



FULL YEAR RESULTS PRESENTATION

TO 30 NOV 2020

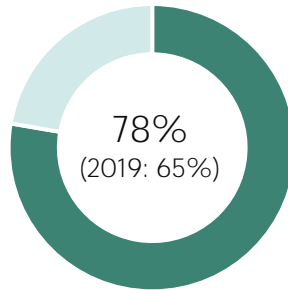
Well-positioned for growth in two attractive markets

OUR PURPOSE - CHANGING PLACES. CREATING BETTER FUTURES.



Logistics/housebuilding

Focus on two sectors with strong structural growth



Changing shape

78%⁽¹⁾ of portfolio in logistics & housebuilding, heading to >90% by 2023 (2019: 65%)



Growth potential

Platform and pipeline to grow to >£1bn logistics portfolio and delivery of c. 1,500 homes p.a. by 2023



Returns

Aim to grow adj. EPRA EPS to c. 28p and total accounting return to c. 9-10% in medium term

(1) 2020 Pro-Forma for SL&R disposals completing post the year-end

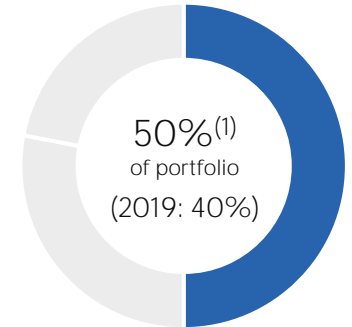
Resilient operational performance despite Covid-19 disruption

St. Modwen Logistics



Growing modern urban and big box portfolio

Completed 1.2m sq ft, 81% let or under offer
1.6m sq ft committed pipeline 27% let/under offer
Resilient income, with 97.9% of rent received

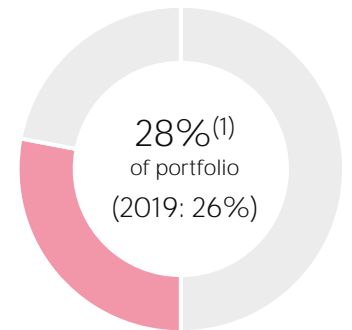


St. Modwen Homes



Scalable platform delivering high quality homes

Sold 948 units, -11% YoY due to H1 build pause
FY margin of 12.4% post 2.4ppt recovery in H2
Order book +33%, covering 47% of 2021 sales

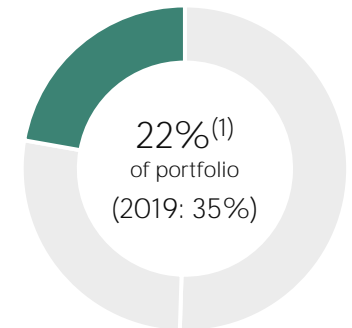


Strat. Land & Regeneration



Land capability enabling growth in two sectors

Secured new capital-light strategic land deals
Sold £125m of non-core assets and land
Valuations broadly stable in H2 after H1 fall



(1) 2020 Pro-Forma for SL&R disposals completing post the year-end

Improved performance in the second half of 2020

- Full year results impacted by Covid-19
- Strong improvement in H2
- NAV up 1.1% since May
- LTV down 7.9ppt since May
- H2 EPS recovered to 77% of prior year

	Year to Nov-20	HY to May-20	Year to Nov-19	Change (YoY)
NAV per share (p)	427.7	423.1	484.2	(11.7%)
EPRA NTA per share (p)	437.7	430.8	490.8	(10.8%)
See-through LTV (%)	20.2	28.1	19.6	0.6 ppt
Total accounting return (%)	(11.4)	(12.6)	4.6	(16.0 ppt)
Adjusted EPRA EPS (p)	9.9	2.1	17.4	(43.1%)
Dividend per share (p)	5.0	1.1	3.6	38.9%

Step up in logistics/housebuilding to drive increased returns

Clear strategic focus on logistics and housebuilding

- Two sectors with structural growth in demand but tight supply
- 78%⁽¹⁾ of portfolio, growing to over 90% by 2023
- Sold >£1bn of non-core assets in last 3.5 years & plan to sell a further c. £180-200m SL&R assets by 2023

St Modwen Logistics (50%⁽¹⁾ of portfolio): Well positioned to grow to >£1bn

- On track to deliver 1.5m sq ft in 2021, with 27% of committed pipeline pre-let or under offer
- Plan to accelerate delivery to up to 2m sq ft p.a. beyond 2021
- 19m sq ft pipeline with c. 7-8% yield on cost to drive substantial growth in recurring income

St. Modwen Homes (28%⁽¹⁾ of portfolio): Growing volumes and improving margins

- Affordable high-quality product, with private ASP of £277,000 and 96.2% HBF rating
- On track to grow completions by up to 25% in 2021 and over 50% by 2023 (c. 1,500 units)
- Clear plan to improve margin to c. 16-17% by 2023, with further improvement beyond that

Growing returns

- Significant headroom against LTV target of sub 30%
- Grow adj. EPRA EPS to c. 28p and deliver total accounting return of 9-10% in medium term

(1) 2020 Pro-Forma for disposals completing post the year-end

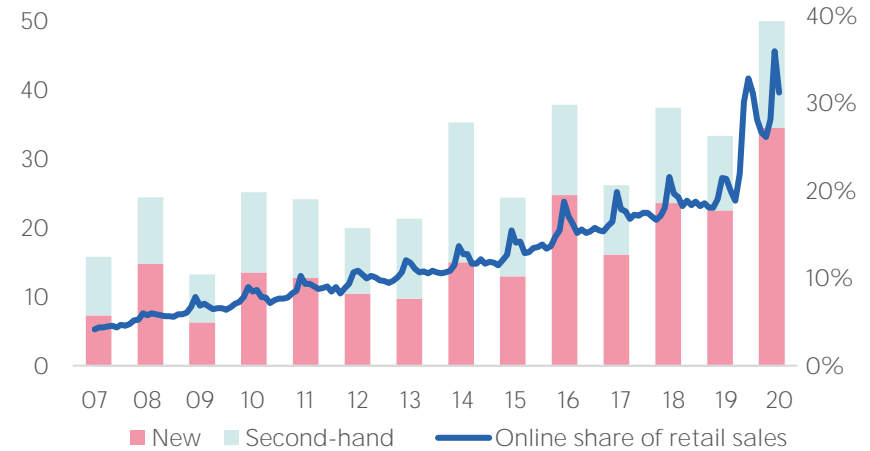
Operational review



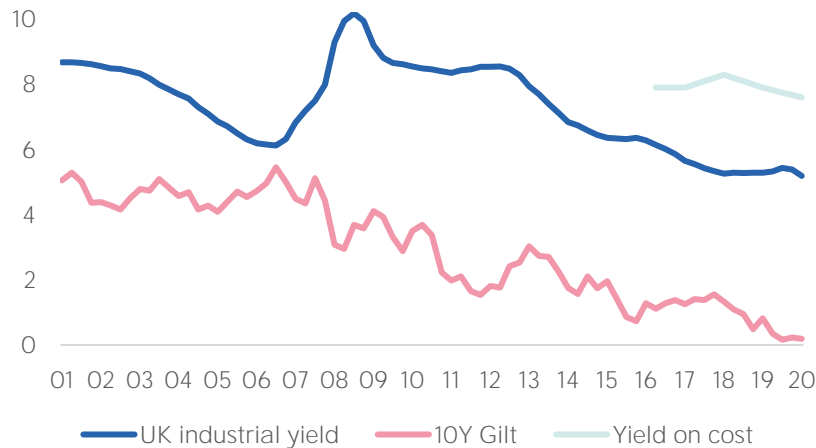
Structural growth trends in logistics accelerating

- Structural growth in online retail dramatically increased due to Covid-19
- Availability of Grade A big box space down from c. 10 to c. 6 months of 5Y average take-up
- Development returns continue to offer high spread vs investment yields and interest rates

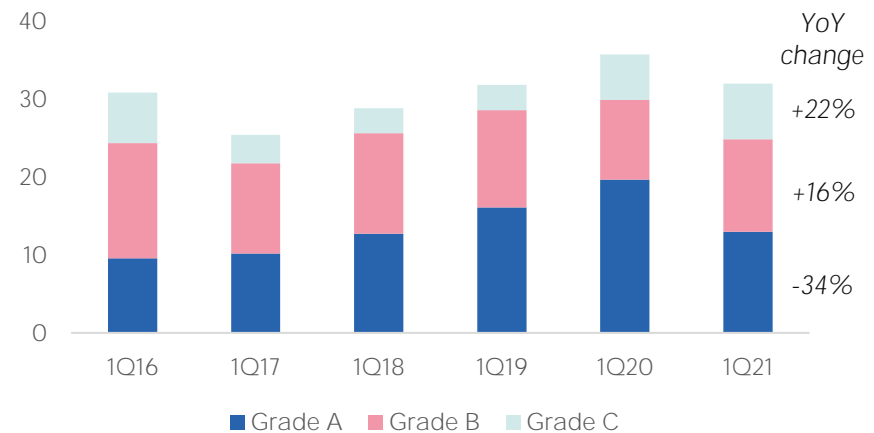
Structural change continues to drive demand
(m sq ft big box take-up (LHS) vs online sales (RHS) – Savills/ONS)



Development provides attractive margin
(SMP yield on cost vs MSCI UK All industrial yield and gilts in %)



Availability of modern space down 34% YoY
(availability >100k sq ft by grade in m sq ft - Savills)



£666m portfolio, of which £561m income-producing (+28% YoY)

Urban (54%)



- Assets of <100k sq ft
- 70% built since 2017
- £304m value; 4.2m sq ft
- £21.1m ERV
- 6.1% equivalent yield
- 84% let
- 5.0 yrs WAULT

Big box (25%)



