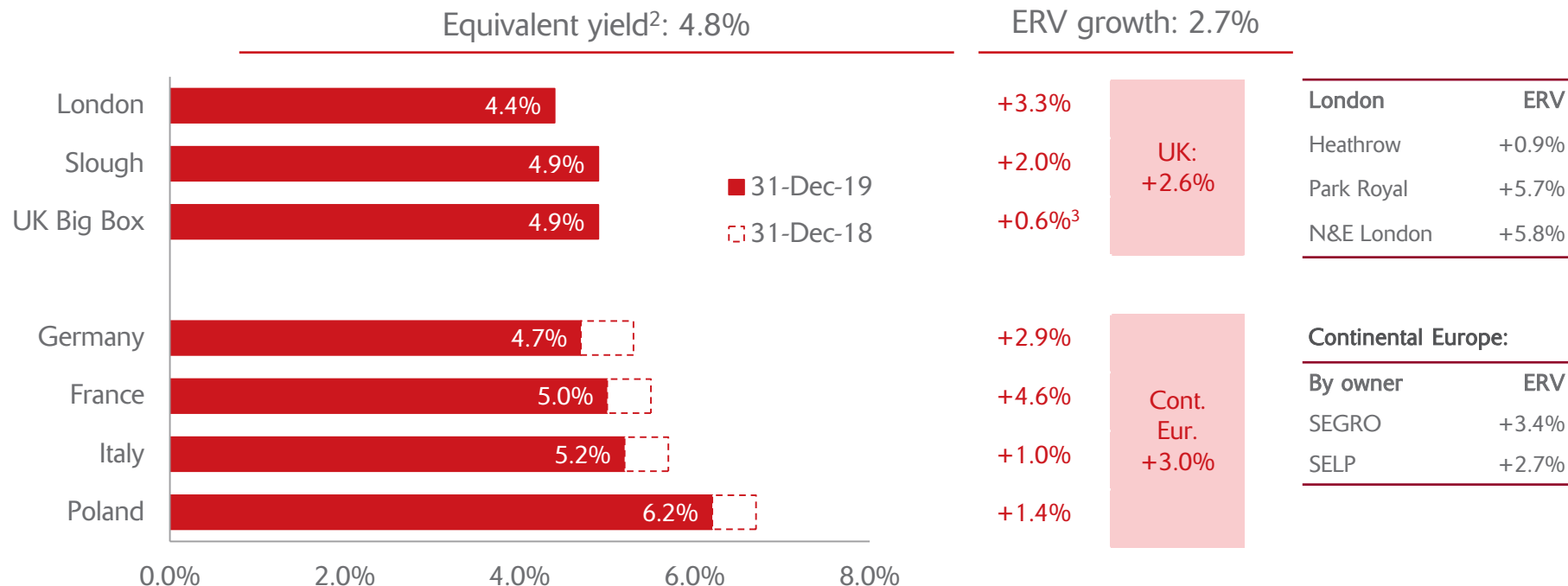
Components of EPRA NAV change, 31 December 2018 to 31 December 2019



# £718m valuation surplus



# Driven by asset management, yield shift and rental growth<sup>1</sup>



<sup>1</sup> Yield on standing assets at 31 December 2019; ERV growth based on assets held throughout 2019.

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

<sup>3</sup> Includes big box warehouses in the Midlands and South East

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**SEGRO equity placing**  
£451m gross proceeds

- 71m new shares
- 635p per share, 2% discount to previous closing price

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**SELP bond**  
€500m of new debt

- 7.5yr duration, 1.5% coupon
- Proceeds used to refinance RCF and fund future acquisitions and developments

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**SELP credit facilities**  
€200m new syndicated facility

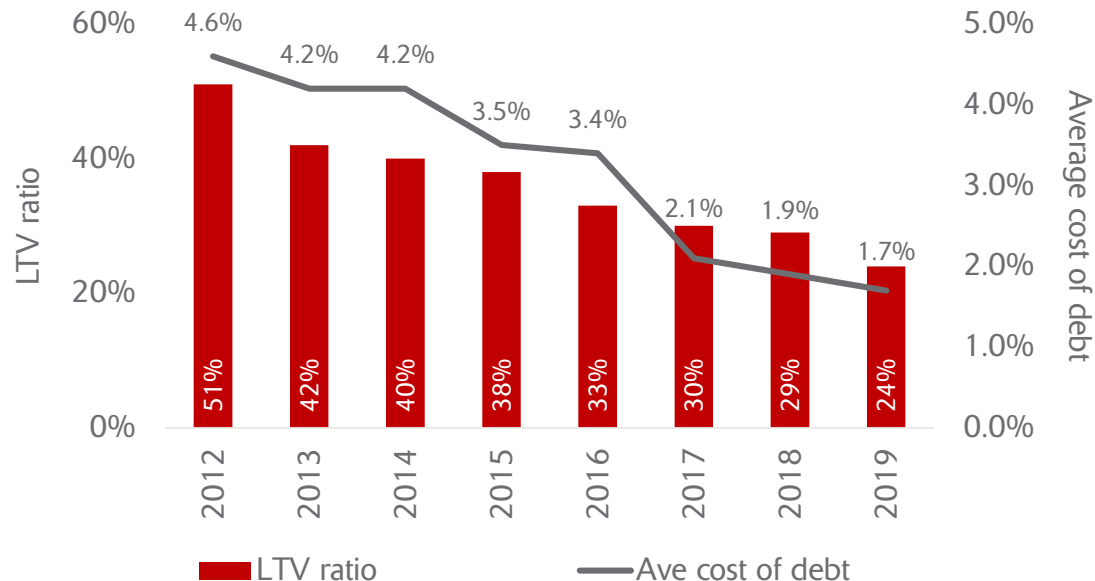
- €500m of available facilities
- Two additional lenders to SELP

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**SEGRO bond buyback**  
£250m 2020 maturity

- One of the last remaining high coupon bonds
  - Reduced cost of debt and improved average duration
-

LTV ratio and average cost of debt (incl share of joint ventures), 2012-19



- Net debt: £2.5bn (FY 2018: £2.7bn)

- Debt maturity 10.0 years (from 10.2 years at end-2018)
- £1.4bn cash and available bank facilities, fully undrawn at year end

- 2020: £600m+ estimated development capex (incl infrastructure capex and land acquisitions)
- 2020: c£150-250m estimated disposals



- Strong underlying EPS growth
- Improved debt structure
- 2019 full year dividend increased by 10.1%



Strong financial results, balance sheet further strengthened

Driven by operational excellence

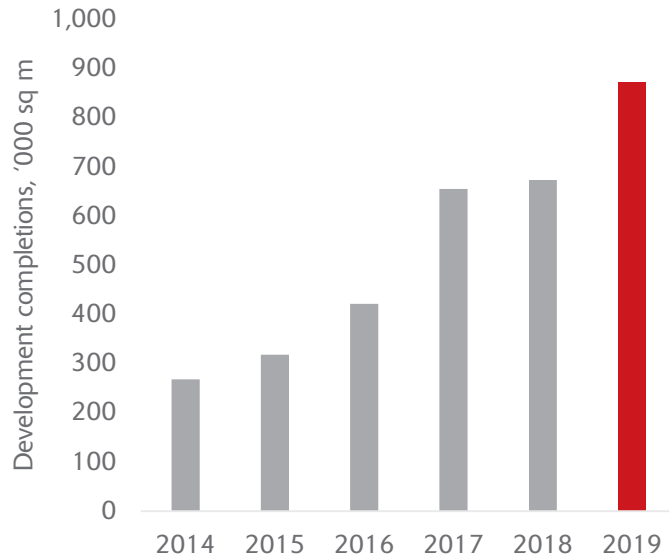
- record development completions
- active asset management

Allocating our capital strategically, with a focus on development

Confident about our prospects in 2020 and beyond

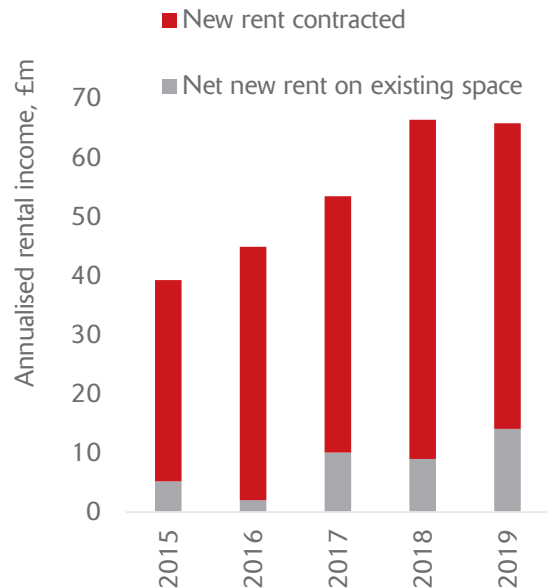
# A record year of development completions

- 871,800 sq m of new space
- 40 projects
- £44m potential headline rent (92% leased)
- 7.3% average yield on cost
- 29% uplift on development

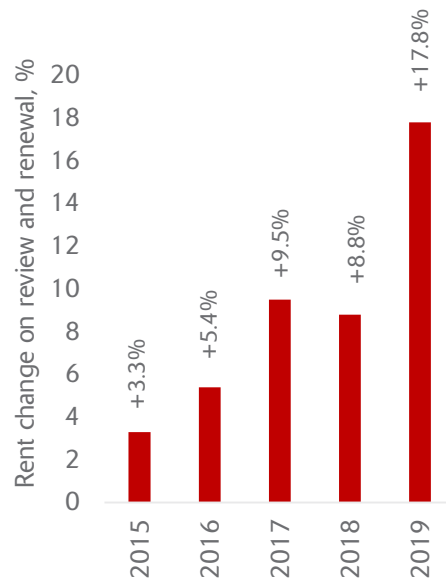




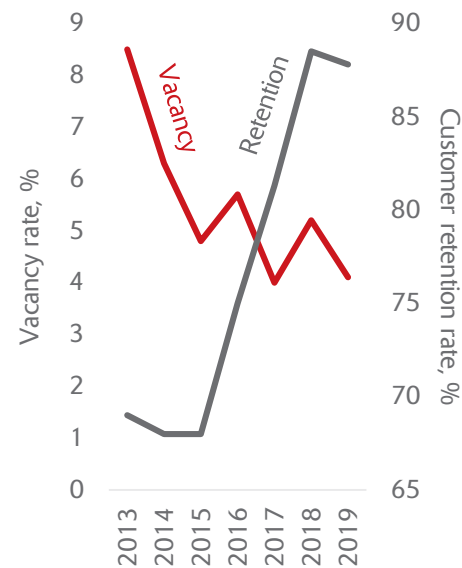
## Strong leasing success again in 2019<sup>1</sup>



## Capturing reversion from renewals and reviews



## High levels of customer retention and continued low vacancy<sup>2</sup>



<sup>1</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.

