



We unlock  
potential,  
creating space  
for London  
to thrive

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Full Year Results 2020



# Our Strategy is Clear



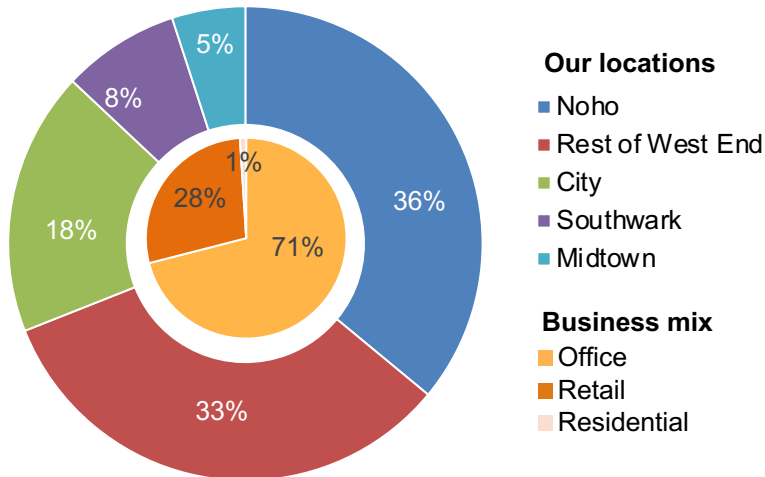
## Strategy

100% central London	West End focus (69% <sup>3</sup> )
Reposition properties	Low rents (£53.40 psf)
Flex operational risk	Execution / Ready to invest
Low financial leverage	14.2% <sup>3</sup> LTV
Disciplined capital management	Raise to acquire; distribute excess
Sustainability touches everything we do	Net zero carbon by 2030

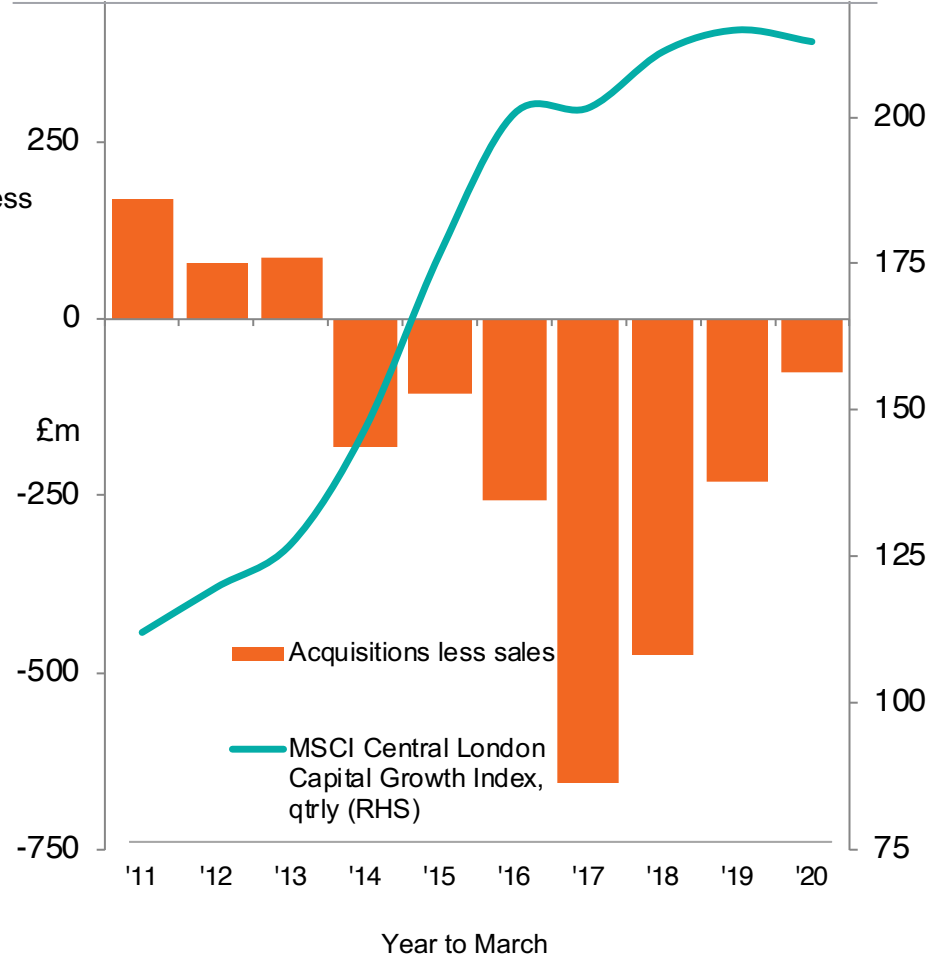
## Results

Superior total returns 453.4% TPR<sup>1</sup> (Benchmark 361.7%)

## Portfolio characteristics – c.£2.6 billion<sup>2</sup>



## Cycle read is key<sup>3</sup>



1. Since 31 March '04 2. At 31 March '20 – including share of joint ventures 3. Includes share of Joint Ventures

# Solid Results



31 March 2020	12 months	H2	H1
Property Valuation <sup>1</sup>	(0.3)%	(0.9%)	+0.8%
<i>Developments</i> <sup>1</sup>	+11.9%	+6.2%	+6.0%
Portfolio ERV movement <sup>1</sup>	+1.4%	+0.6%	+1.0%
Total Property Return <sup>2</sup>	+3.7%	+0.9%	+2.7%
EPRA NAV per share	+1.8%	0.0%	+1.8%
Ordinary Dividend	+3.3%	+0.0%	+9.3%

# Planning for Recession...

... from position of great strength. Solid foundations



## 1. Rock Solid Financial Position

LTV only 14.2%  
Returned £616m surplus equity to shareholders since 2017  
Available liquidity £411m  
Avg interest rate low @ 2.2%  
Significant capacity for investment

## 2. Portfolio Opportunity

Strong Development Progress  
13 schemes in total, 1.8m sq ft, 56% of portfolio  
Limited new business opportunities currently  
Likely to change: if so, expect to be net buyer

## 3. Leasing Successes

Let £14.4m<sup>1</sup> pa 12 months to Mar '20  
8.8%<sup>2</sup> > Mar '19 ERV  
£12.3<sup>1</sup>m U/O: 2.5%<sup>2</sup> > Mar '20 ERV  
Majority agreed since lockdown  
But, 71.0% Mar qtr's rent collected<sup>3</sup>

## 4. Strong Culture

GPE Values: In evidence across the Group during Covid  
Supporting our occupiers and communities  
Innovating: new App now in use across portfolio  
Launched Sustainability Statement of Intent  
NES accreditation: broadening diversity  
94% of our people say GPE "great place to work"<sup>4</sup>

### Growth potential...

**Organically: income growth** +50%  
**Externally:** expect opportunities

### ... well placed to capitalise

**Balance sheet strength:** capacity  
**Great team:** track record of unlocking potential

**London: will remain key world city; long term growth**

<b>Introduction</b>	<b>Toby Courtauld, Chief Executive</b>
<b>Financial Results</b>	<b>Nick Sanderson, Finance &amp; Operations Director</b>
<b>Market Business Update Outlook</b>	<b>Toby Courtauld, Chief Executive</b>

# Financial Highlights



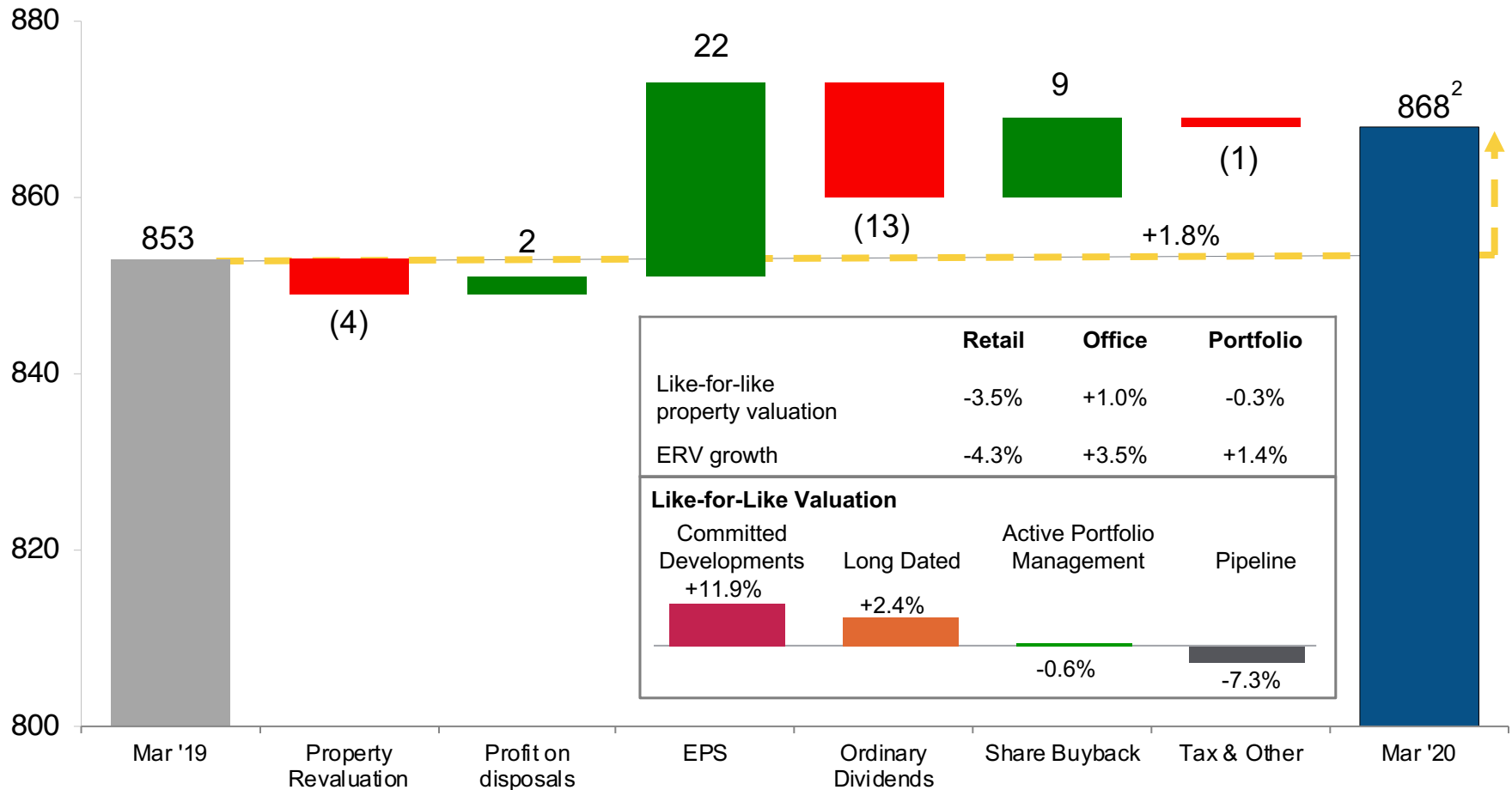
Resilient financial performance	Final dividend of 7.9p	Rent collection down, minimal delinquency to date	
Strong financial and liquidity position	Significant covenant headroom	Exceptional capacity for investment	
<b>Balance Sheet</b>	<b>March 20</b>	<b>March 19</b>	<b>Change</b>
Portfolio value <sup>1</sup>	£2,624.1m	£2,579.0m	(0.3)% <sup>2</sup>
EPRA NAV per share <sup>3</sup>	868p	853p	+1.8%
EPRA NNAV per share <sup>3</sup>	871p	850p	+2.5%
Loan-to-property value	14.2%	8.7%	+5.5pps
<b>Income Statement</b>	<b>March 20</b>	<b>March 19</b>	<b>Change</b>
EPRA Earnings <sup>3</sup>	£57.0m	£53.7m	+6.1%
EPRA EPS <sup>3</sup>	22.0p	19.4p	+13.4%
Dividend per share	12.6p	12.2p	3.3%

# EPRA NAV per share up 1.8%<sup>1</sup>

12 months to 31 March 2020



## EPRA NAV (pence per share)



1. Adjusted per EPRA guidance

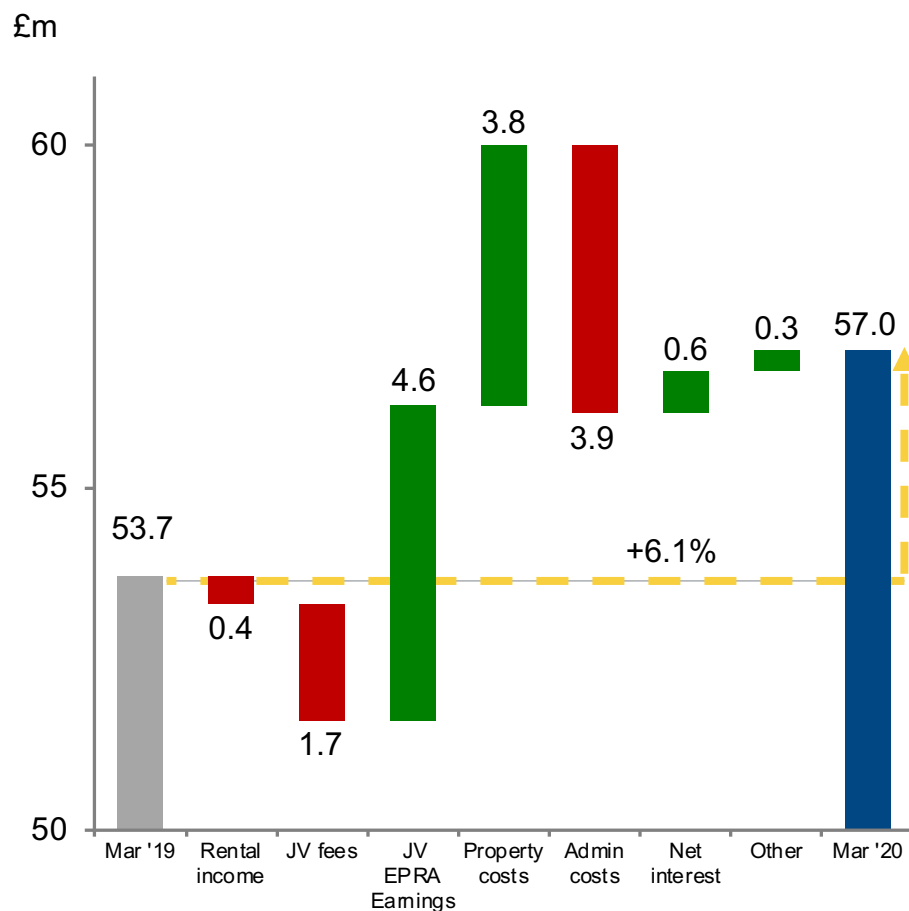
2. Following publication in October '19 of new Best Practice Recommendations by EPRA which include three new measures of net asset value, GPE will be adopting these guidelines from 30 September '20 and considers EPRA Net Tangible Assets (NTA) as the most relevant of the three measures for the Company's business, which for comparative purposes at 31 March '20 was 868 pence (identical to EPRA NAV per share).

# EPRA Earnings up to £57.0m

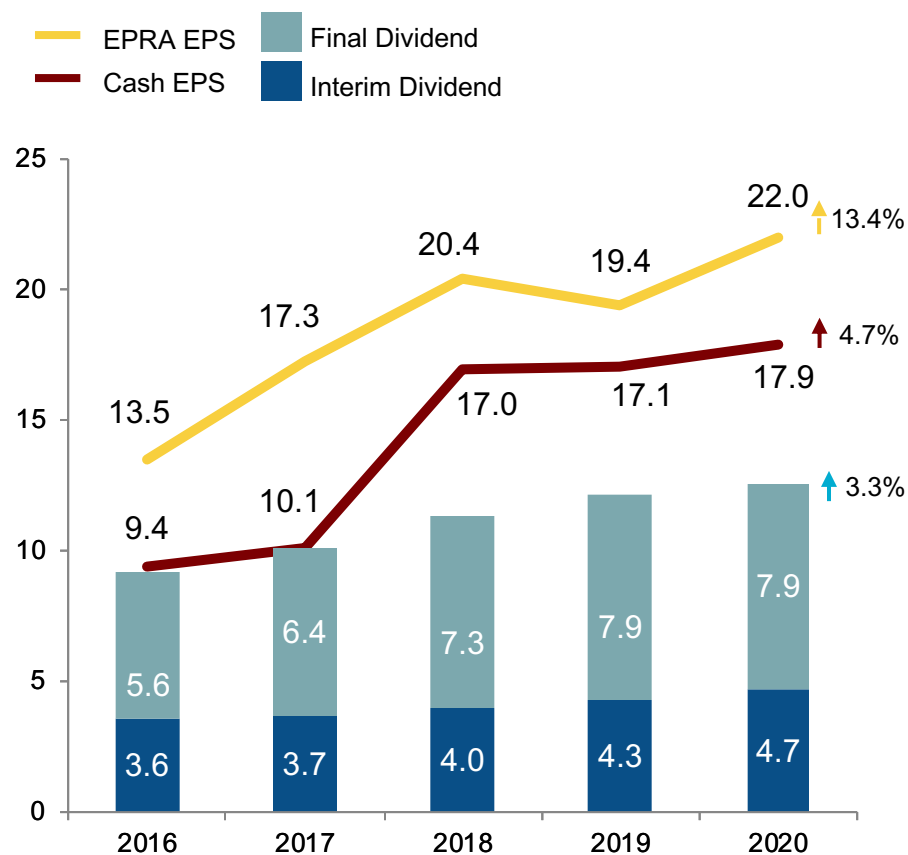
## EPRA EPS up 13.4%, with Total Ordinary Dividend of 12.6p



### EPRA Earnings<sup>1</sup> (12 months to 31 March 2020)



### EPS and Dividend (p)



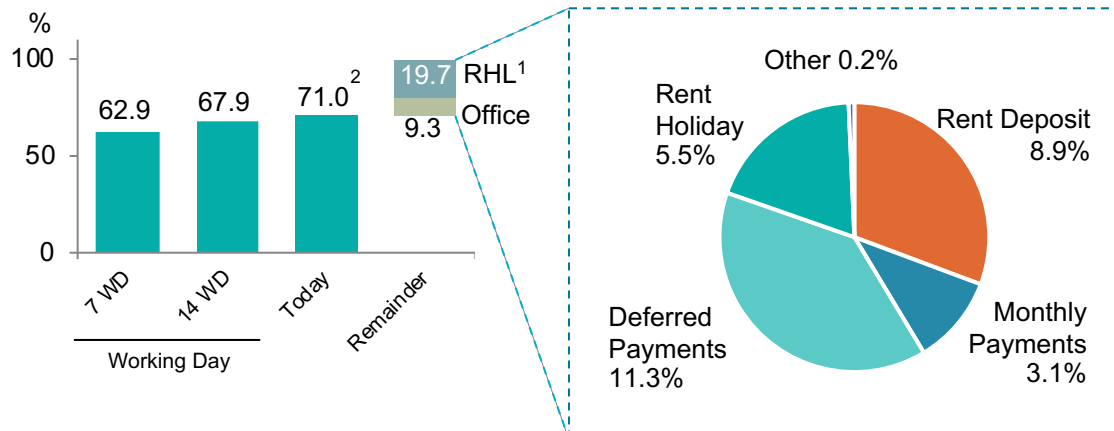
1. Adjusted per EPRA guidance



# Rent Collection Update

## Significant rent deposits available with minimal delinquency to date

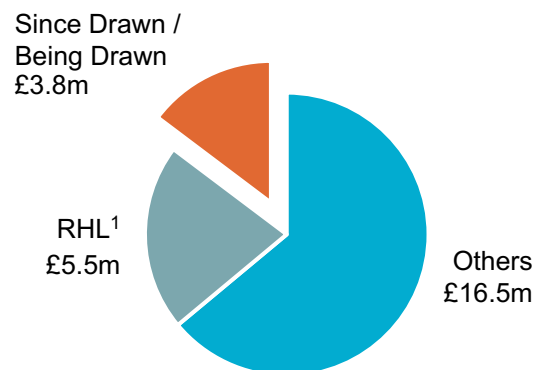
### Mar '20 Quarter Rent Collection Status (%)



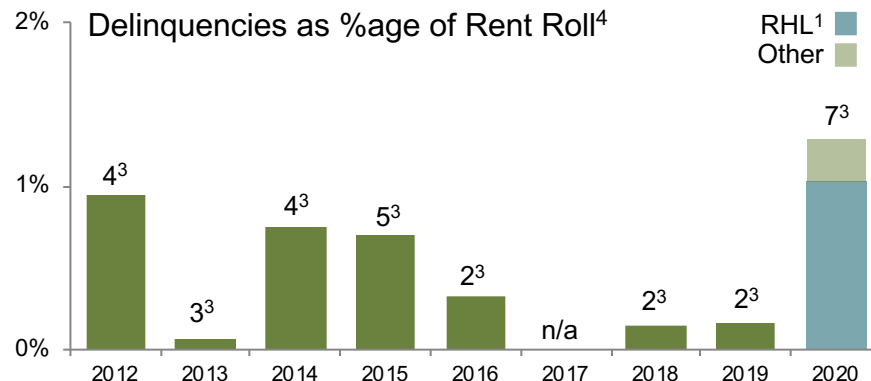
### Covid: Working with Our Occupiers

- Small, independent RHL occupiers offered 3 month rent deferrals
- Larger occupiers negotiated on a case-by-case basis
- Monthly payment terms expected to increase to more than 20% of rent roll
- Risk that June collection rate lower given economic backdrop under Covid lockdown and Government moratorium

### Rent Deposits of £25.8m as at 31 Mar '20



### Delinquencies: 1.3% of Rent Roll since Apr '19



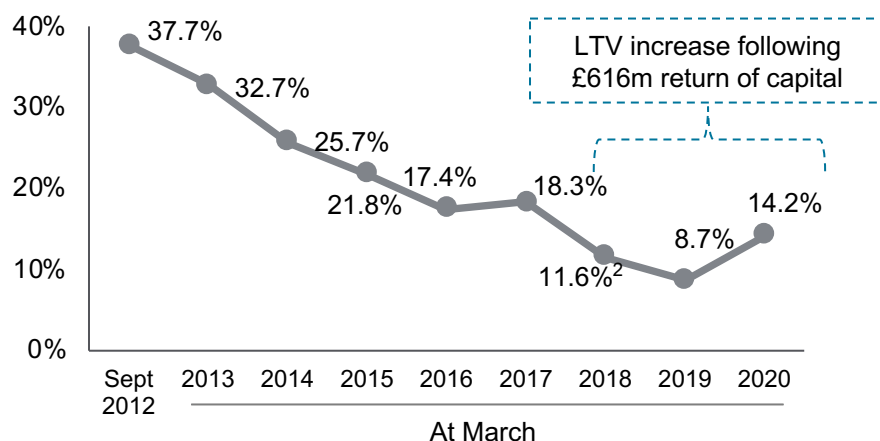
1. RHL: Retail, Hospitality & Leisure. 2. Collection rate at 13 May '20. By occupier sector type: 43% from RHL sector, 86% from other sectors. By unit type: 41% from retail, 84% from office.  
 3. Number of delinquencies. 4. Years to March, value as % of Rent Roll, including 100% of JV properties.

