



INVESTMENT CASE



March 2022



SEGR

UK FTSE 100 LISTED COMPANY

ESTABLISHED IN 1920

SEGR IS THE UK'S LARGEST LISTED REIT

9.6 MILLION
SQ M OF SPACE

8
COUNTRIES

£21.3 BILLION
OF ASSETS UNDER
MANAGEMENT

1,471
CUSTOMERS



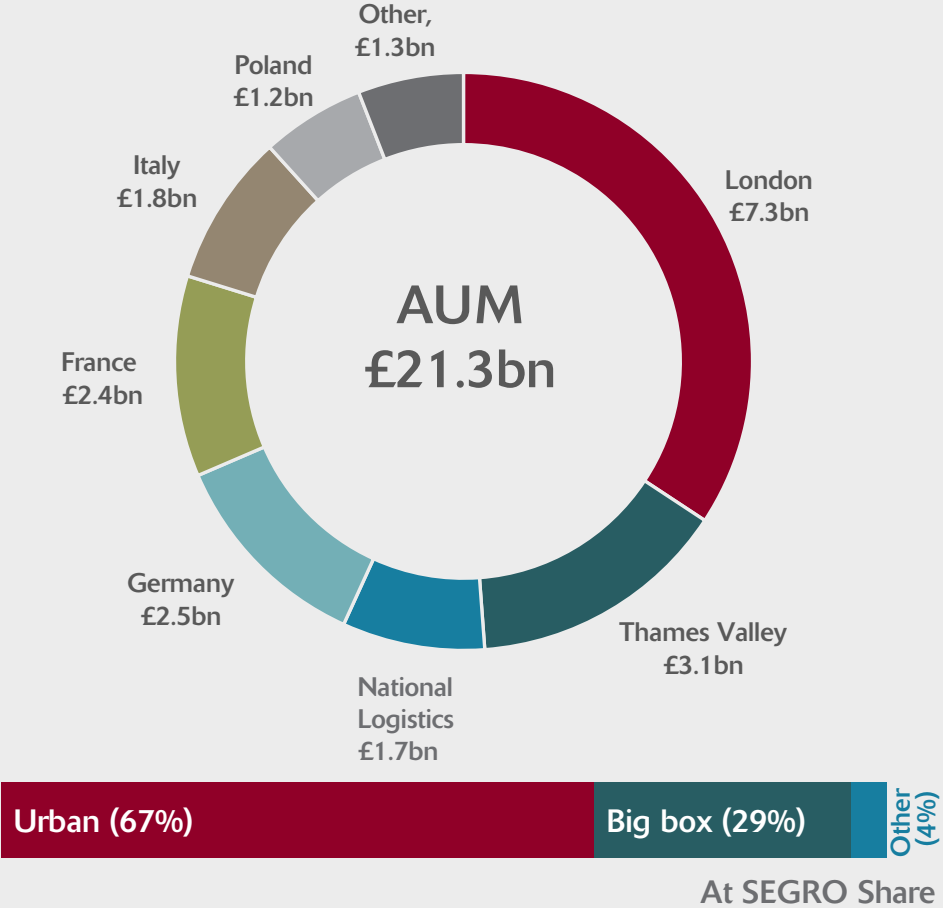
**WE CREATE
THE SPACE
THAT ENABLES
EXTRAORDINARY
THINGS
TO HAPPEN**

SEGRO INVESTMENT CASE



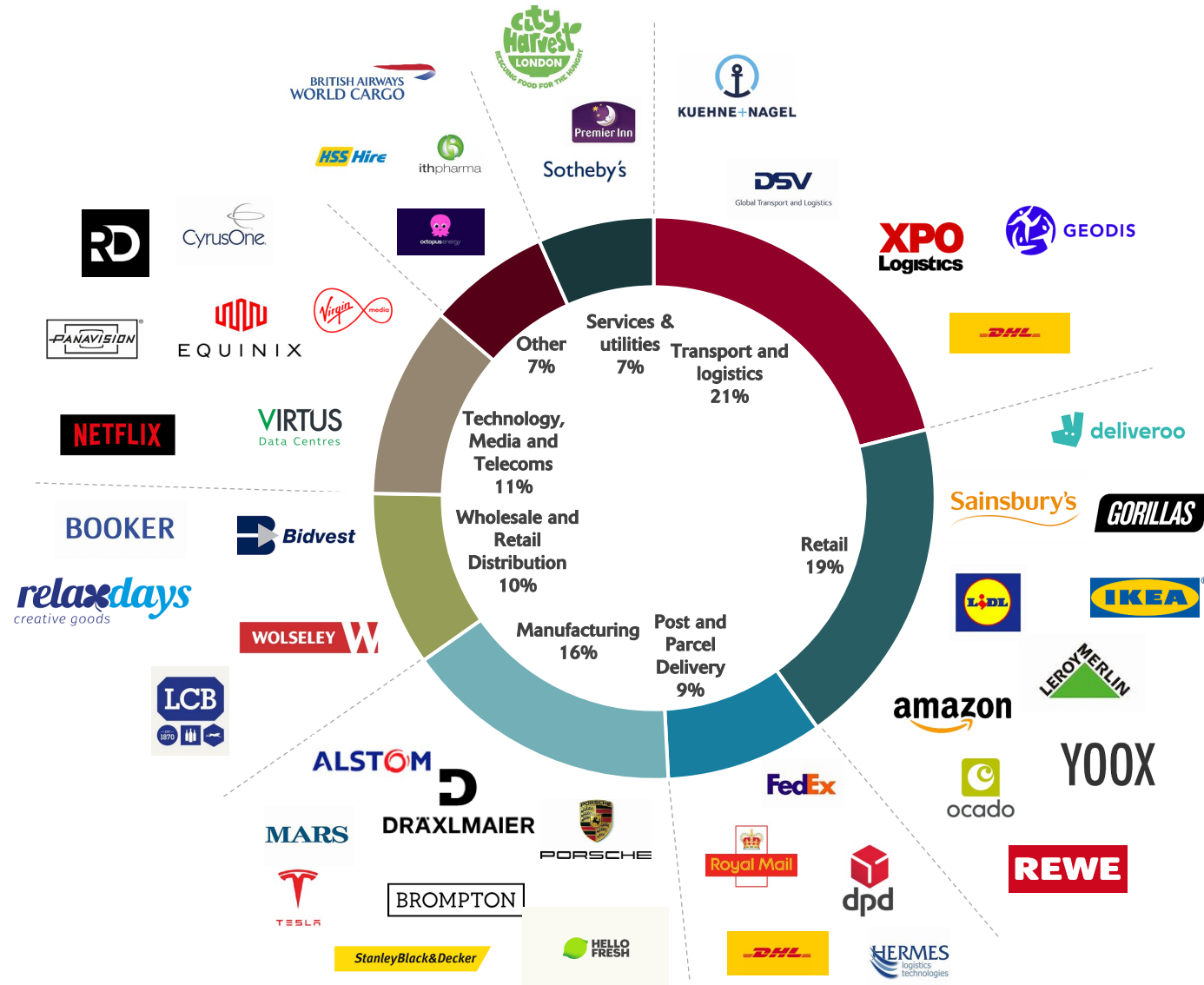
A PRIME PORTFOLIO OF ASSETS AND A PAN-EUROPEAN OPERATING PLATFORM

Portfolio split by geography and asset type
(at 31 December 2021)



A VERY DIVERSIFIED CUSTOMER BASE

Customer sectors
(headline rent, SEGRO share)



1,471 customers

Top 20 customers = 32% of total group headline rent

URBAN AND BIG BOX WAREHOUSES – COMPLEMENTARY ASSET TYPES

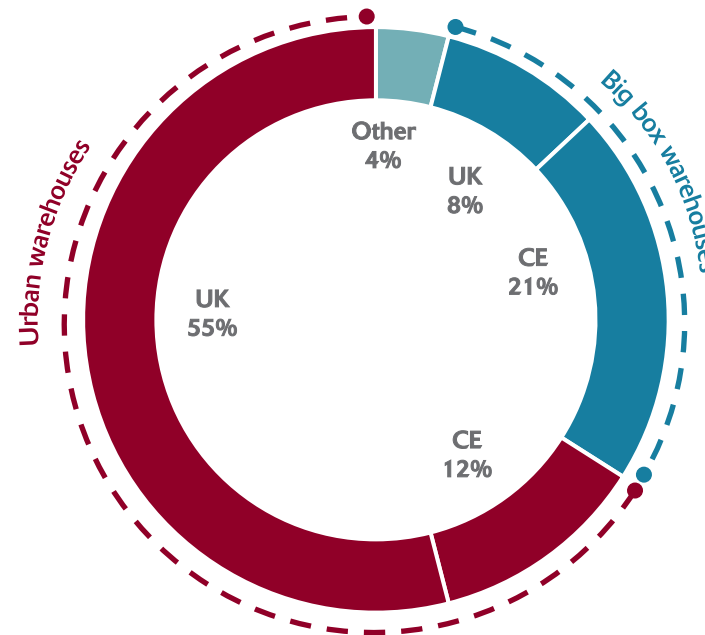
Urban warehouses (67%)

- 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 2021



Big boxes (29%)

