

SEGRO

2020

FULL YEAR
PROPERTY ANALYSIS
REPORT



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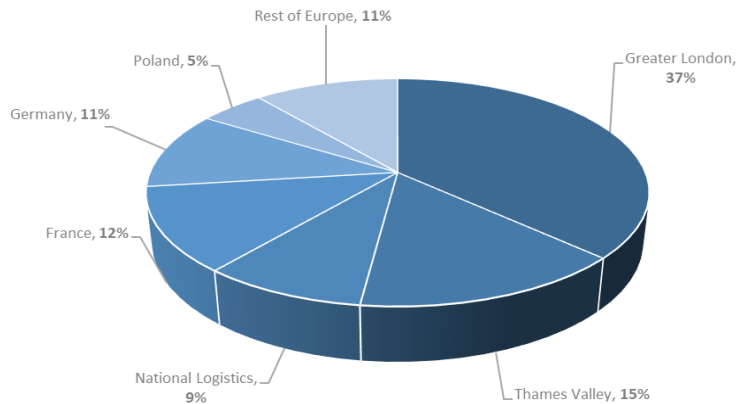
ABOUT SEGRO

SEGRO is a leading owner, asset manager and developer of modern warehousing and light industrial properties, with £15.3 billion of assets under management (£13.0 billion including SEGRO's share of joint ventures). The assets are principally concentrated in key conurbations and major distribution hubs in nine European countries.

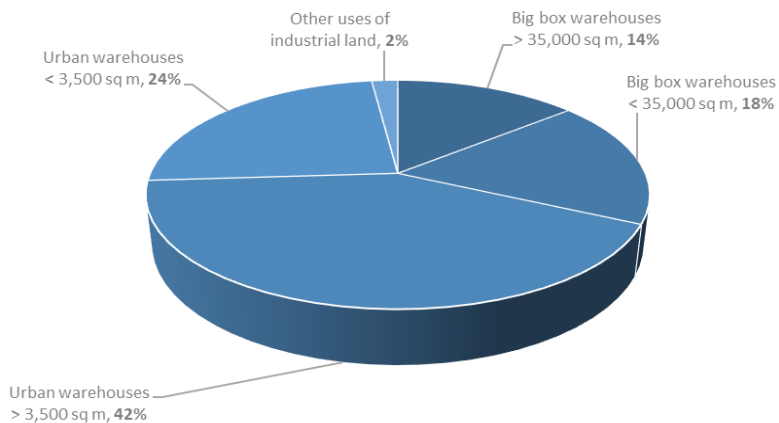
The Group serves customers spread across a diverse range of industry sectors. It has 8.8 million square metres of built space under management and annual rental income of £462 million at share.

OVERVIEW

Geographical split by value (SEGRO share)



Asset type by value (excluding land) (SEGRO share)



THE BUILDINGS WE PROVIDE



BIG BOX WAREHOUSES

Big box warehouses are typically used for storage and processing of goods for regional, national and international distribution. The requirement for large land plots means that they tend to be located some distance from the ultimate customer but on major transport routes (mainly motorways, but also ports, rail freight terminals and airports) to allow rapid transit.



URBAN WAREHOUSES

Urban warehouses are located within easy reach of population centres and business districts. They are used by a wide variety of customers who need rapid access to their own customers and to labour and are therefore close to main roads and public transport. Land supply in and around urban areas tends to be less available so urban warehouses tend to be smaller. They are often clustered in estates which can comprise multi-let terraces of smaller units (typically less than 3,500 sq m), larger detached single-let warehouses (typically larger than 3,500 sq m) or a mixture of the two.



OTHER USES OF INDUSTRIAL LAND

Industrial land in urban areas is often used for non-warehouse purposes. Car showrooms, self storage facilities, budget hotels and offices require similar location characteristics to urban warehouses (close to major roads, public transport and a population centre) and the frontage of urban estates is often best used by such occupiers who benefit from a location with high visibility to passing trade.

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2020

	UK £m	Continental Europe £m	Total £m
<i>Combined property portfolio (including share of joint ventures)</i>			
COMBINED PROPERTY PORTFOLIO PER FINANCIAL STATEMENTS	8,087.0	4,984.2	13,071.2
Add valuation surplus not recognised on trading properties and other items	0.9	-	0.9
Less capitalisation of leasehold obligations under IFRS 16	-	(76.9)	(76.9)
COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS	8,087.9	4,907.3	12,995.2
Less land and development properties (investment, trading and joint ventures)	(673.1)	(514.9)	(1,188.0)
NET VALUATION OF COMPLETED PROPERTIES	7,414.8	4,392.4	11,807.2
Add notional purchasers' costs	501.6	215.1	716.7
GROSS VALUE OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS	7,916.4	4,607.5	12,523.9
	A		

<i>Rental income</i>	£m	£m	£m
Gross passing rent ¹	282.3	198.5	480.8
Less irrecoverable property costs	(3.0)	(7.5)	(10.5)
NET PASSING RENT	279.3	191.0	470.3
	B		
Adjustment for notional rent in respect of rent free periods	23.7	22.2	45.9
TOPPED UP NET RENT	303.0	213.2	516.2
	C		
Including future fixed/minimum uplifts ³	10.8	0.1	10.9
TOTAL TOPPED UP NET RENT	313.8	213.3	527.1

<i>Yields</i>		%	%	%
EPRA net initial yield ²	B/A	3.5	4.1	3.8
EPRA topped up net initial yield ²	C/A	3.8	4.6	4.1
Net true equivalent yield		4.3	4.8	4.5

¹ Gross passing rent excludes short term lettings and licences.

