

# 2024 Half year results

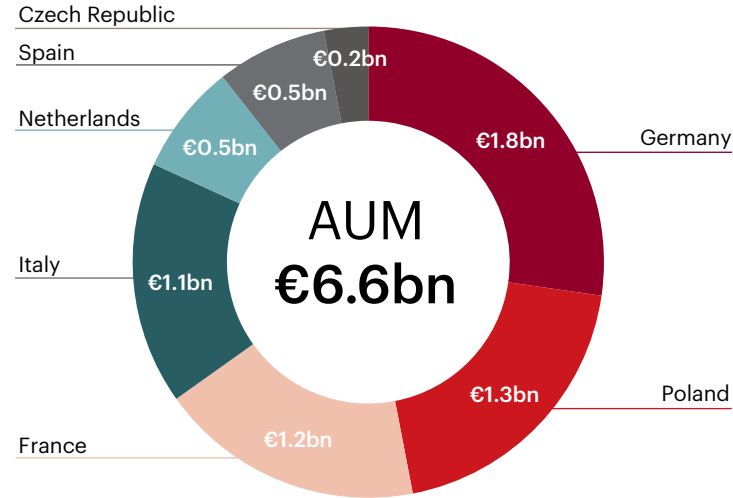
26 July 2024

**SELP**  
SEGRO EUROPEAN  
LOGISTICS PARTNERSHIP

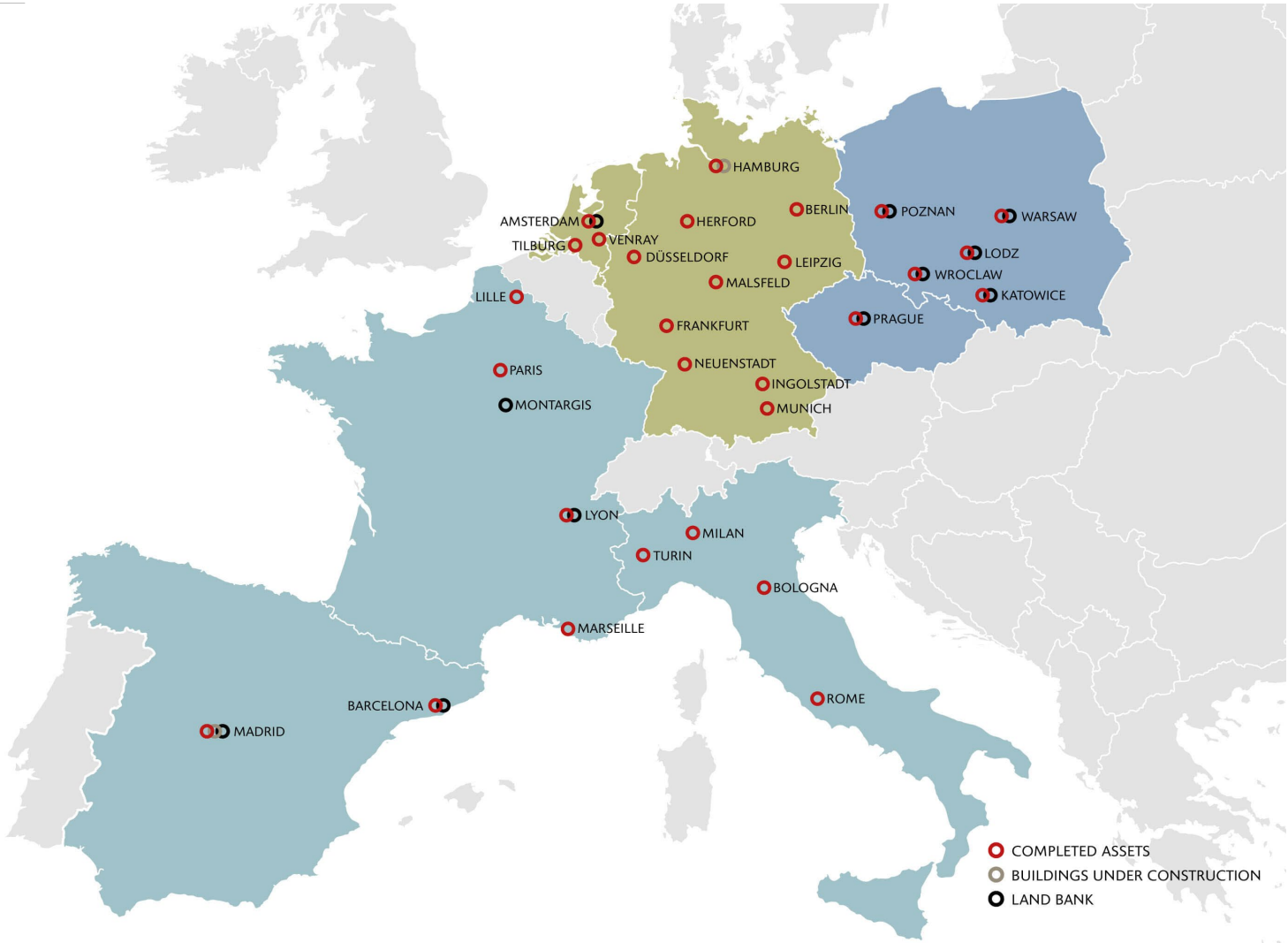


# Key Performance Indicators

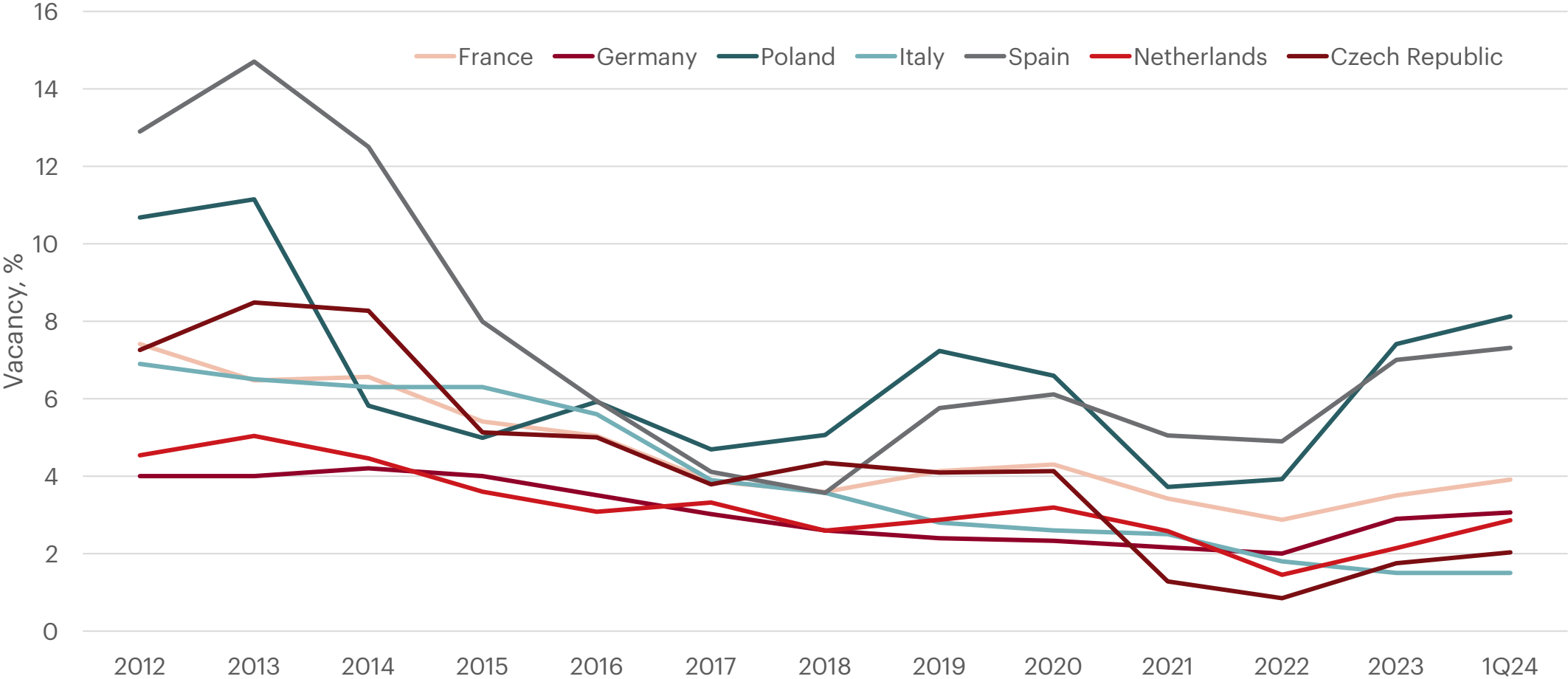
Portfolio split by geography  
(at 30 June 2024)