<sup>2</sup> Vacancy rate based on ERV at 31 December 2019; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.





Strong financial results, balance sheet further strengthened

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# Allocating our capital strategically, with a focus on development

## Asset acquisitions

- Off-market acquisitions in competitive urban markets of London and Lyon
- Big box warehouses in France, Spain and Poland for SELP

## Land and development

- £409m of development capex
- £147m invested in land acquisitions
- Continuing to progress larger land acquisitions

## Disposals

- SEGRO sales to SELP
- Assets and land in non-core markets
- Stand-alone UK big box warehouses



£136m



£556m



£442m



Strong financial results, balance sheet further strengthened

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Confident about our prospects in 2020 and beyond

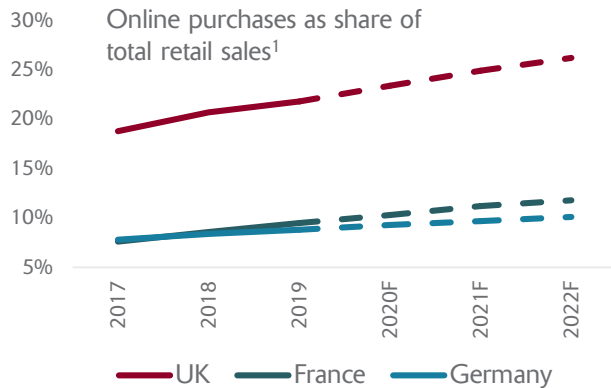


Current market conditions remain positive, supported by powerful structural tailwinds

Prime portfolio of warehouses in strong locations

Substantial land bank to generate development led growth

## Technological revolution



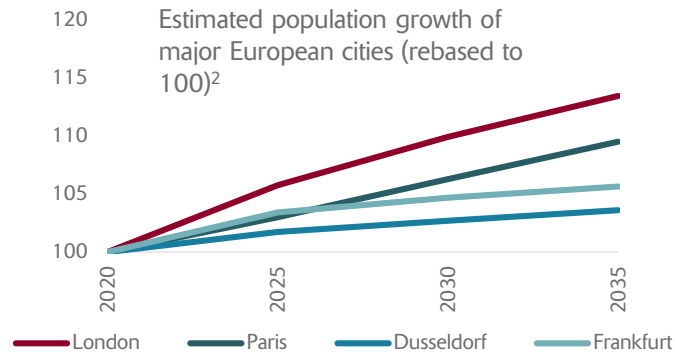
E-commerce growth

Growth of digital data and the cloud

Warehouse automation and robotics

Power and data connectivity

## Urbanisation



Population growth

Reducing land availability

Increasing demand for goods and services

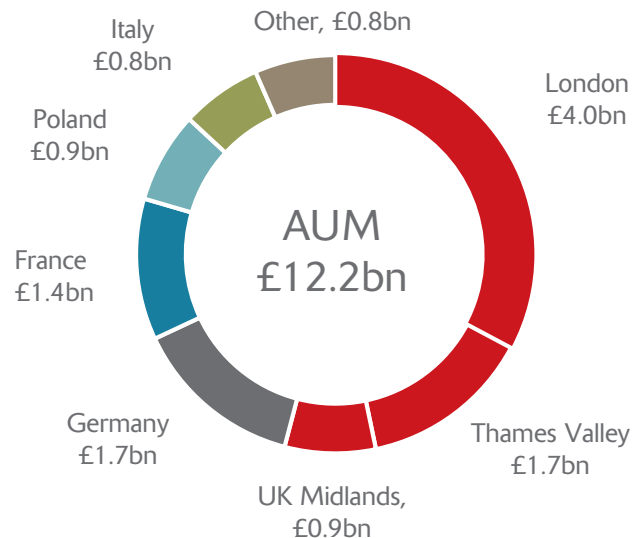
Environmental and regulatory pressures

<sup>1</sup> Source: [www.emarketer.com](http://www.emarketer.com)

<sup>2</sup> Source: [www.worldpopulationreview.com](http://www.worldpopulationreview.com)



Portfolio split by geography and asset type  
(at 31 December 2019)

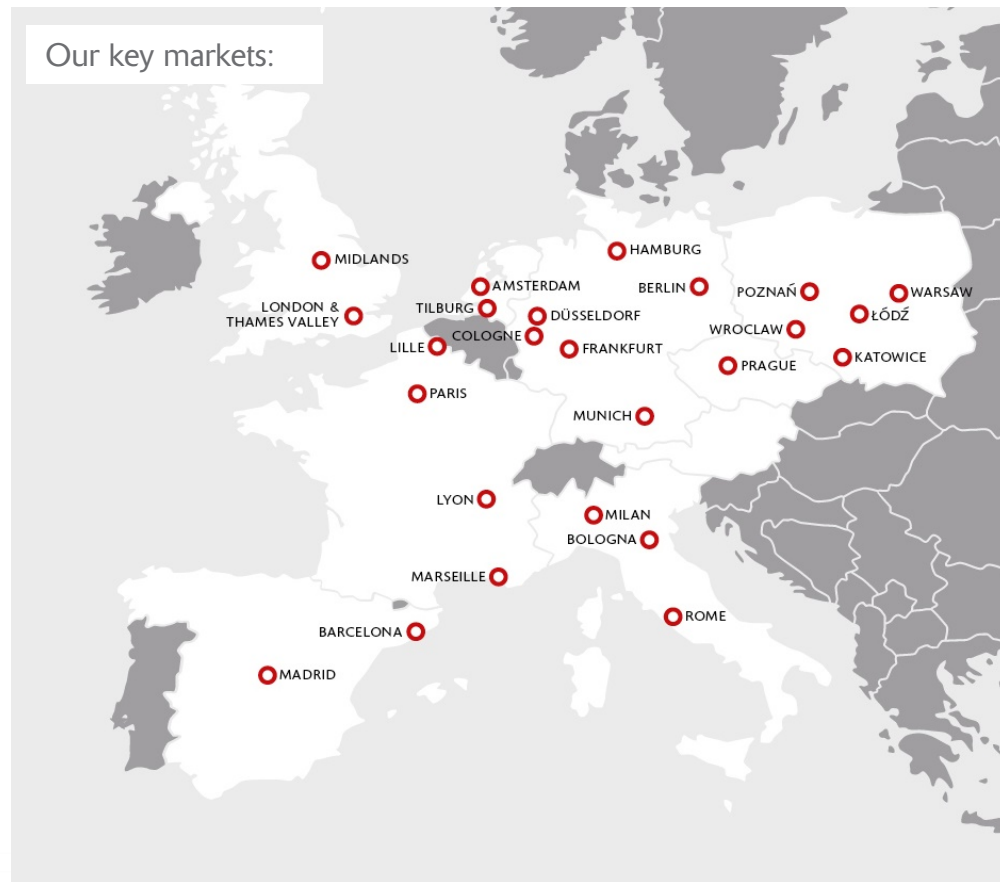


Urban (67%)

Big box (31%)

Other (2%)

Our key markets:





# Rental growth to remain strongest in urban warehouses

Property Type	Region	% of portfolio <sup>1</sup>	Demand conditions	Supply conditions	SEGRO ERV growth 2019	SEGRO ERV growth expectations
Urban warehouses	UK (London, Thames Valley)	55%	STRONG	LIMITED	2.9%	2–5% pa
	Continental Europe	12%	STRONG	LIMITED	3.4%	
Big box warehouses	UK (South-East, Midlands)	9%	STRONG	MODERATE	0.6%	1–2% pa
	Continental Europe	22%	STRONG	MODERATE	2.7%	

...with £27m of reversionary potential to capture

<sup>1</sup> Percentage of portfolio based on valuations as of 31 December 2019. 2% of the portfolio in other uses of industrial land, e.g. self-storage, car showrooms, offices

# £260m+ of potential rental income from future development



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	826,205	316 <sup>2</sup>	50	6.6%	60%	1-12 months
Near-term pre-lets <sup>1</sup>	395,257	205	20	6.7%	100%	12-18 months
Future <sup>1</sup>	1.8m	750	80	6-7%	n/a	1-5 years
Optioned land	c1.8m	n/a	116	6-7%	n/a	1-10 years

Potential annualised gross rent from current, near-term and future pipeline<sup>4</sup>, by asset type (£150 million at 31 December 2019)



Potential annualised gross rent from current, near-term and future pipeline<sup>4</sup>, by region (£150 million at 31 December 2019)



<sup>1</sup> Future development pipeline in the 2019 Full Year Property Analysis Report.