# Robust Debt Metrics

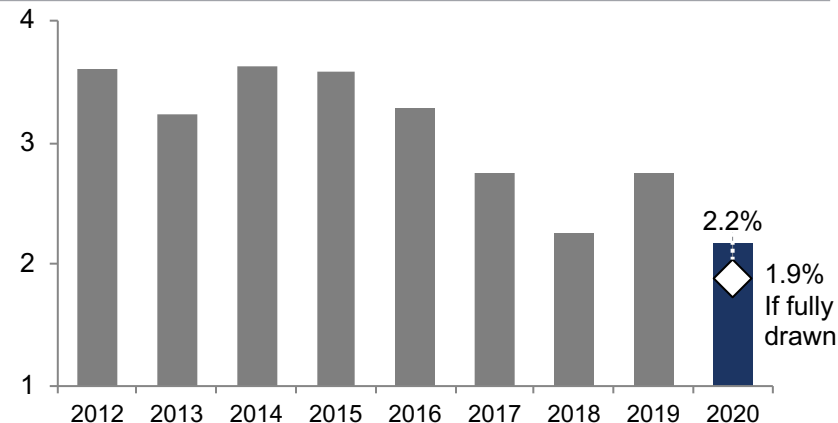
## Significant low-cost liquidity enhanced by new £450m ESG-linked RCF<sup>1</sup>



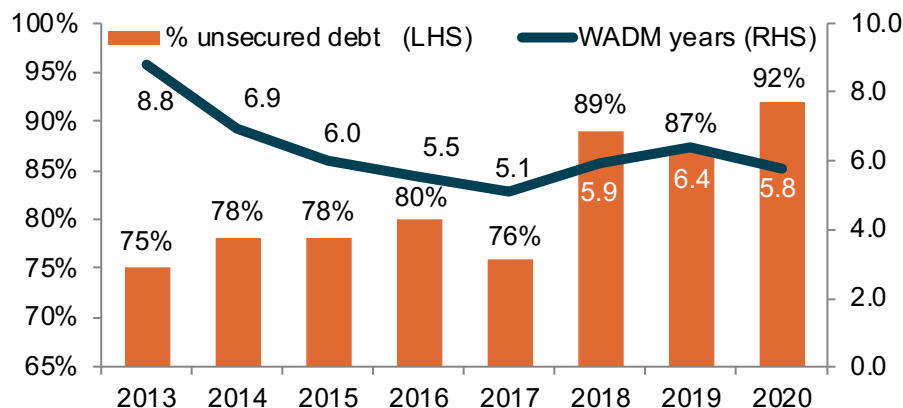
### LTV (%)



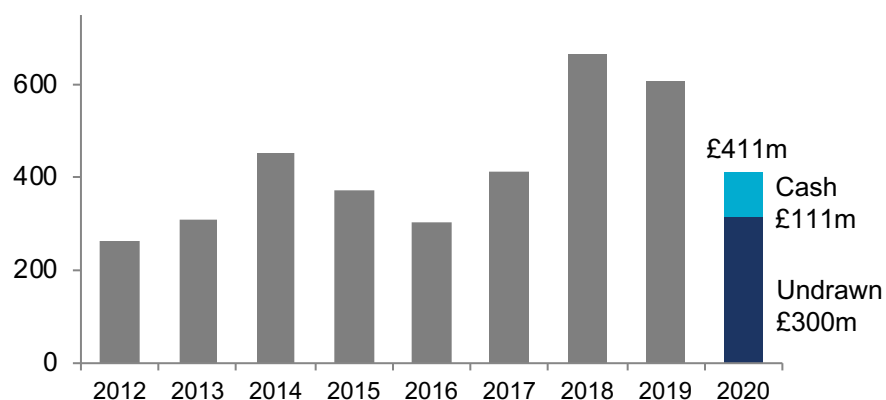
### WAIR (%)



### Maturity of Debt & Unsecured Debt<sup>3</sup>



### Cash and Undrawn Facilities (£m)



No current plans to access Government Covid funding; no GPE employees furloughed & community support expanded

1. Issued Jan '20, Headline Margin 90bp, 5 year term with two 1 year extension options  
 2. Pro forma for capital return 3. On a committed basis

# Financial Strength

## Extensive capacity for future investment

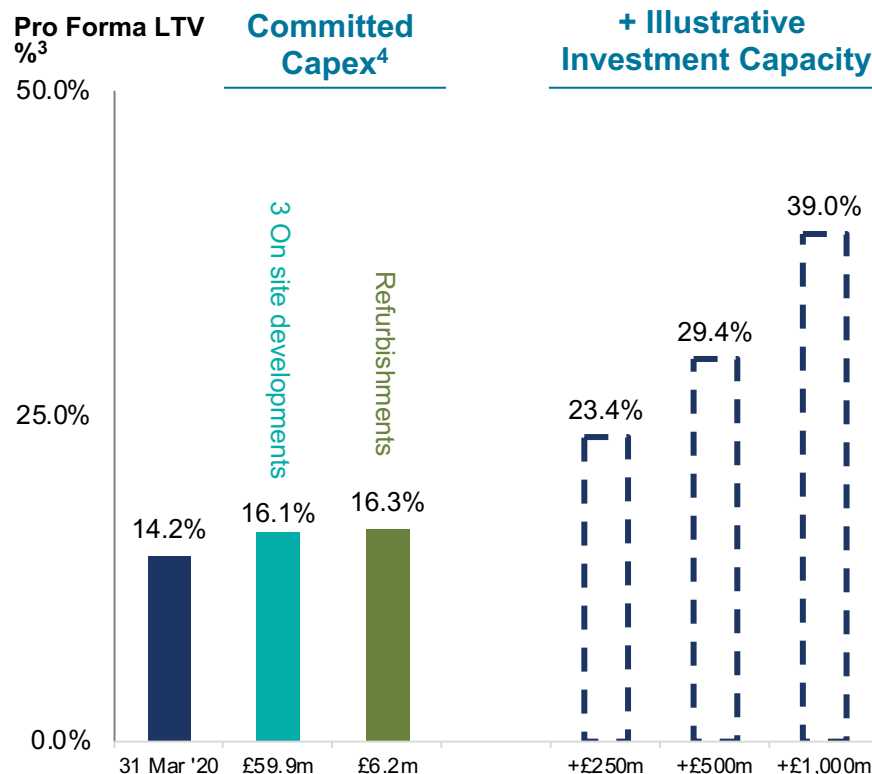


### Significant Covenant Headroom

Group Covenants <sup>1, 2</sup>	Covenant Measure	31 Mar 20 Actuals	Headroom
Net Debt / Net Equity	≤1.25x	0.16x	Further valuation fall 73%
Inner Borrowing	≥1.66x	4.3x	Further valuation fall 70%
Interest Cover	≥1.35x	n/a	Fall in EBIT n/a

Interest cover of 14.3x if exclude benefits of capitalised interest; Headroom for fall in EBIT of 90% on this basis

### Significant Investment Capacity



**Extremely well positioned for all market eventualities**

1. Identical covenants for Group Revolving Credit Facility and US Private Placement Notes 2. Secured debt with separate covenants are (i) non-recourse loan in GVP joint venture (£40m GPE share) with LTV covenant of 65.0% (v 54.4% based on 31 March '20 valuation) and ICR covenant of 160% (v 200% at 1 April '20) and (ii) Group debenture (£22m outstanding) with asset cover covenant of 1.66x (vs 5.14x at 31 March '20) and ICR covenant of 1.00x (vs 3.94x at 31 March '20)

3. Assumes constant values and excludes development surpluses 4. As at 31 March '20

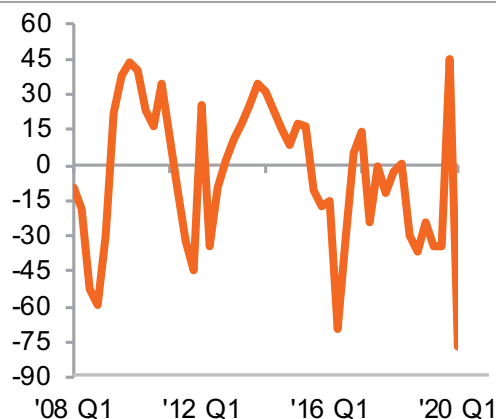
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# Market Conditions

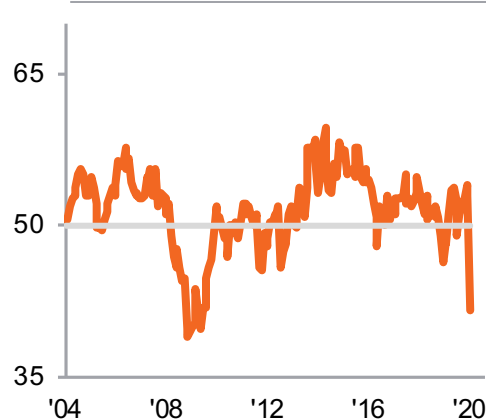
## Covid: recession in short term

### Measures of Confidence in Reverse...

Business Optimism<sup>1</sup>

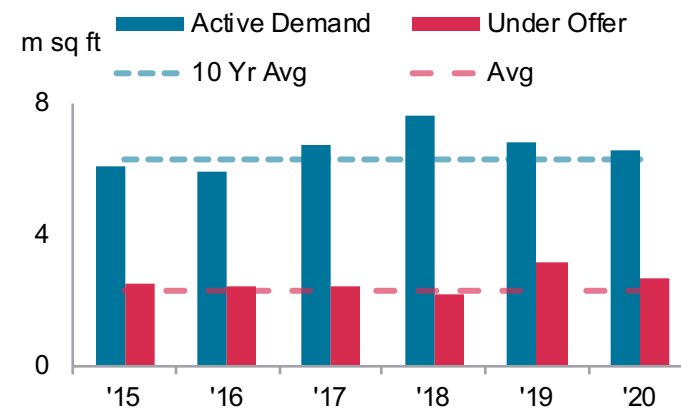


London Jobs<sup>2</sup>



### ... will Feed into Leasing Activity<sup>3</sup>

City & West End Demand



### Leasing Market

- Less demand for expansion
- More demand for flexibility
- Greater differentiation, good vs poor space
- Quality space is letting

### But don't forget

- Vacancy low @ c.3% in West End
- Pipeline very tight, will get tighter
- Social distancing = less density

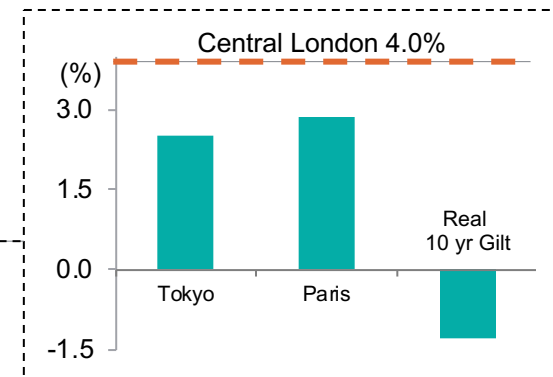
### Investment Market

- Turnover ↓70% Q1 '20 vs Q4 '19

### Extent of impact?

- Assets for sale ↓53% to £1.7bn since Nov '19
- London: high relative yields<sup>4</sup>
- Plentiful capital
- Short window for opportunities?

**Strong acquisitions track record**



# Market Outlook

## Significant uncertainty



### Rents Near Term Outlook

Driver	Nov 19	Today
GDP / GVA growth		
Business investment		
Confidence		
Employment growth		
Active demand / Take-up		
Vacancy rates		
Development completions		

### Yields Near Term Outlook

Driver	Nov 19	Today
Rental growth		
Weight of money		
Gilts		
BBB Bonds		
Exchange rate		
Political risk		

### GPE Portfolio

Rental Values	Nov '19: FY '20 Guidance	FY '20 Actual	FY '21 Guidance
Offices	(1.0%) to 2.0%	3.5%	Likely down, but too early to judge
Retail	(5.0%) to 0.0%	(4.3%)	
Portfolio	(2.0%) to 1.5%	1.4%	

### Yield Outlook

Yields	FY '20 Actual	Near Term	Beyond
Office	+2bps		<i>Remember London 100+bps vs Paris</i>
Retail	+11bps		

# Portfolio Update

## Nimble management of risk; matching product to customer needs

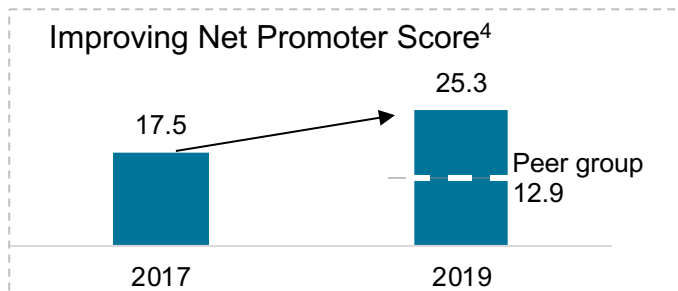


### 1. Covid Specific Response

- All properties remain open
- Committed developments all on-site
- Extensive occupier and freeholder engagement
- 'Return to the Workplace' playbook drafted
- Employee welfare top priority: GPE@home group
- Community fund established; seeded with >£280k

### 3. Focus on Occupier Experience

- Occupier Services team restructured
- Launched market leading App, sesame
  - Contactless building access / control
- Building occupier loyalty



### 2. Leasing Well: Pragmatic Approach

- H1 '20 +9.4%<sup>1</sup> > ERV
- H2 '20 +6.8%<sup>1</sup> > ERV
- Void rate down to 2.0%<sup>2</sup>
  - £12.3m<sup>3</sup> U/O: 2.5%<sup>1</sup> > Mar '20 ERV
  - Majority agreed post-lockdown
- Flexible space: direct; 88,850 sq ft
  - Demand to grow post-Covid?
- Flexible space: partnerships; 130,700 sq ft, pre-development
  - Occupancy down to 80% overall

### 4. Focus on Asset Improvement

- Refurbishment
- Lease restructuring
- Pipeline preparation

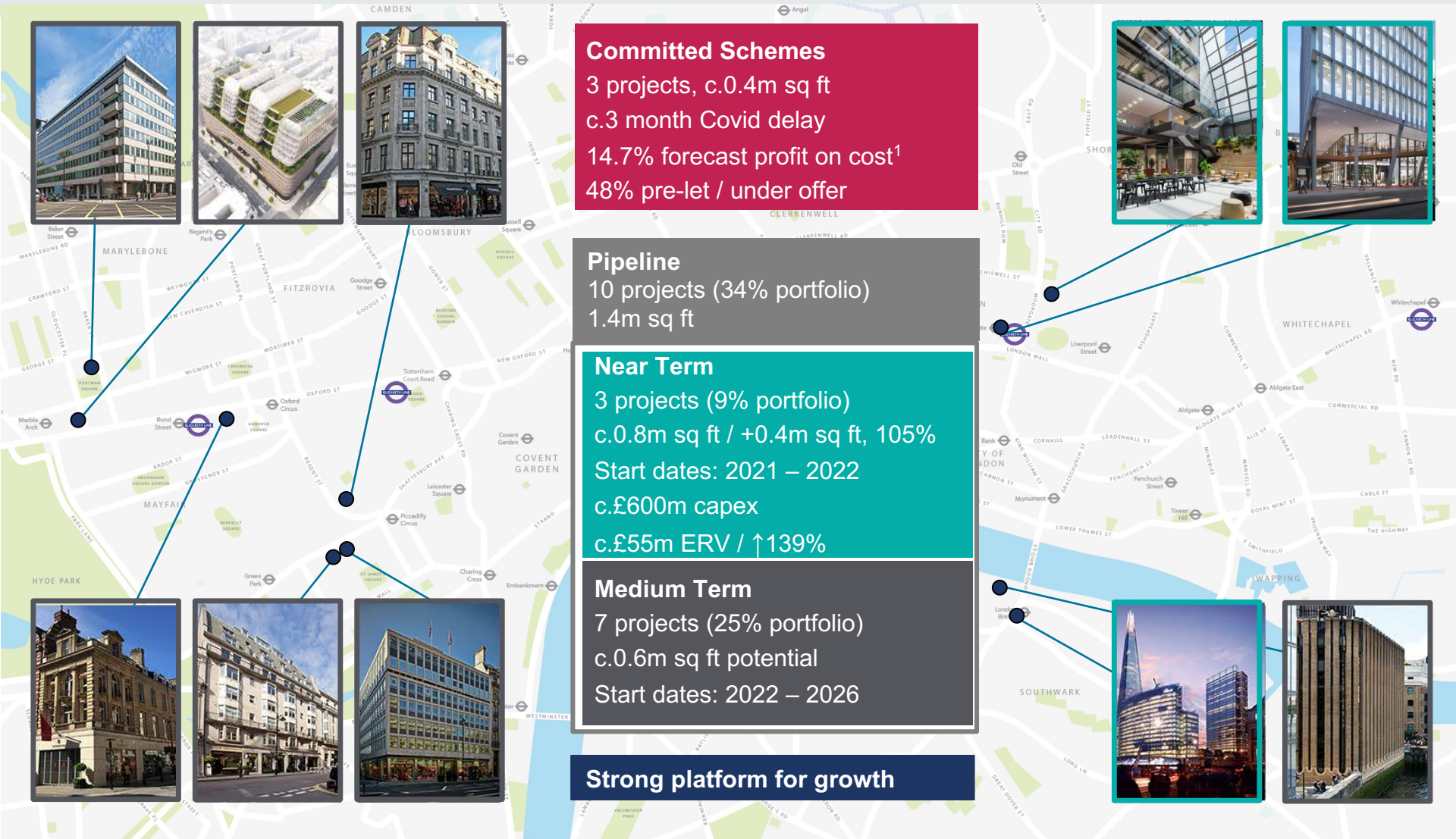
Portfolio well positioned; experienced team

1. Market lettings i.e. excluding short term lets ahead of development. 2. GPE share. 3. At 100%.

4. GPE Occupier Survey '17 vs '19; Net Promoter Score = willingness to recommend

# Deep Development Programme

13 projects, 1.8m sq ft, 56% of portfolio



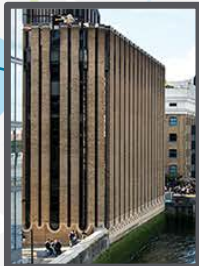
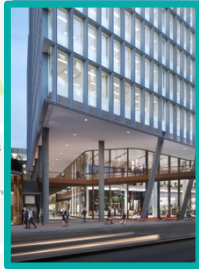
**Committed Schemes**  
 3 projects, c.0.4m sq ft  
 c.3 month Covid delay  
 14.7% forecast profit on cost<sup>1</sup>  
 48% pre-let / under offer

**Pipeline**  
 10 projects (34% portfolio)  
 1.4m sq ft

**Near Term**  
 3 projects (9% portfolio)  
 c.0.8m sq ft / +0.4m sq ft, 105%  
 Start dates: 2021 – 2022  
 c.£600m capex  
 c.£55m ERV / ↑139%

**Medium Term**  
 7 projects (25% portfolio)  
 c.0.6m sq ft potential  
 Start dates: 2022 – 2026

**Strong platform for growth**





# Sustainability Statement Of Intent

## The Time is Now



Launched today [www.gpe.co.uk/sustainability/](http://www.gpe.co.uk/sustainability/)

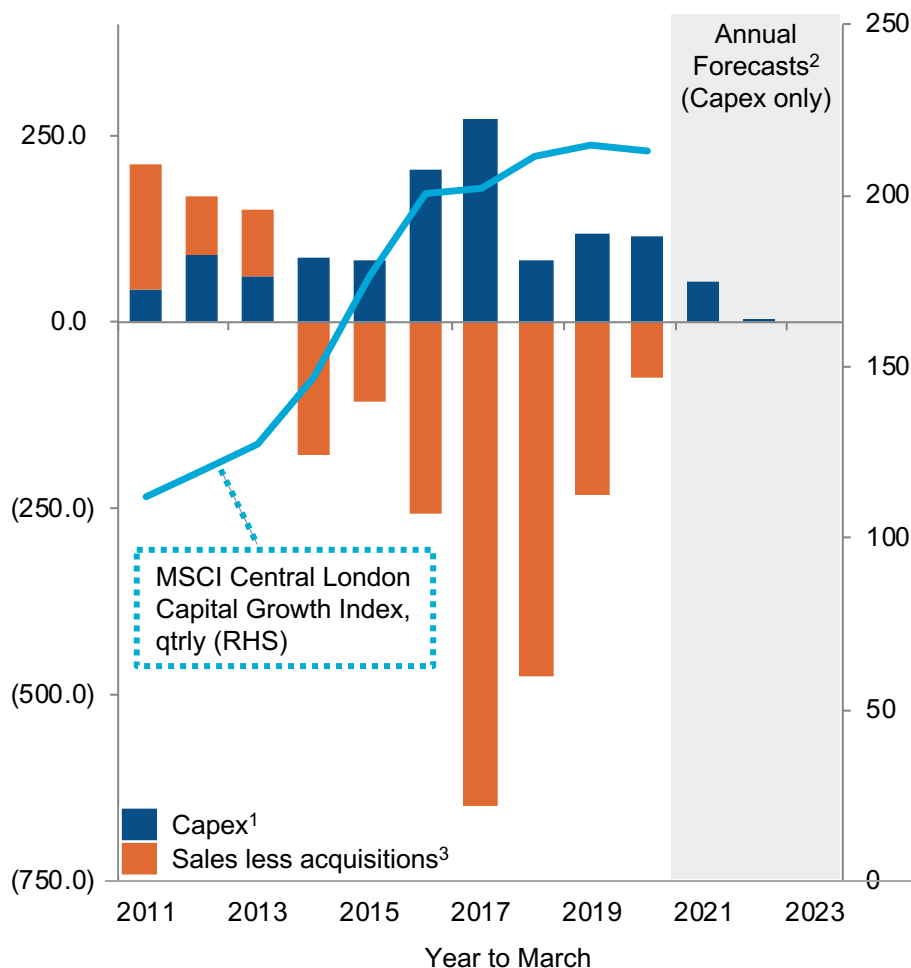
### Four Pillars:

1. Decarbonise our business by 2030
2. Design climate change resilient and adaptable spaces
3. Create a lasting, positive social impact on our communities
4. Put health and wellbeing front and centre



A moral, social and economic imperative

## GPE Portfolio (£m)<sup>1</sup>



### Sales & Acquisitions

- Near term: monitor signs of distress, pricing
- Beyond: expect to be net buyers

### Development

- Finish 3 Committed: £59.9m to come
- Prepare 3 Near-Term for start Q1 '21 to Q1 '22