- 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

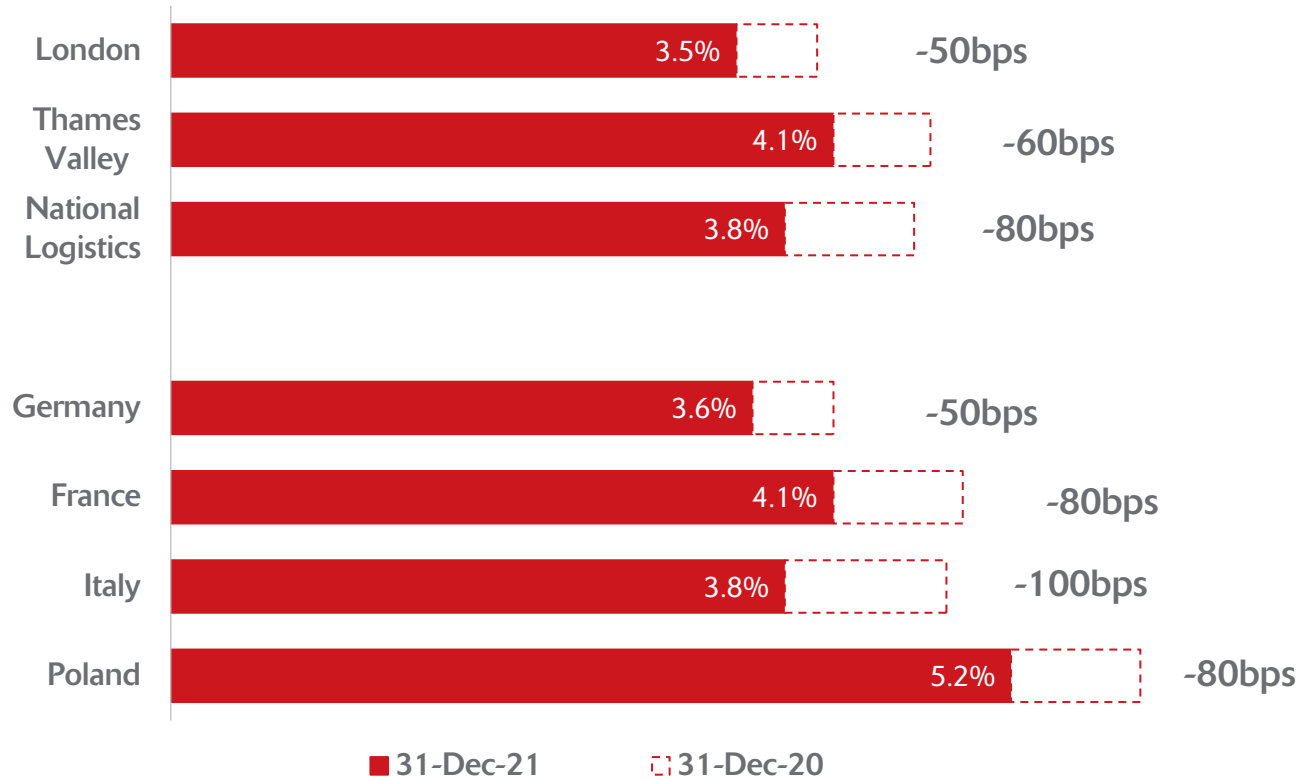
SEGRO PORTFOLIO YIELD AND RENTAL PROFILE

Property yield²: 3.8%

2020: 4.5%

ERV growth: 13.1%

2020: 2.5%



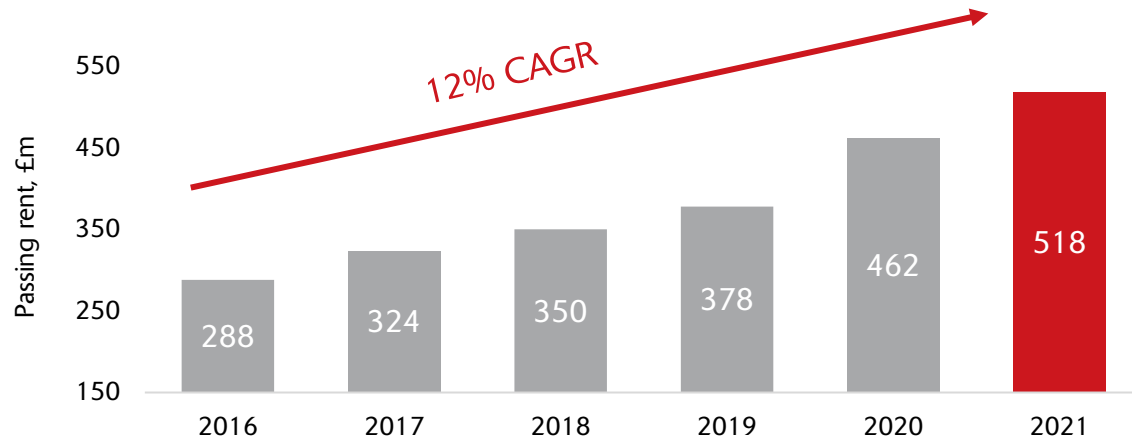
+23.5%	UK: +18.8% 2020: +3.1%
+12.2%	
+8.9%	

+3.3%	Cont. Eur: +4.1% 2020: +1.5%
+6.0%	
+5.9%	
+0.2%	

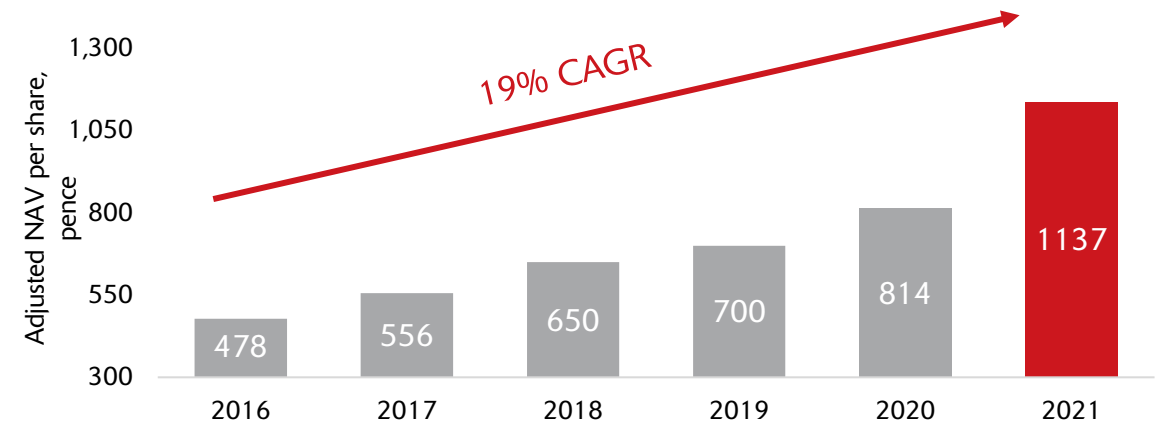
SEGRO (mainly urban): +5.0%
SELP (big box): +3.4%

CONSISTENTLY DELIVERING STRONG RETURNS

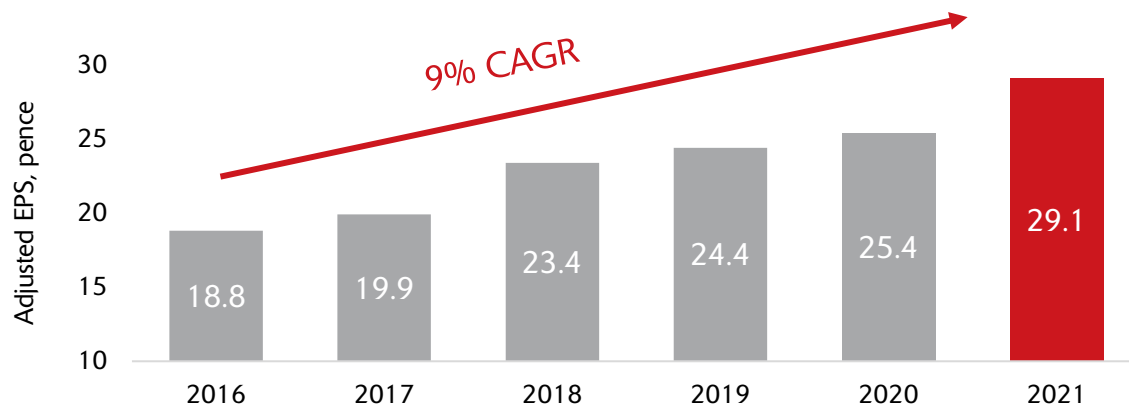
Passing Rent



Adjusted NAV¹ per share

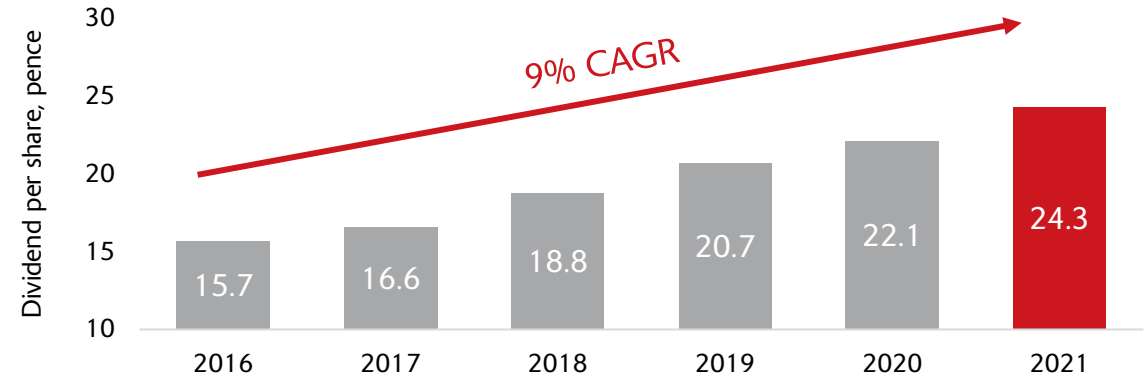


Adjusted earnings per share



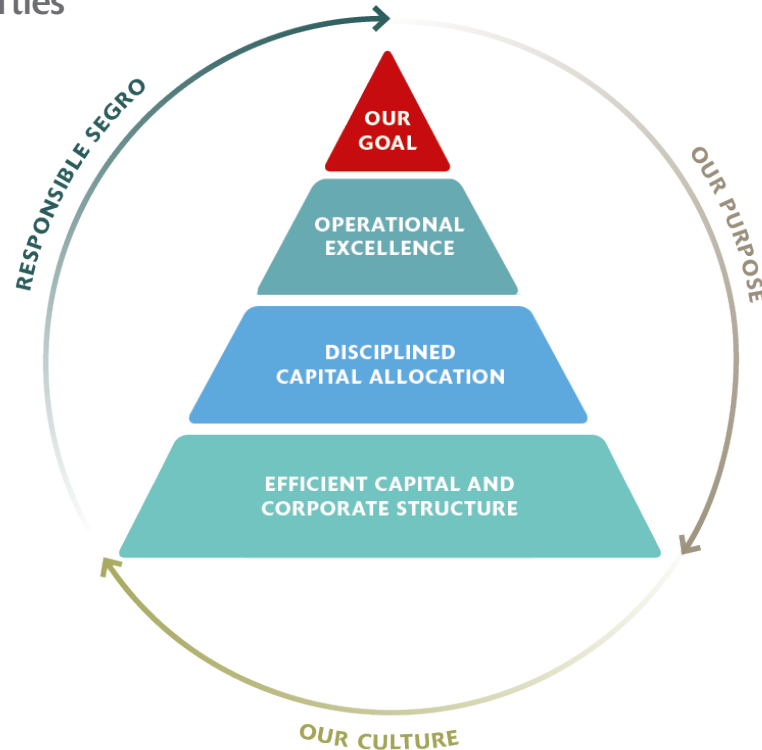
Dividend per share

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

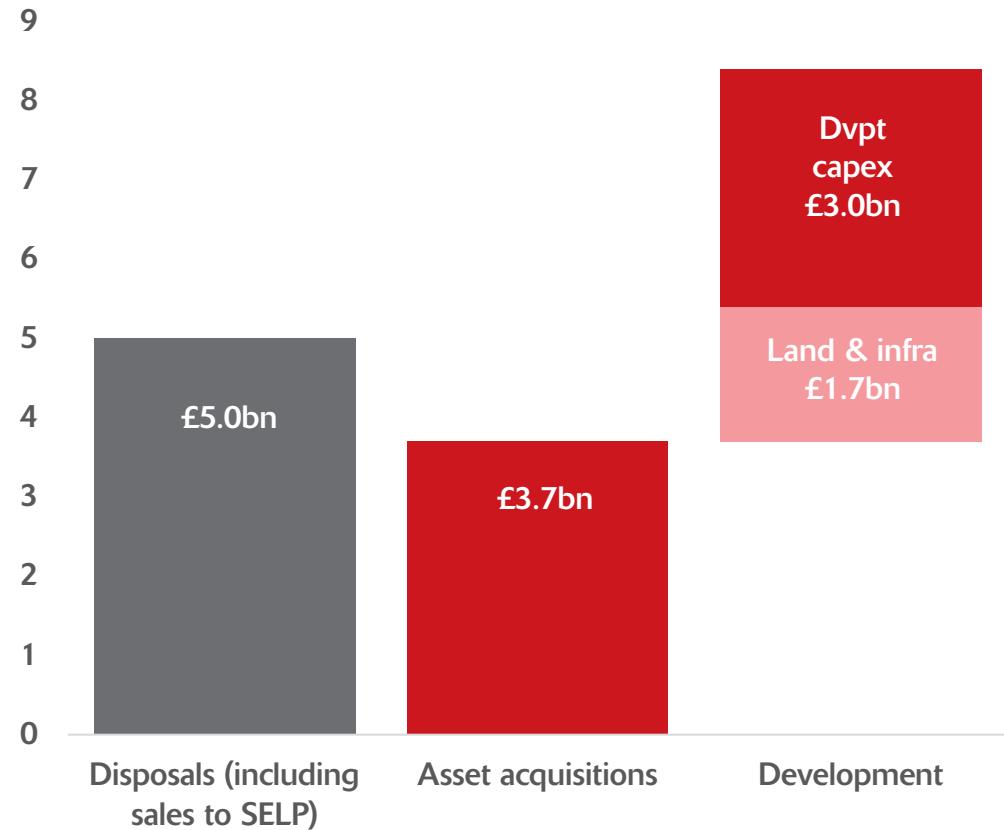


DISCIPLINED CAPITAL ALLOCATION KEY TO OUR STRATEGY

Our goal is to be the leading owner-manager and developer of industrial properties in Europe and the partner of choice for our customers and other stakeholders