<sup>2</sup> Total development cost of £758m including opening land value and capex already incurred

<sup>3</sup> Estimated average yield on total development cost

<sup>4</sup> Excludes optioned land

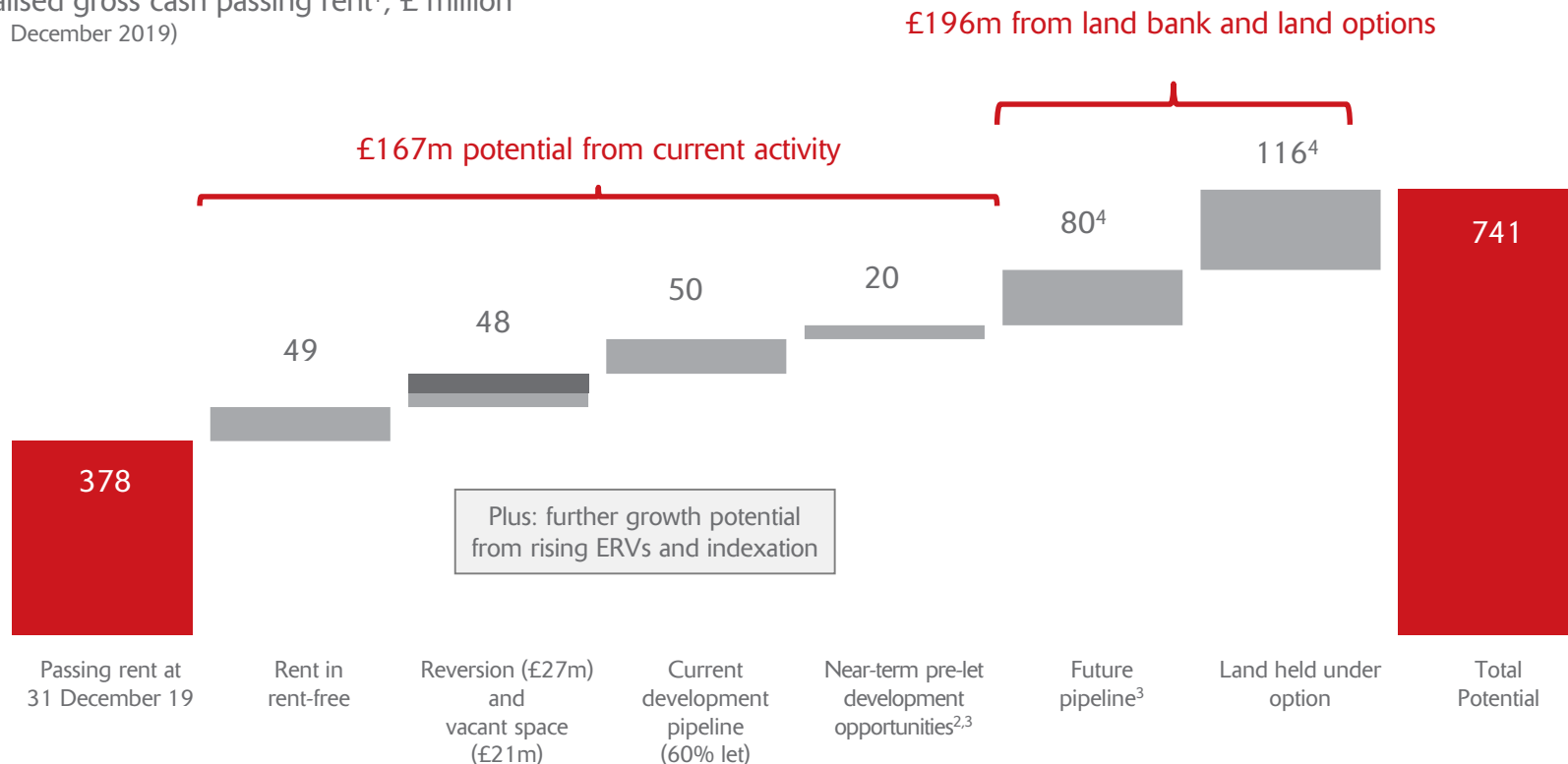


- 826,200 sq m under construction
- 46 developments
- £50m potential rent (60% leased)
- 6.6% average yield on cost



# Potential to grow rental income significantly

Annualised gross cash passing rent<sup>1</sup>, £ million  
(as at 31 December 2019)



<sup>1</sup> Including JVs at share

<sup>2</sup> 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

<sup>3</sup> Total rent potential of £100m from near-term development opportunities and future pipeline

<sup>4</sup> Estimated. Excludes rent from development projects identified for sale on completion and from projects identified as "Near-term opportunities"



Helping our customers to be more energy efficient

Focusing on the environmental sustainability of our buildings

Making a positive impact on communities around our estates

ENTERPRISE & INNOVATION  
QUARTERS

REGENERATION

ENERGY EFFICIENCY

LOCAL SUPPLY CHAINS

SMART BUILDINGS

JOB NETWORKS

WELLBEING FOCUS

TRAINING AND UPSKILLING

BIODIVERSITY



RENEWABLE ENERGY  
GENERATION

EMBODIED CARBON

ONSITE ENERGY  
STORAGE



Current market conditions remain positive, supported by powerful structural tailwinds

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Substantial land bank to generate development led growth





2019 FULL YEAR RESULTS

**Q&A**





# APPENDIX I

## PORTFOLIO AND FINANCIAL DATA

# Adjusted income statement (JVs proportionally consolidated)

	2019			2018		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Gross rental income <sup>1</sup>	362.0	107.1	469.1	323.2	97.6	420.8
Property operating expenses <sup>1</sup>	(80.7)	(27.4)	(108.1)	(75.6)	(27.1)	(102.7)
<b>Net rental income</b>	<b>281.3</b>	<b>79.7</b>	<b>361.0</b>	<b>247.6</b>	<b>70.5</b>	<b>318.1</b>
JV management fee income	20.4	(8.6)	11.8	44.9	(20.1) <sup>2</sup>	24.8
Administration expenses	(51.5)	(1.6)	(53.1)	(44.1)	(1.3)	(45.4)
<b>Adjusted operating profit</b>	<b>250.2</b>	<b>69.5</b>	<b>319.7</b>	<b>248.4</b>	<b>49.1</b>	<b>297.5</b>
Net finance costs	(36.7)	(10.0)	(46.7)	(45.9)	(7.6)	(53.5)
<b>Adjusted profit before tax</b>	<b>213.5</b>	<b>59.5</b>	<b>273.0</b>	<b>202.5</b>	<b>41.5</b>	<b>244.0</b>
Tax and non-controlling interests	(3.4)	(5.5)	(8.9)	(5.0)	(2.5)	(7.5)
<b>Adjusted profit after tax</b>	<b>210.1</b>	<b>54.0</b>	<b>264.1</b>	<b>197.5</b>	<b>39.0</b>	<b>236.5</b>

<sup>1</sup> 2018 numbers have been re-presented for change in the treatment of service charges

<sup>2</sup> The management fees earned from joint ventures are recorded at 100% in SEGRO's income statement (2019: £20.4 million; 2018: £44.9 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 (2019: £8.6 million; 2018: £20.1 million).

# Balance sheet (JVs proportionally consolidated)

	31 December 2019			31 December 2018		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Investment properties	8,401.7	1,898.3	10,300.0	7,801.4	1,566.9	9,368.3
Trading properties	20.2	1.0	21.2	51.7	2.4	54.1
<b>Total properties</b>	<b>8,421.9</b>	<b>1,899.3</b>	<b>10,321.2</b>	<b>7,853.1</b>	<b>1,569.3</b>	<b>9,422.4</b>
Investment in joint ventures	1,121.4	(1,121.4)		999.9	(999.9)	–
Other net liabilities	(54.7)	(104.6)	(159.3)	(112.0)	(33.0)	(145.0)
Net debt	(1,811.0)	(673.3)	(2,484.3)	(2,177.0)	(536.4)	(2,713.4)
<b>Net asset value<sup>1</sup></b>	<b>7,677.6</b>	<b>-</b>	<b>7,677.6</b>	<b>6,564.0</b>	<b>-</b>	<b>6,564.0</b>
EPRA adjustments			123.4			56.3
<b>EPRA NAV</b>			<b>7,801.0</b>			<b>6,620.3</b>

<sup>1</sup> After minority interests

# Pro forma 2019 accounting net rental income

	Group £m	JVs £m	Total £m
<b>2019 net rental income</b>	<b>281.3</b>	<b>79.7</b>	<b>361.0</b>
<i>Full year impact of:</i>			
Disposals since 1 January 2019	(14.4)	(0.5)	(14.9)
Acquisitions since 1 January 2019	2.7	5.8	8.5
Developments completed and let during 2019	12.6	1.2	13.8
One-off items	(1.3)	0.0	(1.3)
<b>Pro forma 2019 net rental income</b>	<b>280.9</b>	<b>86.2</b>	<b>367.1</b>

- Pro forma 2019 net rental income assuming disposals, acquisitions and let developments completed as at 1 January 2019
  - One-off items (e.g. rates refunds) removed
  - Share of JV fee costs removed from JV net rental income (see slide 33)
- Net rental income would have been £6.1m higher on this basis

# Total Cost Ratio

Total cost ratio, 2018-19 (proportionally consolidated)

Incl. joint ventures at share	2019 £m	2018 £m
<b>Gross rental income</b> (less reimbursed costs)	414.9	368.9
Property operating expenses	80.7	75.6 <sup>3</sup>
Administration expenses	51.5	44.1
JV operating expenses	37.6	35.4 <sup>3</sup>
JV management fees	(74.6)	(70.6) <sup>3</sup>
<b>Total costs<sup>1</sup></b>	<b>95.2</b>	<b>84.5</b>
<i>Of which share based payments</i>	<i>(12.5)</i>	<i>(11.1)</i>
<i>Total costs excluding share based payments<sup>2</sup></i>	<i>82.7</i>	<i>73.4</i>
<b>Total cost ratio</b>	<b>22.9%</b>	<b>22.9%</b>
<i>Total cost ratio excluding share based payments</i>	<i>19.9%</i>	<i>19.9%</i>

<sup>1</sup> Total costs include vacant property costs of £4.8m for 2019 (2018: £5.1m)

<sup>2</sup> Includes JV property management fee income of £20.4m and management fees of £4.5m (2018: £18.7m and £4.3m respectively)