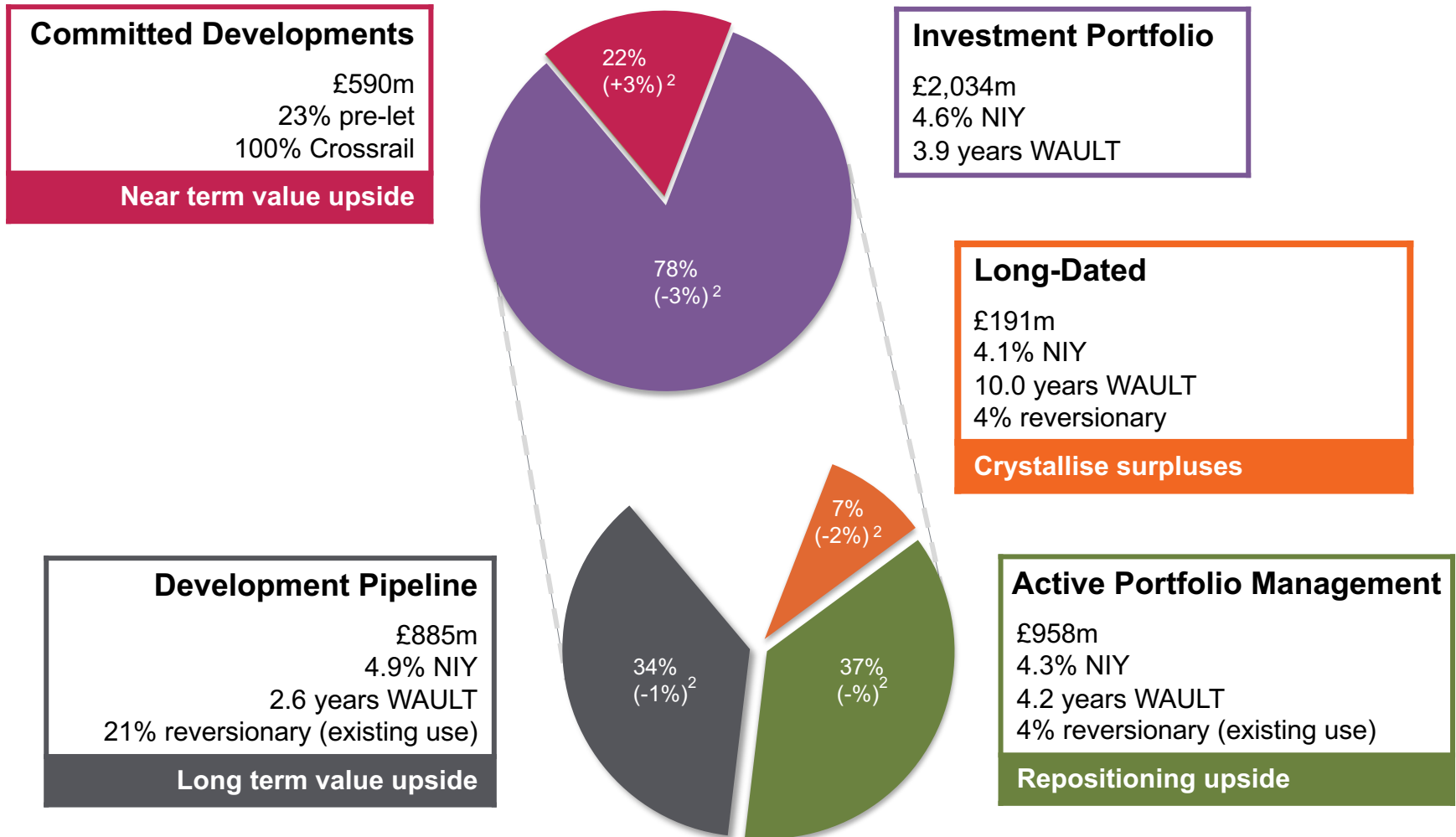
### Portfolio Management

- Customer services and rent collection
- Refurbishment opportunity
- Opportunity to grow Flex offering

### Focus on Sustainability

# Opportunity

## Long term organic growth<sup>1</sup>



1. Portfolio breakdown by value as at May '20 2. Change since November '19

# Prepared Near Term; Opportunity Long Term



## Prepared for near-term recession

- Strong balance sheet; low LTV, high liquidity
- Low rents, low voids
- Experienced senior team

## Exploit long-term growth opportunity

- Strong balance sheet: significant capacity
- 56% development; 92% Crossrail
- Focused acquisitions strategy

## Clear strategic priorities

- Focus, deep knowledge
- Demonstrable capital management discipline
- Believe in London; a global capital city

## Strong culture, great team

- Clear purpose, unifying values
- Supporting our occupiers and communities
- Exceptional people engagement scores

## Near term economic challenges

GPE in great shape; confident long-term outlook



We unlock  
potential,  
creating space  
for London  
to thrive

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Full Year Results 2020



This presentation contains certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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Information contained in this presentation relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

# Balance Sheet

## Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	March 19
Investment property	1,946.4	677.7	<b>2,624.1</b>	2,578.6
Trading property	-	-	-	5.6
Other assets	24.5	3.6	<b>28.1</b>	17.3
Net debt at book value	(349.4)	(23.9)	<b>(373.3)</b>	(224.0)
Other liabilities	(65.4)	(10.4)	<b>(75.8)</b>	(67.8)
<b>Net assets</b>	<b>1,556.1</b>	<b>647.0</b>	<b>2,203.1</b>	<b>2,309.7</b>
Fair value of joint venture derivatives	-	-	-	0.4
<b>Net assets and EPRA NAV</b>	<b>1,556.1</b>	<b>647.0</b>	<b>2,203.1</b>	<b>2,310.1</b>
Fair value of financial liabilities & derivatives	9.8	(1.4)	<b>8.4</b>	(8.6)
<b>EPRA NNAV</b>	<b>1,565.9</b>	<b>645.6</b>	<b>2,211.5</b>	<b>2,301.5</b>
<b>EPRA NAV &amp; EPRA NTA per share</b>	<b>613p</b>	<b>255p</b>	<b>868p</b>	<b>853p</b>
<b>EPRA NNAV per share</b>	<b>617p</b>	<b>254p</b>	<b>871p</b>	<b>850p</b>

# Income Statement

## Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	Mar 19
Rental income	79.9	17.9	<b>97.8</b>	96.0
Fees from Joint Ventures	2.1	-	<b>2.1</b>	3.8
Property and Administration costs	(37.1)	(1.7)	<b>(38.8)</b>	(39.4)
Profit/(loss) on sale of trading properties	0.8	-	<b>0.8</b>	(9.5)
Loss on development management contracts	(0.2)	-	<b>(0.2)</b>	(0.3)
Finance income/(costs)	0.8	(4.9)	<b>(4.1)</b>	(5.2)
Profit before surplus on investment property	46.3	11.3	<b>57.6</b>	45.4
Revaluation of investment property	(52.6)	46.6	<b>(6.0)</b>	10.7
Reported (loss)/profit before tax	(6.3)	57.9	<b>51.6</b>	56.1
Tax	0.2	-	<b>0.2</b>	(6.6)
Reported (loss)/profit after tax	(6.1)	57.9	<b>51.8</b>	49.5
<b>EPRA Earnings</b>				
Profit before surplus on investment property	46.3	11.3	<b>57.6</b>	45.4
Less: fair value movement on debt and derivatives	-	-	<b>-</b>	(1.2)
(Profit)/loss on sale of trading properties	(0.8)	-	<b>(0.8)</b>	9.5
Tax	0.2	-	<b>0.2</b>	-
	45.7	11.3	<b>57.0</b>	53.7
<b>EPRA EPS</b>	17.6p	4.4p	<b>22.0p</b>	19.4p



# Cash Earnings per Share

## Proportionally Consolidated for Joint Ventures

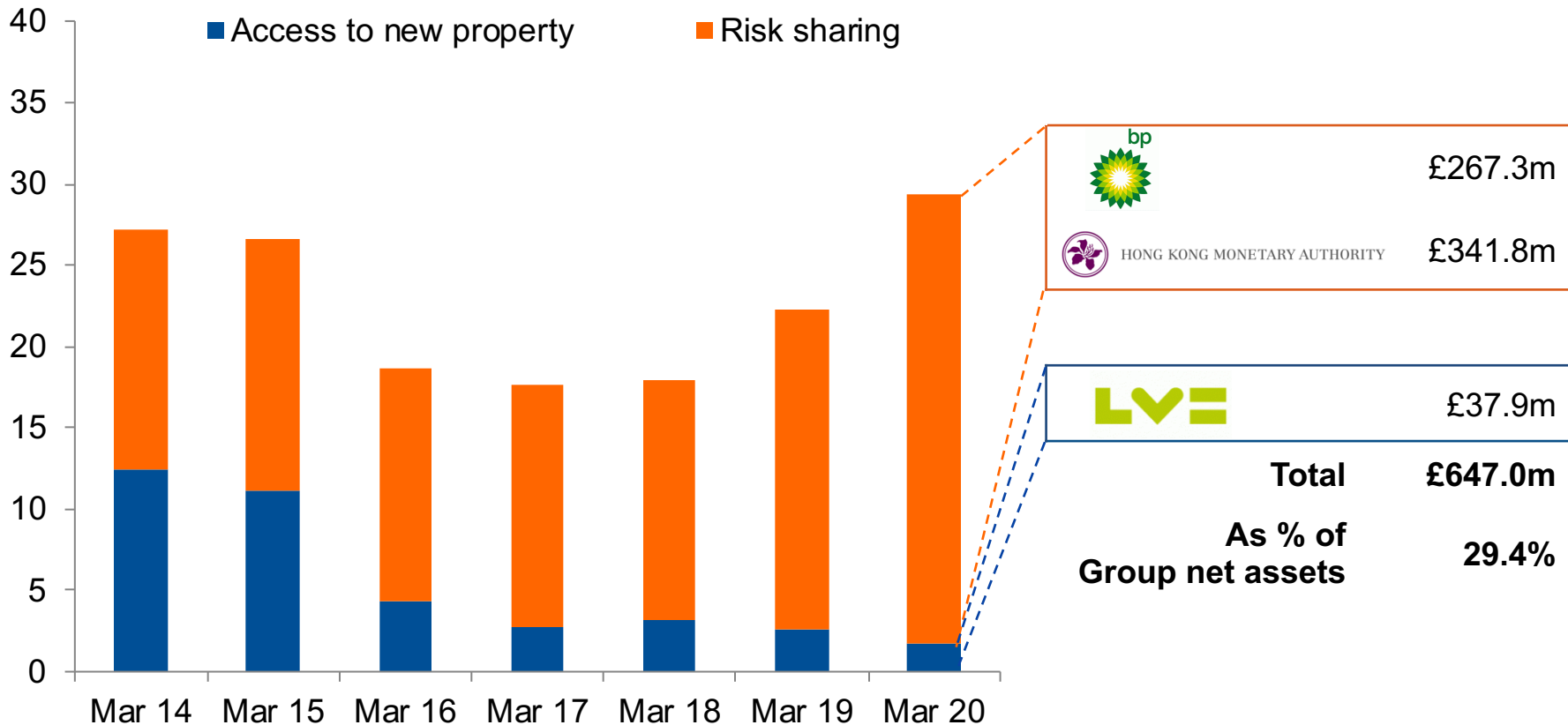


£m	Group	JVs	Total	Mar 19
EPRA Earnings	45.7	11.3	<b>57.0</b>	53.7
Less: spreading of rent free periods	(0.3)	(2.7)	<b>(3.0)</b>	0.6
Less: capitalised interest	(5.8)	(4.4)	<b>(10.2)</b>	(8.3)
LTIP charge	2.6	-	<b>2.6</b>	1.3
	<b>42.2</b>	<b>4.2</b>	<b>46.4</b>	<b>47.3</b>
<b>Cash EPS</b>	16.3p	1.6p	<b>17.9p</b>	17.1p

# Joint Venture Business Contribution to Group

% of net assets held in JV

Net assets held in JV<sup>1</sup>



# Robust Debt Metrics

## Low cost debt book

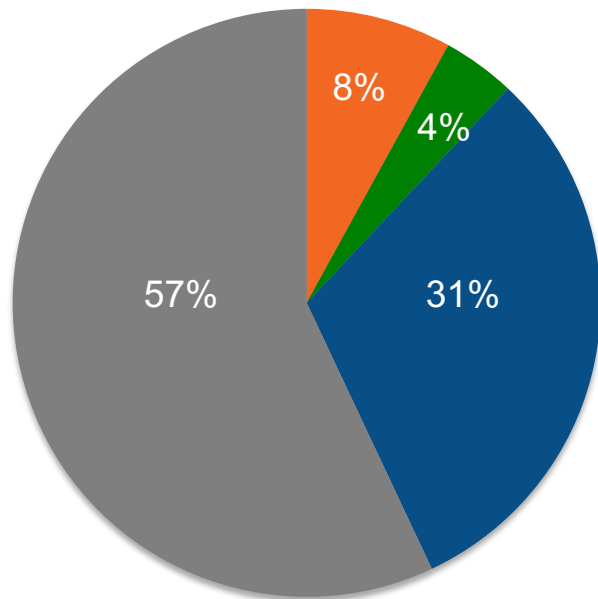


	March 2020	March 2019
Net debt excluding JVs (£m)	349.4	156.6
<i>Net gearing</i>	16.2%	6.8%
Total net debt including 50% JV non-recourse debt (£m)	373.3	224.0
<i>Loan-to-property value</i>	14.2%	8.7%
Interest cover	n/a <sup>1</sup>	n/a <sup>1</sup>
Weighted average cost of debt <sup>2</sup>	3.0%	3.2%
Net debt to EBITDA	6.8x	3.6x
Weighted average interest rate <sup>3</sup>	2.2%	2.7%
% of debt fixed / hedged	69%	100%
Cash & undrawn facilities (£m)	411	608

1. Calculated in accordance with unsecured debt covenants which exclude capitalised interest, resulting in no net interest charge for the 12 month calculation period 2. For the period (including costs) 3. As at balance sheet date (excluding costs)

# Sources of Debt<sup>1, 2</sup>

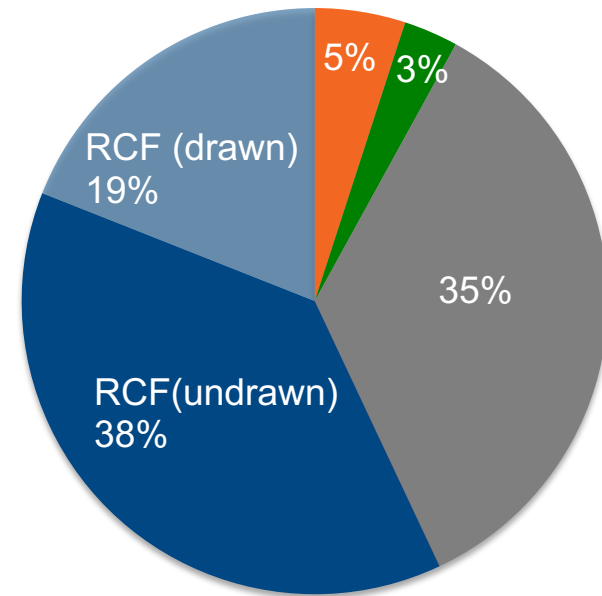
Diversity of Sources: Drawn (£487m)



Non Bank: 69%

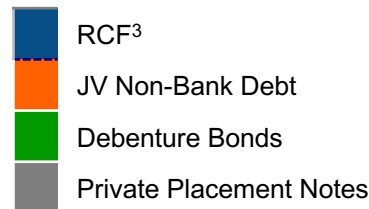
Unsecured: 87%

Diversity of Sources: Facilities (£787m)



Non Bank: 43%

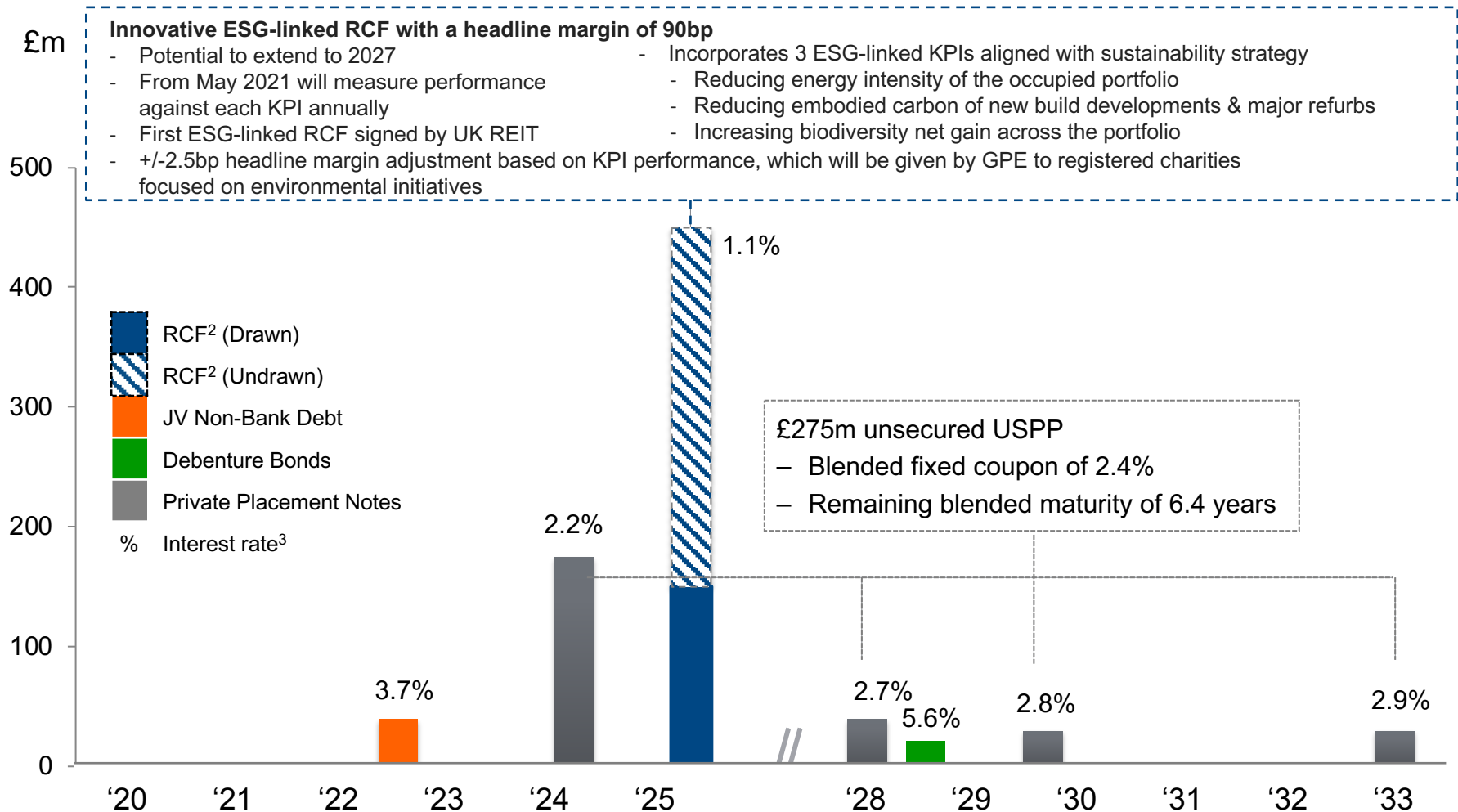
Unsecured: 92%



1. JV facilities amount shown at GPE share 2. Based on position at 31 March '20 3. Revolving credit facility

# Enhanced Debt Profile<sup>1</sup>

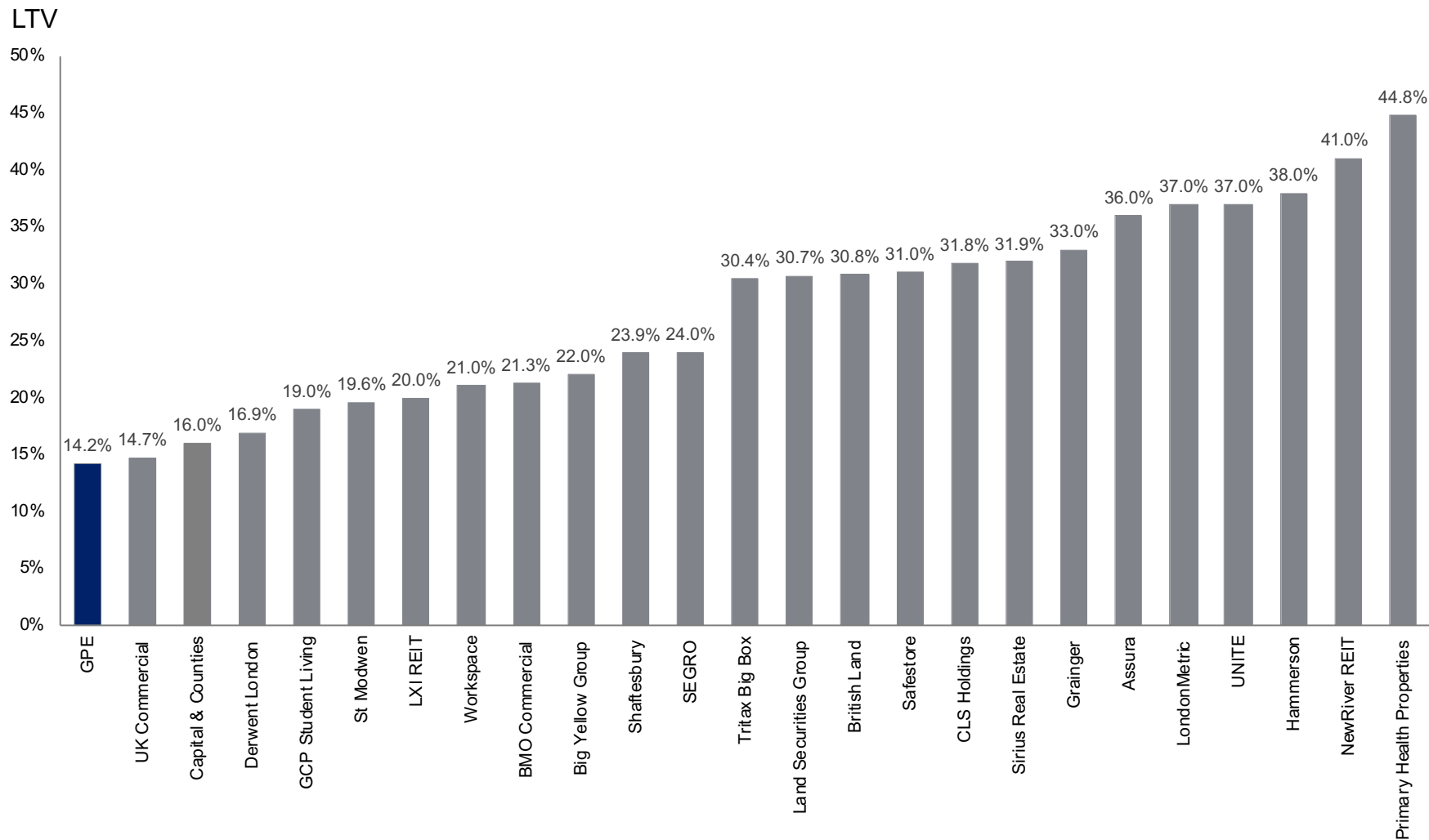
## New innovative ESG-linked RCF



1. Total facilities (joint ventures at share) 2. Revolving credit facility 3. As at today

# Balance Sheet Strength

## GPE LTV vs FTSE 350 RE<sup>1</sup>



1. Source: Latest company releases; excluding Savills

### 1. Conservative Leverage – to enhance, not drive, returns

#### Significant Headroom

Maximise Flexibility	Low Cost	Liquidity	Covenants
92% unsecured <sup>1</sup> 57% / 43% bank / non-bank <sup>1</sup>	2.2% average rate <sup>2</sup> 1.1% marginal rate	£411m cash/undrawn facilities 5.8 years debt maturity (weighted avg)	c.70% value fall headroom <sup>3</sup>