- Assets of c. 100-300k sq ft
- All built since 2017 (54% 2020)
- £138m value; 1.1m sq ft
- £7.7m ERV
- 4.8% equivalent yield
- 56% let (PF since YE: 91% ⁽¹⁾)
- 10.5 yrs WAULT (PF: 13.7 ⁽¹⁾)

Other (21%)



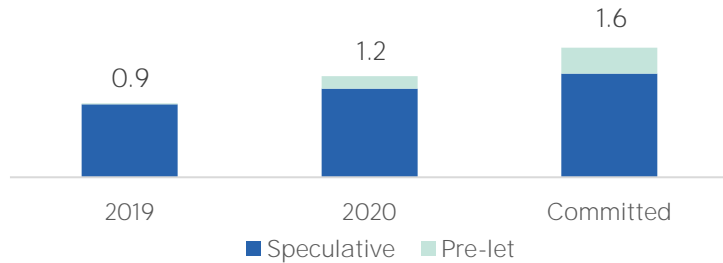
- Range of building sizes
- All built before 2017
- £119m value; 2.3m sq ft
- £10.8m ERV
- 7.6% equivalent yield
- 87% let
- 6.9 yrs WAULT



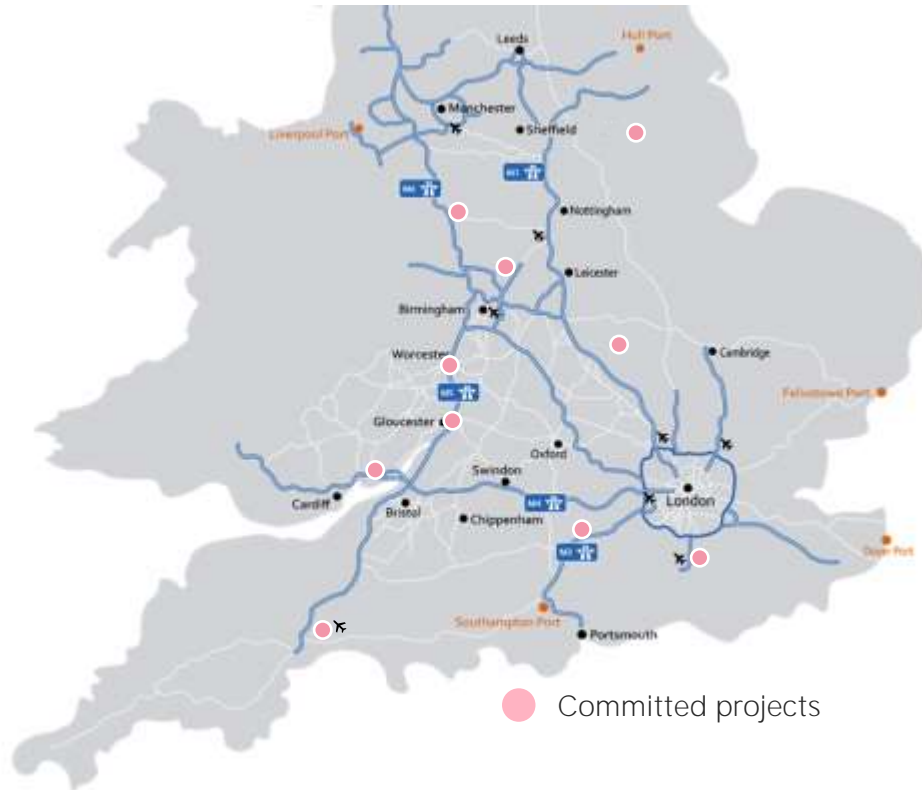
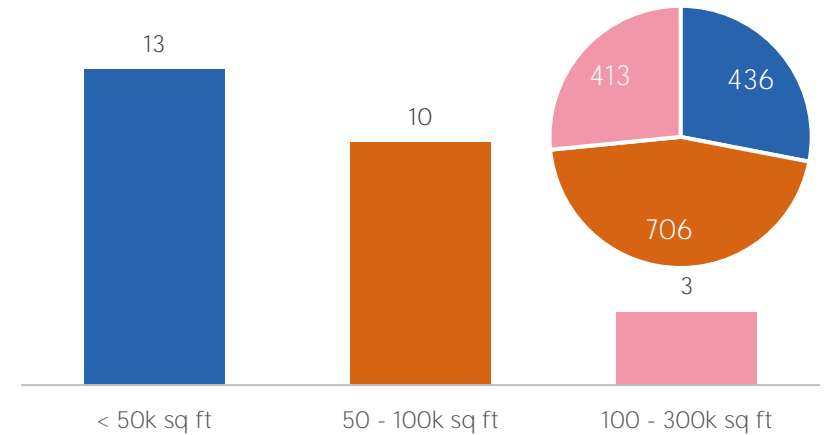
(1) Pro-Forma for leases completed since the year-end

19m sq ft pipeline near key logistics corridors and conurbations

De-risking growth in development via pre-lets
(m sq ft committed pipeline)



Growing urban and big box warehouse space
(committed pipeline by # of units / x1,000 sq ft total space)



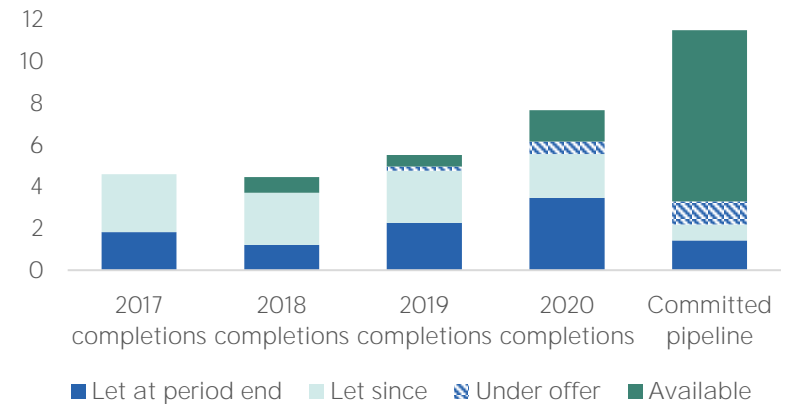
£130m potential future income from development
(estimated key metrics total development pipeline)

	Committed	Consented	Controlled	Total
Size (m sq ft)	1.6	6.0	c. 12	c. 19
Potential ERV (£m)	11.5	38.8	c. 80	c. 130
Future capex (£m)	128	425 - 475		
Total dev. cost (£m)	155	475 - 525		
Current book value (£m)	27	50	7	84
Yield on cost (%)	7.5	c. 7-8		
Yield on capex (%)	8.4	c. 9		
Potential delivery	0-18 mths	1-5 yrs	5-10 yrs	0-10 yrs

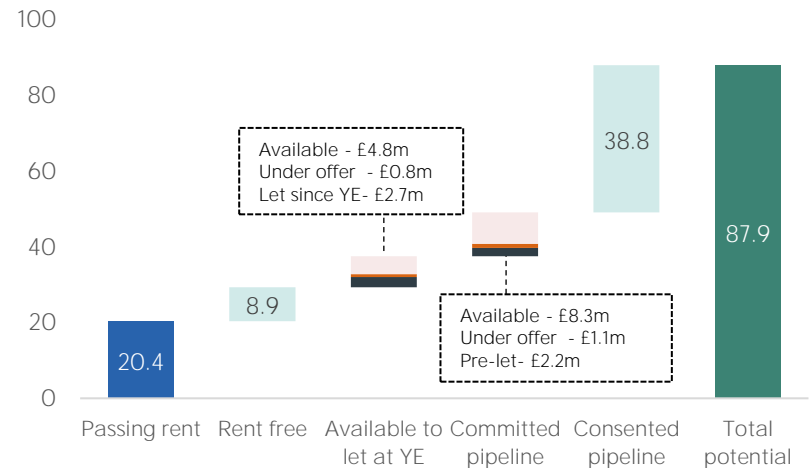
Continuing to grow recurring income stream

- Invested £89m in growing logistics portfolio
- WAULT up from 4.6 to 6.4 years due to asset management and new developments
 - 7.4 years including deals since year-end
- L-f-I income existing portfolio up 6.1%
- 81% of 2020 completions let or under offer, up from 58% of 2019 pipeline this time last year
 - 7.3% yield on cost when fully let
- Committed pipeline 27% pre-let or under offer, up from 18% of 2020 pipeline this time last year
- Lettings in 2020 on average slightly above ERV
- Clear visibility to significantly grow recurring income via profitable controlled pipeline

Strong momentum in development leasing
(completed ERV in £m)



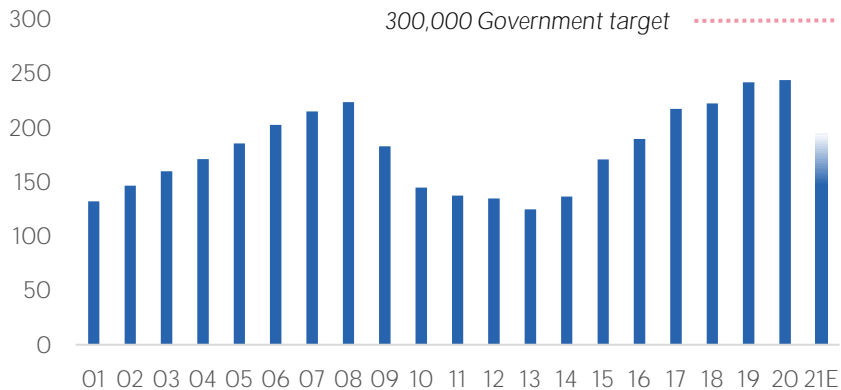
Significant upside to logistics income
(potential rent, excl. c. £80m related to space subject to planning; £m)



Housing demand remains strong

- Long term population growth continues to drive demand for more new homes
- Annual production still well short of 300,000 homes Government target
- Affordability remains attractive in historical context, in particular in the regions