	Jun 2024	Dec 2023
Gross Asset Value	€6.6bn	€6.7bn
Property yield	5.7%	5.5%
Capital value change	-1.6%	-5.1%
ERV change	1.9%	9.3%
LTV	36%	36%
Occupancy rate	98.5%	98.5%



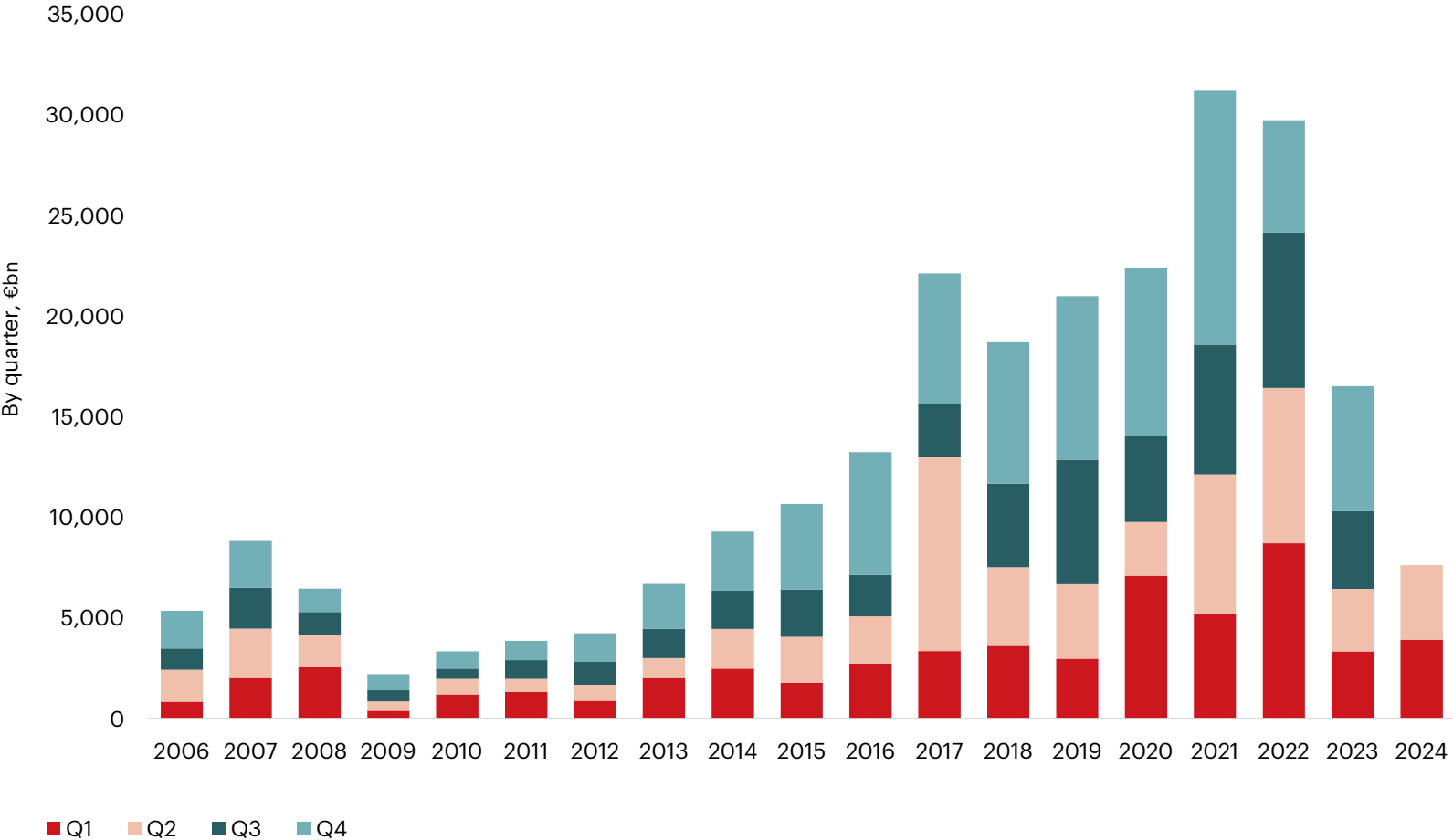
# Vacancy in SELP's markets remain near historical lows



Source: CBRE - Industrial logistics

# Investment markets showing signs of recovery

European industrial investment volumes



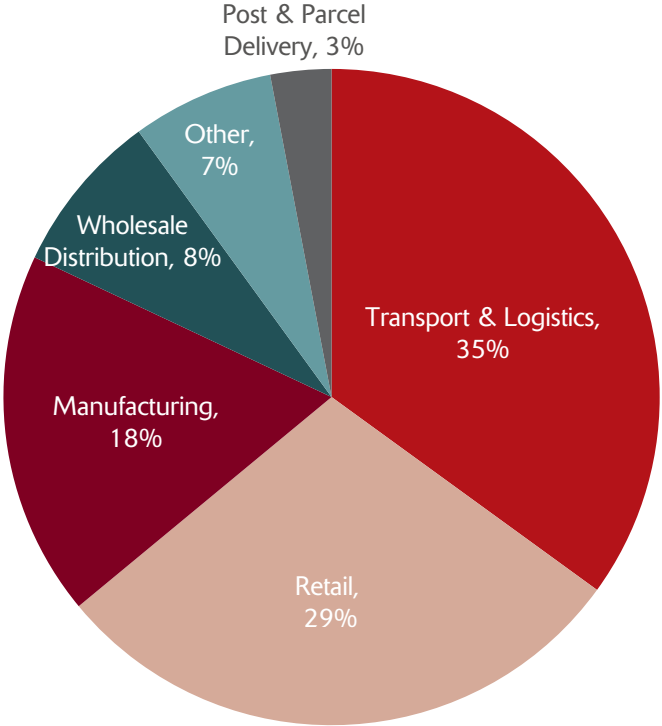
Improved investor appetite for real estate assets in line with increased confidence for interest rate cuts

Attractive fundamentals of industrial real estate supportive of increasing weightings within institutional portfolios

Source: CBRE - Industrial investment volumes, excluding UK, Austria, Belgium & CEE Non-Core