### 2. Sustainable Ordinary Dividends

Progressive policy

### 3. Disciplined Capital Allocation

Asset / portfolio / corporate level

### 4. Balance Sheet Efficiency – track record of accretively raising and returning capital

#### Considerations include

Market outlook	Opportunities for growth (organic / acquisition)	Profitable recycling activity	Current / prospective debt ratios (including LTV and ICR <sup>4</sup> )

# EPRA Performance Measures



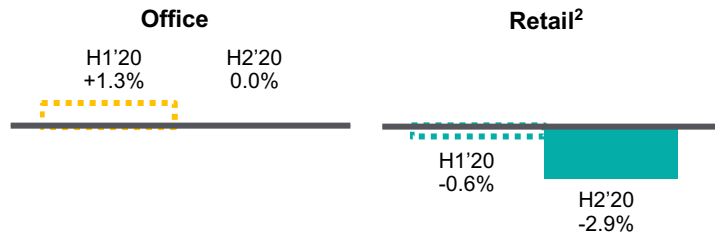
<b>Measure</b>	<b>Mar 2020</b>	<b>Mar 2019</b>
EPRA net assets	£2,203.1m	£2,310.1m
EPRA NAV	868p	853p
EPRA triple net assets	£2,211.5m	£2,301.5m
EPRA NNAV	871p	850p
	<b>Mar 2020</b>	<b>Mar 2019</b>
EPRA earnings	£57.0m	£53.7m
Diluted EPRA EPS	22.0p	19.4p
EPRA costs (by portfolio value)	1.4%	1.4%



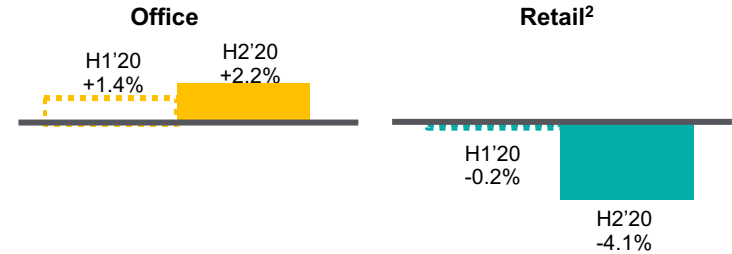
# Valuation down 0.3%<sup>1</sup> 12 months to 31 March 2020



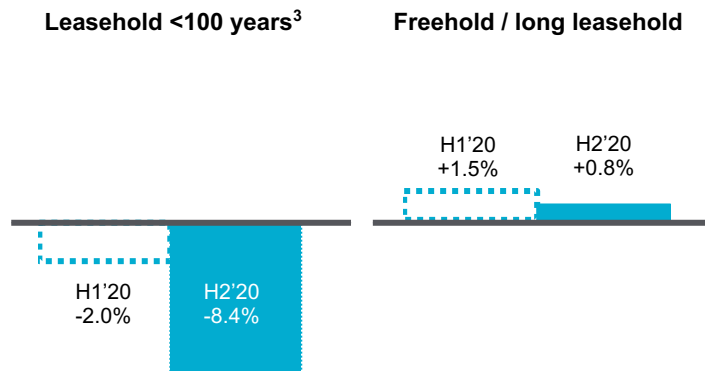
## Property Valuation down 0.3%



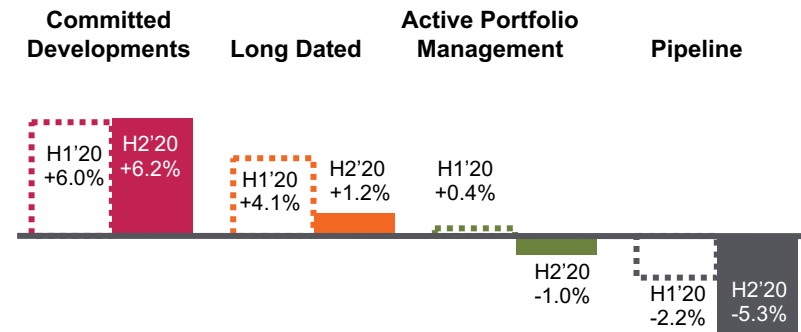
## ERVs up 1.4%



## Leasehold assets down 10.2%



## Committed developments up 11.9%



1. Like-for-like change    2. 28% of portfolio by value    3. 16.8% of portfolio by value

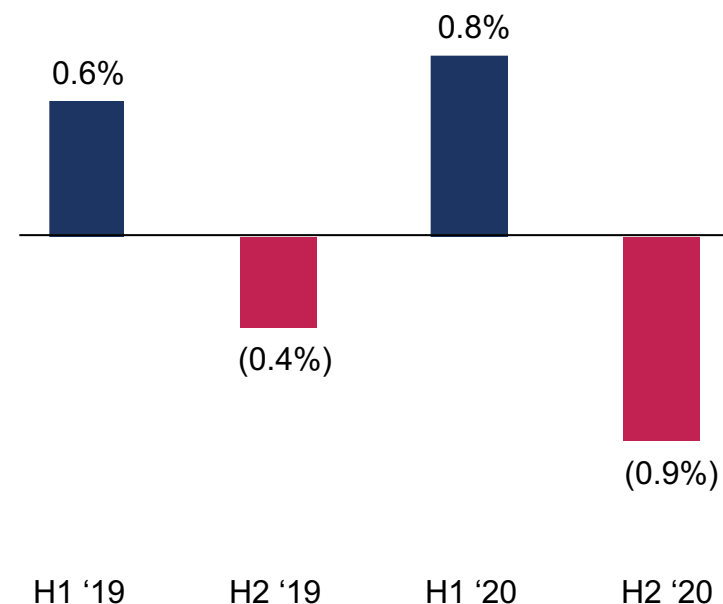
# The Valuation

## Including share of Joint Ventures



To 31 March 2020	£m	Movement %	
		12 months	6 months
North of Oxford St	749.5	(3.9%)	(3.9%)
Rest of West End	525.0	(2.4%)	(2.2%)
<b>Total West End</b>	<b>1,274.5</b>	<b>(3.3%)</b>	<b>(3.2%)</b>
<b>Total City, Midtown &amp; Southwark</b>	<b>759.3</b>	<b>(3.6%)</b>	<b>(1.9%)</b>
<b>Investment Portfolio</b>	<b>2,033.8</b>	<b>(3.4%)</b>	<b>(2.7%)</b>
Development properties	590.3	11.9%	6.2%
<b>Properties held throughout year</b>	<b>2,624.1</b>	<b>(0.3%)</b>	<b>(0.9%)</b>
Acquisitions	-	-	-
<b>Total Portfolio</b>	<b>2,624.1</b>	<b>(0.3%)</b>	<b>(0.9%)</b>

### Biannual Valuation Movement for Total Portfolio<sup>1</sup>



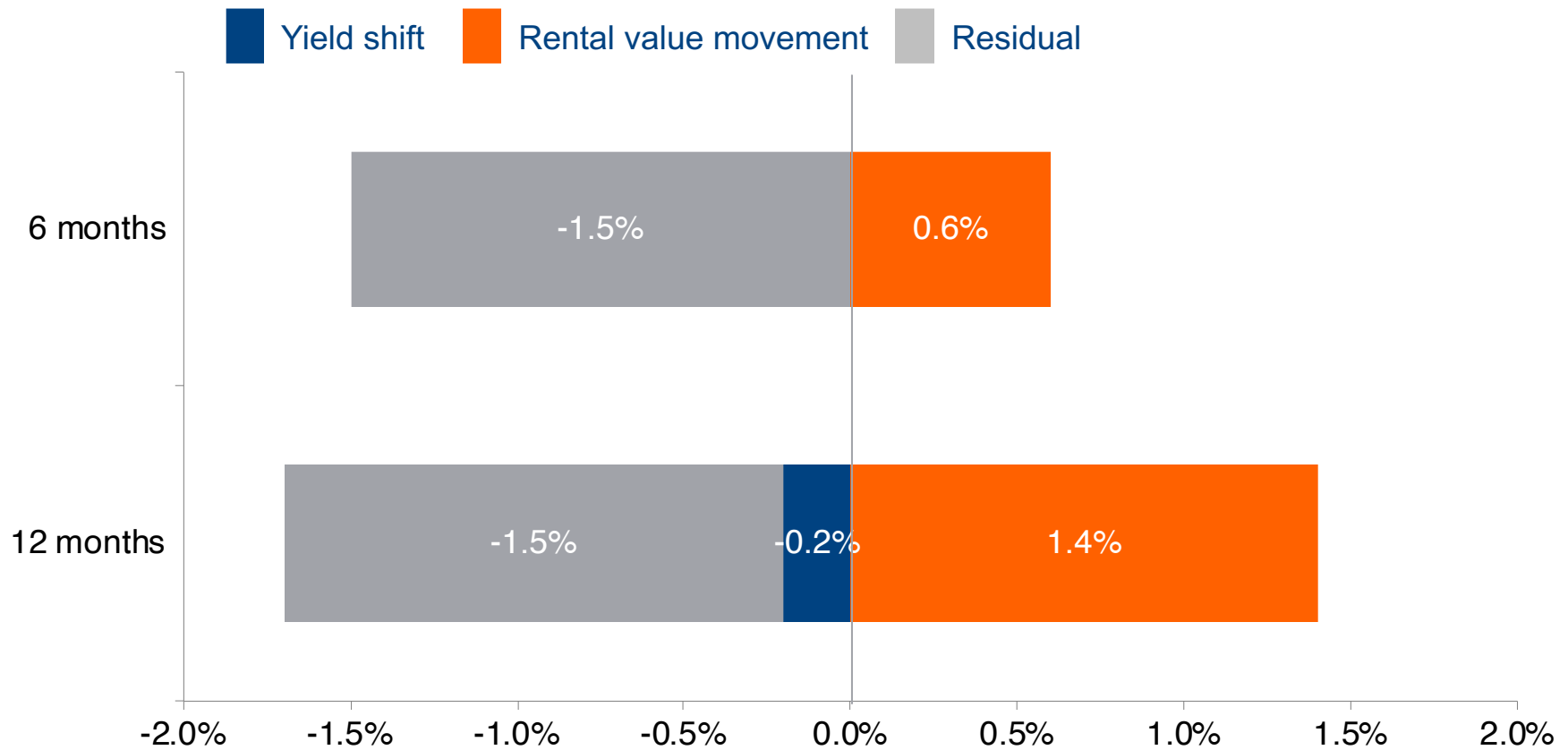
1. Like-for-like net movement

# The Valuation<sup>1</sup>

## Drivers of Valuation Movement



% movement



# The Valuation

## Including share of Joint Ventures



	Initial yield	Equivalent Yield		
		Basis point +/-		
	%	%	12 month	6 month
<b>North of Oxford Street</b>				
Offices	4.0%	4.5%	2	3
Retail	5.3%	4.3%	14	14
<b>Rest of West End</b>				
Offices	4.2%	4.8%	17	21
Retail	3.9%	4.1%	15	11
<b>Total West End</b>	4.2%	4.4%	10	10
<b>City, Midtown and Southwark</b>	3.1%	5.0%	(2)	(3)
<b>Total Portfolio<sup>1</sup></b>	3.8% (4.0% ex rent free)	4.6%	6	6

1. Excludes developments

# The Valuation<sup>1</sup>

## Including share of Joint Ventures



	Value £m	12 months to		6 months %
		Mar 2020 £m	Change %	
North of Oxford St	749.5	(30.6)	(3.9%)	(3.9%)
Rest of West End	525.0	(13.0)	(2.4%)	(2.2%)
<b>Total West End</b>	<b>1,274.5</b>	<b>(43.6)</b>	<b>(3.3%)</b>	<b>(3.2%)</b>
<b>City, Midtown and Southwark</b>	<b>759.3</b>	<b>(28.2)</b>	<b>(3.6%)</b>	<b>(1.9%)</b>
<b>Investment portfolio</b>	<b>2,033.8</b>	<b>(71.8)</b>	<b>(3.4%)</b>	<b>(2.7%)</b>
Development properties	590.3	62.9	11.9%	6.2%
<b>Properties held throughout the year</b>	<b>2,624.1</b>	<b>(8.9)</b>	<b>(0.3%)</b>	<b>(0.9%)</b>
Acquisitions	-	-	-	-
<b>Total portfolio</b>	<b>2,624.1</b>	<b>(8.9)</b>	<b>(0.3%)</b>	<b>(0.9%)</b>

1. Includes trading properties at valuation

# The Valuation<sup>1</sup>

## Wholly Owned



	Value £m	12 months to		6 months %
		Mar 2020 £m	Change %	
North of Oxford St	676.0	(4.3)	(0.6%)	(1.3%)
Rest of West End	494.5	(9.0)	(1.8%)	(1.6%)
<b>Total West End</b>	<b>1,170.5</b>	<b>(13.3)</b>	<b>(1.1%)</b>	<b>(1.5%)</b>
<b>City, Midtown and Southwark</b>	<b>524.3</b>	<b>(32.6)</b>	<b>(5.9%)</b>	<b>(3.1%)</b>
<b>Investment portfolio</b>	<b>1,694.8</b>	<b>(45.9)</b>	<b>(2.6%)</b>	<b>(2.0%)</b>
Development properties	251.6	(12.2)	(4.6%)	(4.8%)
<b>Properties held throughout the year</b>	<b>1,946.4</b>	<b>(58.1)</b>	<b>(2.9%)</b>	<b>(2.3%)</b>
Acquisitions	-	-	-	-
<b>Total portfolio</b>	<b>1,946.4</b>	<b>(58.1)</b>	<b>(2.9%)</b>	<b>(2.3%)</b>

# The Valuation

## Joint Ventures (100%)



	<b>12 months to</b>			
	<b>Value £m</b>	<b>Mar 2020 £m</b>	<b>Change %</b>	<b>6 months %</b>
North of Oxford St	147.0	(52.5)	(26.3%)	(22.0%)
Rest of West End	61.0	(7.9)	(11.4%)	(11.4%)
<b>Total West End</b>	<b>208.0</b>	<b>(60.4)</b>	<b>(22.5%)</b>	<b>(19.2%)</b>
<b>City, Midtown and Southwark</b>	<b>470.0</b>	<b>8.8</b>	<b>1.9%</b>	<b>0.7%</b>
<b>Investment portfolio</b>	<b>678.0</b>	<b>(51.6)</b>	<b>(7.1%)</b>	<b>(6.4%)</b>
Development properties	677.5	150.2	28.5%	16.2%
<b>Properties held throughout the year</b>	<b>1,355.5</b>	<b>98.6</b>	<b>7.8%</b>	<b>3.7%</b>
Acquisitions	-	-	-	-
<b>Total portfolio</b>	<b>1,355.5</b>	<b>98.6</b>	<b>7.8%</b>	<b>3.7%</b>

# The Valuation<sup>1</sup>

## ERV and Reversionary Potential

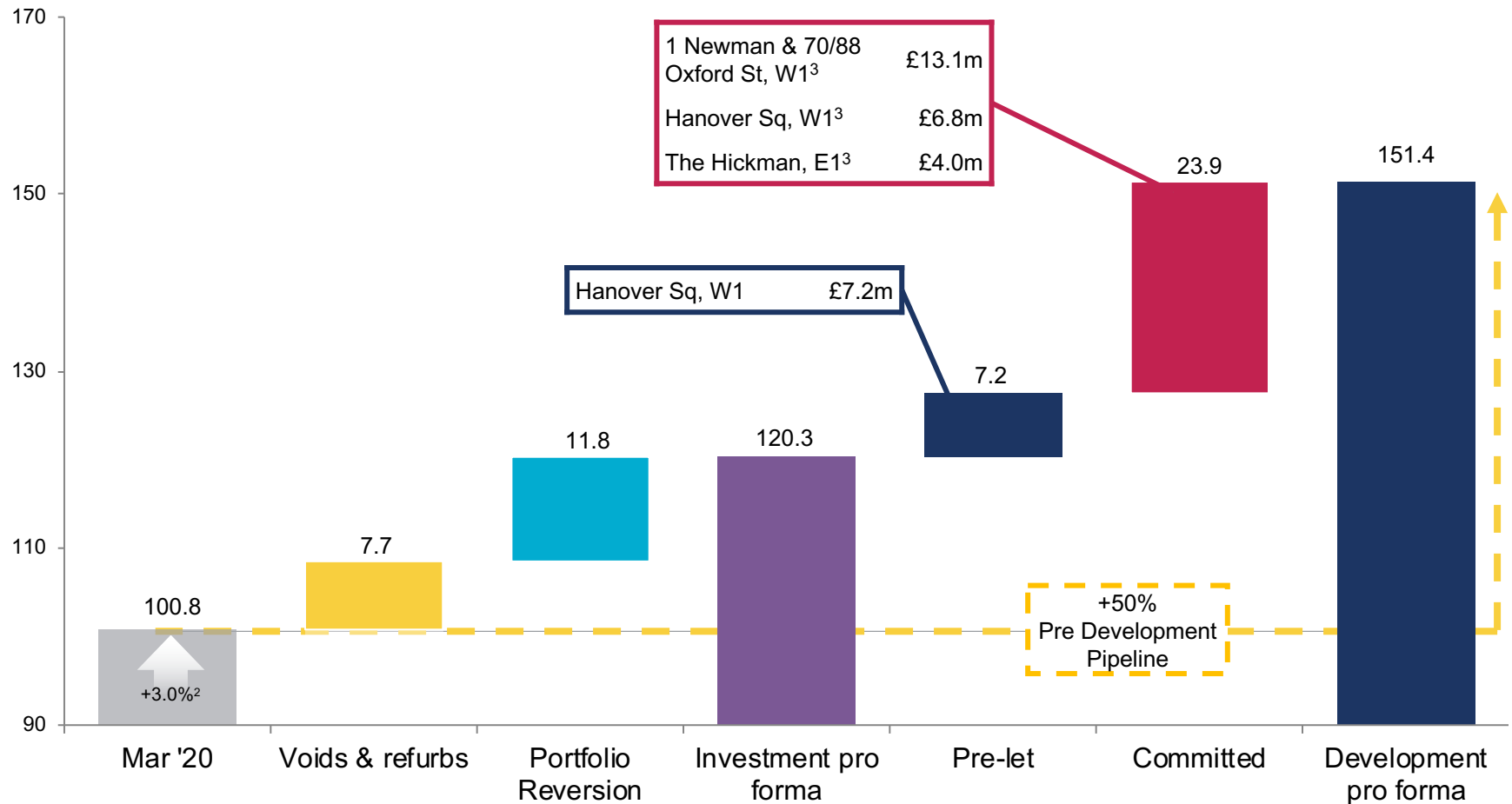


To 31 March 2020	Movement in ERV		6 months %	Average Office Rent Passing	Average Office ERV	Reversionary Potential
	12 months			£ per sq ft	£ per sq ft	%
	%	£m	%			
<b>North of Oxford St</b>						
Offices	2.0%	0.7	1.2%	70.90	75.10	0.2%
Retail	(8.5%)	(1.6)	(8.2%)			(9.9%)
<b>Rest of West End</b>						
Offices	6.4%	1.5	4.2%	78.10	91.60	0.9%
Retail	0.6%	0.1	(0.4%)			5.2%
<b>Total West End</b>	<b>0.8%</b>	<b>0.7</b>	<b>(0.1%)</b>	<b>73.20</b>	<b>81.3</b>	<b>(0.6%)</b>
<b>City, Midtown &amp; Southwark</b>						
Offices	3.2%	1.7	1.9%	41.20	55.00	35.1%
Retail	(7.3%)	(0.2)	(0.1%)			
<b>Total City, Midtown &amp; Southwark</b>	<b>2.6%</b>	<b>1.5</b>	<b>1.8%</b>			<b>32.6%</b>
<b>Total Let Portfolio</b>	<b>1.4%</b>	<b>2.2</b>	<b>0.6%</b>	<b>53.40</b>	<b>66.20</b>	<b>11.7%</b>