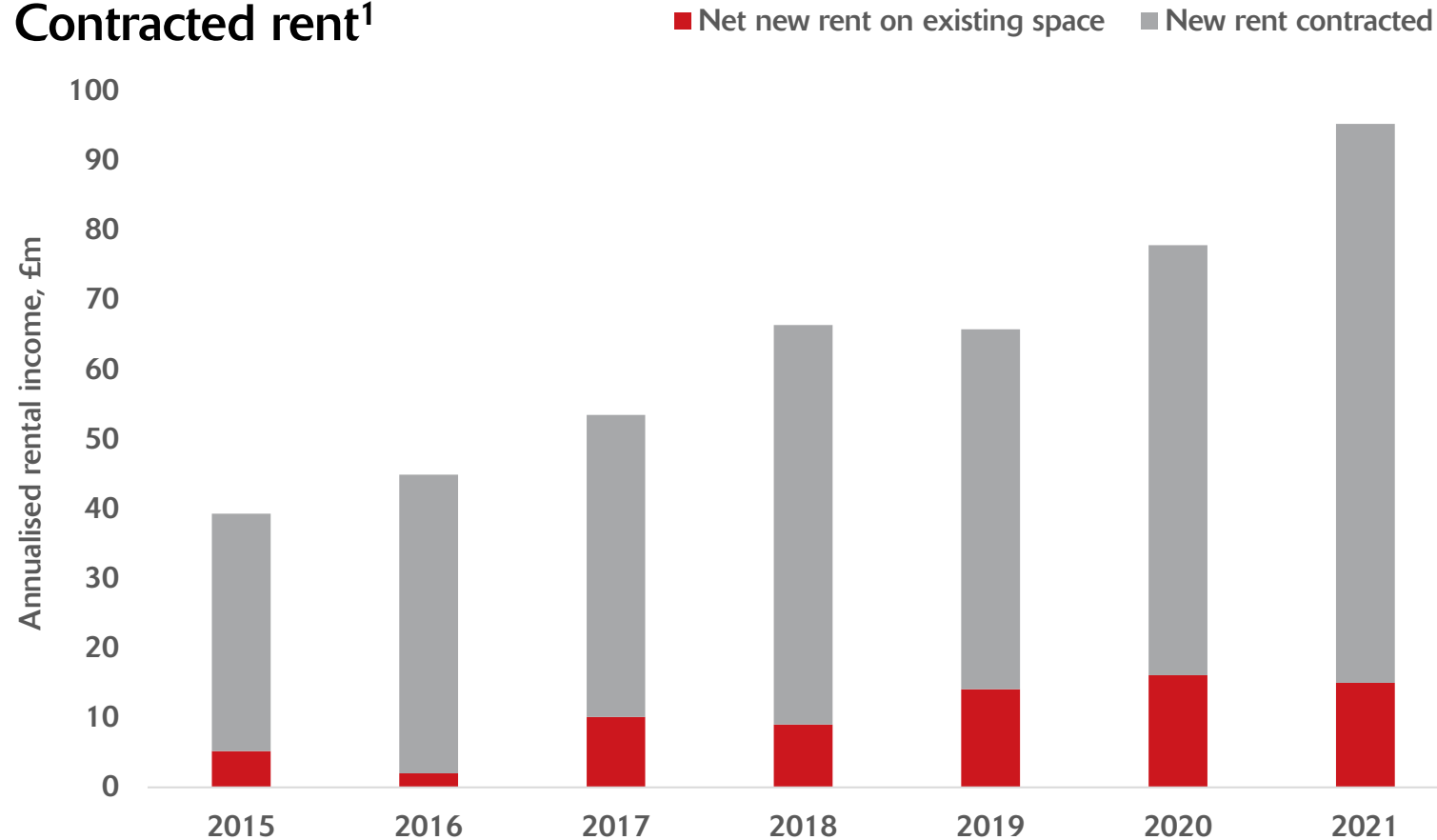


Disposal and investment activity since 1 January 2012 (£bn)



HIGH DEMAND FROM A DIVERSE RANGE OF OCCUPIERS

Contracted rent¹

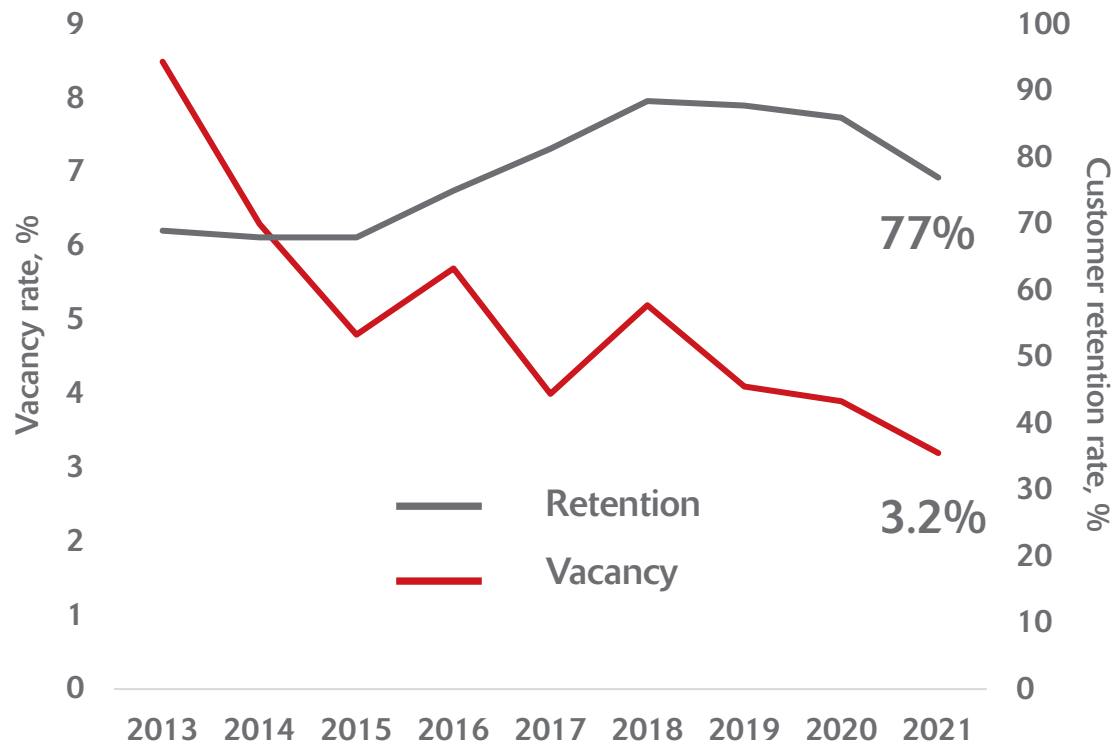


¹ Net new rent on existing space reflects headline rent agreed on new leases less passing rent lost from space taken back during the year; new rent contracted is total headline rent secured or (in the case of developments) agreed in the year.