# High quality, diverse and growing customer base

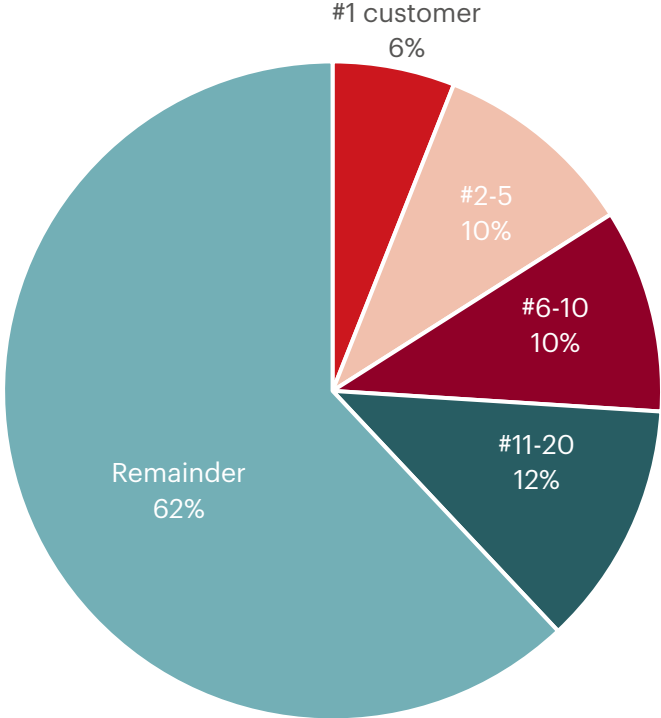
## Customer type by headline rent



Retail mix of customers headline rent:

- Pure online: 12%
- Online physical/hybrid: 11%
- Pure physical: 6%

## Top 20 customers by headline rent



## Weighted (by headline rent) average lease length

	Break years	Expiry years
SELP total	5.5	6.0

The top 20 customers represent headline rent of €137 million in aggregate, 38% of SELP's total headline rent at 30 June 2024



# Long-term structural drivers remain intact



## DATA & DIGITALISATION

- Growth of e-commerce**
- Explosion of data**
- Emergence of gen AI**



## SUPPLY CHAIN RECONFIGURATION

- Customer service**
- Cost efficiency**
- Nearshoring / resilience**

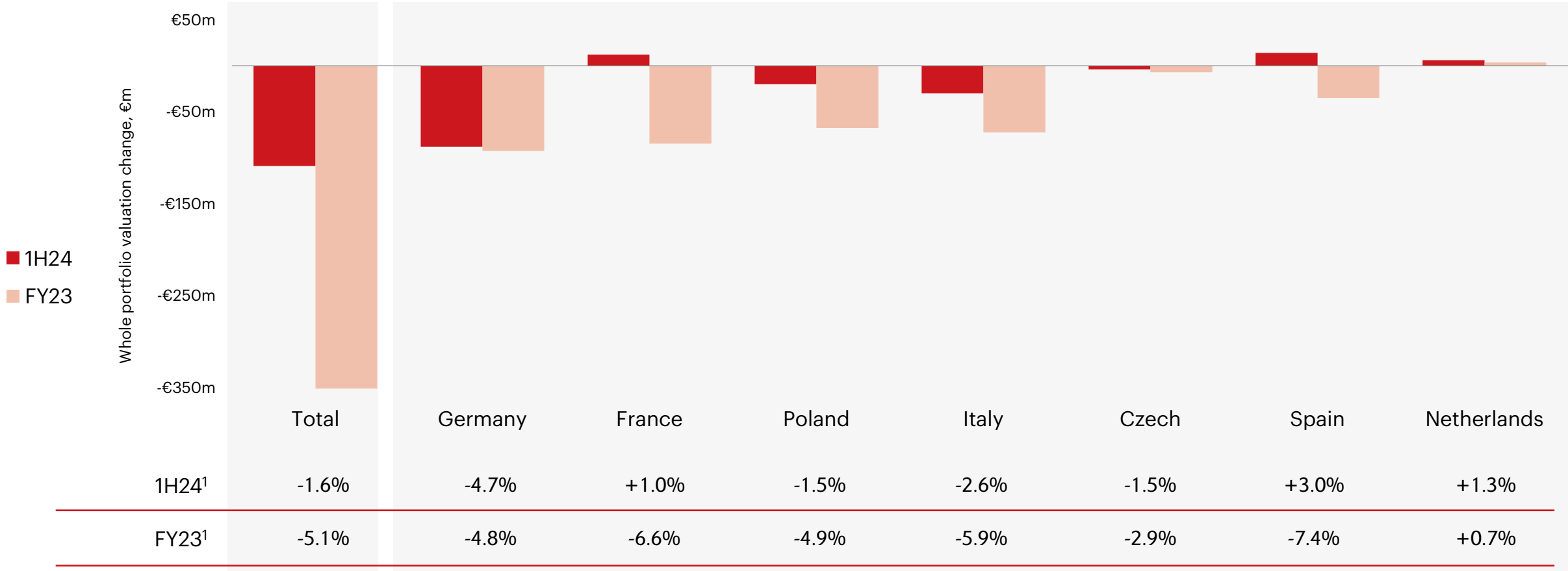


## SUSTAINABILITY

- Regulation**
- Customer carbon targets**
- Stakeholder expectations**

# Investment values bottoming out

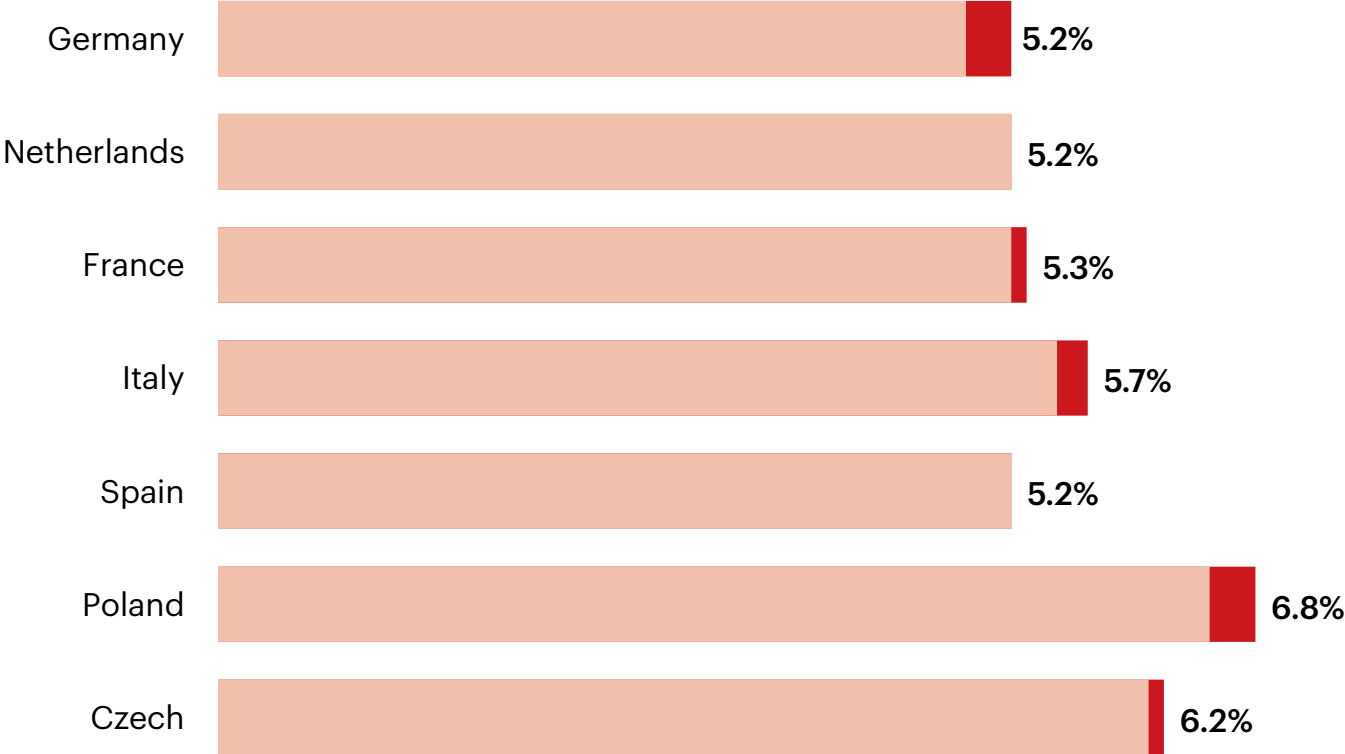
Portfolio value<sup>1</sup> at 30 June 2024: €6.6 billion