<sup>3</sup> 2018 numbers have been re-presented for change in the treatment of service charges

	31 December 2019		31 December 2018	
	£m	£p per share	£m	£p per share
EPRA Earnings	264.1	24.4	184.7	18.3
EPRA NAV	7,801.0	708	6,620.3	650
EPRA NNNNAV	7,425.8	674	6,557.7	644
EPRA net initial yield		3.8%		3.9%
EPRA topped-up net initial yield		4.3%		4.3%
EPRA vacancy rate		4.0%		5.2%
EPRA cost ratio (including vacant property costs)		22.9%		36.9% <sup>1</sup>
EPRA cost ratio (excluding vacant property costs)		21.5%		35.3% <sup>1</sup>

<sup>1</sup> 2018 number included £52 million of non-recurring pension costs, excluded from Total Cost Ratio, Adjusted earnings and Adjusted EPS

	Current EPRA NAV	NRV	NTA	NDV
<b>IFRS net assets</b>	<b>7,677.6</b>	<b>7,677.6</b>	<b>7,677.6</b>	<b>7,677.6</b>
Fair value of trading properties	0.9	0.9	0.9	0.9
Fair value of interest rate swaps	(50.5)	(50.5)	(50.5)	–
Deferred tax property	173.0	173.0	86.5	–
Intangible assets	–	–	(2.5)	–
Fair value of debt	–	–	–	(252.7)
Real estate transfer tax	–	569.7	–	–
<b>Total</b>	<b>7,801.0</b>	<b>8,370.7</b>	<b>7,712.0</b>	<b>7,425.8</b>
No. of shares	1,102.1	1,102.1	1,102.1	1,102.1
<b>NAV per share</b>	<b>708</b>	<b>760</b>	<b>700</b>	<b>674</b>

- In 2019, EPRA Best Practices Recommendations were updated to introduce three new NAV metrics applicable from y/e 31 December 2020:
  - Net Reinstatement Value
  - Net Tangible Assets
  - Net Disposal Value
- We present the draft calculations for these NAV metrics based on the balance sheet at 31 December 2019
- Our preferred metric for headline EPRA is EPRA Net Tangible Assets which we estimate was 700p per share compared to reported EPRA NAV per share of 708p
- There are two differences vs EPRA NAV:
  - Intangible assets are excluded
  - We propose to exclude 50% of deferred tax as it is the clearest option available under the guidelines

	2019			2018		
	Group £m	JVs £m	Total £m	Group £m	JVs £m	Total £m
Acquisitions	233.9	164.1	398.0	193.7	162.0	355.7
Development <sup>1</sup>	345.2	63.5	408.7	482.3	65.9	548.2
Completed properties <sup>2</sup>	25.2	5.6	30.8	23.9	6.4	30.3
Other <sup>3</sup>	44.7	10.6	55.3	16.6	6.2	22.8
<b>TOTAL</b>	<b>649.0</b>	<b>243.8</b>	<b>892.8</b>	<b>716.5</b>	<b>240.5</b>	<b>957.0</b>

- None of the completed properties capex led to an increase in floorspace
- 56% 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

<sup>1</sup> Includes wholly-owned capitalised interest of £8.2 million (2018: £9.2 million) and share of JV capitalised interest of £0.8 million (2018: £0.8 million)

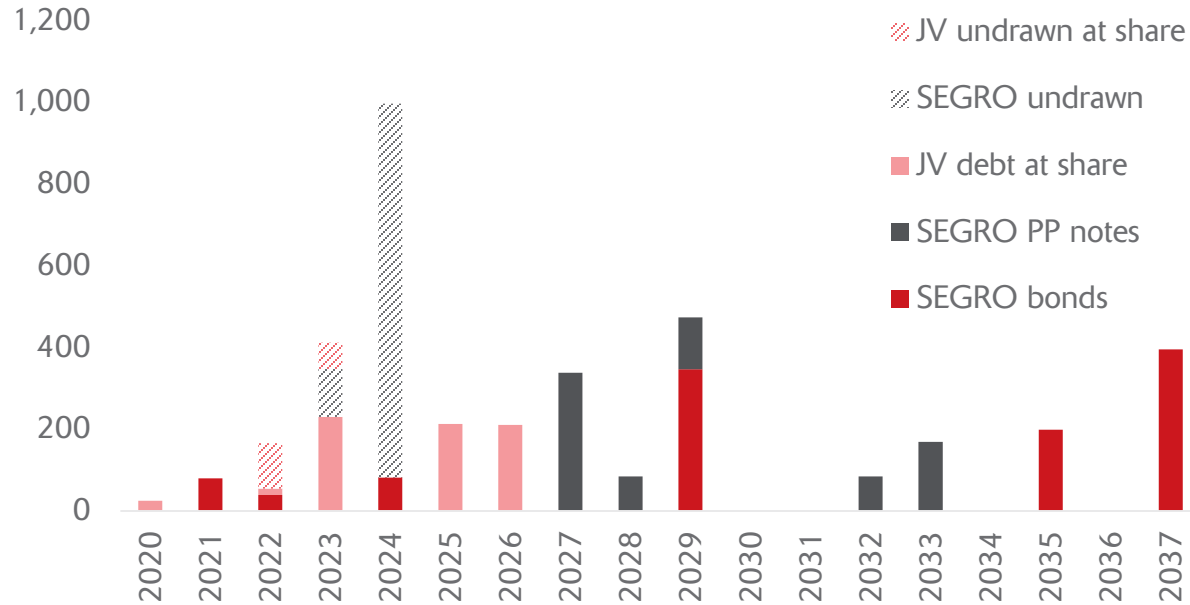
<sup>2</sup> Completed properties are those not deemed under development during the year.

<sup>3</sup> Tenant incentives, letting fees and rental guarantees



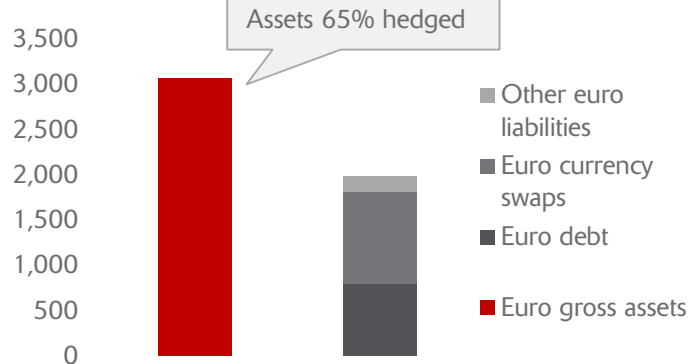
# Further improvements to the debt structure

Debt maturity by type and year, £ millions  
(as at 31 December 2019)



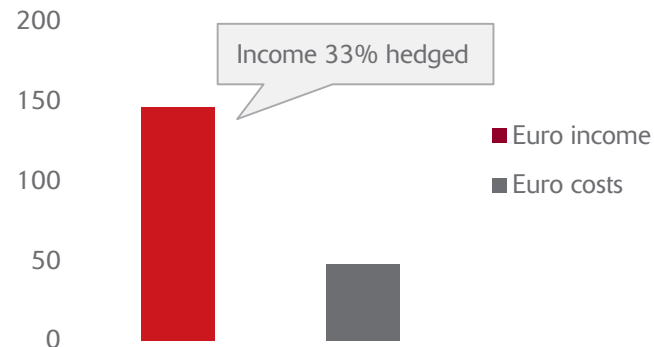
Balance sheet, £m

31 December 2019



Income Statement, £m

12 months to 31 December 2019



- €1.18:£1 as at 31 December 2019
- € assets 65% hedged by € liabilities
- €1,269m (£1,076m) of residual exposure – 14% of Group NAV
- Illustrative NAV sensitivity vs €1.18:
  - +5% (€1.24) = -£51m (-c.4.7p per share)
  - -5% (€1.12) = +£57m (+c.5.2p per share)

- Loan to Value (on look-through basis) at €1.18:£1 is 24%,
- Sensitivity vs €1.18:
  - +5% (€1.24) LTV -0.7%
  - -5% (€1.12) LTV +0.8%

- Average rate for 12 months to 31 December 2019 €1.14:£1
- € income 33% hedged by € expenditure (including interest)
- Net € income for the period €98m (£86m) – 33% of Group
- Illustrative annualised net income sensitivity versus €1.14:
  - +5% (€1.20) = -£4.1m (c.0.4p per share)
  - -5% (€1.08) = +4.5m (c.0.4p per share)