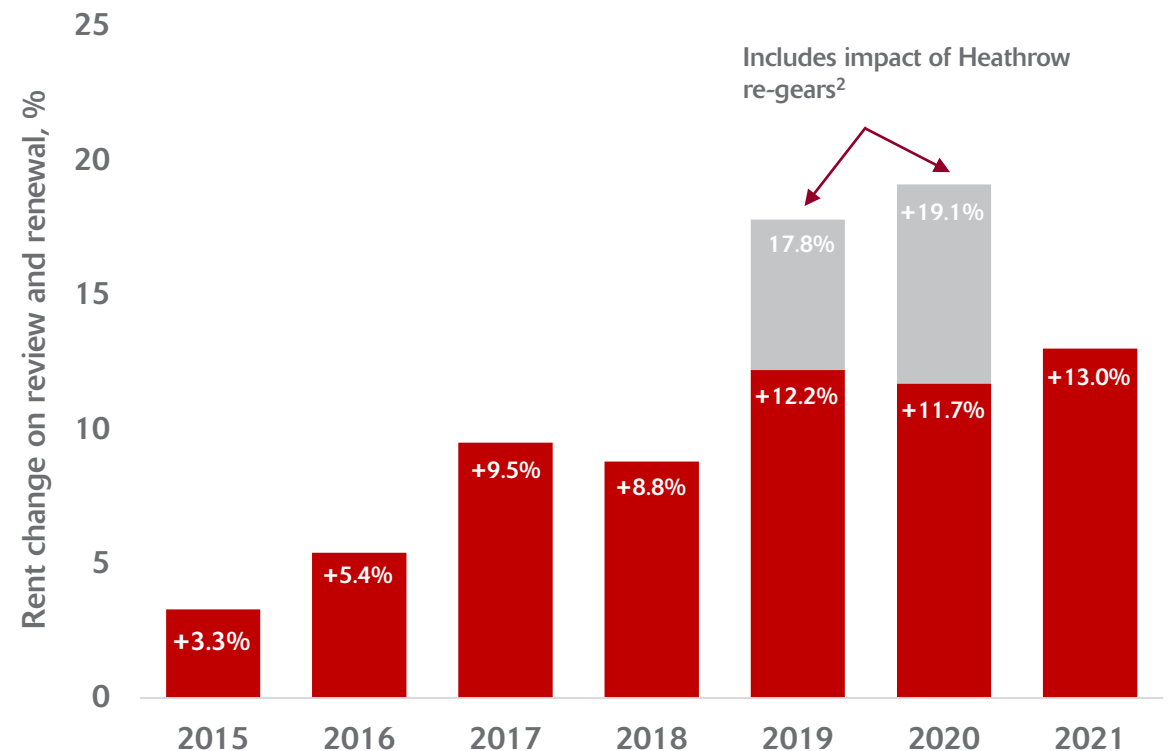


STRONG OPERATIONAL METRICS

High levels of customer retention and continued low vacancy¹

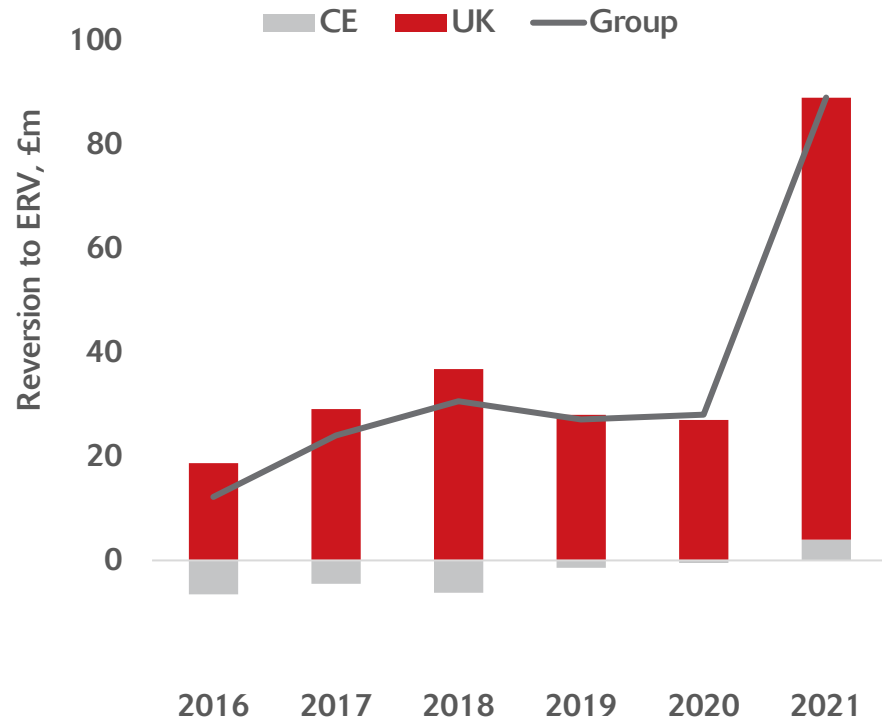


Capturing reversion from renewals and reviews²



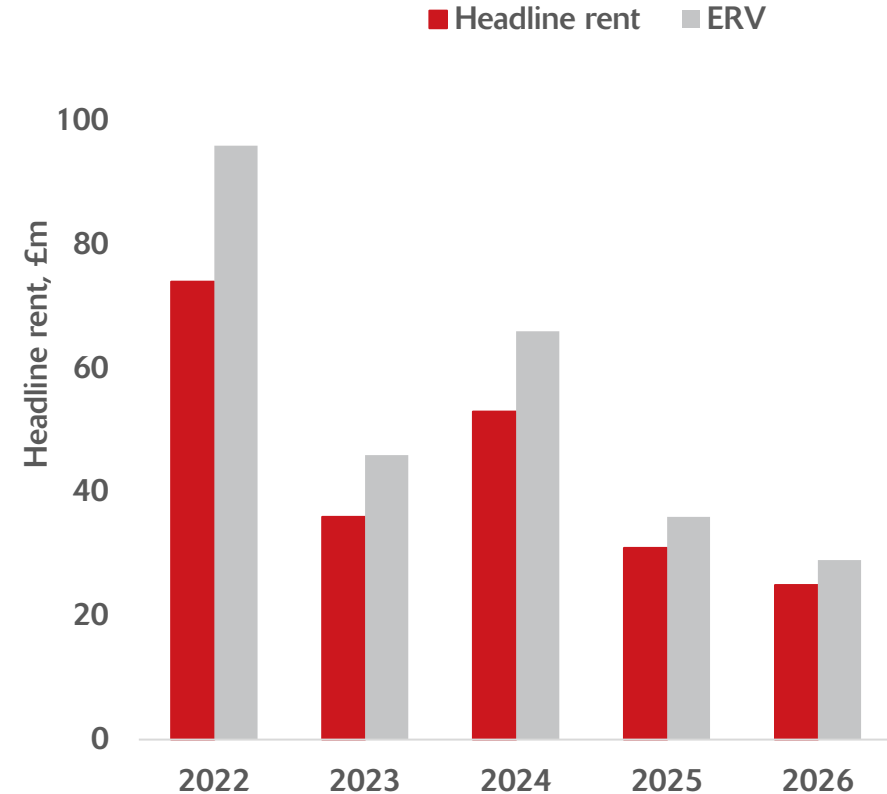
£89M OF REVERSIONARY POTENTIAL TO BE CAPTURED

Accumulated reversion to ERV in the portfolio¹, £m



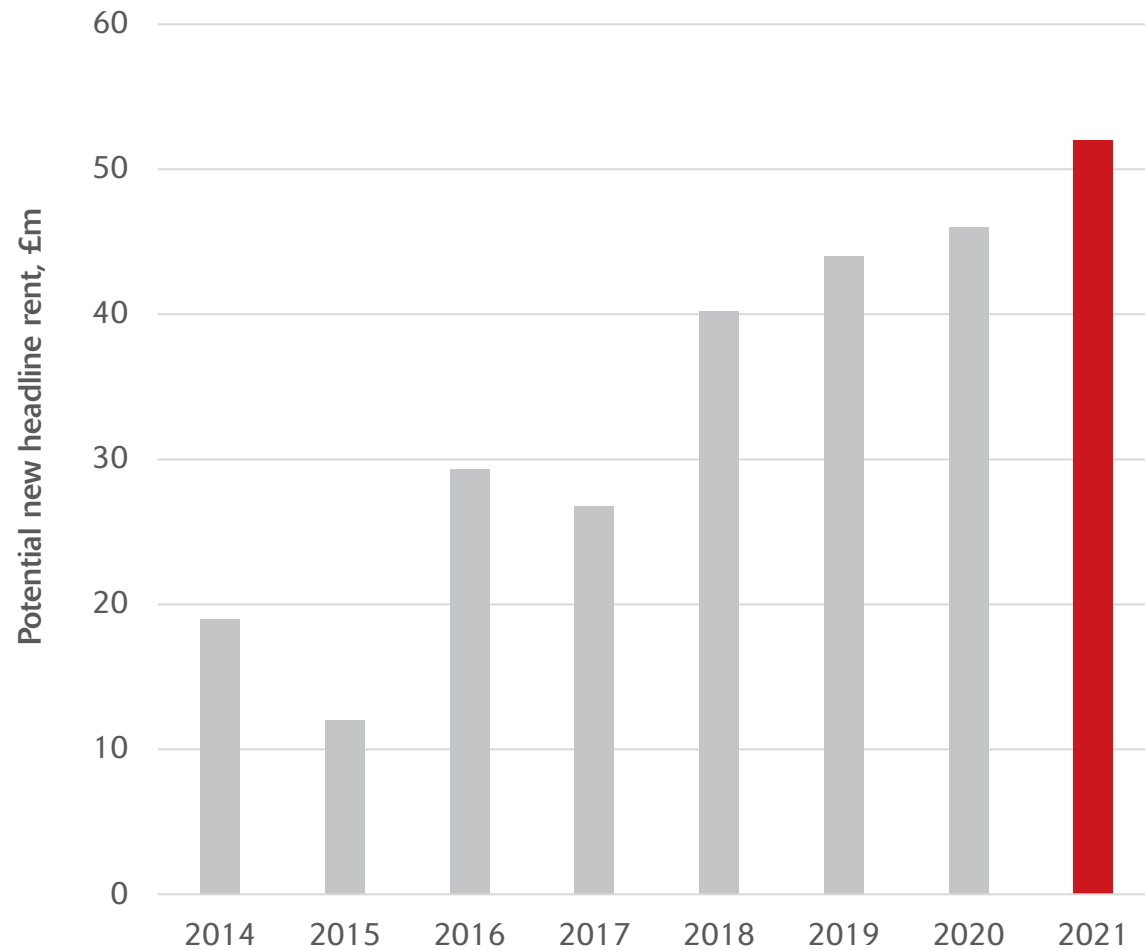
¹ Reversion on let space only, excludes vacancy.

UK headline rent subject to review², £m



² Rent subject to review only, excludes expiries.

DEVELOPMENT ADDING TO RENT ROLL



839,200 sqm
of new space completed

47
projects

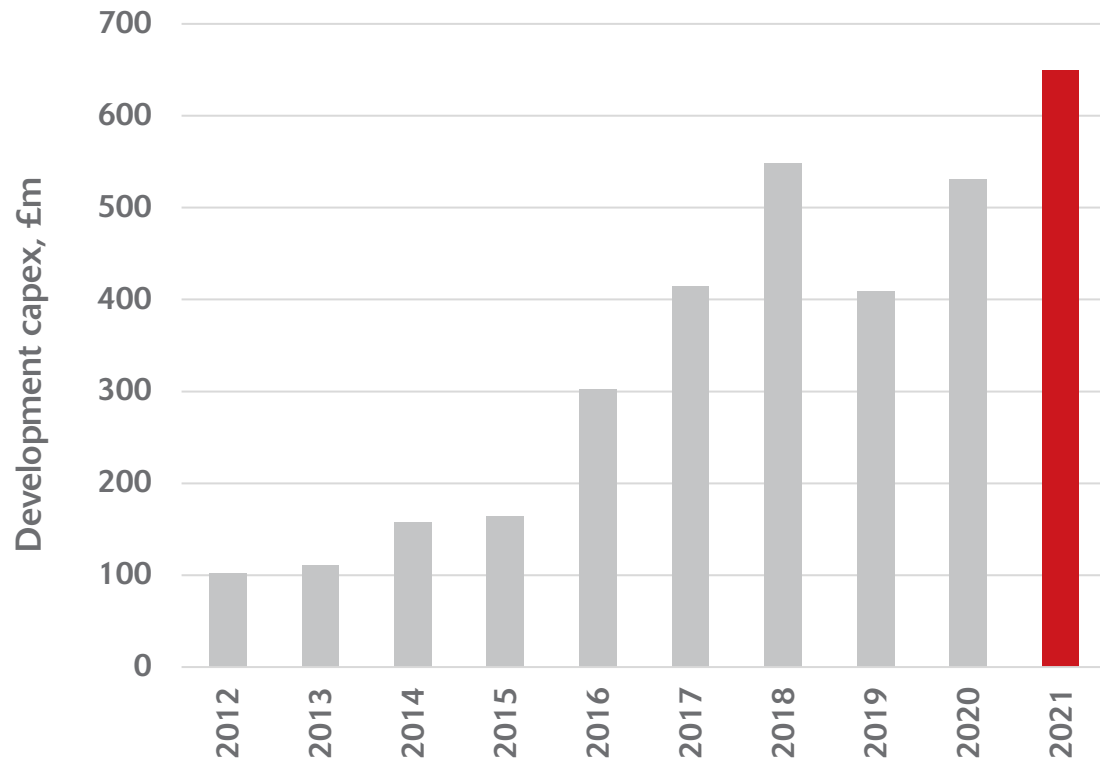
£52m
potential headline rent (93% leased)

6.8%
average yield on cost

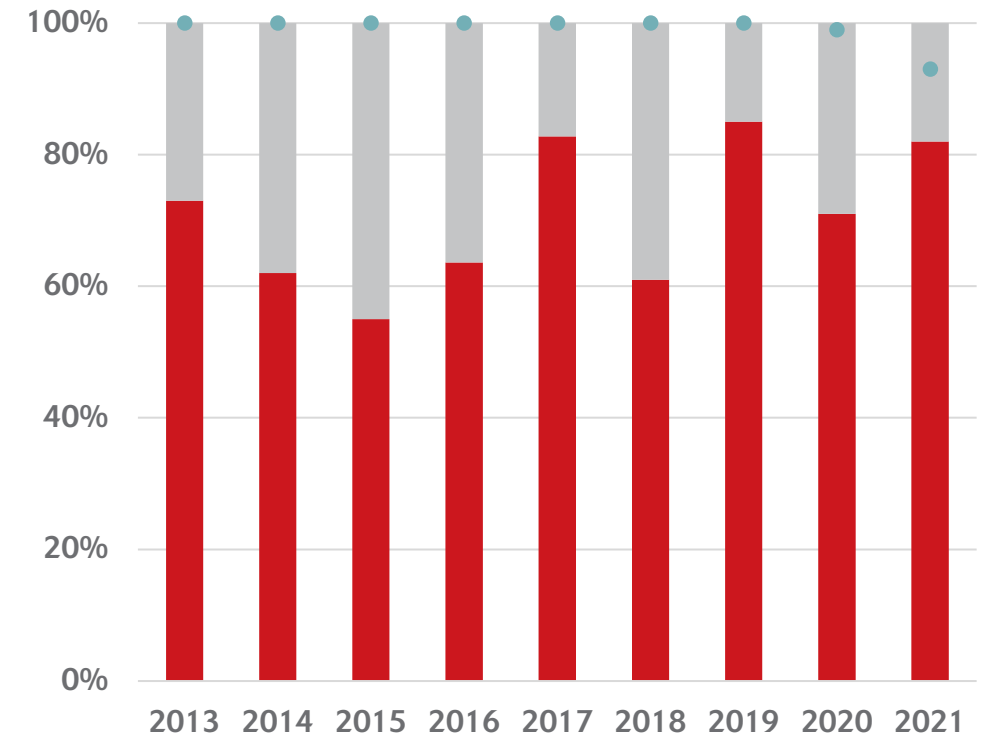
98%
targeting BREEAM 'Excellent' or 'Very Good'
(or local equivalent)

DEVELOPMENT PIPELINE MOSTLY DE-RISKED THROUGH PRE-LETTING

Development-led growth¹



The majority of which is pre-let



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

■ Pre-let ■ Speculative ● Let at 31 December 21

SIGNIFICANT PROGRESS WITH RESPONSIBLE SEGRO

- Reduced operational carbon emissions by 10%
- Increased visibility of customer energy use to 54%
- Carried out life cycle assessments on over 440,000 sq m of developed space

- Established the Community Investment Plan (CIP) framework
- Setting up our first plans in key markets such as the UK, France, Germany and Poland
- Appointed 41 Community Champions across the group

CHAMPIONING LOW-CARBON GROWTH

INVESTING IN OUR LOCAL COMMUNITIES AND ENVIRONMENTS

NURTURING TALENT

- Undertook a National Equality Standards audit
- Diversity & Inclusion as well as Inclusive Leadership training across the business
- Established a Wellbeing Fund for SEGRO employees

DRIVING FUTURE GROWTH

SUPPORTIVE LONG-TERM STRUCTURAL DRIVERS



**DIGITALISATION
OF OUR
ECONOMIES**



URBANISATION



**SUPPLY CHAIN
EFFICIENCY &
RESILIENCE**



SUSTAINABILITY

FAVOURABLE MARKET DYNAMICS



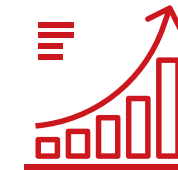
Record levels of take
up across Europe in 2021¹



33 million sqm of space
needed over next 5 years across Europe to
support growth of e-commerce²



Vacancy at a record low level of 3.5%³



£52 billion invested into industrial
assets across Europe⁴

DEMAND-SUPPLY CONDITIONS SUPPORTIVE OF FURTHER RENTAL GROWTH

Property Type	Region	% of portfolio ¹	Demand conditions	Supply conditions	SEGRO 5 year average ERV growth	SEGRO ERV growth expectations
Urban warehouses	UK	55%	VERY STRONG	ACUTE	7.4%	3-6% pa
	Continental Europe	12%	STRONG	LIMITED	3.2%	
Big box warehouses	UK	8% ²	STRONG	LIMITED	2.7%	2-4% pa
	Continental Europe	21%	STRONG	LIMITED	1.8%	

...with £114m of reversionary potential to capture (including £25m of vacant space)

¹ Percentage of portfolio based on valuations as of 31 December 2021. 4% of the portfolio in other uses of industrial land, e.g. self-storage, car showrooms, offices.

