
SEGRO Bond Issue

Investor Presentation
September 2024

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Key Credit Strengths

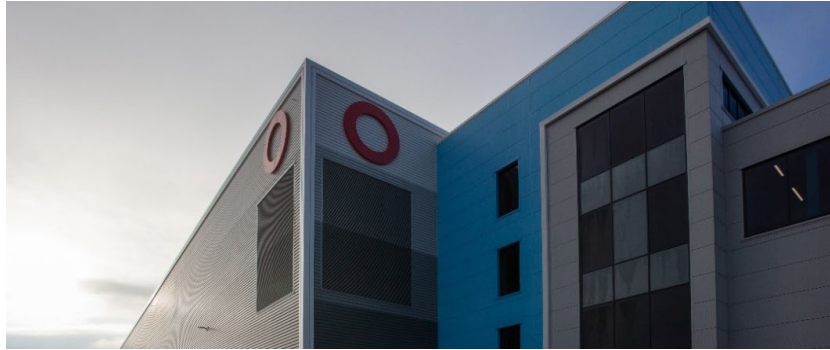


SEGRO: Overview

- Founded in the 1920s and listed on the London Stock Exchange in 1949
- SEGRO is a leading owner, asset manager and developer of modern warehousing and light industrial properties
- Unique portfolio of assets located at the edge of major urban conurbations and around key transport hubs
- Portfolio comprised primarily of Urban Warehouses (c.67%) and Big Box Logistics warehouses (c.33%)
- SEGRO has a presence in 8 European Countries
- SEGRO currently has a Fitch senior unsecured rating of A-
- Largest UK and European REIT by market cap

Key metrics as at 30 June 2024

AUM	£20.6bn
Portfolio value ¹	£17.8bn
Equity Market Capitalisation ²	c.£12bn
Lettable Area ³	10.8m sq m
WAULT ^{1 4}	7.4 years
Occupancy rate ¹	95%
LTV ¹	30%
Weighted average cost of debt ¹	2.7%



SEGRO Logistics Park East Midlands Gateway



SEGRO Park Cologne



Data Centre, Slough Trading Estate

¹ Based on SEGRO's wholly-owned portfolio and its joint ventures at share

² As at 10 September 2024

³ Based on assets under management

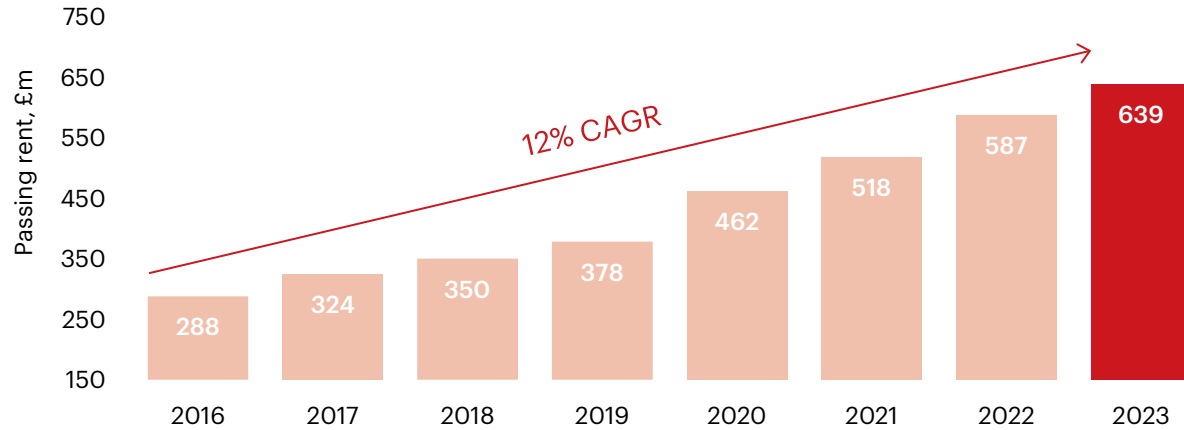
⁴ Weighted average unexpired lease term to first break

Our strategy

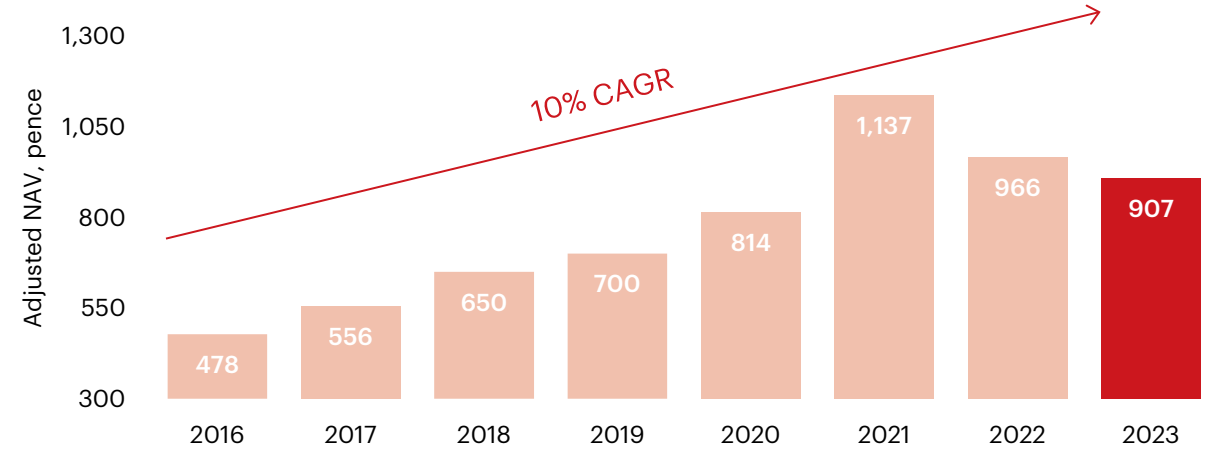


Consistently Delivering Strong Returns

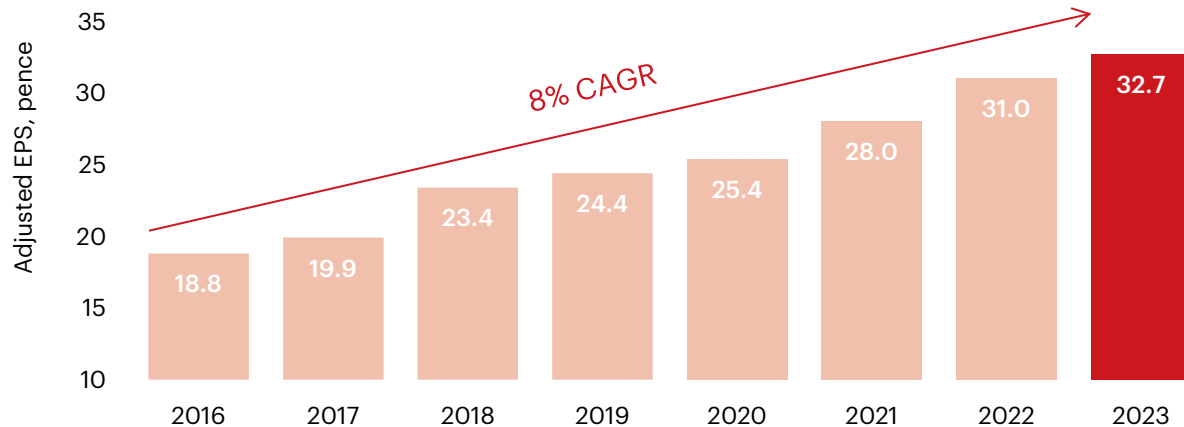
Passing Rent



Adjusted NAV¹ per share

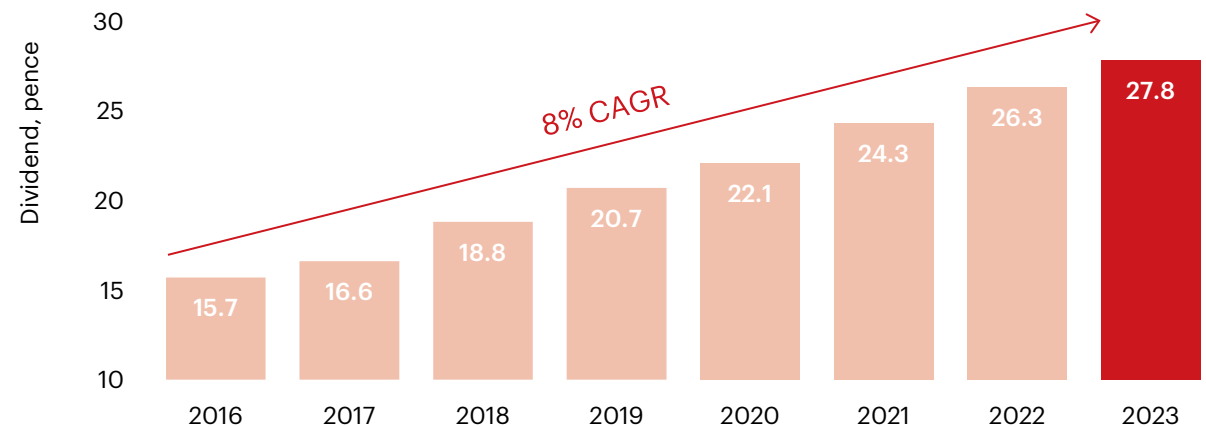


Adjusted earnings per share



Dividend per share

(Distribution policy of 85-95% of full year adjusted earnings)



1. Adjusted NAV is in line with EPRA NTA which was introduced 1 January 2020. The 31 December 2019 Adjusted NAV has been restated.

