

20 November 2024

SUCCESSFULLY DEPLOYING CAPITAL INTO OUR CONVICTION SECTORS

Simon Carter, Chief Executive said:

"We are pleased the operational and financial momentum in our business continues. Strong levels of leasing ahead of ERV and sustained cost discipline enabled us to grow profits again, despite significant development activity, which will be a key driver of future profit growth. Our values were up 0.2%, with a particularly strong performance in retail parks offsetting residual yield movement in campuses.

Since April, we have disposed of £456m of non-core assets and rapidly deployed £711m into retail parks, one of our preferred subsectors, given their attractive occupational fundamentals and high occupancy. Since 2021 we have increased our exposure to retail parks from 15% of the portfolio to 32% today. This conviction is paying off, with retailers competing for cost-efficient out-of-town space to support their online operations. This is leading to strong rental growth and valuation uplifts which are outperforming all other subsectors.

Similarly, the super prime space we are developing on our campuses is benefiting from a significant imbalance between the demand and supply for new and substantially refurbished space, particularly in the City, where we estimate a shortfall of 5 million square feet over the next four years. This is leading to strong rental growth at the top end of the market.

While geopolitical risk remains elevated and there has been some volatility around the recent Budget and US election, British Land's portfolio is well positioned for the inflection in the cycle. The continued strength of our occupational markets, underpins our guidance of 3-5% rental growth across the portfolio, and our ability to generate attractive future returns."

FINANCIAL

- Underlying Profit of £143m up 1%
- EPRA cost ratio 15.3% (FY24 16.4%)
- Underlying earnings per share (EPS) of 15.3p up 1%
- Dividend per share of 12.24p up 1%
- Total accounting return of 2.8% in the period

BALANCE SHEET

- EPRA Net Tangible Assets (NTA) per share of 567p up 1% in the period and pro forma NTA per share of 556p¹
- Pro forma Loan to Value (LTV) 37.8%¹ and HY25 LTV at 38.7% (FY24 37.3%)
- Pro forma Group Net Debt to EBITDA 7.4x¹ and HY25 Group Net Debt to EBITDA 7.8x (FY24 6.8x)
- Fitch Senior Unsecured credit rating at 'A' with stable outlook (affirmed July 2024)
- Interest rate on our debt 97% hedged for FY25, 78% hedged on average over the next five years

CAPITAL ACTIVITY

- £456m of disposals since 1 April 2024, including Meadowhall, completed in July 2024
- £711m of retail parks acquired since 1 April 2024, at a blended net equivalent yield (NEY) of 7.0%
- Raised £301m via an equity placing in October 2024
- £1.6bn undrawn facilities and cash, with £1.4bn of financing activity since 1 April 2024

OPERATIONAL METRICS

- Portfolio occupancy 98%²: Campuses 97%², Retail Parks 99%, London Urban Logistics 100%
- Leased 1.7m sq ft, 8.0% ahead of ERV
- Campus leasing 957k sq ft, 8.3% ahead of ERV
- Campus under offers as of 30 September 2024, 296k sq ft, with a further 1.7m sq ft in negotiations
- Retail & London Urban Logistics leasing 759k sq ft, 6.9% ahead of ERV and 509k sq ft under offer
- Like-for-like rental growth +3%: Campuses +4%, Retail & London Urban Logistics +2%

PORTFOLIO VALUATION

- Values up 0.2%: Campuses -1.7%, Retail Parks +5.1%, London Urban Logistics -2.6%
- Six-month ERV growth of 2.5%: Campuses 1.7%, Retail Parks 3.7%, London Urban Logistics 0.3%
- NEY -2 bps to 6.1%: Campuses +12 bps to 5.6%, Retail Parks -22 bps to 6.6%, London Urban Logistics +7 bps to 4.9%

SUSTAINABILITY

- GRESB rating of 5* for both standing investments and developments, scoring 100/100 for our developments
- c.64% of the portfolio rated EPC A or B, up from 58% at FY24

OUTLOOK

- Reiterating ERV guidance of 3-5% p.a. growth across the portfolio
- Now expect FY25 Underlying EPS to be 28.1p, reflecting the accretive £441m retail park portfolio acquisition and placing