² In accordance with the Best Practices Recommendations of EPRA.

³ Certain leases contain clauses which guarantee future rental increases, whereas most leases contain five yearly, upwards only rent review clauses (UK) or indexation clauses (Continental Europe).

COMBINED PROPERTY PORTFOLIO AS AT 31 DECEMBER 2020

Analysis of unrealised valuation movements	Value at 31 December 2020 £m					
	UK	Valuation movement ¹ %	Continental Europe	Valuation movement ¹ %	Group	Valuation movement ¹ %
Properties held throughout the year	6,711.6	9.2	3,566.1	10.2	10,277.7	9.5
Properties acquired during the year	390.5	(3.9)	272.0	11.1	662.5	1.7
Development completed during the year	312.7	39.4	554.3	22.5	867.0	28.1
COMPLETED PROPERTIES	7,414.8	9.4	4,392.4	11.7	11,807.2	10.2
Buildings under construction	263.5	34.3	219.3	23.0	482.8	28.9
Land ²	409.6	1.4	295.6	1.4	705.2	1.4
WHOLE PORTFOLIO	8,087.9	9.6	4,907.3	11.5	12,995.2	10.3

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for properties, allowing for capital expenditure, acquisitions and disposals.

² For land and properties acquired during the year, opening valuation is acquisition cost including notional purchasers' costs which are not recognised under IFRS accounting standards.

Asset values by type and location, £m	London	Thames Valley	National Logistics	France	Italy	Spain	Poland	Czech Republic	Germany	Netherlands	Total
Big box warehouses > 35,000 sq m	159.9	-	371.4	223.5	415.5	87.2	183.1	-	220.2	-	1,660.8
Big box warehouses < 35,000 sq m	-	-	445.9	461.1	237.5	64.2	212.2	74.4	551.9	50.6	2,097.8
Urban warehouses > 3,500 sq m	2,532.7	929.4	-	607.5	77.5	44.2	165.6	3.5	505.1	85.9	4,951.4
Urban warehouses < 3,500 sq m	1,980.9	780.2	-	56.7	-	3.7	-	-	-	-	2,821.5
Other uses of industrial land ¹	53.5	146.7	14.2	30.9	24.6	-	3.3	-	-	3.3	276.5
COMPLETED SEGRO PROPERTIES (SEGRO SHARE)	4,727.0	1,856.3	831.5	1,379.7	755.1	199.3	564.2	77.9	1,277.2	139.8	11,808.0
COMPLETED PROPERTIES (AUM)	4,727.0	1,856.3	831.5	1,822.9	1,117.5	301.8	995.6	155.7	1,967.5	272.0	14,047.8

¹ Includes offices and retail uses such as trade counters, car showrooms and self storage facilities.

TOP 10 ASSETS

TOP 10 ESTATES (BY VALUE, SEGRO SHARE)	Ownership %	Location	Lettable area (100%) sq m	Headline rent £m	Vacancy by ERV %	WAULT, years ¹	Asset type
UK							
Slough Trading Estate	100	Slough	537,230	73.4	3.3	9.0	Multi-let urban warehouse estate
SLP East Midlands Gateway	100	Midlands	216,084	13.4	0.0	15.4	Big box warehouse park
Premier Park	100	Park Royal	78,720	11.4	5.4	3.1	Multi-let urban warehouse estate
Shoreham Rd Cargo Area	100	Heathrow	93,704	20.8	0.0	2.5	Multi-let cargo facility
Greenford Park	100	Park Royal	79,805	10.7	1.6	4.6	Multi-let urban warehouse estate
North Feltham Trading Estate	100	Heathrow	57,929	8.3	4.5	4.1	Multi-let urban warehouse estate
Axis Park	100	Heathrow	61,753	9.2	0.0	7.7	Multi-let urban warehouse estate
Metropolitan Park	100	Park Royal	69,970	8.3	0.0	1.9	Multi-let urban warehouse estate
SEGRO Park Perivale	100	Park Royal	55,129	6.8	0.0	3.2	Multi-let urban warehouse estate
Rugby Gateway	100	Midlands	113,413	8.6	0.0	7.8	Big box warehouse park
CONTINENTAL EUROPE							
SEGRO Parc des Petits Carreaux	100	France	150,367	13.5	2.9	5.5	Multi-let urban warehouse estate
VAILOG Rome South Logistics Park	100	Italy	222,469	n/a	0.0	17.4	Big box warehouse park
SEGRO Airport Park Berlin	50 / 100	Germany	119,497	5.7	0.0	5.9	Multi-let urban warehouse and Big box estate
SEGRO Logistics Park Krefeld-Süd	50	Germany	212,989	5.6	1.5	4.2	Big box warehouse park
SEGRO Logistics Park Aulnay	100	France	47,288	4.8	0.0	8.8	Big box warehouse park
VAILOG CSG Logistics Park	50 / 100	Italy	271,850	4.8	0.0	8.5	Big box warehouse park
SEGRO Park Düsseldorf-Süd	100	Germany	95,731	5.2	16.6	5.2	Multi-let urban warehouse estate
SEGRO Park Gennevilliers	100	France	75,232	5.7	0.0	5.6	Multi-let urban warehouse estate
SEGRO CityPark Düsseldorf	100	Germany	50,393	3.9	14.5	6.2	Multi-let urban warehouse estate
SEGRO Logistics Park Stryków	50	Poland	301,550	5.5	8.1	4.3	Big box warehouse park