1. Whole portfolio including land & developments

# Yields stabilising, further ERV growth

Property yield<sup>1</sup>: 5.7%  
(+20bps)



■ 31-Dec-23 ■ 30-Jun-24

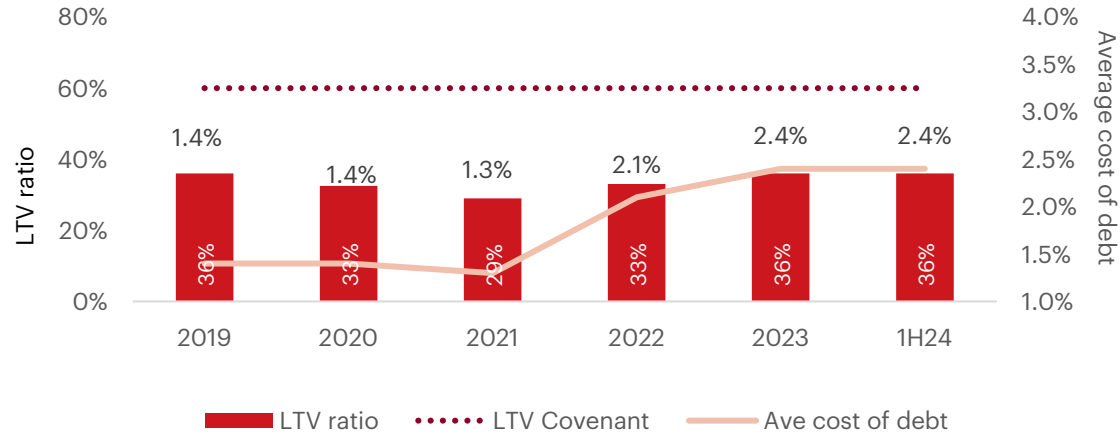
1. Net true equivalent yield. Yield on standing assets at 30 June 2024  
2. ERV growth based on assets held throughout 2024

	6-month Yield change: +20bps	6-month ERV growth <sup>2</sup> : +1.9%
Germany	+30bps	+1.0%
Netherlands	0bps	+3.8%
France	+10bps	+1.7%
Italy	+20bps	+1.8%
Spain	0bps	+1.5%
Poland	+30bps	+3.1%
Czech	+10bps	0%

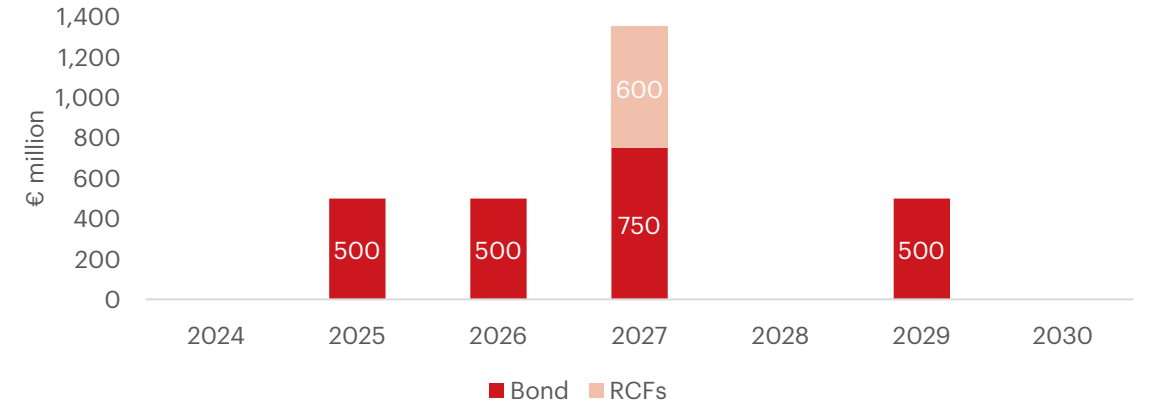


# Financial position remains strong

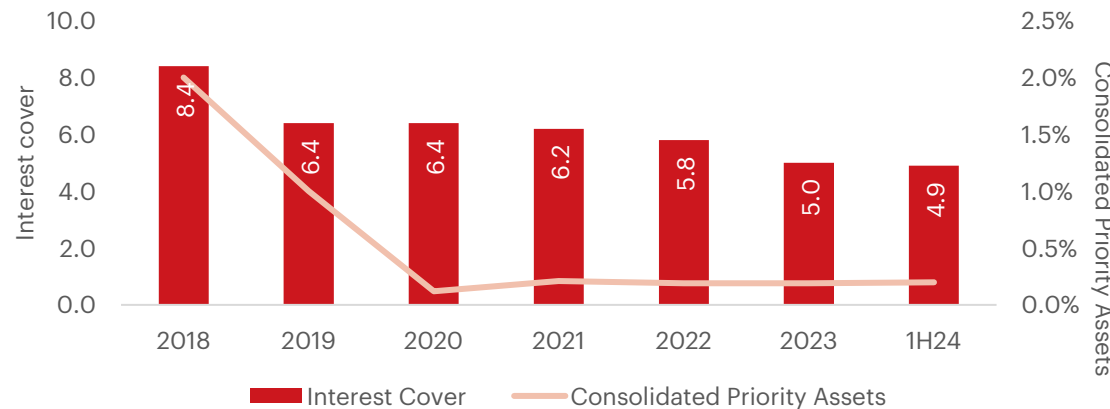
## Loan to Value and average cost of debt<sup>1</sup>