UK housing delivery well short of target
(net additional dwellings delivered in years to March, 000 - ONS)



Mortgage affordability is attractive
(mortgage payments as % of disposable income – Halifax/ONS)

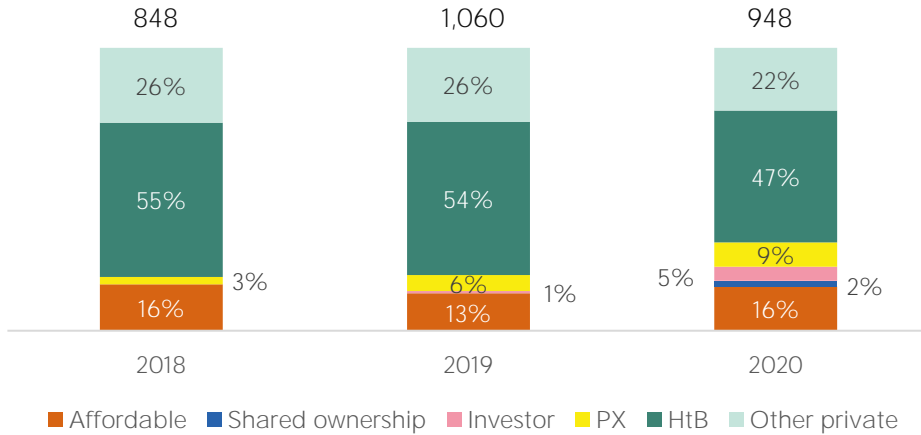


Mortgage lending remains very supportive
(mortgage approvals for new house purchases, 000 - BOE)

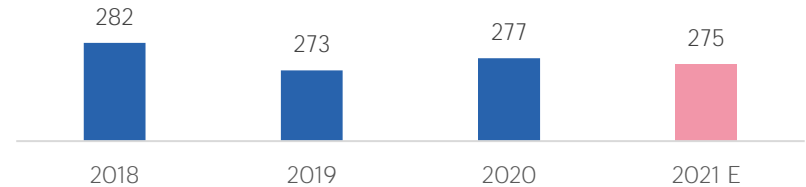


Focus on quality and affordable regions adds resilience

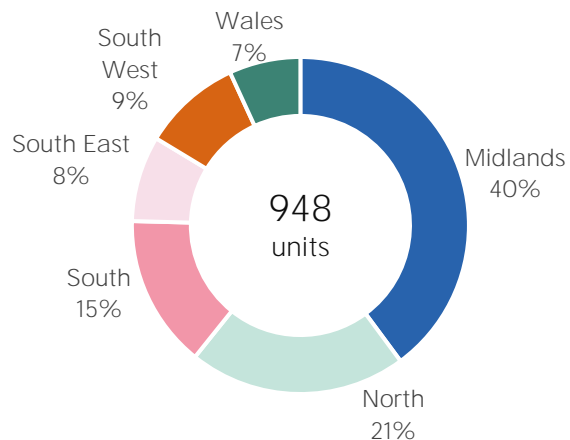
Growing diversification in customer mix
(Total units sold)



Focus on affordable price levels
(private ASP, £000)



Focus on regions with good affordability
(Total units sold)



Differentiated positioning provides platform to build scale



Differentiated height and light design



Flexibility to adjust to changing needs



Focus on placemaking and green space



Striving for zero defects

74

Net promoter score
Consistently above wider sector
(2019: 76)

96.2%

HBF customer recommend score
2nd highest of all large UK housebuilders
(2019: 92.3%)

0.08

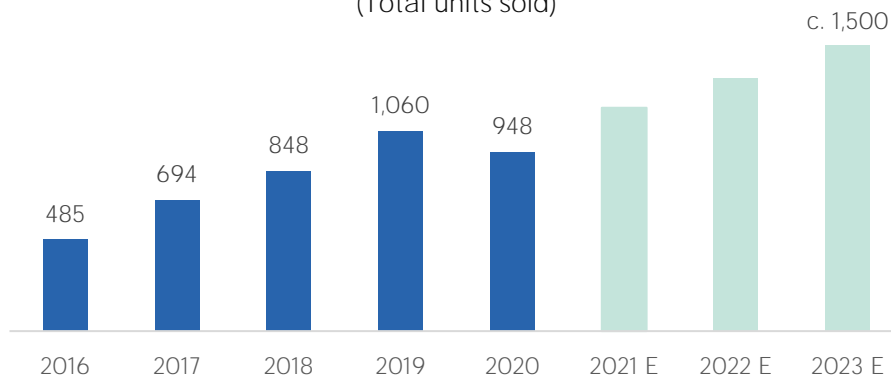
Accident frequency rate
20% of industry average
(2019: 0.04)

Strong orderbook underpins growth in volumes

- Completed 948 sales despite c. 9-10 weeks of lost production due to lockdown in spring
- Like-for-like private ASP up 2.2%
- Record private order book going into 2021
- Up to 25% volume growth in 2021, with pipeline providing clear visibility on growth beyond that
- Grow 0.7x asset turnover by shortening land bank

	2020	2019
Total units sold	948	1,060
Private units sold	800	920
Private sales rate	0.77	0.81
Private ASP (£k)	277	273
Affordable ASP (£k)	154	135
Pipeline (plots)	5,900	6,200
Pipeline (years)	6.2	5.8

Clear visibility on future volume growth
(Total units sold)



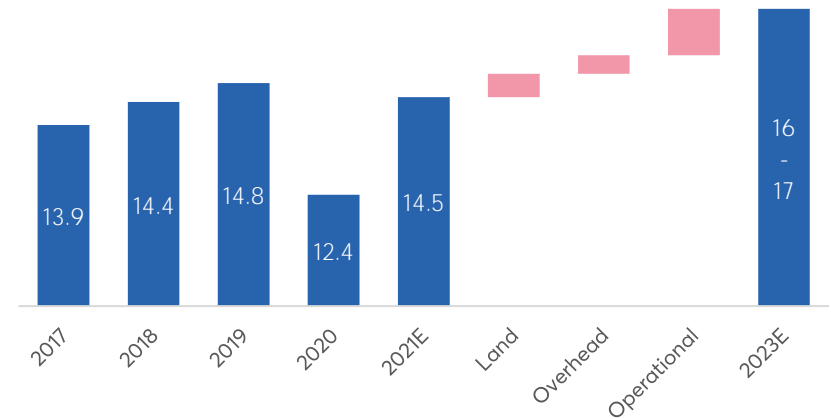
Recent trading performance

Sales active sites	24	21
Target private sales forward-sold (%)	47	34
Private order book (£m)	126	95

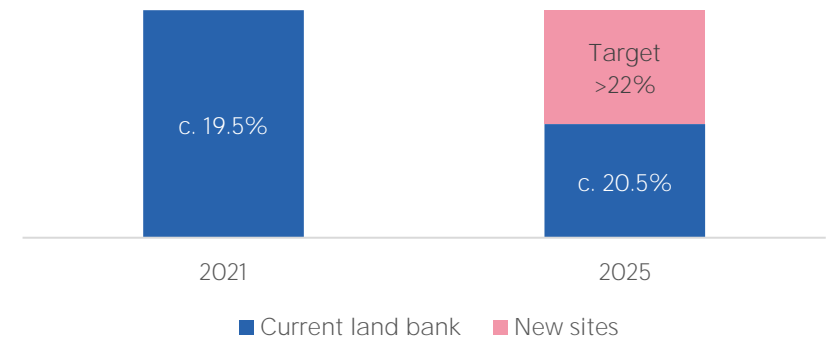
Clear strategy to deliver medium-term margin growth

- Operating margins down due to impact of first lockdown but improved to 13.1% in H2
- Margin expected to recover to c. 14.5% in 2021
- Target 16-17% operating margin by 2023, driven by overhead and operational improvements
- Further growth beyond 2023 due to feeding land bank through new acquisitions and transferring strategic land at cost
- Current land all originates from strategic land & regeneration, with historical mark-to-market revaluations reducing margin by c. 300 bps
- Embedded gross margin in current land bank to improve from c. 19.5% to c. 20.5% due to site mix
- Shift towards new land with gross margin hurdle of 22% to further improve margins

Target 16-17% operating margin by 2023 (%)



Embedded margin to improve over time (embedded gross margin in % vs site mix)



Focusing our land activities on growth in logistics and homes

- Strong land repositioning track-record creates clear competitive advantage in securing scarce new land opportunities
- Almost entire logistics and housebuilding land bank originates from our strategic land and regeneration capabilities
- Land capability enables long-term value creation and enhances returns in logistics/housebuilding
- Release c. £180-200m of capital from existing assets which are non-core or surplus to our own development needs
- Focus capability on supporting growth in logistics and housebuilding, with shorter delivery, clear return hurdles and lower capital employed













Active developments	 <p><i>Copthorne, SE</i></p>	<ul style="list-style-type: none"> ▪ Secured option in 2014 ▪ 500 homes; 0.4m sq ft logistics ▪ Peak capital employed: £4m ⁽¹⁾ ▪ Start development: 2019 ▪ c. 60% IRR + enhanced margin
	 <p><i>Wantage, SE</i></p>	<ul style="list-style-type: none"> ▪ Signed dev. agreement in 2017 ▪ 1,500 homes ▪ Peak capital employed: £1m ⁽¹⁾ ▪ Start development: 2018 ▪ c. 20% IRR + enhanced margin
New	 <p><i>Cheltenham, SW</i></p>	<ul style="list-style-type: none"> ▪ Signed dev. agreement in 2021 ▪ Potential for 1,100 homes ▪ Peak capital employed: £11m ⁽¹⁾ ▪ Earliest start: 2024 ▪ c. 20% IRR + enhanced margin
Disposals		<ul style="list-style-type: none"> ▪ £93m residential land ▪ £32m commercial/retail assets ▪ 73% of these were in H2, in line with May book value