# Organic Rent Roll Growth Opportunity

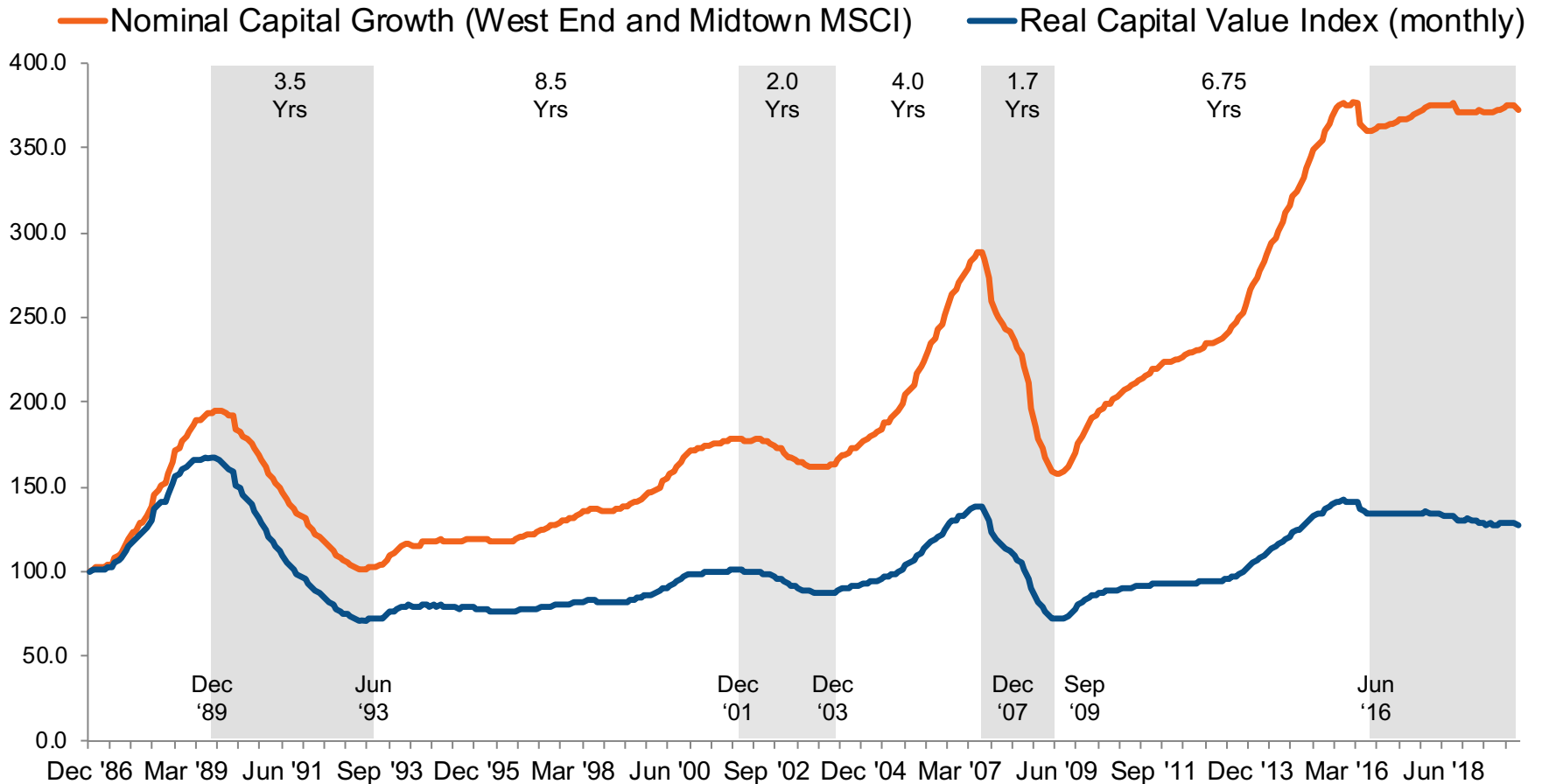
## Potential Additional Rent Roll (£m)<sup>1</sup>



1. Gross contracted rent excluding impact of tenant incentives; includes share of JVs. 2. Uplift year to 31 March '20  
 3. CBRE rental estimates March '20

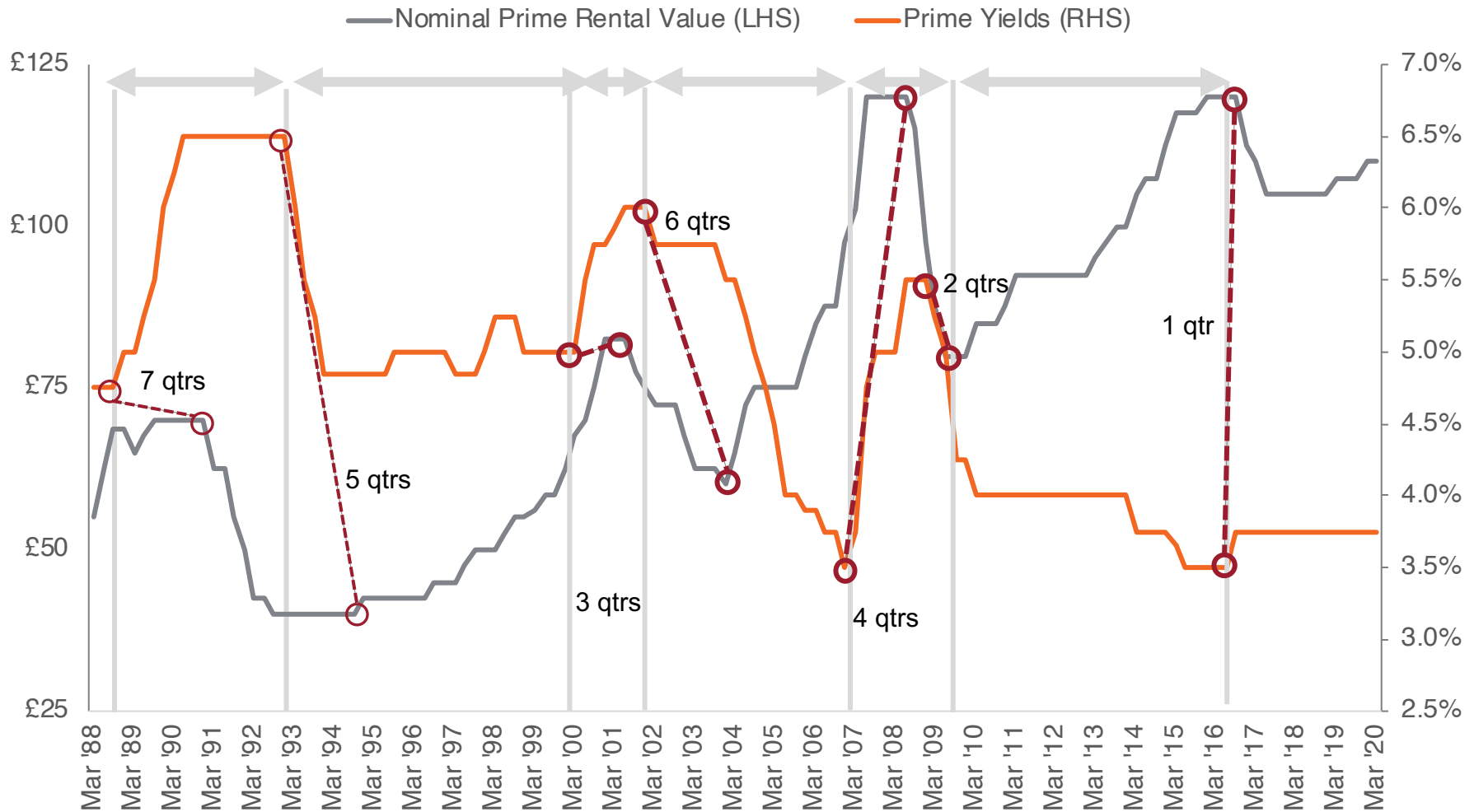
# The Cycles So Far

## Midtown & West End Capital Growth



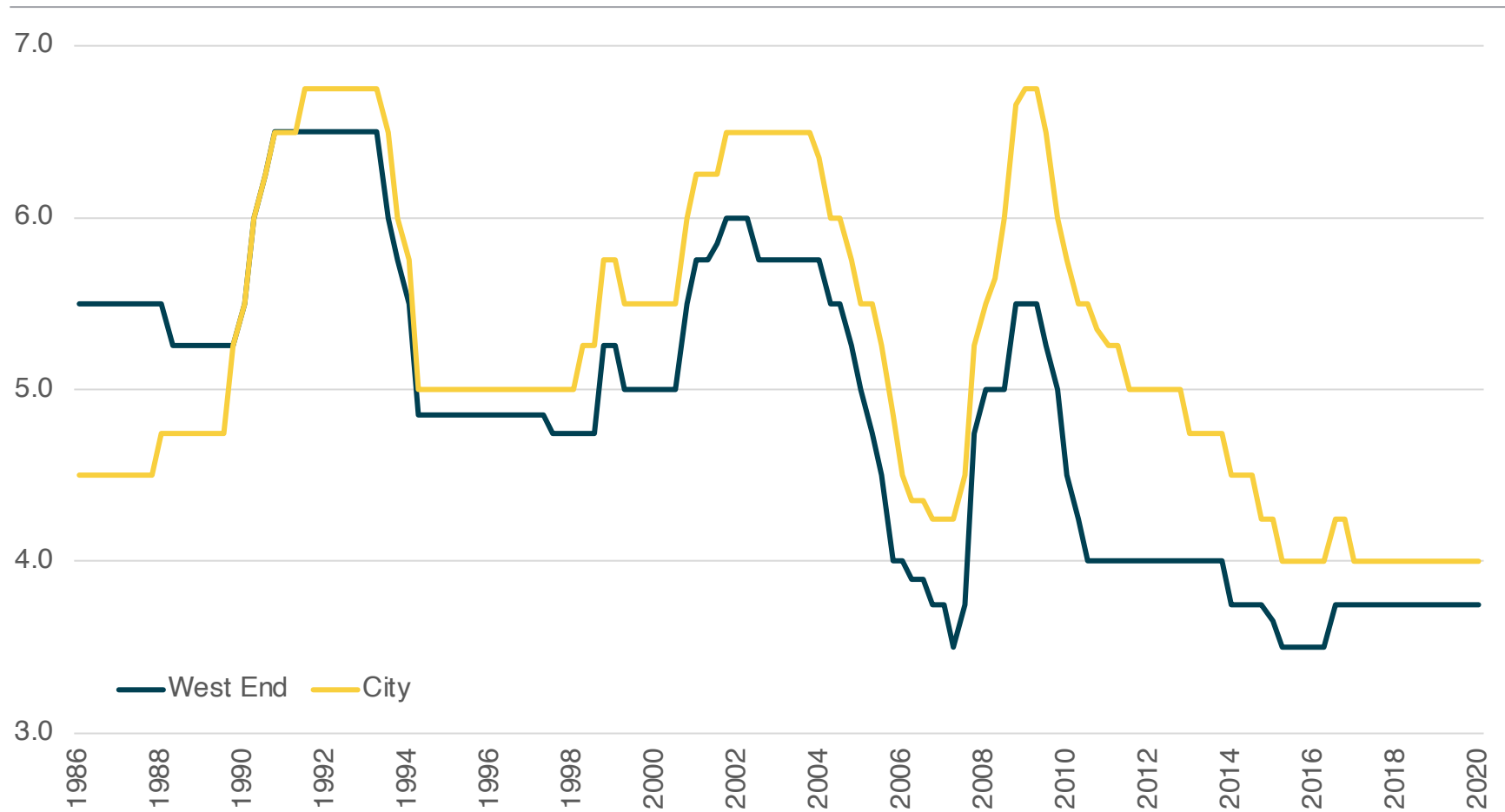
# History of rental lags to yield moves

## West End prime yields and rental growth



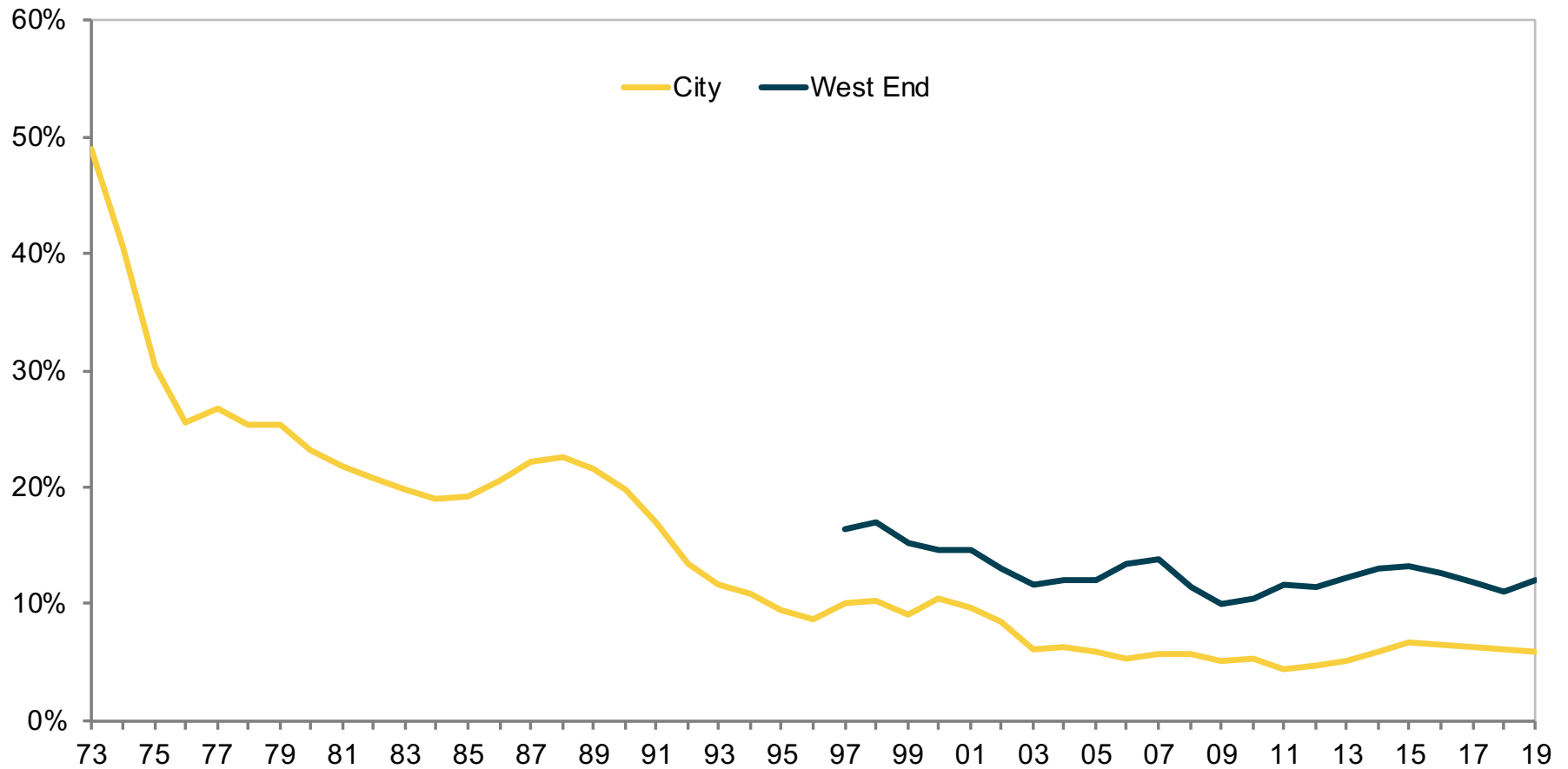
# Central London Prime Yields

Central London Prime Yields (%)

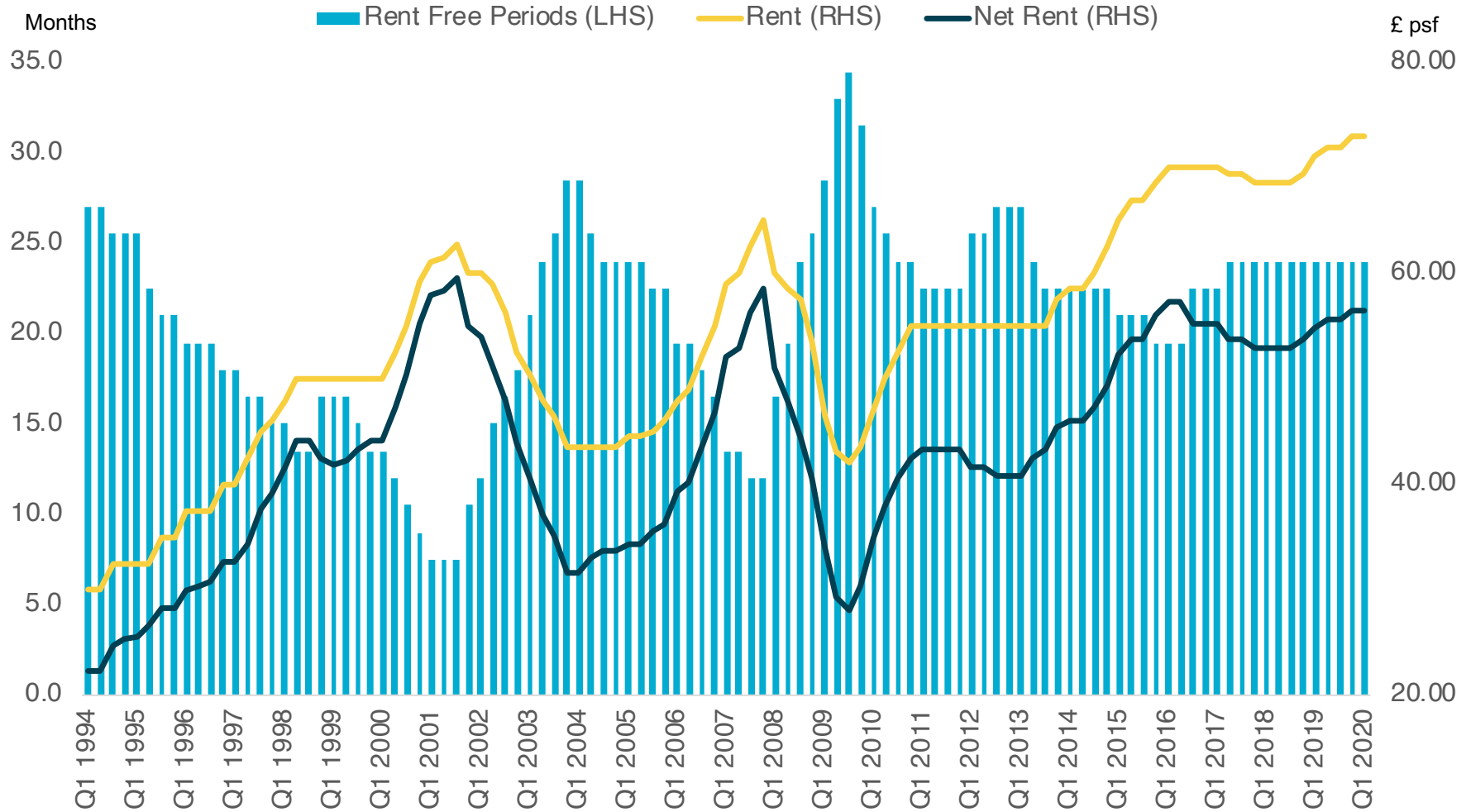


# Office Rent as a % of Salary Costs

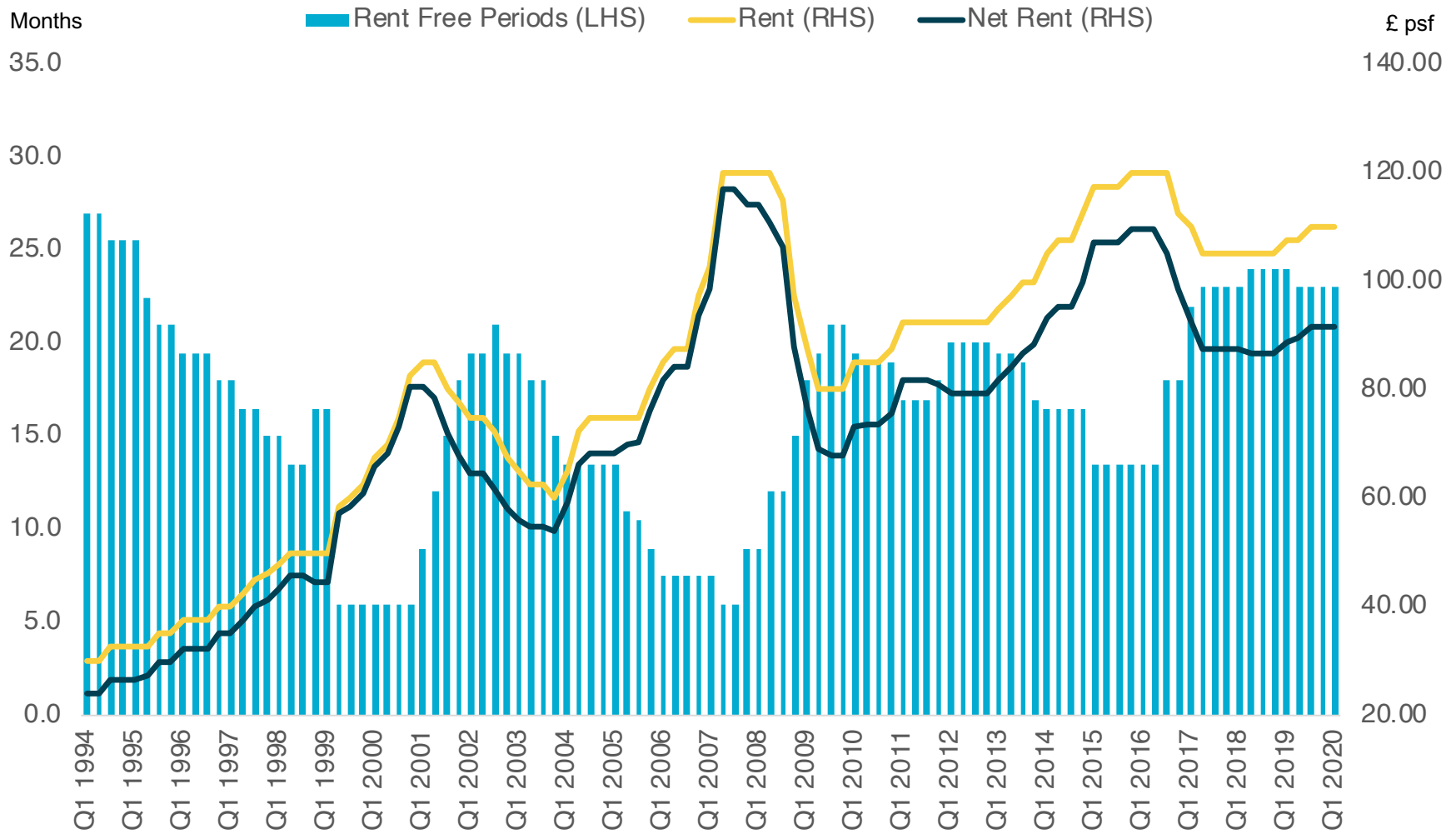
Rent as % of salary



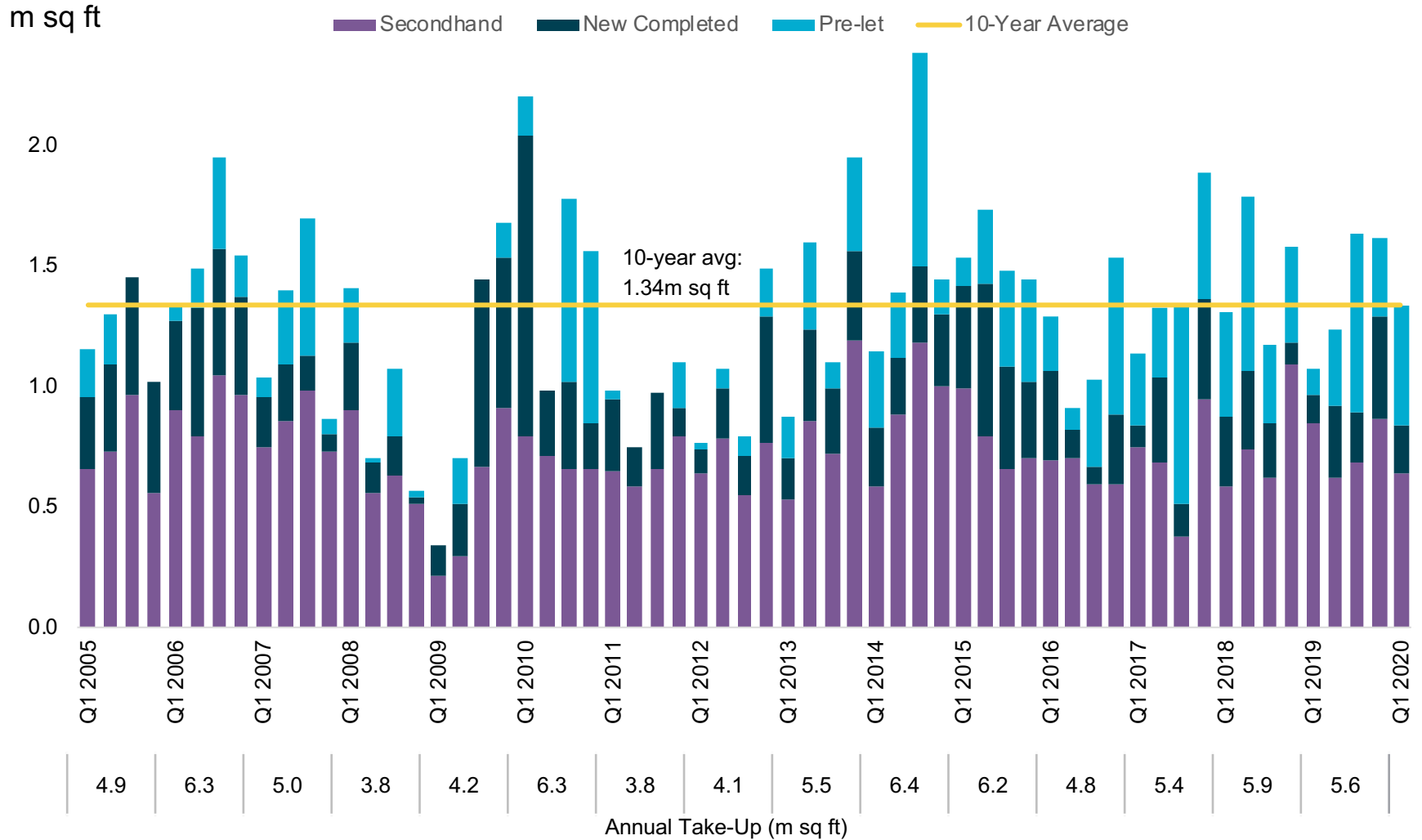
# City Top Prime Rents vs. Rent Free Periods



