



# INVESTOR & ANALYST EVENT – MILAN

25 MAY 2018

| Time  | Topic   | Speaker  |
|-------|---|--|
| 08.30 | Continental Europe Strategy in Group Context  | David Sleath<br>CEO  |
|       | Southern Europe Business Unit <ul style="list-style-type: none"><li>• Overview</li><li>• France</li><li>• Spain</li></ul> | Marco Simonetti<br>Business Unit Director, Southern Europe |
|       | Italy   | Eric Veron<br>General Manager, Vailog                      |
|       | Questions   |  |
| 10.30 | Depart hotel  |  |
| 11.15 | Tour of Vailog Distribution Centre Milan South  |  |
| 12.15 | Coach transfer to Vailog Logistics Park Castel San Giovanni   |  |
| 13.00 | Lunch   |  |
| 14.15 | Tour of Vailog Logistics Park Castel San Giovanni   |  |
| 15.30 | Coach transfer to Milan Linate Airport  |  |
| 16.30 | Arrive Milan Linate   |  |



# CONTINENTAL EUROPE STRATEGY

DAVID SLEATH, CEO



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Corporate strategy applied consistently across the business

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Building scale in our chosen markets through development and acquisition

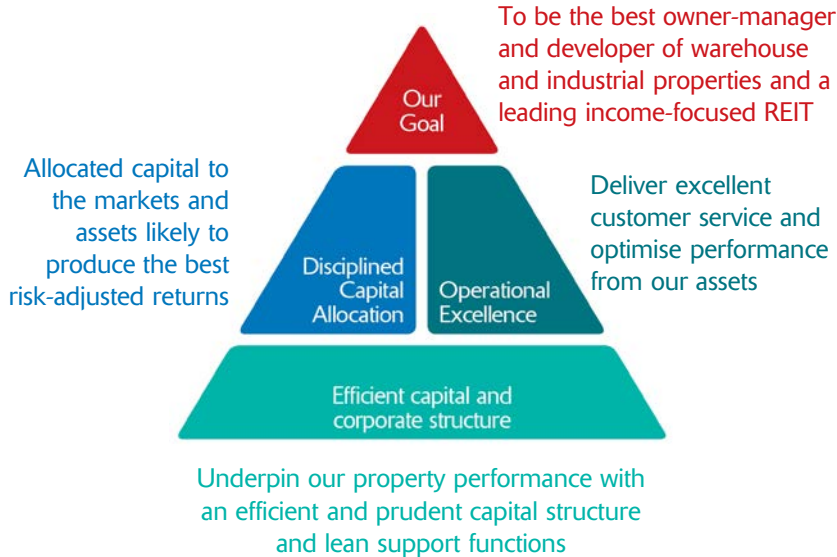
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Taking advantage of structural drivers of occupational demand

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Disciplined supply response and continuing strong investor demand