(1) Until drawdown of first phase of land for development start

Clear plan to release capital from existing portfolio

	November 2020 value (£332m)		2020 net rent (£10.1m)
Exchanged at Nov-20	£26m	£14m residential land in South Wales	0.7m
Sold since Nov-20	£7m	£12m other residential land	
		£7m non-core other	
Earmarked for SMH	c. £40m	c. 850 plots across 6 sites	1.2m
		FULL EXIT BY 2023	
		£86m non-core retail <i>Majority Trentham Gardens, rest three town-centre shopping centres</i>	
Planned disposal	c. £200m	£33m residual non-core other <i>Majority Longbridge offices, rest around a dozen small commercial assets/land</i>	7.4m
		c. 40-60% EXIT BY 2023, REST POST 2023	
		£43m residential land in South Wales	
		£41m other residential land <i>c. 1,500 plots across 6 sites</i>	
Reviewing options	c. £60m	c. £60m regeneration <i>Majority Longbridge residential/employment land, rest mostly NCGM and Swansea</i>	0.8m

Delivering on our responsible business ambitions

	Net carbon reduction 	Biodiversity & sustainable environments 	Diversity & inclusion 	Education & future skills 	Health & wellbeing 	Responsible operating practices & partnerships 
Our ambition						
	Be operationally net zero carbon by 2025 and fully net zero carbon by 2040	Net biodiversity gain of >10% associated with new development; cut SMH site waste by 1/3 rd & increase recycling rate to 99% by 2025	To achieve the UK National Equality Standard (NES) by 2025	Invest 1% of cash profits p.a. in education partnerships & make a positive impact on over 20,000 young people by 2025	Enhance the wellbeing of our people & make a meaningful, positive impact on the health and wellbeing of the communities we serve	Embed responsible operating practices in our supply chain in accordance with our Supply Chain Charter
2020 highlights	30% reduction in carbon footprint vs 2019 Net zero carbon roadmaps developed 21% of homes incl. MMC	Reduced waste by 15% on home building sites Completed biodiversity net gain assessments on 16 priority sites	46% line managers trained D&I built into people policies and competency framework	Apprenticeship programmes in place Partnerships with Women into Construction, Ahead Partnership and Armed Forces	Launched £150,000 Community Impact Fund Rolled out mental health resilience training Reached 40 Mental Health first aiders	Achieved ROSPA Gold health & safety awards for all 3 business units Supply Chain Charter developed
Example 2021 initiatives	Ready for Future Homes Standards Test Passivhaus tech 60% of logistics BREEAM Excellent or Very Good 30% of homes incl. MMC	Deliver >10% net gain on 2021 developments Introduction of biodiversity code	Close identified gaps against NES Embed D&I in recruitment process Set D&I targets	Quantify current impact Longer term plan to achieve desired targets	Enhanced employee H&W programme Community engagement plan for all major schemes	Launch supply chain charter and set 3-5 year targets

Financial review



Financial results started to recover from Covid-19 disruption

- Return to profit in H2
- Total accounting return (11.4)% due to reduction in residential land and retail values in H1
- Valuations up since May, resulting in positive total accounting return for H2
- Reduction in rent due to non-core sales, credit provision and temporary closure of retail assets
- Housebuilding profit down due to pause in build activity during H1 lockdown, with recovery in H2
- Adjusted EPRA earnings of £22.1m
- Dividend of 5.0 pence, reflecting normal policy

	H1	H2	2020	2019
	£m	£m	£m	£m
Net rental & other income	14.5	16.7	31.2	40.1
Housebuilding profit	13.8	30.5	44.3	55.5
Development fee income	0.8	1.1	1.9	4.4
Business unit operating expenses	(8.0)	(11.1)	(19.1)	(21.7)
Administrative expenses	(9.8)	(10.9)	(20.7)	(22.4)
Net interest costs	(5.5)	(4.9)	(10.4)	(9.3)
Tax and non-controlling interests	(1.1)	(4.0)	(5.1)	(7.9)
Adjusted EPRA earnings	4.7	17.4	22.1	38.7
Property valuation movements	(159.8)	5.8	(154.0)	41.9
Net other finance costs	(3.9)	(11.8)	(15.7)	(7.0)
Tax and non-controlling interests	24.6	1.4	26.0	(5.6)
Underlying net profit	(134.4)	12.8	(121.6)	68.0
Exceptional items	-	-	-	(17.3)
Net profit / (loss)	(134.4)	12.8	(121.6)	50.7

Total accounting return (%)	(12.6)	1.3	(11.4)	4.6
Adjusted EPRA EPS (p)	2.1	7.8	9.9	17.4
Basic EPS (p)	(60.5)	5.8	(54.7)	22.8
Dividend per share (p)	1.1	3.9	5.0	3.6

Adjusted EPRA earnings recovered to 77% of prior year in H2

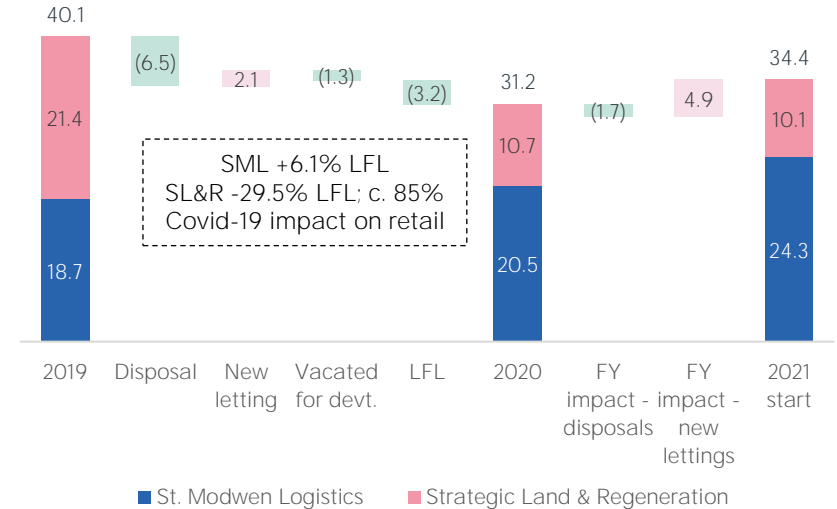
FY earnings down due to lower SL&R income and housebuilding profits
 (Changes in adjusted EPRA earnings by business unit and central items, £m)



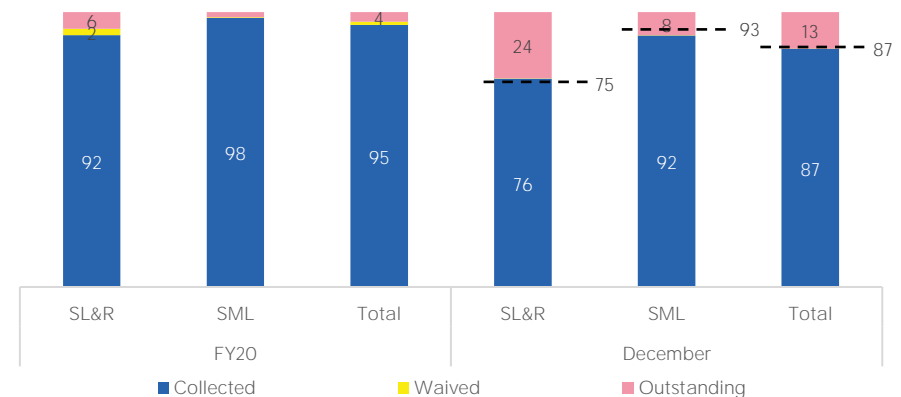
Rental income set for material growth in 2021+

- Net rental income down £8.9m during 2020 due to non-core disposals and Covid-19 impact
- Logistics income proven very resilient, with 97.9% of rent due in 2020 received and 0.2% waived
- SL&R rent collection for 2020 of 91.6%, as c. 60% of income is retail/leisure
- Rent collection for December quarter trending in line with previous quarter
- Expect net rental income for 2021 to be broadly in line with 2019 driven by logistics lettings
- £50m ERV potential from consented logistics pipeline vs £10m rent on non-core assets

Net rent down due to disposals and COVID-19 (net rental income £m)



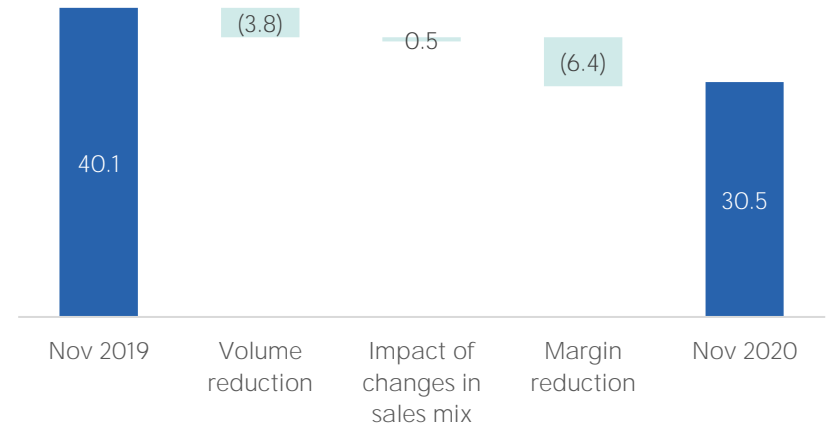
Strong rent collection across the board (% collected relative to this time last quarter in dotted line)