Key Credit Strength: Pan-European Portfolio of Prime Assets



Urban and big box warehouses – complementary asset types

Portfolio by type (valuation, SEGRO share)

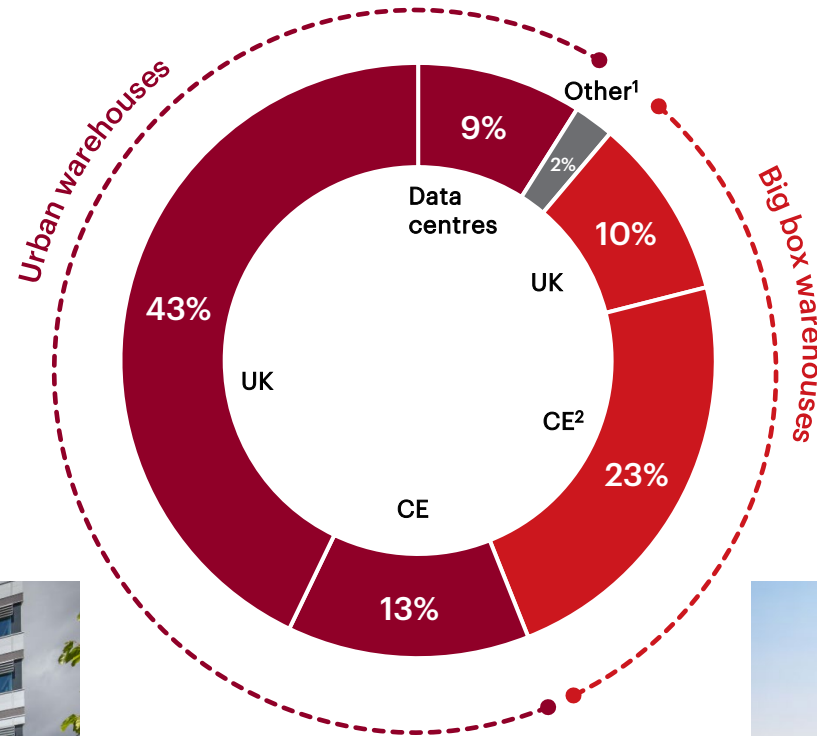
Data as at 30 June 2024

Urban warehouses (65%)

- Smaller units, generally <10,000 sq m
- Diverse range of uses (including 'last mile' delivery and data centres)
- 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



1. Other uses includes offices and retail uses such as trade counters, car showrooms and self storage facilities.
2. Continental Europe



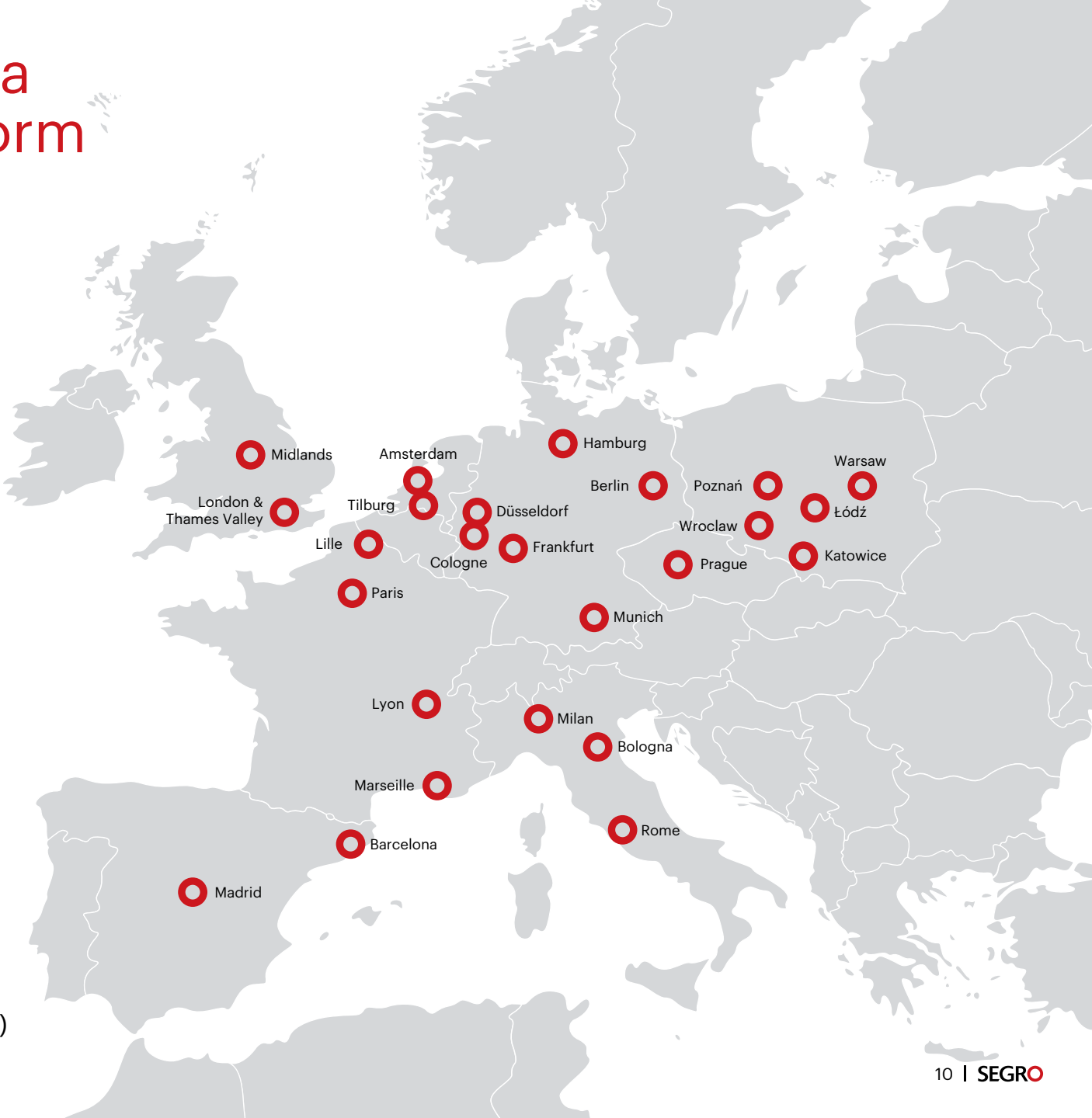
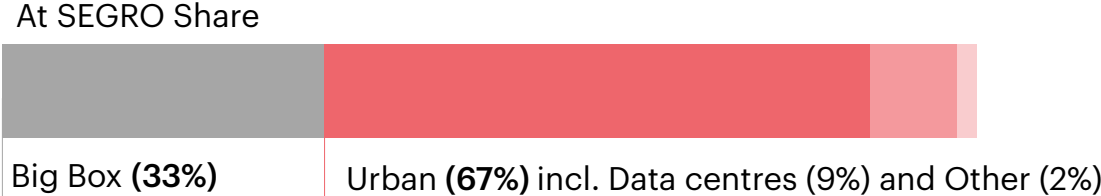
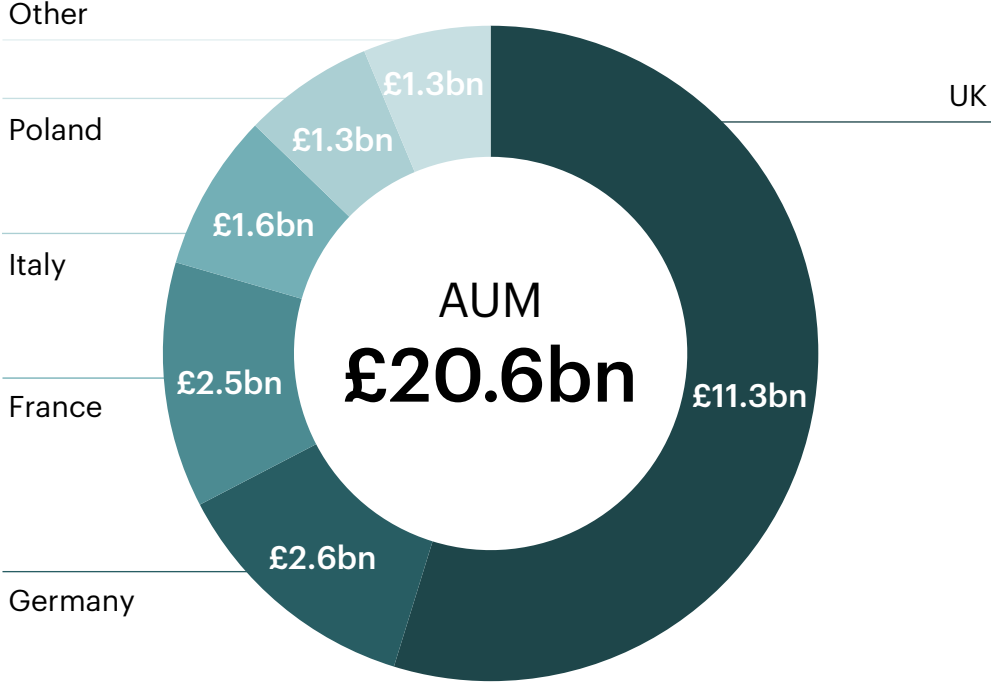
Big boxes (33%)