# Look-through loan-to-value ratio and cost of debt

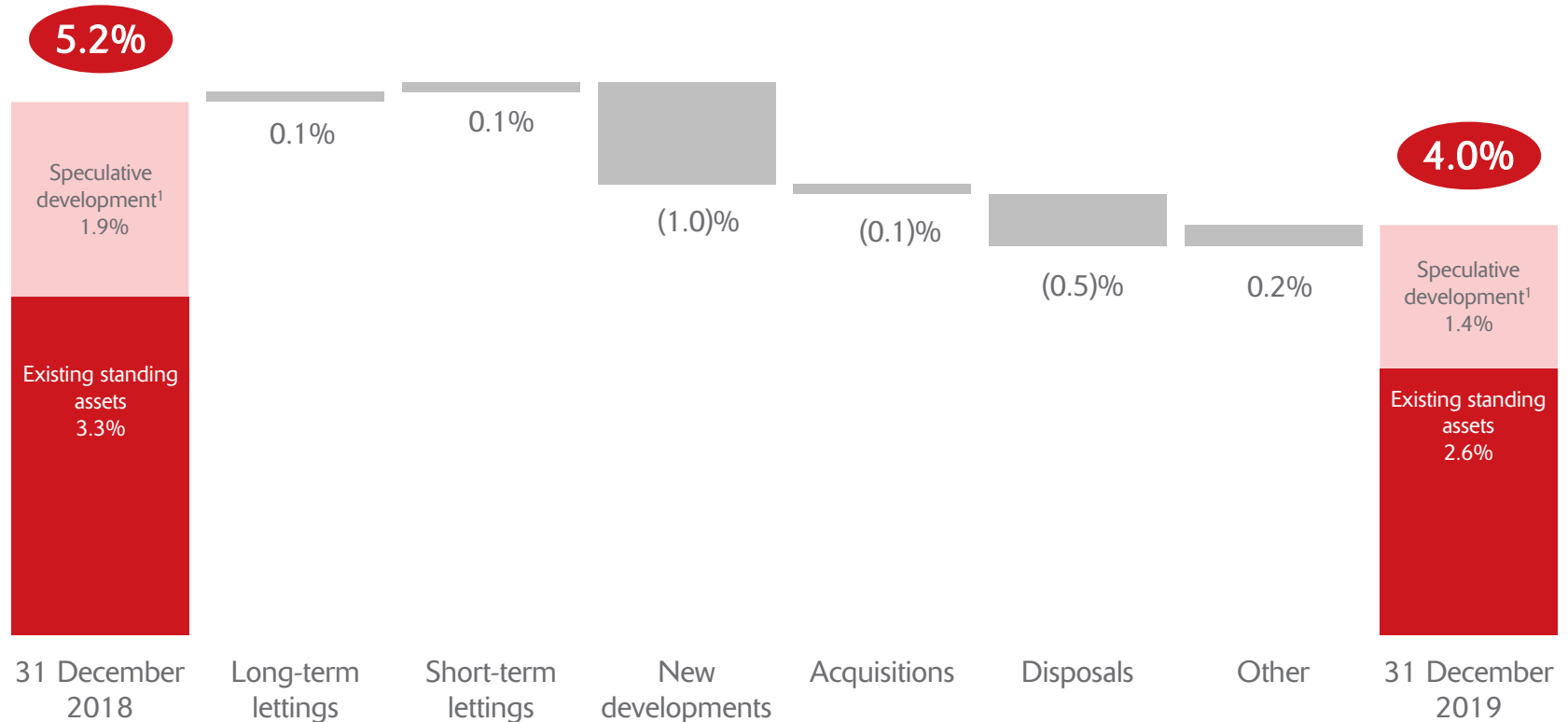
	31 December 2019 £m	Weighted average cost of debt, %	
		Gross debt, excluding commitment fees and non-cash interest	Net debt, including commitment fees and non-cash interest
Group gross borrowings	1,944	1.8	
Group cash & equivalents	(133)		
<b>Group net borrowings</b>	<b>1,811</b>		<b>2.4</b>
Joint venture gross borrowings	694	1.4	
Joint venture cash & equivalents	(21)		
<b>Joint venture net borrowings</b>	<b>673</b>		<b>1.7</b>
<b>'Look-through' gross borrowings</b>	<b>2,638</b>	<b>1.7</b>	
<b>'Look-through' net borrowings</b>	<b>2,484</b>		<b>2.2</b>
Total properties (including SEGRO share of joint ventures) <sup>1</sup>	10,251		
<b>'Look-through' loan to value ratio</b>	<b>24%</b>		

Impact of IFRS 16 "Leases":

- Capitalises head-leases and SEGRO office leases
- Asset and liability of £78m at 31 December 2019
- £3.0m charge to interest costs in 2019
- Offset by roughly equal increase in gross rental income
- £0.4m overall increase to adjusted profit after tax

<sup>1</sup> Excludes head lease ROU assets

Vacancy rate reconciliation, 31 December 2018 to 31 December 2019



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

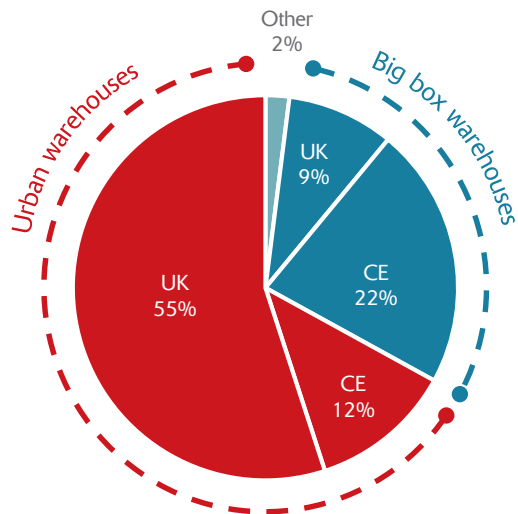
## Urban warehouses (67%)

- 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 2019



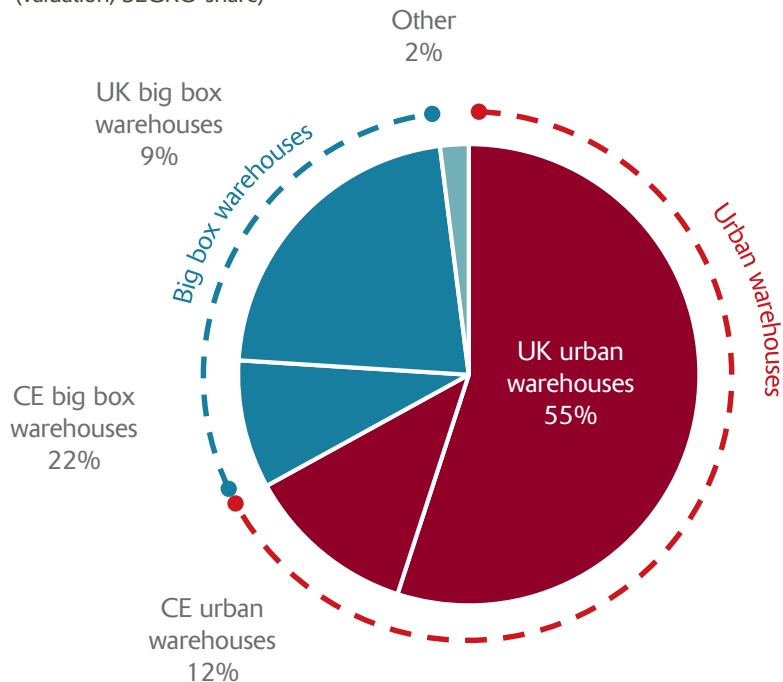
## Big boxes (31%)

- 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

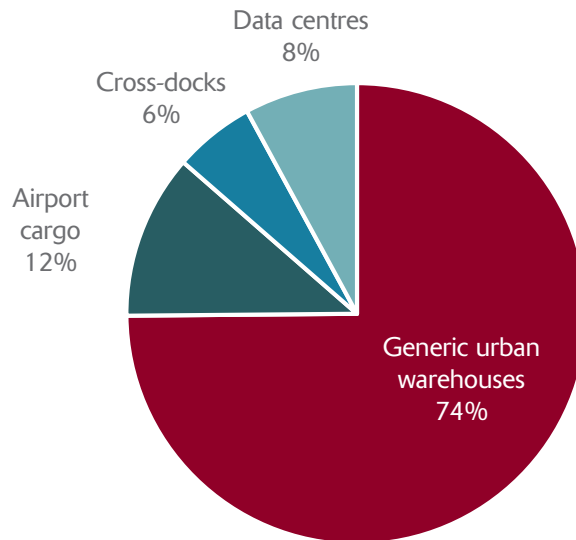
Future performance mainly driven by income yield, JV fees and development gains

# Urban warehouses account for two-thirds of the portfolio

Portfolio by type:  
(valuation, SEGRO share)



Urban warehouse portfolio split by sub-type  
(valuation, SEGRO share)



# A very diversified customer base

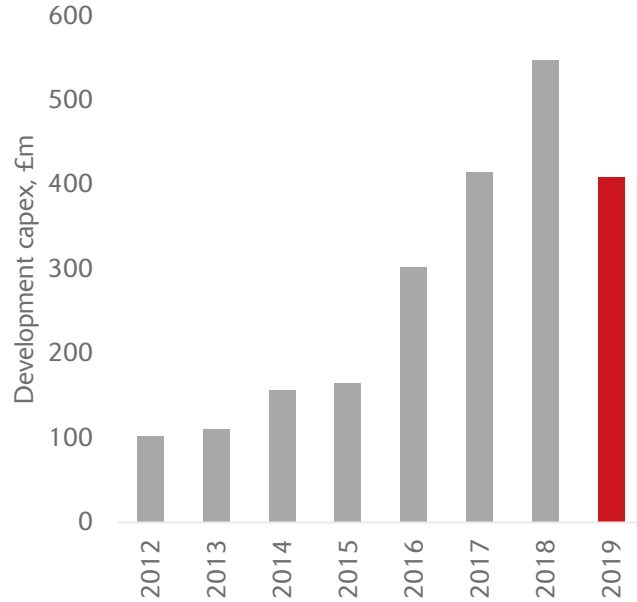
Customer sectors (headline rent, SEGRO share)