# West End Top Prime Rents vs. Rent Free Periods



# City Take-Up



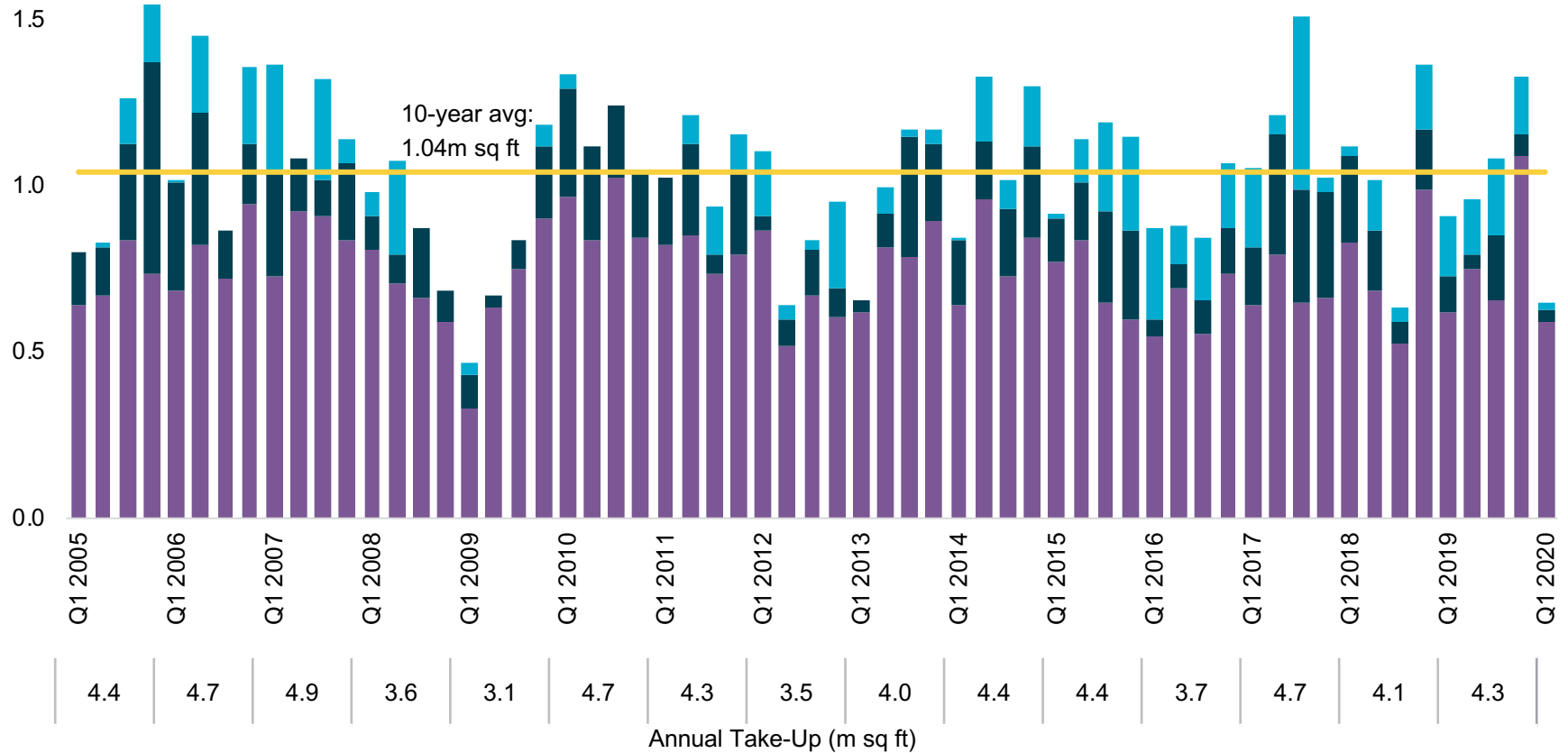


# West End Take-Up

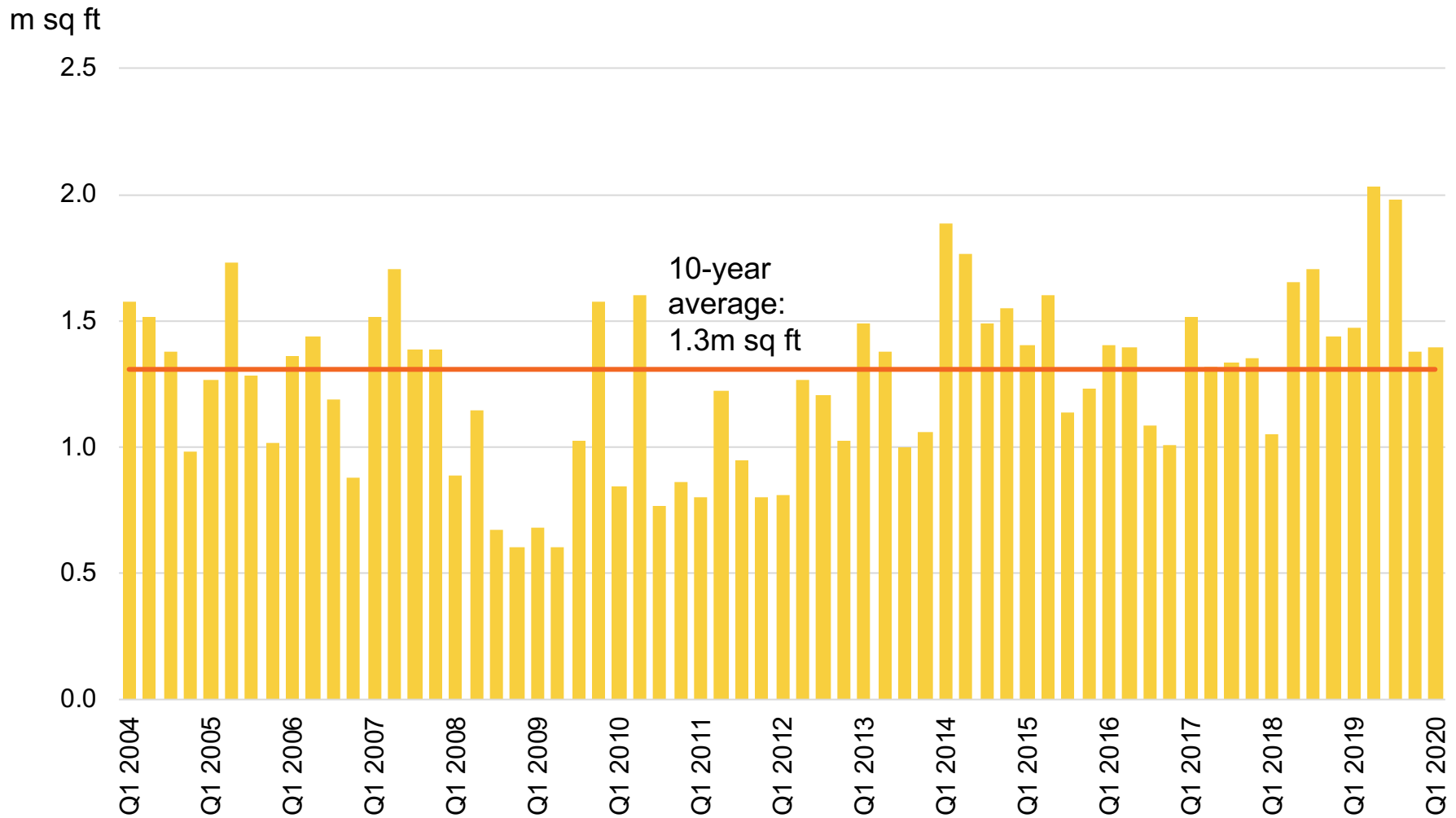


m sq ft

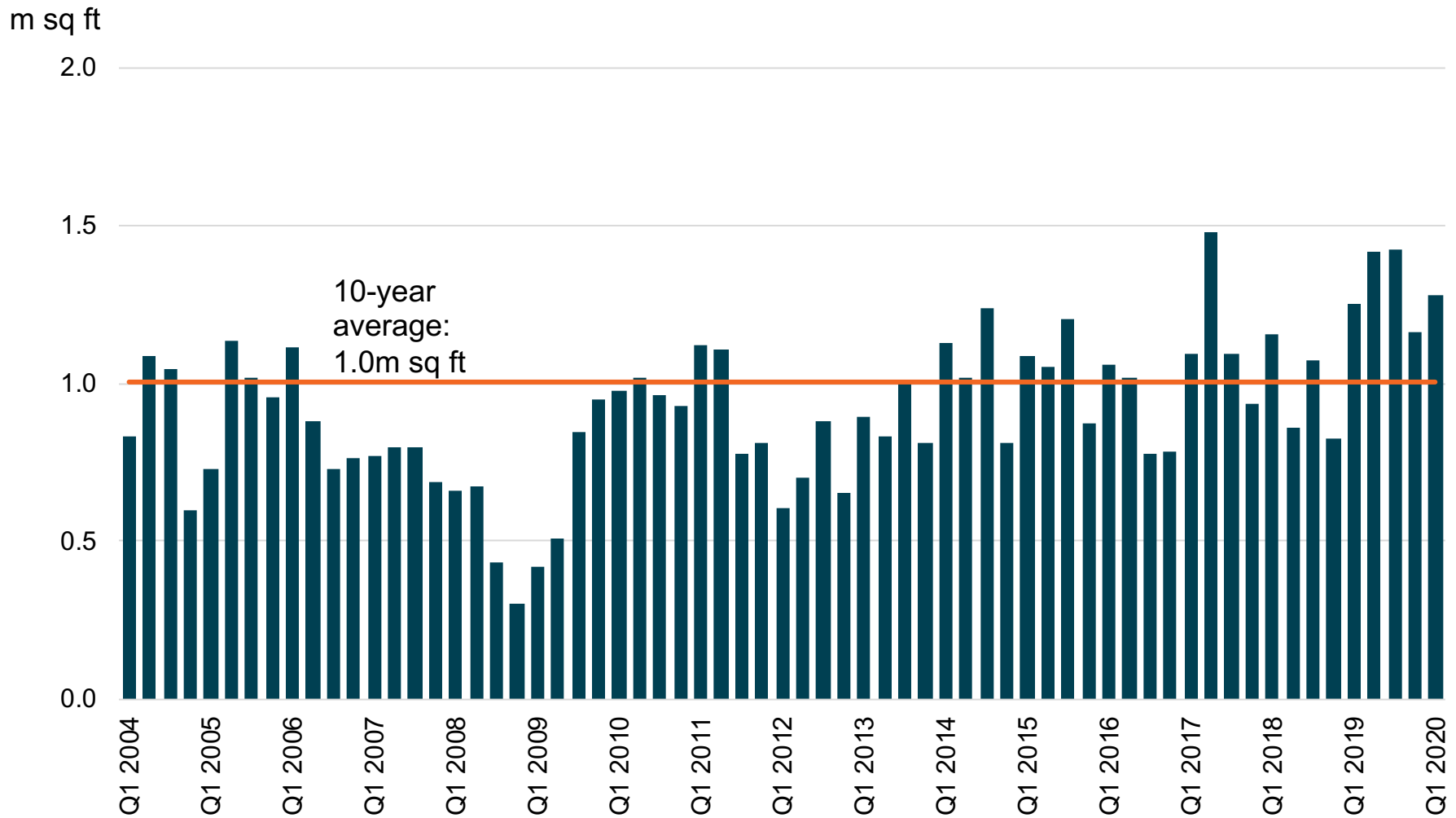
■ Secondhand 
 ■ New Completed 
 ■ Pre-let 
 — 10-Year Average



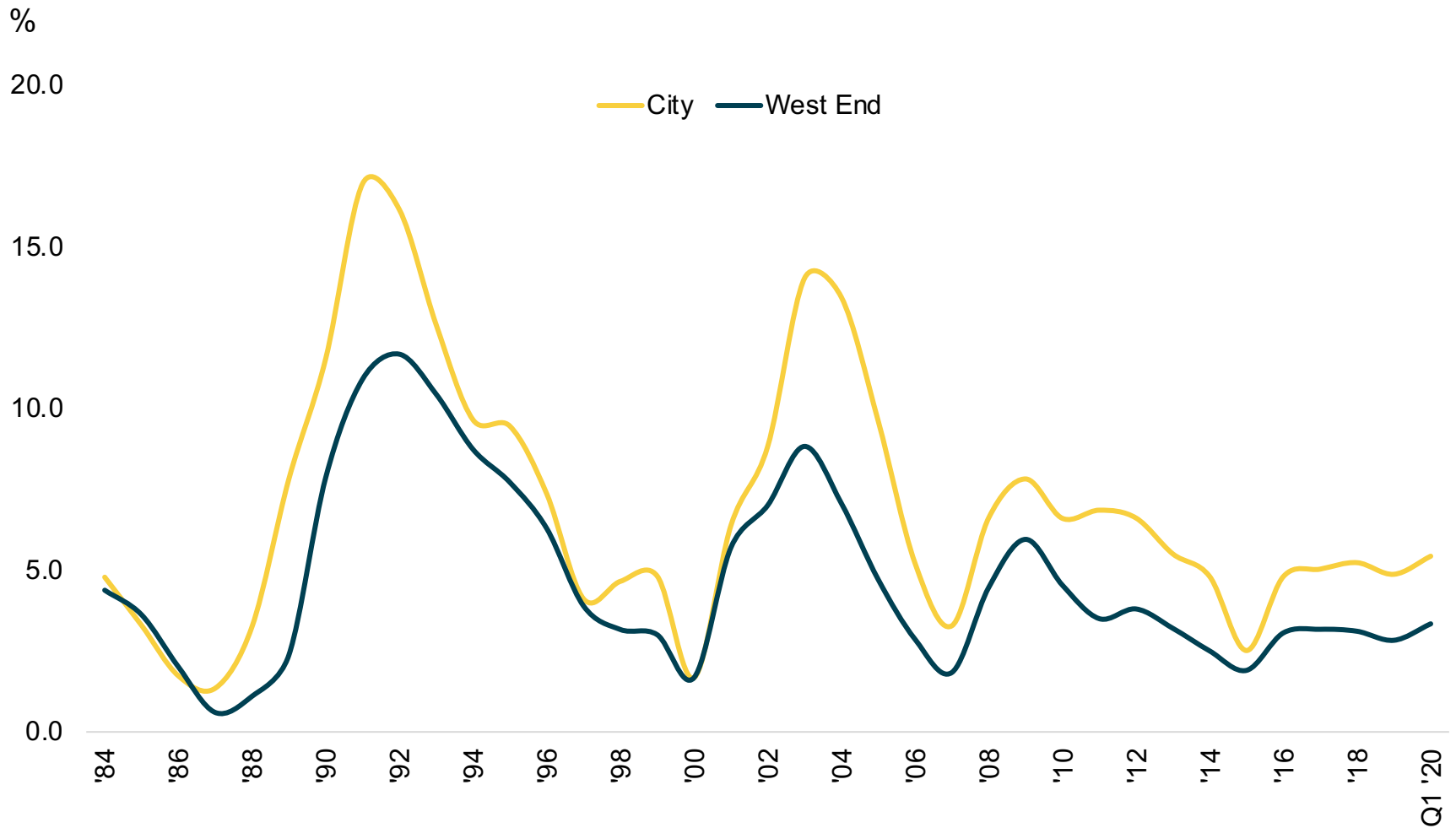
# City Office Under Offer



# West End Office Under Offer



# Void Rate: Ready to Occupy Space



# Equity Demand and Supply

## Central London Investment & Development Property



### Equity Demand<sup>1</sup>

£bn	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	May 2014	Nov 2014	May 2015	Nov 2015	May 2016	Nov 2016	May 2017	Nov 2017	May 2018	Nov 2018	May 2019	Nov 2019
Private	5.0	5.0	3.5	5.0	5.0	5.0	6.0	6.5	6.5	6.5	9.0	9.0	7.5	14.0	15.5	15.5	14.4	13.7	13.8	14.3
UK REITs	3.0	3.0	3.0	2.0	2.0	2.0	2.5	2.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.5	1.8	1.8
Sovereign / Overseas Funds	2.0	7.0	7.0	5.5	6.0	6.5	7.5	8.5	11.5	17.0	18.0	16.0	17.3	16.0	14.0	14.5	15.4	13.8	10.0	10.5
UK Funds	2.0	2.0	1.0	0.8	0.75	1.0	1.0	1.5	2.0	2.5	4.0	3.5	2.5	1.5	1.0	1.0	0.8	1.0	1.7	1.7
US Capital	2.0	3.0	4.0	3.0	4.0	4.5	4.5	4.5	4.5	5.5	5.5	4.5	4.5	4.5	6.0	5.0	4.0	3.0	3.0	3.0
German Funds	1.5	1.5	0.5	0.5	0.75	1.5	1.0	1.5	1.3	1.5	2.5	1.8	1.0	1.5	2.0	2.0	1.2	1.0	1.5	1.5
	<b>15.5</b>	<b>21.5</b>	<b>19.0</b>	<b>16.8</b>	<b>18.5</b>	<b>20.5</b>	<b>22.5</b>	<b>25.0</b>	<b>27.8</b>	<b>34.0</b>	<b>40.0</b>	<b>35.8</b>	<b>33.8</b>	<b>38.5</b>	<b>39.5</b>	<b>39.0</b>	<b>37.0</b>	<b>34.0</b>	<b>31.8</b>	<b>32.8</b>

### Asset Supply<sup>2</sup>

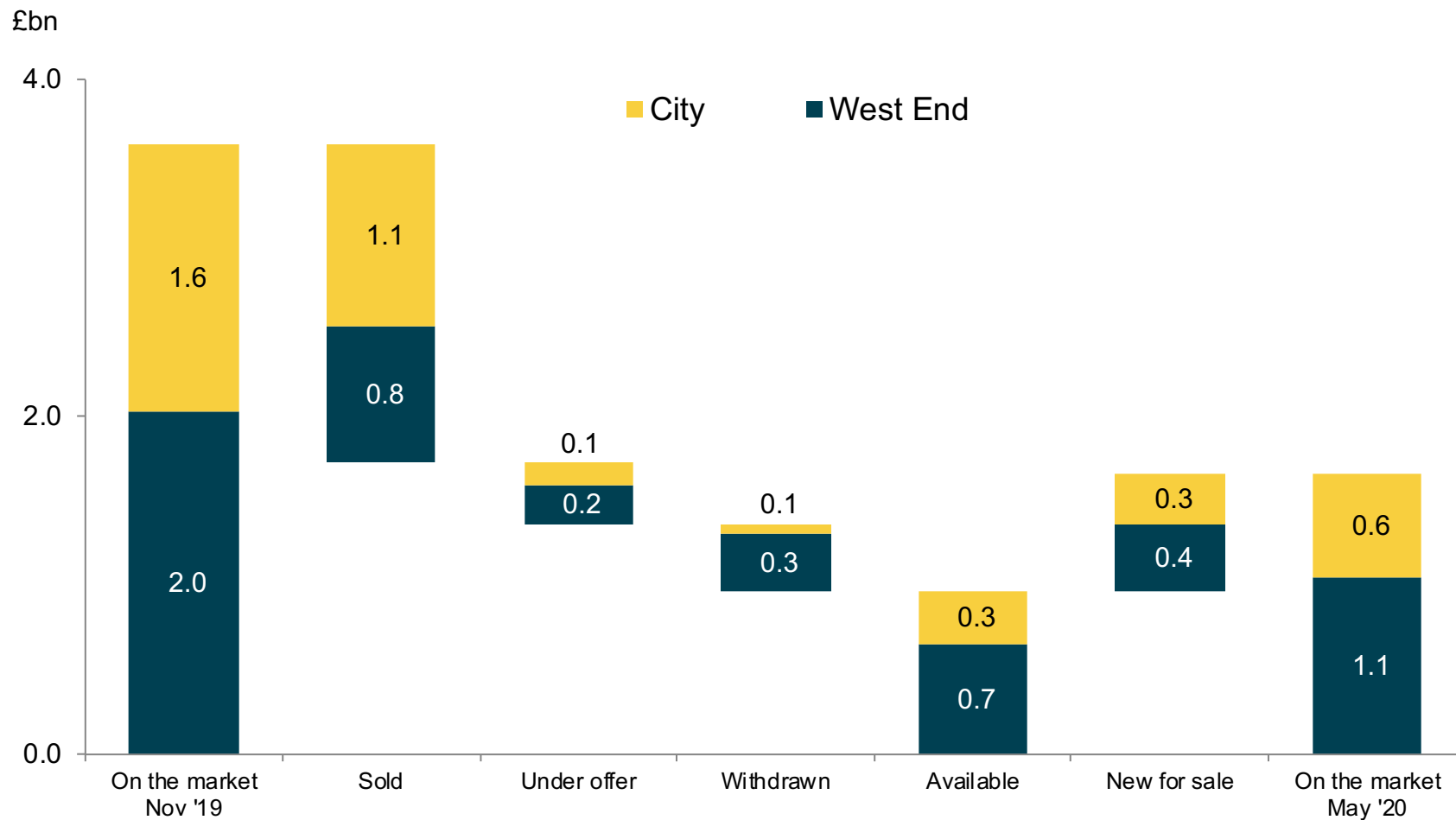
	May 14	Nov 14	May 15	Nov 15	May 16	Nov 16	May 17	Nov 17	May 18	Nov 18	May 19	Nov 19	May '20	6 month % change	12 month % change
City	£0.7bn	£1.8bn	£1.0bn	£6.1bn	£3.3bn	£3.1bn	£4.2bn	£7.9bn	£2.3bn	£2.4bn	£1.8bn	£1.6bn	£0.6bn	(63%)	(67%)
West End	£1.6bn	£1.5bn	£1.0bn	£1.8bn	£1.6bn	£1.4bn	£1.7bn	£3.2bn	£3.7bn	£1.9bn	£1.7bn	£2.0bn	£1.1bn	(45%)	(35%)
	<b>£2.3bn</b>	<b>£3.3bn</b>	<b>£2.0bn</b>	<b>£7.9bn</b>	<b>£4.9bn</b>	<b>£4.5bn</b>	<b>£5.9bn</b>	<b>£11.1bn</b>	<b>£6.0bn</b>	<b>£4.3bn</b>	<b>£3.5bn</b>	<b>£3.6bn</b>	<b>£1.7bn</b>	<b>(53%)</b>	<b>(51%)</b>