¹Weighted average unexpired lease term to earlier of break or expiry.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2020

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation Movement ¹	
			Investment & trading properties £m	Joint ventures £m	Land & development ² £m				Held throughout %	Completed properties %
UK										
Big box warehouses > 35,000 sq m	297,823	297,823	531.3	-		531.3	531.3	14.4	14.3	
Big box warehouses < 35,000 sq m	291,353	291,353	445.9	-		445.9	445.9	5.1	7.2	
Urban warehouses > 3,500 sq m	996,391	996,391	3,462.1	-		3,462.1	3,462.1	10.8	11.9	
Urban warehouses < 3,500 sq m	675,566	675,566	2,761.1	-		2,761.1	2,761.1	7.9	7.1	
Other uses of industrial land ³	72,625	72,625	214.4	-		214.4	214.4	(3.2)	(5.0)	
	2,333,758	2,333,758	7,414.8	-	673.1	8,087.9	8,087.9	9.2	9.4	
CONTINENTAL EUROPE										
Big box warehouses > 35,000 sq m	2,292,380	1,282,188	258.1	871.2		1,129.3	2,000.5	10.1	12.9	
Big box warehouses < 35,000 sq m	2,848,144	1,555,989	415.4	1,236.7		1,652.1	2,888.8	10.9	11.4	
Urban warehouses > 3,500 sq m	1,242,580	1,124,625	1,360.2	129.2		1,489.4	1,618.6	9.6	12.2	
Urban warehouses < 3,500 sq m	31,852	31,852	60.4	-		60.4	60.4	6.0	0.2	
Other uses of industrial land ³	17,176	16,487	57.7	3.5		61.2	64.7	27.9	0.5	
	6,432,132	4,011,141	2,151.8	2,240.6	514.9	4,907.3	7,255.0	10.2	11.7	
GROUP										
Big box warehouses > 35,000 sq m	2,590,203	1,580,011	789.4	871.2		1,660.6	2,531.8	11.7	13.3	
Big box warehouses < 35,000 sq m	3,139,497	1,847,342	861.3	1,236.7		2,098.0	3,334.7	9.6	10.5	
Urban warehouses > 3,500 sq m	2,238,971	2,121,016	4,822.3	129.2		4,951.5	5,080.7	10.5	12.0	
Urban warehouses < 3,500 sq m	707,418	707,418	2,821.5	-		2,821.5	2,821.5	7.8	6.9	
Other uses of industrial land ³	89,801	89,112	272.1	3.5		275.6	279.1	(2.5)	(3.8)	
	8,765,890	6,344,899	9,566.6	2,240.6	1,188.0	12,995.2	15,342.9	9.5	10.2	

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

³ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2020

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent ¹ £ per sq m	ERV ² £m	Vacancy by ERV ⁴ %	Net initial yield %	Topped-up net initial yield ⁵ %	Net true equivalent yield %
UK										
Big box warehouses > 35,000 sq m	297,823	297,823	18.3	21.9	73.7	22.3	0.0	3.9	4.6	4.2
Big box warehouses < 35,000 sq m	291,353	291,353	18.5	20.9	71.9	22.5	0.0	4.4	4.9	4.8
Urban warehouses > 3,500 sq m	996,391	996,391	123.7	134.3	140.6	153.2	3.2	3.4	3.7	4.2
Urban warehouses < 3,500 sq m	675,566	675,566	91.4	98.0	158.9	121.1	6.4	3.2	3.5	4.1
Other uses of industrial land ³	72,625	72,625	12.7	13.2	195.9	13.7	5.1	5.6	5.8	6.2
	2,333,758	2,333,758	264.6	288.3	129.4	332.8	4.0	3.5	3.8	4.3
CONTINENTAL EUROPE										
Big box warehouses > 35,000 sq m	2,292,380	1,282,188	49.6	54.6	43.7	55.2	1.8	4.1	4.5	4.5
Big box warehouses < 35,000 sq m	2,848,144	1,555,989	68.6	79.2	52.7	82.7	3.8	3.8	4.4	4.6
Urban warehouses > 3,500 sq m	1,242,580	1,124,625	73.6	79.8	74.1	83.4	4.6	4.5	4.9	5.0
Urban warehouses < 3,500 sq m	31,852	31,852	3.1	3.2	108.4	3.4	6.1	5.3	5.3	6.1
Other uses of industrial land ³	17,176	16,487	2.8	3.1	201.9	3.4	6.7	4.0	4.5	4.9
	6,432,132	4,011,141	197.7	219.9	56.9	228.1	3.7	4.1	4.6	4.8
GROUP										
Big box warehouses > 35,000 sq m	2,590,203	1,580,011	67.9	76.5	49.5	77.5	1.2	4.0	4.5	4.4
Big box warehouses < 35,000 sq m	3,139,497	1,847,342	87.1	100.1	55.8	105.2	3.0	3.9	4.5	4.6
Urban warehouses > 3,500 sq m	2,238,971	2,121,016	197.3	214.1	105.4	236.6	3.7	3.8	4.1	4.5
Urban warehouses < 3,500 sq m	707,418	707,418	94.5	101.2	156.6	124.5	6.4	3.3	3.5	4.1
Other uses of industrial land ³	89,801	89,112	15.5	16.3	197.0	17.1	5.4	5.2	5.5	5.9
	8,765,890	6,344,899	462.3	508.2	83.3	560.9	3.9	3.8	4.1	4.5

