

Enabling
extraordinary
things

Data centre opportunity

Soumen Das – CFO

SEGRO has the track record, expertise and a significant opportunity in the high growth data centre market



Almost **20 years** of experience in creating **Europe's largest data centre hub**.



Established relationships with major co-locators and hyperscalers.



c£200m of potential rent from the opportunities we have identified, to be delivered over the next **10 years**.



Dark/powered shell approach is our **base case** but open to all models.



Almost 20 years of experience in the data centre market

First data centre lease was signed on the **Slough Trading Estate in 2005**.

Slough is now home to **Europe's largest cluster of data centres**.

SEGRO's first **multi-storey** data centre was built in 2018.

All of our data centres are **dark shells** – SEGRO developed and leases the building (with an allocation of power) to data centre operators, such as:



34

Data centres
(30 in Slough)

£55m

Headline rent¹
(7% of Group)

17 years

WAULT¹
(to break)

The secrets to the Slough Trading Estate's success

Proximity

Located in major **Availability Zones** for latency and resilience.

Access to **established** fibre optic and sub-sea cables.



Power

Private and resilient power network.



Planning

Strong relationship with the Slough Borough Council.

Simplified Planning Zone (SPZ) offers a significant competitive advantage in **Slough**.



There are a number of real estate strategies...

CAPITAL REQUIREMENT, OPERATIONAL COMPLEXITY AND RISK

Characteristics:	Powered land	Dark/power shell	Fully fitted	Colocation
Source land, power and planning	✓	✓	✓	✓
Build shell	✗	✓	✓	✓
Complete fit-out	✗	✗	✓	✓
Operate and maintain	✗	✗	✗	✓
Leasing risk	None	Pre-let	Speculative or pre-let	Speculative or pre-let
Capital intensity	Low	Medium	High (8-10x)	High (8-10x)
Pricing model	Per acre	Per sq m	Kw per month	Kw per month

Core real estate activity

...SEGRO's strategy, to maximise risk adjusted return, is focused on the dark/power shell model.

...leased to three main customer types

Enterprise

Private data centres.

Mostly used by telecommunications companies and financial services.

Proximity to end user is important.



Morgan Stanley



Co-locators

Fully-fitted out space leasing to other businesses (including hyperscalers).

Offer control, cost efficiency and scalability.

Demand driven by Cloud transition and data usage so focused on major Availability Zones.



Hyperscalers

Huge data centres focused on processing power and scalability for high-tech businesses and applications.

Demand driven by Cloud and increasingly Artificial Intelligence.



Data centres: c.£200m of additional rent opportunity

Focus on our **existing markets** which are located in key Availability Zones

Targeting demand driven by Cloud and Inference AI

Execution strategy:

- Preferred model is dark/ powered shells¹
- Sale of powered land where long-term value can be captured upfront
- Exploring other models to maximise value on a case-by-case basis



c.£200m

Additional rent opportunity²
(including both land bank and redevelopment of income producing assets)

8-12%

Yield on cost²

Case study: Ajax Avenue, Slough Trading Estate



72,500 sq ft of 1960s multi-let terraced warehouses



Re-located customers to other parts of the portfolio



Completed three multi-level data centres, equating to over 400,000 sq ft of space in December 2023



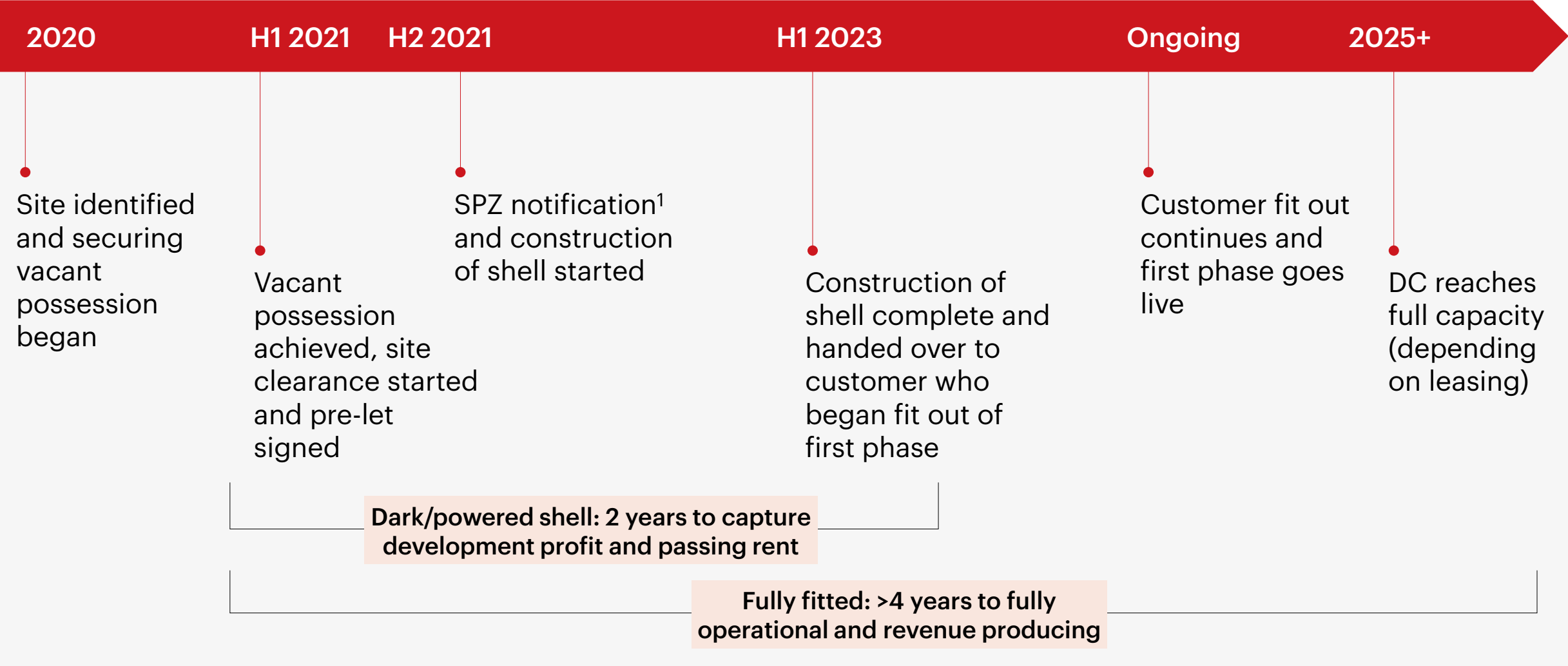
Lease signed with Global Technical Realty for 25-year term



Significant increase in rent and lettable area



Case study: Ajax Avenue, Slough Trading Estate



1. Simplified Planning Zone. Due to this arrangement specific planning permission was not required.

Both SEGRO and data centre operators are mindful of the ESG challenges

SEGRO

- Bespoke data centres developed to the same high sustainability standards as our industrial assets.
- Green Lease clauses to increase use of renewable energy.
- Data Centre Community Investment Plan (CIP) to benefit community around the Slough Trading Estate.

Data centre operators

- Climate Neutral Data Centre Pact established to combat climate change.
- Focusing on improving power usage effectiveness, sourcing clean energy, limiting water usage and reducing waste.
- Data centres provide direct and indirect high-quality employment both during construction and operation.



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Q&A

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