# Investment Activity

## West End & City

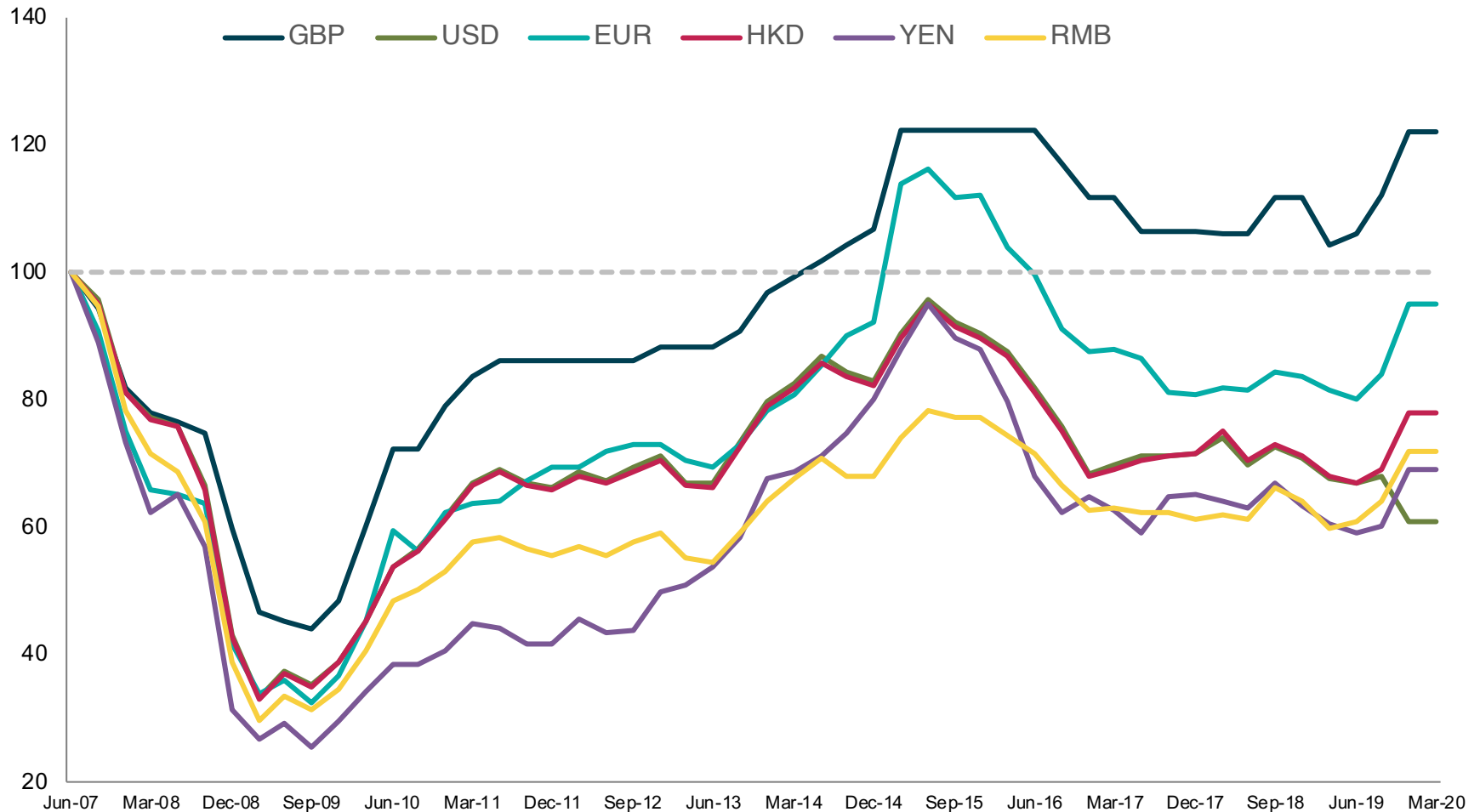


Available assets Nov '19 to May '20



# West End Capital Value Index

## Weaker Sterling supportive for global capital (to March 2020)

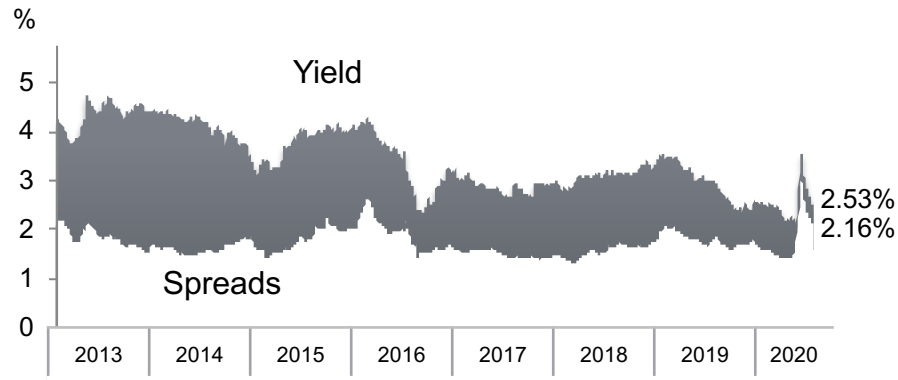


# Credit Market Update

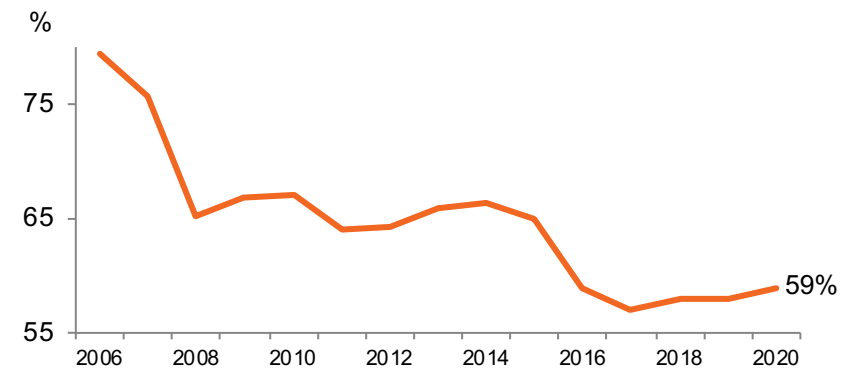
## Bonds and secured property lending



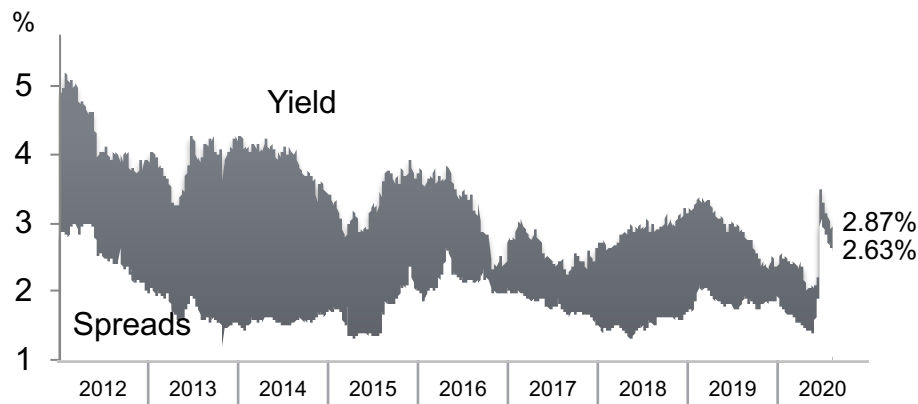
### GBP BBB Bonds (ex Financials)<sup>1</sup>



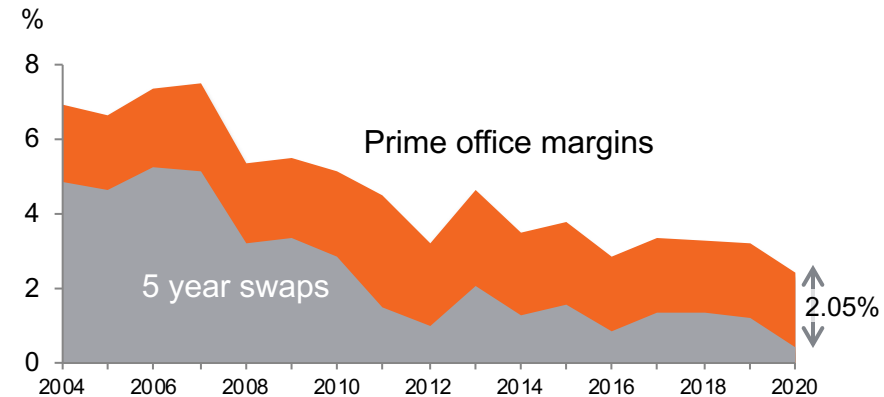
### Prime UK Office New Lending (Avg LTV)<sup>3</sup>



### GBP Real Estate Bonds<sup>2</sup>



### Prime office margins<sup>3</sup>





## Overview

- Exempt from corporation tax in respect of our property rental business as a UK REIT
- Rental profits and chargeable gains typically tax-exempt but does not extend to the sale of:
  - **trading properties, or**
  - **investment properties in respect of which a major redevelopment has completed within the preceding three years**

During August 2019, HMRC published new guidance which states that it considers that the tax-exemption also does not extend to the sale of:

- **investment properties which are undergoing a major redevelopment at the time of sale**

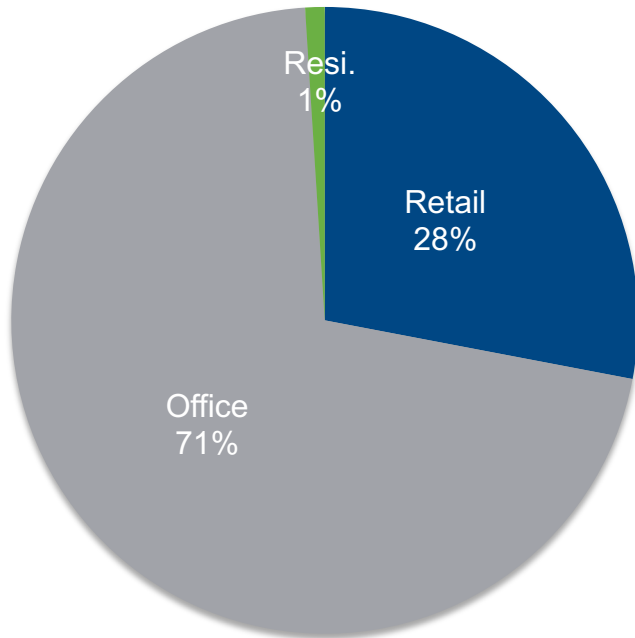
The Group will consider the potential effect of this guidance on any recent or future sales by the Group

# GPE Portfolio Mix<sup>1</sup>

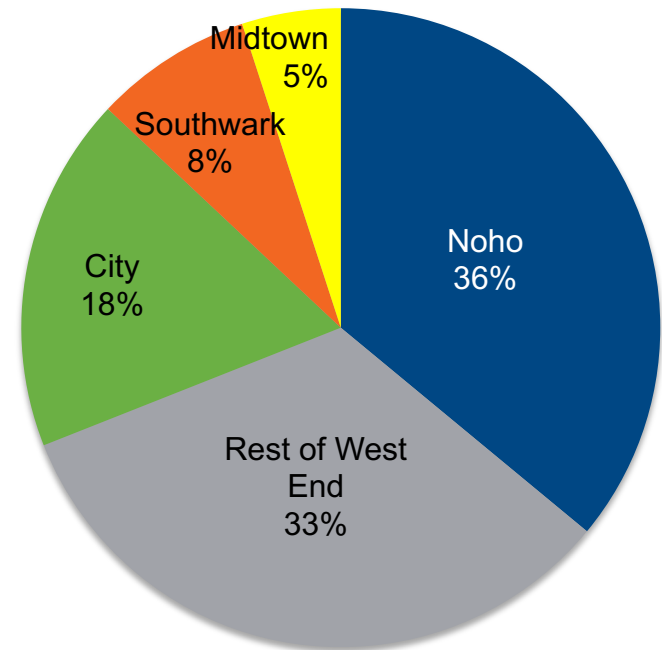
At 31 March 2020



By Type (By value)



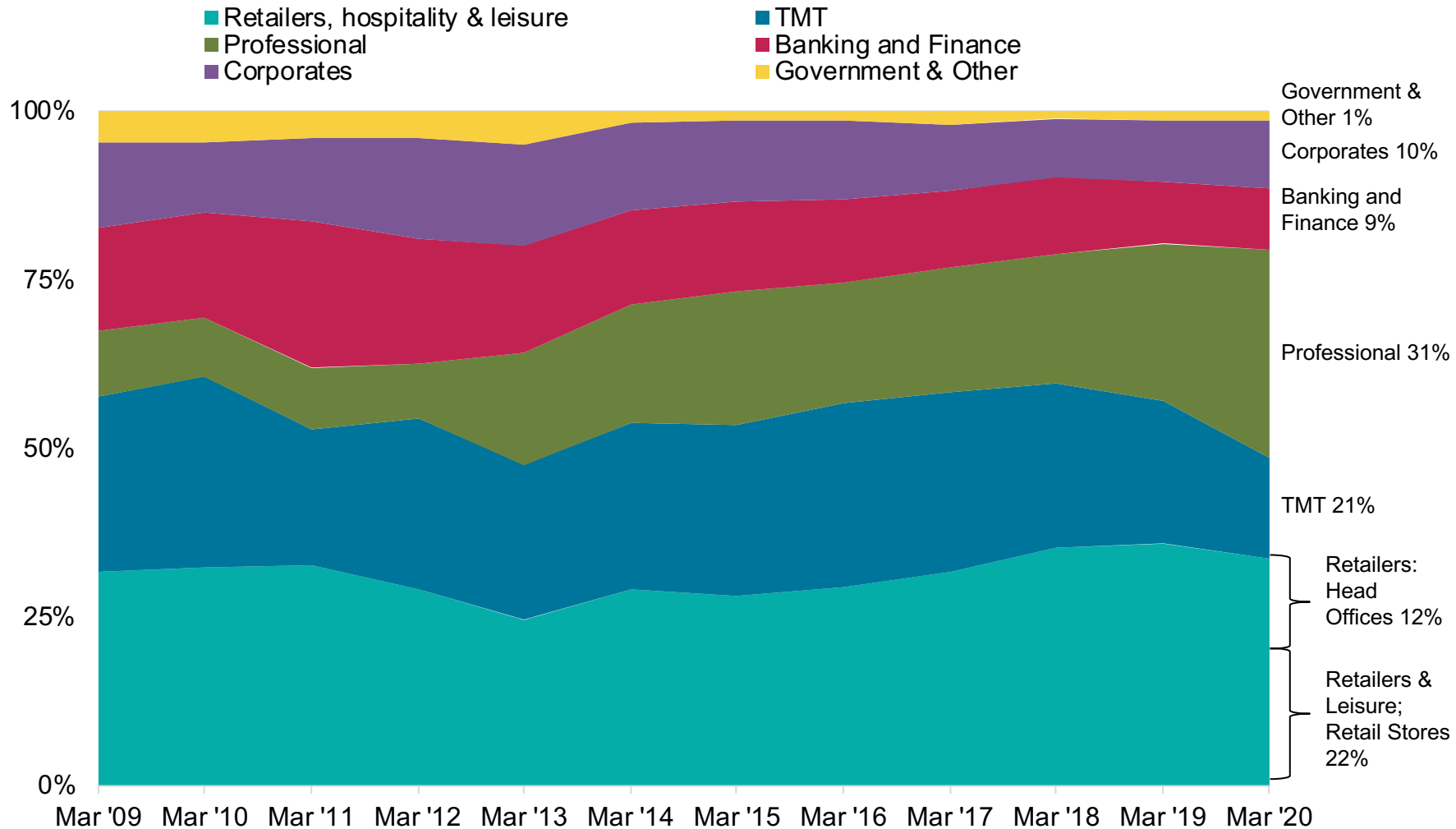
By Location (By value)



1. Includes share of Joint Ventures

# GPE Occupiers<sup>1</sup>

## By Sector



1. Includes share of Joint Ventures

# Top Occupiers<sup>1</sup>

31 March 2020



Tenant	Sector	£m		
New Look	Retailers & Leisure	3.9	} Top 10	23.9%
Turner Broadcasting	TMT	2.9		
Runway East	Professional Services	2.8		
Richemont	Retailers & Leisure	2.6		
Winckworth Sherwood	Professional Services	2.5		
Carlton Communications	TMT	2.4		
Superdry	Retailers & Leisure	2.1		
Independent Television News	TMT	1.8		
Dennis Publishing	TMT	1.6		
Next	Retailers & Leisure	1.4		
Qbic Hotels	Retailers & Leisure	1.4	} Top 20	36.2%
Ahli United Bank (UK)	Financial Services	1.4		
Heineken	Corporate	1.4		
Brown-Forman Beverages	Corporate	1.4		
Victorinox Retail (UK) Limited	Retailers & Leisure	1.3		
Knotel	Professional Services	1.2		
Lionsgate UK	TMT	1.2		
Four Communications Group	TMT	1.1		
Russell & Bromley	Retailers & Leisure	1.0		
Porta Communications	TMT	1.0		
<b>Total</b>		<b>36.4</b>		

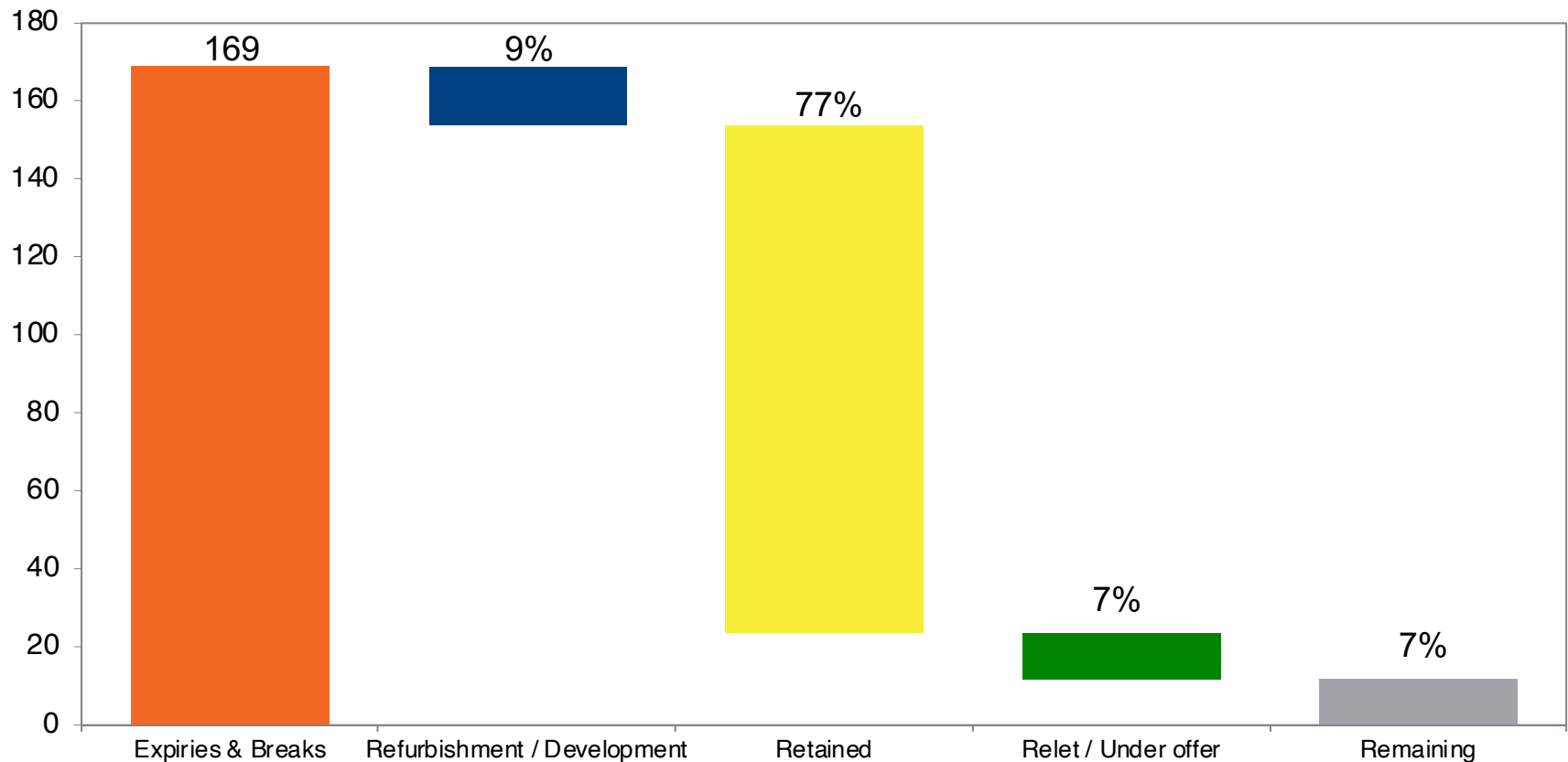
1. Includes share of Joint Ventures

# Portfolio Management

## Occupier retention, 12 months to March 2020<sup>1</sup>



Area (000 sq ft)



# Portfolio Management Movement in Reversions<sup>1</sup>



	6 months to	
	31 March 2020	30 Sept 2019
At beginning of period	£8.3m	£8.3m
Portfolio activity <sup>2</sup>	£4.8m	£2.7m
Reversion capture	(£0.3m)	(£3.6m)
Disposals	-	-
ERV movement	(£1.0m)	£0.9m
At end of period	£11.8m	£8.3m