- 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 constrained by planning/ zoning challenges
- Higher net income yields, lower management intensity
- Lower rental growth prospects



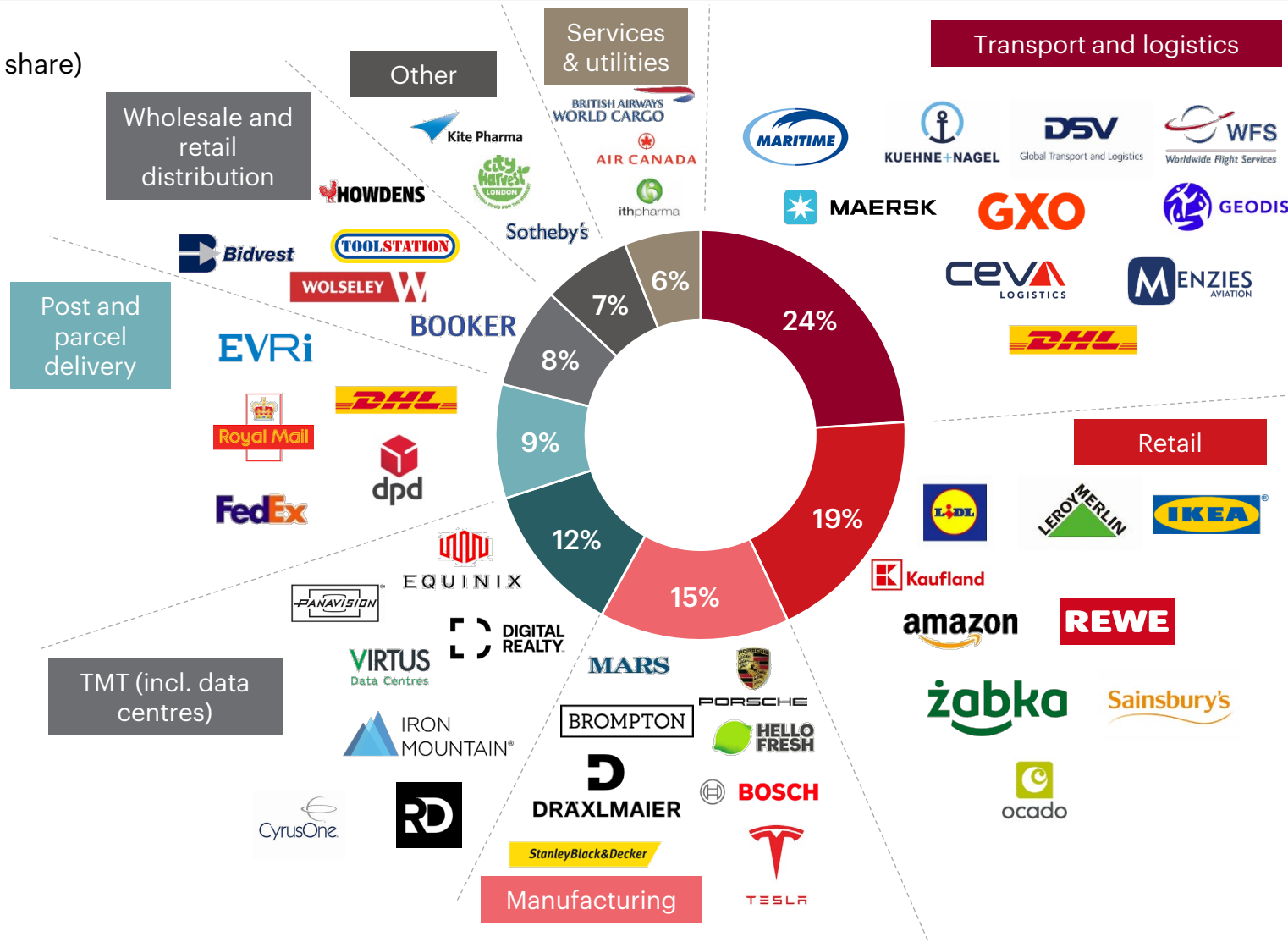
A prime portfolio of assets and a market-leading operating platform

Portfolio split by geography and asset type (at 30 June 2024)



High quality, diverse and growing customer base

Customer sectors
(headline rent, SEGRO share)



Customers
1,400

Top 20 customers
33%
of total group headline rent

Largest customer
6%
of total group headline rent

Key Credit Strength: Experienced Management Team



Management team



David Sleath
Chief Executive
Officer

Appointed: 1 January 2006
(Chief Executive from 28 April 2011; Finance
Director from 1 January 2006 to 28 April 2011)

Skills, experience and contribution

David has considerable board level experience of listed companies and has extensive knowledge of the real estate, manufacturing and distribution sectors and the Company. His financial and general management experience has helped lead the successful design and implementation of the Company's strategy during his tenure as Chief Executive.



Soumen Das
Chief Financial
Officer

Appointed: 16 January 2017

Skills, experience and contribution

Soumen combines leadership of the finance functions with a wider contribution to the business through strategy, investment, digital and innovation. He brings his extensive board-level experience and deep knowledge of capital markets to the Group, having been Chief Financial Officer of listed companies for over ten years with a background as a corporate financier.

Key Credit Strength: Strong Sustainability Credentials



Making good progress with Responsible SEGRO

INVESTING IN OUR LOCAL COMMUNITIES AND ENVIRONMENTS



12 Community Investment Plans

44 local community projects to improve biodiversity, environment, health & wellbeing

Record levels of volunteering from SEGRO employees, customers and suppliers

>9,000 people supported through our education and employment programmes

NURTURING TALENT



Reshaping of Leadership Team

Clear diversity goals with supporting action plan

Investment in development of our leadership teams and colleagues

High levels of employee engagement

CHAMPIONING LOW-CARBON GROWTH



Meaningful reduction in carbon emissions, tracking ahead pathway set and approved under SBTi

Increased visibility of customer energy data

Targeting at least BREEAM Excellent and an EPC B

A record 15 MW increase in our solar capacity

Decarbonisation tracking ahead of SBTi targets

Corporate and customer emissions



19%
reduction
since 2020¹

- 81% visibility of customer energy data (+19%)
- 34% increase (15MW) in solar capacity to 59 MW through:
 - new developments
 - refurbishment and retrofits
 - planning additional 25 MW in 2024

254,168 tCO₂e (absolute)

Embodied carbon intensity of developments



13%
reduction
since 2020¹

- Embodied carbon assessed with Building Information Modelling on all new developments
- 92% of new developments rated BREEAM 'Excellent' or better (99% 'Very Good' or better)

348 kgCO₂e per sq m (average intensity)

¹ Our carbon reduction targets were set and approved under the international Science-Based Targets Initiative (SBTi). The SBTi methodology identified a pathway for companies to reduce the emissions within their value chains to align with reaching net-zero in eligible 1.5°C pathways by 2050 or sooner. 2030 target: -42% corporate and customer, -20% embodied carbon.

Key Credit Strength: Supportive Structural Trends in Supply & Demand



Long-term structural drivers remain intact



Data & digitalisation

- Growth of e-commerce
- Explosion of digital data
- Adoption of AI



Urbanisation

- Growing urban populations
- Diverse and dynamic occupier base
- Shrinking land supply