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

⁴ Vacancy rate excluding short term lettings for the Group at 31 December 2020 is 4.4%.

⁵ In relation to SEGRO's share of completed properties.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2020

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation Movement ¹	
			Investment & trading properties £m	Joint ventures £m	Land & development ³ £m				Held throughout %	Completed properties %
BY OWNERSHIP										
Wholly owned	3,923,908	3,923,908	9,566.6	-	1,080.9	10,647.5	10,647.5	9.4	10.2	
Joint ventures	4,841,982	2,420,991	-	2,240.6	107.1	2,347.7	4,695.4	9.9	10.4	
GROUP TOTAL	8,765,890	6,344,899	9,566.6	2,240.6	1,188.0	12,995.2	15,342.9	9.5	10.2	

	Passing rent ⁵ £m	Headline rent ⁵ £m	Headline rent ⁵ £ per sq m	ERV ⁶ £m	Vacancy by ERV ⁴ %	Net initial yield %	Topped-up net initial yield ² %	Net true equivalent yield %
BY OWNERSHIP								
Wholly owned	362.0	398.0	105.7	447.7	4.0	3.7	4.0	4.4
Joint ventures	100.3	110.2	47.2	113.2	3.4	4.1	4.5	4.7
GROUP TOTAL	462.3	508.2	83.3	560.9	3.9	3.8	4.1	4.5

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² In relation to SEGRO's share of completed properties.

³ Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

⁴ Vacancy rate excluding short term lettings for the Group at 31 December 2020 is 4.4%.

⁵ In respect of occupied space only; SEGRO share.

⁶ On a fully occupied basis; SEGRO share.

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 31 DECEMBER 2020

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation Movement ¹	
			Investment & trading properties £m	Joint ventures £m	Land & development £m				Held throughout %	Completed properties %
London Airports (primarily Heathrow)	504,837	504,837	1,892.8	-	46.2	1,939.0	1,939.0	4.2	4.2	
Park Royal	481,337	481,337	1,941.5	-	23.7	1,965.2	1,965.2	15.8	13.3	
Rest of Greater London	229,032	229,032	892.7	-	71.0	963.7	963.7	13.4	14.3	
GREATER LONDON	1,215,206	1,215,206	4,727.0	-	140.9	4,867.9	4,867.9	10.0	9.7	
Slough Trading Estate	547,076	547,076	1,785.4	-	127.9	1,913.3	1,913.3	7.1	7.9	
Rest of South-East England	25,224	25,224	70.9	-	12.5	83.4	83.4	(1.2)	8.1	
THAMES VALLEY	572,300	572,300	1,856.3	-	140.4	1,996.7	1,996.7	6.8	7.9	
NATIONAL LOGISTICS	546,252	546,252	831.5	-	391.8	1,223.3	1,223.3	10.2	11.1	
UK TOTAL	2,333,758	2,333,758	7,414.8	-	673.1	8,087.9	8,087.9	9.2	9.4	
Germany	1,499,601	915,537	586.8	690.3	100.6	1,377.7	2,090.9	18.1	19.6	
Netherlands	219,897	113,655	7.8	132.2	21.9	161.9	306.1	4.7	4.7	
NORTHERN EUROPE	1,719,498	1,029,192	594.6	822.5	122.5	1,539.6	2,397.0	16.8	18.0	
France	1,466,481	1,044,257	934.9	443.9	136.5	1,515.3	1,969.9	9.8	10.3	
Italy	1,311,999	846,632	392.6	362.4	151.1	906.1	1,268.5	5.7	10.5	
Spain	311,056	207,107	96.8	102.6	60.9	260.3	398.3	9.4	16.4	
SOUTHERN EUROPE	3,089,536	2,097,996	1,424.3	908.9	348.5	2,681.7	3,636.7	8.8	10.9	
Poland	1,453,583	799,195	132.9	431.3	33.2	597.4	1,050.5	2.1	2.7	
Czech Republic ²	169,515	84,758	-	77.9	10.7	88.6	170.8	0.4	0.3	
CENTRAL EUROPE	1,623,098	883,953	132.9	509.2	43.9	686.0	1,221.3	1.9	2.4	
CONTINENTAL EUROPE TOTAL	6,432,132	4,011,141	2,151.8	2,240.6	514.9	4,907.3	7,255.0	10.2	11.7	
COMPLETED PORTFOLIO	8,765,890	6,344,899	9,566.6	2,240.6	1,188.0	12,995.2	15,342.9	9.5	10.2	

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² Includes residual land in Hungary