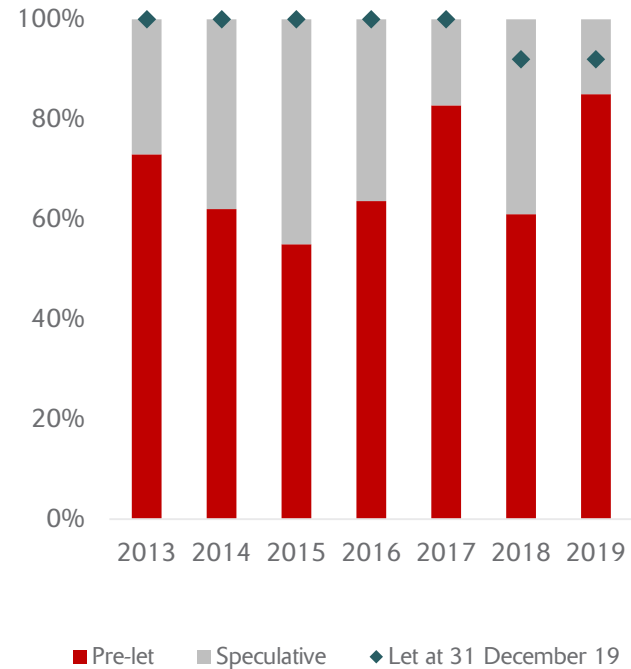
■ 1,190 customers

■ Top 20 customers = 32% of total group headline rent

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



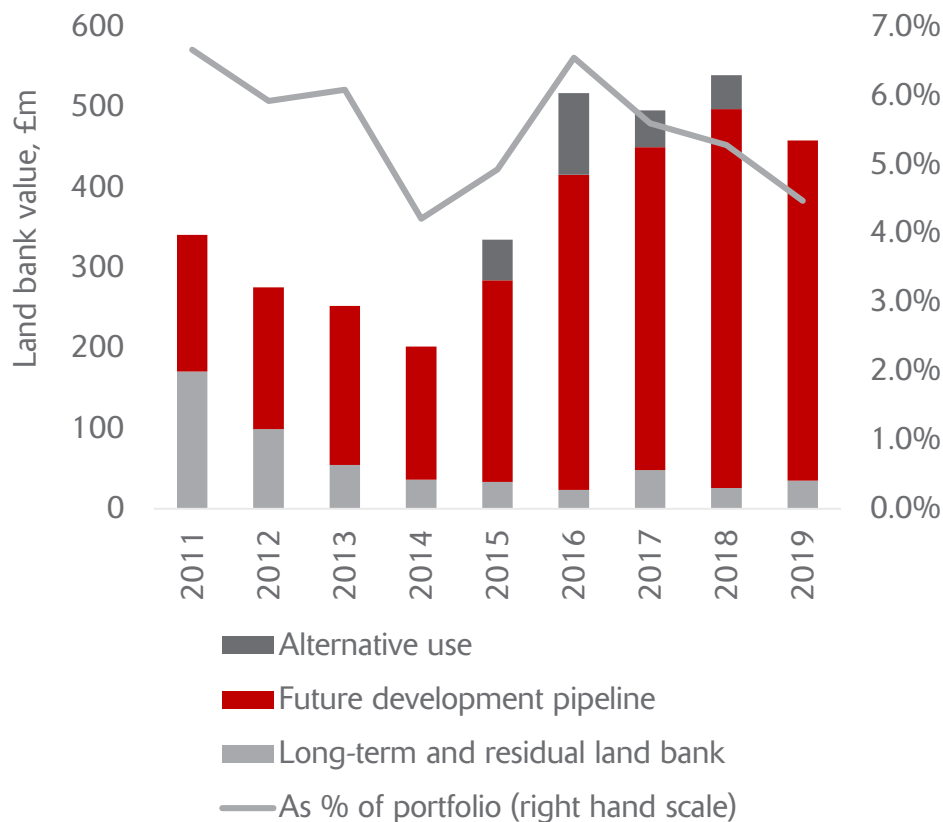
The majority of which is pre-let



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



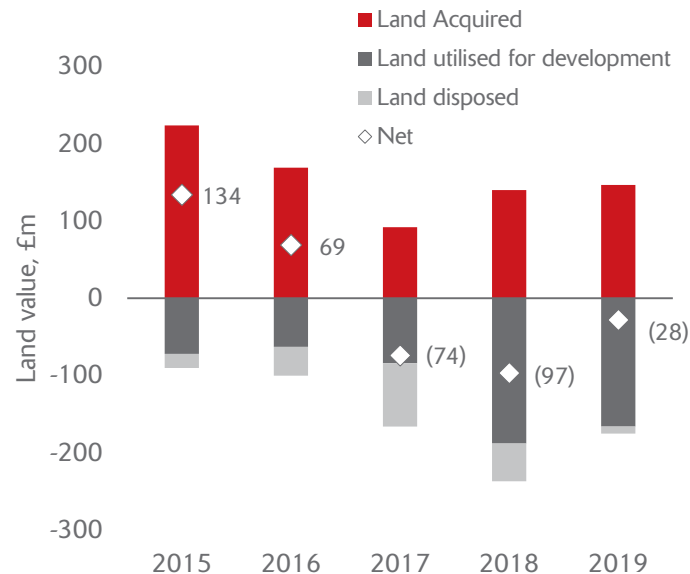
# Land bank provides optionality and opportunity for growth



■ Additional opportunity from land held under option

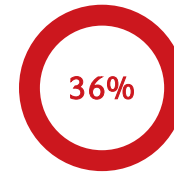
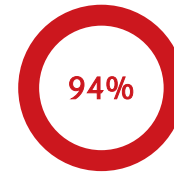
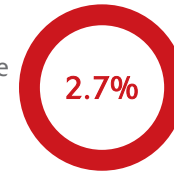
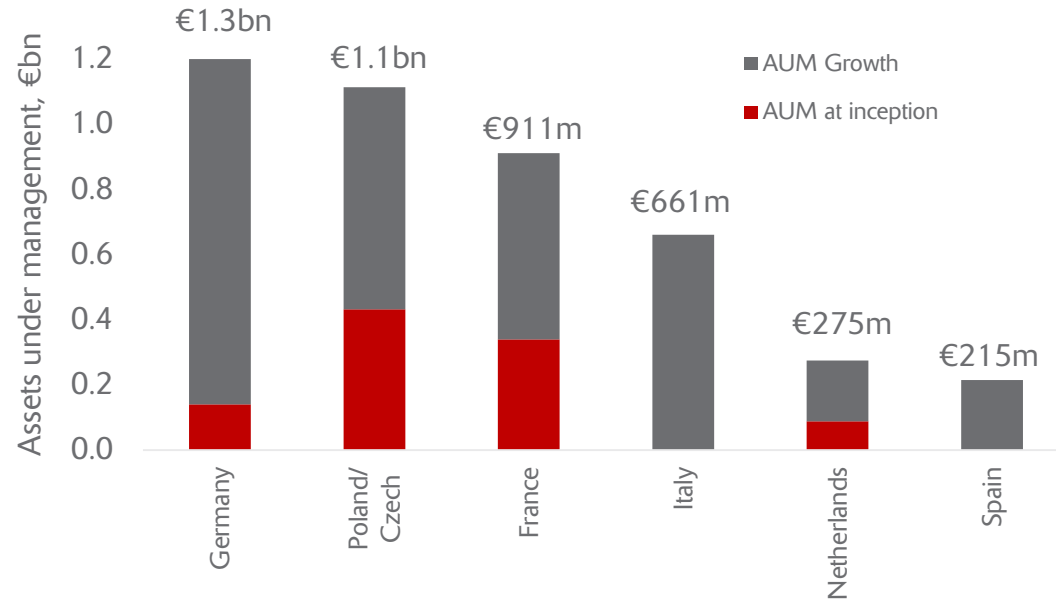
Net land utilisation, 2015-2019

(Based on opening book value or acquisition value)



# SEGRO European Logistics Partnership (SELP) headline figures

Assets under management  
(as at 31 December 2019)



## ENTERPRISE & INNOVATION QUARTERS

*Small units let to local business on flexible leases*

## REGENERATION

*Partnering with the local authorities to regenerate 89 acres of former wasteland*

## ENERGY EFFICIENCY

*Targeting EPC 'A+' using translucent panels to improve natural light and LED lighting*

## LOCAL SUPPLY CHAINS

*Working with our contractor to focus on local supply chain opportunities*

## JOB NETWORKS

*Working with local stakeholders and job brokerage services to provide job opportunities with people in the area*

## TRAINING AND UPSKILLING

*Providing training to help upskill the local workforce*



SEGRO Park Rainham, London

## SMART BUILDINGS

*All buildings will feature smart building technology helping customers to use them more efficiently*

## WELLBEING FOCUS

*Outside communal areas, plenty of natural light and green / living walls to achieve 'WELL' certification*

## RENEWABLE ENERGY GENERATION

*Photovoltaic panels on roofs and walls*

## BIODIVERSITY

*Native flora will enhance the environment whilst boosting the natural habitat*

## EMBODIED CARBON

*Considering the raw materials used and the development processes*

## ONSITE ENERGY STORAGE

*Storing generated electricity IN Tesla batteries for use during off-peak hours*



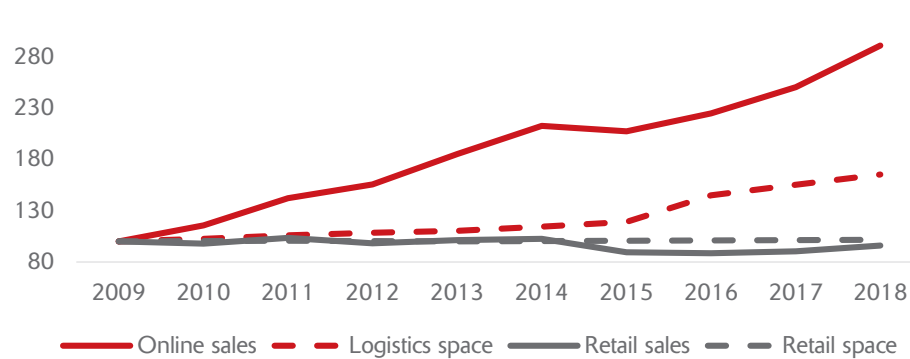
## APPENDIX II

### MARKET DATA

# Current market conditions remain supportive

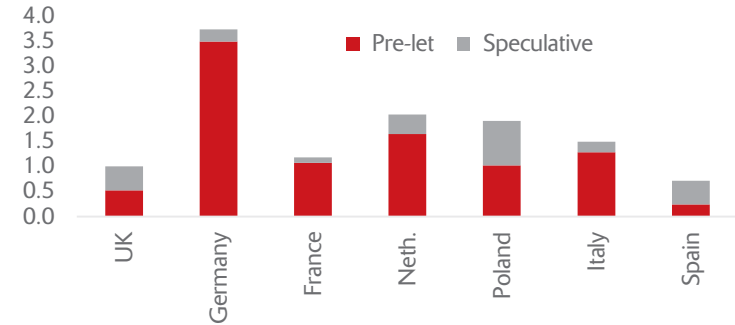
## The impact of online sales on European retail and logistics (2009 = 100)