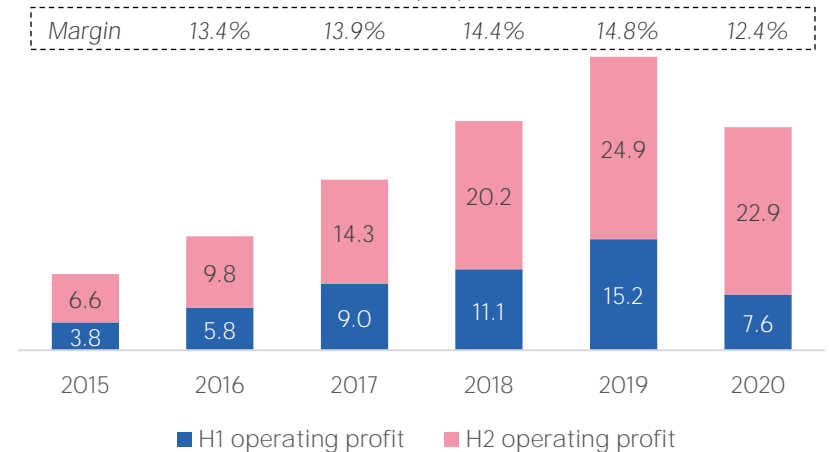
St. Modwen Homes profit improved to 92% of prior year in H2

- Full year revenue down 9.4% to £245.1m, reflecting pause in build activity during Spring lockdown
- Operating profit down 23.9% YoY due reduction in volume and resulting fixed cost inefficiencies
- H2 operating profit recovered to 92% of prior year, despite reduced site efficiency in June/July
- Outlook underpinned by strong order book, with 47% of target private sales forward sold
- Expect significant growth in 2021, driven by up to 25% volume growth and margin recovery to c. 14.5%, assuming market conditions remain as is

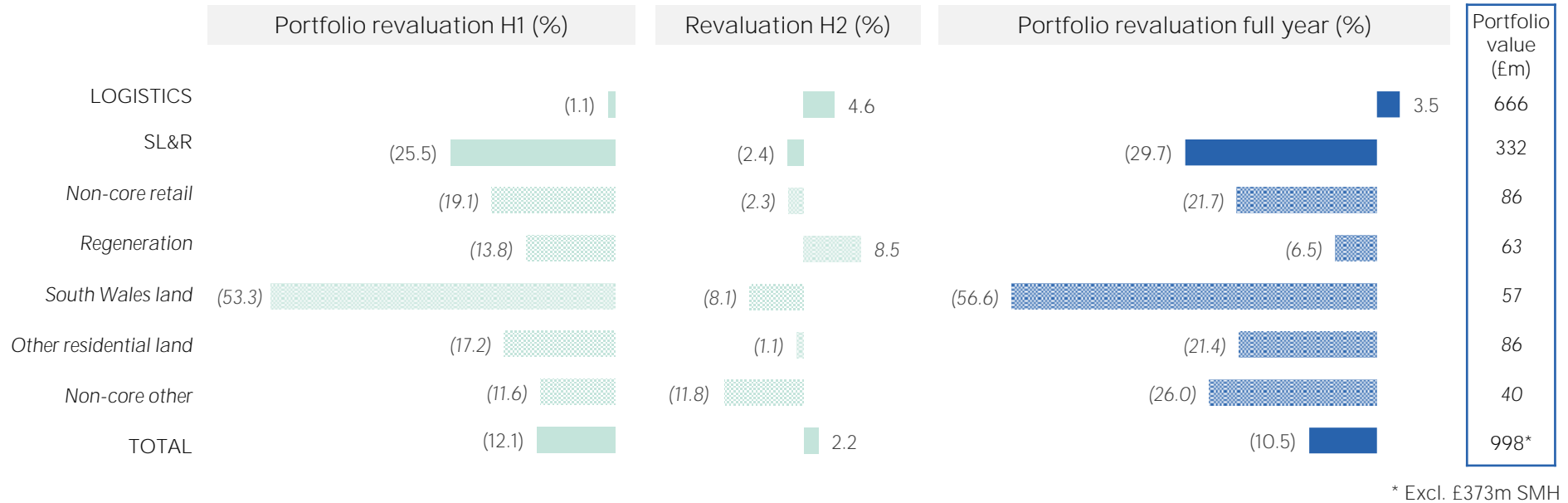
SMH operating profit down due to build pause (£m)



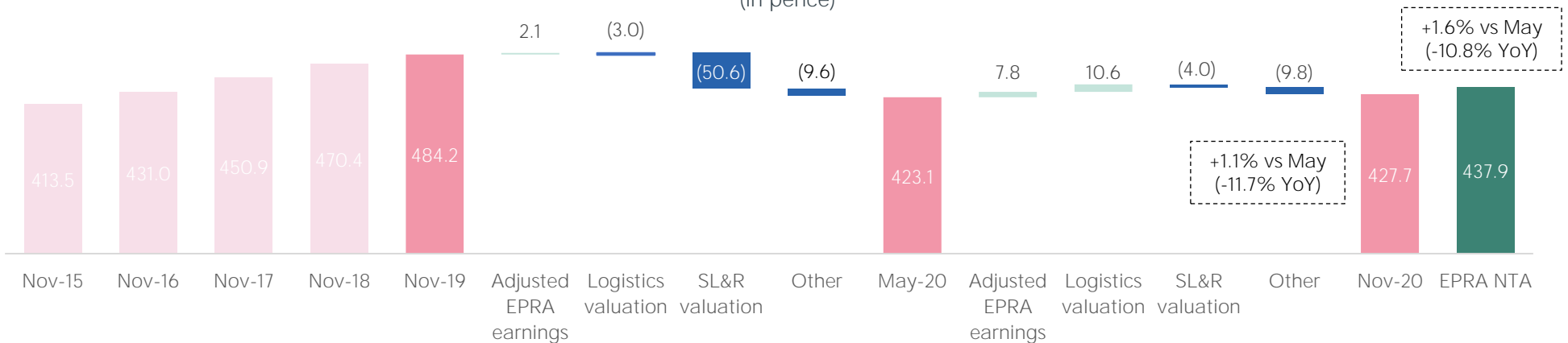
Substantial recovery in operating profit in H2 (£m)



Portfolio valuation and NAV up in H2 following reduction in H1



NAV per share up 1.1% in H2 following reduction in H1 (in pence)

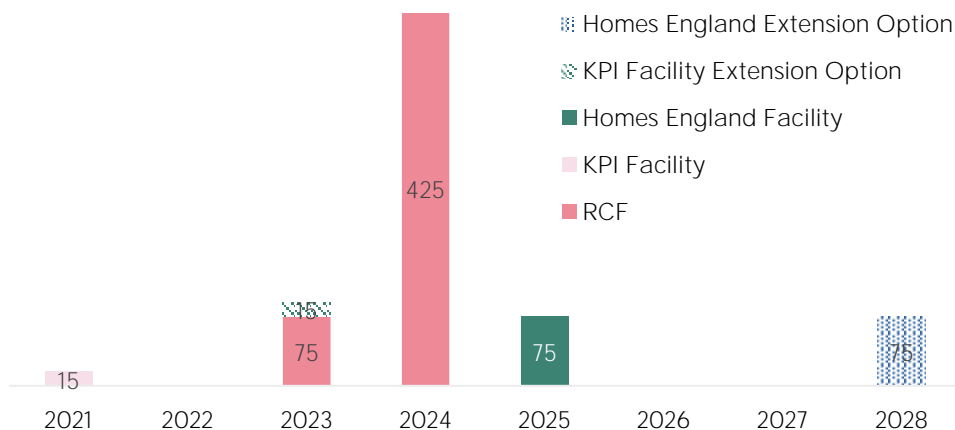


Strong capital base with 20% LTV provides room for growth

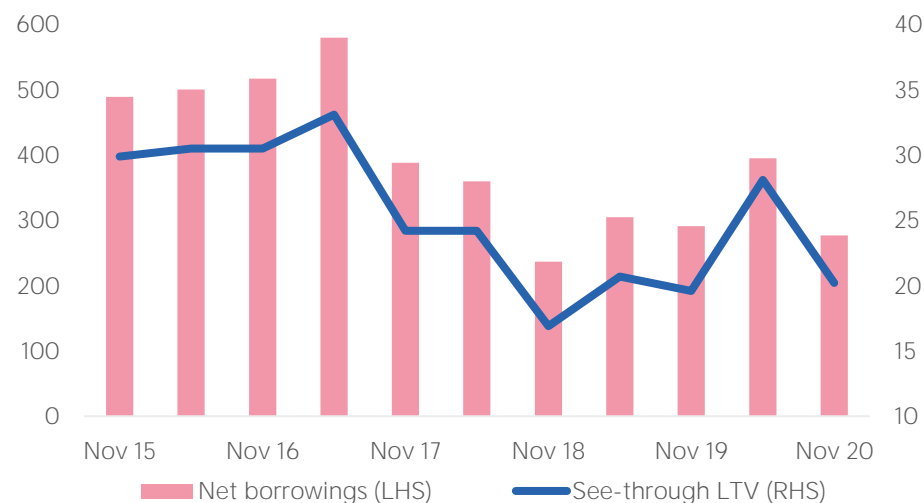
- £118m reduction in net borrowings since May due to successful non-core disposals
- Net borrowings to increase due to investment in growing income-producing logistics portfolio
- Stable LTV of 20% provides clear headroom for growth vs sub 30% target

Key debt metrics	Nov-20	Nov-19
Avg. duration of facilities (years)	3.9	4.9
Weighted avg. interest rate (%)	3.4	3.5
Gross borrowings fixed/hedged (%)	61	66
Net borrowings (£m)	277	291
Headroom (£m)	288	274
LTV (%)	20.2	19.6
LTV incl. cash on short-term deposit (%)	17.7	17.1

No significant debt maturities until December 2023 (maturity of existing facilities by calendar year, £m)