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 31 DECEMBER 2020

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent ¹ £ per sq m	ERV ² £m	Vacancy by ERV ³ %	Net initial yield ⁴ %	Topped-up net initial yield ⁴ %	Net true equivalent yield ⁴ %
London Airports (primarily Heathrow)	504,837	504,837	79.0	86.2	173.9	92.2	1.8	3.9	4.3	4.6
Park Royal	481,337	481,337	56.1	60.3	131.8	75.5	5.4	2.9	3.1	3.6
Rest of Greater London	229,032	229,032	20.5	25.2	127.7	36.3	13.5	2.1	2.6	3.8
GREATER LONDON	1,215,206	1,215,206	155.6	171.7	149.2	204.0	5.2	3.2	3.5	4.0
Slough Trading Estate	547,076	547,076	74.4	75.5	149.4	85.7	3.2	4.1	4.2	4.7
Rest of South-East England	25,224	25,224	3.7	3.7	147.3	3.8	-	4.9	4.9	5.5
THAMES VALLEY	572,300	572,300	78.1	79.2	129.4	89.5	3.0	4.1	4.2	4.7
NATIONAL LOGISTICS	546,252	546,252	30.9	37.4	68.4	39.3	-	4.2	5.0	4.6
UK TOTAL	2,333,758	2,333,758	264.6	288.3	129.4	332.8	4.0	3.5	3.8	4.3
Germany	1,499,601	915,537	49.1	55.1	62.0	57.5	4.0	3.5	3.9	4.1
Netherlands	219,897	113,655	6.0	6.3	63.8	7.1	14.4	3.7	4.0	4.7
NORTHERN EUROPE	1,719,498	1,029,192	55.1	61.4	62.2	64.6	5.1	3.5	3.9	4.1
France	1,466,481	1,044,257	63.2	68.4	69.2	73.6	4.3	4.2	4.5	4.9
Italy	1,311,999	846,632	34.3	40.4	47.7	40.0	-	4.1	4.9	4.8
Spain	311,056	207,107	9.7	10.6	51.5	10.7	-	4.4	4.8	4.8
SOUTHERN EUROPE	3,089,536	2,097,996	107.2	119.4	58.5	124.3	2.5	4.2	4.7	4.8
Poland	1,453,583	799,195	31.9	34.9	45.9	34.8	5.2	5.7	6.3	6.0
Czech Republic	169,515	84,758	3.5	4.2	50.1	4.4	3.0	4.3	5.3	5.5
CENTRAL EUROPE	1,623,098	883,953	35.4	39.1	46.4	39.2	4.9	5.6	6.1	5.9
CONTINENTAL EUROPE TOTAL	6,432,132	4,011,141	197.7	219.9	56.8	228.1	3.7	4.1	4.6	4.8
COMPLETED PORTFOLIO	8,765,890	6,344,899	462.3	508.2	83.3	560.9	3.9	3.8	4.1	4.5

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ Vacancy rate excluding short term lettings for the Group at 31 December 2020 is 4.4%.

⁴ In relation to SEGRO's share of completed properties.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2020

LEASING DATA¹ FOR YEAR TO 31 DECEMBER

		2020	2019
Take-up of existing space ² (A)	£m	15.6	13.2
Space returned ³ (B)	£m	(12.4)	(11.0)
Net absorption of existing space² (A-B)	£m	3.2	2.2
Other rental movements (rent reviews, renewals, indexation) ² (C)	£m	12.9	11.9
Rent roll growth from existing space	£m	16.1	14.1
Take-up of pre-let developments completed in the year +/- signed in prior years ² (D)	£m	32.9	36.3
Take-up of speculative developments completed in the past two years ² (D)	£m	10.2	9.0
Total take-up² (A+C+D)	£m	71.6	70.4
Less take-up of space signed in previous years ²	£m	(34.8)	(37.8)
Pre-lets signed in the year for delivery in later years ²	£m	41.1	33.2
Rental income contracted in the year²	£m	77.9	65.8
Take-back of space for re-development	£m	(4.0)	(0.3)
Known Takeback/Letting from Acquisition	£m	(1.4)	-
Retention rate ⁴	%	86	88

RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK	Continental Europe	Group
	£m	£m	£m
PASSING RENT PER VALUATION	282.4	198.5	480.9
Valuation adjustments (incl outstanding rent reviews, rent in arrears)	(16.8)	(0.6)	(17.4)
Less rents from short term lettings	(1.0)	(0.2)	(1.2)
SEGRO PASSING RENT	264.6	197.7	462.3
Adjustment for notional rent in respect of rent-free periods	23.7	22.2	45.9
SEGRO CONTRACTED HEADLINE RENT	288.3	219.9	508.2
ERV of vacant properties (incl short term lettings)	16.1	8.7	24.8
Reversion to ERV for properties occupied	28.4	(0.5)	27.9
ERV OF COMPLETED PORTFOLIO	332.8	228.1	560.9

¹All figures reflect exchange rates at 31 December and include joint ventures at share.

²Headline rent.

³Headline rent, excluding space taken back for redevelopment.