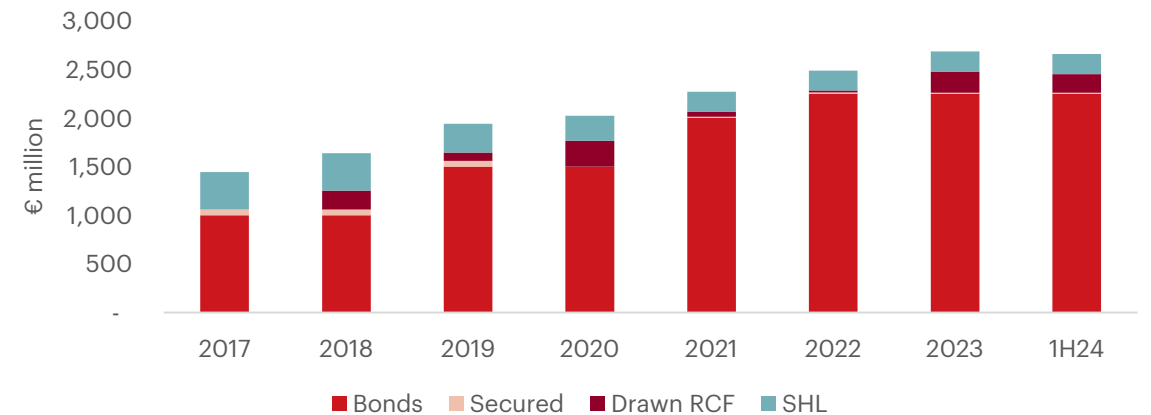
## External debt maturity profile



## Interest cover<sup>2</sup> and priority borrowings as a % of assets



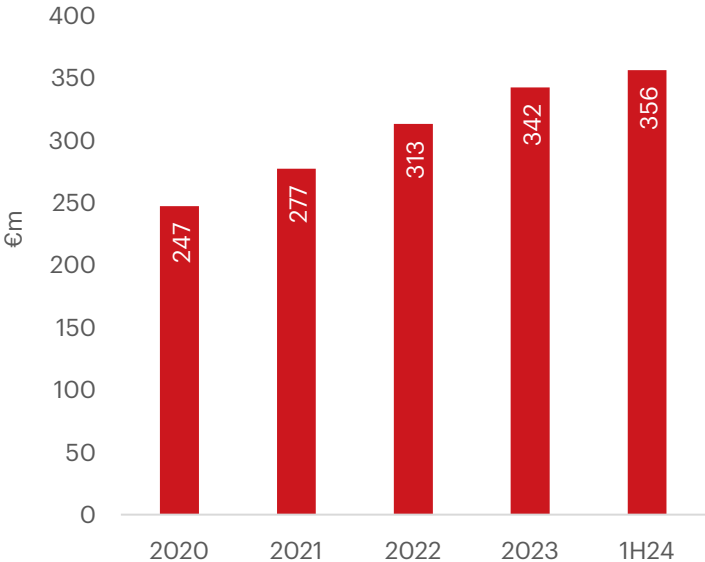
## Debt & shareholder loans



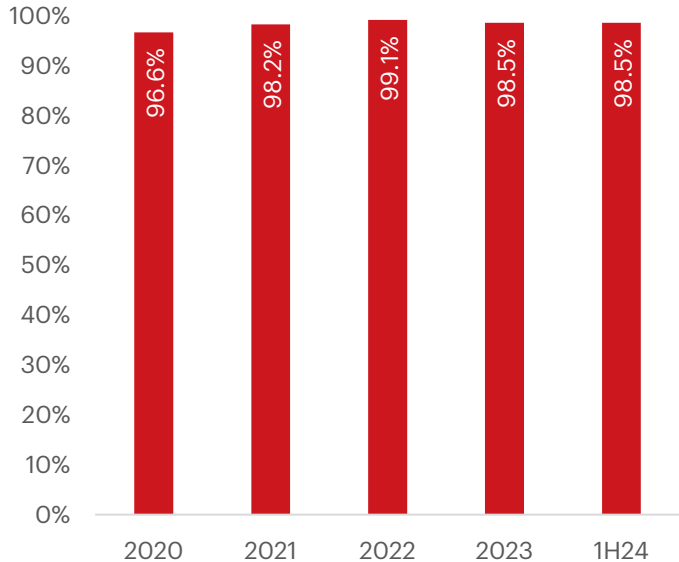
1. Average cost of debt excludes non-cash interest and commitment fees  
 2. Interest cover is presented on an accruals basis whereas the interest cover covenant is on a cash basis

# Strong operational performance

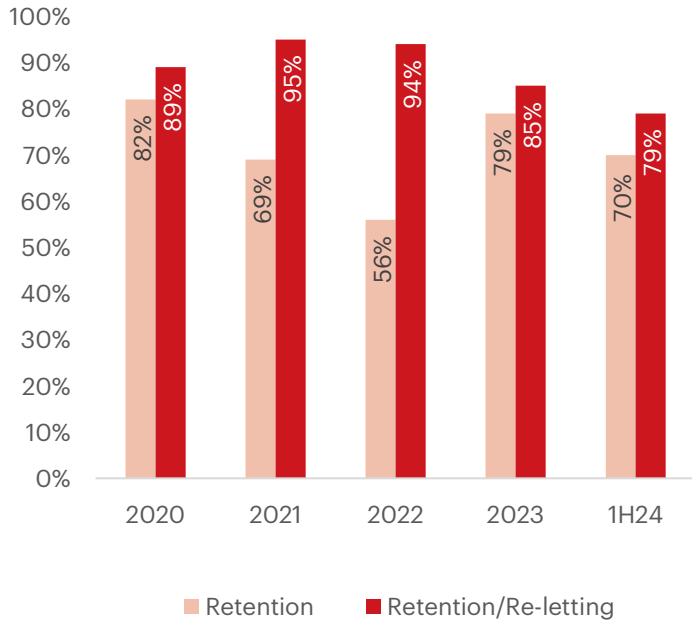
Rental income continues to grow<sup>1</sup>...



...supported by high occupancy rates<sup>2</sup>...

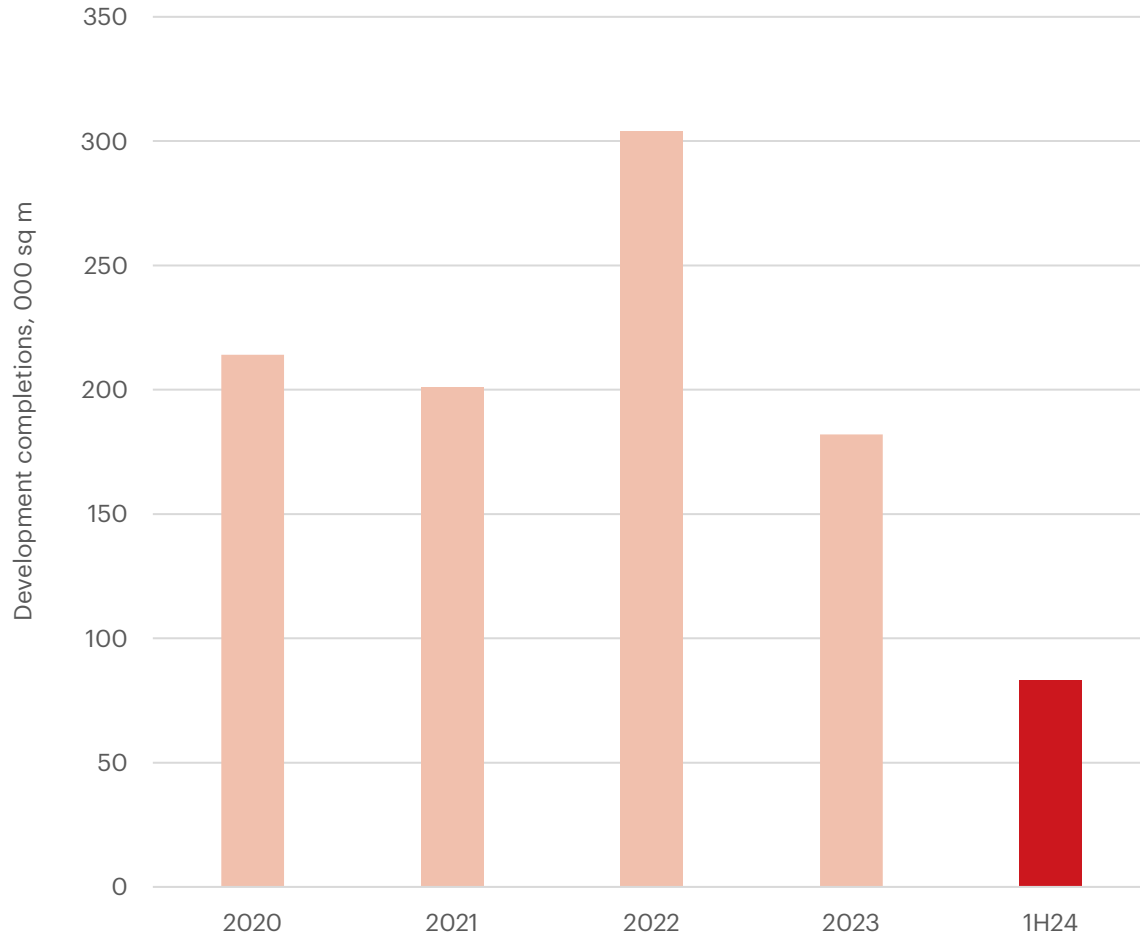


...and high retention and relettings<sup>1,3</sup>



1. Based on contracted headline rent  
 2. Occupancy rate based on ERV at 30 June 2024  
 3. Based on income at risk during the half year