Supply chain optimisation

- Customer service
- Cost efficiency
- Nearshoring / resilience

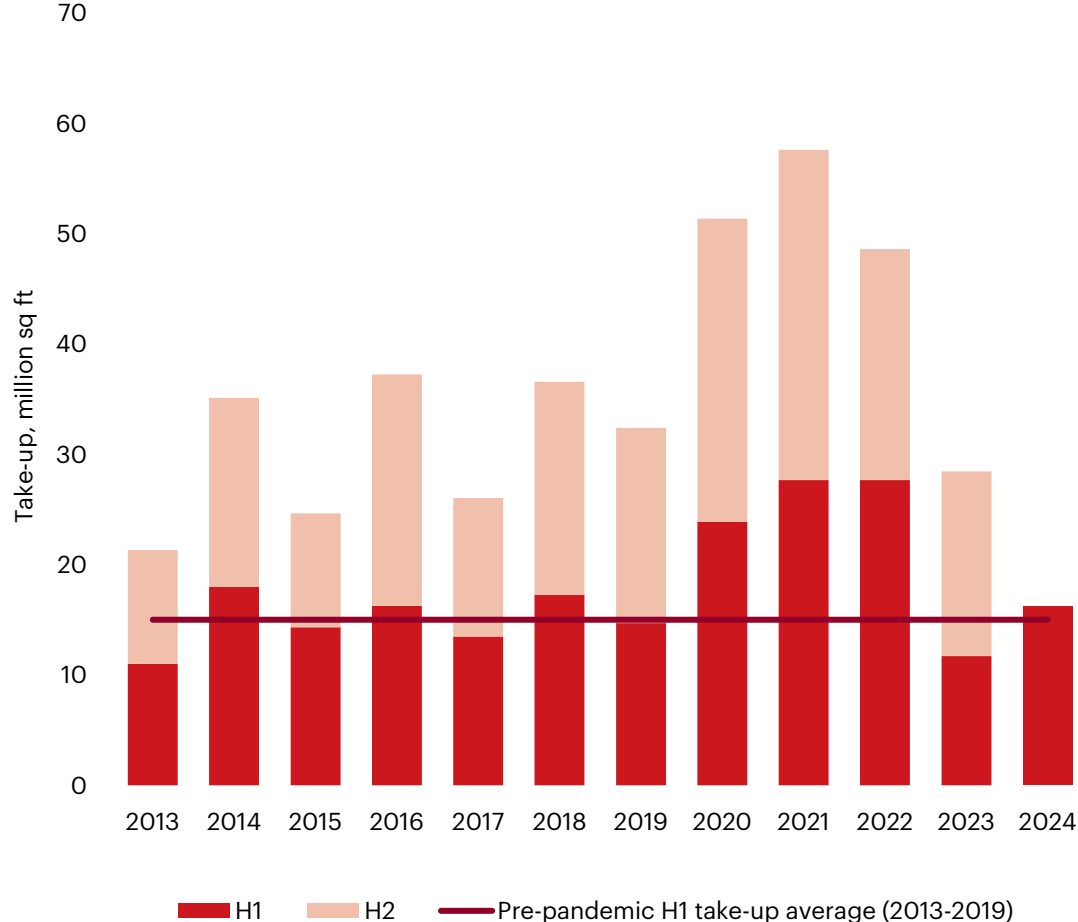


Sustainability

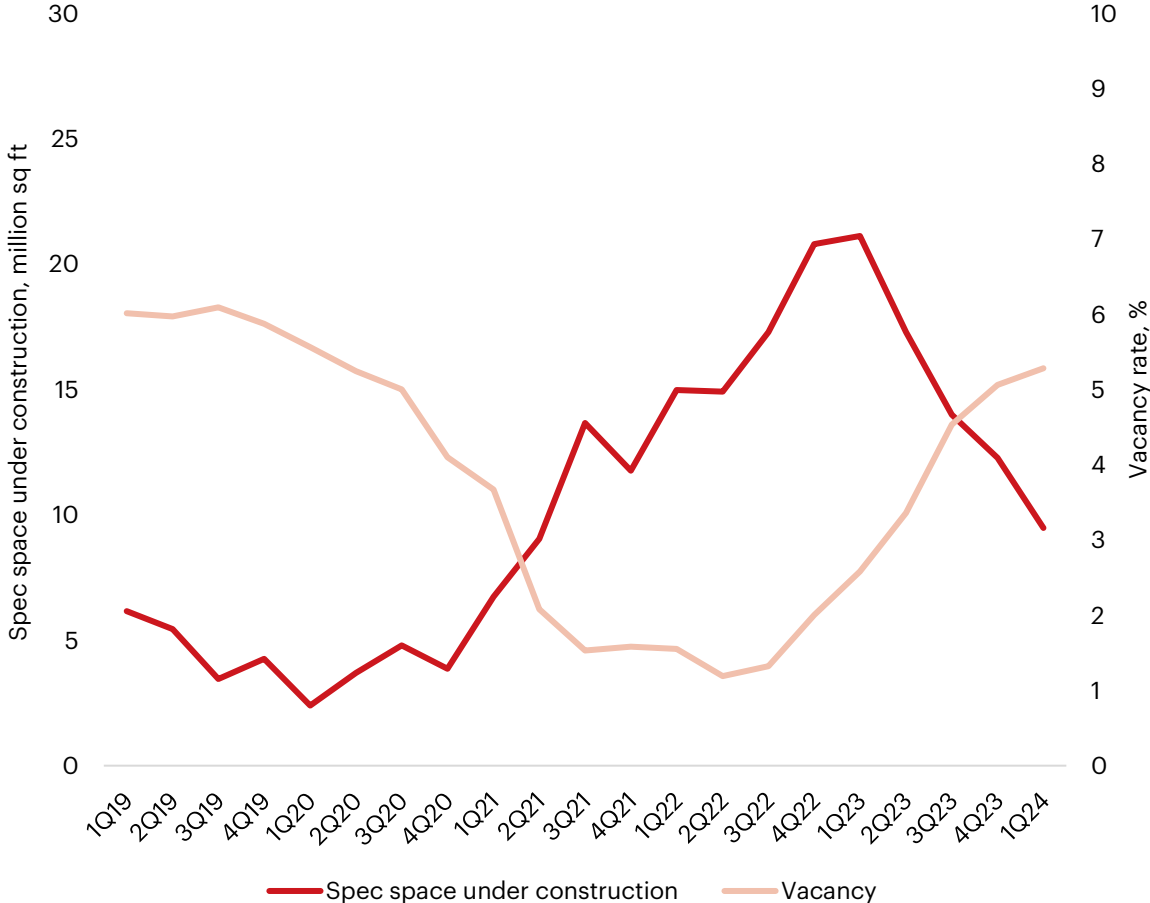
- Regulation
- Customer carbon targets
- Stakeholder expectations

Supply-demand balance is supportive of rental growth and profitable development

UK big box take-up¹



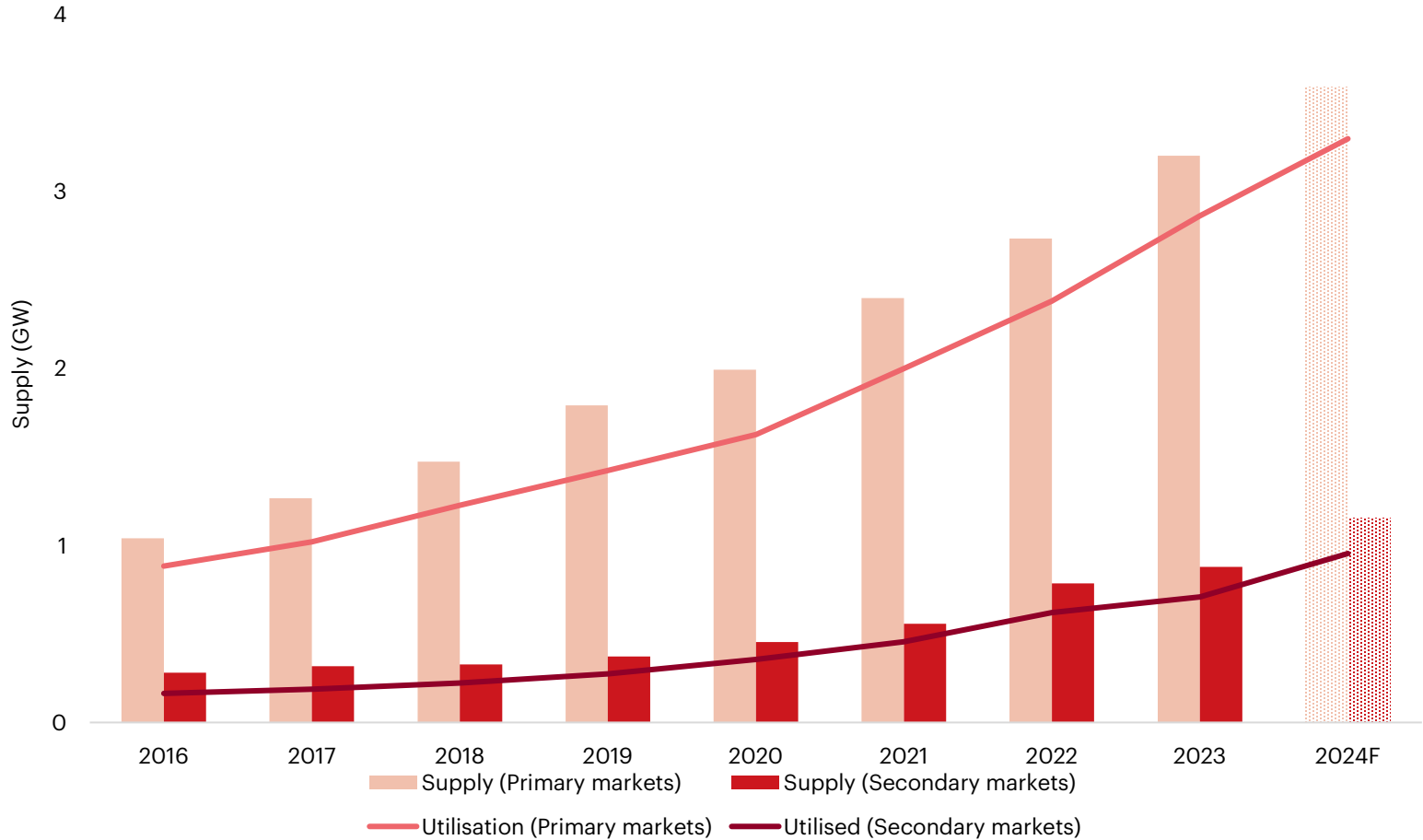
UK big box speculative space under construction and vacancy²



1. Source: Savills, logistics data covers units above 100,000 sq ft in the UK and 5,000 sqm in Continental Europe.
 2. Source: CBRE, logistics data covers units above 100,000 sq ft and 10m clear eaves height in the UK, and above 5,000 sq m in Continental Europe.