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## Big box warehouses

Serving national and international logistics supply chains



41% of portfolio

## Urban warehouses

Most commonly used for urban distribution



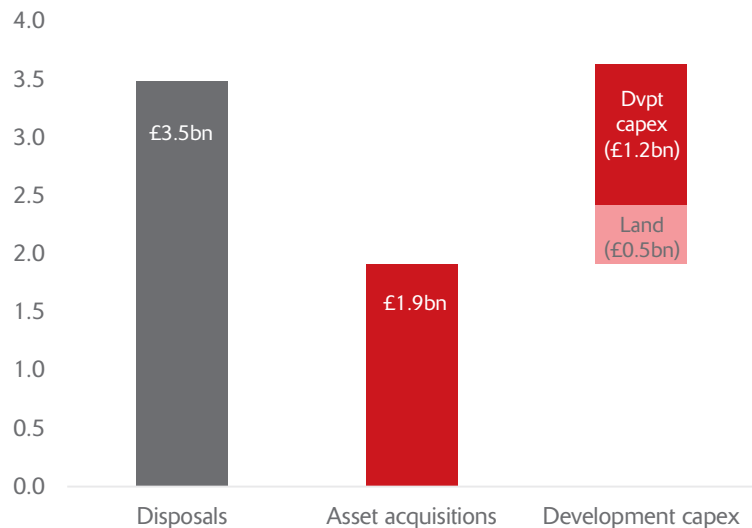
55% of portfolio

Generic warehouse space to cater for multiple uses

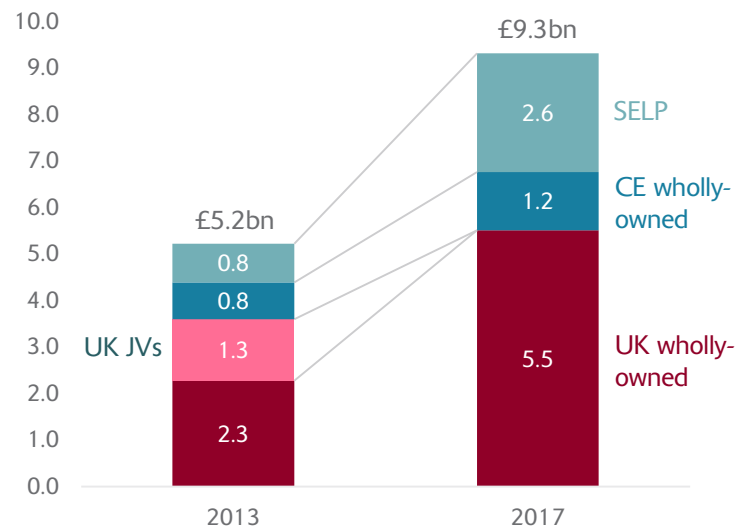


# Significant portfolio repositioning improved scale, quality and performance **SEGRO**

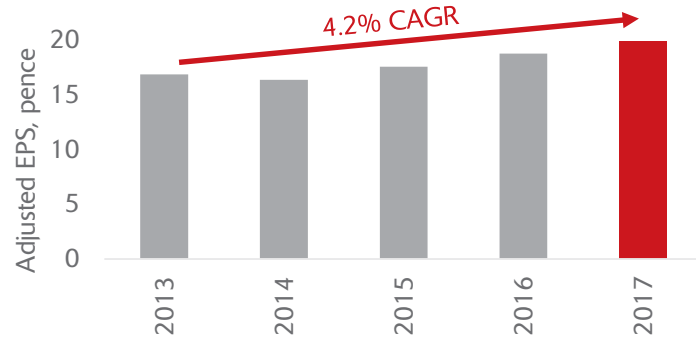
Disposal and investment activity since 1 January 2012, £bn  
(to 31 December 2017)



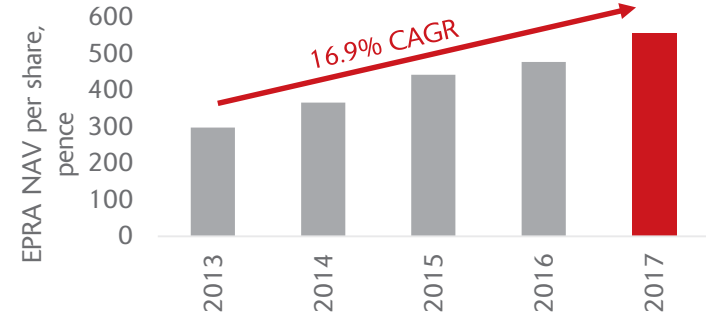
SEGRO assets under management, 2013-2017, £bn