# 83,000 sq m of new space completed in period and fully leased



**83,000 sqm**  
of new space completed

**4**  
projects

**€7.1m**  
headline rent (100% leased by 30 June 2024)

**6.2%**  
average yield on cost

**100%**  
BREEAM 'Excellent' (or local equivalent)

# Future growth from active development pipeline

**50,000 sqm**  
Under construction

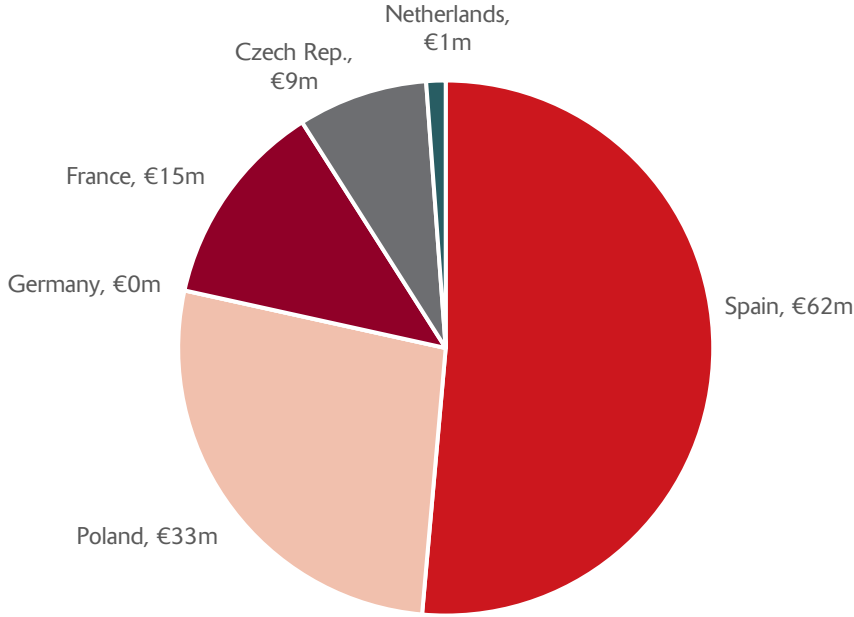
**2**  
developments

**€5.5m**  
Potential rent (63% leased)

**7.0%**  
Average Yield on Cost

**BREEAM “Excellent”**  
Target certification

Land bank for future development<sup>1</sup>, by country



Potential annualised gross rent from land bank for future development<sup>1</sup> (€56 million at 30 June 2024)



1. Excludes developments currently under construction

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# Appendix 1

Portfolio and Financial Data

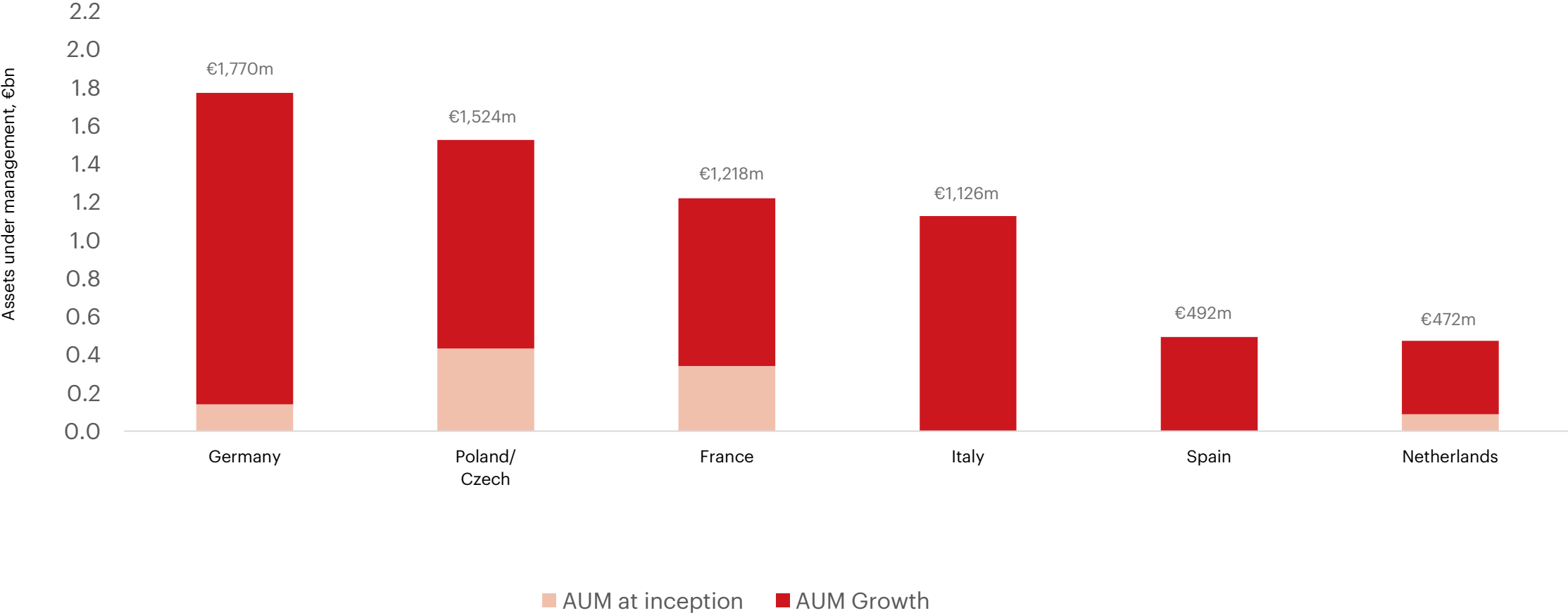
# Joint venture summary

Portfolio	<ul style="list-style-type: none"><li>Formed in 2013, SEGRO European Logistics Partnership (“SELP”) is a 50:50 joint venture between SEGRO plc and PSP Investments that owns, invests and develops logistics properties</li></ul>
Geography	<ul style="list-style-type: none"><li>SELP has a presence in 7 Continental European countries with a total of 91 estates of grade A big box logistics in prime locations</li></ul>
Investment Strategy	<ul style="list-style-type: none"><li>Growth is primarily expected through core / core plus acquisitions and development</li><li>Development activity is mainly focused in Germany, France and Poland, predominantly on a pre-let basis</li></ul>
Investment Restrictions	<ul style="list-style-type: none"><li>No single logistics estate represents &gt;15% of GAV</li><li>No tenant represents &gt;10% of passing rent</li><li>No country represents &gt;50% of GAV</li><li>Investment in Vacant Properties &lt;10% GAV</li><li>Development / land bank allowance of &lt;10% GAV</li><li>Non target country Assets not to represent &gt;10% of GAV</li><li>Out-of-Scope Assets not to represent &gt;5% of GAV</li></ul>
Sponsors	<ul style="list-style-type: none"><li>50:50 Joint Venture between PSP Investments and SEGRO</li><li>Commitment from SEGRO to maintain &gt;25% equity stake</li></ul>
SEGRO Role	<ul style="list-style-type: none"><li>SEGRO acts as asset manager, development manager and property manager</li></ul>