Data centre market experiencing exponential growth

European market supply and utilisation



FLAP-D market has doubled in size since 2018 (to 3.3 GW)¹, with demand mostly focused on key Availability Zones

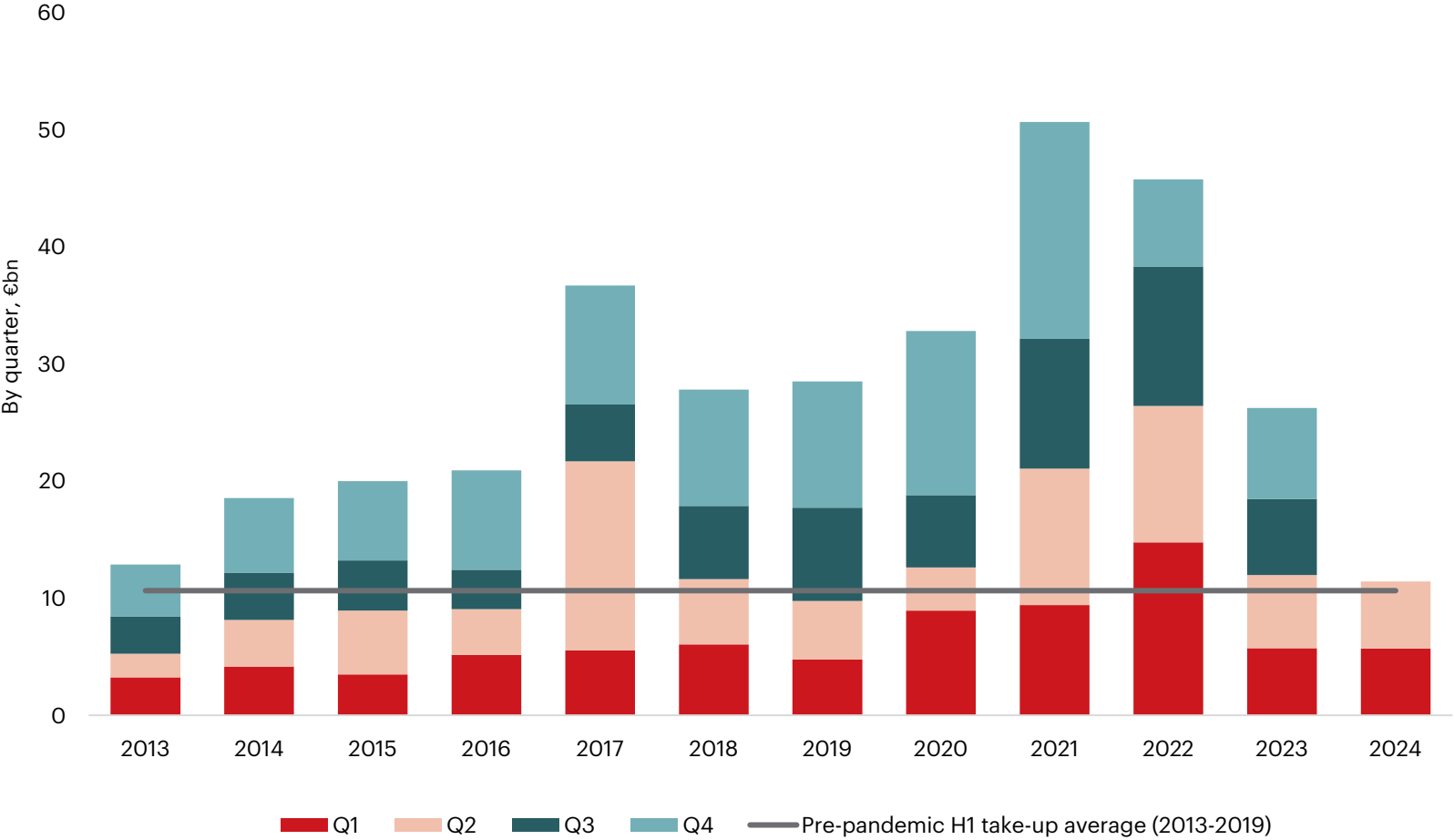
Artificial Intelligence is super-charging demand for data:

- Inference AI (user-related) likely to continue to focus on existing and emerging Availability Zones
- Generative AI (machine-learning) may take place in more remote locations

Source: CBRE Research, Q1 2024.
¹ Primary markets: Frankfurt, London, Amsterdam, Paris, Dublin. Secondary markets: Berlin, Brussels, Madrid, Milan, Munich, Oslo, Stockholm, Vienna, Warsaw, Zurich.

Investment markets showing signs of recovery

European industrial investment volumes¹



H1 investment volumes in line with pre-pandemic averages

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

1. Source: CBRE, logistics data covers units above 10,000 sq m and 10m clear eaves height in the UK, and above 5,000 sq m in Continental Europe..

Key Credit Strength: Track Record of Growth from Asset Management and Development



Investing for growth through disciplined capital allocation



Development

Including £52m for infrastructure
Developing on land we already own

- Yield on new money: c.10%

£211_m¹

Acquisitions

Building scale in the Netherlands with three fully-leased, highly-reversionary, modern logistics asset acquisitions