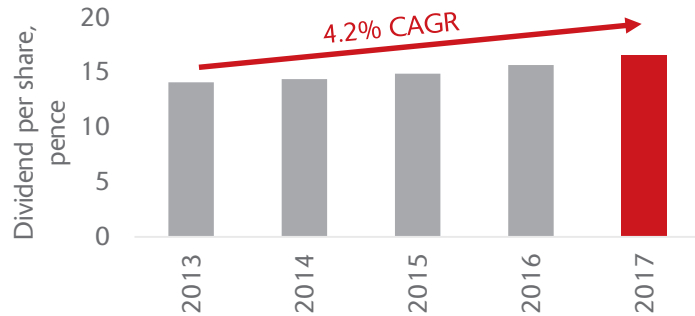
### Adjusted earnings per share



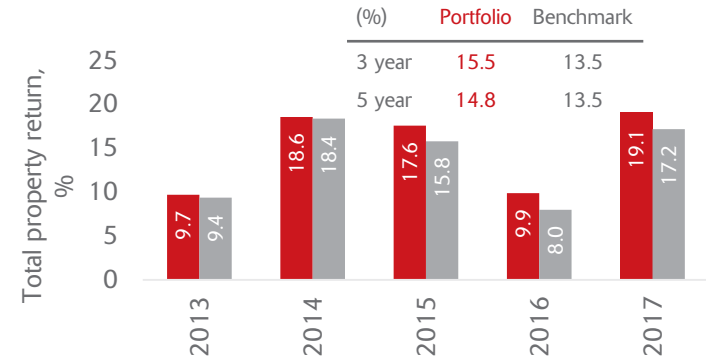
### EPRA NAV per share



### Dividend per share



### Total Property Return vs IPD benchmark<sup>1</sup>



<sup>1</sup> SEGRO TPR calculated and benchmarked independently by MSCI-IPD





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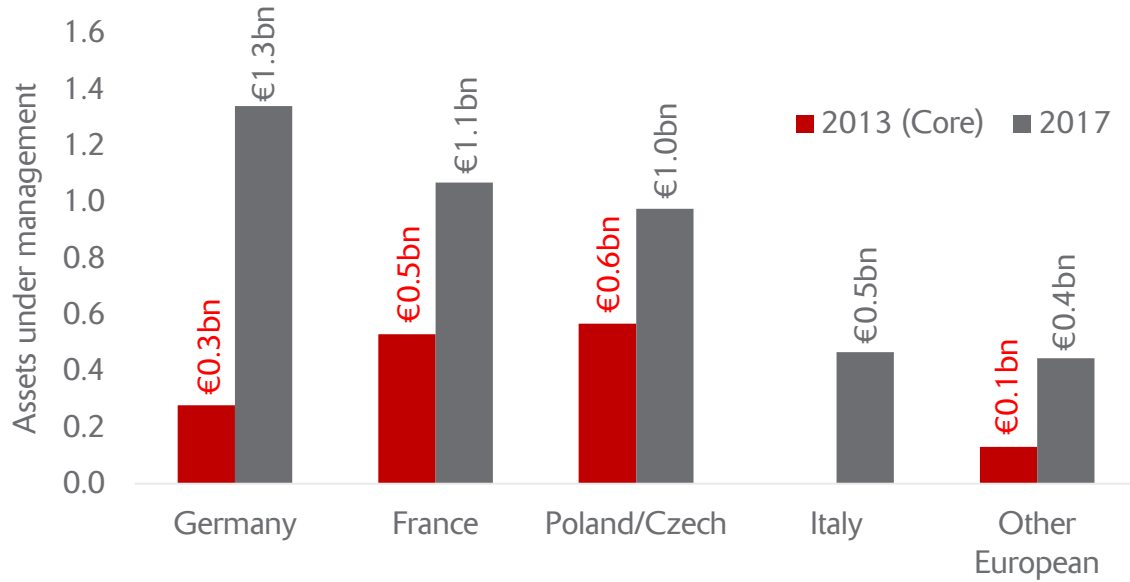
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Disciplined supply response and continuing strong investor demand

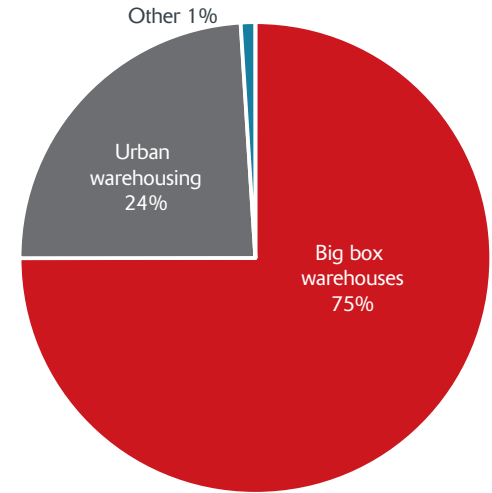
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# Three-fold increase in AUM since 2013

Assets under management, €bn  
(as at 31 December)



Portfolio by type: Continental Europe  
(valuation, SEGRO share)