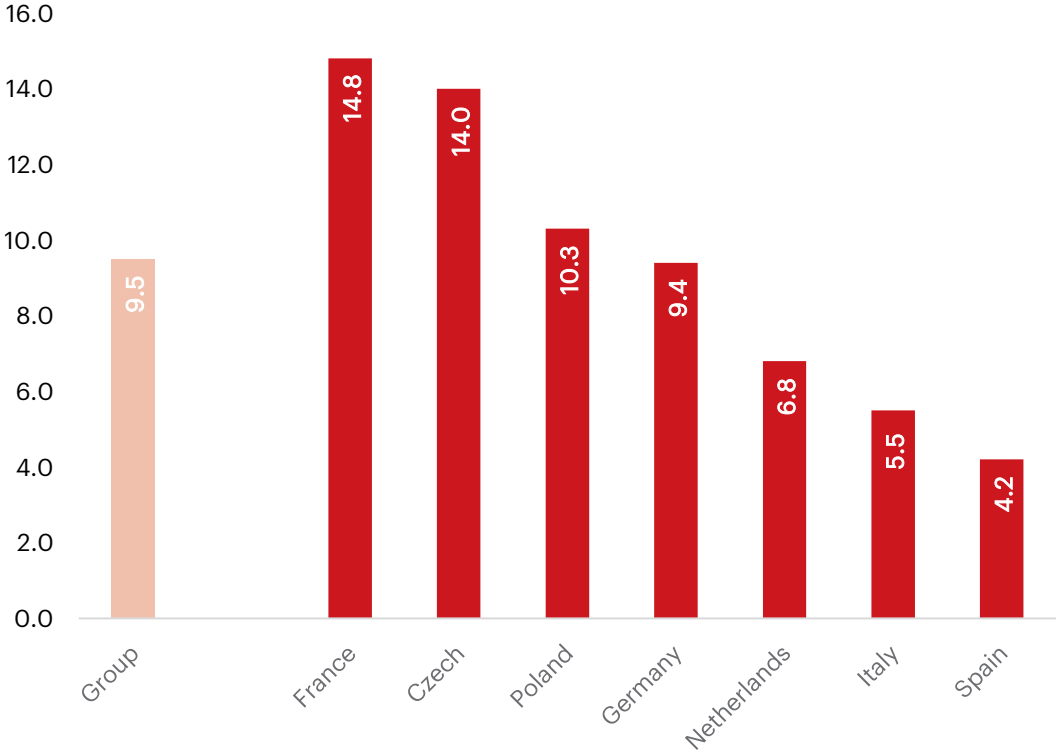
# Portfolio growth since inception

Assets under Management  
(as at 30 June 2024)

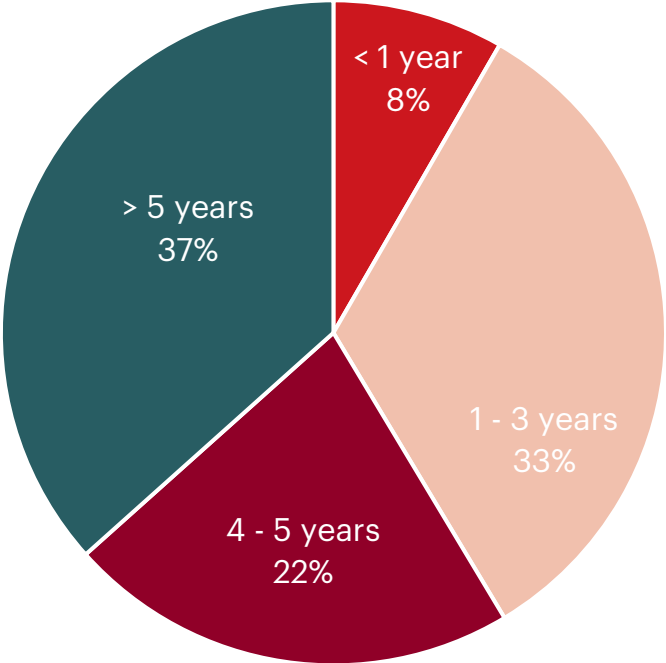


# Building age and income at risk

Weighted average building age by ERV as at 30 June 2024, years

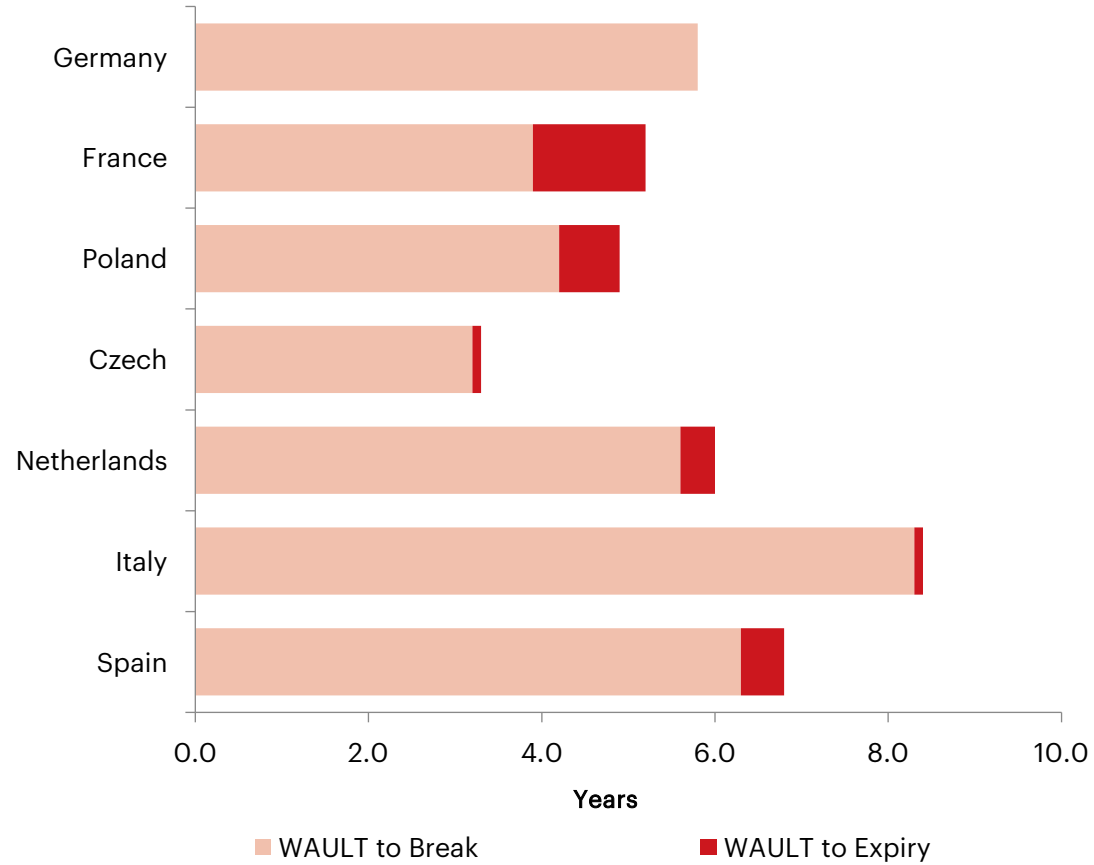


Portfolio income at risk profile by headline rent

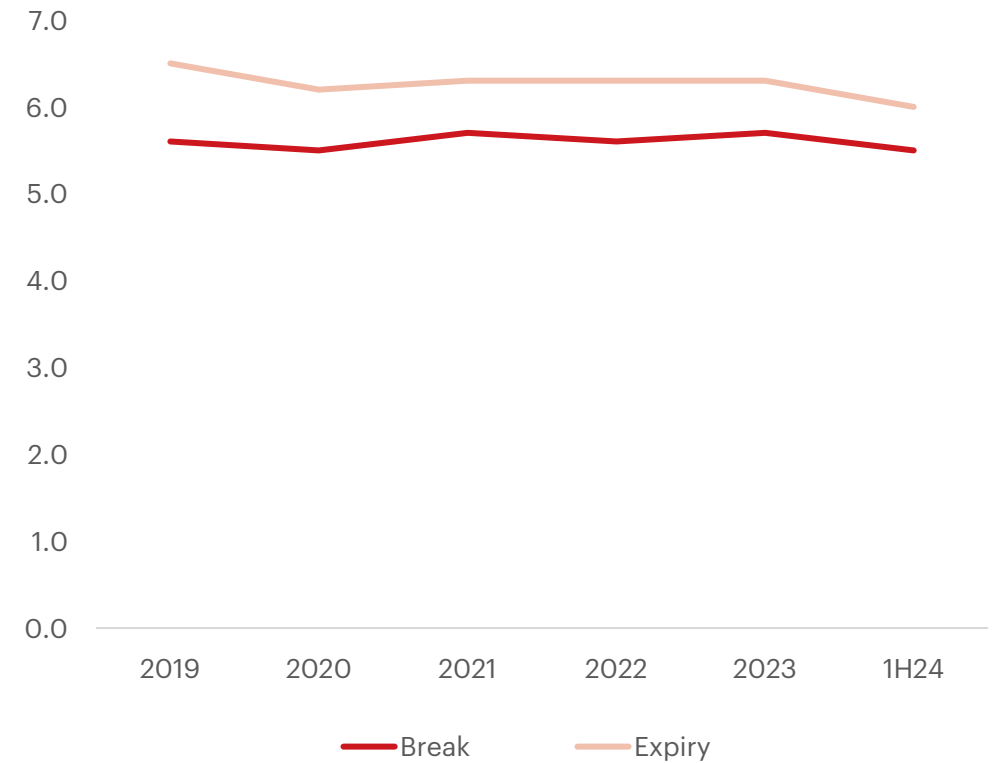


# WAULT

Weighted average lease length term (WAULT) to break and expiry as at 30 June 2024, years