⁴Headline rent retained as a percentage of total headline rent at risk from break or expiry during the year.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2020

RENT CHANGE ON RENT REVIEW, LEASE RENEWALS AND RE-GEARS DURING THE YEAR

	Headline rent of leases subject to review, renewal or re-gear £m	New headline rent agreed £m	Change %
Greater London	21.6	30.6	41.4
Thames Valley	10.4	11.9	14.2
National Logistics	5.2	5.3	1.3
UK TOTAL	37.2	47.8	28.2
Northern Europe ¹	3.0	3.0	0.5
Southern Europe ¹	9.4	9.5	0.5
Central Europe ¹	5.8	5.8	0.6
CONTINENTAL EUROPE TOTAL	18.2	18.3	0.5
GROUP TOTAL	55.4	66.1	19.1

LEASE BREAK OPTIONS & EXPIRIES

	2021	2022	2023	2024	2025
Headline rent (SEGRO share)	£m	£m	£m	£m	£m
UK	19.7	13.8	9.3	13.5	13.6
Continental Europe	9.3	14.3	9.6	5.6	10.4
GROUP TOTAL - LEASE BREAK OPTIONS	29.0	28.1	18.9	19.1	24.0
UK	23.2	14.4	16.9	20.2	21.5
Continental Europe	13.4	11.1	14.6	15.6	24.1
GROUP TOTAL - LEASE EXPIRIES ASSUMING NO BREAKS ARE EXERCISED	36.6	25.5	31.5	35.8	45.6
UK	(2.5)	(2.9)	(5.0)	(10.2)	(3.2)
Continental Europe	(3.1)	(3.2)	(3.6)	(3.1)	(8.9)
GROUP TOTAL - DEDUCTION ASSUMING ALL BREAKS ARE EXERCISED	(5.6)	(6.1)	(8.6)	(13.3)	(12.1)
GROUP TOTAL - LEASE EXPIRIES AND POTENTIAL BREAKS	60.0	47.5	41.8	41.6	57.5
Estimated Rental Value (ERV; SEGRO share)					
UK	44.7	27.7	23.7	25.9	35.9
Continental Europe	19.4	22.0	20.4	18.4	25.8
GROUP TOTAL - ERV OF LEASES SUBJECT TO BREAK OPTION OR EXPIRY	64.1	49.7	44.1	44.3	61.7

¹Continental Europe leases do not have rent review clauses so these data are for lease renewals only.

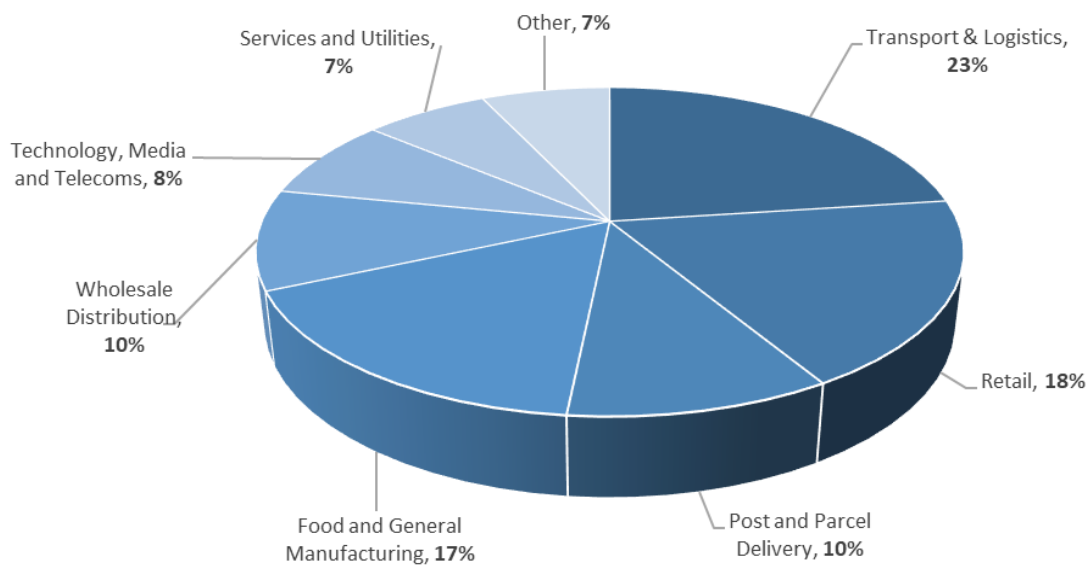
SUPPLEMENTARY DATA AS AT 31 DECEMBER 2020

RENT SUBJECT TO REVIEW

	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Headline rent					
Greater London	36.6	12.7	23.2	20.8	17.7
Thames Valley	15.6	6.8	8.5	11.7	3.7
National Logistics	8.7	8.1	2.9	13.9	2.5
UK TOTAL	60.9	27.6	34.6	46.4	23.9
Estimated Rental Value (ERV)					
Greater London	45.7	14.6	25.5	22.2	17.8
Thames Valley	16.8	7.2	8.6	12.3	3.7
National Logistics	9.7	8.6	3.0	14.0	2.5
UK TOTAL	72.2	30.4	37.1	48.5	24.0

CUSTOMER TYPES AS AT 31 DECEMBER 2020

Customer type by headline rent



WEIGHTED AVERAGE LEASE LENGTH¹

By geography	Break years	Expiry years
UK	8.8	10.3
Continental Europe	5.9	6.8
GROUP TOTAL	7.5	8.8

¹Weighted by headline rent (including SEGRO share of properties in joint ventures).