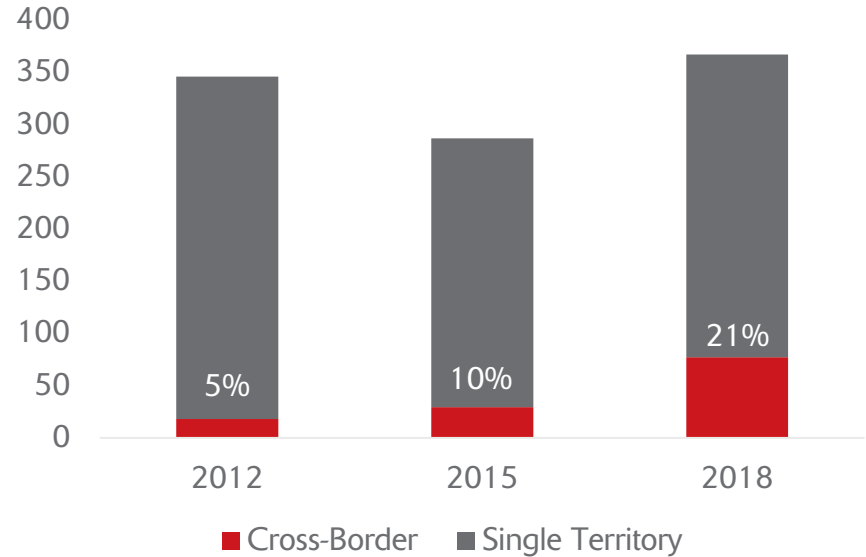


# Significant expansion of cross-border customer relationships

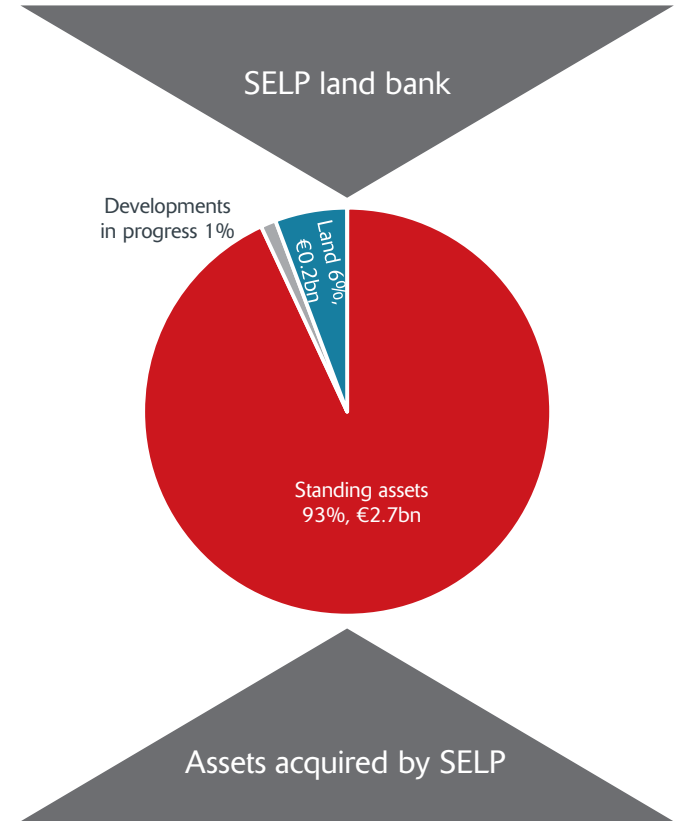
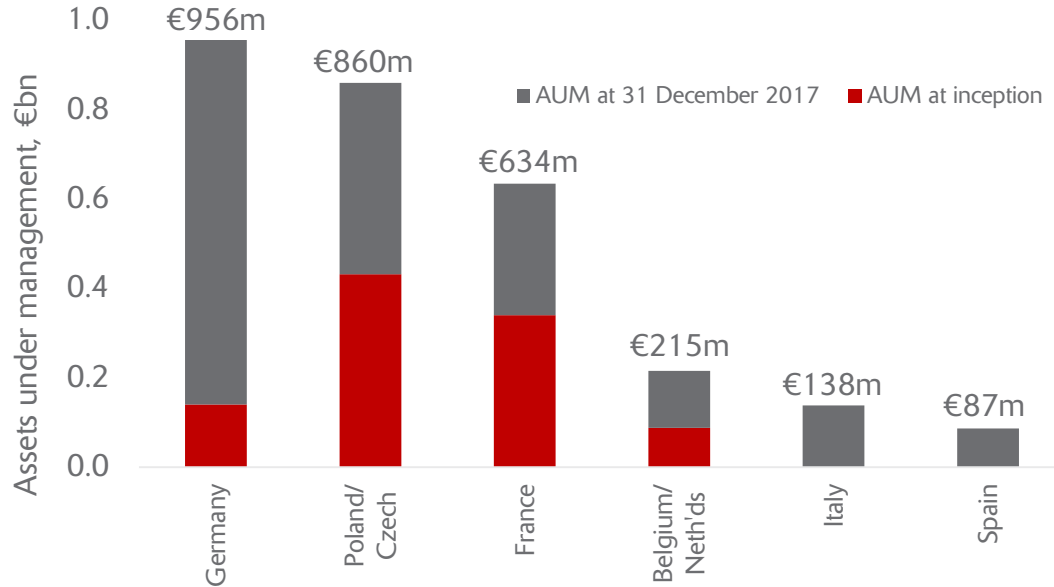
A selection of customers in more than one SEGRO country