SUMMARY PERFORMANCE

Period ended	30 September 2024	30 September 2023	% Change
INCOME STATEMENT			
Underlying Profit ³	£143m	£142m	1%
Underlying earnings per share ³	15.3p	15.2p	1%
IFRS profit (loss) after tax	£109m	£(61)m	
IFRS basic earnings per share	11.7p	(6.6)p	
Dividend per share	12.24p	12.16p	1%
Total accounting return ³	2.8%	(2.0)%	

As at	30 September 2024	31 March 2024	
BALANCE SHEET			
Portfolio at valuation (proportionally consolidated)	£8,867m	£8,684m	0.2% ⁴
EPRA Net Tangible Assets per share ³	567p	562p	1%
IFRS net assets	£5,308m	£5,312m	
Net Debt to EBITDA (Group) ^{5,6}	7.8x	6.8x	
Loan to value (proportionally consolidated) ^{6,7}	38.7%	37.3%	
Fitch Senior Unsecured credit rating	A	A	

Period ended	30 September 2024	30 September 2023	
OPERATIONAL STATISTICS			
Lettings and renewals over 1 year	1.4m sq ft	1.3msq ft	
Total lettings and renewals	1.7m sq ft	1.6msq ft	
Committed and recently completed developments	2.9m sq ft	1.9msq ft	

SUSTAINABILITY PERFORMANCE

MSCI ESG	AAA rating	AAA rating
GRESB (standing investments / developments)	5* / 5*	5* / 5*

1. Pro forma for £441m retail park portfolio acquisition funded via equity placing in October 2024 and £86m of disposals post period end (including £62m exchanged for sale/under offer)

2. Occupancy excludes recently completed developments at Norton Folgate, Aldgate and The Priestley Centre

3. See Note 2 to the condensed interim financial statements for definition and calculation.

4. Valuation movement during the period (after taking account of capex) of properties held at the balance sheet date, including developments (classified by end use), purchases, sales.

5. Net Debt to EBITDA on a Group basis excludes joint venture borrowings and includes distributions and other receivables from joint ventures.

6. See Note 8 to the condensed interim financial statements for definition, calculation and reference to IFRS metrics.

7. EPRA Loan to value is disclosed in Table B of the condensed interim financial statements.

DIVIDENDS

Our dividend is semi-annual, and in line with our dividend policy, is calculated at 80% of Underlying EPS based on the most recently completed six-month period. Applying this policy, the Board are proposing an interim dividend for the six months ended 30 September 2024 of 12.24p per share. Payment will be made on Wednesday 15 January 2025 to shareholders on the register at close of business on Friday 6 December 2024. The dividend will be a Property Income Distribution. A Dividend Reinvestment Plan (DRIP) is provided by Equiniti Financial Services Limited which enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at www.shareview.co.uk/info/drip.

FULL UNEDITED TEXT

In accordance with DTR 6.3.5 (1A), the full unedited Half Year results for the six months ended 30 September 2024 will shortly be available to download from the National Storage Mechanism. A copy is also available on the Company's website: <https://www.britishland.com/news/half-year-results-202425> and here: http://www.ms-londonstockexchange.com/ms/8736M_1-2024-11-19.pdf

RESULTS PRESENTATION AND INVESTOR CONFERENCE CALL

A presentation of the results will take place at 9am on Wednesday 20 November 2024 at Peel Hunt, 100 Liverpool Street, Broadgate and will be broadcast live via webcast (www.britishland.com) and conference call. The details for the conference call and weblink are as follows:

UK Toll Free Number: 0800 358 1035

International: +44 (0) 2020 0000

International: +44 20 3936 2999
Access code: 922991
Click for access: [Audio weblink](#)

Adial in replay will be available later in the day for 7 days. The details are as follows:

Replay number: 020 3936 3001

Passcode: 470509

Accompanying slides will be made available at www.britishland.com just prior to the event starting.

FOR INFORMATION CONTACT

INVESTORS

Sandra Moura, British Land	07989 755535
Lizzie King, British Land	07808 912784
Sean Pearcey-Stone, British Land	020 7467 3519

MEDIA

Charlotte Whitley, British Land	07887 802535
Guy Lamming/Gordon Simpson, FGS Global	020 7251 3801

BritishLand-UK@fgsglobal.com

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR BKLLFZFLXFBX