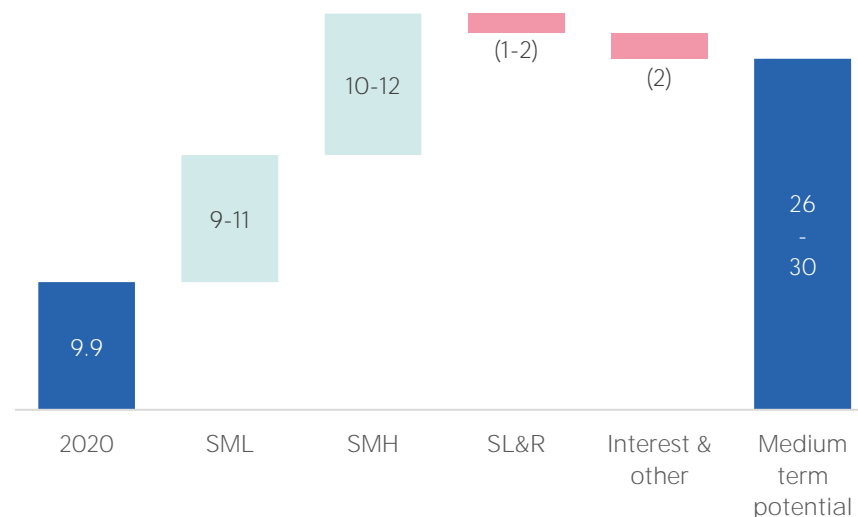
LTV remains well below sub 30% target (net borrowings in £m and LTV in %)



Clear path to growth in earnings and total return

- Aim to deliver c. 9-10% total return in medium term
- Potential to grow adjusted EPRA EPS to c. 28p in medium term, assuming market conditions remain as is
- Key drivers of adjusted EPRA EPS growth:
 - Continued investment in logistics pipeline
 - Growth in SMH volumes and margins
 - Recycling out of low-returning SL&R assets
- Expect 2021 adjusted EPRA EPS to be close to 2019 levels, assuming current trading remains as is
- Dividend payout of 50% of adjusted EPRA EPS

Potential to deliver material growth in EPS
(medium term adjusted EPRA EPS potential, in pence)



Outlook

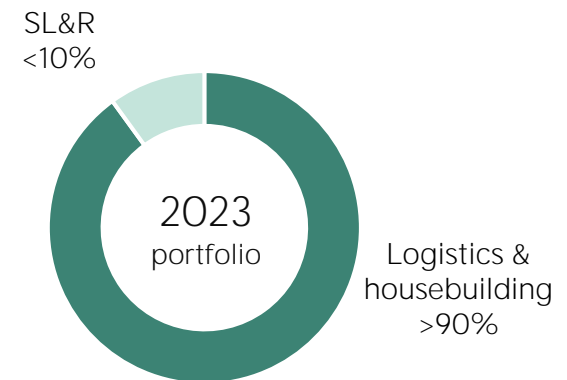
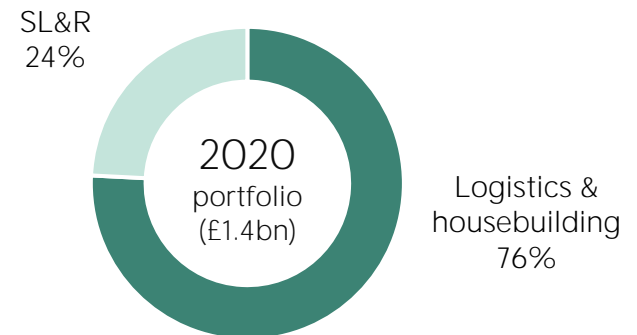
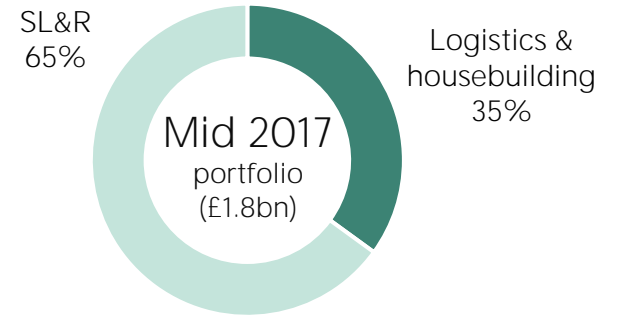


Our focus in executing our strategy

Grow our two high-quality, scalable platforms	<ul style="list-style-type: none">▪ Grow Logistics from £666m to >£1bn by 2023▪ Grow Homes from 1,000 to c. 1,500 units pa by 2023▪ Recycle c. £180-200m of SL&R assets in next 3 years	
Operational excellence	<ul style="list-style-type: none">▪ Grow Homes margins to 16-17% by 2023▪ Improve asset turn in housebuilding▪ Maintain industry leading accident frequency rate	
Responsible business	<ul style="list-style-type: none">▪ Deliver on six responsible business ambitions▪ Become Net Zero Carbon operationally by 2025▪ Deliver on the Future Homes Standard	
Customers	<ul style="list-style-type: none">▪ Improve customer understanding and engagement▪ Maintain 5* HBF customer recommend status	
People	<ul style="list-style-type: none">▪ Continue to support colleagues through pandemic▪ Evolve logistics from 'develop' to 'own and manage'	

Well-positioned for growth in two attractive sectors

- Clear strategic focus on two sectors which benefit from structural growth trends
- Two high-quality platforms to build scale, underpinned by strong land capability
- Refocus land and regeneration capability on supporting growth in two key sectors
- Secured pipeline to grow logistics portfolio and annual housing delivery by >50% by 2023
- Low 20% LTV and continued capital recycling provides room to invest
- Clear potential to grow adjusted EPRA EPS to c. 28 pence and total accounting return to c. 9-10% in medium term



Appendices



Disposals

FY 2020	Amount £m	EPRA Net Initial Yield %
<u>Acquisitions during 2020</u>		
Logistics land	4	-
Residential land	4	-
Total	8	-
<u>Disposals during 2020</u>		
Logistics	29	6.1
Non-core retail & other	32	6.5
Residential land	93	-
Total	154	6.3
<u>Disposals post period end</u>		
Non-core other	7	-
Total	7	-

Income statement – proportionally consolidated

	2020	2020	2020	2020	2020	2019
	St. Modwen Logistics	St. Modwen Homes	Strategic Land & Regeneration	Unallocated	Total	Total
	£m	£m	£m	£m	£m	£m
Gross rental income	25.6	-	17.3	-	42.9	48.6
Property outgoing	(5.4)	-	(7.2)	-	(12.6)	(11.6)
Other net income	0.3	-	0.6	-	0.9	3.1
Net rental & other income	20.5	-	10.7	-	31.2	40.1
Housebuilding operating profit	-	41.5	2.8	-	44.3	55.5
Development fee income	0.1	-	1.8	-	1.9	4.4
Business unit direct operating expenses	(2.7)	(11.1)	(5.3)	-	(19.1)	(21.7)
Central administrative expenses	-	-	-	(20.7)	(20.7)	(22.4)
Net interest costs	-	-	-	(10.4)	(10.4)	(9.3)
Taxation on adjusted EPRA earnings	-	-	-	(5.0)	(5.0)	(7.8)
Non-controlling interests on adjusted EPRA earnings	-	-	-	(0.1)	(0.1)	(0.1)
Adjusted EPRA earnings	17.9	30.4	10.0	(36.2)	22.1	38.7
Property revaluation and development gains	23.0	(3.4)	(150.1)	(3.3)	(133.8)	24.4
Property disposal gains/(losses)	(2.7)	-	(5.1)	-	(7.8)	(5.0)
Impairment of intangibles	-	-	-	(3.6)	(3.6)	-
Change in discounted market liability	-	-	(8.8)	-	(8.8)	-
Net other finance costs	-	-	(12.7)	(3.0)	(15.7)	(7.0)
Tax on other earnings	-	-	-	26.7	26.7	(1.7)
Less non-controlling interests on other earnings	-	-	-	(0.7)	(0.7)	1.3
Profit attributable to the owners of the Company	38.2	27.0	(166.7)	(20.1)	(121.6)	50.7

Balance sheet – proportionally consolidated

	Nov-20 St. Modwen Logistics £m	Nov-20 St. Modwen Homes £m	Nov-20 Strategic Land & Regeneration £m	Nov-20 Unallocated £m	Nov-20 Total £m	Nov-19 Total £m
Property portfolio	666	373	332	-	1,371	1,485
Other assets	12	30	53	98	193	207
Gross assets	678	403	385	98	1,564	1,691
Net borrowing	-	-	-	(277)	(277)	(291)
Lease liabilities	-	-	-	(8)	(8)	(9)
Other liabilities	(19)	(56)	(139)	(111)	(325)	(311)
Gross liabilities	(19)	(56)	(139)	(396)	(610)	(611)
Net assets	659	347	246	(298)	954	1,080
Non-controlling interests	-	-	-	(4)	(4)	(4.7)
Shareholders' funds	659	347	246	(302)	950	1,076
Business unit ROCE ⁽¹⁾	6.2	7.7	(46.2)			
NAV per share (p)					427.7	484.2
EPRA NTA per share (p)					437.7	490.8
See-through LTV (%)					20.2	19.6

(1) Business unit returns on capital employed are calculated as the business unit profit before interest and tax for the year divided by the average business unit net assets, after adding back any business unit specific net borrowings, for the year.