Headline rent from cross-border customers, £m  
(31 March 2018, SEGRO share)

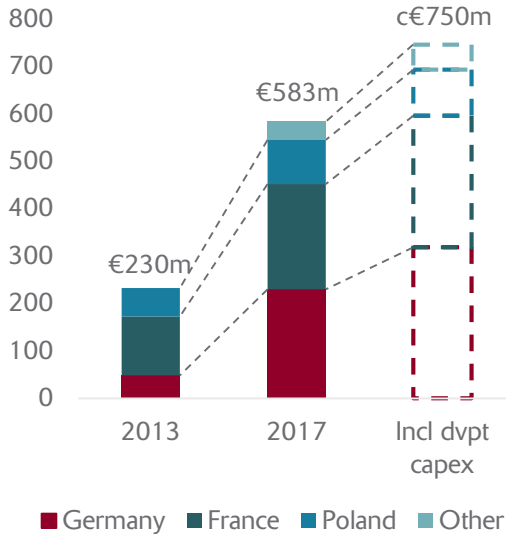


SELP assets by location and type, €2.9 billion

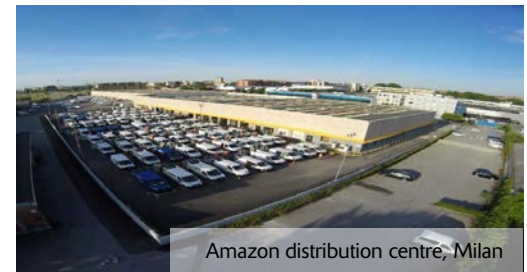
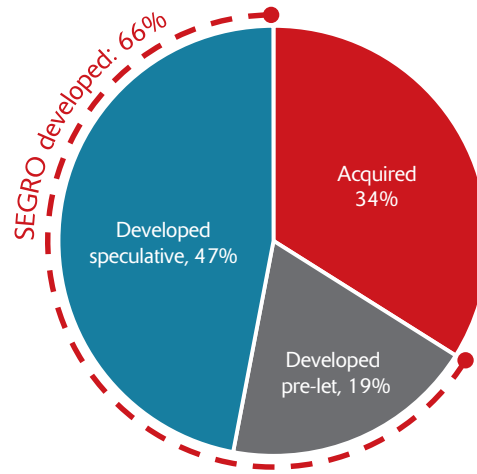


# Urban warehouse growth mainly through SEGRO development

Continental Europe urban warehouse portfolio by value, €m  
(as at 31 December 2017)



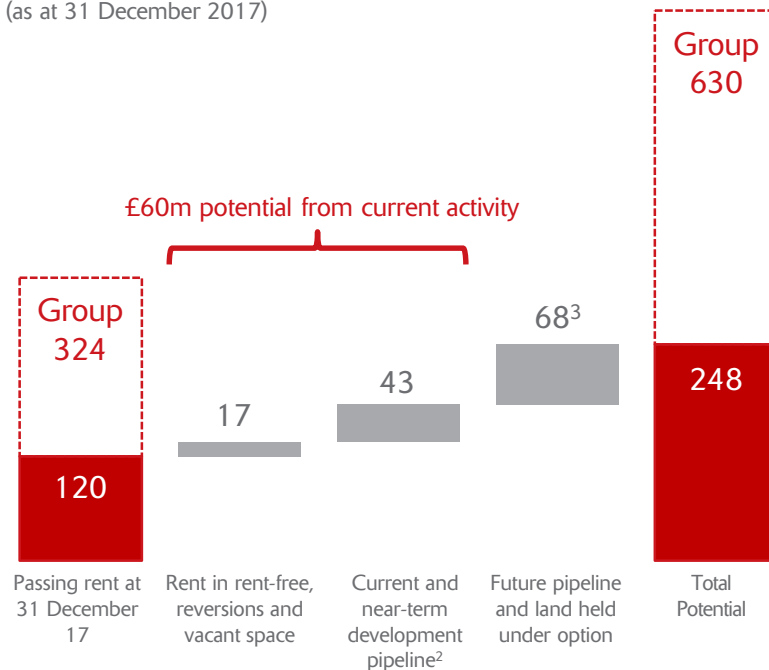
Continental Europe urban warehouse portfolio origin, by ERV  
(as at 31 March 2018)



SEGRO land bank  
(as at 31 December 2017)



Continental Europe portfolio annualised gross cash passing rent<sup>1</sup>, £ million  
(as at 31 December 2017)