Source: CBRE, Euromonitor



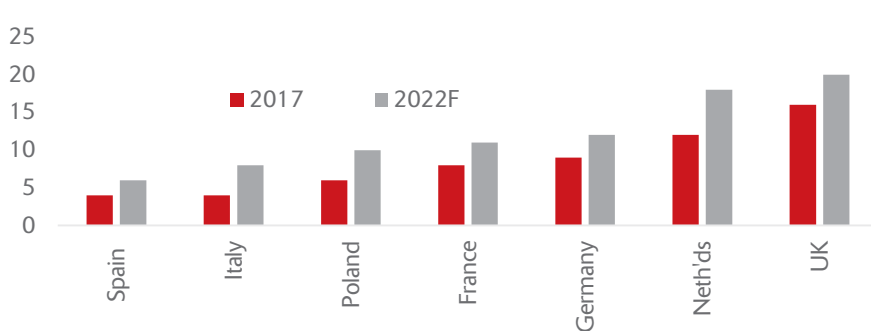
## European warehouse development remains substantially pre-let

(Logistics space under construction at 31 December 2019; source: JLL)



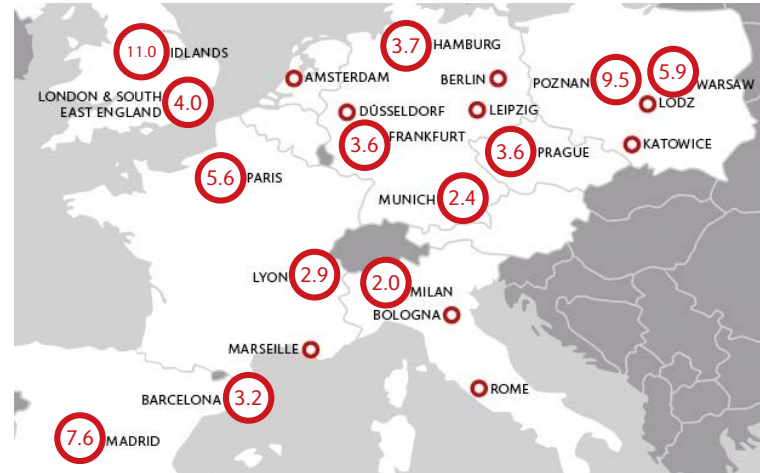
## Ecommerce penetration (% of retail sales)

Source: CBRE, Euromonitor



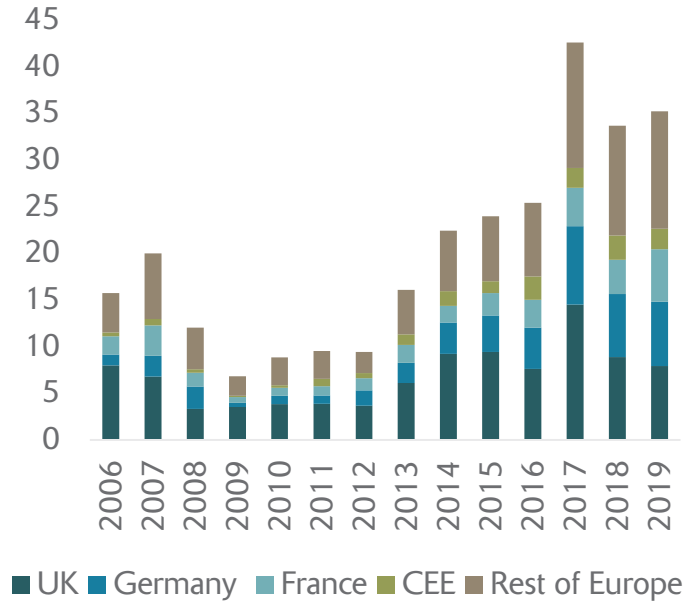
## Low vacancy rates across Europe

(4.6% estimated pan-European vacancy at 31 December 2019, source: JLL)



## European industrial investment volumes

By geography, €bn



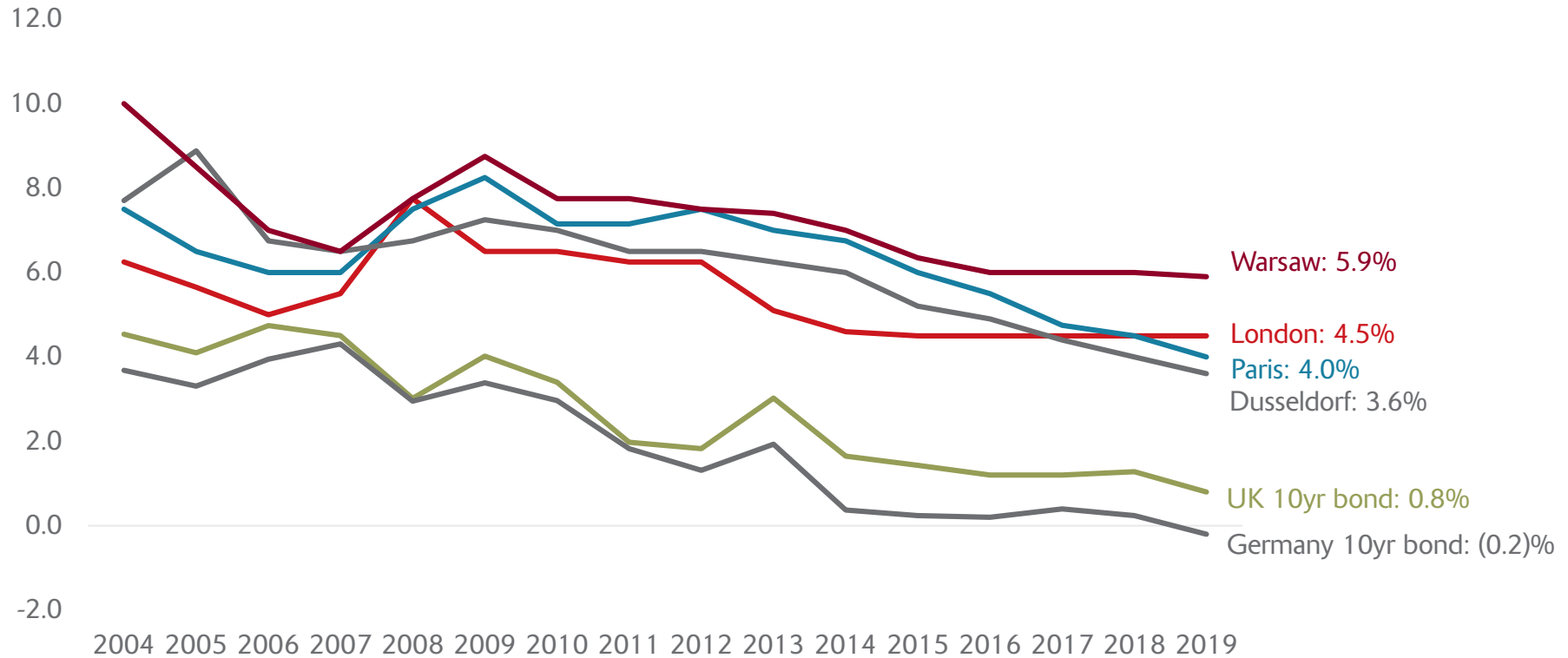
## European industrial investment volumes

By quarter, €bn



Source: CBRE

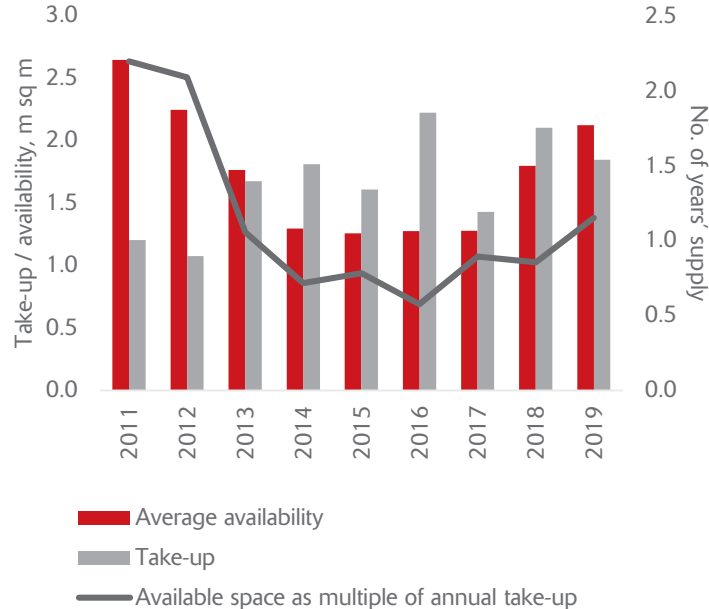
# Prime logistics yields vs 10 year bond yields



Source: CBRE, Bloomberg (data correct at 31 December 2019)

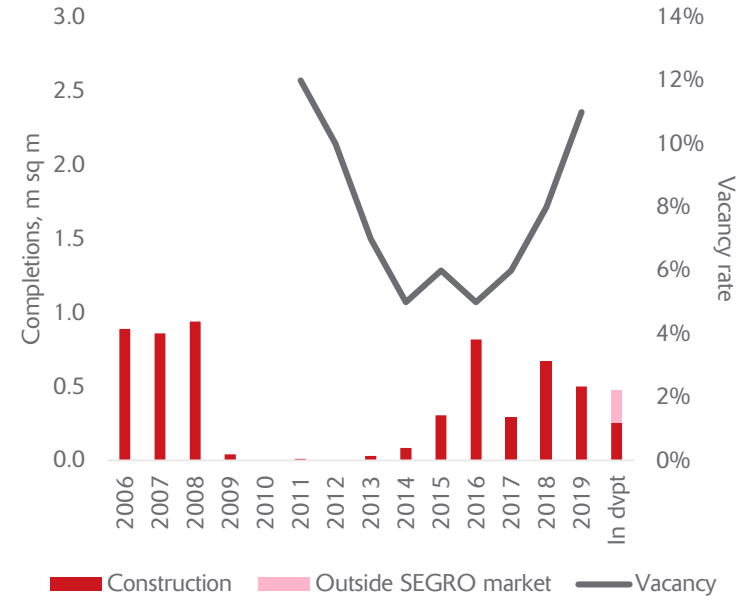
## UK Big Box supply-demand dynamics<sup>1</sup>