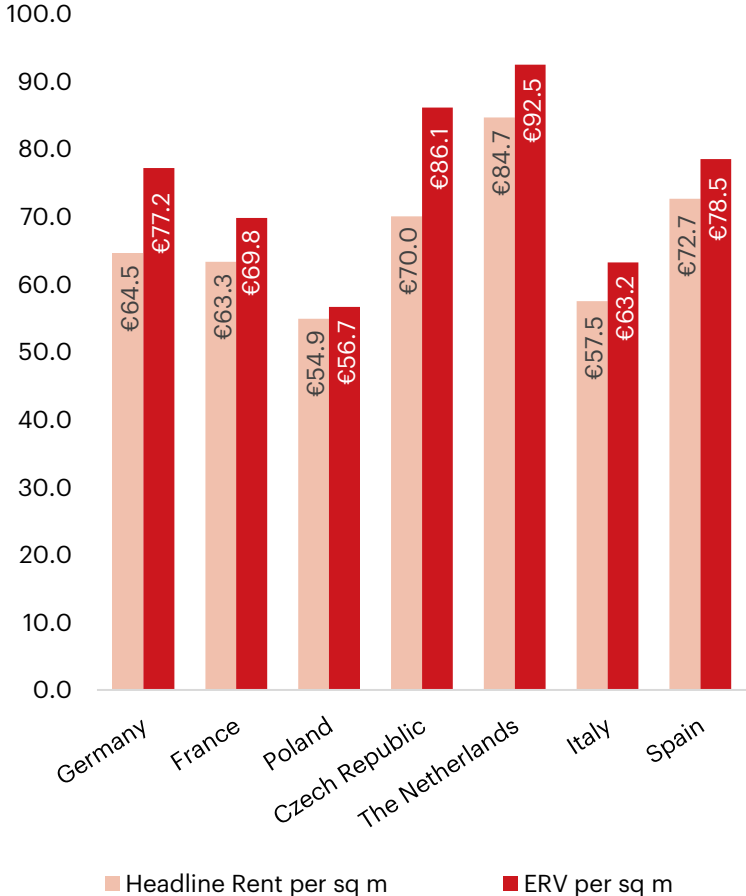


Weighted average lease length term (WAULT) of the portfolio, years

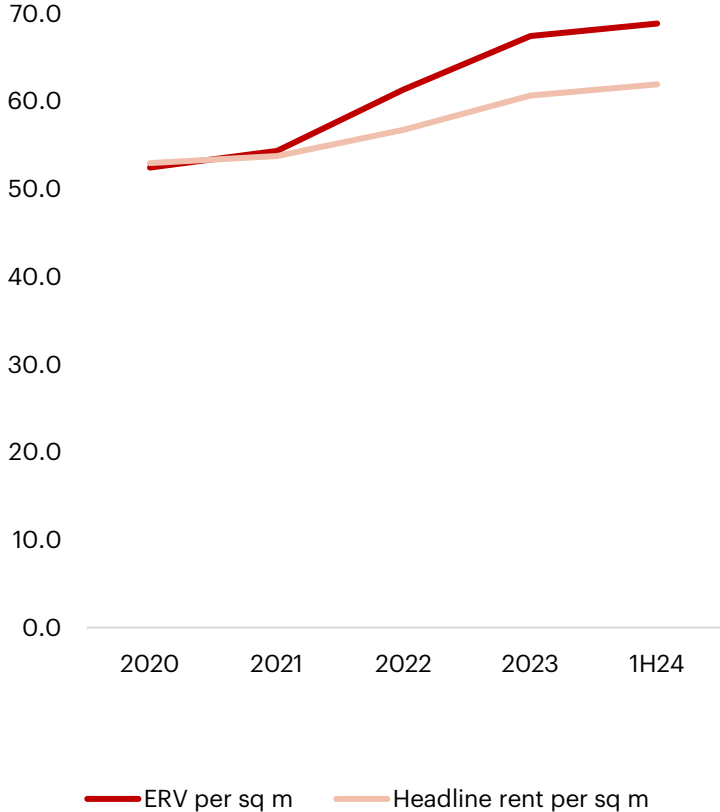


# ERV and Headline Rent of portfolio over time

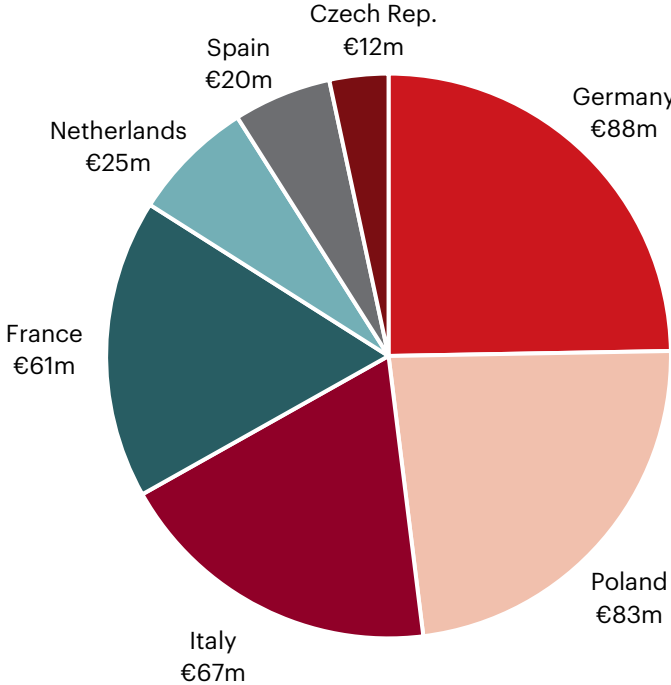
ERVs and headline rent per sq m as at 30 June 2024, by country, €



Average ERV and headline rent per sq m of portfolio over time, €



Headline rent by geography



# Credit rating

Rating Agency	Effective/ Affirmed	Rating	Outlook
Moody's (Long-Term Issuer Rating)	2023	Baa2	Stable
Fitch Ratings (Senior Unsecured Debt)	2024	BBB+	Stable

# Financial policy

## Leverage and Financing

- Conservative leverage policy with target 40% LTV
- Fixed rate or hedged debt target of 70% – 100% of total

## Liquidity

- Periodic liquidity option starting in 2023 and subsequently every 3 years
- Proceeds from asset sales will go in priority to repayment of asset level secured loans (where relevant), for liquidity provision and will repay unsecured loans to ensure target LTV is met

## Shareholder Loan Restrictions

- Shareholder loans subordinated to senior unsecured debt
- Longer dated tenor than the longest dated external debt. Principal repayments only permitted subject to 40% LTV restriction
- Interest payments deferrable subject to cash available for distribution after payment of senior debt interest and principal

## Dividend Policy

- Excess cash distributed from vehicle via shareholder loan repayments (subject to LTV restriction) or dividends, or retained for developments / acquisitions as required



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# Forward-looking statements and Disclaimer

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