<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, and speculative developments subject to final approval, which are expected to commence within the next 12 months

<sup>3</sup> Estimated. Excludes rent from development projects identified for sale on completion and from projects identified as "Near-term opportunities"



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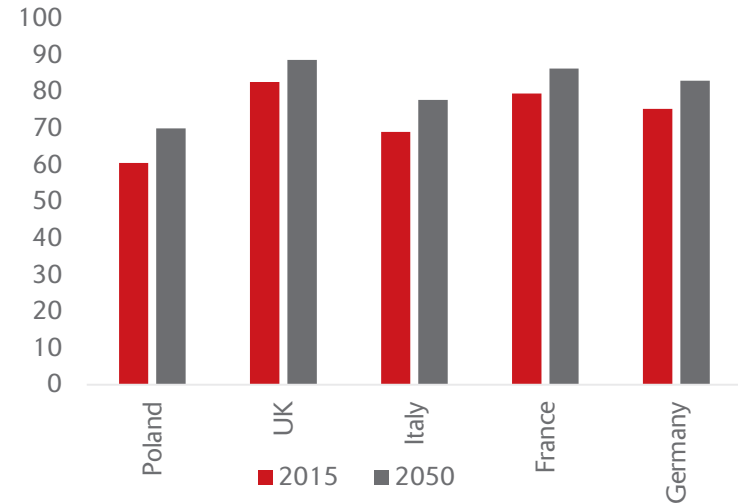
Disciplined supply response and continuing strong investor demand

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# Urbanisation – centres of growth, wealth and customer demand