£190_m¹

Agile capital recycling

Selective disposals of assets and land

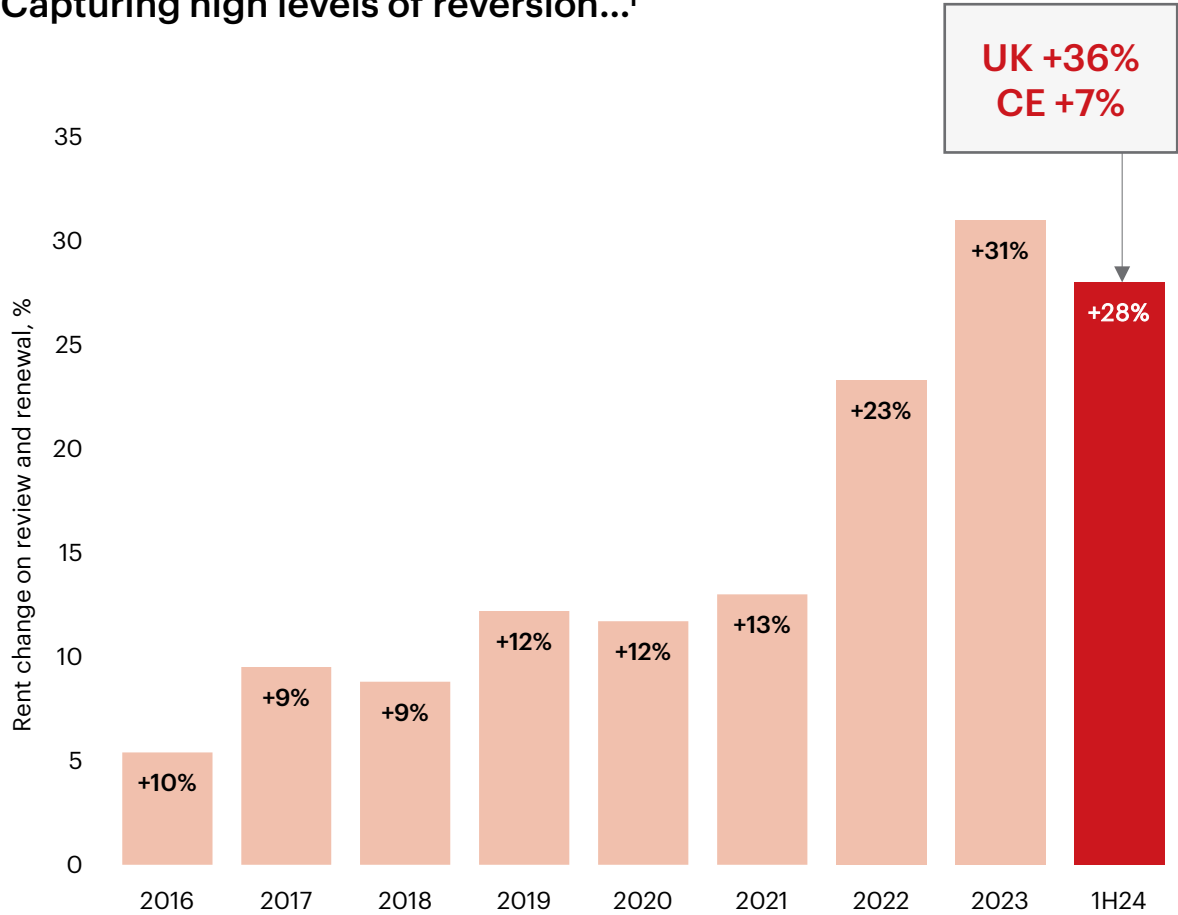
- Crystallising £50m gain

£139m of disposals post period-end

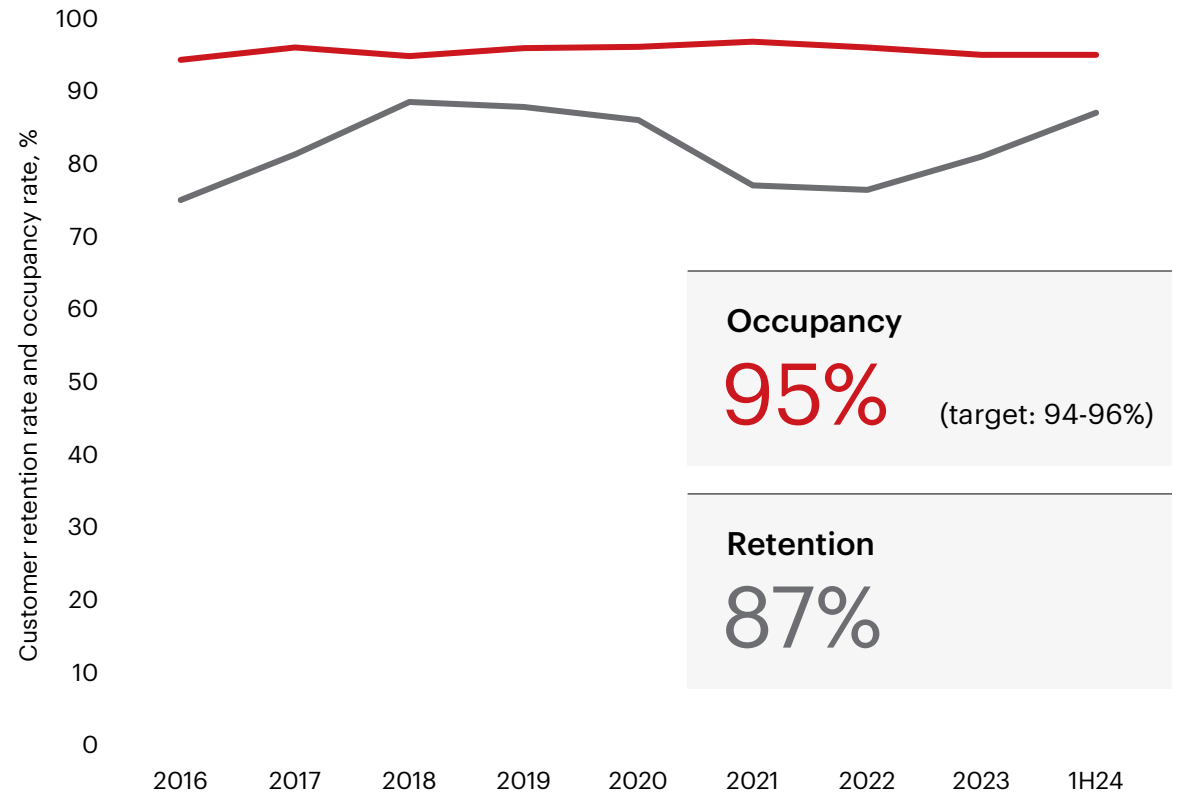
£251_m¹

Actively managing the existing portfolio

Capturing high levels of reversion...¹



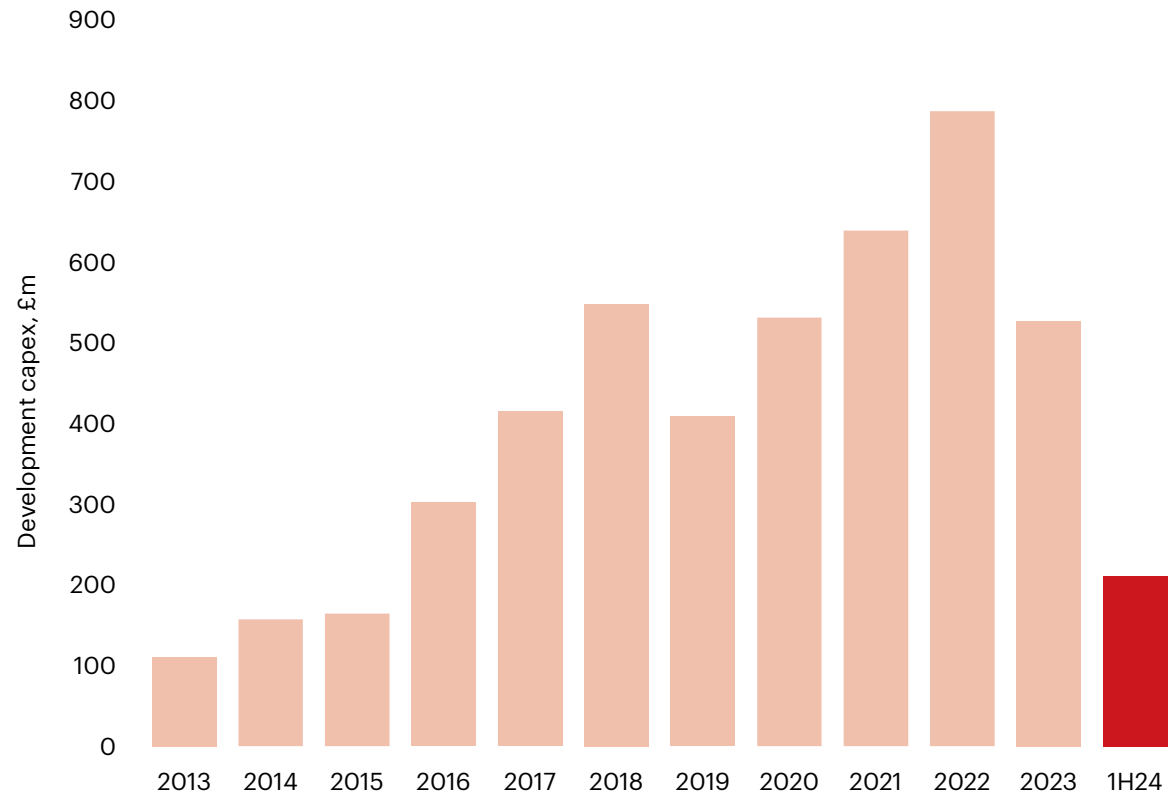
...retaining customers and maintaining healthy levels of occupancy²



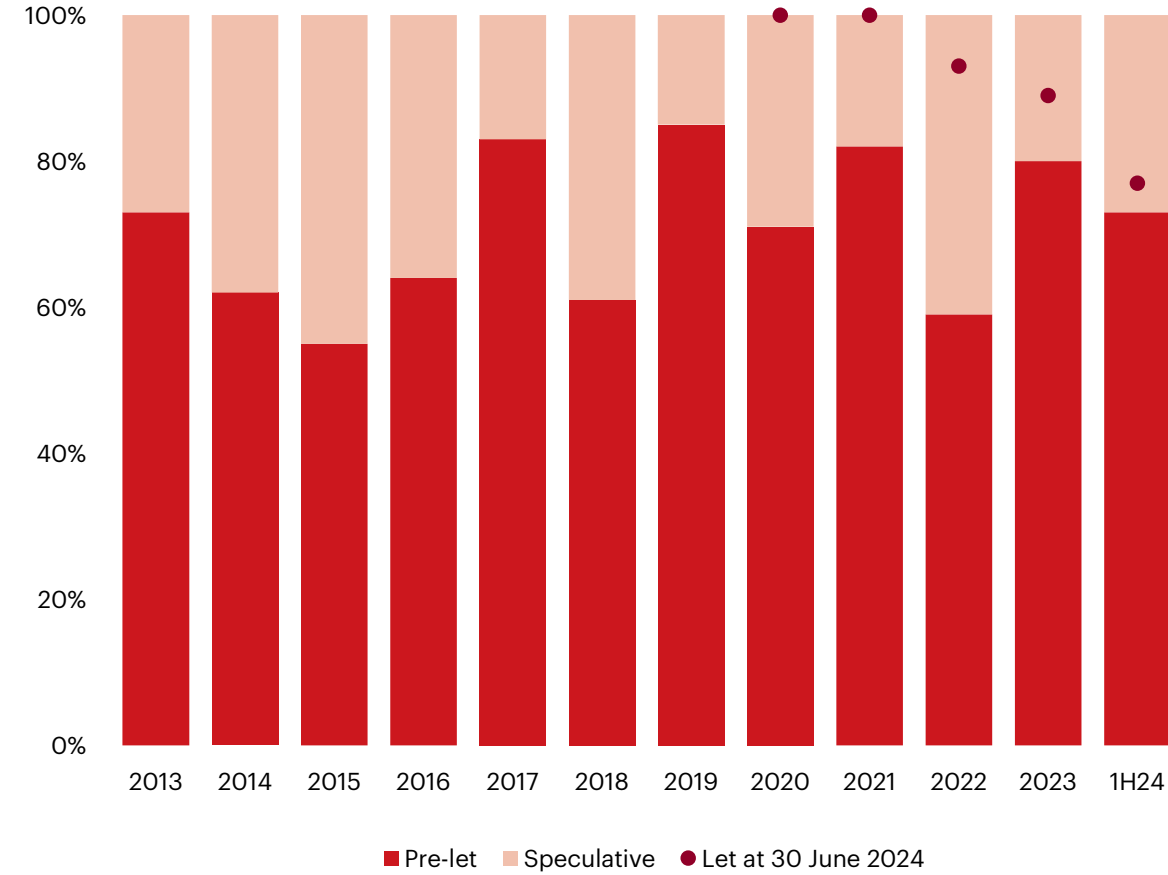
1. Uplift from rent reviews and renewals excludes annual indexation uplifts. Uplift in 2019 and 2020 excludes re-gears on the peppercorn leases in the Heathrow portfolio (total +18% in 2019 and +19% in 2020).
2. Occupancy rate based on ERV at 30 June 2024; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.