Portfolio overview

	Investment Assets	Current Developments	Land	Total
	£m	£m	£m	£m
<u>St. Modwen Logistics</u>				
Urban warehouse	304	-	-	304
Big box	138	-	-	138
Other	119	27	78	224
Total	561	27	78	666
<u>St. Modwen Homes</u>				
Housebuilding	-	142	231	373
Total	-	142	231	373
<u>Strategic Land & Regeneration</u>				
Residential land	-	1	142	143
Regeneration	6	-	57	63
Non-core retail	86	-	-	86
Non-core other	32	-	8	40
Total	124	1	207	332
Total portfolio	685	170	516	1,371

Portfolio valuation and yields

	Value	Portfolio movement	EPRA net initial yield	EPRA topped up net initial yield	Equivalent yield	LFL equivalent yield shift	LFL ERV growth
	£m	%	%	%	%	bps	%
<u>St. Modwen Logistics</u>							
Urban warehouse	304	3.0	3.5	5.1	6.1	(10)	0.3
Big box	138	6.6	0.5	2.1	4.8	(10)	0.7
Other	119	8.6	4.0	5.9	7.6	(50)	8.0
Current developments/land	105	(3.7)					
Total	666	3.5	2.9	4.5	6.1	(20)	2.8
<u>St. Modwen Homes</u>							
Housebuilding	373	-	-	-	-	-	-
Total	373	-	-	-	-	-	-
<u>Strategic Land & Regeneration</u>							
Residential land	143	(40.7)	-	-	-	-	-
Regeneration	63	(6.5)	-	-	-	-	-
Non-core retail	86	(21.7)	9.4	9.5	10.1	80	(6.4)
Non-core other	40	(26.0)	6.5	6.6	7.5	30	(4.2)
Total	332	(29.7)	8.9	9.1	9.0	70	(5.9)
Total portfolio	1,371	(10.5)	3.9	5.3	6.7	-	0.1

(1) ERV growth and yields on investment assets only.

Rent and vacancies

	Passing rent	Topped-up rent	ERV ⁽¹⁾	EPRA LFL rental income ⁽²⁾	EPRA vacancy ⁽³⁾	WAULT (break)	WAULT (expiry)
	£m	£m	£m	%	%	yrs	yrs
<u>St. Modwen Logistics</u>							
Urban warehouse	11.9	17.1	21.1	12.6	16.0	5.0	7.9
Big box warehouse	1.8	4.3	7.7	(13.2)	44.4	10.5	11.6
Other	6.3	8.6	10.8	5.1	13.3	6.9	7.8
Current developments/land	0.4	0.4	0.2	0.3	-	5.0	10.0
Total	20.4	30.4	39.8	6.1	20.7	6.4	8.4
<u>St. Modwen Homes</u>							
Total	-	-	-	-	-	-	-
<u>Strategic Land & Regeneration</u>							
Residential land	1.8	1.8	0.7	18.5	33.1	-	-
Regeneration	0.7	0.8	0.5	(16.8)	5.7	3.1	17.2
Non-core retail	9.9	10.1	10.4	(38.7)	11.3	5.2	6.3
Non-core other	3.1	3.1	3.3	(28.0)	11.6	5.2	7.2
Total	15.5	15.8	14.9	(29.5)	12.1	5.0	7.1
Total portfolio	35.9	46.1	54.7	(10.5)	18.4	6.0	8.0

(1) Excluding turnover rent at Trentham Gardens.

(2) Including impact of credit loss provision and temporary closure of Trentham as a result of Covid-19, £0.2m one-off and £0.6m impact from vacating space ahead of future redevelopment; 1.1% excluding these items.

(3) Adjusting for lettings since year-end pro-forma St. Modwen Logistics vacancy has reduced to 13.9%, as big box warehouse reduced to 9.0%.

Portfolio movements by sector

	Nov-19	Additions ⁽¹⁾	Disposals	Transfers	Valuation ⁽²⁾	Nov-20
	£m	£m	£m	£m	£m	£m
<u>St. Modwen Logistics</u>						
Urban warehouse	244	21	(8)	38	9	304
Big box	61	22	-	46	9	138
Other	133	1	(21)	(3)	9	119
Current developments / land	150	45	(2)	(84)	(4)	105
Total	588	89	(31)	(3)	23	666
<u>St. Modwen Homes</u>						
Housebuilding	384	176	(198)	12	(1)	373
Total	384	176	(198)	12	(1)	373
<u>Strategic Land & Regeneration</u>						
Residential land	259	40	(47)	(12)	(97)	143
Regeneration	96	1	-	(30)	(4)	63
Non-core retail	114	(2)	(3)	1	(24)	86
Non-core other	44	5	(27)	32	(14)	40
Total	513	44	(77)	(9)	(139)	332
Total portfolio	1,485	309	(306)	-	(117)	1,371

(1) Additions include purchases and capital expenditure.

(2) Valuation movement excludes development profits.

Portfolio movements by category

	Nov-19	Additions ⁽¹⁾	Disposals	Transfers	Valuation ⁽²⁾	Nov-20
	£m	£m	£m	£m	£m	£m
Investment	626	44	(47)	68	(6)	685
Development	205	93	(73)	(57)	2	170
Land	654	172	(186)	(11)	(113)	516
Total	1,485	309	(306)	-	(117)	1,371

(1) Additions include purchases and capital expenditure.

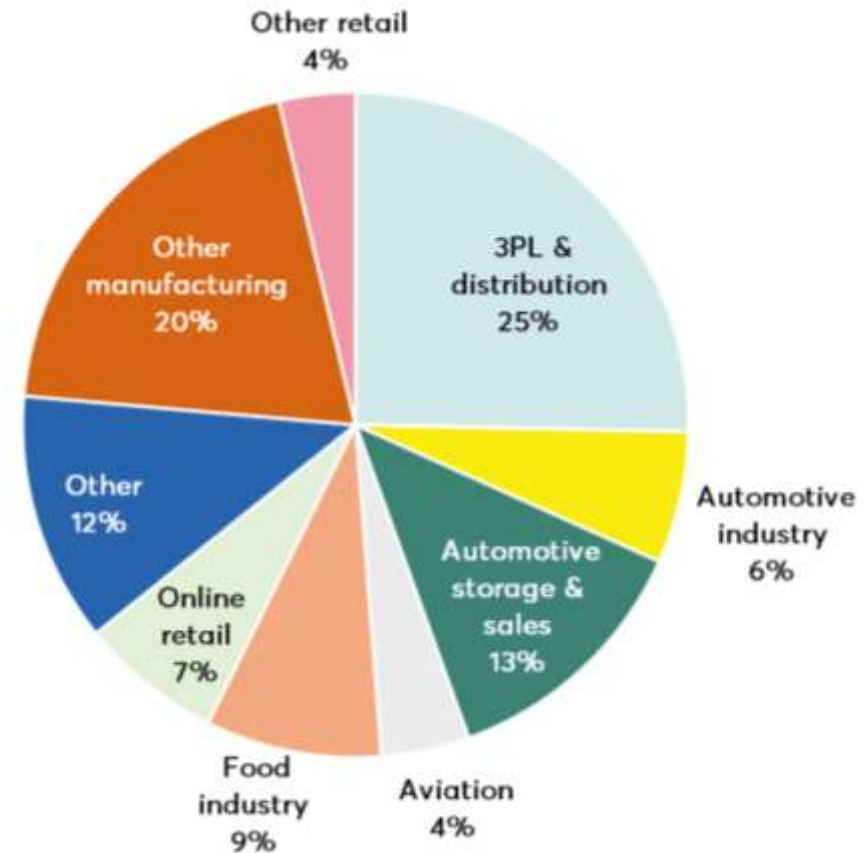
(2) Valuation movement excludes development profits.

Our diversified logistics customer base

Top 10 customers ^(1, 2)

	£m
Winit	2.1
BCA Fleet Solutions	2.0
Gatwick Airport	1.4
DB Schenker	1.2
Ocado	1.1
SMH Fleet Solutions	1.0
General Electric Energy	1.0
XPO Logistics	0.9
Grupo Antolin	0.9
DHL	0.9
Total	12.5

Logistics customer exposure ⁽¹⁾



(1) St. Modwen's share of contracted annual rent, including leases signed since the year-end.

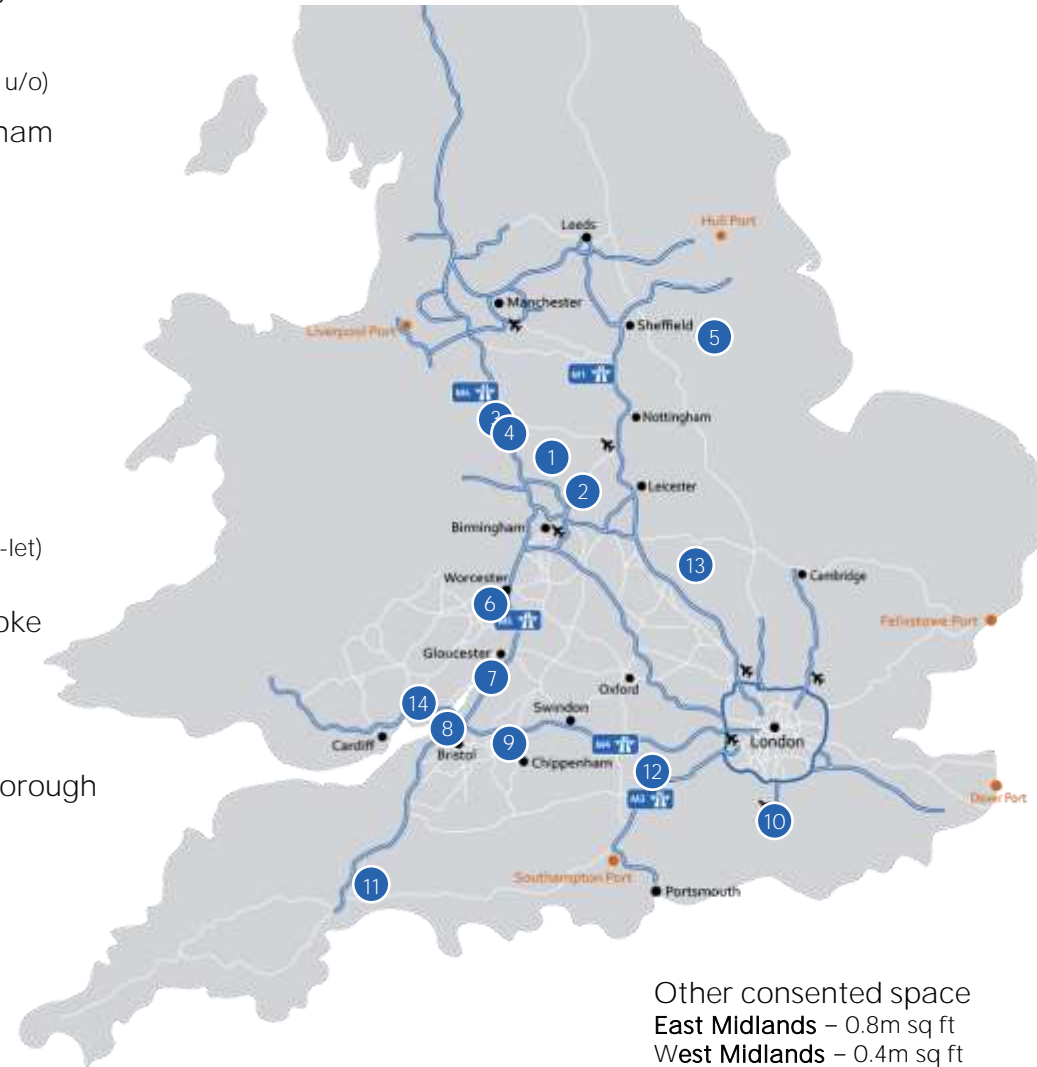
(2) Top 10 logistics customers are equal to top 10 customers of the overall Group.