² Includes big box warehouses in the Midlands (within National Logistics) and South East England.

£390+ MILLION OF POTENTIAL RENTAL INCOME FROM FUTURE DEVELOPMENT

SEGRO land bank (31 December 2021)



Potential annualised gross rent from current, near-term and future pipeline⁵, by asset type (£231 million at 31 December 2021)

Big box (66%)

Urban (30%)

Other (4%)

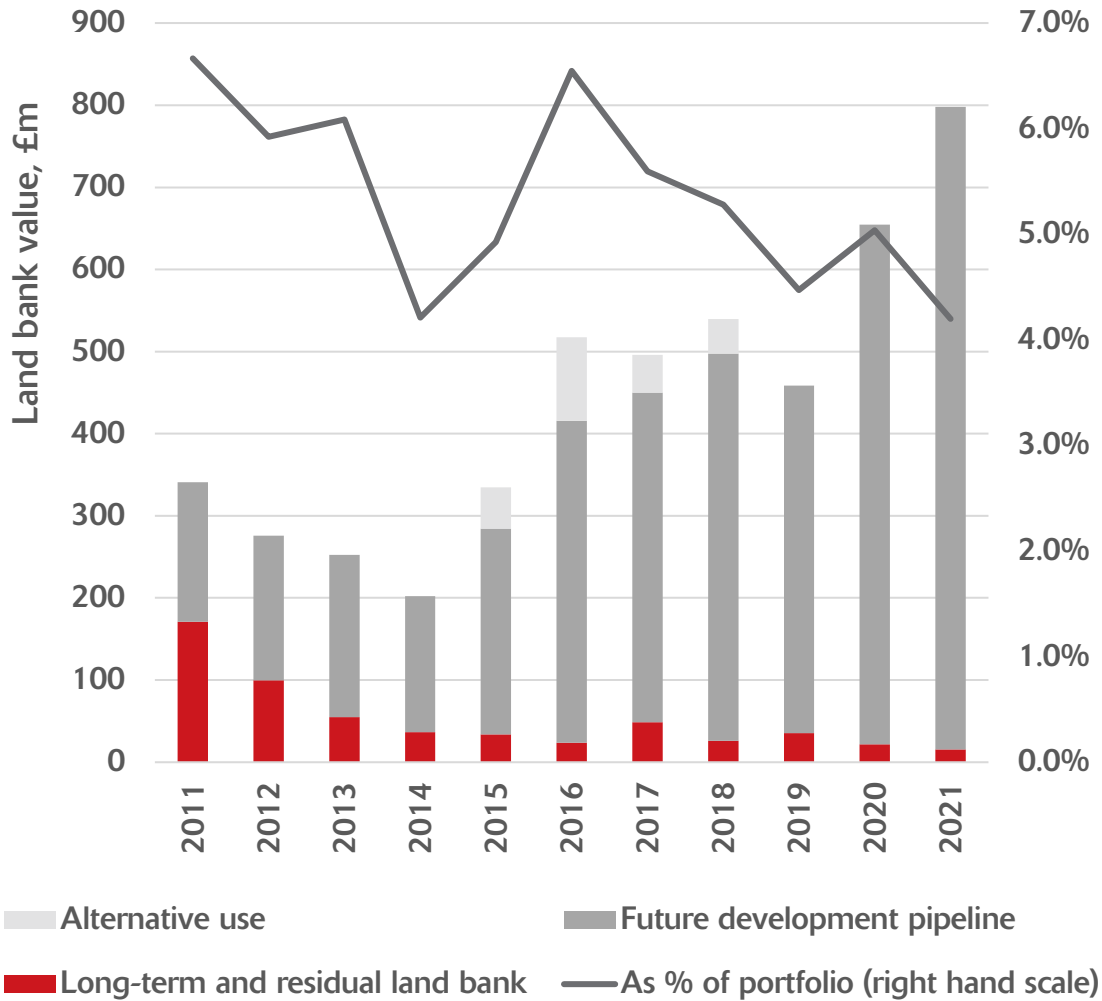
Development pipeline	Area (sq m)	Estimated cost to complete (£m)	Potential gross rent (£m)	Development yield ³	Proportion pre-let	Expected delivery
Current	801,360	380 ²	62	7.0%	60%	1-12 months
Near-term pre-lets ¹	334,100	271	20	5.7%	97%	12-18 months
Future ¹	2.7m	1,632	149	6-7%	-	1-7 years
Optioned land ⁴	c1.6m	c2,700	c160	c6%	-	1-10 years
Total	5.4m	4,983	391	c6%	-	1-10 years

Potential annualised gross rent from current, near-term and future pipeline⁵, by region (£231 million at 31 December 2021)

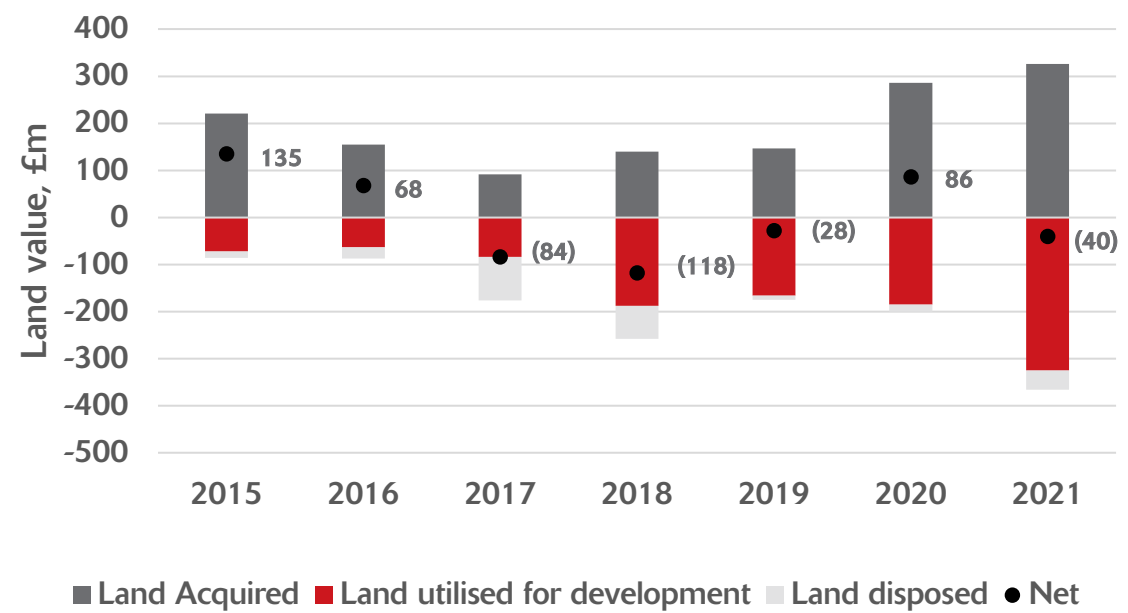
UK (56%)

Continental Europe (44%)

LAND BANK PROVIDES OPTIONALITY AND OPPORTUNITY FOR GROWTH

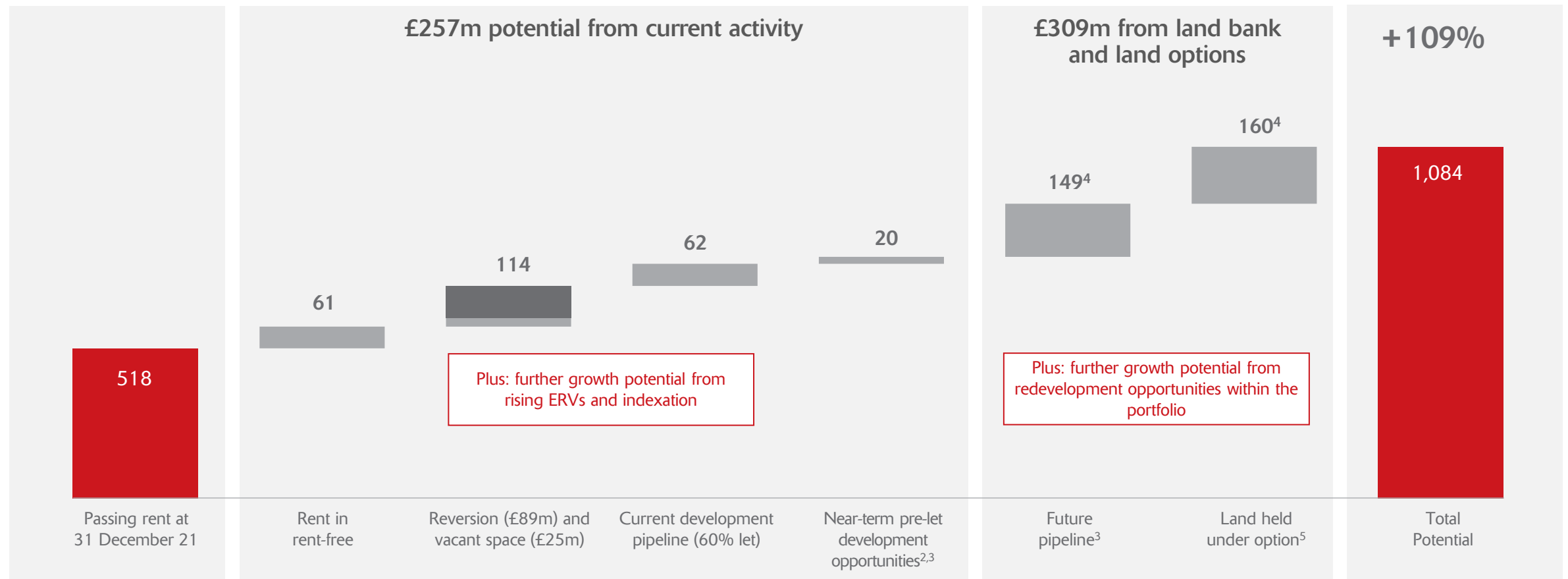


Net land utilisation, 2015-2021
(Based on opening book value or acquisition value)



POTENTIAL >£1 BILLION RENTAL INCOME

Annualised gross cash passing rent¹, £ million
(as at 31 December 2021)