Sizeable, derisked development programme

Development-led growth¹



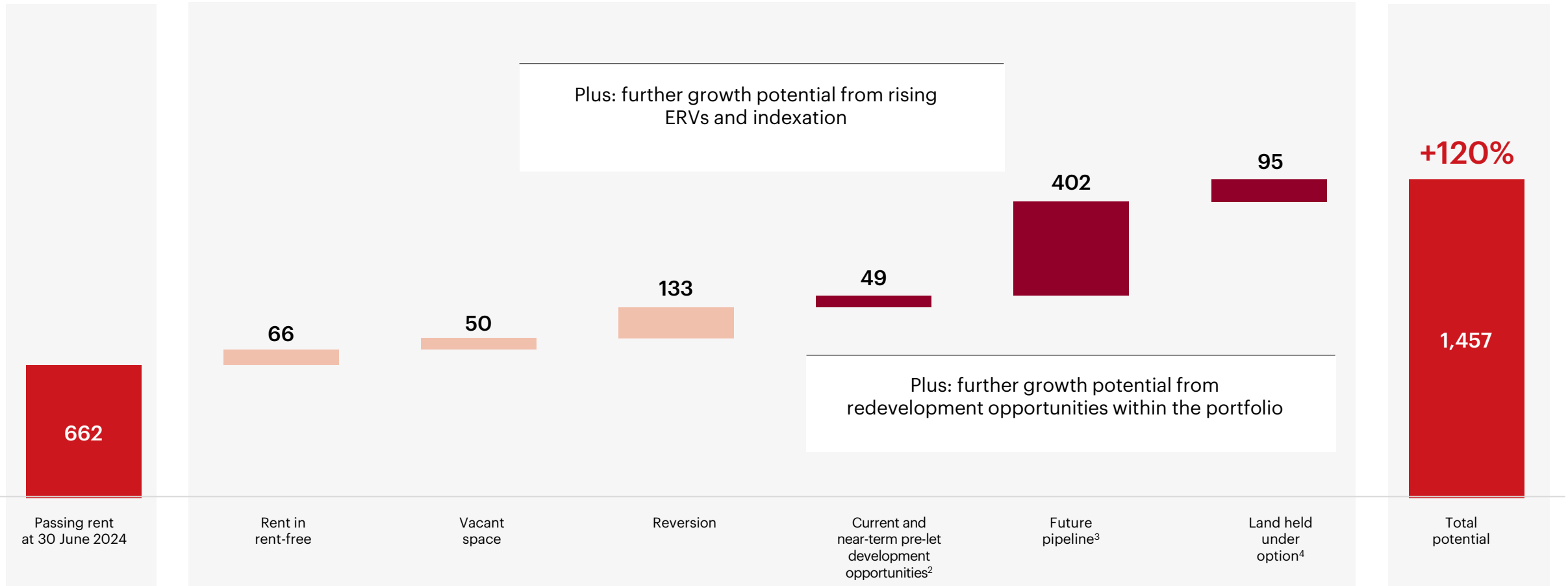
The majority of which is pre-let



1. Capex on developments and infrastructure £m (SEGRO share).

A pathway to more than double our rent roll

Annualised gross cash passing rent¹, £ million
(as at 30 June 2024)



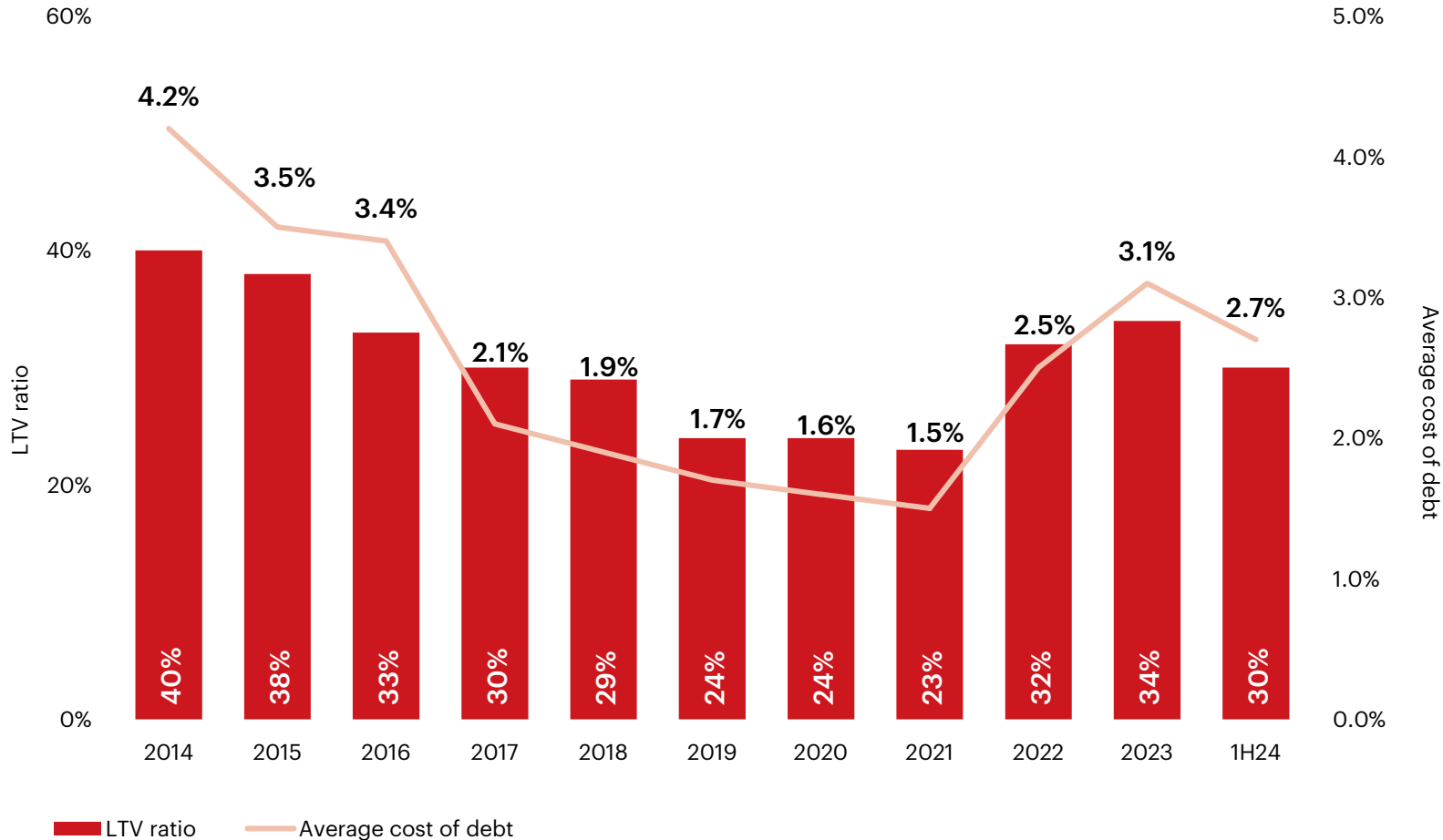
1. Including JVs at share. 2. Near-term development opportunities include pre-let agreements subject to final conditions such as planning permission, which are expected to commence within the next 12 months. 3. Estimated based on the current expected completion date of projects to be developed on the Group's landbank, which incorporates a number of assumptions including planning, customer demand and procurement of construction contracts. Excludes development projects identified for sale on completion and from projects identified as "near-term opportunities". 4. Land secured by way of options or conditional on contract.