Percentage of population living in urban areas



Source: United Nations, World Urbanisation Prospects

24hr warehouse operations

Maximise land use

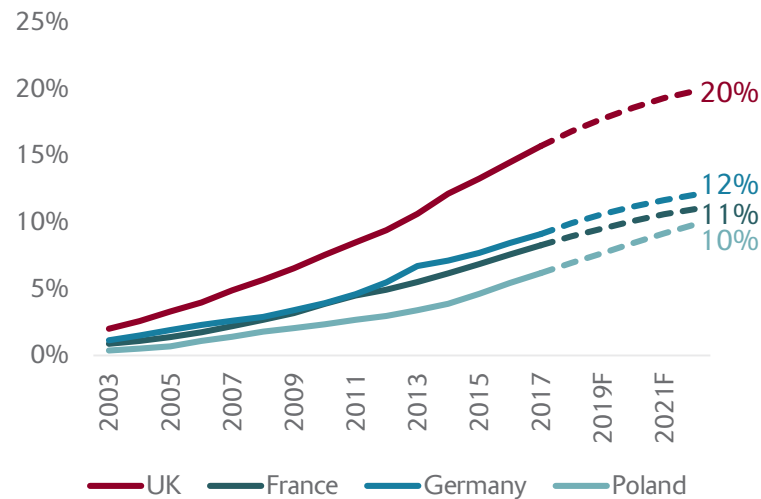
Efficient, speedy delivery

“Green” delivery vehicles





Online purchases as share of total retail sales



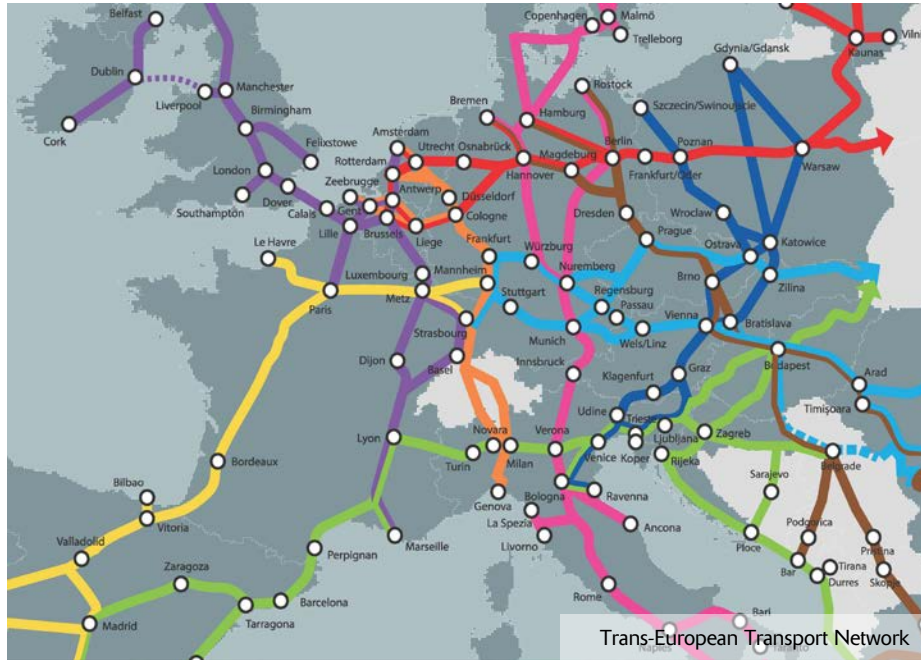
Source: Euromonitor

Significant occupier investment

Greater use of warehouse footprint (e.g. mezzanine)

Automation

Power provision



€750bn investment (2016-2030)

8,000km of new or improved railways and roads

Significant investment in cross-border infrastructure projects

7 million tonne reduction in CO<sub>2</sub> emissions expected

Focus on major transport corridors

Road remains prime mode of freight transport

Larger warehouses for international distribution

Poland is Europe's "Gateway to China"



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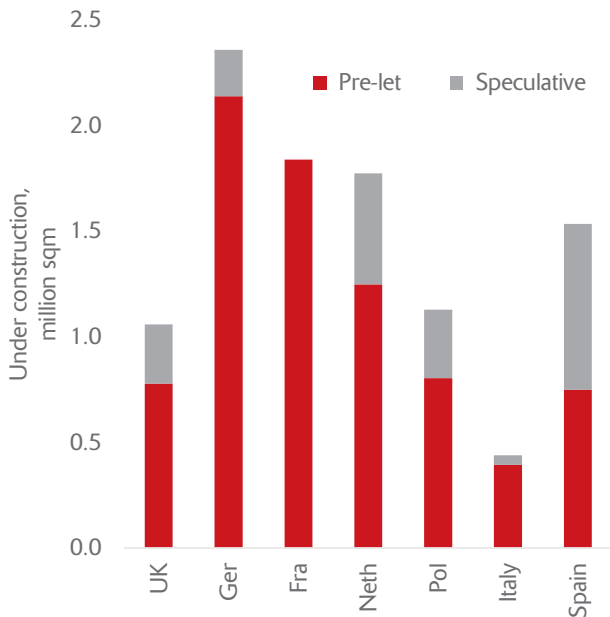
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Disciplined supply response and continuing strong investor demand

# Supply of modern warehousing remains disciplined

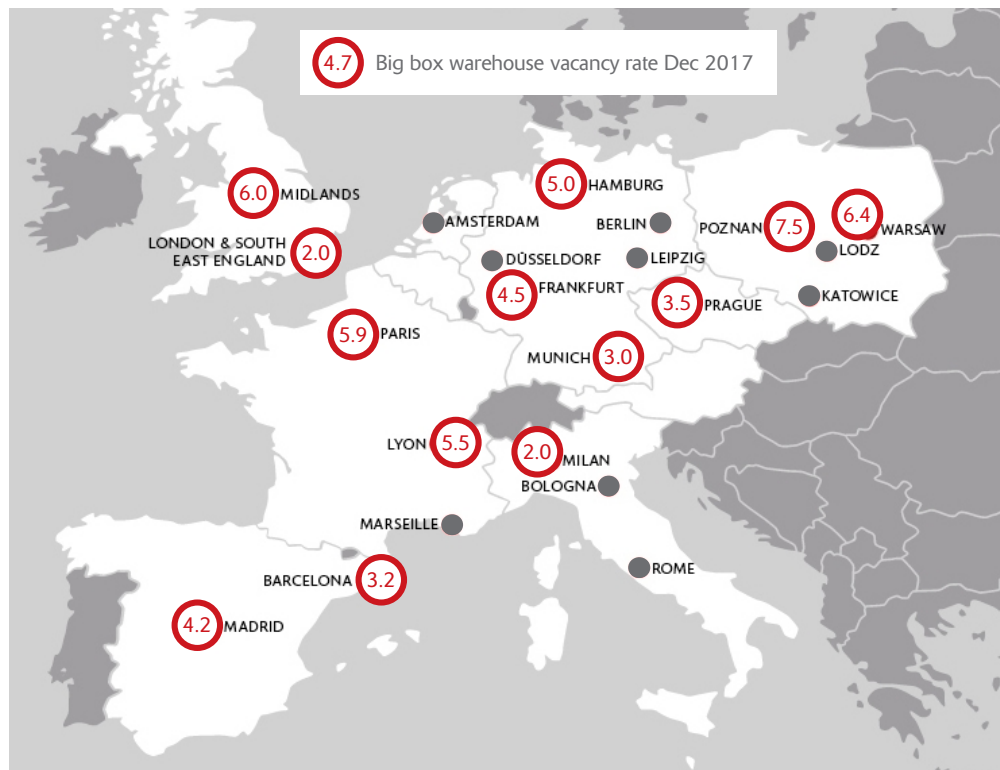
European warehouse development substantially pre-let...