CONFIDENT OUTLOOK



APPENDIX

Portfolio and Financial Data

FULL YEAR 2021 FINANCIAL RESULTS

£356m

Adjusted profit before tax
+20.3%

29.1p

Adjusted earnings per share¹
+14.6%
Excl SELP fee: 28.0p, +10.2%

24.3p

Dividend per share
+10.0%

£18bn

Portfolio valuation
+28.8%²

1,137p

Adjusted NAV per share³
+39.7%

23%

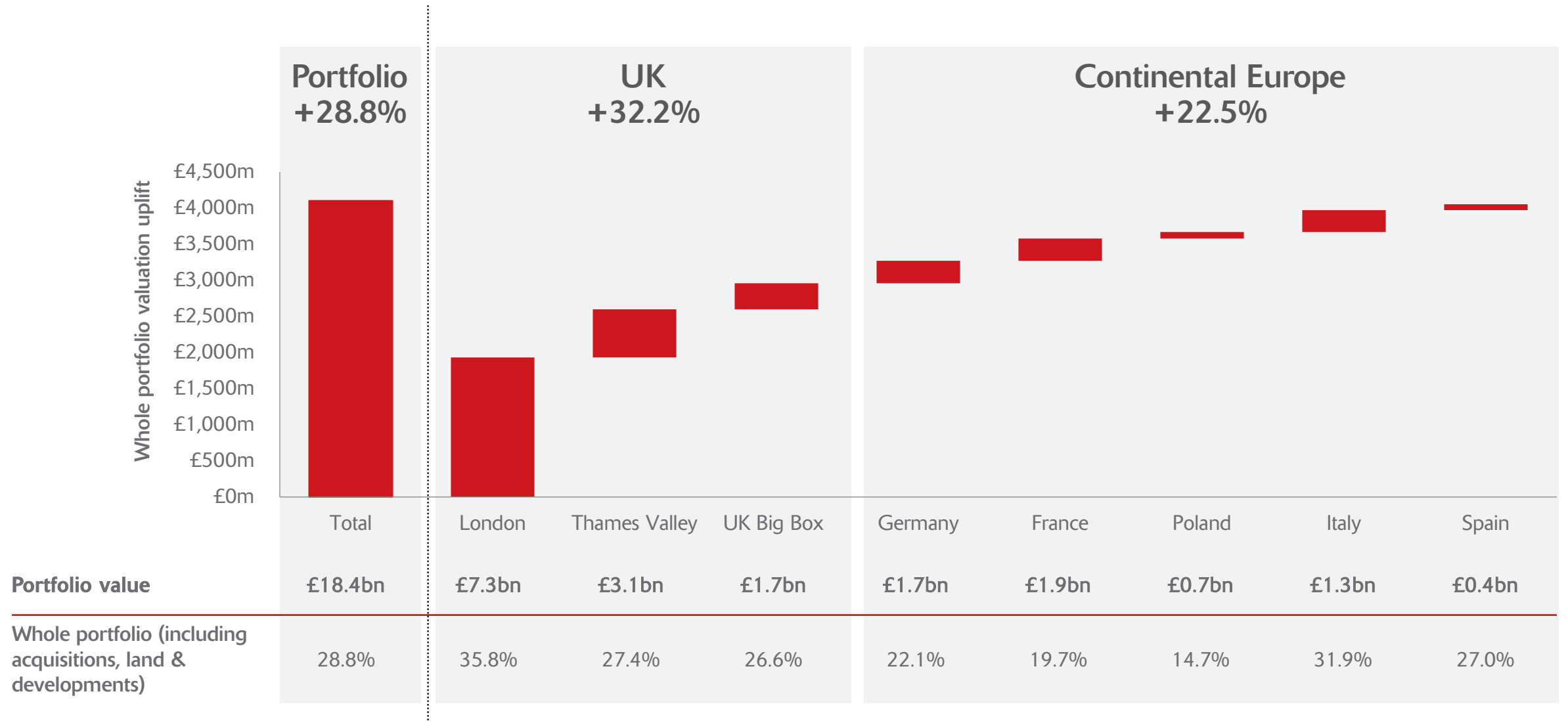
Loan to value

1 Average number of shares was 1,197.7 million in 2021.

2 Percentage valuation change based on difference between opening and closing valuation for all properties including those under construction and land, adjusting for capex, acquisitions and disposals.

3 Adjusted NAV per share is in line with EPRA NTA.

£4.1 BILLION VALUATION SURPLUS



A RECORD YEAR – £2 BILLION OF INVESTMENT

DEVELOPMENT

- £649m of development capex
- Includes £99m infrastructure spend



£649m

ACQUISITIONS

- £997m of asset acquisitions
- £326m of land acquisitions



£1.3bn

DISPOSALS

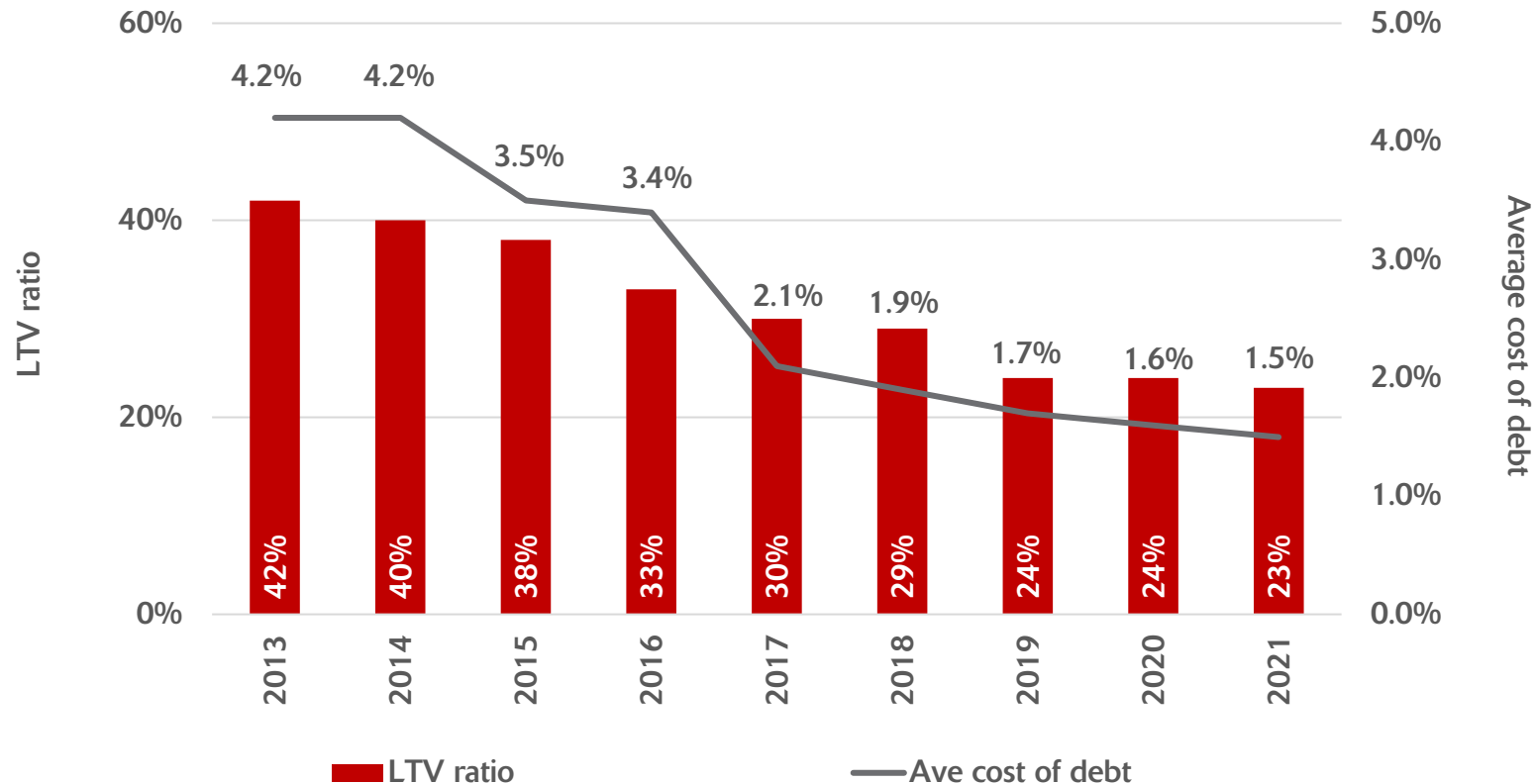
- Older UK assets as part of a swap
- Portfolio of urban warehouses in Italy
- SEGRO sales to SELP



£515m

BALANCE SHEET POSITIONED TO SUPPORT FURTHER GROWTH

LTV ratio and average cost of debt
(incl share of joint ventures), 2013-21



Issued new €1bn Green Bonds:
€500m SELP 0.875%, due 2029
€500m SEGRO 0.5%, due 2031

Net debt £4.2bn
(FY 2020: £3.1bn)

Debt maturity 8.6 years
(from 9.9 years at end-2020)

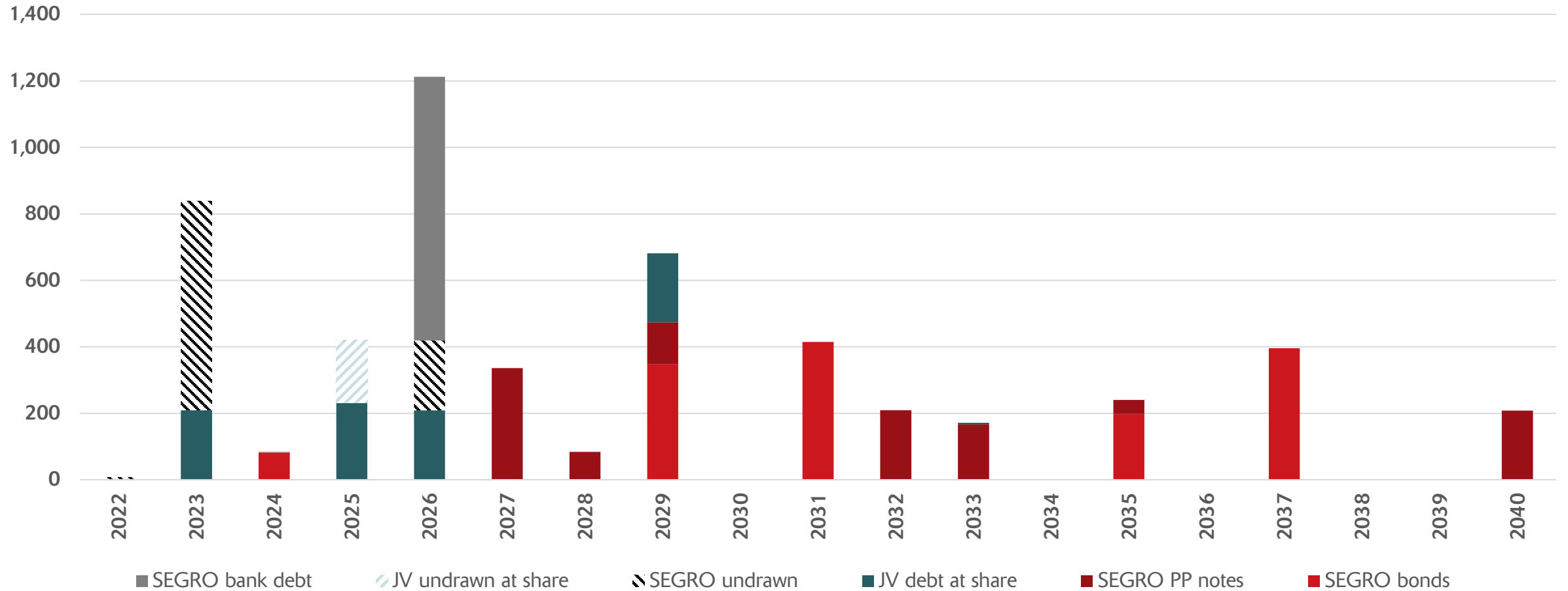
£1.1bn liquidity
cash and available bank facilities

Estimated development capex:
2022: c£700 million

Disposals:
1-2% of GAV per annum

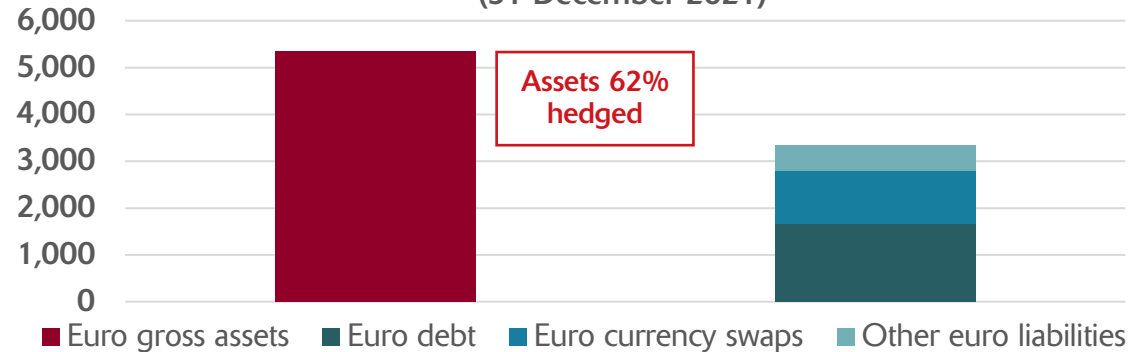
LONG TERM DEBT MATURITY PROFILE

Debt maturity by type and year, £ millions
(as at 31 December 2021)