Committed logistics development pipeline

Project	Size	Units	Expected completion	Pre-let	Total development cost	Current book value	Future capex	ERV	Yield on cost
	000 sq ft			%	£m	£m	£m	£m	%
<u>Big box logistics</u>									
Exeter	196	1	H2 2022	100					
Gloucester	116	1	H2 2021	100					
Newport	101	1	H1 2021	-					
<u>Urban warehouse</u>									
Stoke	224	3	H2 2021	-					
Gloucester	189	4	H2 2021	-					
Tamworth	161	3	H2 2021	-					
Basingstoke	138	3	H2 2021	-					
Wellingborough	139	2	H2 2021	-					
Lincoln	124	4	H2 2021	-					
Worcester	73	2	H2 2021	-					
Gatwick	65	1	H1 2021	-					
Newport	30	1	H1 2021	-					
Total	1,555	26		19	155	27	128	11.5	7.5

Logistics pipeline

- 1 St. Modwen Park Burton
Location: A38
Potential size: 0.9m sq ft
Completed: 310k sq ft (100% let)
- 2 St. Modwen Park Tamworth
Location: junction 10, M42
Potential size: 0.8m sq ft
Completed: 565k sq ft (95% let)
Committed: 161k sq ft
- 3 St. Modwen Park Stoke Central
Location: junction 15 – 16 M6
Potential size: 0.5m sq ft
Completed: 43k sq ft (100% let)
- 4 St. Modwen Park Stoke South
Location: A50 / A5035
Potential size: 0.4m sq ft
Completed: 184k sq ft (44% let)
Committed: 224 sq ft
- 5 St. Modwen Park Lincoln
Location: A46
Potential size: 0.7m sq ft
Completed: 176k sq ft (100% let)
Committed: 124k sq ft
- 6 St. Modwen Park Broomhall
Location: junction 6 – 7, M5
Potential size: 0.2m sq ft
Committed: 73k sq ft
- 7 St. Modwen Park Gloucester
Location: junction 12, M5
Potential size: 1.1m sq ft
Completed: 380k sq ft (100% let)
Committed: 305k sq ft (55% pre-let & u/o)
- 8 St. Modwen Park Access 18
Location: junction 18, M5
Potential size: 1.4m sq ft
Completed: 371k sq ft (81% let & u/o)
- 9 St. Modwen Park Chippenham
Location: junction 17, M4
Potential size: 1.0m sq ft
Completed: 106k sq ft
- 10 St. Modwen Park Gatwick
Location: junction 10, M23
Potential size: 0.4m sq ft
Completed: 100k sq ft (100% let)
Committed: 65k sq ft
- 11 Skypark, Exeter
Location: junction 29, M5
Potential size: 0.2m sq ft
Committed: 196k sq ft (100% pre-let)
- 12 St. Modwen Park Basingstoke
Location: junction 6, M3
Potential size: 0.1m sq ft
Committed: 138k sq ft
- 13 St. Modwen Park Wellingborough
Location: A45 / A14
Potential size: 0.8m sq ft
Committed: 139k sq ft
- 14 St. Modwen Park Newport
Location: junction 23a, M4
Potential size: 1.2m sq ft
Committed: 131k sq ft



Other consented space
 East Midlands – 0.8m sq ft
 West Midlands – 0.4m sq ft
 South West – 0.2m sq ft

Residential pipeline

Residential plots (000)	Owned	Controlled	Total
St. Modwen Homes	5.9	-	5.9
Strat. Land & Regeneration	6.6	6.8	13.4
Plots with planning	12.5	6.8	19.2
Strategic land	3.4	3.6	7.0
Total	15.9	10.4	26.3

Joint venture arrangements

	KPI	VSM Estates Uxbridge	VSM Estates Mill Hill	VSM NCGM
Nov 2020				
Property portfolio (£m)	95.7	24.4	0.0	25.5
NAV (£m)	87.2	(0.5)	5.7	15.3
Net (borrowings)/cash (£m)	1.1	4.0	4.9	9.5
LTV (%)	0.0	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
Profit before tax (£m)	(11.1)	(10.6)	(2.7)	(29.2)
St. Modwen share (%)	50	50	75	50
Nov 2019				
Property portfolio (£m)	111.9	37.2	0.0	17.7
NAV (£m)	98.1	9.6	11.3	31.0
Net (borrowings)/cash (£m)	(6.4)	0.3	13.1	14.0
LTV (%)	5.7	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
Profit before tax (£m)	(1.4)	(5.2)	1.9	(0.0)
St. Modwen share (%)	50	50	75	50

(1) This metric is not applicable to these joint ventures as they have no borrowing facilities.

Glossary

- **Adjusted EPRA earnings** – EPRA earnings adjusted to include development profits from housebuilding, the amortisation of loan arrangement fees (including the Group's share of its joint ventures and associates) and tax associated with both of these company specific adjustments.
- **Adjusted EPRA earnings per share** – Adjusted EPRA earnings divided by the weighted number of shares in issue during the period (excluding shares held by The St. Modwen Properties PLC Employee Share Trust).
- **ASP** - the weighted average sales price of St. Modwen Homes units sold.
- **Business unit returns on capital employed** - calculated as the business unit profit before interest and tax for the year divided by the average business unit net assets, after adding back any business unit specific net borrowings, for the year.
- **EPRA** – the European Public Real Estate Association, a body that has put forward recommendations for best practice in financial reporting by real estate companies.
- **EPRA earnings** – the Group profit for the year, excluding investment property revaluation gains/losses, gains/losses on disposal of investment properties and inventories and associated items, and movements in the fair value of financial instruments. Each of these adjustments is made for both the Group and the Group's share of its joint ventures and associates and is net of current and deferred tax charges/credits.
- **EPRA net tangible assets (EPRA NTA)** – net asset value, adjusted to include the fair value of inventories and exclude deferred tax on capital allowances and revaluations on the retained portfolio, intangibles and the mark-to-market of derivative financial instruments.
- **EPRA net tangible assets per share** – EPRA net tangible assets divided by the number of ordinary shares in issue at the period end (excluding shares held by The St. Modwen Properties PLC Employee Share Trust).
- **EPRA net initial yield (NIY)** – the yield that would be received by a purchaser, based on the current annualised rental income, net of non-recoverable outgoings (as determined by the external valuers), expressed as a percentage of the acquisition cost, being the market value plus assumed actual purchasers' costs at the reporting date.
- **EPRA topped-up net initial yield** – EPRA net initial yield adjusted to include the expiration of rent free periods or other unexpired lease incentives within annualised net rental income.
- **EPRA vacancy** – the ERV attributable to vacant space expressed as a percentage of total ERV (including the Group's share of joint ventures and associates but excluding any properties under development).
- **Equivalent yield** – the weighted average income return (after adding notional purchaser's costs) a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the external valuers) assume rent is received annually in arrears.
- **Equivalent yield shift** – the movement in the equivalent yield of a property asset during the period.
- **Estimated rental value (ERV)** – the Group's external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of the property.
- **Loan-to-value (LTV)** – the level of the Group's net borrowings expressed as a percentage of the Group's property portfolio
- **Net asset value (NAV)** – equity attributable to owners of the Company.
- **Net asset value (NAV) per share** – net asset value divided by the number of ordinary shares in issue at the period end (excluding shares held by The St. Modwen Properties PLC Employee Share Trust).
- **Net borrowings** – total borrowings (at amortised cost and excluding lease liabilities) less cash and cash equivalents.
- **Return on capital employed (ROCE)** – Business unit profit before interest and for the year divided by the average business unit net assets, after adding back any business unit specific net borrowings, for the year.
- **Passing rent** – the annualised rental income of a property net of outstanding rent-free lease incentives.
- **Topped-up rent** – passing rent adjusted to include the expiration of rent free periods or other unexpired lease incentives.
- **Total accounting return (TAR)** – the increase in net asset value per share for the period, plus dividends paid per share during the period, expressed as a percentage of net asset value per share at the start of the period.
- **Total development costs** – the expected development costs of a project, including the value of land at the start of the project and any associated land capital expenditure.
- **Weighted average unexpired lease term (WAULT)** – the weighted average remaining lease term.
- **Yield on cost** – the expected headline ERV on completion of a property under development expressed as a percentage of the estimated total development cost.
- **Yield on capex** – the yield on cost excluding the book value of land if the land is owned by the Group in the reporting period prior to commencement of the development.

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