

OUR BUSINESS MODEL

St. Modwen has a rich, 30-year heritage and a strong track record of creating and capturing value by managing schemes through the planning process, remediation, infrastructure and active asset management and development.

We seek to build success for our key stakeholders; our own people, our land and assets, shareholders, our partners, our customers and our communities.

Our core business purpose is:

Changing places. Creating better futures.

We lead the way in delivering quality places to live and work that enhance communities and create opportunities for growth and shared returns. Working together with our partners, we deliver shared value, aim to build a lasting legacy and contribute to better futures for all.

WHAT WE NEED TO CREATE VALUE

People
We have unparalleled skills in planning, infrastructure, asset management, development and delivery. Our experience and expertise give us an unmatched ability to bring complex, strategic sites forward to create value.

Strategic insight
We have the strategic insight and local market knowledge to exploit market demands and pursue those opportunities that generate the greatest value at any one time.

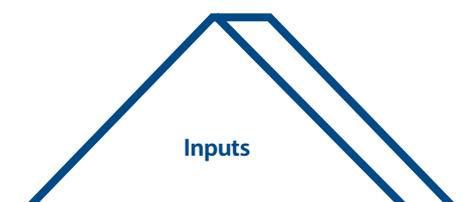
Financial strength
Strong cash flow and rigorous portfolio and capital discipline, together with a flexible debt structure, provide us with a robust financial platform for business growth.

Land
We are accelerating activity on the 6,000 developable acres we own to secure maximum value, with opportunity split broadly 50/50 between commercial and residential.

Assets
Our income producing portfolio currently has a value of £844m, representing £60m of annualised gross rental income from over 3,800 tenants. We intend to focus on the high quality industrial and logistics sector where we see long-term structural growth.

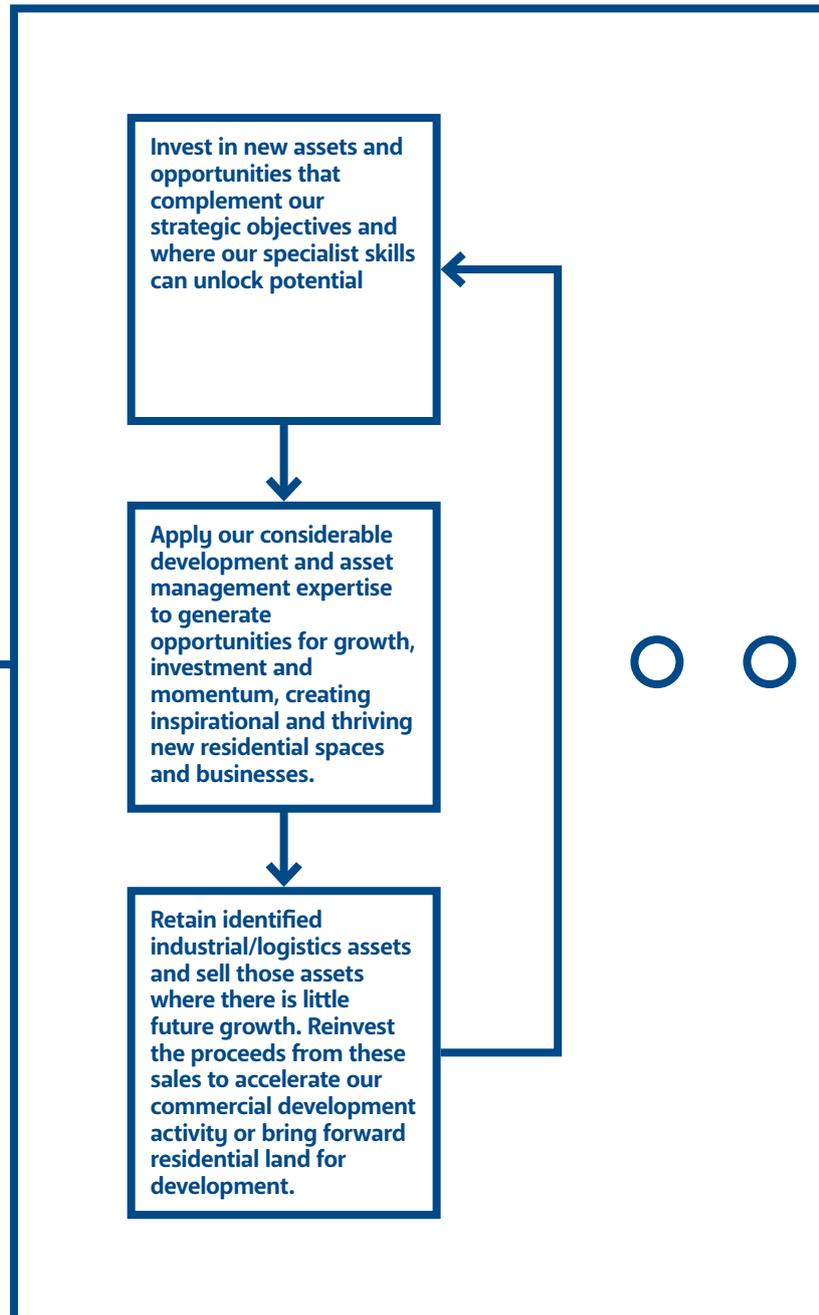
Partners
We develop strong, sustained relationships with our business partners and work collaboratively to deliver lasting, successful outcomes and a positive legacy.

Communities
We invest – and are invested – in the communities we help to build and consider carefully the economic, social and environmental impact of our work to ensure that we are locally appropriate.



Inputs

WHAT WE DO TO CREATE VALUE



CREATING SUSTAINABLE VALUE FOR ALL STAKEHOLDERS

We aim to improve returns on capital by concentrating our activities on sectors that have long-term sustainable growth characteristics while also enhancing our flexibility through tightly controlling leverage and reducing the proportion of our portfolio invested in land.

Our pipeline of activities is focused on two of the most attractive sectors in the UK property market – industrial and logistics development and housebuilding.



Celtic Business Park, South Wales

The 48,255 sq ft speculatively built unit let to Amazon was sold to Tilstone Industrial Warehouse Ltd in early 2017.



Locking Parklands, Weston-super-Mare

St. Modwen Homes has thus far delivered 330 new homes at the award-winning development.

We create vibrant new places where people can live, work and thrive. In doing so, we are helping to satisfy housing demand, create new jobs, improve the environment and provide a boost to the immediate regional and national economy.

Shareholders

Consistent delivery against our strategy has generated attractive financial returns for investors. The compound Annual Growth Rate of our total accounting return (NAV growth plus dividends) was 14% over the past five years and we are actively reducing borrowings.

Communities

We are committed to the care and stewardship of the communities and environments we regenerate and build. Our strong regional teams are embedded in their local areas and we work hard to build and maintain positive relationships with our partners, customers and local authorities. We deliver new employment and training opportunities, working with local experts and suppliers. We provide the catalyst for further economic growth and inward investment.

People

Our people are skilled, responsive and passionate, and they take great pride in what they do. Our teams across the company collaborate, share expertise and ideas to ensure that we're delivering the best possible outcomes, for the benefit of all our stakeholders.

We are committed to the continuous professional development of our people and have comprehensive training and apprenticeship programmes to equip them with the right skills and expertise.

We are making significant investment in growing our talent for the future as well as in our workplace systems and environments.

Outputs