TOP 20 CUSTOMERS

CUSTOMER (BY HEADLINE RENT)

CUSTOMER TYPE

Amazon	Retail
Deutsche Post DHL	Transport & Logistics / Post & Parcel Delivery
Federal Express	Post & Parcel Delivery
Royal Mail	Post & Parcel Delivery
Worldwide Flight Services	Transport & Logistics
LA POSTE/DPD	Post & Parcel Delivery
British Airways	Other
Equinix	Technology, Media and Telecoms
Virtus	Technology, Media and Telecoms
GEODIS	Transport & Logistics
XPO	Transport & Logistics
Leroy Merlin	Retail
Tesco	Wholesale Distribution
Ocado	Retail
Menzies World Cargo Ltd	Transport & Logistics
Kuehne & Nagel	Transport & Logistics
ID Logistics	Transport & Logistics
CyrusOne	Technology, Media and Telecoms
Mars	Manufacturing
DSV	Transport & Logistics

The top 20 customers represent headline rent of £156.5 million in aggregate, 31% of the Group's total headline rent at 31 December 2020 (SEGRO share).

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2020

	Hectarage (space, 100%) ha	Space to be built (100%) sq m	Current book value ¹ £m	Estimated cost to completion ² £m	ERV when completed ³ £m	Pre-let (ERV) £m	Estimated yield on cost ⁴ %
CURRENT DEVELOPMENT PIPELINE (A)							
UK — wholly-owned	35.1	207,296	290.8	144.6	27.0	17.3	7.0%
Continental Europe — wholly-owned	59.9	375,678	174.0	190.0	20.2 ⁵	16.1	6.0%
Continental Europe — joint ventures	37.3	194,360	29.0	41.1	4.2	2.3	6.5%
	132.3	777,334	493.8	375.7	51.4	35.7	6.5%
Forward funded projects	13.6	60,752	27.8	21.1	2.9	-	6.0%
	145.9	838,086	521.6	396.8	54.3	35.7	6.5%
FUTURE DEVELOPMENT PIPELINE (B)							
UK — wholly-owned	269.6	989,681	371.6	807.1	80.4	-	6.8%
Continental Europe — wholly-owned	185.7	840,922	191.0	575.1	55.2 ⁵	0.9	7.2%
Continental Europe — joint ventures	198.5	933,835	72.9	216.6	21.6	0.6	7.5%
	653.8	2,764,438	635.5	1,598.8	157.2	1.5	7.0%
TOTAL DEVELOPMENT PIPELINE (A+B)							
	799.7	3,602,524	1,157.1	1,995.6	211.5	37.2	
Land subject to sale on turnkey developments	0.9		9.2				
Other land	73.6	-	21.7				
TOTAL DEVELOPMENT PIPELINE AND OTHER LAND	874.2		1,188.0				

¹ Includes current value of land plus all costs incurred to date.

² Estimated costs to completion include estimated finance charges during construction which are capitalised to the end of the construction period.

³ ERV based upon market rents as at 31 December 2020.

⁴ Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the cost of the developments taking land at value at commencement of the developments plus total development costs to completion.

⁵ Approximately £15.5 million in the current pipeline and £27.2 million in the future pipeline is associated with big box warehouses built by SEGRO/Vailog for which SELP has the option, but not the obligation, to acquire shortly after completion. Any acquisition is carried out based on the most recent valuation and the effective impact on SEGRO would be receipt of 50 per cent of the proceeds and a loss of 50 per cent of the rent.

CURRENT DEVELOPMENT PROJECTS

	Space to be built (100%) sq m	Period of completion			Estimated costs to completion £m	Period of completion				
		Total	H1 2021	H2 2021		H1 2022	Total	H1 2021	H2 2021	H1 2022
UK — Big Box wholly owned	102,780	-	102,780	-	46.7	-	46.7	-		
UK — Urban warehousing wholly-owned	104,516	17,384	11,425	75,707	95.6	1.7	8.7	85.2		
UK — High value and other uses of industrial land wholly owned	-	-	-	-	2.3	2.3	-	-		
UK TOTAL	207,296	17,384	114,205	75,707	144.6	4.0	55.4	85.2		
Continental Europe – Big Box	513,477	56,534	420,336	36,607	190.6	7.9	172.5	10.2		
<i>Continental Europe – Big Box wholly-owned¹</i>	319,117	15,282	303,835	-	149.5	0.7	148.8	-		
<i>Continental Europe – Big Box joint ventures</i>	194,360	41,252	116,501	36,607	41.1	7.2	23.7	10.2		
Continental Europe – Urban warehousing wholly-owned	56,561	10,469	31,229	14,863	40.5	4.9	22.9	12.7		
Continental Europe – Other uses of industrial land joint ventures	-	-	-	-	-	-	-	-		
CONTINENTAL EUROPE TOTAL	570,038	67,003	451,565	51,470	231.1	12.8	195.4	22.9		
CURRENT DEVELOPMENT PIPELINE	777,334	84,387	565,770	127,177	375.7	16.8	250.8	108.1		