Key Credit Strength: Strong Balance Sheet



Balance sheet remains strong

LTV ratio and average cost of debt
(incl share of joint ventures), 2014-1H24



£2.1bn committed liquidity¹

Available cash and undrawn committed facilities

A- credit rating

SEGRO Fitch senior unsecured

8.5x

net debt:EBITDA ratio²

3.1x

interest cover ratio

Estimated development capex:

2024: c. £500 million

Disposals run rate:

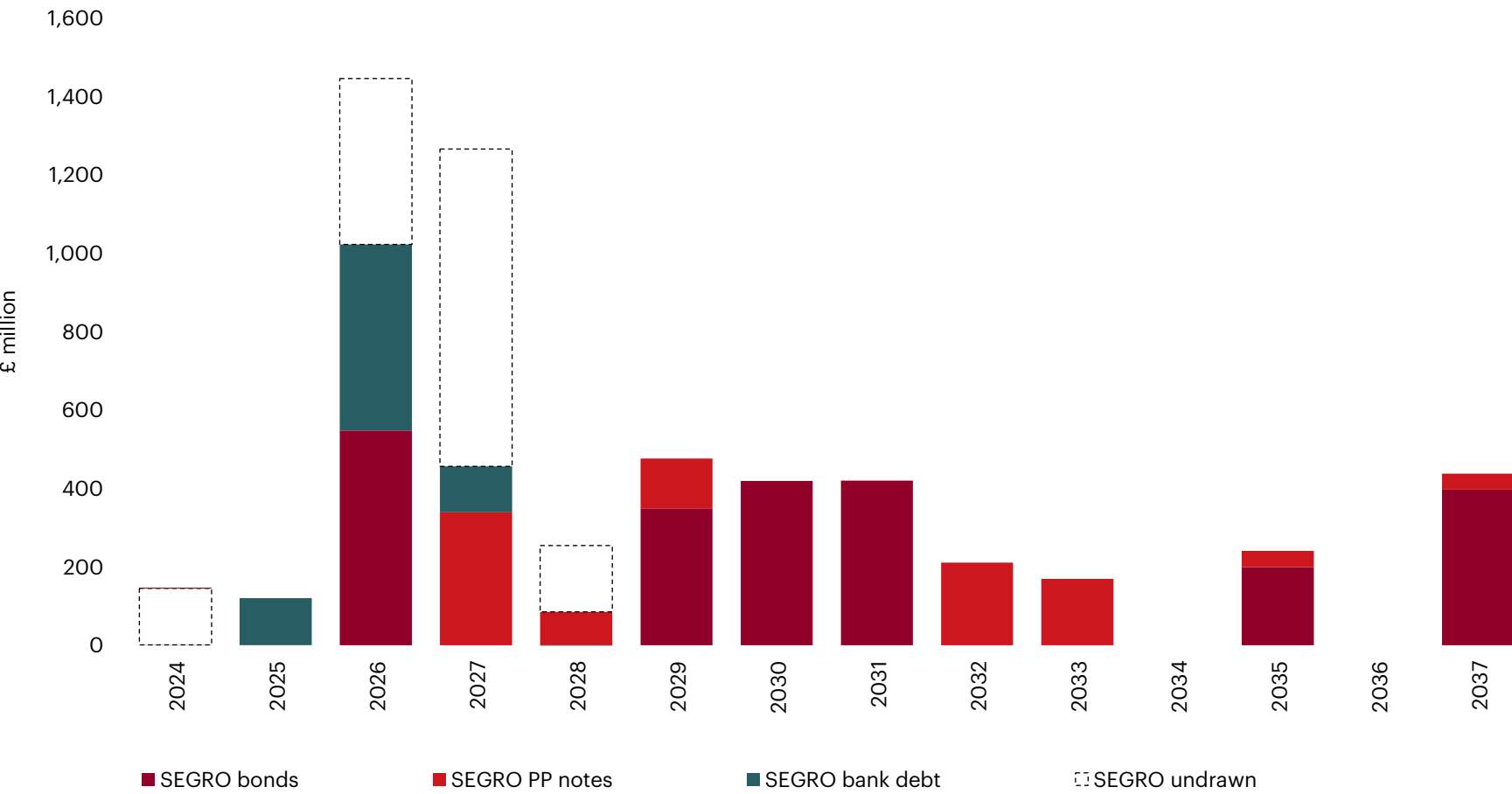
1-2% of GAV per annum

¹ Excludes tenant deposits and uncommitted facilities.

² Based on net debt as at 30 June 2024 and EBITDA for the twelve months to 30 June 2024.

SEGRO Group Long Term Debt Maturity Profile

Diverse, long duration debt profile
(as at 30 June 2024)



Average debt maturity
7.6 years

Interest rate exposure of gross debt
94% fixed rate or subject to an active cap

Financing metrics

Group only	30 June 2024	31 December 2023
Net borrowings (£m)	4,213	4,972
Available cash and undrawn facilities (£m) ³	1,885	1,528
Gearing (%)	35	45
Loan to value ratio (%)	28	34
Net debt:EBITDA ratio (times)	8.5	10.4
Weighted average cost of debt ¹ (%)	2.8	3.2
Interest cover ² (times)	2.9	2.7
Average duration of debt (years)	7.6	7.6

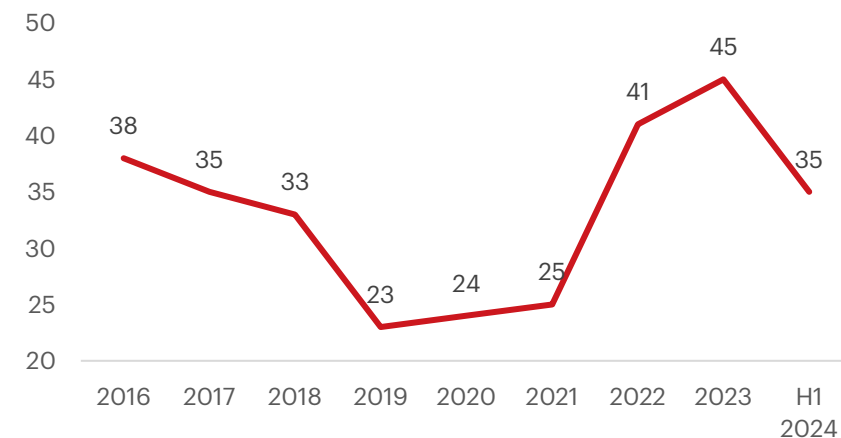
Including joint ventures at share	30 June 2024	31 December 2023
Net borrowings (£m)	5,218	6,016
Available cash and undrawn facilities (£m) ³	2,087	1,722
Loan to value ratio (%)	30	34
Weighted average cost of debt ¹ (%)	2.7	3.1
Interest cover ² (times)	3.1	3.0
Average duration of debt (years)	6.8	6.9

¹ Based on gross debt, excluding commitment fees and non-cash interest

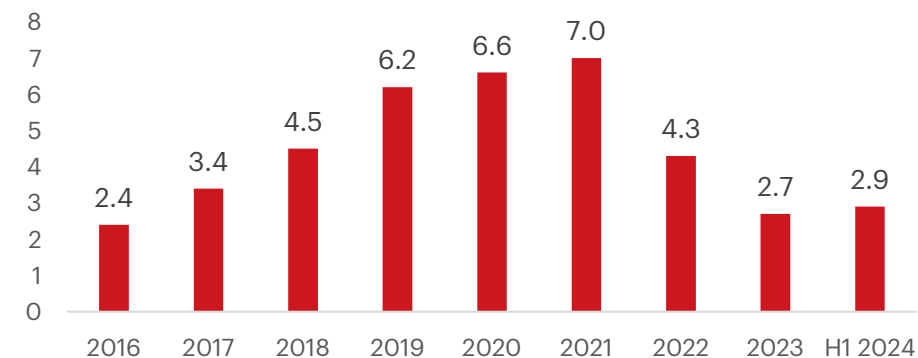
² Net rental income/Adjusted net finance costs (before capitalisation). Figures based on the 12 months to 30 June 2024 and the 12 months to 31 December 2021

³ Excludes tenant deposits held within cash and cash equivalents

Gearing ratio, 31 December 2016 to 30 June 2024
(based on wholly-owned assets)



ICR, 31 December 2016 to 30 June 2024 (based on wholly-owned assets)



Key Credit Strengths



Indicative Issue Terms

Issuer	SEGRO plc
Fitch Issue Rating	Expected A-
Currency	EUR
Maturity	8 year
Use of Proceeds	General corporate purposes of the Group including the repayment of certain unsecured indebtedness of members of the Group, which indebtedness may include amounts owed to one or more of the Joint Lead Managers
Interest	Fixed annually in arrear
Optional Redemption (Issuer)	3-month Par Call; Make-Whole Call at any other time prior to three months before maturity
Optional Redemption (Holder)	If a Restructuring Event is deemed to occur within the Restructuring Period as outlined in Condition 7.5 of the EMTN Programme
Documentation & Ranking	Euro Medium Term Note Programme dated 7 June 2024 and supplemented 26 July 2024, English Law Senior unsecured. Pari Passu to existing senior unsecured debt
Covenants	<ul style="list-style-type: none"> • Gearing covenant: borrowings not to exceed 175% of adjusted capital and reserves • Priority debt: Secured and priority debt do not exceed 50% of adjusted capital and reserves As more fully described in condition 4 of the EMTN programme
Listing	London Stock Exchange Main Market
Form & Denomination	100,000 plus 1,000 increments – bearer form
Joint Active Lead Managers	Barclays, Santander Corporate and Investment Bank, SMBC Nikko, Wells Fargo Securities
Joint Passive Lead Managers	Bank of China, BNP Paribas, Lloyds, NatWest Markets