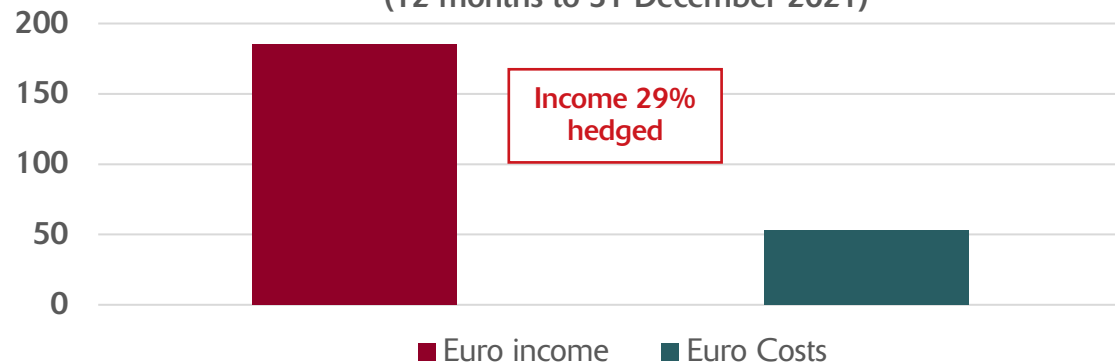


EURO CURRENCY EXPOSURE AND HEDGING

Balance sheet, £m
(31 December 2021)



Income Statement, £m
(12 months to 31 December 2021)



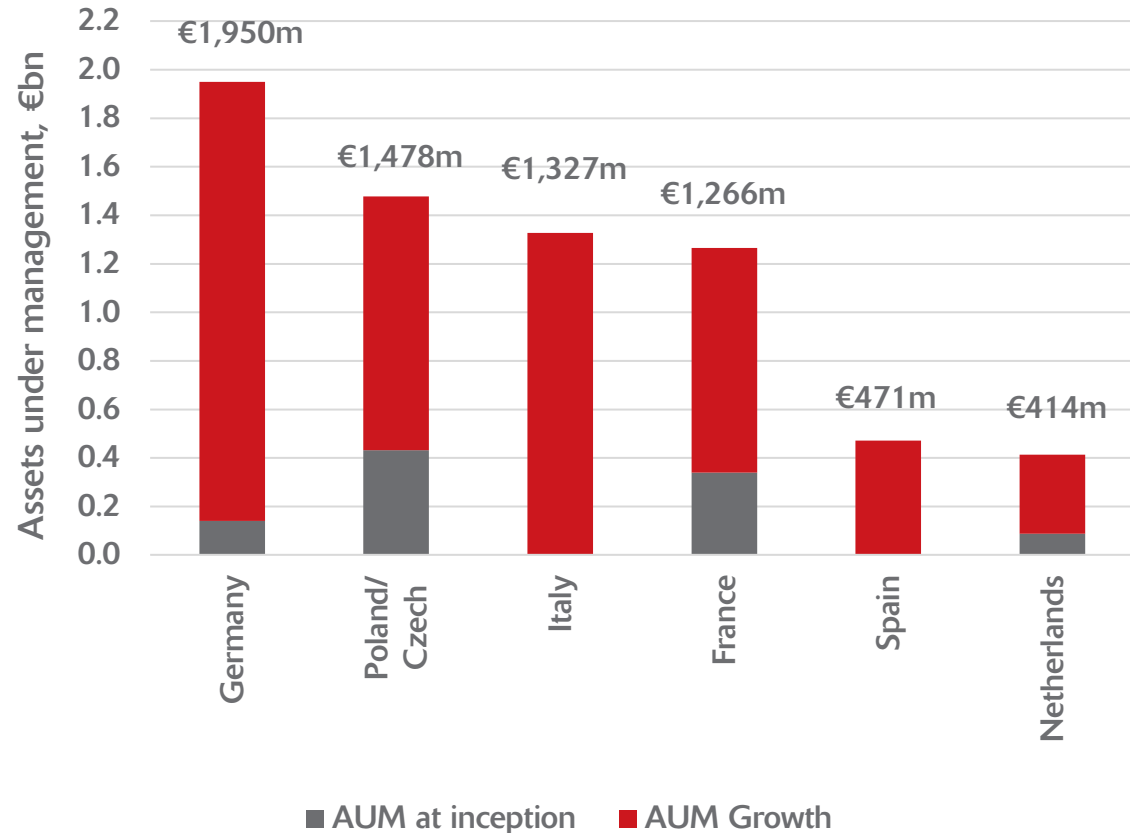
- €1.19:£1 as at 31 December 2021
- € assets 62% hedged by € liabilities
- €2,397m (£2,015m) of residual exposure – 15% of Group NAV
- Illustrative NAV sensitivity vs €1.19:
 - +5% (€1.25) = -£96m (-c8.0p per share)
 - -5% (€1.13) = +£106m (+c.8.8p per share)

- Loan to Value (on look-through basis) at €1.19:£1 is 23%,
- Sensitivity vs €1.19:
 - +5% (€1.25) LTV -0.6%
 - -5% (€1.13) LTV +0.6%

- Average rate for 12 months to 31 December 2021 €1.16:£1
- € income 29% hedged by € expenditure (including interest)
- Net € income for the period €153m (£132m) – 38% of Group
- Illustrative annualised net income sensitivity versus €1.16
 - +5% (€1.22) = -£6.3m (c.0.5p per share)
 - -5% (€1.10) = +7.0m (c.0.6p per share)

SEGRO EUROPEAN LOGISTICS PARTNERSHIP (SELP) HEADLINE FIGURES

Assets under Management
(as at 31 December 2021)



Land and assets
€6.9bn

Equivalent yield
4.0%

Capital value change
19.9%

ERV growth
3.4%

Headline rent
€277m

ERV
€285m

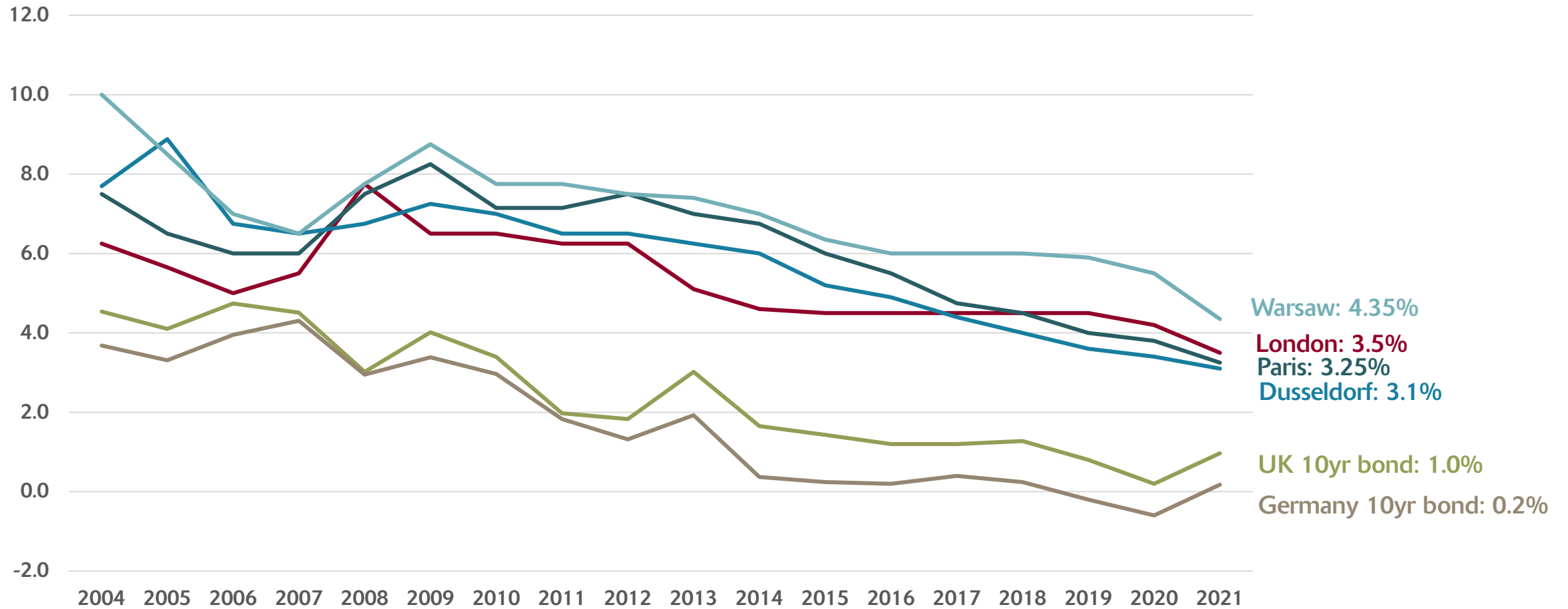
Occupancy rate
98%

LTV ratio
29%

POSITIONING SEGRO TO DELIVER ON ITS PURPOSE

	Championing Low-carbon growth	Investing in our local communities and environments	Nurturing talent
Context	Segro recognises that the world faces a climate emergency and we are committed to playing our part in tackling climate change, by limiting global temperature rise to less than 1.5 degrees, in tandem with growth in our business and the wider economy.	SEGRO is an integral part of the communities in which it operates, and we are committed to contributing to their long-term vitality.	SEGRO's people are vital to and inseparable from its success, and we are committed to attracting, enhancing and retaining a diverse range of talented individuals in our business.
Targets	We will be net-zero carbon by 2030	We will create and implement Community Investment Plans for every key market in our portfolio by 2025	We will increase the overall diversity of our own workforce throughout the organisation
Actions	<p>We will aim to reduce carbon emissions from our development activity and the operation of our existing buildings, and eliminate them where possible.</p> <p>We will implement plans to absorb any residual carbon</p>	<p>We will work with our customers and suppliers to support our local businesses and economies.</p> <p>We will help improve the skills of local people to enhance their career and employment opportunities, by investing in local training programmes.</p> <p>Equally, we will enhance the spaces around our buildings, working with local partners to ensure we meet the needs of our communities.</p>	<p>We will provide a healthy and supportive working environment, develop fulfilling and rewarding careers, foster an inclusive culture and build diverse workforce.</p>