(m sq m)



## Speculative UK Big Box completions<sup>2</sup>

(m sq m)



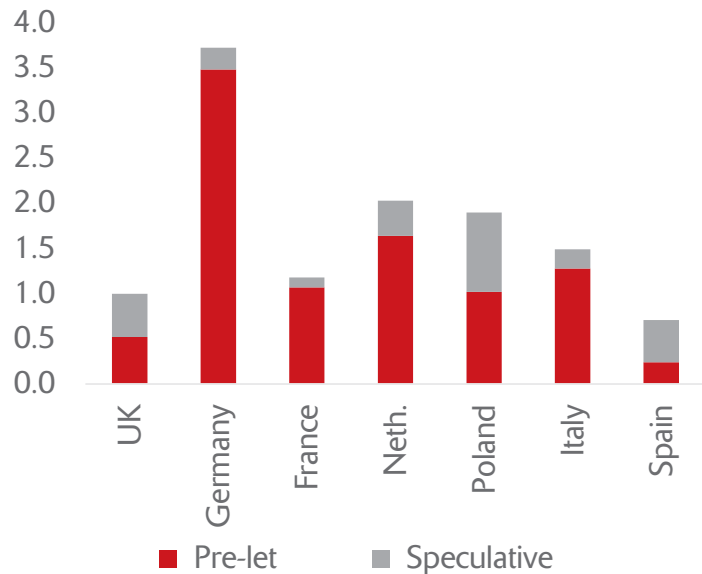
<sup>1</sup> Source: JLL (logistics warehouses >100,000 sq ft, Grade A)

<sup>2</sup> Source: JLL



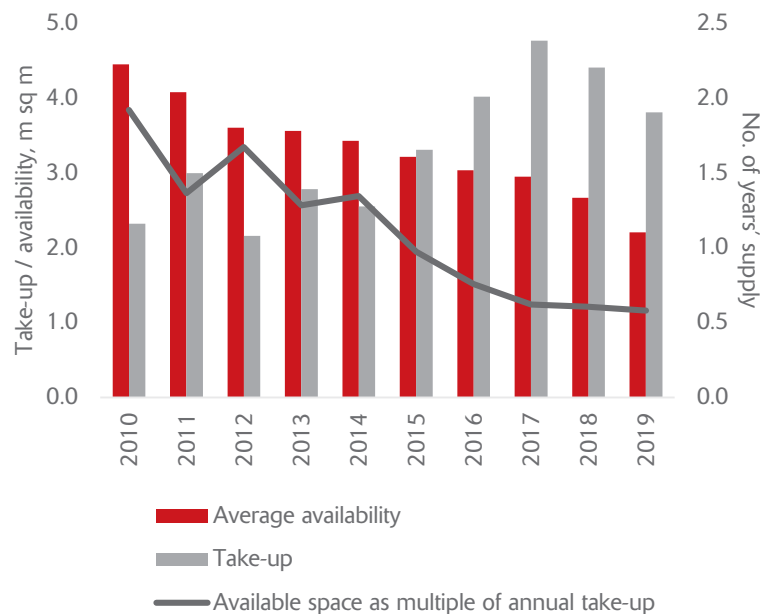
Logistics space under construction<sup>1</sup>

(m sq m)



France logistics supply-demand dynamics<sup>2</sup>

(m sq m)



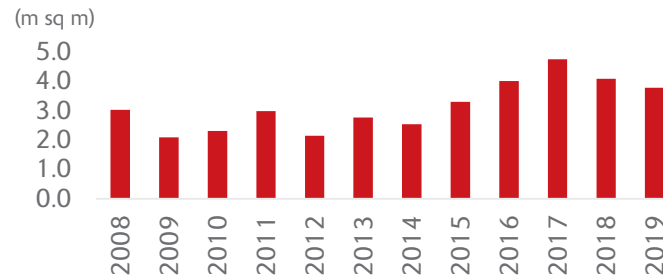
<sup>1</sup> Source: 4Q 2019, JLL

<sup>2</sup> Source: CBRE

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



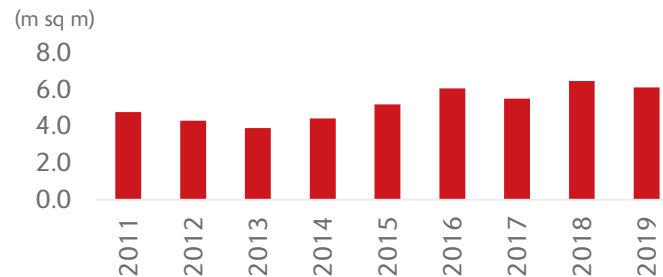
Take-up of warehouse space >5,000 sq m – France<sup>2</sup>



Take-up of warehouse space – Poland<sup>1</sup>



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

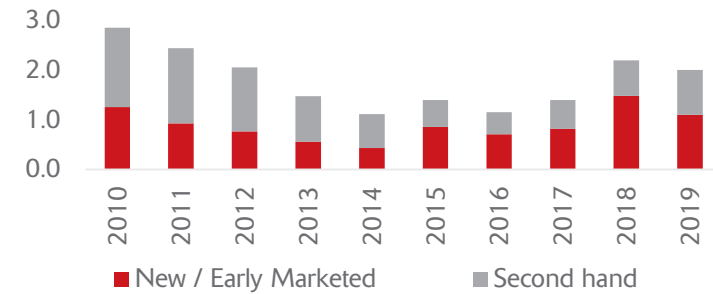


<sup>1</sup> Source: JLL

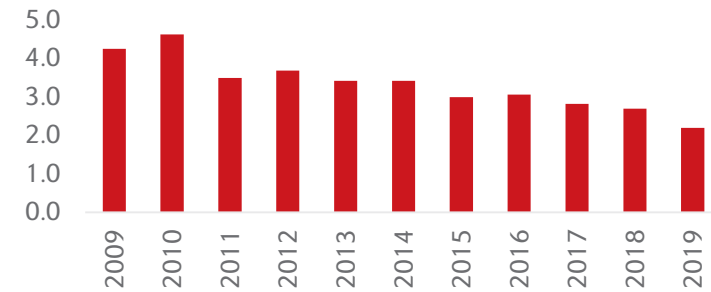
<sup>2</sup> Source: CBRE

<sup>3</sup> Source: BNP Paribas Real Estate

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)

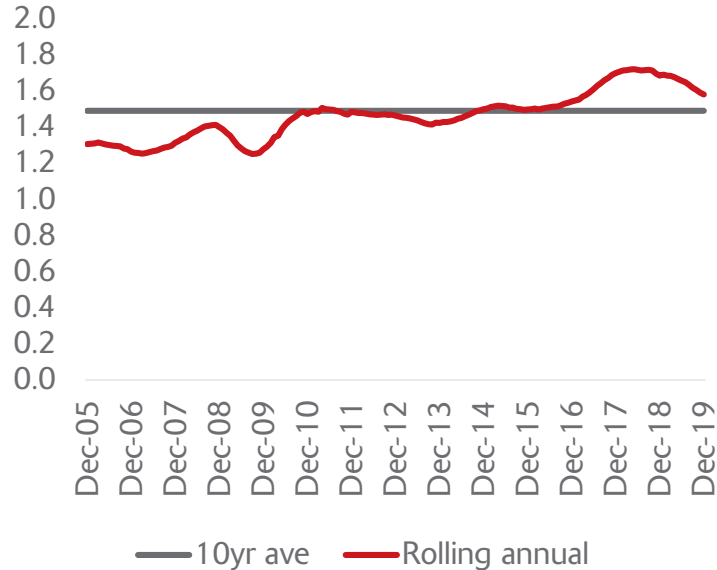


<sup>1</sup> Source: JLL

<sup>2</sup> Source: CBRE

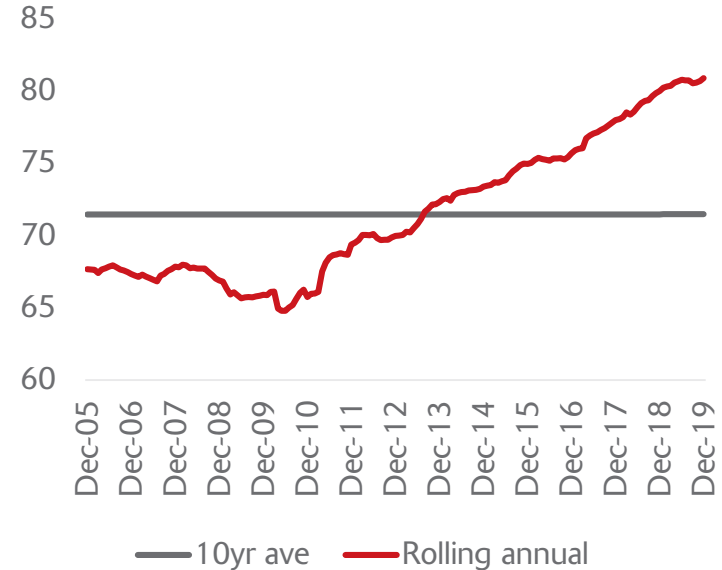
## Heathrow Airport cargo volumes

(million metric tonnes)



## Heathrow Airport passenger volumes

(millions)



Source: Heathrow Airport

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