(Logistics space under construction, million sq m)



...resulting in low vacancy rates across Europe

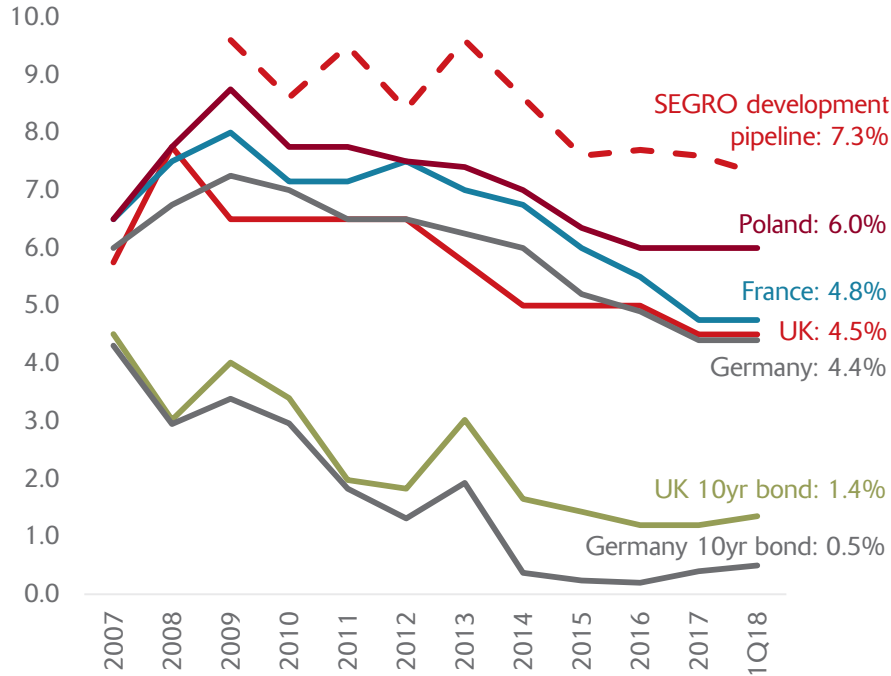
(4.7% estimated aggregate pan-European vacancy rate)



Source: JLL

# Investment yields remain attractive with significant investor demand

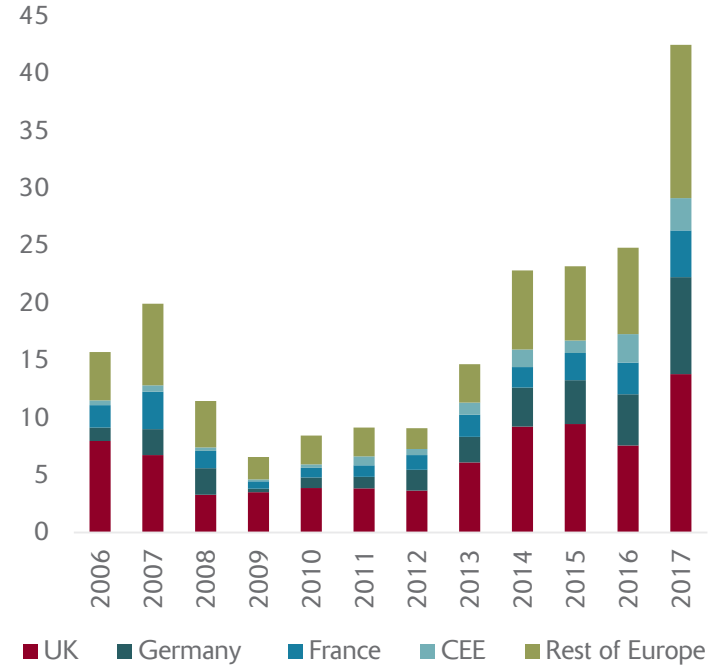
Prime logistics yields, 10 year bonds, SEGRO development yields



Source: CBRE, Bloomberg (data correct at 31 March 2018), SEGRO

European industrial investment volumes

By geography, €bn



Source: CBRE



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