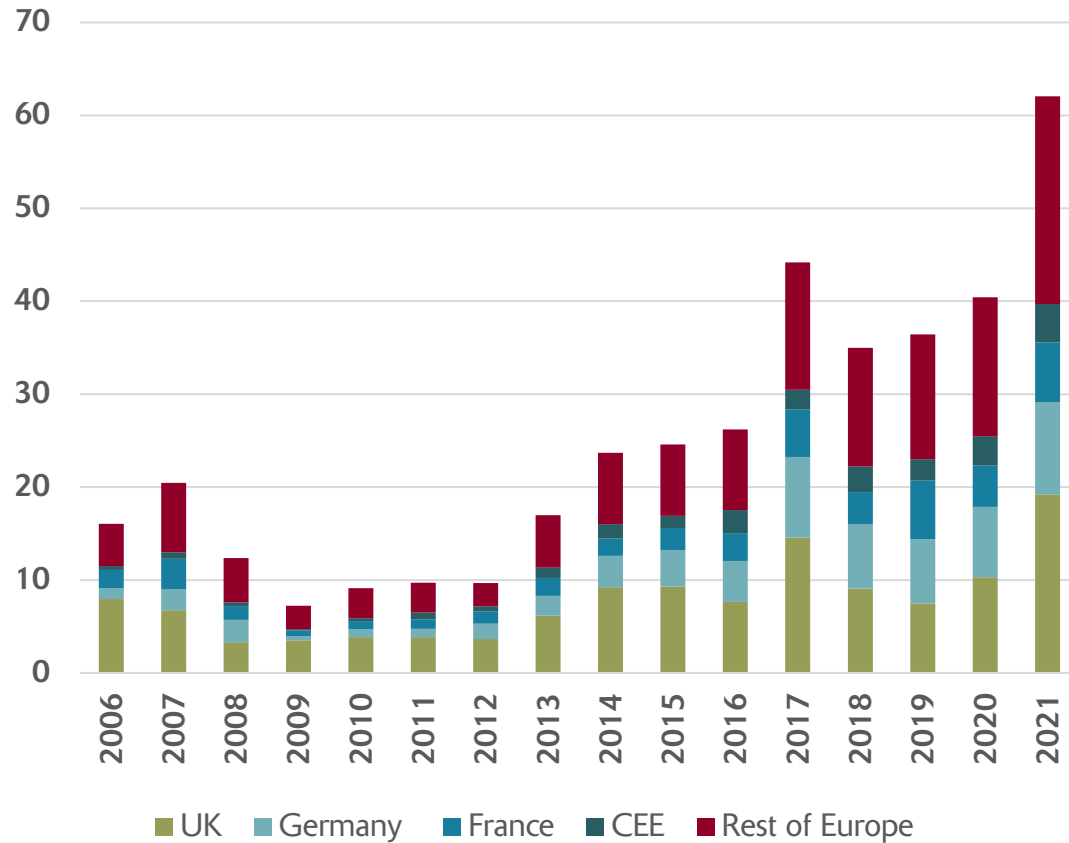
PRIME LOGISTICS YIELDS VS 10 YEAR BOND YIELDS



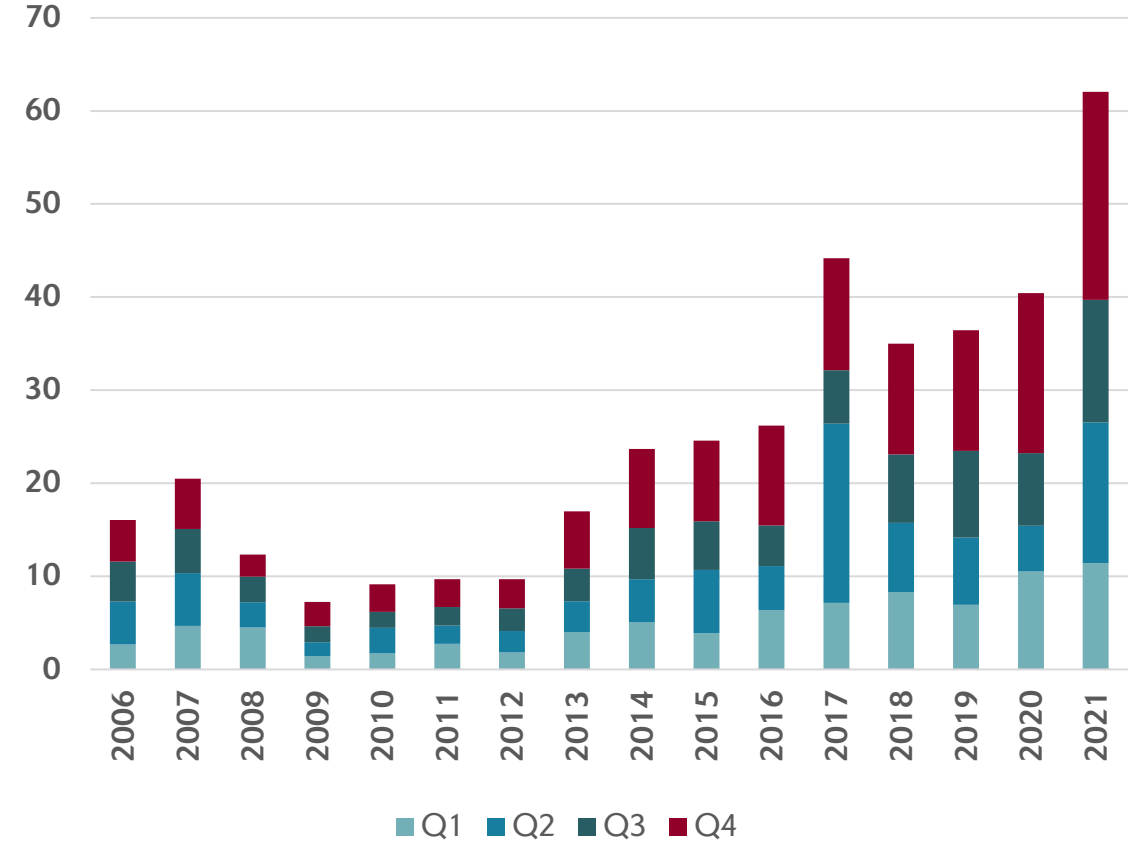
Source: CBRE, Bloomberg (data correct at 31 December 2021).

EUROPEAN INDUSTRIAL INVESTMENT VOLUMES

European industrial investment volumes
By geography, €bn

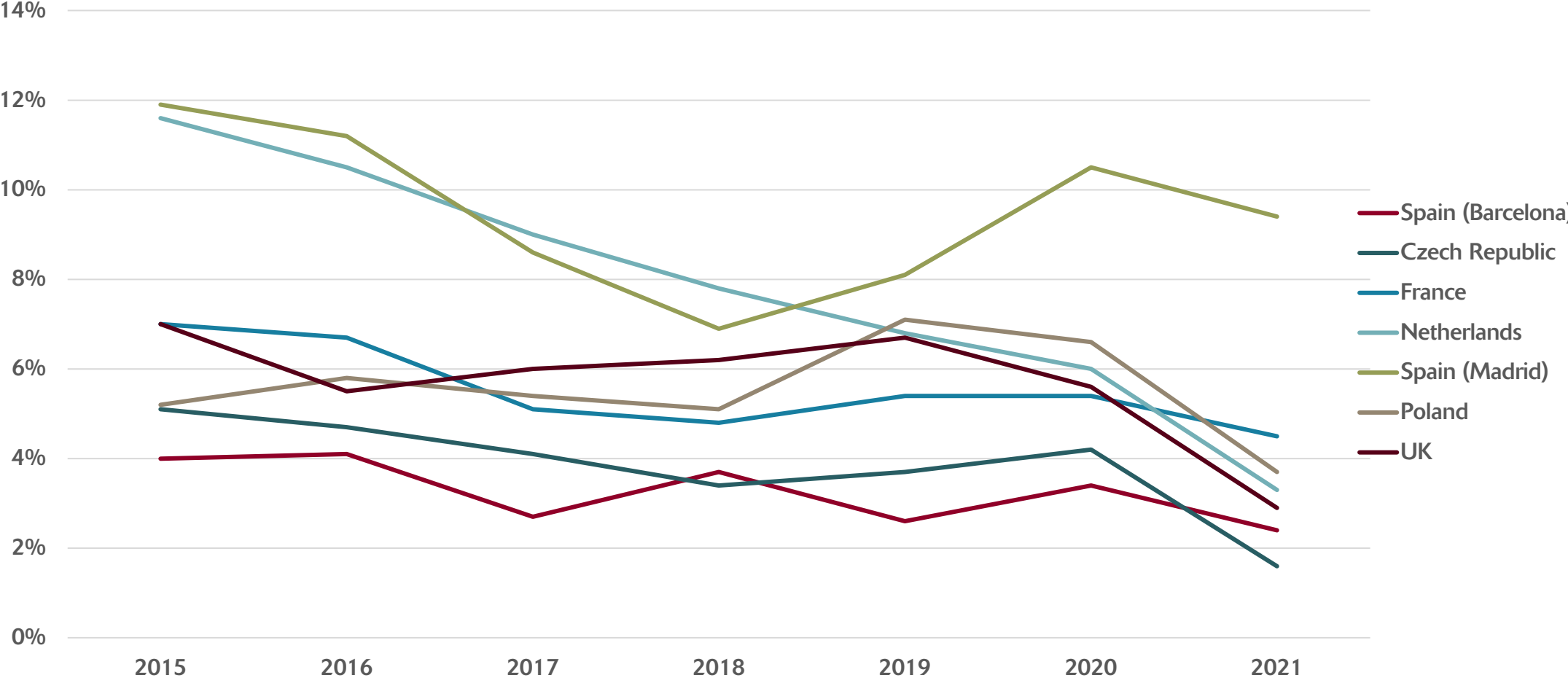


European industrial investment volumes
By quarter, €bn



Source: CBRE.

EUROPEAN LOGISTICS VACANCY RATES – AVERAGE 3.5% (2021) FROM 5.1% (2020)

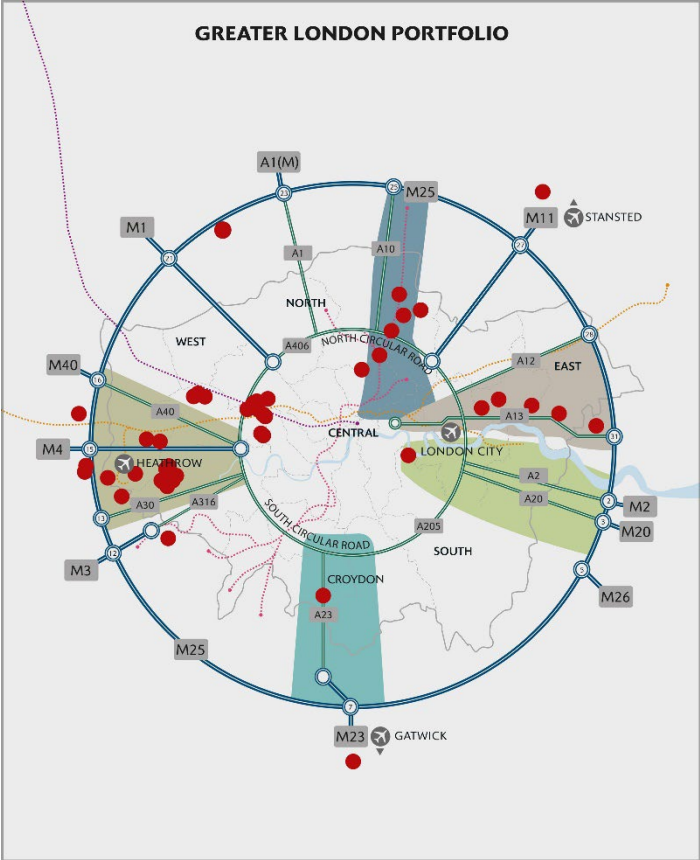


Source: Savills.

HEATHROW CARGO AREA



SEGRO GREATER LONDON PORTFOLIO



FORWARD-LOOKING STATEMENTS AND DISCLAIMER

This Presentation does not constitute an offer to sell or an invitation to buy securities in SEGRO or an invitation or inducement to engage in or enter into any contract or commitment or other investment activity. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

This Presentation may contain certain forward-looking statements with respect to SEGRO's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. Some of these forward-looking statements may be based on data provided by third parties. All forward-looking statements are subject to assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties relates to factors that are beyond SEGRO's ability to control or estimate precisely and which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Certain statements have been made with reference to forecast process changes, economic conditions and the current regulatory environment. Any forward-looking statements made by or on behalf of SEGRO are based upon the knowledge and information available to Directors as at the date of the statement. Accordingly, no assurance can be given that any particular expectation will be met and you are cautioned not to place undue reliance on the forward-looking statements. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Presentation, including information provided by third parties, is given as at the date of this Presentation and is subject to change without notice. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), SEGRO does not undertake to update any forward-looking statements, including to reflect any new information or changes in events, conditions or circumstances on which any such statement is based.

Past share performance cannot be relied on as a guide to future performance. Nothing in this Presentation should be construed as a profit estimate or profit forecast.

Contact details:

Claire Mogford
Head of Investor Relations
+44 (207) 451 9048
claire.mogford@segro.com
March 2022