1. Based on let portfolio; includes share of Joint Ventures.

2. Includes lease expiries, breaks, new lettings and amounts transferred to the development portfolio.

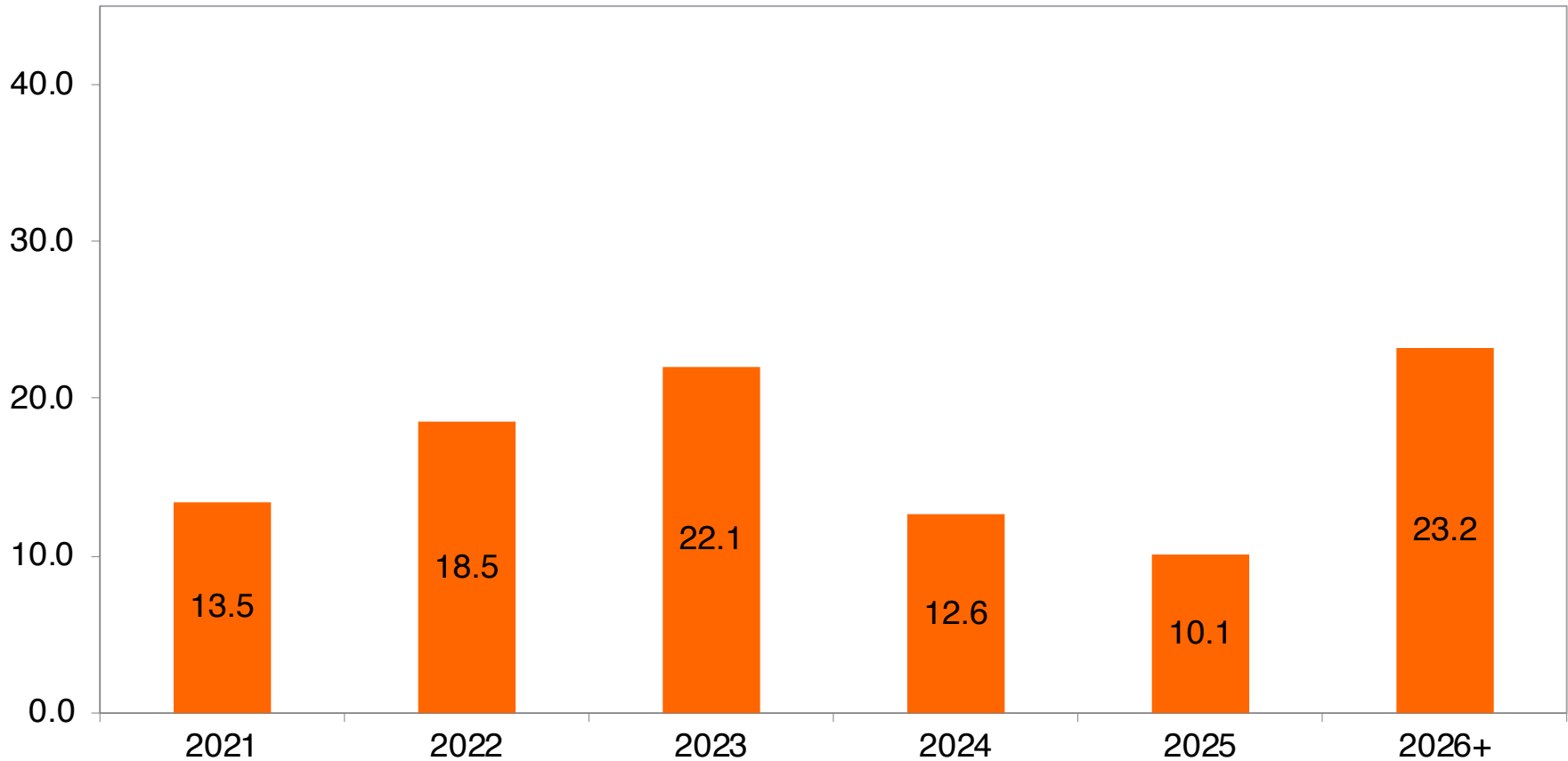
# Portfolio Management

## Expiry profile<sup>1</sup>



% by total rental income subject to lease expiry or break

Year to March



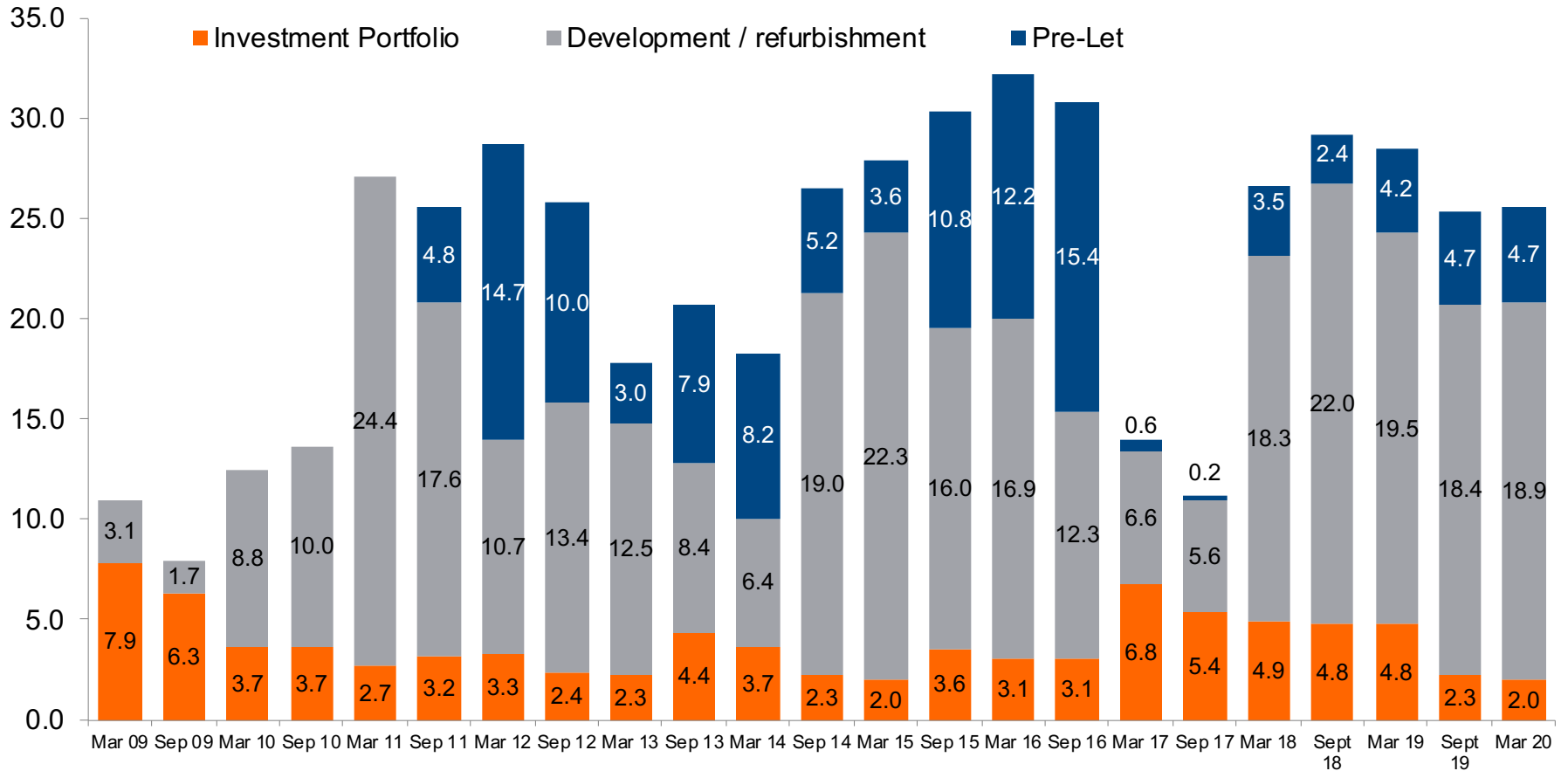
1. Includes share of Joint Ventures

# Portfolio Management

## Void rate, % by rental value<sup>1</sup>



% by rental value



1. Includes share of Joint Ventures





# Committed Project

## The Hickman, E1



### Development Progress

- 74,400 sq ft; avg office ERV £55.20 psf<sup>1</sup>
- Construction progressing
- Completion Q3 2020

### Targeting Pre-Lets

Good leasing interest

Co-Working: targeting 20% of space

- Exploring revenue share opportunities with operators

Pre-let negotiations on 52,300 sq ft

### Innovation

Highly sustainable; 40% energy improvement<sup>2</sup> and green roof  
Smart Building

- WiredScore Platinum
- User-controlled temperature, lighting and access
- Data gathering on air quality, noise levels and utilisation

Enhanced Amenity

- Lifestyle concierge offer & dedicated café

GPE profit on cost	16.8%
Ungearred IRR	12.5%
Development yield	6.8%
BREEAM	Excellent

### Whitechapel Courtyard Sites

- Sale completion targeted Q3 '20 at 2.5 x expected profit<sup>3</sup>

1. CBRE ERV March '20 2. Above building regulation requirements

3. Based on Whitechapel Courtyard development proposals



# Committed Project

1 Newman Street & 70/88 Oxford Street, W1



119,100 sq ft prime east end of Oxford St

- Office; targeting pre-lets
  - 81,200 sq ft; £92.40 psf<sup>1</sup>; £7.5m
  - 40,000 sq ft under offer
- Retail
  - 37,900 sq ft; £585 psf ZA<sup>1</sup>; £5.6m
- Completion Q3 2021

GPE profit on cost	8.0%
Ungearred IRR	7.6%
Development yield	4.4%
BREEAM	Excellent

# Committed Project

## Hanover Square, W1



**New Bond St / Brook St**

- 32,900 sq ft offices; 31,200 sq ft retail; 12,200 sq ft residential
- Offices under offer
- NBS retail complete; Canali lease granted
- NBS Residential; preparing marketing campaign

**18 Hanover Sq<sup>1</sup>**

- 144,800 sq ft (134,200 sq ft offices; 10,600 sq ft retail)
- 111,400 sq ft office space pre-let; Glencore (levels 2-4); KKR (levels 5-8)<sup>2</sup>
- Avg rent £115 psf
- 17.4 years avg lease length
- 16,500 sq ft first floor to let – encouraging interest

**Pre-let 52.0% by ERV**  
**Practical completion Q4 2020**  
**Total area 221,100 sq ft**

GPE profit on cost	20.9%
Ungearred IRR	10.1%
Development yield	4.7%
BREEAM	Excellent

1. Including 20 Hanover Sq 2. 18 Hanover Sq

# Development Scheme Review

## Completions since May 2009



	PC	New build area sq ft	Cost £m <sup>1</sup>	Profit on cost £m <sup>1</sup>	Yield on cost <sup>2</sup>	Rent £m pa <sup>1, 2</sup>	% let at PC <sup>3</sup>	BREEAM Rating
184/190 Oxford St, W1	Apr 2011	26,400	28.7	7.1	SOLD	SOLD	100%	-
23 Newman St, W1 (Residential)	Oct 2011	24,900	26.4	0.8	SOLD	SOLD	n/a	Echohomes V Good
24 Britton St, EC1	Nov 2011	51,300	19.3	6.4	8.2%	1.6	100%	Very Good
160 Great Portland St, W1	May 2012	92,900	63.3	26.8	SOLD	SOLD	100%	Very Good
33 Margaret St, W1	Dec 2012	103,700	91.0	52.1	SOLD	SOLD	97%	Excellent
95 Wigmore St, W1 (GWP)	Jul 2013	112,200	54.8	34.2	SOLD	SOLD	92%	Excellent
City Tower / Sky Light, 40 Basinghall St, EC2 (GSP)	Sep 2013	138,200	35.6	11.8	5.4%	3.1	24%	Very Good
240 Blackfriars Road, SE1 (GRP)	Apr 2014	236,700	67.6	37.7	SOLD	SOLD	57%	Excellent
Walmar House, 288/300 Regent St, W1	Oct 2014	60,300	59.6	32.1	7.4%	4.2	12%	Very Good
12/14 New Fetter Lane, EC4	Nov 2015	142,300	49.6	51.9	SOLD	SOLD	100%	Excellent
48/50 Broadwick St, W1 (Residential)	Feb 2016	6,500	8.6	1.1	SOLD	SOLD	n/a	-
90/92 Great Portland St, W1	Aug 2016	8,600	5.0	(0.1)	SOLD	SOLD	0%	Excellent
30 Broadwick St, W1	Nov 2016	92,300	132.4	47.4	SOLD	SOLD	25%	Excellent
73/89 Oxford St & 1 Dean St, W1	Jul 2017	90,200	200.4	51.0	SOLD	SOLD	91%	Excellent
Rathbone Square, W1 (Commercial)	Mar 2017	268,900	292.8	83.1	SOLD	SOLD	91%	Excellent
78/80 Great Portland St, W1	May 2017	18,100	20.7	2.6	SOLD	SOLD	2%	Excellent
84/86 Great Portland St, W1	May 2017	22,700	28.3	4.2	SOLD	SOLD	100%	Very Good
55 Wells St, W1	Nov 2017	37,300	50.8	9.6	SOLD	SOLD	10%	Excellent
Rathbone Square, W1 (Residential)	Nov 2017	151,700	280.1	3.5	SOLD	SOLD	n/a	Code for Sustainable Homes L4
160 Old St, EC1 (GRP)	Apr 2018	161,700	66.5	13.0	6.3%	4.3	71%	Excellent
		1,846,900	1,581.5	476.3	7.5%	13.2		
				As at completion 30%				

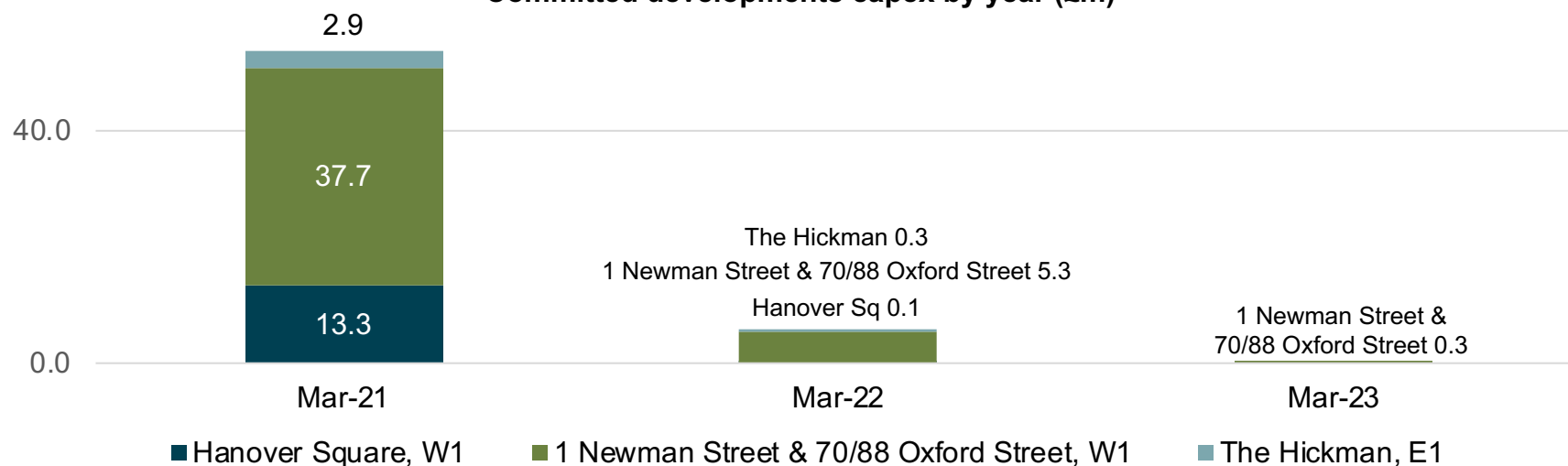
# Development Capex<sup>1</sup>

## Committed projects



	New building area sq ft	Capex to date <sup>2</sup> £m	Capex to come <sup>2</sup> £m	Total Capex <sup>2</sup> £m
The Hickman, E1	74,400	28.5	3.2	31.7
1 Newman Street & 70/88 Oxford Street, W1	119,100	59.6	43.3	103.0
Hanover Square, W1 <sup>3</sup>	221,100	107.9	13.4	121.3
<b>Committed projects</b>	<b>414,600</b>	<b>196.0</b>	<b>59.9</b>	<b>256.0</b>
<b>Market value at 31 March 2020</b>			<b>590.3</b>	
<b>Total commitment</b>			<b>650.2</b>	

Committed developments capex by year (£m)

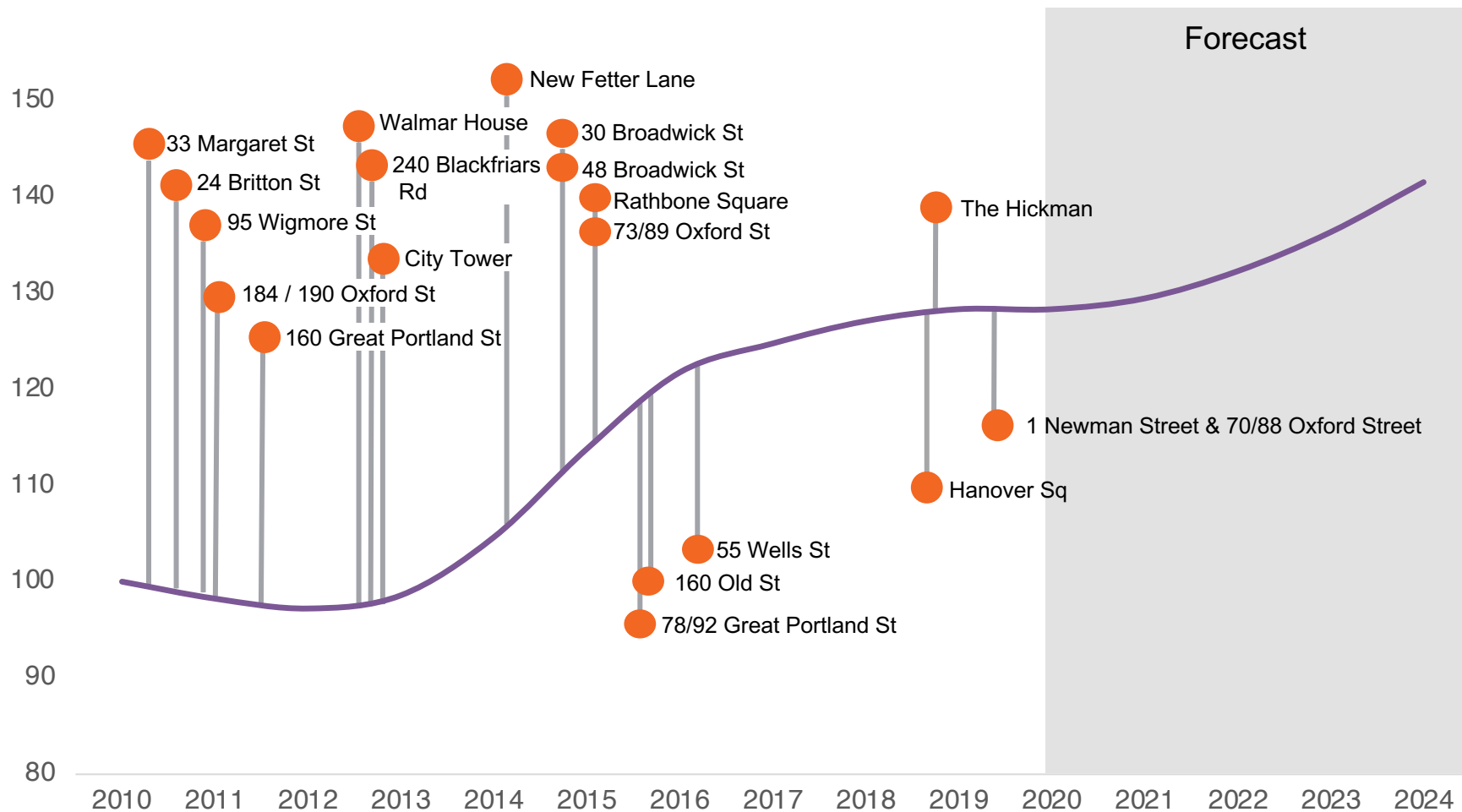


1. Capex excludes overage arrangements, finance costs, sales and letting fees, assumed void costs and marketing expenses 2. GPE share  
3. GPE share including land buy back

# Delivering the Developments

## Managing Construction Costs: Inflation

### Average Construction Inflation<sup>1</sup>



1. Based on Arcadis, Alinea, Aecom and Gardiner and Theobald London indices; as at May '20

# Creating Sustainable Buildings & Sustainable Relationships

## A Year of Progress



**Signed BBP Climate Change Commitment**

**Launched £450m ESG-linked RCF<sup>1</sup>**  
 First to be issued by a UK REIT, incorporating three KPIs which align with sustainability strategy



**“The Time is Now”**  
 Launched Sustainability Statement of Intent  
 ([www.gpe.co.uk/sustainability](http://www.gpe.co.uk/sustainability))



**Raised £122,000**  
 Cash and pro bono support



**Donated £40,000**  
 Supporting greening initiatives in schools in Southwark, Islington, Tower Hamlets and Camden



**GPE's 2<sup>nd</sup> Community Day**  
 76% of employees participated



**5 star for 4<sup>th</sup> year**



**EPC Energy ratings**  
 0.1% of GPE's portfolio with F or G ratings

1. Issued Feb '20, Headline Margin 90bp, 5 year term with two 1 year extension options



# Our Integrated Team

## GPE Senior Management



### Executive Committee

**Toby Courtauld**  
Chief Executive

**Nick Sanderson**  
Finance & Operations  
Director

**Steven Mew**  
Portfolio Director

**Andrew White**  
Development Director

**Marc Wilder**  
Leasing Director

**Robin Matthews**  
Investment Director

### Senior Management

**Helen Hare**  
Director of  
Project Management

**Hugh Morgan**  
Director of  
Investment Management

**Stephen Burrows**  
Director of  
Financial Reporting & IR

**James Pellatt**  
Director of Workplace &  
Innovation

**Martin Leighton**  
Director of  
Corporate Finance

**David O'Sullivan**  
Director of Occupier  
& Property Services

**Janine Cole**  
Director of Sustainability  
& Community

**Darren Lennark**  
Company Secretary

**Simon Rowley**  
Head of  
Office Leasing

**Rachel Aylett**  
Head of HR

**Steven Rollinson**  
Head of IT

**Lisa Day**  
Head of Occupier Services

**Rebecca Bradley**  
Head of  
Property Services

**Piers Blewitt**  
Head of Planning Strategy  
& Senior Development Mgr

**Alexis George**  
Head of Health & Safety