	ERV when complete £m	Period of completion			Pre-let (ERV) £m	Period of completion				
		Total	H1 2021	H2 2021		H1 2022	Total	H1 2021	H2 2021	H1 2022
UK — Big Box wholly owned	7.9	-	7.9	-	6.4	-	6.4	-		
UK — Urban warehousing wholly-owned	18.9	2.7	2.1	14.1	10.9	1.6	0.9	8.4		
UK — High value and other uses of industrial land wholly owned	0.2	0.2	-	-	-	-	-	-		
UK TOTAL	27.0	2.9	10.0	14.1	17.3	1.6	7.3	8.4		
Continental Europe – Big Box	19.7	2.0	17.1	0.6	16.6	1.3	14.7	0.6		
<i>Continental Europe – Big Box wholly-owned¹</i>	15.5	1.0	14.5	-	14.4	0.6	13.8	-		
<i>Continental Europe – Big Box joint ventures</i>	4.2	1.0	2.6	0.6	2.2	0.7	0.9	0.6		
Continental Europe – Urban warehousing wholly-owned	4.7	0.7	2.8	1.2	1.8	0.4	1.4	-		
Continental Europe – Other uses of industrial land wholly-owned	-	-	-	-	-	-	-	-		
CONTINENTAL EUROPE TOTAL	24.4	2.7	19.9	1.8	18.4	1.7	16.1	0.6		
CURRENT DEVELOPMENT PIPELINE	51.4	5.6	29.9	15.9	35.7	3.3	23.4	9.0		

¹These developments are built by SEGRO/Vailog for which SELP has the option, but not the obligation, to acquire shortly after completion.

DEVELOPMENT PROJECTS COMPLETED IN 2020

	Completed (space, 100%) sq m	Total ERV (at share) £m	ERV of let space (at share) £m	Total capital expenditure (at share) £m	Yield on cost
UK — Big Box	38,354	2.5	2.5	19.9	7.0%
UK — Urban warehousing	69,877	10.0	5.8	75.7	6.7%
UK — High value and other uses of industrial land	3,564	0.8	0.8	14.0	5.2%
UK TOTAL	111,795	13.3	9.1	109.6	6.6%
Continental Europe — Big Box	613,997	23.7	22.7	278.3	6.7%
Wholly-owned	400,431	18.1	18.1	221.0	6.5%
Joint Ventures	213,566	5.6	4.6	57.3	7.3%
Continental Europe - Urban warehousing	100,218	7.9	5.8	72.5	7.3%
Continental Europe - High value and other uses of industrial land	9,864	1.8	1.8	19.1	8.9%
Wholly-owned	9,864	1.7	1.7	17.2	9.1%
Joint Ventures	-	0.2	0.2	1.9	6.7%
CONTINENTAL EUROPE TOTAL	724,079	33.4	30.3	370.0	6.9%
TOTAL COMPLETED PROJECTS IN 2020	835,874	46.7	39.4	479.6	6.8%

GLOSSARY OF TERMS

Completed portfolio

The completed investment properties and the Group's share of joint ventures' completed investment properties. Includes properties held throughout the year, completed developments and properties acquired during the year.

Development pipeline

The Group's current programme of developments authorised or in the course of construction at the balance sheet date (Current Pipeline), together with potential schemes not yet commenced on land owned or controlled by the Group (Future Pipeline).

EPRA

The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations in order to provide consistency and transparency in real estate reporting across Europe.

Estimated cost to completion

Costs still to be expended on a development or redevelopment to practical completion, including notional finance costs.

Estimated rental value (ERV)

The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

Rent-free period

An incentive provided usually at commencement of a lease during which a customer pays no rent. The amount of rent free is the difference between passing rent and headline rent.

Headline rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV) ignoring any rent-free period.

Hectares (Ha)

The area of land measurement used in this analysis. The conversion factor used, where appropriate, is 1 hectare = 2.471 acres.

Investment property

Completed land and buildings held for rental income return and/or capital appreciation.

Joint venture

An entity in which the Group holds an interest and which is jointly controlled by the Group and one or more partners under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each partner's consent.

Net initial yield

Passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers' costs. This is in accordance with EPRA's Best Practices Recommendations.

Square metres (sq m)

The area of buildings measurements used in this analysis. The conversion factor used, where appropriate, is 1 square metre = 10.7639 square feet.

Net rental income

Gross Rental Income less ground rents paid, net service charge expenses and property operating expenses.

Net true equivalent yield

The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. Rent is assumed to be paid quarterly in advance, in line with standard UK lease terms.

Passing rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV). Excludes rental income where a rent free period is in operation. Excludes service charge income.

Pre-let

A lease signed with an occupier prior to commencing construction of a building.

REIT

A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications. SEGRO plc and its UK subsidiaries achieved REIT status with effect from 1 January 2007.

Total capital expenditure

Total capital expenditure excluding land value.

GLOSSARY OF TERMS

Rent roll

See Passing Rent.

Take-back

Rental income lost due to lease expiry, exercise of break option, surrender or insolvency.

Trading property

Property being developed for sale or one which is being held for sale after development is complete.

Speculative development

Where a development has commenced prior to a lease agreement being signed in relation to that development.

Topped up net initial yield

Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date. This is in accordance with EPRA's Best Practices Recommendations.

Yield on cost

Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.



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